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FALL FORECAST DOR

REVENUE SOURCES BOOK FORECAST & HISTORICAL DATA

FALL 1995

STATE OF ALASKA

Tony Knowles, Governor

DEPARTMENT OF REVENUE

Wilson L. Condon, Commissioner

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF REVENUE

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December 6, 1995

The Honorable Tony Knowles
Governor of Alaska
P.O. Box 110001
Juneau, Alaska 99811-0001

Dear Governor Knowles:

Enclosed is our fall revenue forecast. I am happy to report that FY95 general fund unrestricted revenues were nearly \$200 million higher than we forecast last spring. Well over half of this increase results from higher than expected Corporate Income Tax receipts and from a partial resolution of the dispute relating to the Supplemental Benefits System and Executive Life Insurance Company.

Our short-term (FY96-FY98) forecast is only slightly changed from last spring. ANS prices have averaged close to our spring base case of \$16.52/bbl thus far in FY96. In the last two months, however, weak U.S. demand and new non-OPEC production have slightly depressed prices. To reflect this trend, we lowered our forecast base case price for FY96 to \$16.36/bbl, and for FY97 to \$16.41/bbl. Production from the North Slope has been slightly below the 1.5 million bbl/day we forecast last spring. Production should increase somewhat this winter because colder temperatures increase operating efficiencies. We now forecast ANS production to average 1.499 million bbl/day in FY96 and 1.409 million bbl/day in FY97.

Offsetting these slight declines in oil prices and volumes are increases in our projected non-oil and gas revenues, particularly corporate income taxes. The net result of these changes is a slight upward revision in short-term revenues from last spring to \$1,381.3 million in FY96 and \$1,837.6 million in FY97.

Our long-range price forecast is almost identical to last spring's; nothing has changed which would lead us to change our assessment of the basic oil market outlook. Last spring we forecast that prices would remain at their present levels, after adjusting for inflation, for the next three or four years. For the next two years we believe increased production from non-OPEC countries will satisfy almost all the increase in worldwide demand. Thereafter, OPEC should be able to more effectively make its weight felt in the marketplace as a consequence of their increasing production share. We forecast modest, long-term real price increases (beginning in FY99) occasioned by OPEC's ability to capture most of the incremental demand.

Anticipated state revenues for the longer term, FY98-FY2010, have declined an average of \$175 million per year from the forecast we issued in the spring. The decline results from a reduction in our forecast of North Slope production volumes offset somewhat by a projected increase in non-oil and gas revenue.

In the past, the focus of state policy makers has been on revenue forecasts pertaining to the current and following fiscal years. For this reason, the Department of Revenue developed a well-documented method seven years ago for making short-term forecasts. Last spring, with the focus shifting toward a long-range financial plan, the long-term revenue forecast became much more important. As oil production from the North Slope continues to decline, our longer term forecasts will probably become even more important. For this reason, the Department of Revenue, in conjunction with this fall forecast, thoroughly reviewed the procedures and computer models used for these long-term forecasts. As a result of this review, we concluded that our long-term forecast requires modification in two areas: (1) the forecasting procedures for oil and gas production volumes; and (2) the longer term outlook from non-oil and gas revenues.

As a result of our detailed review, we have concluded that the long term North Slope production volume forecasts for the

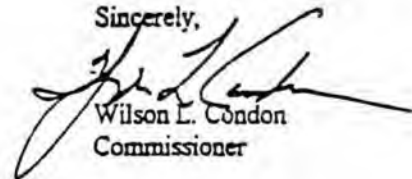
two largest reservoirs - Prudhoe Bay and Kuparuk - need to be revised. The need for these revisions resulted from using a computer model to forecast long term North Slope production. Certain variables in the model were misspecified and some of the assumptions used in that model were incorrect.

As a consequence of the increasing importance of the Department's long-range revenue forecast, we propose to make the following changes in our forecast procedures:

- First, we propose to undertake a long-range forecast only once a year, in the fall. Our spring forecast, then, would focus only on the two most current fiscal years.
- Second, we propose to place more emphasis on our long-range price forecast. As you may know, we have a well-established process for forecasting short-term future oil prices. In this process we involve staff from our department, the Department of Natural Resources, the Alaska Oil & Gas Conservation Commission, the University of Alaska, and the Legislature. We propose to extend the focus of this process to the long term.
- Third, we propose a much more rigorous procedure for volume forecasting, similar to the one we currently use for short term price projections.

While we are confident that our detailed review uncovered any material discrepancies resulting from the use of the model in earlier forecasts, we decided to have a team of specialists from outside the Department do a comprehensive audit of our recent long-term forecasts. The auditors have been asked to make recommendations regarding how we go about our long-term forecasts and to carefully review the very complex model we are now using to predict long range production volumes. After the audit is complete and our contractors make their own recommendations, we may further modify our procedures for longer-term revenue forecasting.

Sincerely,



Wilson L. Condon
Commissioner

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REVENUE FORECAST SUMMARY

Outlook for Short Term (FY 1996 - FY 1998)

FY 1996 Alaska North Slope (ANS) Lower 48 oil prices have averaged \$16.60/bbl thus far, \$5.08/bbl above our base case assumption made last spring. (ANS Lower 48 averaged \$16.83/bbl in FY 1995.) The Organization of Petroleum Exporting Countries (OPEC) has produced at or slightly above its 24.5 million barrel per day quota since September 1993. In November 1995, OPEC members agreed to roll over its current quota another six months. Continued increases in non-OPEC production—mainly due to prolific new fields coming on-line in the North Sea—have met most of the incremental demand leaving OPEC little choice but to try to hold the line on production.

The base case scenario assumptions used for this forecast are only modestly changed from those used for the spring 1995 forecast with minor adjustments in the both price and production outlook. Two alternative price scenarios are also presented in this forecast. The scenarios are summarized as follows:

Base Case Scenario: Continued global economic growth results in increasing worldwide oil consumption. OPEC continues to hold the line on overall member production levels while non-OPEC supplies continue to increase with new production coming on-line from the North Sea. The production decline in the Commonwealth of Independent States (CIS) bottoms out. Oil prices remain relatively stable in FY 1996 and rise minimally in FY 1997.

Low Price Alternative: Global oil consumption is sluggish as global economic activity slows. The embargo on Iraqi production is partially lifted. Non-OPEC production increases significantly as production from new development projects outpaces declines from older fields. There is persistent downward pressure on oil prices.

High Price Alternative: Oil consumption increases rapidly in response to a very robust global economy. Increased consumption puts pressure on available crude supplies and oil prices rise in response as growing market share allows OPEC to achieve both higher production and prices.

Table 1

General Fund Unrestricted Revenues and ANS Lower 48 Price

	Base Case		Low Price Alternative		High Price Alternative	
	(\$Mil)	(\$/bbl)	(\$Mil)	(\$/bbl)	(\$Mil)	(\$/bbl)
FY 1995 Prelim. Actual	2,079.6	16.83	2,079.6	16.83	2,079.6	16.83
FY 1996	1,881.3	16.36	1,691.7	15.61	2,077.9	17.08
FY 1997	1,837.6	16.41	1,581.6	14.67	2,084.6	17.93
FY 1998	1,820.6	16.69	1,524.8	14.66	2,046.2	18.53

Outlook for Long Term (FY 1999 - FY 2015)

The long-term outlook for State revenues assumes that the current fiscal system remains the same in the future with respect to State taxes and royalties. Given Alaska's dependence on petroleum revenues, Alaska's revenue future closely tracks the continued depletion of petroleum reserves, in particular, the mammoth Prudhoe Bay oil field. Changes in this forecast from that made last spring reflect a reduced outlook for Prudhoe Bay, a result of a correction in our long-run production feasibility model and a modest reduction in our baseline assumptions about black oil consistent with our assumptions about natural gas liquids (NGL). Although higher oil prices may offset some of the impact of lower production levels, revenues will decline barring new oil and gas discoveries.

The current base case oil production forecast projects total Alaska oil production to be one-half current levels (approximately .75 million bbl/day) by FY 2009. For the base case, real (after-inflation adjusted) oil prices are assumed to fall slightly to 1998, then on average to keep pace with inflation and increase at .5 percent per year starting in 1999. For the low price alternative, real oil prices are estimated to decrease at 2 percent per year. And, for the high price alternative, real prices will grow at 1.6 percent per year.

Clearly, Alaska will be a major oil producing region for years to come; however, if oil prices remain roughly the same, halving production would reduce State oil revenues by more than one-half since the severance tax rate will fall as production falls. This is the effect of the Economic Limit Factor (ELF) and is illustrated in Figure 2.

This forecast is based on production from known fields. It does not include any revenues from oil fields which may be discovered and developed, such as potential fields contained in the Arctic National Wildlife Refuge (ANWR).

Table 2

General Fund Unrestricted Revenues and ANS Lower 48 Price

	Base Case		Low Price Alternative		High Price Alternative	
	(\$Mil)	(\$/bbl)	(\$Mil)	(\$/bbl)	(\$Mil)	(\$/bbl)
FY 1999	1,890.2	17.97	1,436.2	14.65	2,121.2	19.85
FY 2000	1,886.1	18.64	1,343.6	14.51	2,248.5	20.88
FY 2001	1,846.7	19.34	1,250.4	14.57	2,292.6	21.98

Figure 1 General Fund Unrestricted Revenues
 FY 1995 Preliminary Actual and FY 1996 - FY 2015 Estimates

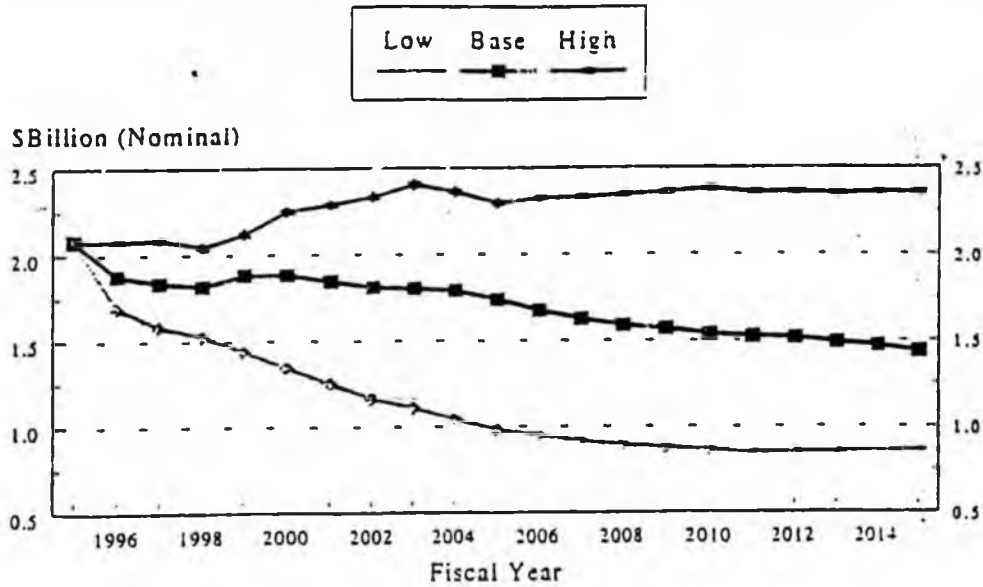


Figure 2 Decline of Economic Limit Factor (ELF)
 Forecast for Fields With Current ELF Greater Than Zero

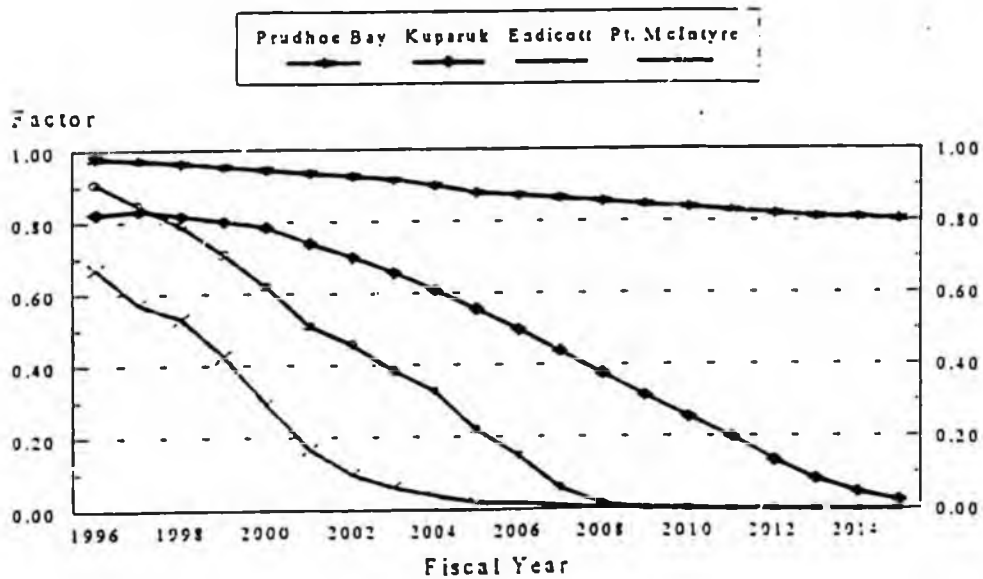


Figure 3

ANS Lower 48 Spot Prices
 FY 1995 Preliminary Actual and FY 1996 - FY 2015 Estimates

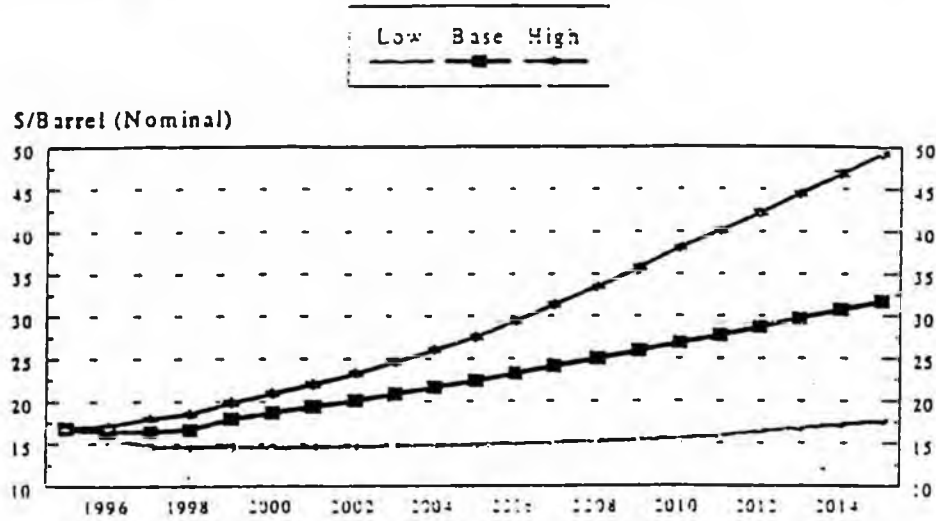
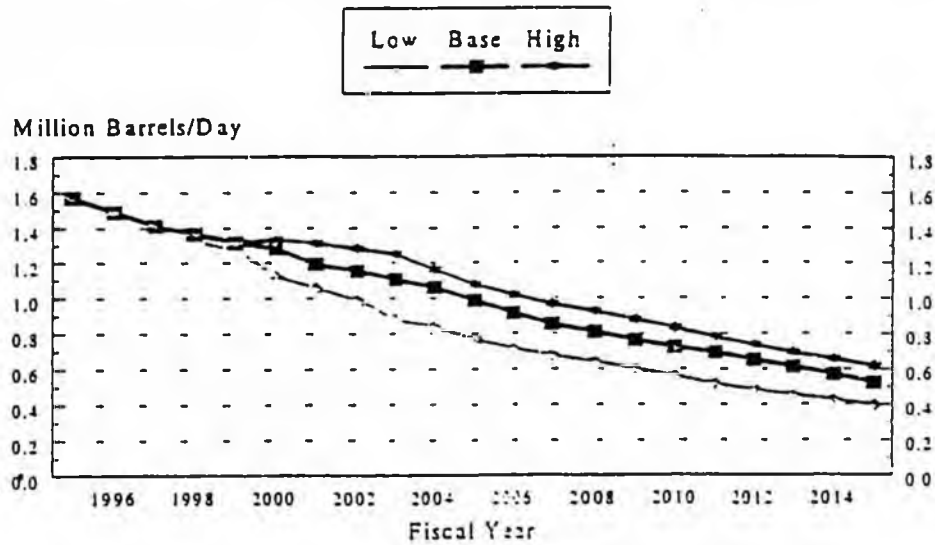


Figure 4

ANS Production: Black Oil and NGLs
 FY 1995 Preliminary Actual and FY 1996 - FY 2015 Estimates



REVENUE FORECAST: SHORT-TERM OUTLOOK (FY 1996 - FY 1998)

This section underlines the importance of petroleum revenues to Alaska's total revenues; discusses the current oil markets; sets out the petroleum forecast assumptions; describes the other revenue source assumptions; discusses the methodology used to generate the price and production projections; and finally, concludes with a summary of the short-term oil price assumptions.

General Fund Unrestricted and Restricted Revenues

This section analyzes unrestricted revenues for the remainder of FY 1996 to FY 1998. The Alaska State Legislature has discretionary control over the expenditure of all unrestricted revenues. Other funds which are part of the budget are restricted by either (1) the federal government, (2) State statute, or (3) constitutional dedication.

Due to the nature of the limitation for expenditure of restricted revenues, this publication addresses unrestricted revenues only.

The table on the next three page shows preliminary actual General Fund unrestricted revenues for FY 1995. Additionally, General Fund unrestricted revenues are projected for FY 1996 through FY 1998 for the fall 1995 base case scenario and low and high price alternatives.

Table 3

GENERAL FUND UNRESTRICTED REVENUES

(Millions of Dollars)

TAXES	FY95 Preliminary Actual	Base Case			Low Price Alternative			High Price Alternative		
		FY96	FY97	FY98	FY96	FY97	FY98	FY96	FY97	FY98
Income	67.0	65.0	60.0	55.0	30.0	30.0	30.0	75.0	70.0	65.0
Corporate - General	128.5	120.0	110.0	105.0	75.0	75.0	75.0	175.0	165.0	155.0
Corporate - Petroleum	195.5	185.0	170.0	160.0	105.0	105.0	105.0	250.0	235.0	220.0
Total (1)(2)										
Severance	769.8	693.8	673.8	664.6	658.8	587.9	551.7	770.5	766.8	742.9
Oil & Gas Production	2.0	1.9	1.8	1.7	1.9	1.8	1.7	1.9	1.8	1.7
Oil & Gas Conservation	22.1	14.0	13.2	12.8	14.0	13.2	12.8	14.0	13.2	12.8
Oil & Hazardous Release (3)	793.2	709.7	688.8	672.1	674.7	602.9	566.2	786.4	781.8	757.4
Total										
Property (4)	57.3	53.9	51.5	49.3	53.9	51.5	49.3	53.9	51.5	49.3
Oil & Gas										
Sale/Use	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Alcoholic Beverages	8.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Fuel Taxes - Aviation (5)	24.0	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
Fuel Taxes - Highway	7.6	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Fuel Taxes - Marine	14.4	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
Tobacco Products	66.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0
Total										
Miscellaneous - Other Taxes	39.0	34.0	34.0	34.0	20.0	20.0	20.0	40.0	40.0	40.0
Fish Business (6)	5.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Salmon Enhancement (7)	3.2	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Seafood Marketing (8)	4.7	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Salmon Marketing (9)	7.3	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Fish Landing (10)	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
Insurance Companies	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Electric & Telephone Coop (11)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Gaming (12)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Mining License Tax	1.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Estate	93.8	84.6	84.6	84.6	70.6	70.6	70.6	90.6	90.6	90.6
Total										
TOTAL TAXES	1206.5	1097.2	1058.9	1037.0	968.2	894.0	855.1	1244.9	1222.9	1181.3

LICENSES & PERMITS

Business (13)(14)	3.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Non-Business	31.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Total	34.7	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0

INTERGOVERNMENTAL RECEIPTS

Federal Shared Revenues (15)(16)	4.1	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Section 8(g) Funds (15)(17)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total	4.2	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1

RESOURCE SALES AND ROYALTIES

Sale/Use										
Bonus Sales (15)(18)(19)	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rents (15)(19)	4.6	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Royalties (15)	633.2	603.4	598.3	603.2	550.3	514.7	496.8	644.7	673.7	676.9
Sale of State Property (13)	19.6	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Gravel, Timber, etc. (13)	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	652.0	618.2	613.8	618.7	565.8	530.2	512.3	660.2	689.2	692.4

INVESTMENT EARNINGS

	66.5	37.8	37.8	37.8	30.3	30.3	30.3	45.4	45.4	45.4
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FACILITIES RELATED CHARGES

Airports	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Ferry System (20)	41.5	41.3	41.0	41.0	41.3	41.0	41.0	41.3	41.0	41.0
Other	5.3	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total	47.3	46.8	46.5	46.5	46.8	46.5	46.5	46.8	46.5	46.5

SERVICES RELATED CHARGES

Court System	6.4	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Other	5.9	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total	12.3	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5

MISCELLANEOUS REVENUE

	42.2	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
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TOTAL UNRESTRICTED REVENUE (21)

	2072.6	1881.3	1837.6	1820.6	1691.7	1581.6	1524.8	2072.2	2084.6	2046.2
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FOOTNOTES

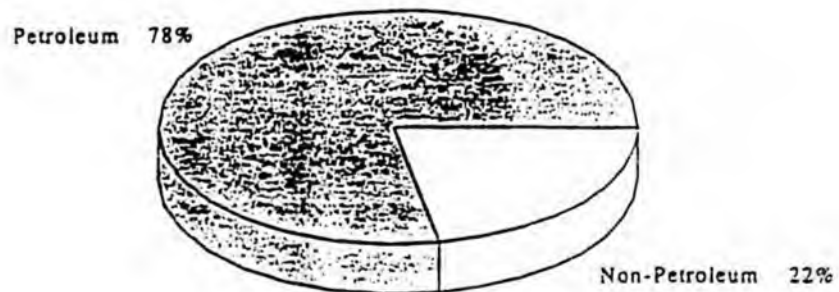
- (1) Tax settlements in FY 95 that must be paid to the Constitutional Budget Reserve Fund (CBRF) are not included in estimated revenues.
- (2) Amounts include that portion (\$34.4 million in FY 95) annually shared through the municipal assistance program (AS 29.60.350).
- (3) Reflects enactment of the modified conservation surcharge on oil (Ch. 128, SLA 1994).
- (4) Amounts represent the State's share of total oil and gas property taxes collected. Estimated total property taxes and the municipalities' share respectively are as follows (millions \$): FY 96: \$304.5 and \$250.6; FY 97: \$296.5 and \$245; FY 98: \$287.7 and \$238.4.
- (5) Includes amounts annually shared to qualified municipalities (AS 43.40.010).
- (6) The \$39 million for FY 95 is the remainder after tax credits have been applied. Amounts collected after tax credits are subject to municipal revenue sharing (AS 43.75.130). In FY 95 the shared revenues were \$19.4 million.
- (7) Provides annual funding, based on collections, for qualified regional aquaculture associations (AS 43.76 and AS 29.60.450).
- (8) Provides annual funding, based on collections, for the Alaska Seafood Marketing Institute (AS 16.51.160).
- (9) The salmon marketing tax applies to permit holders per AS 43.76 and became effective July 1, 1993.
- (10) The fish landing tax per AS 43.77 became effective January 1, 1994. Revenue collections began in FY 95. Due to pending litigation regarding the constitutionality of the landing tax, it is undetermined at the time of publication whether to share with municipalities or escrow taxes until the litigation is resolved.
- (11) 70 percent of tax shared with local taxing authorities (AS 10.25.570).
- (12) Reflects enactment of the Gaming Reform Act (AS 05.15).
- (13) Most fees charged by various agencies are restricted program receipts and not General Fund unrestricted revenues.
- (14) Amounts include that portion of amusement and gaming licenses (AS 43.35.050) and liquor licenses (AS 04.11.610) annually shared to qualified municipalities.
- (15) Net of Permanent Fund and Public School Fund contributions.
- (16) National forest receipts transferred to organized and unorganized boroughs per Chapter 37, SLA 1991.
- (17) The OCS "8(g)" (disputed federal bonus from 1979 Beaufort Sea sale) monies normally deposited in the General Fund are now transferred to the budget reserve fund (CBRF) based on the Alaska Supreme Court opinion of April 4, 1994.
- (18) Figures for FY 95 reflect the State's unrestricted General Fund share of actual State lease sales: FY 95 (Sale 78, Cook Inlet, October 31, 1994, \$1,654,137).
- (19) The Department of Natural Resources projects the following tentative FY 96, FY 97, and FY 98 state lease sales: FY 96 (Sale 67A-W2, Cook Inlet, November 1995—Sale 74W, Cook Inlet, November 1995—Sale 76W, Cook Inlet, November 1995—Sale 78W, Cook Inlet, November 1995—Sale 80, Shavirovik, December 1995); FY 97 (Sale 85A, Cook Inlet, December 1996—Sale 86, Central Beaufort Sea, April 1997); FY 98 (Sale 87, North Slope, March, 1998). Amounts from bonus bids cannot be anticipated prior to sales; therefore, no estimates are provided.
- (20) Chapter 193, SLA 1990, established the Alaska Marine Highway System Fund and provided that gross revenues of the State ferry system be deposited in the fund which may then be appropriated for operating and capital expenditures.
- (21) The State, per AS 38.05.180, may grant incentive credits against royalties, severance taxes and rentals to companies for drilling exploratory wells. Credits granted for FY 95 have not been deducted from total unrestricted revenues. Additional credits are anticipated in subsequent years.

Petroleum Revenues

Petroleum revenues accounted for 78 percent of General Fund unrestricted revenues in FY 1995. The majority of total State petroleum production revenues continues to come from the Alaska North Slope (96 percent in FY 1995). The figure below shows the relationship of petroleum revenues to all revenues for FY 1995.

Figure 5

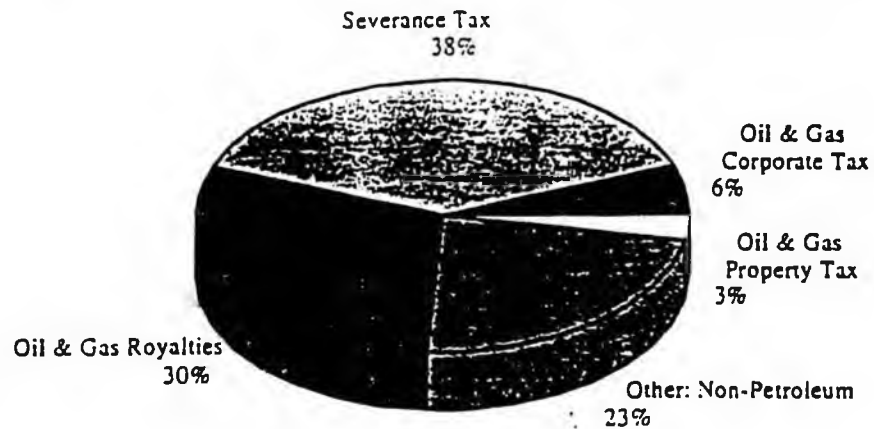
FY 1995 General Fund Unrestricted Revenues



Petroleum revenues consist of: (1) severance taxes (also called production taxes); (2) royalties on oil and gas from State and federal lands; (3) corporate income taxes from corporations producing and transporting oil and gas; (4) oil and gas property taxes; and (5) oil and gas rents and lease bonuses.

Figure 6 below shows detailed petroleum and non-petroleum revenues as percentages of total General Fund unrestricted revenues.

Figure 6 FY 1995 General Fund Unrestricted Revenues



Petroleum revenues will continue to dominate Alaska's General Fund unrestricted revenues in the short term under all three scenarios as shown in Table 4 below.

Table 4
**General Fund Unrestricted Revenues
 Petroleum Revenues as a Percentage of the Total**

	<u>Total G.F. Unrestricted from Petroleum</u>	<u>Total G.F. Unrestricted Revenues</u>	<u>Percent</u>
<u>FY 1995</u> Prelim.Actual	1,623.6	2,079.7	78
<u>Base Case</u>			
FY 1996	1,506.0	1,881.3	80
FY 1997	1,471.1	1,837.6	80
FY 1998	1,458.4	1,820.6	80
<u>Low Price Alternative</u>			
FY 1996	1,374.4	1,691.7	81
FY 1997	1,268.1	1,581.6	80
FY 1998	1,210.2	1,524.8	79
<u>High Price Alternative</u>			
FY 1996	1,679.4	2,077.9	81
FY 1997	1,694.8	2,084.6	81
FY 1998	1,660.4	2,046.2	81

Petroleum revenues comprised more than 75 percent of General Fund unrestricted revenues in FY 1995 for the sixteenth year in a row.

Current Oil Market Situation

World Market

Although the demand for crude oil has increased and production restraint by OPEC has continued, further increases in non-OPEC production have put mild downward pressure on oil prices. According to the International Energy Administration, crude oil demand grew by 1.5 percent (1.1 million bbl/day) in 1995 and is projected to continue to grow by 2.2 percent (1.5 million bbl/day) in FY 1996 and 1.5 percent (1.0 million bbl/day) in FY 1997.

So far this calendar year, OPEC has maintained its production at roughly 25.5 million bbl/day, about 1.0 million bbl/day above its 24.5 million bbl/day quota—a quota which has remained the same since September 1993 and was affirmed at the cartel's November 1995 meeting. The base case scenario for FY 1996 assumes that OPEC market share will not increase. Increased production by OPEC members would certainly put downward pressure on oil prices. Most observers believe that it is in OPEC's best interest to continue with the current quota to preserve what has been a relatively stable world oil price structure.

As long as Saddam Husain refuses to comply with a weapons-monitoring program, it is extremely unlikely that the United Nations embargo on Iraqi production will be lifted. Market depressing rumors about sales of Iraqi crude oil periodically circulate; however, at this time the sanctions remain firmly in place.

Figure 7 OPEC Production

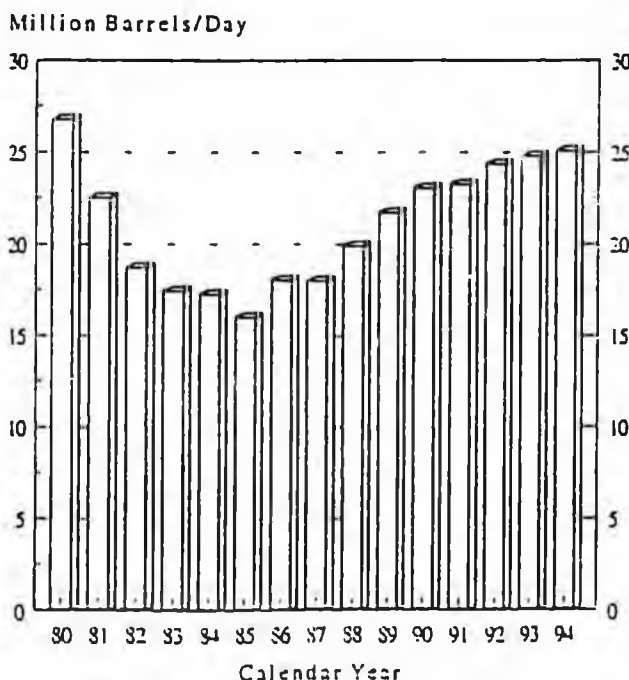


Table 5

OPEC Production
(Thousand bbls/day)

Country	Production		
	October 1995	1995 Quota	Over Quota
Algeria	775	750	25
Gabon	350	287	63
Indonesia	1,330	1,330	0
Iran	3,600	3,600	0
Iraq	670	400	270
Kuwait ¹	2,020	2,000	20
Libya	1,400	1,390	10
Nigeria	1,900	1,865	35
Qatar	430	378	52
Saudi Arabia ¹	8,000	8,000	0
UAE	2,200	2,161	39
Venezuela	<u>2,800</u>	<u>2,359</u>	<u>441</u>
TOTAL	25,475	24,520	955

Source: Platt's Oilgram News (10/6/95).

¹Share Neutral Zone output.

Alaska North Slope Market

So far in FY 1995, ANS oil prices have averaged \$16.60/bbl, just slightly higher than the \$16.52/bbl used for our spring 1995 base case projection. BP Exploration announced its official selling prices for November 1995 as \$15.94/bbl on the West Coast and \$15.91/bbl on the Gulf Coast.

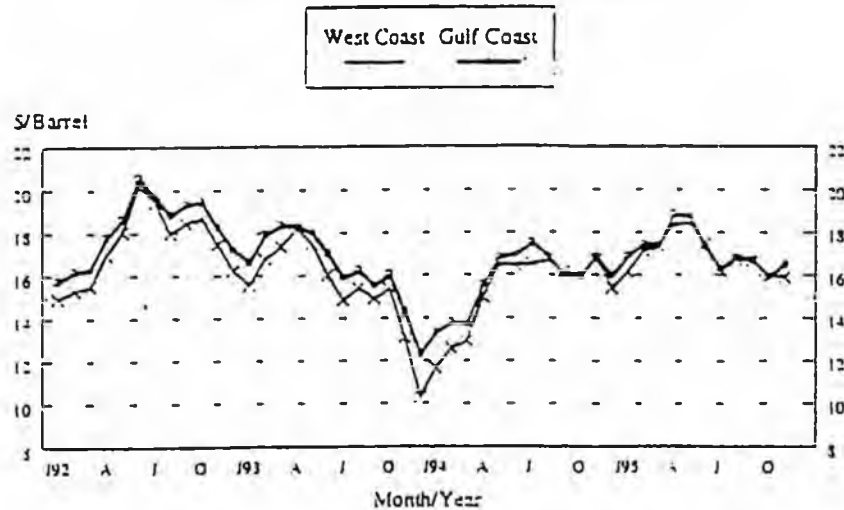
West Coast ANS prices have been particularly strong this past year. In fact, West Coast prices have often been in parity with Gulf Coast prices or, in some months, even higher. The lifting of the ANS export ban on November 28 should keep West Coast oil prices strong because ANS sellers now have access to the Far East markets. At this time, it is expected that exports could occur as soon as the second quarter 1996. The revenue benefits from lifting the ban are incorporated into our West Coast oil price forecast.

Roughly 90 percent of ANS production is sold on the West Coast, while 10 percent is marketed in the eastern half of the U.S. and Caribbean. With the lifting of the ANS export ban, and declining ANS production, shipments via Panama to eastern U.S. destinations will likely cease after 1996. Because of the frequent West Coast-Gulf Coast parity in ANS prices, the greater transportation costs to the more distant Gulf Coast markets result in a Gulf Coast-derived wellhead lower than the West Coast price. Historical ANS spot prices to the two markets are graphed below.

Figure 3

ANS Spot Price

January 1992 - November 1995



Oil Price and Production Forecast Assumptions

ANS Lower 48 Prices

The oil price assumptions used in this forecast are based on spot oil prices as reported in Platt's Oilgram Price Report. Currently, prices reported by the North Slope producers for both severance tax and royalty purposes closely track spot prices. Royalties are reported using a value which is determined by a market basket of crude oils which includes ANS spot price.

Future ANS oil prices reflect the economic fundamentals depicted in the alternative oil market scenarios. The price relationships between ANS sold in the West Coast market and ANS sold in the Gulf Coast market are based on the last twelve months of market data.

Over the next few years, as demand on the West Coast grows and ANS production declines, the West Coast will absorb most of the ANS production. Since the ANS export ban has been lifted, production in excess of West Coast demand is likely to move to the Far East. We believe ANS prices will be determined by the price of foreign sour crude oil imported into both West Coast and Far East markets. The forecast for ANS prices is contained in the table below. (When exports occur we will begin to track the export price of ANS.)

Table 6
 Scenarios for ANS Oil Price
 West Coast and Gulf Coast
 (\$/bbl)

Fiscal Year	Base Case		Low Price Alternative		High Price Alternative	
	West	Gulf	West	Gulf	West	Gulf
1996	16.36	16.39	15.61	15.64	17.08	17.11
1997	16.41	.	14.67	14.73	17.93	.
1998	16.69	.	14.66	.	18.53	.
2000	18.64	.	14.57	.	20.88	.
2005	22.39	.	14.84	.	27.55	.

In this forecast, West Coast and Gulf Coast oil prices are assumed to converge when the West Coast surplus disappears (this forecast assumes that prices converge in FY 1997). West Coast oil prices are expected to rise to world oil price levels with the lifting of the ANS export ban.

Figure 9 ANS at the U. S. West Coast

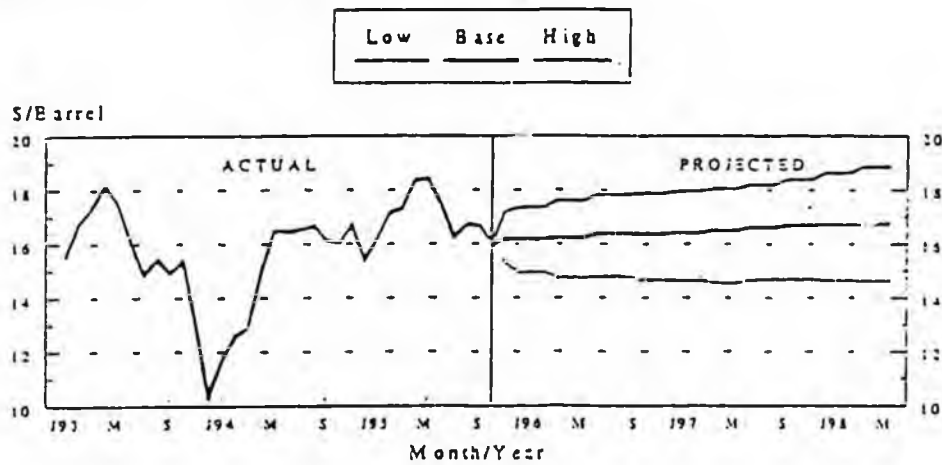
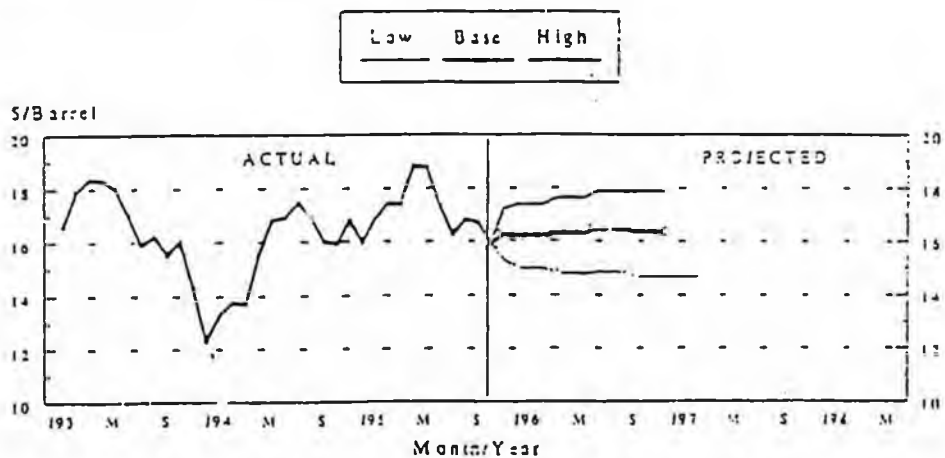


Figure 10 ANS at the U. S. Gulf Coast



The wellhead price determines the value of production, and thus the State's severance tax and royalty income. The discussion that follows describes the assumptions for the various cost deductions from the market price which determine the wellhead value.

Transportation Costs to Lower 48 Markets

The weighted average Lower 48 shipping cost averaged \$1.52/bbl in FY 1995, \$1.17/bbl higher than in FY 1994. This increase can be attributed to tight markets in the higher cost Gulf trade. Also, the Oilspill Pollution Act of 1990 (OPA90) has added to transportation costs.

As ANS production declines and West Coast petroleum demand increases, shipments to the Gulf Coast will diminish which will free up excess tonnage and increase the proportion of tonnage going to the lower cost West Coast. Consequently, average shipping costs are expected to decrease over the next few years. In the longer term, the double hulling requirements of OPA90 will result in increased shipping costs.

Table 7

Marine Transportation Costs Valdez to Lower 48 (\$/bbl)

Fiscal Year	Base Case	Low Price Alternative	High Price Alternative
1996	1.49	1.49	1.49
1997	1.38	1.38	1.38
1998	1.38	1.38	1.38
2000	1.47	1.49	1.55
2005	1.87	1.77	1.95

Trans-Alaska Pipeline System Tariff

The Trans-Alaska Pipeline System (TAPS) tariff is determined according to the TAPS Settlement Method (TSM), a ratemaking method approved by the Federal Energy Regulatory Commission (FERC), which allows the TAPS owners to recover their costs including an allowance for profit. The method allows an accelerated recovery of the construction and capital costs, operating costs, taxes, and a fixed per barrel profit of \$0.35/bbl adjusted for inflation from 1983. The use of the TSM resulted in higher tariffs from 1977 through 1985 in exchange for lower tariffs in the late 1980's and 1990's.

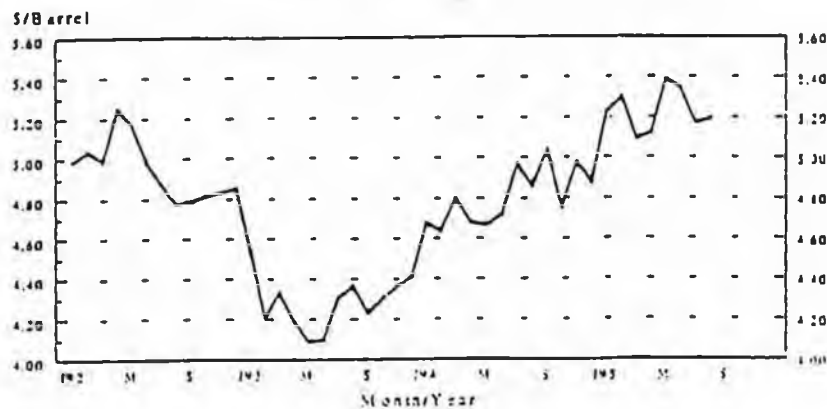
As indicated in Table 8 below, TAPS tariffs have varied between \$3.12/bbl and \$3.75/bbl, on a fiscal year basis, since 1988. Most of the increased year-to-year tariffs have been due to corrosion repairs, other unexpected maintenance costs, lower-than-expected TAPS throughput, and oil spill mitigation expenditures due to the Exxon Valdez accident.

TAPS tariff filed in FY 1996 averaged \$3.41/bbl. (Tariffs are actually filed on a calendar year basis and the average calendar year 1996 filing was \$2.84/bbl.) New tariffs take effect January 1 of each year.

Table 3 Scenarios for TAPS Tariff (\$/bbl)

Fiscal Year	Actual	Base Case	Low Price Alternative	High Price Alternative
1985	6.04	.	.	.
1986	5.29	.	.	.
1987	4.20	.	.	.
1988	3.54	.	.	.
1989	3.12	.	.	.
1990	3.48	.	.	.
1991	3.75	.	.	.
1992	3.60	.	.	.
1993	3.24	.	.	.
1994	3.16	.	.	.
1995	3.63	.	.	.
1996	3.41	.	.	.
1997	.	2.77	2.76	2.78
1998	.	2.59	2.57	2.61
2000	.	2.69	2.68	2.62
2005	.	3.53	3.60	3.54

Figure 11 Total Transportation Costs to Lower 48 Pipeline and Tanker



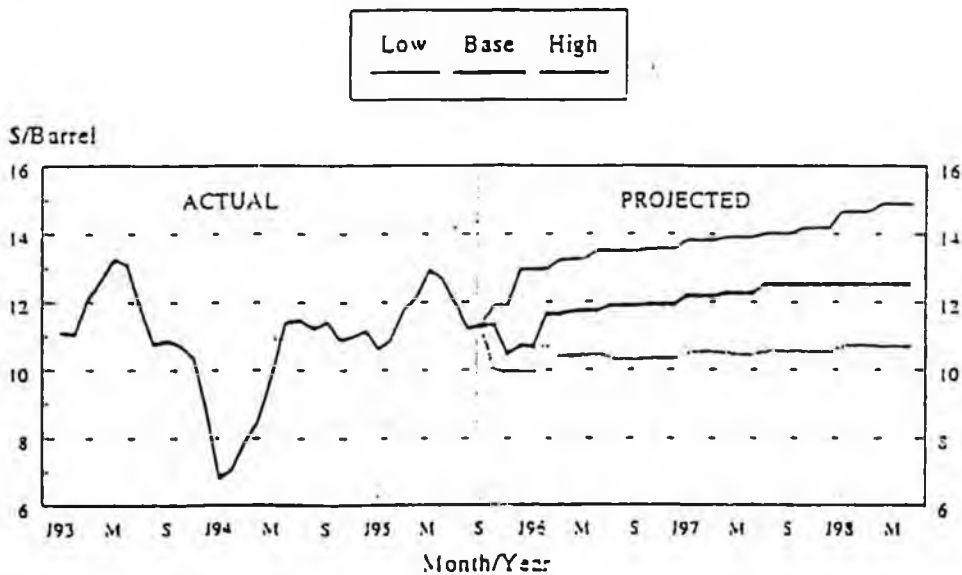
Wellhead Price for ANS

The combination of the wellhead value of ANS and production is the basis for both State severance taxes and royalties. The wellhead value is calculated by subtracting the pipeline and marine transportation costs from the sales price (or transfer price at the refinery gate in the case of oil run through a producer's own refinery).

Table 9 ANS Wellhead Price
(\$/bbl)

Fiscal Year	Base Case	Low Price Alternative	High Price Alternative
1996	11.33	10.54	12.52
1997	12.05	10.40	13.68
1998	12.51	10.62	14.43
2000	14.23	10.23	16.67
2005	16.61	9.27	22.05

Figure 12 ANS at the Wellhead



Oil Production

Production volumes for this forecast are based on publicly available data, data supplied by the North Slope producers, and independent analyses commissioned by the Department of Revenue.

North Slope production accounts for 97 percent of statewide production. North Slope production for FY 1996 is projected to total approximately 545 million barrels, down 5.2 percent from FY 1995. It is currently projected that total North Slope production will continue to decline at approximately this rate through FY 2010.

The giant Prudhoe Bay field, now on its seventh year of decline, continues to account for about 60 percent of all North Slope production. Although rig activity in the field is expected to add about 300 new wells over the remaining field life, a slight downward revision in field rate has been incorporated to more closely reflect operators' current business plans and recent uncertainty over the timing and extent of the expansion of the miscible injection program.

At the Kuparuk River field, which accounts for about 20 percent of all North Slope production, the highly successful miscible injection program is being expanded with the goal of keeping field rate flat through FY 2000. However, a slight downward revision in total recovery has been made to reflect the downward revision in oil in place by the Kuparuk owners earlier this year.

The Point McIntyre field, currently producing about 150,000 barrels per day, continues to outperform expectations. The current multi-well rig program and successful secondary recovery program should sustain production at current levels over the short term. The miscible injection program currently being evaluated for Point McIntyre has not been incorporated into this forecast but has the potential to keep the field on plateau for an extended period.

Ongoing development at the Milne Point Unit and plans to more than triple the production capacity of the Milne Point facility over the next 18 months will help soften the overall decline rate in total North Slope production.

Production from known onshore accumulations in the vicinity of Mikkelson Bay and the Colville River Delta has been included in this forecast. At this time it is not clear from industry whether both fields will be developed, but we assume that at least one will be. As a result, we have included in the forecast 50 percent of the total expected production from both fields and have delayed production start-up by two years from the "best guess" by industry to account for this production uncertainty. It is highly unlikely that actual production will be both higher and sooner. Production from the North Star Unit has been reduced and delayed relative to industry expectations to account for development uncertainty.

The seven mature Cook Inlet fields currently are producing a total of approximately 44,000 barrels per day. They are estimated to decline at an annual rate of seven percent over the next 10 years.

This forecast does not incorporate gas produced as part of a major gas sale, speculative oil from ANWR, or oil from known remote accumulations currently deemed uneconomic (Point Thompson, offshore Beaufort, etc).

Figure 13

Simulated Oil Production ANS and Base Case Prudhoe Bay

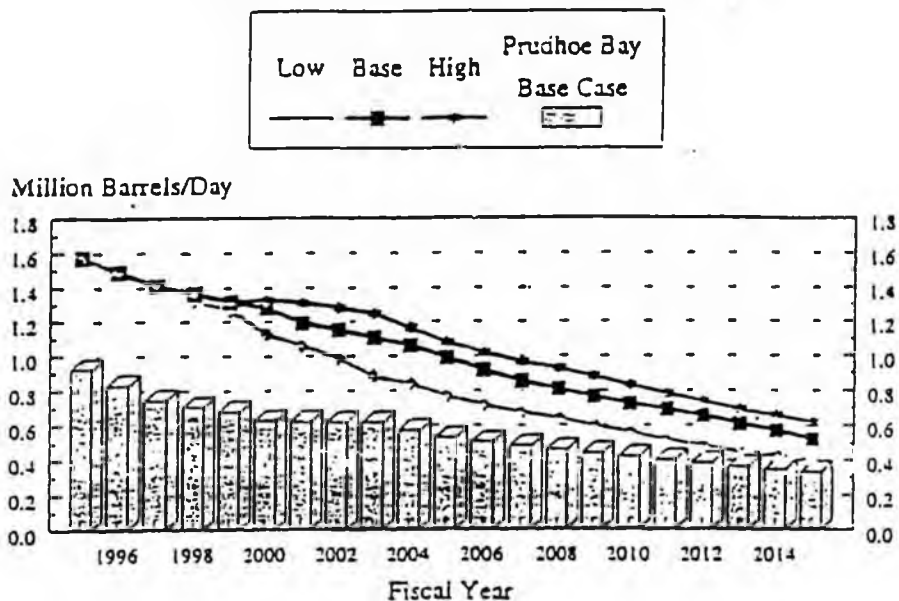
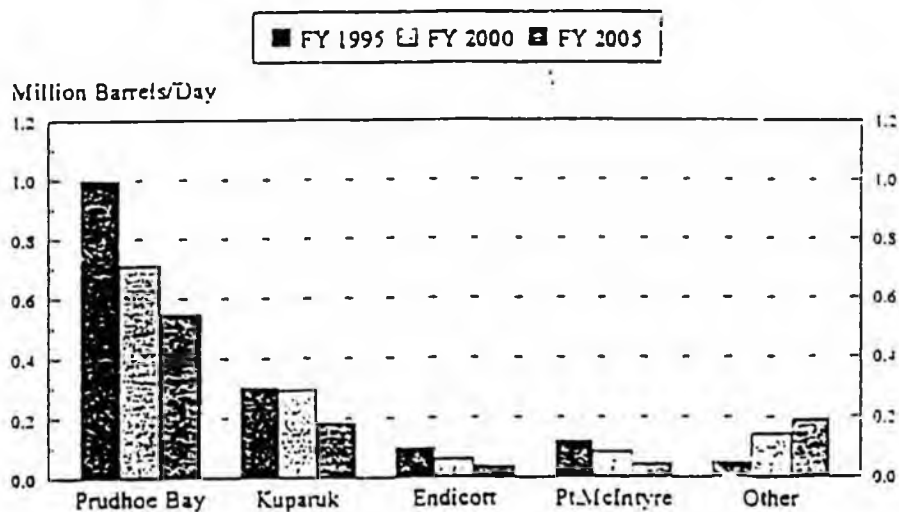


Figure 14

Volume of ANS Production by Major Fields



Other Revenue Sources Assumptions

Oil Corporate Taxes

Oil corporate taxes for FY 1995 generated \$128.5 million compared to \$17.8 million collected in FY 1994. FY 1994 revenues were unusually low. FY 1995 revenues reflect more closely the historic average and the anticipated future trend.

Non-Oil Corporate Taxes

Non-petroleum corporate taxes generated \$67 million in FY 1995 compared to \$44.3 million in FY 1994. The increase in non-petroleum corporate tax revenue can be attributed to enhanced business activity.

Property Taxes

Revenues from current oil and gas property tax, which are levied at 20 mills on the full and true value of oil and gas property, are expected to continue to decline. The decrease for FY 1995, as compared to previous forecasts, is due in part to adjustments for investment delays and increased mill levies by the North Slope Borough, the Kenai Peninsula Borough, and the City of Valdez. The municipalities in which taxable oil and gas property exist continue to receive the bulk of the property tax assessment.

Alcoholic Beverage Taxes

Alcohol consumption has been fairly steady over the last five years. Current consumption trends for liquor, wine, and beer, given population growth, demographics, and income levels, are expected to continue generating revenues of between \$12 and \$13 million per year.

Intergovernmental Receipts

Federal Shared Revenues totaled \$12.8 million in FY 1991 but dropped to \$6.7 million in FY 1992, to \$5.6 million in FY 1993, to \$4.2 million in FY 1994, and to \$4.1 million in FY 1995. This is due primarily to the fact that the U.S. Forest Service (USFS) monies for timber sales were formerly allocated to only organized boroughs. The USFS has since notified the State that additional monies will be set aside for the unorganized borough as well (Chapter 37, SLA 1991). The monies are intended to support roads and schools affected by national forest activities.

Investment Earnings

The projections are based on projected outgoing expenditures and incoming revenues with an assessment of yield on instruments and the length of maturity for the funds invested by the Treasury Division. FY 1995 investment earnings were \$66.5 million.

Facilities and Related Charges

The main revenue item in this category is ferry system receipts which amounted to \$41.5 million in FY 1995. These revenues provides that the gross revenue of the State ferry system by deposited into the fund. In Chapter 193, SLA 1990, the legislature established the Alaska Marine Highway System Fund. The legislation may be appropriated for operating and capital expenditures.

Short-Term Oil Price Scenarios

Base Case Scenario

SUMMARY: The base case scenario assumes modest growth in global oil consumption over the next two years. The economies of the U.S., Japan, and Europe experience moderate growth while the economies of the developing economies continue to grow rapidly. Economic troubles in the CIS persist. Non-OPEC production increases significantly in 1996 and less so in 1997 keeping the pressure on OPEC to limit production increases to prevent price declines.

Table 11 follows on page 24. It contains specific assumptions about the global fundamentals (barrels produced and barrels consumed) used to develop the base case scenario. The basis for these assumptions is as follows:

1. OECD oil consumption is assumed to grow by .4 million bbl/day in 1996 and .3 million bbl/day in 1997 as moderate economic growth continues in the US, Europe, and Japan. Continued rapid economic expansion in the developing countries causes non-OECD consumption to increase by 1 million bbl/day in both 1996 and 1997.
2. Non-OPEC oil production increases by 1.4 million bbl/day in 1996 and by .6 million bbl/day in 1997 with continued output increases from prolific fields in the North Sea. While economic and political upheaval continues in the CIS, the seven-year decline in production stabilizes.
3. Although there continues to be some active lobbying, the United Nations is assumed to retain the embargo on Iraqi crude oil.
4. A very small increase in OPEC market share will put pressure on the cartel to limit higher production by members. The result is that oil prices for A/S quality oil should stay between \$15/bbl and \$17/bbl over the period.

Table 10	Unrestricted General Fund Revenues (\$million)	ANS Lower 48 Price (\$/bbl)	ANS Production (million bbl/day)
FY 1996	1,881.3	16.36	1.489
FY 1997	1,837.6	16.41	1.409
FY 1998	1,820.6	16.69	1.366

Table 11

Global Market Assumptions
Base Case Scenario

	Actual		Projected						1996			
	1993	1994	Q195	Q295	Q395	Q495	1995	Q196		Q296	Q396	Q496
DEMAND												
OECD												
North America	19.2	19.7	19.6	19.5	20.0	20.2	19.8	19.9	19.6	20.0	20.2	19.9
Europe	13.6	13.6	14.0	13.6	13.8	14.2	13.9	14.7	13.8	14.1	14.6	14.2
Pacific	6.3	6.6	7.3	6.2	6.1	7.0	6.6	7.3	6.2	6.3	7.0	6.7
Total	39.1	40.0	41.0	39.3	39.9	41.4	40.4	41.5	39.5	40.4	41.8	40.8
Non-OECD												
CIS ¹	5.7	4.8	5.1	4.4	4.3	4.7	4.6	5.1	4.5	4.3	4.1	4.5
China	3.0	3.1	3.2	3.3	3.4	3.4	3.3	3.4	3.5	3.5	3.6	3.5
Eastern Europe	1.3	1.4	1.5	1.4	1.3	1.4	1.4	1.6	1.5	1.4	1.5	1.5
West Hemisphere	5.7	5.9	6.0	5.9	5.9	5.9	5.9	5.9	6.1	6.2	6.1	6.1
Africa	2.0	2.1	2.1	2.1	2.0	2.1	2.1	2.1	2.1	2.1	2.2	2.1
Middle East	3.9	4.0	3.9	4.0	4.1	4.1	4.0	4.2	4.2	4.3	4.3	4.2
Asia	7.0	7.4	8.0	7.7	7.5	8.5	7.9	8.4	8.2	8.1	8.9	8.4
Total	28.5	28.6	29.8	28.8	28.5	30.1	29.3	30.7	30.1	29.9	30.7	30.3
TOTAL DEMAND	66.7	68.6	70.8	68.1	68.4	71.6	69.7	72.2	69.6	70.3	72.5	71.2
SUPPLY												
Non-OPEC												
OECD	16.8	17.6	18.1	17.5	17.9	19.1	18.2	19.1	18.6	18.7	19.4	19.0
CIS ¹	7.9	7.2	7.1	7.0	7.0	7.1	7.1	7.3	7.1	7.0	6.9	7.1
China	2.9	2.9	3.0	2.9	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1
Eastern Europe	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
LDCs	11.2	11.7	12.2	12.1	12.5	12.7	12.4	12.8	12.8	12.9	13.1	12.9
Processing Gain	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
	40.6	41.1	42.2	41.4	42.2	43.7	42.4	44.1	43.4	43.5	44.3	43.8
OPEC	24.7	25.0	25.2	25.3	24.4	26.5	25.3	25.2	24.4	25.2	26.3	25.4
OPEC NGLs	2.2	2.3	2.3	2.4	2.4	2.5	2.4	2.3	2.3	2.3	2.3	2.3
TOTAL PRODUCTION	67.4	68.4	69.7	69.1	69.0	72.5	70.1	71.5	70.1	71.0	73.4	71.5
INVENTORY CHANGE	0.8	0.0	(0.7)	0.5	0.6	0.9	0.3	(0.7)	0.5	0.6	0.9	0.3

¹ Commonwealth of Independent States (formerly the Soviet Union)

Source: Actual data from International Energy Association. Projected 1995 and 1996 data generated by Alaska Department of Revenue, Oil and Gas Audit Division.

The alternative price scenarios to the base case scenario are developed around a subjective assessment of the risks which would cause oil prices to be higher or lower. The risk factors that were identified in developing these alternatives are as follows: (1) global economic activity; (2) political instability in OPEC nations and the impact on individual production policy with regard to the need for revenue; (3) events pertaining to Iraq; (4) impact of economic changes in the CIS; and (5) environmental hazards (such as oil spills).

No explicit attempt is made to account for the impact of weather; however, impacts can be expected. Changes in weather may create supply disruptions, or demand spikes (such as the 1994 summer drought in Japan) which add to market volatility.

Low Price Alternative Scenario

SUMMARY: The low price alternative scenario assumes that any one or all of the following events may occur which would cause oil prices to turn out to be lower than our base case.

1. The embargo on Iraqi production is partially lifted in 1996 and then totally lifted by the end of 1997.
2. The U.S. economy begins to plunge rapidly as we enter 1996. This slows global oil consumption growth.
3. Non-OPEC production increases are even greater than anticipated and more oil moves into global markets.
4. Islamic upheaval in key OPEC countries increases the political pressure to produce beyond member quotas.

Table 12	Unrestricted General Fund Revenues (\$million)	ANS Lower 48 Price (\$/bbl)	ANS Production (million bbl/day)
FY 1996	1,691.7	15.61	1.486
FY 1997	1,581.6	14.67	1.405
FY 1998	1,524.8	14.66	1.320

High Price Alternative Scenario

SUMMARY: *The high price alternative scenario assumes that any one or all of the following events may occur which would cause oil prices to turn out to be higher than our base case.*

1. The embargo on Iraqi oil stays in place.
2. Economic growth continues at a high pace in the U.S. and in the major world economies resulting in extremely rapid oil consumption growth.
3. Oil production in the CIS continues to slide through 1997.
4. Serious political unrest occurs in key OPEC countries which disrupts the flow of oil to world markets.

Table 13	Unrestricted General Fund Revenues (\$million)	ANS Lower 48 Price (\$/bbl)	ANS Production (million bbl/day)
FY 1996	2,077.9	17.08	1.495
FY 1997	2,084.6	17.93	1.409
FY 1998	2,046.2	18.53	1.366

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REVENUE FORECAST: LONG-TERM OUTLOOK (FY 1999 - FY 2015)

This section focuses on the long term, from FY 1999 through FY 2015. It provides revenue projections for this period and also sets out the assumptions behind those projections for the base case scenario, and low and high price alternatives.

The graphs on the adjacent page show the actual General Fund unrestricted revenues from FY 1981 through FY 1995 and revenue projections from FY 1996 through 2015 for the three alternatives provided in this forecast. Projections are provided in both nominal and real dollars.

The assumptions used for the fall 1995 forecast for inflation rate, Alaska oil production, the TAPS tariff, and average ANS Lower 48 price are available on page 30. On subsequent pages, the following tables are provided for the base case scenario, and low and high price alternatives:

1. North Slope and Cook Inlet petroleum production revenues.
2. Detailed revenue projections for each category of revenues.
3. The historical and expected prices for West Texas Intermediate (WTI) and ANS Wellhead from FY 1985 - FY 2015 in 1995 constant dollars.
4. Simulated oil production by field.

Table 14

Fall 1995 Forecast Assumptions

The following tables are part of the inputs to the Department of Revenue's simulation model. All pertinent assumptions and footnotes are presented below:

- 1) Investment earnings are a function of expenditures and the resulting general investment fund balance.
 (Note: Permanent Fund earnings are excluded from the long-range revenue forecast.)
 Expenditures were assumed to increase at the scenario-specific inflation rate from the F-Y 1995 base year.
 The real rate of return for investment earnings was assumed at 3 percent for all cases.
- 2) Non-petroleum/non-interest revenues beyond FY 1996 were assumed to increase at the scenario-specific inflation rate.

FY	INFLATION RATE (percent)			ANS PRODUCTION (Millions of Barrels/day)			TAPS TARIFF (\$/bbl)			AVERAGE LOWER 48 PRICE (\$/bbl)		
	Base	Low	High	Base	Low	High	Base	Low	High	Base	Low	High
1996	3.0	2.4	4.0	1.489	1.486	1.495	3.42	3.42	3.42	16.36	15.61	17.08
1997	3.0	2.5	4.0	1.409	1.405	1.409	2.77	2.76	2.78	16.41	14.67	17.93
1998	3.2	2.5	4.0	1.366	1.320	1.366	2.59	2.57	2.61	16.69	14.66	18.53
1999	3.2	2.5	4.0	1.314	1.217	1.320	2.56	2.52	2.57	17.97	14.65	19.85
2000	3.2	2.5	4.0	1.280	1.126	1.329	2.69	2.68	2.62	18.64	14.51	20.88
2001	3.2	2.5	4.1	1.190	1.058	1.310	2.87	2.83	2.73	19.34	14.57	21.98
2002	3.2	2.5	4.1	1.153	0.986	1.279	2.99	3.01	2.83	20.06	14.64	23.26
2003	3.2	2.5	4.1	1.107	0.879	1.246	3.13	3.17	2.93	20.81	14.70	24.61
2004	3.2	2.5	4.1	1.061	0.837	1.161	3.31	3.37	3.12	21.59	14.77	26.04
2005	3.2	2.5	4.1	0.988	0.765	1.076	3.53	3.60	3.34	22.39	14.84	27.55
2006	3.2	2.5	4.1	0.916	0.715	1.017	3.78	3.84	3.56	23.23	14.98	29.10
2007	3.2	2.5	4.1	0.854	0.673	0.965	4.01	4.04	3.74	24.10	15.13	31.37
2008	3.2	2.5	4.1	0.808	0.639	0.925	4.24	4.26	3.97	25.00	15.28	33.48
2009	3.2	2.5	4.1	0.764	0.599	0.880	4.35	4.45	4.20	25.93	15.44	35.73
2010	3.2	2.5	4.1	0.724	0.561	0.830	4.55	4.66	4.43	26.82	15.59	38.12
2011	3.2	2.5	4.1	0.693	0.513	0.778	4.93	5.10	4.78	26.08	15.99	40.13
2012	3.2	2.5	4.1	0.653	0.481	0.733	5.03	5.10	4.93	27.08	16.39	42.24
2013	3.2	2.5	4.1	0.611	0.450	0.690	5.34	5.21	5.15	28.13	16.81	44.46
2014	3.2	2.5	4.1	0.570	0.426	0.656	5.59	5.35	5.40	29.22	17.23	46.80
2015	3.2	2.5	4.1	0.523	0.396	0.615	5.96	5.64	5.77	30.34	17.67	49.27

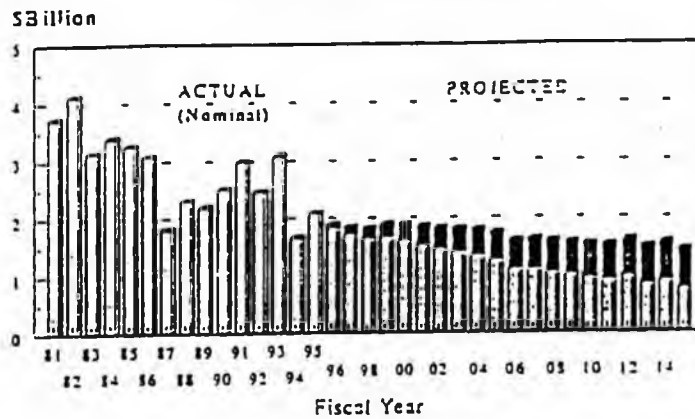
¹Inflation rates are consistent with those used by the Long Range Financial Planning Commission.

Figure 15

General Fund Unrestricted Revenue Projections FY 1981 - FY 2015

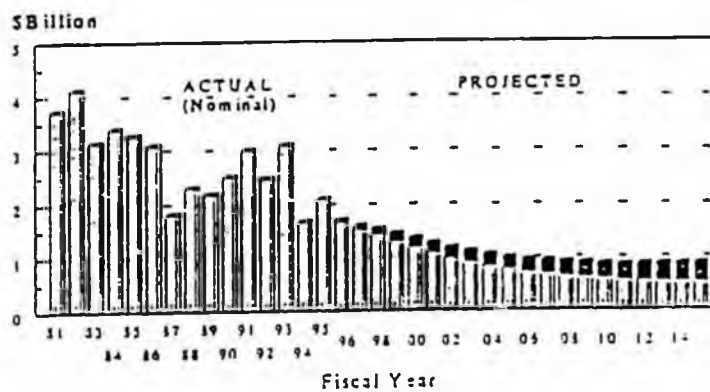
Base Case Scenario

□ Real \$1995
■ Nominal\$



Low Price Alternative

□ Real \$1995
■ Nominal\$



High Price Alternative

□ Real \$1995
■ Nominal\$

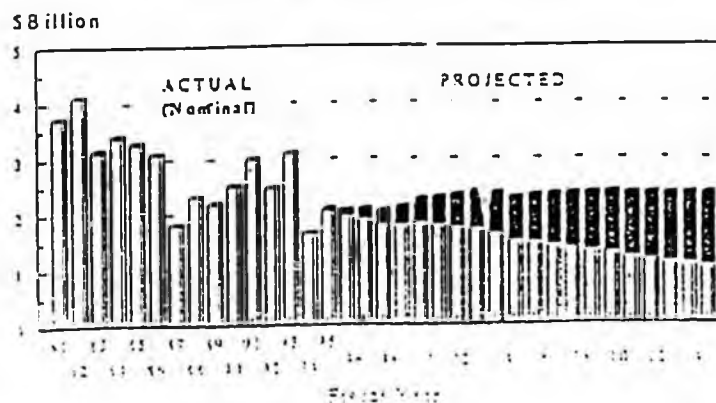


Table 15

Base Case Scenario Petroleum Production Revenue Forecast
(Millions of Dollars)

Fiscal Year	Alaska North Slope							Cook Inlet							State Total
	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	ANS Total	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	Cook Inlet Total	
1996	728.9	656.1	1.8	13.5	38.8	23.3	1462.4	24.6	0.0	0.1	0.4	26.7	14.7	66.5	1528.9
1997	712.7	630.7	1.7	12.8	45.1	27.0	1430.0	26.3	0.0	0.1	0.4	27.7	16.1	70.6	1500.5
1998	719.1	622.1	1.7	12.4	44.8	26.9	1427.0	25.2	0.0	0.1	0.4	29.2	15.5	70.4	1497.4
1999	762.7	648.5	1.6	12.0	47.0	27.9	1499.8	24.5	0.0	0.1	0.4	30.6	16.0	71.5	1571.2
2000	770.5	638.3	1.6	11.7	46.4	27.5	1495.9	23.3	0.0	0.1	0.3	32.1	16.5	72.3	1568.2
2001	781.6	598.7	1.4	10.8	45.8	27.2	1465.4	22.2	0.0	0.1	0.3	33.5	17.0	73.0	1538.5
2002	802.7	556.8	1.4	10.4	46.1	26.6	1444.1	21.2	0.0	0.1	0.3	35.8	17.3	74.6	1518.7
2003	799.9	533.8	1.3	10.0	45.7	26.2	1417.0	20.2	0.0	0.0	0.3	38.1	17.7	76.3	1493.3
2004	793.5	519.8	1.3	9.6	46.2	26.4	1396.9	19.4	0.0	0.0	0.2	40.4	18.0	78.1	1474.9
2005	761.0	483.6	1.2	8.9	45.3	25.7	1325.8	18.6	0.0	0.0	0.2	42.6	18.4	79.8	1405.6
2006	720.6	443.2	1.1	8.3	43.6	24.8	1241.7	17.9	0.0	0.0	0.2	44.9	18.8	81.9	1323.6
2007	687.1	410.4	1.0	7.7	43.3	24.5	1173.9	17.3	0.0	0.0	0.2	47.1	19.3	83.9	1257.9
2008	662.7	381.9	1.0	7.2	42.5	24.1	1119.4	16.8	0.0	0.0	0.2	49.3	19.7	85.9	1205.4
2009	658.0	358.8	0.9	6.8	42.1	24.2	1090.7	16.2	0.0	0.0	0.2	51.6	20.2	88.2	1178.9
2010	639.3	330.2	0.9	6.4	41.7	24.0	1042.4	15.7	0.0	0.0	0.2	53.8	20.7	90.4	1132.7
2011	626.8	316.8	0.8	6.1	40.9	23.7	1015.1	15.2	0.0	0.0	0.1	56.1	21.2	92.7	1107.7
2012	613.8	304.9	0.8	5.8	40.5	23.7	989.5	14.8	0.0	0.0	0.1	58.4	21.8	95.1	1084.6
2013	584.1	288.5	0.7	5.4	39.0	23.1	940.9	14.3	0.0	0.0	0.1	60.7	22.3	97.5	1038.3
2014	558.3	275.0	0.7	5.0	39.8	24.0	902.8	13.9	0.0	0.0	0.1	63.1	22.9	100.0	1002.8
2015	529.6	256.8	0.6	4.6	33.3	20.3	845.3	13.5	0.0	0.0	0.1	65.5	23.5	102.6	947.9

Table 16

Low Price Alternative Petroleum Production Revenue Forecast
(Millions of Dollars)

Fiscal Year	Alaska North Slope							Cook Inlet							
	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	ANS Total	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	Cook Inlet Total	State Total
1996	659.3	622.5	1.8	13.5	37.9	21.6	1356.6	23.2	0.0	0.1	0.4	26.7	14.7	65.1	1421.7
1997	607.2	550.8	1.7	12.7	41.0	22.2	1235.7	23.1	0.0	0.1	0.4	27.5	14.9	66.0	1301.7
1998	584.2	515.3	1.6	11.9	40.1	21.2	1174.3	21.7	0.0	0.1	0.4	28.6	15.2	66.0	1240.3
1999	540.5	460.6	1.5	11.0	38.0	19.6	1071.0	20.4	0.0	0.1	0.4	29.7	15.6	66.2	1137.2
2000	485.2	409.7	1.4	10.2	35.1	17.6	959.1	18.6	0.0	0.1	0.3	30.8	15.9	65.7	1024.7
2001	447.1	360.7	1.3	9.6	33.1	16.2	867.8	17.2	0.0	0.1	0.3	31.9	16.2	65.6	933.4
2002	409.7	312.4	1.2	8.9	31.0	14.5	777.6	15.9	0.0	0.1	0.3	33.8	16.3	66.3	843.9
2003	371.8	273.0	1.1	8.2	29.1	13.5	696.6	14.7	0.0	0.0	0.3	35.6	16.5	67.1	763.8
2004	335.2	232.4	1.0	7.6	27.8	12.6	616.5	13.7	0.0	0.0	0.2	37.3	16.7	68.0	684.5
2005	298.2	194.3	0.9	6.9	25.9	11.3	537.5	12.7	0.0	0.0	0.2	39.0	16.9	68.9	606.4
2006	274.5	173.6	0.9	6.4	24.0	10.5	489.8	11.8	0.0	0.0	0.2	40.7	17.1	69.8	559.7
2007	252.9	155.0	0.8	6.0	22.6	9.9	447.2	11.1	0.0	0.0	0.2	42.3	17.3	70.9	518.1
2008	234.9	138.8	0.8	5.7	21.4	9.3	410.7	10.4	0.0	0.0	0.2	43.9	17.5	72.0	482.7
2009	217.7	126.5	0.7	5.3	20.3	8.8	379.2	9.8	0.0	0.0	0.2	45.4	17.8	73.2	452.4
2010	201.0	116.1	0.7	4.9	19.4	8.4	350.5	9.2	0.0	0.0	0.2	47.0	18.1	74.5	425.0
2011	181.8	106.9	0.6	4.5	18.7	8.1	320.5	8.9	0.0	0.0	0.1	48.5	18.3	75.9	396.3
2012	180.1	103.6	0.6	4.2	18.8	8.1	315.4	8.3	0.0	0.0	0.1	50.0	18.6	77.1	392.4
2013	172.0	98.5	0.5	3.9	18.1	8.0	301.1	8.0	0.0	0.0	0.1	51.5	18.9	78.5	379.6
2014	166.9	96.3	0.5	3.7	18.5	8.3	294.2	7.6	0.0	0.0	0.1	52.9	19.2	79.9	374.1
2015	159.9	93.1	0.5	3.5	15.4	7.0	279.2	7.3	0.0	0.0	0.1	54.4	19.6	81.5	360.7

Table 17

High Price Alternative Petroleum Production Revenue Forecast (Millions of Dollars)

Fiscal Year	Alaska North Slope							Cook Inlet							
	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	ANS Total	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	Cook Inlet Total	State Total
1996	777.7	730.2	1.3	13.5	45.1	25.6	1593.9	25.8	0.0	0.1	0.4	26.7	14.7	67.7	1661.6
1997	803.8	722.4	1.7	12.7	53.9	29.2	1623.7	29.1	0.0	0.1	0.4	28.0	15.2	72.8	1696.4
1998	806.6	698.3	1.6	12.0	54.4	28.8	1601.6	28.4	0.0	0.1	0.4	29.7	15.8	74.3	1676.0
1999	859.1	729.1	1.6	11.7	56.2	29.6	1687.2	28.8	0.0	0.1	0.4	31.5	16.5	77.2	1764.4
2000	963.8	773.4	1.6	12.1	56.6	29.9	1837.4	28.0	0.0	0.1	0.3	33.3	17.2	78.9	1916.3
2001	1001.7	795.7	1.6	11.9	56.9	30.2	1898.1	27.2	0.0	0.1	0.3	35.2	17.9	80.7	1978.7
2002	1040.3	816.3	1.6	11.7	57.4	30.7	1957.9	26.6	0.0	0.1	0.3	38.0	18.4	83.4	2041.3
2003	1078.9	837.0	1.5	11.4	58.0	31.3	2018.1	26.1	0.0	0.0	0.3	40.8	18.9	86.1	2104.2
2004	1066.7	793.0	1.4	10.6	59.9	31.8	1963.5	25.7	0.0	0.0	0.2	43.6	19.5	89.0	2052.5
2005	1040.6	741.1	1.3	9.8	59.9	31.4	1884.1	25.2	0.0	0.0	0.2	46.5	20.1	92.1	1976.1
2006	1088.6	726.6	1.2	9.3	60.1	31.4	1917.2	25.0	0.0	0.0	0.2	49.4	20.7	95.4	2012.6
2007	1102.0	709.6	1.2	8.8	61.7	32.0	1915.2	24.9	0.0	0.0	0.2	52.4	21.4	98.9	2014.1
2008	1124.8	696.3	1.1	8.4	63.2	32.6	1926.6	24.7	0.0	0.0	0.2	55.4	22.1	102.4	2029.0
2009	1138.3	685.7	1.1	7.9	64.3	33.2	1930.5	24.6	0.0	0.0	0.2	58.5	22.9	106.2	2016.7
2010	1148.4	683.2	1.0	7.5	66.2	34.2	1940.5	24.5	0.0	0.0	0.2	61.6	23.7	109.9	2050.4
2011	1128.4	664.6	0.9	7.0	66.8	34.4	1902.1	24.0	0.0	0.0	0.1	64.9	24.5	113.6	2015.7
2012	1127.3	654.3	0.9	6.6	67.5	34.8	1891.3	23.6	0.0	0.0	0.1	68.2	25.4	117.3	2008.7
2013	1116.1	637.9	0.8	6.2	67.3	34.7	1863.0	23.2	0.0	0.0	0.1	71.6	26.3	121.2	1984.2
2014	1114.1	631.4	0.8	5.9	70.2	36.6	1859.0	22.8	0.0	0.0	0.1	75.1	27.3	125.3	1984.3
2015	1110.6	623.1	0.7	5.6	60.5	31.6	1832.1	22.4	0.0	0.0	0.1	78.6	28.3	129.5	1961.5

Table 18

Base Case Scenario Detailed Revenue Projections
(Millions of Dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
YR	SEVERANCE TAX	PROPERTY TAX	OIL & GAS INCOME TAX	GROSS ROYALTIES	MINERAL RENTS	BONUS SALES	INCOME FROM PRIOR YEARS	TOTAL PETROLEUM REVENUES	NON-PETRO NON-INTEREST REVENUES	GEN FUND INTEREST REVENUES	TOTAL REVS W/ PERM FUND DEDICATION
1996	709.61	53.90	120.00	818.71	16.06	0.00	9.40	1727.68	337.63	37.80	2103.12
1997	688.79	51.50	110.00	811.76	15.26	0.00	13.40	1690.71	329.05	37.80	2057.56
1998	679.09	49.30	105.00	818.35	14.50	0.00	13.40	1679.64	334.37	37.80	2051.80
1999	706.45	46.10	101.85	864.84	13.77	0.00	13.40	1746.41	349.35	37.80	2133.56
2000	695.90	43.90	98.79	872.24	13.08	0.00	13.40	1737.32	356.12	37.80	2131.24
2001	655.40	41.80	95.83	883.09	12.43	0.00	13.40	1701.95	364.70	27.93	2094.58
2002	612.91	39.80	92.96	905.82	11.81	0.00	0.00	1663.29	375.44	27.49	2066.22
2003	589.37	37.80	90.17	903.95	11.22	0.00	0.00	1632.51	387.08	27.18	2046.77
2004	575.43	35.90	87.46	899.49	10.66	0.00	0.00	1608.94	398.69	26.90	2034.54
2005	538.17	33.90	84.84	867.51	10.12	0.00	0.00	1534.54	410.22	26.74	1971.50
2006	496.54	32.00	82.29	827.04	9.62	0.00	0.00	1447.49	422.70	25.92	1896.11
2007	463.10	30.20	79.82	794.73	9.14	0.00	0.00	1376.99	435.86	24.95	1837.81
2008	434.17	28.30	77.43	771.26	8.68	0.00	0.00	1319.84	449.30	24.21	1793.36
2009	410.97	26.60	75.11	767.86	8.25	0.00	0.00	1288.78	458.92	23.64	1771.34
2010	382.29	24.90	72.85	750.49	7.83	0.00	0.00	1238.37	472.66	23.34	1734.36
2011	368.79	23.40	70.67	738.99	7.44	0.00	0.00	1209.29	487.17	22.85	1719.30
2012	357.06	21.80	68.55	727.49	7.07	0.00	0.00	1181.97	502.01	22.68	1706.65
2013	340.19	20.40	66.49	698.20	6.72	0.00	0.00	1132.00	517.25	22.53	1671.78
2014	327.70	18.90	64.50	675.12	6.38	0.00	0.00	1092.60	533.15	22.12	1647.86
2015	306.08	17.50	62.56	641.83	6.06	0.00	0.00	1034.03	549.56	21.85	1605.44

	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
FY.	TOTAL REVS W/ PERM FUND DEDICATION	PUBLIC SCHOOL. FUND	NPR-A FUND	OTHER FUNDS	PERMANENT FUND DEDICATION	BUDGET RESERVE	NET GENERAL FUND UNRESTRICTED REVENUES		
							NOMINALS	REAL 1995\$	
1996	2103.12	4.17	0.10	0.00	217.54	0.00	1881.30	1826.73	
1997	2057.56	4.14	0.00	0.00	215.52	0.00	1837.60	1732.82	
1998	2051.80	4.16	0.00	10.00	217.04	0.00	1820.60	1663.68	
1999	2133.56	4.39	0.00	10.00	228.97	0.00	1890.20	1674.13	
2000	2131.24	4.43	0.00	10.00	230.72	0.00	1886.10	1619.09	
2001	2094.58	4.48	0.00	10.00	233.37	0.00	1846.73	1536.51	
2002	2066.22	4.59	0.00	10.00	239.13	0.00	1812.50	1461.63	
2003	2046.77	4.58	0.00	0.00	238.49	0.00	1803.70	1409.77	
2004	2034.54	4.55	0.00	0.00	237.18	0.00	1792.80	1358.13	
2005	1971.50	4.39	0.00	0.00	228.71	0.00	1738.40	1276.40	
2006	1896.11	4.18	0.00	0.00	218.03	0.00	1673.90	1191.21	
2007	1837.81	4.02	0.00	0.00	209.49	0.00	1624.30	1120.35	
2008	1793.36	3.90	0.00	0.00	203.25	0.00	1586.21	1060.40	
2009	1771.34	3.88	0.00	0.00	202.25	0.00	1565.21	1014.17	
2010	1734.36	3.79	0.00	0.00	197.62	0.00	1532.95	962.70	
2011	1719.30	3.73	0.00	0.00	194.52	0.00	1521.05	925.83	
2012	1706.65	3.67	0.00	0.00	191.43	0.00	1511.55	891.74	
2013	1671.78	3.52	0.00	0.00	183.70	0.00	1484.56	848.86	
2014	1647.86	3.41	0.00	0.00	177.60	0.00	1466.86	812.93	
2015	1605.44	3.24	0.00	0.00	168.84	0.00	1433.36	769.92	

Table 19

Low Price Alternative Detailed Revenue Projections
(Millions of Dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
YR	SEVERANCE TAX	PROPERTY TAX	OIL & GAS INCOME TAX	GROSS ROYALTIES	MINERAL RENTS	BONUS SALES	INCOME FROM PRIOR YEARS	TOTAL PETROLEUM REVENUES	NON-PETRO NON-INTEREST REVENUES	GEN FUND INTEREST REVENUES	TOTAL REVS W/ PERM FUND DEDICATION
1995	793.90	57.30	128.50	940.83	16.91	1.65	9.40	1948.49	391.47	66.50	2406.46
1996	674.70	53.90	75.00	747.10	16.06	0.00	9.40	1576.16	287.12	30.30	1893.58
1997	602.90	51.50	75.00	698.50	15.26	0.00	13.40	1456.86	283.24	30.30	1770.40
1998	565.60	49.30	75.00	674.60	14.50	0.00	13.40	1392.40	293.70	30.30	1716.40
1999	508.60	46.10	72.75	628.60	13.77	0.00	13.40	1283.22	302.51	30.30	1616.03
2000	455.20	43.90	70.57	569.60	13.08	0.00	13.40	1165.75	311.59	30.30	1507.64
2001	404.20	41.80	68.45	529.20	12.43	0.00	13.40	1069.48	320.93	13.22	1403.63
2002	353.60	39.80	66.40	490.30	11.81	0.00	0.00	961.91	330.56	12.45	1304.91
2003	312.60	37.80	64.41	451.20	11.22	0.00	0.00	877.22	340.48	11.70	1229.40
2004	270.50	35.90	62.47	414.00	10.66	0.00	0.00	793.53	350.69	11.05	1155.27
2005	230.60	33.90	60.60	375.90	10.12	0.00	0.00	711.12	361.21	10.41	1082.74
2006	208.70	32.00	58.78	351.00	9.62	0.00	0.00	660.10	372.05	9.78	1041.93
2007	189.10	30.20	57.02	328.90	9.14	0.00	0.00	614.35	383.21	9.44	1007.01
2008	172.10	28.30	55.31	310.60	8.68	0.00	0.00	574.99	394.71	9.15	978.85
2009	159.20	26.60	53.65	293.20	8.25	0.00	0.00	540.89	406.55	8.92	956.36
2010	148.40	24.90	52.04	276.60	7.83	0.00	0.00	509.77	418.75	8.74	937.26
2011	138.50	23.40	50.48	257.90	7.44	0.00	0.00	477.72	431.31	8.59	917.62
2012	135.20	21.80	48.96	257.20	7.07	0.00	0.00	470.23	444.25	8.45	922.93
2013	130.00	20.40	47.49	249.60	6.72	0.00	0.00	454.21	457.58	8.50	920.29
2014	128.10	18.90	46.07	246.00	6.38	0.00	0.00	445.45	471.30	8.49	925.25
2015	123.70	17.50	44.69	237.00	6.06	0.00	0.00	428.95	485.44	8.55	922.94

	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
YR	TOTAL REVS W/ PERM FUND DEDICATION	PUBLIC SCHOOL FUND	NPR-A FUND	OTHER FUNDS	PERMANENT FUND DEDICATION	BUDGET RESERVE	NET GENERAL FUND UNRESTRICTED REVENUES		
							NOMINALS	REAL 1225\$	
1996	1893.58	3.82	0.10	0.00	197.96	0.00	1691.70	1652.17	
1997	1770.40	3.57	0.00	0.00	185.23	0.00	1581.60	1507.49	
1998	1716.40	3.45	0.00	10.00	178.75	0.00	1524.80	1417.84	
1999	1616.03	3.21	0.00	10.00	166.63	0.00	1436.19	1303.84	
2000	1507.61	2.91	0.00	10.00	151.15	0.00	1343.58	1190.43	
2001	1403.63	2.71	0.00	10.00	140.50	0.00	1250.42	1080.49	
2002	1304.91	2.51	0.00	10.00	130.25	0.00	1162.16	979.39	
2003	1229.40	2.31	0.00	0.00	119.95	0.00	1107.14	909.95	
2004	1155.27	2.12	0.00	0.00	110.16	0.00	1042.99	836.03	
2005	1082.74	1.93	0.00	0.00	100.13	0.00	980.68	766.64	
2006	1041.93	1.80	0.00	0.00	93.54	0.00	946.59	721.69	
2007	1007.01	1.69	0.00	0.00	87.69	0.00	917.63	682.31	
2008	978.85	1.60	0.00	0.00	82.82	0.00	894.43	648.61	
2009	956.36	1.51	0.00	0.00	78.20	0.00	876.66	620.01	
2010	937.26	1.42	0.00	0.00	73.78	0.00	862.06	594.60	
2011	917.62	1.33	0.00	0.00	68.83	0.00	847.47	570.08	
2012	922.93	1.32	0.00	0.00	68.55	0.00	853.05	559.65	
2013	920.29	1.28	0.00	0.00	66.49	0.00	852.52	545.46	
2014	925.25	1.26	0.00	0.00	65.47	0.00	858.52	535.72	
2015	922.94	1.22	0.00	0.00	63.05	0.00	858.68	522.57	

Table 20

High Price Alternative Detailed Revenue Projections
(Millions of Dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
YR	SEVERANCE TAX	PROPERTY TAX	OIL & GAS INCOME TAX	GROSS ROYALTIES	MINERAL RENTS	BONUS SALES	INCOME FROM PRIOR YEARS	TOTAL PETROLEUM REVENUES	NON-PETRO NON-INTEREST REVENUES	GEN FUND INTEREST REVENUES	TOTAL REVS W/ PERM FUND DEDICATION
1996	786.40	53.90	175.00	875.30	16.06	0.00	9.40	1916.06	353.19	45.40	2314.65
1997	781.80	51.50	165.00	914.70	15.26	0.00	13.40	1941.66	344.44	45.40	2331.50
1998	757.00	49.30	155.00	919.10	14.50	0.00	13.40	1908.30	349.97	45.40	2303.67
1999	788.80	46.10	150.35	975.60	13.77	0.00	13.40	1988.02	360.47	45.40	2393.89
2000	834.60	43.90	145.84	1081.70	13.08	0.00	13.40	2132.52	371.28	45.40	2549.21
2001	857.70	41.80	141.46	1121.00	12.43	0.00	13.40	2187.79	382.42	33.30	2603.52
2002	879.00	39.80	137.22	1162.30	11.81	0.00	0.00	2230.13	393.89	34.15	2658.17
2003	900.50	37.80	133.10	1203.80	11.22	0.00	0.00	2286.42	405.71	35.00	2727.14
2004	856.70	35.90	129.11	1195.90	10.66	0.00	0.00	2228.27	417.88	35.87	2682.02
2005	803.90	33.90	125.24	1172.20	10.12	0.00	0.00	2145.36	430.42	35.21	2610.99
2006	789.50	32.00	121.48	1223.10	9.62	0.00	0.00	2175.70	443.33	34.24	2653.27
2007	773.20	30.20	117.84	1240.90	9.14	0.00	0.00	2171.27	456.63	34.70	2662.60
2008	760.80	28.30	114.30	1268.20	8.68	0.00	0.00	2180.28	470.33	34.77	2685.38
2009	751.00	26.60	110.87	1285.70	8.25	0.00	0.00	2182.42	484.44	35.00	2701.86
2010	749.70	24.90	107.55	1300.70	7.83	0.00	0.00	2190.68	498.97	35.18	2724.83
2011	731.60	23.40	104.32	1284.10	7.44	0.00	0.00	2150.86	513.94	35.47	2700.27
2012	722.10	21.80	101.19	1286.50	7.07	0.00	0.00	2138.66	529.36	35.16	2703.18
2013	706.00	20.40	98.15	1278.20	6.72	0.00	0.00	2109.47	545.24	35.20	2689.91
2014	702.10	18.90	95.21	1282.20	6.38	0.00	0.00	2104.79	561.60	35.03	2701.42
2015	689.50	17.50	92.35	1272.10	6.06	0.00	0.00	2077.52	578.45	35.19	2691.15

	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
	TOTAL REVS W/ PERM FUND DEDICATION	PUBLIC SCHOOL FUND	NPR-A FUND	OTHER FUNDS	PERMANENT FUND DEDICATION	BUDGET RESERVE	NET GENERAL FUND UNRESTRICTED REVENUES		
FY							NOMINALS	REAL 1225\$	
1996	2314.65	4.46	0.10	0.00	232.20	0.00	2077.90	1998.66	
1997	2331.50	4.65	0.00	0.00	242.25	0.00	2084.60	1927.33	
1998	2303.67	4.67	0.00	10.00	243.20	0.00	2046.20	1818.08	
1999	2397.89	4.95	0.00	10.00	257.73	0.00	2121.21	1811.98	
2000	2549.21	5.47	0.00	10.00	285.19	0.00	2248.54	1846.24	
2001	2603.52	5.67	0.00	10.00	295.26	0.00	2292.59	1808.14	
2002	2658.17	5.87	0.00	10.00	305.86	0.00	2336.45	1770.03	
2003	2727.14	6.08	0.00	0.00	316.51	0.00	2404.55	1749.76	
2004	2682.02	6.03	0.00	0.00	314.31	0.00	2361.68	1650.77	
2005	2610.99	5.91	0.00	0.00	308.00	0.00	2297.08	1542.27	
2006	2653.27	6.16	0.00	0.00	321.12	0.00	2325.98	1500.07	
2007	2662.60	6.25	0.00	0.00	325.63	0.00	2330.72	1443.82	
2008	2685.38	6.38	0.00	0.00	332.63	0.00	2346.37	1396.17	
2009	2701.86	6.47	0.00	0.00	337.07	0.00	2358.32	1347.92	
2010	2724.83	6.54	0.00	0.00	340.87	0.00	2377.42	1305.23	
2011	2700.27	6.46	0.00	0.00	336.45	0.00	2357.37	1243.17	
2012	2703.18	6.47	0.00	0.00	336.98	0.00	2359.73	1195.32	
2013	2689.91	6.42	0.00	0.00	334.72	0.00	2348.76	1142.83	
2014	2701.42	6.44	0.00	0.00	335.68	0.00	2359.30	1102.67	
2015	2691.15	6.39	0.00	0.00	332.96	0.00	2351.80	1055.80	

Table 21

Projected and Historical Crude Oil Prices
Alaska North Slope Crude and Domestic Marker
In Nominal and 1995 Constant \$/Barrel

FY	Base Case				Low Price Alternative				High Price Alternative			
	Nominal	Real \$95	Nominal	Real \$95	Nominal	Real \$95	Nominal	Real \$95	Nominal	Real \$95	Nominal	Real \$95
	WTI	WTI	ANS Wellhead	ANS Wellhead	WTI	WTI	ANS Wellhead	ANS Wellhead	WTI	WTI	ANS Wellhead	ANS Wellhead
1985	28.15	39.28	17.37	24.24	28.15	39.28	17.37	24.24	28.15	35.03	17.37	21.62
1986	23.11	31.12	12.41	16.71	23.11	31.12	12.41	16.71	23.11	27.76	12.41	14.91
1987	16.14	21.17	7.84	10.28	16.14	21.17	7.84	10.28	16.14	18.88	7.84	9.17
1988	18.53	23.58	10.68	13.59	18.53	23.58	10.68	13.59	18.53	21.03	10.68	12.12
1989	19.36	23.96	9.55	11.81	16.93	20.95	9.55	11.81	16.93	18.69	9.55	10.54
1990	20.06	23.81	11.89	14.11	20.06	23.81	11.89	14.11	20.06	21.24	11.89	12.59
1991	24.95	28.43	15.38	17.52	24.95	28.43	15.38	17.52	24.99	26.95	15.38	16.58
1992	20.69	22.52	11.20	12.19	20.69	22.52	11.20	12.19	20.69	21.03	11.20	11.39
1993	20.69	21.84	12.80	13.51	20.69	21.84	12.80	13.51	20.69	21.31	12.80	13.18
1994	16.69	17.11	9.57	9.81	16.69	17.11	9.57	9.81	16.69	16.45	9.57	9.43
1995	18.46	18.46	11.51	11.51	18.46	18.46	11.51	11.51	18.46	18.46	11.51	11.51
1996	17.85	17.33	11.33	11.00	16.85	16.46	10.54	10.30	18.44	17.73	12.52	12.05
1997	17.74	16.72	12.05	11.36	15.85	15.11	10.40	9.91	19.38	17.92	13.68	12.65
1998	18.04	16.48	12.51	11.43	15.85	14.74	10.62	9.88	20.03	17.80	14.43	12.83
1999	19.36	17.15	13.77	12.19	15.84	14.38	10.62	9.64	21.46	18.33	15.74	13.44
2000	20.08	17.24	14.23	12.21	15.69	13.90	10.28	9.10	22.57	18.53	16.67	13.69
2001	20.82	17.32	14.66	12.20	15.75	13.61	10.12	8.74	23.76	18.74	17.58	13.86
2002	21.59	17.41	15.19	12.25	15.83	13.34	9.73	8.20	25.15	19.05	18.65	14.13
2003	22.39	17.50	15.73	12.29	15.89	13.06	9.76	8.02	26.61	19.36	19.81	14.42
2004	23.22	17.59	16.21	12.28	15.97	12.80	9.54	7.65	28.15	19.68	20.92	14.62
2005	24.08	17.68	16.61	12.20	16.04	12.54	9.27	7.24	29.78	20.00	22.05	14.81
2006	24.98	17.78	17.03	12.12	16.20	12.35	9.04	6.89	31.78	20.50	23.49	15.15
2007	25.92	17.88	17.43	12.02	16.36	12.16	8.83	6.57	33.91	21.01	25.13	15.56
2008	26.88	17.97	17.91	11.97	16.52	11.98	8.60	6.23	36.19	21.54	26.80	15.95
2009	27.89	18.07	18.75	12.15	16.69	11.81	8.60	6.08	38.63	22.08	28.82	16.47
2010	28.86	18.12	19.34	12.15	16.85	11.62	8.50	5.86	41.21	22.63	30.88	16.95
2011	29.86	18.18	19.81	12.06	17.29	11.63	8.44	5.68	43.38	22.88	32.44	17.11
2012	30.89	18.22	20.59	12.15	17.72	11.62	8.81	5.78	45.67	23.13	34.32	17.38
2013	31.96	18.27	21.15	12.09	18.17	11.63	9.08	5.81	48.07	23.39	36.23	17.63
2014	33.07	18.33	21.83	12.10	18.63	11.62	9.33	5.82	50.60	23.65	38.21	17.86
2015	34.21	18.38	22.42	12.04	19.10	11.63	9.44	5.74	53.27	23.91	40.20	18.05

Table 22

Base Case Scenario Simulated Oil Production
(Millions of bbls/day)

Fiscal Year	NGL's		Kuparuk	Milne Point	Endicott	Lisburne	West Sak	Sag River	North Star	Niakuk	Point McIntyre	Sag Delta	Schrader Bluff	North Prudhoe	Known Onshore	ANS Total	Cook Inlet	STATE TOTAL
	Prudhoe	Prudhoe																
1995	0.075	0.923	0.303	0.017	0.094	0.018	0.000	0.000	0.000	0.017	0.119	0.001	0.003	0.004	0.000	1.571	0.042	1.613
1996	0.083	0.821	0.293	0.026	0.086	0.014	0.000	0.001	0.000	0.021	0.140	0.001	0.003	0.002	0.000	1.489	0.044	1.533
1997	0.073	0.740	0.293	0.058	0.080	0.012	0.000	0.003	0.000	0.025	0.121	0.000	0.003	0.001	0.000	1.409	0.044	1.454
1998	0.069	0.702	0.293	0.073	0.076	0.010	0.000	0.008	0.000	0.022	0.108	0.000	0.004	0.001	0.000	1.366	0.041	1.407
1999	0.064	0.678	0.293	0.069	0.068	0.008	0.000	0.011	0.000	0.018	0.094	0.000	0.009	0.001	0.000	1.314	0.039	1.353
2000	0.061	0.643	0.293	0.062	0.058	0.008	0.000	0.011	0.000	0.014	0.083	0.000	0.017	0.001	0.030	1.280	0.035	1.315
2001	0.057	0.596	0.267	0.053	0.050	0.008	0.000	0.008	0.000	0.013	0.073	0.000	0.025	0.000	0.039	1.190	0.032	1.222
2002	0.053	0.554	0.243	0.045	0.045	0.008	0.000	0.007	0.049	0.011	0.064	0.000	0.033	0.001	0.039	1.153	0.029	1.182
2003	0.050	0.535	0.221	0.039	0.042	0.008	0.012	0.005	0.054	0.010	0.057	0.000	0.039	0.001	0.035	1.107	0.027	1.134
2004	0.048	0.528	0.201	0.033	0.039	0.008	0.012	0.004	0.054	0.009	0.050	0.000	0.044	0.001	0.031	1.061	0.025	1.086
2005	0.045	0.496	0.183	0.029	0.036	0.008	0.012	0.003	0.054	0.008	0.043	0.000	0.045	0.001	0.027	0.988	0.023	1.011
2006	0.041	0.464	0.166	0.025	0.033	0.007	0.019	0.003	0.048	0.007	0.037	0.000	0.043	0.001	0.024	0.916	0.021	0.937
2007	0.043	0.434	0.151	0.021	0.030	0.007	0.025	0.002	0.042	0.007	0.032	0.000	0.039	0.001	0.021	0.854	0.019	0.873
2008	0.048	0.406	0.138	0.018	0.028	0.007	0.036	0.002	0.037	0.006	0.027	0.000	0.036	0.001	0.018	0.808	0.018	0.826
2009	0.049	0.379	0.125	0.016	0.027	0.007	0.049	0.001	0.032	0.005	0.023	0.000	0.033	0.000	0.016	0.764	0.017	0.780
2010	0.047	0.355	0.114	0.014	0.025	0.007	0.062	0.001	0.029	0.005	0.020	0.000	0.031	0.000	0.014	0.724	0.015	0.739
2011	0.045	0.339	0.104	0.012	0.024	0.007	0.074	0.001	0.025	0.004	0.017	0.000	0.029	0.000	0.013	0.693	0.014	0.707
2012	0.043	0.323	0.095	0.010	0.023	0.007	0.074	0.000	0.022	0.004	0.015	0.000	0.027	0.000	0.011	0.653	0.013	0.666
2013	0.040	0.309	0.086	0.009	0.021	0.006	0.070	0.000	0.019	0.004	0.013	0.000	0.024	0.000	0.010	0.611	0.012	0.623
2014	0.040	0.295	0.076	0.008	0.021	0.006	0.063	0.000	0.017	0.003	0.011	0.000	0.022	0.000	0.009	0.570	0.011	0.582
2015	0.033	0.275	0.071	0.006	0.020	0.006	0.057	0.000	0.015	0.003	0.010	0.000	0.020	0.000	0.008	0.523	0.010	0.534

Table 23

Low Price Alternative Simulated Oil Production
(Millions of bbls/day)

Fiscal Year	NGL's	Prudhoe	Kuparuk	Milne Point	Endicott	Lisburne	West Sak	Sag River	North Star	Niakuk	Point McIntyre	Sag Delta	Schrader Bluff	North Prudhoe	Known Onshore	ANS Total	Cook Inlet	STATE TOTAL
1995	0.075	0.923	0.303	0.017	0.094	0.018	0.000	0.000	0.000	0.017	0.119	0.001	0.003	0.004	0.000	1.571	0.042	1.613
1996	0.083	0.821	0.289	0.026	0.086	0.014	0.000	0.001	0.000	0.020	0.140	0.001	0.003	0.002	0.000	1.486	0.044	1.530
1997	0.073	0.742	0.286	0.058	0.080	0.012	0.000	0.003	0.000	0.025	0.121	0.000	0.003	0.001	0.000	1.405	0.044	1.449
1998	0.069	0.668	0.285	0.073	0.076	0.010	0.000	0.003	0.000	0.022	0.108	0.000	0.004	0.001	0.000	1.320	0.041	1.361
1999	0.064	0.602	0.283	0.069	0.068	0.008	0.000	0.000	0.000	0.018	0.094	0.000	0.009	0.001	0.000	1.217	0.039	1.256
2000	0.060	0.542	0.281	0.062	0.058	0.008	0.000	0.000	0.000	0.014	0.083	0.000	0.017	0.001	0.000	1.126	0.035	1.161
2001	0.057	0.497	0.252	0.053	0.050	0.008	0.000	0.000	0.000	0.013	0.073	0.000	0.025	0.000	0.029	1.058	0.032	1.090
2002	0.053	0.459	0.227	0.045	0.045	0.008	0.000	0.000	0.000	0.011	0.064	0.000	0.033	0.000	0.039	0.986	0.029	1.015
2003	0.020	0.422	0.205	0.039	0.041	0.008	0.000	0.000	0.000	0.010	0.057	0.000	0.039	0.000	0.039	0.879	0.027	0.906
2004	0.048	0.388	0.184	0.033	0.038	0.008	0.000	0.000	0.000	0.009	0.050	0.000	0.044	0.000	0.035	0.837	0.025	0.862
2005	0.045	0.356	0.165	0.029	0.035	0.008	0.000	0.001	0.000	0.008	0.043	0.000	0.045	0.000	0.030	0.765	0.023	0.788
2006	0.041	0.343	0.149	0.025	0.032	0.007	0.000	0.003	0.000	0.007	0.037	0.000	0.043	0.000	0.027	0.715	0.021	0.736
2007	0.043	0.329	0.134	0.021	0.029	0.007	0.000	0.008	0.000	0.007	0.032	0.000	0.039	0.000	0.024	0.673	0.019	0.693
2008	0.048	0.316	0.121	0.018	0.028	0.007	0.000	0.011	0.000	0.006	0.027	0.000	0.036	0.000	0.021	0.639	0.018	0.657
2009	0.049	0.303	0.108	0.016	0.026	0.007	0.000	0.010	0.000	0.005	0.023	0.000	0.033	0.000	0.018	0.599	0.017	0.616
2010	0.047	0.291	0.098	0.014	0.025	0.007	0.000	0.008	0.000	0.005	0.020	0.000	0.030	0.000	0.016	0.561	0.015	0.576
2011	0.045	0.280	0.088	0.000	0.023	0.007	0.000	0.007	0.000	0.004	0.017	0.000	0.027	0.000	0.014	0.513	0.014	0.527
2012	0.043	0.268	0.079	0.000	0.022	0.007	0.000	0.005	0.000	0.004	0.015	0.000	0.025	0.000	0.012	0.481	0.013	0.494
2013	0.041	0.257	0.071	0.000	0.021	0.006	0.000	0.004	0.000	0.004	0.013	0.000	0.023	0.000	0.011	0.450	0.012	0.462
2014	0.040	0.247	0.064	0.000	0.020	0.006	0.000	0.003	0.000	0.003	0.011	0.000	0.021	0.000	0.010	0.426	0.011	0.437
2015	0.033	0.237	0.058	0.000	0.019	0.006	0.000	0.003	0.000	0.003	0.010	0.000	0.019	0.000	0.009	0.396	0.010	0.406

Table 24

High Price Alternative Simulated Oil Production (Millions of bbls/day)

Fiscal Year	NGI's	Prudhoe	Kuparuk	Millac Point	Endicott	Lisburne	West Sak	Sag River	North Star	Nlukuk	Point McIntyre	Sag Delta	Schrader Bluff	North Prudhoe	Known Onshore	ANS Total	Cook Inlet	STATE TOTAL
1995	0.075	0.923	0.303	0.017	0.094	0.018	0.000	0.000	0.000	0.017	0.119	0.001	0.003	0.004	0.000	1.571	0.042	1.613
1996	0.083	0.830	0.289	0.026	0.086	0.014	0.000	0.001	0.000	0.020	0.140	0.001	0.003	0.002	0.000	1.495	0.044	1.539
1997	0.073	0.742	0.290	0.058	0.080	0.012	0.000	0.003	0.000	0.025	0.121	0.000	0.003	0.001	0.000	1.409	0.044	1.453
1998	0.069	0.702	0.293	0.073	0.076	0.010	0.000	0.008	0.000	0.022	0.108	0.000	0.004	0.001	0.000	1.366	0.041	1.407
1999	0.064	0.678	0.294	0.069	0.070	0.008	0.000	0.011	0.000	0.018	0.097	0.000	0.009	0.001	0.000	1.320	0.039	1.358
2000	0.060	0.627	0.300	0.062	0.062	0.008	0.000	0.011	0.049	0.014	0.088	0.000	0.017	0.001	0.030	1.329	0.035	1.364
2001	0.057	0.620	0.280	0.056	0.056	0.008	0.012	0.008	0.054	0.013	0.080	0.000	0.025	0.000	0.039	1.310	0.032	1.342
2002	0.053	0.618	0.264	0.051	0.053	0.008	0.012	0.007	0.054	0.012	0.074	0.000	0.033	0.001	0.039	1.279	0.029	1.308
2003	0.050	0.616	0.249	0.046	0.050	0.008	0.012	0.007	0.054	0.011	0.058	0.000	0.039	0.001	0.035	1.246	0.027	1.273
2004	0.048	0.571	0.225	0.043	0.047	0.008	0.019	0.006	0.049	0.010	0.050	0.000	0.044	0.001	0.031	1.161	0.025	1.186
2005	0.045	0.528	0.203	0.040	0.043	0.008	0.025	0.006	0.045	0.009	0.052	0.000	0.045	0.001	0.027	1.076	0.023	1.099
2006	0.041	0.505	0.184	0.034	0.040	0.007	0.036	0.005	0.042	0.008	0.045	0.000	0.043	0.001	0.024	1.017	0.021	1.038
2007	0.043	0.482	0.167	0.030	0.036	0.007	0.049	0.004	0.039	0.008	0.039	0.000	0.039	0.001	0.021	0.965	0.019	0.984
2008	0.048	0.460	0.151	0.026	0.034	0.007	0.062	0.003	0.037	0.007	0.034	0.000	0.037	0.001	0.018	0.925	0.018	0.943
2009	0.049	0.438	0.136	0.022	0.032	0.007	0.074	0.003	0.032	0.006	0.029	0.000	0.035	0.001	0.016	0.880	0.017	0.897
2010	0.047	0.419	0.124	0.019	0.030	0.007	0.074	0.002	0.029	0.006	0.025	0.000	0.034	0.000	0.014	0.830	0.015	0.846
2011	0.045	0.400	0.112	0.016	0.029	0.007	0.070	0.002	0.025	0.005	0.022	0.000	0.032	0.000	0.012	0.778	0.014	0.792
2012	0.043	0.381	0.102	0.014	0.027	0.007	0.071	0.000	0.022	0.005	0.019	0.000	0.031	0.000	0.011	0.733	0.013	0.746
2013	0.041	0.363	0.092	0.012	0.026	0.006	0.072	0.000	0.020	0.004	0.016	0.000	0.028	0.000	0.010	0.690	0.012	0.702
2014	0.040	0.348	0.084	0.011	0.025	0.006	0.073	0.000	0.018	0.004	0.014	0.000	0.026	0.000	0.009	0.656	0.011	0.667
2015	0.033	0.332	0.076	0.009	0.023	0.006	0.074	0.000	0.016	0.003	0.012	0.000	0.024	0.000	0.007	0.615	0.010	0.626

METHODOLOGY

The Department of Revenue uses a variety of models and techniques to prepare the revenue forecast. The main petroleum forecasting model is a marketing and production simulation model which projects severance taxes and royalties on a taxpayer specific and field-by-field basis.

The key input assumptions for this model are oil prices, inflation, transportation costs, production rates, and the number of producing wells. The oil prices and inflation rates are developed by a pricing panel which is composed of State economists from the Departments of Revenue, Labor, Natural Resources, and the Office of Management and Budget, and the University of Alaska. A member of the Legislative Finance Division also attends the price assumption development session.

The production and well assumptions are developed through consultation with the oil producing companies, the Department of Natural Resources, and the Alaska Oil and Gas Conservation Commission. Initial production assumptions are tested with an investment model to ensure that production is consistent with assumed prices. The investment model also evaluates the impact of increasing or decreasing oil prices on production. This exercise results in the low and high production alternatives. Transportation cost estimates are based on current costs and trended to reflect oil price and inflation assumptions.

Revenue estimates for the other revenue sources are generated from a variety of spreadsheet models and are based predominately on trend extrapolation based on current collections.

In this forecast we discuss only three of the many possible future price and production outcomes affecting Alaska oil revenues: the base case, the low price alternative, and the high price alternative.

To assist in examining a greater number of possible future oil revenue outcomes, a revenue matrix has been developed for both FY 1996 and FY 1997. The Alaska State Revenue Matrices on the pages that follow provide an estimate of State General Fund unrestricted revenues for various alternative ANS price and production levels.

Table 25

Alaska State Revenue Matrix¹
 Unrestricted General Fund
 (Millions of Dollars)

FY 1996

Alaska North Slope Production
 Millions of barrels/day

Avg ANS ² Lower 48	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.65	1.70
\$10.00	1,270	1,280	1,290	1,310	1,320	1,340	1,350	1,360	1,380
\$11.00	1,310	1,330	1,340	1,360	1,370	1,390	1,410	1,420	1,440
\$12.00	1,350	1,370	1,390	1,410	1,430	1,450	1,470	1,490	1,510
\$13.00	1,420	1,440	1,470	1,490	1,510	1,540	1,560	1,580	1,610
\$14.00	1,510	1,540	1,570	1,600	1,630	1,660	1,680	1,710	1,740
\$15.00	1,600	1,640	1,670	1,700	1,740	1,770	1,810	1,840	1,880
\$16.00	1,690	1,730	1,770	1,810	1,850	1,890	1,930	1,970	2,010
\$17.00	1,780	1,830	1,870	1,920	1,960	2,010	2,060	2,100	2,150
\$18.00	1,870	1,920	1,970	2,030	2,080	2,130	2,180	2,230	2,280
\$19.00	1,960	2,020	2,080	2,130	2,190	2,250	2,300	2,360	2,420
\$20.00	2,050	2,110	2,180	2,240	2,300	2,360	2,430	2,490	2,550
\$21.00	2,140	2,210	2,280	2,350	2,410	2,480	2,550	2,620	2,690
\$22.00	2,230	2,310	2,380	2,450	2,530	2,600	2,680	2,750	2,820
\$23.00	2,320	2,400	2,480	2,560	2,640	2,720	2,800	2,880	2,960
\$24.00	2,410	2,500	2,580	2,670	2,750	2,840	2,920	3,010	3,090
\$25.00	2,500	2,590	2,680	2,780	2,870	2,960	3,050	3,140	3,230
\$26.00	2,590	2,690	2,790	2,880	2,980	3,070	3,170	3,270	3,360
\$27.00	2,680	2,790	2,890	2,990	3,090	3,190	3,290	3,400	3,500
\$28.00	2,770	2,880	2,990	3,100	3,200	3,310	3,420	3,530	3,630
\$29.00	2,860	2,980	3,090	3,200	3,320	3,430	3,540	3,660	3,770

¹ Assumptions other than price and production are based on the Department of Revenue's base case scenario fall 1995 forecast.

Table 26

Alaska State Revenue Matrix:
Unrestricted General Fund
(Millions of Dollars)

FY 1997

Avg ANS Lower 48 ¹	Alaska North Slope Production Millions of barrels/day								
	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.65	1.70
\$10.00	970	990	1,000	1,020	1,030	1,040	1,060	1,070	1,090
\$11.00	1,230	1,260	1,280	1,310	1,330	1,350	1,380	1,400	1,430
\$12.00	1,330	1,360	1,380	1,410	1,440	1,470	1,490	1,520	1,550
\$13.00	1,420	1,450	1,480	1,520	1,550	1,580	1,610	1,640	1,670
\$14.00	1,520	1,550	1,590	1,620	1,660	1,690	1,730	1,760	1,800
\$15.00	1,610	1,650	1,690	1,730	1,760	1,800	1,840	1,880	1,920
\$16.00	1,700	1,750	1,790	1,830	1,870	1,910	1,960	2,000	2,040
\$17.00	1,800	1,840	1,890	1,940	1,980	2,030	2,070	2,120	2,170
\$18.00	1,890	1,940	1,990	2,040	2,090	2,140	2,190	2,240	2,290
\$19.00	1,990	2,040	2,090	2,150	2,200	2,250	2,310	2,360	2,410
\$20.00	2,080	2,140	2,190	2,250	2,310	2,360	2,420	2,480	2,540
\$21.00	2,170	2,230	2,290	2,360	2,420	2,480	2,540	2,600	2,660
\$22.00	2,270	2,330	2,400	2,460	2,520	2,590	2,650	2,720	2,780
\$23.00	2,360	2,430	2,500	2,570	2,630	2,700	2,770	2,840	2,910
\$24.00	2,460	2,530	2,600	2,670	2,740	2,810	2,890	2,960	3,030
\$25.00	2,550	2,630	2,700	2,780	2,850	2,930	3,000	3,080	3,150
\$26.00	2,640	2,720	2,800	2,880	2,960	3,040	3,120	3,200	3,280
\$27.00	2,740	2,820	2,900	2,990	3,070	3,150	3,230	3,320	3,400
\$28.00	2,830	2,920	3,000	3,090	3,180	3,260	3,350	3,440	3,520
\$29.00	2,930	3,020	3,110	3,200	3,290	3,380	3,470	3,560	3,650

¹ Assumptions other than price and production are based on the Department of Revenue's base case scenario fall 1995 forecast.

HISTORICAL REVENUES, PRICES, AND PRODUCTION

This section contains historical revenues, prices, and production. Table 27 on pages 48 and 49 shows General Fund unrestricted revenues by type from FY 1980 - FY 1994. Table 28 on the next page shows historical petroleum revenues by type from statehood to the present (FY 1959 - FY 1994). And finally, historical crude oil prices (FY 1981 - FY 1994) and historical crude oil production for the North Slope and Cook Inlet (FY 1978 - FY 1995) are depicted on page 51 in Tables 29 and 30.

Table 27

**Historical General Fund Unrestricted Revenues
-Tax Portion-**

(Millions)	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>
Corporate - General	17.9	34.8	34.8	30.3	39.5	36.0	11.2	20.5	23.4	38.0	45.3	37.9	33.7	37.6	44.3
Corporate - Petroleum	547.5	860.1	668.9	236.0	265.1	168.6	133.9	120.4	158.0	166.0	117.2	185.1	165.5	834.7	17.8
Fiduciary	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Individual	<u>100.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Income	666.0	894.9	703.7	266.3	304.6	204.6	145.1	140.9	181.4	204.0	162.5	223.0	199.2	872.3	62.1
Alaska Business License	4.2	5.4	5.5	6.9	19.9	38.8	2.1	1.5	1.4	1.0	0.1	0.0	0.0	0.1	0.2
Fish	14.6	20.7	22.8	20.5	19.0	18.7	21.1	26.5	22.5	26.7	25.1	31.1	30.1	42.2	33.9
Salmon Enhancement	0.0	0.0	2.4	2.6	2.2	2.6	4.3	4.4	5.8	9.5	6.5	6.2	4.2	6.8	5.0
Seafood Marketing	0.0	0.0	0.0	0.9	1.1	1.0	1.1	1.4	2.7	3.3	3.3	3.3	2.8	3.6	2.1
Salmon Marketing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.7
Fish Landing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Insurance Companies	10.4	10.6	12.5	13.8	16.2	17.5	21.1	23.7	23.7	19.4	22.7	24.4	25.5	26.3	26.1
Other	<u>2.1</u>	<u>1.2</u>	<u>1.4</u>	<u>1.6</u>	<u>2.0</u>	<u>2.1</u>	<u>2.2</u>	<u>2.3</u>	<u>2.4</u>	<u>3.2</u>	<u>4.6</u>	<u>4.1</u>	<u>4.1</u>	<u>4.0</u>	<u>4.5</u>
Total Gross Receipts	31.3	37.9	44.6	46.3	60.4	80.7	51.9	59.8	58.5	62.1	62.3	69.1	66.7	83.0	75.6
Gravel, Timber, etc.	1.6	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oil & Gas Production	506.2	1169.9	1581.1	1493.0	1392.4	1388.7	1107.4	647.3	816.4	696.4	972.3	1253.8	1022.2	989.4	662.8
Oil & Hazardous Release	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.9	28.0	28.7	26.1	27.0
Oil & Gas Conservation	<u>0.3</u>	<u>0.3</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.5</u>	<u>1.2</u>	<u>2.3</u>	<u>2.4</u>	<u>2.4</u>	<u>2.3</u>	<u>2.3</u>	<u>2.1</u>	<u>2.3</u>
Total Severance	508.1	1172.9	1581.7	1493.7	1393.1	1389.4	1107.9	648.5	818.7	698.8	1001.6	1284.1	1053.2	1017.6	692.1
Oil & Gas Property	168.9	143.0	142.7	152.6	131.0	128.4	113.5	102.5	96.2	89.7	89.8	85.0	69.0	66.9	61.5
Vehicle Registration	<u>0.1</u>	<u>0.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Property	169.0	143.2	142.7	152.6	131.0	128.4	113.5	102.5	96.2	89.7	89.8	85.0	69.0	66.9	61.5
Alcoholic Beverages	7.4	8.3	9.0	10.4	13.0	13.9	13.3	12.6	12.1	11.8	12.0	12.2	12.0	11.9	12.0
Fuel Taxes - Aviation	4.0	4.1	6.3	8.7	8.1	8.0	8.1	8.5	9.0	10.1	9.4	10.7	10.7	6.4	6.9
Fuel Taxes - Highway	18.9	15.6	20.3	23.7	20.2	23.7	22.7	18.3	19.3	20.0	22.9	19.1	23.2	25.6	25.5
Fuel Taxes - Marine	3.2	3.5	3.7	4.3	3.9	4.3	5.3	5.4	5.3	7.2	9.2	10.0	9.4	8.8	8.1
Tobacco Products	<u>1.6</u>	<u>1.7</u>	<u>1.9</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>4.9</u>	<u>6.6</u>	<u>6.1</u>	<u>6.4</u>	<u>11.0</u>	<u>14.0</u>	<u>14.3</u>	<u>14.0</u>	<u>14.1</u>
Total Sale/Use	35.1	33.2	41.2	49.1	47.2	51.9	54.3	51.4	51.8	55.5	64.5	66.0	69.6	66.7	66.6
State	0.2	0.5	0.3	0.7	0.7	0.5	0.7	1.1	0.3	0.7	1.1	3.3	1.0	0.9	1.6
School	<u>2.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Other	2.8	0.5	0.3	0.7	0.7	0.5	0.7	1.1	0.3	0.7	1.1	3.3	1.0	0.9	1.6
Total Taxes	1412.3	2282.6	2514.2	2008.7	1937.0	1855.5	1473.4	1004.2	1206.9	1111.8	1381.8	1730.5	1458.7	2107.4	959.5

- Non-Tax Portion -

(\$ millions)	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>
Business	8.1	9.1	10.8	10.8	10.8	11.9	11.3	10.0	8.6	8.1	6.7	5.8	5.3	6.9	5.6
Non-Business	<u>10.7</u>	<u>12.2</u>	<u>13.0</u>	<u>14.9</u>	<u>15.9</u>	<u>17.0</u>	<u>18.0</u>	<u>19.2</u>	<u>19.7</u>	<u>20.2</u>	<u>21.1</u>	<u>23.3</u>	<u>22.1</u>	<u>25.8</u>	<u>30.1</u>
Total Licenses & Permits	18.8	21.3	23.8	25.7	26.7	28.9	29.3	29.2	28.3	28.3	27.8	29.1	32.4	32.7	35.7
Intergovernmental Receipts															
Federal Shared Revenues	4.8	8.5	21.7	33.3	14.0	10.5	14.5	9.7	6.9	6.1	10.0	14.8	11.4	10.3	4.3
State Resource Revenue															
Gas Sales	342.4	7.6	5.0	36.2	10.1	11.5	34.7	0.5	5.6	11.4	0.0	18.9	2.6	38.3	0.6
Investment Earnings	119.9	227.8	324.7	375.8	282.7	233.5	195.2	161.9	132.6	100.7	117.9	125.0	101.8	70.9	31.7
Boats	3.0	5.4	3.5	4.3	6.0	5.1	6.2	6.0	6.0	5.3	5.3	5.9	3.9	6.0	4.6
Royalties	688.2	1118.5	1157.3	1078.4	1047.5	1034.0	830.7	439.3	694.8	605.9	747.4	951.6	702.4	711.3	512.1
Sale of State Property	5.7	4.8	5.2	6.3	7.0	8.5	8.7	7.0	3.8	4.9	4.3	4.7	1.0	4.0	9.0
Gravel, Timber, etc.	<u>0.0</u>	<u>0.0</u>	<u>1.2</u>	<u>4.0</u>	<u>2.2</u>	<u>3.1</u>	<u>2.9</u>	<u>7.2</u>	<u>1.1</u>	<u>0.5</u>	<u>0.8</u>	<u>0.4</u>	<u>0.6</u>	<u>0.6</u>	<u>0.4</u>
Total Sale/Use	1159.2	1364.1	1496.9	1505.0	1356.2	1295.7	1078.4	621.9	843.9	728.7	875.7	1106.5	812.3	831.1	558.4
Ports	0.8	1.1	1.6	1.4	1.5	1.6	1.5	1.5	1.8	1.2	1.5	1.3	3.4	1.2	0.5
Ferry System	21.1	21.4	29.2	30.4	32.0	33.4	32.3	31.3	29.8	33.1	34.0	40.7	42.3	40.8	40.4
Other	<u>4.1</u>	<u>3.7</u>	<u>3.6</u>	<u>5.5</u>	<u>4.3</u>	<u>7.9</u>	<u>5.2</u>	<u>4.1</u>	<u>0.7</u>	<u>1.4</u>	<u>1.7</u>	<u>1.5</u>	<u>2.3</u>	<u>1.4</u>	<u>6.1</u>
Total Facilities Charges	26.0	29.2	34.4	37.3	37.8	42.9	39.0	36.9	32.3	35.7	37.2	43.5	48.0	43.4	47.0
Court System	2.8	2.9	3.5	4.2	4.1	4.5	5.1	5.3	5.5	6.0	5.8	6.4	6.2	6.8	6.6
Other	<u>2.0</u>	<u>3.1</u>	<u>6.1</u>	<u>5.9</u>	<u>4.8</u>	<u>5.2</u>	<u>4.1</u>	<u>4.8</u>	<u>2.0</u>	<u>1.9</u>	<u>3.2</u>	<u>7.3</u>	<u>32.2</u>	<u>4.9</u>	<u>4.8</u>
Total Services Charges	4.8	7.0	9.6	10.1	8.9	9.7	9.2	10.1	7.5	7.9	9.0	13.7	38.4	11.7	11.4
Total State Resource Revenue	1190.0	1400.4	1510.9	1552.4	1402.9	1348.3	1126.6	668.9	883.7	772.3	921.9	1163.7	898.7	886.2	616.8
Miscellaneous Revenue	6.7	5.5	7.8	10.9	9.5	16.8	13.0	16.9	16.1	10.0	10.9	14.9	61.4	45.0	46.2
Sub-Total Non-Tax Revenue	1220.3	1435.6	1594.2	1622.3	1453.1	1404.5	1183.4	724.7	935.0	816.7	970.6	1222.5	1003.9	974.2	694.0
Less: Native Claims	131.4														
Plus: Income from prior years							418.7	70.5	163.9	257.7	154.8	33.6			
Total Non-Tax Revenue	1088.9	1435.6	1594.2	1622.3	1453.1	1404.5	1602.1	795.2	1098.9	1074.4	1125.4	1256.1	1003.9	974.2	693.0
Total Tax Revenue	1412.3	2282.6	2514.2	2008.7	1937.0	1355.5	1473.4	1004.2	1206.9	1111.8	1381.8	1730.5	1458.7	2107.4	959.5
Total General Fund															
Unrestricted Revenue	2501.2	3718.2	4108.4	3631.0	3390.1	3260.0	3075.5	1799.4	2305.8	2186.2	2507.2	2986.6	2462.6	3081.6	1652.5

Table 28

Historical Petroleum Revenues (Millions of Dollars)

FY	Corporate		Severance Tax	Oil/Gas Property Tax	Reserve Tax	Fed. Min. Rents & Royalties (1)	Bonus Sales	Rents (1)	Royalties (1)	Oil/Gas ⁽²⁾ Special Settlements	Total Petroleum Revenues	Total G.F. Unrestricted Revenues	% of Total Unrestricted Revenues
	Non-Petroleum	Petroleum											
59	1.4	.	.	.	.	3.1	.	.	.	.	3.1	25.4	12
60	1.7	.	.	.	.	5.8	4.0	0.1	.	.	9.9	48.0	21
61	1.4	.	.	.	.	2.4	1.6	0.2	.	.	4.2	40.5	10
62	1.8	.	0.2	.	.	4.5	20.3	1.0	.	.	26.0	68.9	38
63	2.2	.	0.3	.	.	8.6	17.9	1.0	.	.	27.8	71.6	39
64	1.8	.	0.3	.	.	8.7	4.7	1.2	.	.	14.9	67.0	22
65	1.9	.	0.3	.	.	8.3	5.9	1.9	0.1	.	16.5	83.0	20
66	4.1	.	0.3	.	.	7.7	10.8	2.5	0.3	.	21.6	86.5	25
67	3.5	.	0.5	.	.	7.7	8.6	2.8	1.9	.	21.5	86.6	25
68	3.8	0.1	10.2	.	.	7.5	21.8	2.9	9.5	.	43.0	112.7	38
69	4.2	0.1	5.6	.	.	7.8	0.8	3.3	16.9	.	34.5	112.4	31
70	4.9	0.4	7.9	.	.	8.2	900.0	3.1	19.3	.	938.9	1067.3	88
71	5.2	0.9	10.5	.	.	8.6	0.2	2.9	23.9	.	47.0	220.4	21
72	5.3	1.2	11.4	.	.	7.9	0.3	3.0	24.6	.	48.4	219.2	22
73	5.9	0.9	12.0	.	.	6.7	3.8	3.4	23.5	.	50.3	208.2	24
74	7.0	1.2	14.8	.	.	7.1	24.8	3.6	28.7	.	80.2	254.9	31
75	14.8	2.5	26.6	6.6	.	9.8	1.0	3.9	40.0	.	90.4	333.4	27
76	26.2	4.9	28.0	83.4	223.1	5.1	.	3.7	43.3	.	391.5	709.8	55
77	30.8	5.0	23.8	139.1	270.6	2.0*	.	2.8*	34.3*	.	477.6*	874.3	55
78	25.1	8.4	107.7	173.0	.	1.0*	.	1.8*	149.6*	.	441.5*	764.9	58
79	24.8	212.6	173.8	163.4	.	1.0*	.	1.6*	249.2*	.	821.6*	1133.0	71
80	17.9	547.5	506.5	168.9	.	1.2*	342.4*	1.8*	688.2*	.	2256.5*	2501.2	90
81	34.8	860.1	1170.2	143.0	.	1.2*	7.6*	3.7*	1118.5*	.	3304.3*	3718.2	89
82	34.8	668.9	1581.7	142.7	.	17.1*	5.0*	2.1*	1157.3*	.	3574.8*	4108.4	87
83	30.1	236.0	1493.7	152.6	.	27.2*	36.2*	2.5*	1078.4*	.	3026.6*	3631.0	81
84	39.5	265.1	1393.1	131.0	.	11.0*	10.1*	3.8*	1047.5*	.	2861.6*	3390.1	84
85	36.0	168.6	1389.4	128.4	.	8.2*	11.5*	3.4*	1034.0*	.	2743.5*	3260.0	84
86	11.2	133.9	1108.4	113.5	.	14.3*	34.7*	4.2*	830.7*	418.2*	2657.9*	3075.5	86
87	20.5	120.4	648.5	102.5	.	9.0*	0.5*	3.8*	439.3*	70.5*	1394.5*	1799.4	77
88	23.4	158.0	818.7	96.2	.	6.7*	5.6*	5.7*	694.8*	163.9*	1949.6*	2305.8	85
89	38.0	166.0	698.8	89.7	.	5.6*	11.4*	5.3*	605.9*	257.7*	1840.4*	2186.2	84
90	45.3	117.2	1001.6	89.8	0.0	6.3*	0.0*	4.2*	747.4*	154.8*	2121.4*	2507.2	85
91	37.9	185.1	1284.8	85.0	0.0	7.1*	18.9*	5.8*	951.6*	33.5*	2571.8*	2986.6	86
92	33.7	165.5	1053.2	69.0	0.0	5.8*	2.6*	4.2*	702.4*	4.7*	2007.4*	2462.6	82
93	37.6	834.7	1017.6	66.9	0.0	5.4*	38.3*	6.0*	711.3*	4.7*	2684.9*	3081.6	87
94	44.3	17.8	692.1	61.5	0.0	4.0*	0.6*	4.5*	512.1*	0.1*	1292.7*	1652.5	78

* Net of Permanent Fund contribution and Constitutional Budget Reserve Fund deposits.

⁽¹⁾ These categories are primarily composed of oil/gas revenues; however, they include some additional revenues from other minerals (mostly coal).

⁽²⁾ Not subject to budget reserve fund.

Table 29 **Historical Crude Oil Spot Prices**
For Alaska North Slope Crude and Domestic Marker
 (\$/Barrel Nominal)

<u>FY</u>	<u>ANS at West Coast</u>	<u>ANS at Gulf Coast</u>	<u>ANS at Lower 48</u>	<u>WTI</u>
1981	.	34.92	34.92	.
1982	.	32.04	32.04	32.98
1983	.	30.31	30.31	32.52
1984	.	29.23	29.23	30.59
1985	.	27.89	27.89	28.15
1986	.	22.03	22.03	23.11
1987	.	15.05	14.98	16.14
1988	16.12	16.97	16.45	18.53
1989	14.61	15.21	14.80	16.93
1990	17.22	17.66	17.34	20.06
1991	21.57	22.21	21.72	24.95
1992	16.64	17.81	16.88	20.69
1993	17.83	18.53	17.93	20.69
1994	14.05	15.03	14.22	16.69
1995	16.77	17.10	16.83	18.46

Source: Platt's Oilgram Price Report

Table 30 **Historical Crude Oil Production**
For Alaska North Slope Crude and Cook Inlet
 (Million bbl/day)

<u>FY</u>	<u>ANS</u>	<u>Cook Inlet</u>	<u>TOTAL</u>
1978	0.702	0.144	0.846
1979	1.197	0.131	1.328
1980	1.422	0.109	1.531
1981	1.511	0.093	1.604
1982	1.570	0.080	1.650
1983	1.627	0.073	1.700
1984	1.657	0.065	1.722
1985	1.694	0.055	1.749
1986	1.802	0.045	1.847
1987	1.849	0.047	1.896
1988	2.005	0.043	2.048
1989	1.960	0.043	2.003
1990	1.853	0.033	1.886
1991	1.799	0.040	1.839
1992	1.791	0.042	1.833
1993	1.687	0.041	1.728
1994	1.601	0.038	1.639
1995	1.571	0.042	1.613

Source: Alaska Department of Revenue,
Oil & Gas Audit Division

In accordance with AS 37.07.060(b)(4), the Revenue Sources Book is compiled biannually by the Department of Revenue to assist the Governor in formulating a proposed comprehensive financial plan for presentation to the State Legislature. Within the publication are shown prior year actuals, revised current year estimates, and future year projections.

Anticipated State income is projected through the use of a number of data sources: 1) econometric models developed by the Department of Revenue to forecast unrestricted non-petroleum revenues, 2) a petroleum revenue model created by the Department's Oil and Gas Audit Division, and 3) estimates from individual State agencies.

The Department of Revenue thanks the various State agencies for their cooperation in computing anticipated revenues for publication in this document.

This publication was released by the Department of Revenue, produced at a cost of \$1.83 per copy to assist the Governor in formulating a proposed comprehensive financial plan for presentation to the State Legislature, and printed in Anchorage, Alaska. This publication is required by AS 37.07.060.

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Mary Pagenkopf

HFin 1/15/96 1:35 pm

Attachment # 1
4/15/96

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

DATE: 01/10/96
TIME: 13:08:52
PROG: SWTOTALA.RAM

STATEWIDE OPERATING BUDGET SUMMARY

ITEM	FY '96 CONFERENCE	FY '96 AUTHORIZED	FY '97 ADJ BASE	FY '97 GOVERNOR	96AUTH vs 97GVR DIFFERENCE
-----	-----	-----	-----	-----	-----
* * * STATEWIDE TOTAL * * *	3,018,058.6	3,818,784.6	3,847,212.5	3,828,783.3	9,998.7
EXPENDITURES					
Personal Services	1,171,366.2	1,156,684.5	1,172,885.7	1,178,482.7	21,798.2
Travel	44,683.7	43,573.4	44,062.0	44,701.5	1,128.1
Contractual Services	566,760.0	580,193.9	594,447.8	597,873.8	17,679.9
Commodities	129,096.6	126,993.3	126,054.1	128,591.9	1,598.6
Equipment	26,045.7	25,366.2	24,708.2	24,806.5	-559.7
Land/Buildings	1,227.6	959.6	433.6	471.6	-488.0
Grants/Claims	1,006,040.8	1,798,155.4	1,800,359.9	1,782,368.0	-9,787.4
Misc.	72,838.0	86,858.3	84,261.2	65,487.3	-21,371.0
* * * * FUNDING TOTAL * * * *	3,018,058.6	3,818,784.6	3,847,212.5	3,828,783.3	9,998.7
FUNDING					
1001 Constitutional Budget Reserve Fund	17,691.5	17,691.5	17,691.2	16,133.9	-1,557.6
1002 Federal Receipts	679,754.9	702,133.4	702,908.3	698,419.6	-3,713.8
1003 General Fund Match	228,314.6	228,459.7	226,096.0	226,457.1	-2,002.6
1004 General Fund Receipts	1,113,410.0	1,773,804.2	1,795,609.8	1,780,718.6	6,914.4
1005 General Fund/Program Receipts (See note below)	82,912.3	83,367.3	61,989.0	63,445.5	-19,921.8
1007 Inter-Agency Receipts	192,302.9	192,302.9	196,215.7	198,278.2	5,975.3
1010 U/A Interest Income	2,801.4	2,801.4	2,801.4	3,001.4	200.0
1011 Alaska Advance College Tuition Pymnt Fund	19.7	19.7	19.8	16.6	-3.1
1013 Alcoholism & Drug Abuse Revolving Ln Fund	2.0	2.0	2.0	2.0	0.0
1014 Donated Commodity/Handling Fee Account	358.6	358.6	358.6	358.6	0.0

1/10/96

	FY '96 CONFERENCE	FY '96 AUTHORIZED	FY '97 ADJ BASE	FY '97 GOVERNOR	96AUTH vs 97GVR DIFFERENCE
1015 U/A Dormitory/Food/Auxiliary Service	23,984.8	23,984.8	23,984.8	24,449.2	464.4
1016 Federal Incentive Payments	2,847.2	2,917.3	2,904.1	2,934.6	17.3
1017 Benefits Systems Receipts	4,005.8	4,005.8	3,932.6	3,962.1	-43.7
1021 Agricultural Loan Fund	1,429.0	1,429.0	1,441.9	1,641.9	212.9
1022 State Corporation Receipts	60,501.3	60,501.3	60,747.9	54,688.1	-5,813.2
1023 FICA Administration Fund Account	90.8	90.8	91.7	91.7	0.9
1024 Fish and Game Fund	19,293.9	19,293.9	19,672.3	19,593.1	299.2
1025 Science & Technology Endowment Income	12,508.0	12,408.0	12,418.2	12,164.7	-243.3
1026 Highway Working Capital Fund	22,605.9	22,605.9	22,824.7	22,577.2	-28.7
1027 International Airport Revenue Fund	38,397.5	38,443.9	38,736.3	39,337.0	893.1
1029 Public Employees Retirement Fund	15,110.8	15,110.8	15,135.0	16,491.5	1,380.7
1030 School Fund (Cigarette Tax)	0.0	2,655.0	2,655.0	2,690.0	35.0
1031 Second Injury Fund Reserve Account	2,831.7	2,831.7	2,833.8	2,853.4	21.7
1032 Disabled Fishermans Reserve Account	1,290.7	1,290.7	1,292.7	1,301.9	11.2
1033 Surplus Property Revolving Fund	274.8	274.8	277.1	313.7	38.9
1034 Teachers Retirement System Fund	9,638.0	9,638.0	9,660.3	10,035.7	397.7
1035 Veterans Revolving Loan Fund	238.0	238.0	217.9	216.8	-21.2
1036 Commercial Fishing Loan Fund	2,431.1	2,431.1	2,441.0	2,459.8	28.7
1037 General Fund/Mental Health	106,652.7	114,726.3	109,904.5	108,851.3	-5,875.0
1038 U/A Student Tuition/Fees/Services	53,842.2	53,842.2	53,842.2	54,020.9	178.7
1039 U/A Indirect Cost Recovery	16,273.0	16,273.0	16,273.0	19,364.7	3,091.7
1040 Real Estate Surety Fund	175.3	275.3	276.1	194.1	-81.2
1042 Judicial Retirement System	139.9	139.9	140.4	143.1	3.2
1043 Public Law 81-874	225.5	21,016.5	21,017.6	21,017.6	1.1
1044 Debt Retirement Fund	0.0	80,322.4	80,322.4	68,616.6	-11,705.8
1045 National Guard Retirement System	68.5	68.5	68.9	49.9	-18.6
1046 Student Revolving Loan Fund	0.0	0.0	0.0	20.8	20.8
1047 Title 20	6,310.8	6,310.8	6,310.8	6,310.8	0.0
1048 University Receipts	46,638.2	46,638.2	46,638.5	49,481.1	2,842.9
1049 Training and Building Fund	634.4	634.4	643.0	583.0	-51.4
1050 Permanent Fund Dividend Fund	29,081.8	29,081.8	29,068.7	29,490.7	408.9
1051 Rural Development Initiative Fund	95.4	95.4	96.4	96.4	1.0
1052 Oil/Hazardous Prevention & Response Fund	11,981.4	11,981.4	12,059.4	11,530.9	-450.5
1053 Investment Loss Trust Fund	18.7	18.7	18.8	16.4	-2.3
1054 State Employment & Training Program	3,781.2	3,781.2	3,781.2	3,946.2	165.0
1055 Inter-agency Rcpts/Oil & Hazardous Waste	2,016.5	2,016.5	2,031.8	2,147.1	130.6

1/10/96

	FY '96 CONFERENCE	FY '96 AUTHORIZED	FY '97 ADJ BASE	FY '97 GOVERNOR	96AUTH vs 97GVR DIFFERENCE
1057 Small Business Loan Fund	8.0	8.0	8.0	8.0	0.0
1059 Correctional Industries Fund	2,250.6	2,250.6	2,250.6	2,750.6	500.0
1061 Capital Improvement Project Receipts	79,616.2	79,616.2	80,697.4	76,426.1	-3,190.1
1062 Power Project Loan Fund	667.0	667.0	671.7	671.7	4.7
1063 National Petroleum Reserve Fund	50.0	50.0	50.0	50.0	0.0
1066 Public School Fund	120.2	5,514.9	5,515.5	11,913.1	6,398.2
1067 Mining Revolving Loan Fund	9.0	9.0	9.1	9.0	0.0
1068 Child Care Revolving Loan Fund	6.5	6.5	6.5	6.5	0.0
1069 Historical District Revolving Loan Fund	3.0	3.0	3.0	3.0	0.0
1070 Fisheries Enhancement Revolving Loan Fund	271.7	271.7	272.7	274.9	3.2
1071 Alternative Energy Revolving Loan Fund	276.2	276.2	277.6	279.5	3.3
1072 Residential Energy Conservation Loan Fund	11.9	11.9	9.0	8.9	-3.0
1074 Bulk Fuel Revolving Loan Fund	48.7	48.7	49.3	49.3	0.6
1075 Alaska Clean Water Loan Fund	296.5	296.5	298.9	447.9	151.4
1076 Marine Highway System Fund	74,347.7	74,347.7	79,692.3	79,686.0	5,338.3
1077 Indv/Foundt'n/Corp Gifts/Grants/Bequests	1,976.5	1,976.5	912.8	920.3	-1,056.2
1079 Storage Tank Assistance Fund	3,191.3	3,191.3	3,201.9	3,203.9	12.6
1081 Information Services Fund	21,586.5	21,586.5	21,760.0	20,407.4	-1,179.1
1089 Power Cost Equalization	19,385.6	19,385.6	19,385.6	19,947.7	562.1
1091 General Funds - Designated (See note below)	0.0	0.0	23,730.8	26,421.6	26,421.6
1092 Mental Health Trust Receipts	952.8	952.8	957.0	1,945.0	992.2
1093 Clean Air Protection Fund	0.0	0.0	0.0	1,943.9	1,943.9
1094 Mental Health Trust Administration	0.0	0.0	0.0	893.5	893.5

STAFFING

Full-time	17,477.0	17,506.0	17,572.0	17,457.0	-49.0
Part-time	2,843.0	2,843.0	2,805.0	2,738.0	-105.0
Temporary	1,147.0	1,168.0	1,160.0	1,199.0	31.0

Note on Program receipts: Starting in FY97, general fund program receipts which are restricted by contract, statute, etc. are listed as a separate fund source called "designated".

1/15/96

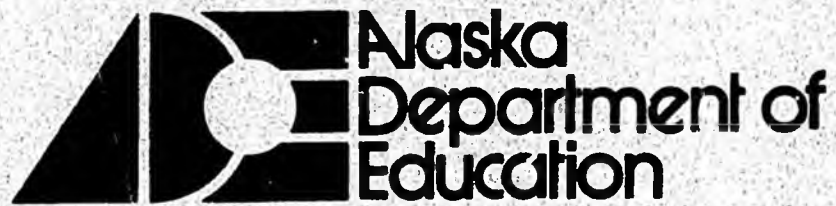
STATE of ALASKA DEBT SERVICE PAYMENT SCHEDULE

Revised January 15, 1996

	FY96 Authorized	FY97 Budget	FY98 Forecast	FY99 Forecast	FY00 Forecast
General Obligation (GO)	21,337.3	16,528.7	14,219.2	8,839.3	2,433.0
Lease Finance	9,628.2	9,595.9	9,533.4	9,522.7	8,611.1
School Debt Reimbursement	80,322.4	68,616.6	67,050.0	64,216.4	54,850.0
International Airport	<u>5,793.8</u>	<u>5,806.0</u>	<u>5,802.0</u>	<u>4,969.8</u>	<u>2,877.5</u>
Total State Debt Service	117,081.7	100,547.2	96,604.5	87,548.1	68,771.5
General Fund	109,402.6	94,741.2	90,802.5	82,578.4	65,894.0
Other Funds	7,679.1	5,806.0	5,802.0	4,969.8	2,877.5

Amounts shown for FY98, FY99, and FY00 do not include trustee fees. (FY97 includes fees of 126.7.)

1/15/96 Revised forecast for FY98 - FY00 School Debt Reimbursement based on the assumption that all remaining authorized bonds will be approved and sold in FY97.



FY97 Budget Overview

January 15, 1996

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FY97 Budget Overview

**State Board of Education
Members**

Stowell Johnstone, Chair

Abbe Hensley, First Vice-Chair

Mike P. Williams, Second Vice-Chair

Marilyn Webb

Weaver Ivanoff

Robert Gottstein

Susan Stitham

Roger Jarvis, Military Advisor

Chelsie Venechuk, Student Advisor

**Department of Education
Commissioner**

Shirley J. Holloway, Ph.D.

FY97 Budget Overview

**Department of Education
Mission**

The mission of the Department of Education is to lead and support the development of responsible, economically viable, lifelong learners and citizens.

This new mission requires the Department to change its relationship with learners, schools, districts, communities and other educational entities as well as other social agencies. Partnerships, rather than hierarchical relationships become the new norm.

The mission also requires new relationships among staff within the Department. Isolated projects and activities give way to collaborative activities that support learners across ages, cultures and communities.

The department becomes the keeper of the vision of an educational system that develops "responsible, economically viable, lifelong learners and citizens."

Goals and Objectives

The Department stands at the intersection of many parts of the state's social system necessitating that it direct its attention to a new set of goals.

GOAL A FOCUS ON LEARNING

Focus the education system on improving the knowledge, skills and attitudes of learners to prepare them for community and global citizenry, lifelong learning and work.

OBJECTIVES

- Prepare every citizen to fully participate as an educated member in the cultural, aesthetic, civic, and economic life of their communities.
- In collaboration with schools, districts, and communities, develop standards that help raise the quality of curriculum content, student performance, educator preparation, and school operations.
- Facilitate the connection of services and programs to the lifelong learner through educational technology and information systems.
- Promote and support self-reliance, independence, choice, control, involvement, and productivity within all program services for individuals who experience disabilities and their families.
- Protect and preserve Alaska's cultural and historical heritage.

GOAL B

LEADERSHIP FOR EFFECTIVENESS AND EFFICIENCY

Provide leadership and support throughout the education system to effectively and efficiently serve constituents of all ages and stages of learning.

OBJECTIVES

- With innovation and efficiency, deliver high quality programs and services to lifelong learners.
- Involve learners, parents, families, and communities as active partners in all aspects of the learning process.
- Become a customer-service oriented organization, providing districts and constituents support that directly impacts learning and development.
- Ensure that all programs and services are fully accessible to persons with limited access and/or barriers to participation.

GOAL C

ADVOCATE EXEMPLARY PRACTICES

Advocate the use of model programs and alternatives for learners of all ages, abilities, and cultures in collaboration with consumer groups, service providers, Native associations, and other public agencies.

OBJECTIVES

- Provide effective traditional and nontraditional multicultural outreach services and opportunities.
- Expand and improve vocational rehabilitation services to individuals from underrepresented groups who experience disabilities.
- Provide technical assistance to regions and districts in establishing school-community partnerships.
- Through research and assessment identify educational practices that support learner needs.
- Facilitate access to and sharing of information, programs, and data among schools, communities, libraries, museums, and other appropriate organizations.

GOAL D COLLABORATION
Promote collaboration among schools, learners, families, and communities to enhance learning and the delivery of services.

OBJECTIVES

- Enhance learning by sharing information, early intervention, and providing referral services for all persons, including those who experience disabilities.
- Actively participate in state-wide inter-agency collaboration in the design and delivery of educational programs and services.
- Support the establishment of local school/community/agency partnerships to assess and determine needs and the most effective design and delivery of programs and services.
- Promote the involvement of learners, families, and communities as active partners in all aspects of the learning process.

GOAL E INSPIRE PUBLIC CONFIDENCE
Promote and inspire public confidence in and support for education

OBJECTIVES

- Maintain open and continuous communication with the Governor, State Board of Education and legislature regarding the education goals to ensure congruent policy development.
- Continuously communicate the mission and goals throughout the state.
- Use technology to facilitate communication throughout the state.
- Promote to the general public all learning programs, services, and opportunities including early childhood, K-12, post-secondary options, vocational technology, vocational rehabilitation, museums, libraries, archives, and the importance of the arts in the development of lifelong learners.
- Leverage public support for and awareness of vocational rehabilitation services, resources, and activities.
- Tailor communications to various populations including persons who experience disabilities, to ensure awareness of and access to appropriate resources, education, and assistance.
- Act as a steward and keeper of the public trust. Ensure legal and authorized compliance with fiscal requirements and responsibilities serving with a high level of accountability, integrity, and efficiency.

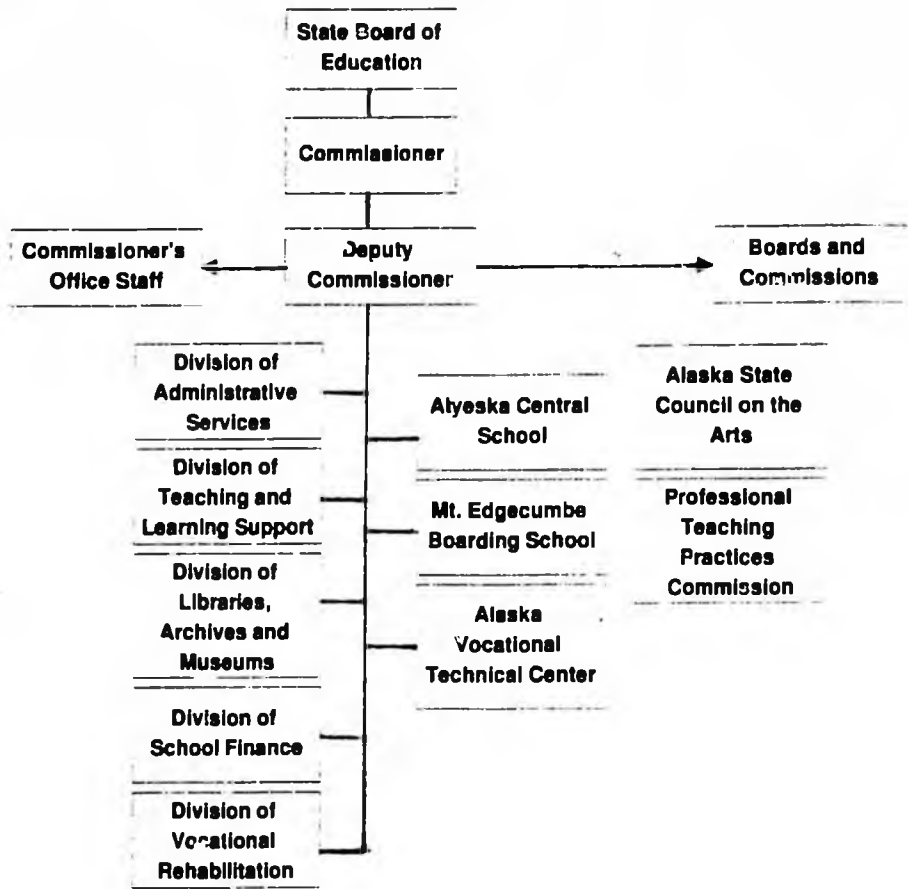
Implementation of the Goals

To implement these Goals and provide leadership support throughout the education system the Department of Education staff will:

- focus the state education system on learners of all ages and stages;
- see themselves as lifelong learners;
- model the practice of being accountable for outcomes;
- support individual as well as group learning and growth;
- respect and leverage multiculturalism and diversity;
- engage in collaborative and inclusive work;
- facilitate the flow of and access to information throughout the education system
- become increasingly constituent-focused;
- recognize the important contributions that the arts and the state's cultural and historical heritage provide to education,
- recognize the Department, other departments, legislature, State Board of Education, agencies, districts, schools, and communities as connected components of a whole, dynamic system, rather than separate, isolated parts.

As a next step, the Department of Education will be facilitating a process for developing system-wide strategies for implementation of the Goals.

Alaska Department of Education
FY97 Organization



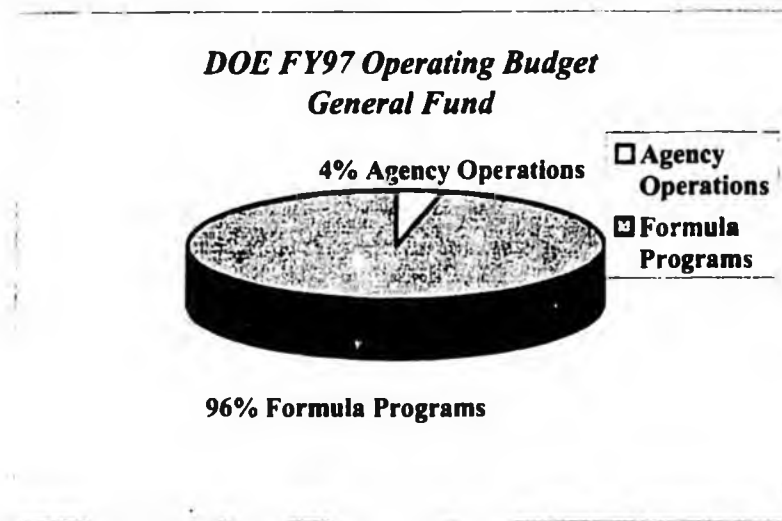
FY97 Budget Overview

FY97 Operating Budget

FY97 Budget Overview

**Department of Education
FY 97 Operating Budget Summary**

	General Funds	Federal Funds	Other Funds	Total
<i>Agency Operations</i>	25,420.7	72,622.5	10,564.0	108,607.2
<i>Formula Programs</i>	657,495.5	42,791.0	83,162.5	783,449.0
Total	682,916.2	115,413.5	93,726.5	892,056.2



General Fund Expenditures

- 96.4% Grants in support of public education
- 1.0% Operation of Mt. Edgecumbe Boarding School, Alyeska Central School and the Alaska Vocational Technical Center
- 0.7% Vocational Rehabilitation
- 0.1% Professional Teaching Practices Commission and the Alaska State Council on the Arts
- 1.8% Department operations in support of general fund activities and over \$200.0 million in federal and other funds

FY97 Budget Overview

Highlights FY97 General Fund Changes

- | |
|---|
| <p>* <i>Foundation Program</i> 126.7</p> <p>A total of \$6,587.9 is needed to fully fund the Foundation Program in FY97. Projected Public School Revenues available in FY97 will fund all but \$126.7 of the increase from the general fund.</p> |
| <p>* <i>Additional District Support</i> -79.3</p> <p>The estimate of funding for single site school districts based on the FY97 enrollment projections.</p> |
| <p>* <i>Schools for the Handicapped</i> 16.1</p> <p>Increase for the Special Education Services Agency based on the statutory formula requirement.</p> |
| <p>* <i>Pupil Transportation</i> -2,627.4</p> <p>The FY97 budget is based on 92% of the amount authorized for pupil transportation in FY96.</p> |
| <p>* <i>Community Schools</i> -100.0</p> <p>The FY97 budget reduces funding for community schools from \$600.0 to \$500.0 which will reduce grants to school districts.</p> |
| <p>* <i>School Debt Reimbursement</i> -11,705.8</p> <p>The decrease in the funding required to reimburse school districts for eligible debt will reduce the amount of general fund required for this program.</p> |
| <p>* <i>Commissioner's Office</i> -60.0</p> <p>The general fund reduction in the commissioner's office will require additional support from all department divisions.</p> |
| <p>* <i>Alyeska Central School</i> -59.8</p> <p>Deletion of the general fund in this component will require that funding from the Foundation Program pay the full cost of operations.</p> |

Highlights FY97 General Fund Changes

- * Kotzebue Technical Center Operations Grant** -60.0
 The 8% reduction in the operations grant will impact the ability of the Alaska Technical Center in Kotzebue to maintain the current level of services.
- * Vocational Rehabilitation Administration** -185.7
 The Division of Vocational Rehabilitation is in the process of restructuring and streamlining program administration to improve services to clients. This reduction will consolidate accounting functions with the Division of Administrative Services and eliminate one position.
- * Library Operations** 150.0
 Funding for library materials, including periodicals and subscriptions, will be funded in the operating budget rather than in the capital budget.
- * Library Operations** 225.0
 A total of \$300.0 has been included in the operating budget to continue funding for the Statewide Library Electronic Doorway (SLED) previously included in the capital budget: \$150.0 in general fund; \$75.0 in program receipts; and \$75.0 in private gifts/grants.
- * Specific Cultural Programs** -88.4
 This reduction will eliminate designated grants to the Institute of Alaska Native Arts (\$26.6); the Museum of Alaska Transportation & Industry (\$30.9); and the NANA Museum of the Arctic (\$30.9).
- * Alaska Commission on Postsecondary Education** -1,832.1
 Executive Order #97 transfers the responsibility for the student aid and education institution regulation functions to the Department of Revenue and eliminates the commission. The Alaska Student Loan Corporation is renamed the Alaska Student Aid Corporation. The transfers will provide additional expertise and streamline the investment functions for the student loan funds. The policy and planning functions formerly assigned to the commission are transferred to the Department of Education.

FY97 Budget Overview

Department of Education

Operating Budget Comparison FY97 Governor to FY96 Authorized

All Funds

	FY96 Authorized*	FY97 Governor	FY96/97 Change	% Change
K-12 Support:				
Foundation	643,401.9	649,839.8	6,437.9	1.0%
Additional District Support	3,228.7	3,149.4	-79.3	-2.5%
Cigarette Tax	2,655.0	2,690.0	35.0	1.3%
Tuition Students	1,731.2	1,731.2	0.0	0.0%
Boarding Home Grants	185.9	185.9	0.0	0.0%
Youth in Detention	700.0	800.0	0.0	0.0%
Schools for the Handicapped	3,705.2	3,721.3	16.1	0.4%
Pupil Transportation	32,842.2	30,214.8	-2,627.4	-8.0%
Child Nutrition	22,000.0	22,000.0	0.0	0.0%
Community Schools	600.0	500.0	-100.0	-16.7%
School Debt Reimbursement	80,322.4	68,616.6	-11,705.8	-14.6%
Subtotal K-12 Support	791,472.5	783,449.0	-8,023.5	-1.0%
K-12 Support - Percent of Total Funds	87.3%	87.8%		
Agency Operations:				
Teaching & Learning Support	59,542.2	62,201.9	2,659.7	4.5%
Executive Administration	1,803.5	2,097.5	294.0	16.3%
School Finance	2,937.7	2,975.7	38.0	1.3%
Alyeska Central School	4,080.5	4,124.4	43.9	1.1%
Professional Teaching Practices Commission	188.2	190.1	1.9	1.0%
Alaska State Council on the Arts	1,254.3	1,257.5	3.2	0.3%
Kotzebue Technical Center Grant	734.0	674.0	-60.0	-8.2%
Alaska Vocational Technical Center	4,527.4	4,548.3	20.9	0.5%
Mt. Edgecumbe Boarding School	3,998.1	4,156.3	158.2	4.0%
Vocational Rehabilitation	19,120.5	19,053.7	-66.8	-0.3%
Libraries, Archives & Museums**	6,943.6	7,327.8	384.2	5.5%
Alaska Commission on Postsecondary Education	9,667.3	0.0	-9,667.3	-100.0%
Subtotal Agency Operations	114,797.3	108,607.2	-6,190.1	-5.4%
Agency Operations - Percent of Total Funds	12.7%	12.2%		
Total Education	906,269.8	892,056.2	-14,213.6	-1.6%

*FY96 includes transfers of Teacher Certification, Assessment and Food Services for comparison

**FY97 includes base transfers from capital to operating for SLED and Library Materials and

E. O. 97 transferring the Alaska Commission on Postsecondary Education to the Dept. of Revenue

Department of Education
 Operating Budget Comparison FY97 Governor to FY96 Authorized

General Funds

	FY96 Authorized*	FY97 Governor	FY96/97 Change	% Change
K-12 Support:				
Foundation	617,216.2	617,192.9	-23.3	0.0%
Additional District Support	3,228.7	3,149.4	-79.3	-2.5%
Cigarette Tax	0.0	0.0	0.0	0.0%
Tuition Students	1,731.2	1,731.2	0.0	0.0%
Boarding Home Grants	185.9	185.9	0.0	0.0%
Youth in Detention	800.0	800.0	0.0	0.0%
Schools for the Handicapped	3,705.2	3,721.3	16.1	0.4%
Pupil Transportation	32,842.2	30,214.8	-2,627.4	-8.0%
Child Nutrition	0.0	0.0	0.0	0.0%
Community Schools	600.0	500.0	-100.0	-16.7%
School Debt Reimbursement	0.0	0.0	0.0	0.0%
Subtotal K-12 Support	660,309.4	657,495.5	-2,813.9	-0.4%
K-12 Support - Percent of General Fund	96.0%	96.3%		
Agency Operations:				
Teaching & Learning Support	4,167.6	4,183.1	15.5	0.4%
Executive Administration	1,665.8	1,622.7	-43.1	-2.6%
School Finance	921.7	889.5	-32.2	-3.5%
Alyeska Central School	176.9	117.1	-59.8	-33.8%
Professional Teaching Practices Commission	188.2	190.1	1.9	1.0%
Alaska State Council on the Arts	564.0	565.4	1.4	0.2%
Kotzebue Technical Center Grant	734.0	674.0	-60.0	-8.2%
Alaska Vocational Technical Center	4,372.3	4,393.0	20.7	0.5%
Mt. Edgecumbe Boarding School	2,312.1	2,321.8	9.7	0.4%
Vocational Rehabilitation	4,776.6	4,614.1	-162.5	-3.4%
Libraries, Archives & Museums**	5,514.4	5,849.9	335.5	6.1%
Alaska Commission on Postsecondary Education	1,926.2	0.0	-1,926.2	-100.0%
Subtotal Agency Operations	27,319.8	25,420.7	-1,899.1	-7.0%
Agency Operations - Percent of General Fund	4.0%	3.7%		
Total Education	687,629.2	682,916.2	-4,713.0	-0.7%

*FY96 includes transfers of Teacher Certification, Assessment and Food Services for comparison

**FY97 includes base transfers from capital to operating for SLED and Library Materials and E.O. 97 transferring the Alaska Commission on Postsecondary Education to the Dept. of Revenue

FY97 Budget Overview

FY97 Operating Budget

		General Funds	Federal Funds	Other Funds	Total Funds
FY96 Conference Committee Totals		27,319.8	70,408.2	17,069.3	114,797.3
Other Appropriations:					
Formula Programs	CH103, SLA95, HB268	657,080.7	42,791.0	88,372.1	788,243.8
Additional District Support	CH103, SLA95, HB268	3,228.7	0.0	0.0	3,228.7
FY96 Authorized		687,629.2	113,199.2	105,441.4	906,269.8
FY97 Base Adjustments:					
Commissioner's Office	FY96 Personal Services Reconciliation	0.0	0.0	58.9	58.9
Educational Facilities Support	FY96 Personal Services Reconciliation	0.0	0.0	9.3	9.3
Archives	FY96 Personal Services Reconciliation	0.0	0.0	-29.2	-29.2
Foundation Program	Fund source change: GF/MH to GF	0.0	0.0	0.0	0.0
Schools for the Handicapped	Fund source change: GF/MH to GF	0.0	0.0	0.0	0.0
Client Services	Fund source change: GF/MH to GF	0.0	0.0	0.0	0.0
Vocational Rehabilitation Admin	Fund source change: GF/MH to GF	0.0	0.0	0.0	0.0
Teacher Certification	Fingerprint fees to Designated GF	0.0	0.0	0.0	0.0
Client Services	Small Business Enterprise - Designated GF	0.0	0.0	0.0	0.0
All Components (Personal Svcs)	Salary Adjustments	141.4	99.2	101.5	342.1
All Components (Personal Svcs)	Risk Management Adjustments	4.6	2.7	4.1	11.4
Administrative Services	Information Services Rate Adjustments	0.0	0.0	-29.8	-29.8
Student Loan Operations	Information Services Rate Adjustments	0.0	0.0	-89.6	-89.6
Foundation Program	Completion - Class Size Reduction Study	-150.0	0.0	0.0	-150.0
Library Operations	SLED funding (Capital to Operating)	225.0	0.0	75.0	300.0
Library Operations	Library Materials (Capital to Operating)	150.0	0.0	0.0	150.0
Transfers:					
Assessment Program	to Teaching & Learning Support	0.0	0.0	0.0	0.0
Teacher Certification	to Teaching & Learning Support	0.0	0.0	0.0	0.0
Food Services	to School Finance	0.0	0.0	0.0	0.0
Gov's Council on Career & Voc Educ	to Governor's Office - AHRIC	0.0	-161.4	0.0	-161.4
FY97 Adjusted		688,000.2	113,139.7	105,541.6	906,681.5
Decrements:		-3,394.7	-155.9	-11,885.3	-15,435.9
Increments:		142.8	2,706.5	7,070.3	9,919.6
Transfers:	EO#97 - ACPE to Dept. of Revenue	-1,832.1	-276.8	-7,000.1	-9,109.0
Total FY97 Governor - January		682,916.2	115,413.5	93,726.5	892,056.2

FY97 Budget Overview

FY97 Operating Budget		General Funds	Federal Funds	Other Funds	Total Funds
<i>FY97 Decrements:</i>					
Additional District Support	Estimate of full funding	-79.3	0.0	0.0	-79.3
Pupil Transportation	8% general fund reduction	-2,627.4	0.0	0.0	-2,627.4
Community Schools	Reduce general fund	-100.0	0.0	0.0	-100.0
School Debt Reimbursement	Estimate of debt	0.0	0.0	-11,705.8	-11,705.8
Commissioner's Office	position and funding	-60.0	0.0	0.0	-60.0
Educational Facilities Support	reduce general fund	-40.0	0.0	0.0	-40.0
Alyeska Central School	Delete general fund	-59.8	0.0	0.0	-59.3
Kotzebue Technical Center	8% general fund reduction	-60.0	0.0	0.0	-60.0
Vocational Rehabilitation Admin	admin efficiencies	-185.7	0.0	0.0	-185.7
Special Projects	reduce travel	0.0	-17.4	0.0	-17.4
Specific Cultural Programs	Eliminate grants	-88.4	0.0	0.0	-88.4
Program Administration	Elimination of SPRE	0.0	-100.0	0.0	-100.0
Student Loan Operations	Loan Servicing System	0.0	0.0	-179.5	-179.5
WICHE Student Exchange	Eliminate first year funding	-94.1	0.0	0.0	-94.1
Federal Student Aid	Reduction in fed funds	0.0	-38.5	0.0	-38.5
Total FY97 Decrements		-3,394.7	-155.9	-11,885.3	-15,435.9
<i>FY97 Increments:</i>					
Foundation Program	Full Funding	126.7	0.0	6,461.2	6,587.9
Cigarette Tax Distribution	Available Revenues	0.0	0.0	35.0	35.0
Schools for the Handicapped	Full Funding for SESA	16.1	0.0	0.0	16.1
Special & Supplemental Services	DHSS funds	0.0	0.0	9.1	9.1
School to Work	Federal Grant - School to Work Trans	0.0	2,600.0	0.0	2,600.0
State Board of Education	Department Support	0.0	0.0	22.7	22.7
Commissioner's Office	Program Support	0.0	0.0	119.5	119.5
Administrative Services	I/A Chargeback	0.0	0.0	157.9	157.9
Data Management	Common Core Data	0.0	56.1	0.0	56.1
Alyeska Central School	Foundation Program Funding	0.0	0.0	89.5	89.5
Edgcumbe Boarding School	Foundation Program Funding	0.0	0.0	141.9	141.9
Disability Determination	increased workload	0.0	48.5	0.0	48.5
Program Administration	Vendor collection contract & VA	0.0	1.9	33.5	35.4
Total FY97 Increments		142.8	2,706.5	7,070.3	9,919.6

FY97 Budget Overview

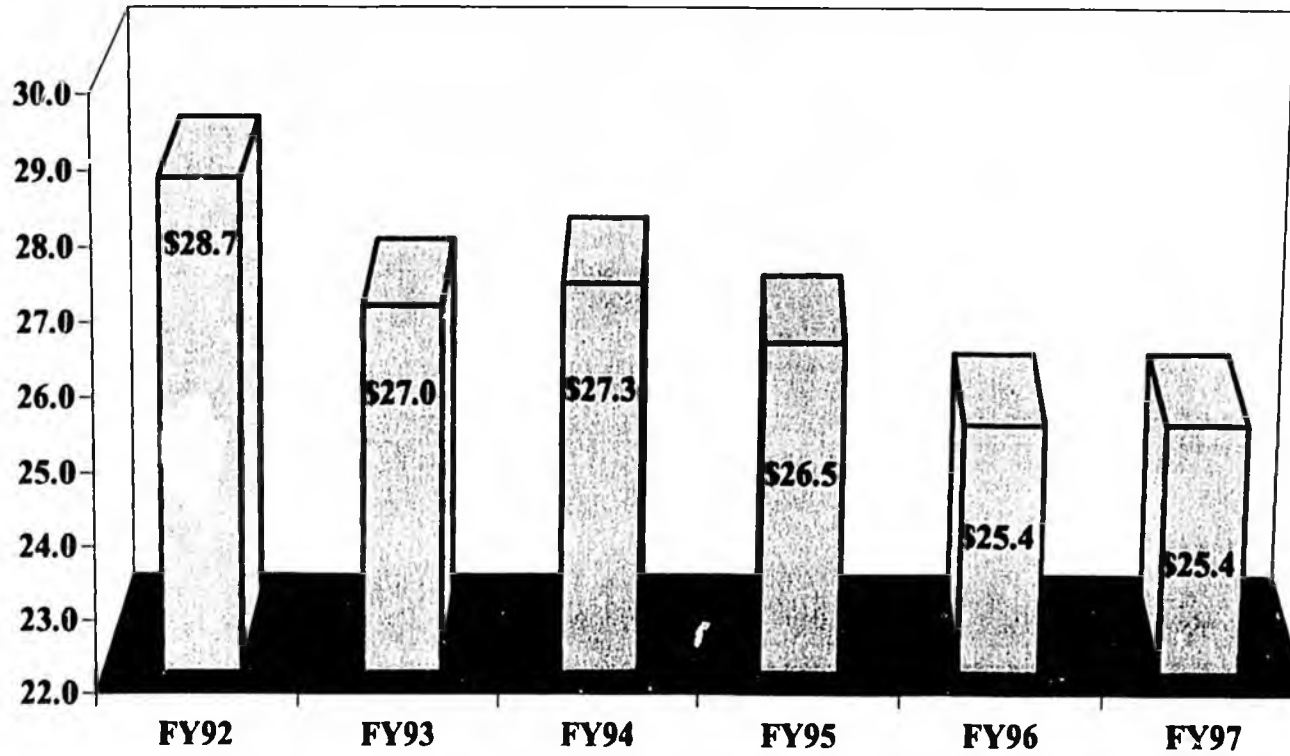
Changes From FY96 Authorized By Component - All Funds

	FY96	FY97	Change
Formula Programs			
Foundation Program	643,401.9	649,839.8	6,437.9
Additional District Support	3,228.7	3,149.4	-79.3
Cigarette Tax Distribution	2,655.0	2,690.0	35.0
Tuition Students	1,731.2	1,731.2	0.0
Boarding Home Grants	185.9	185.9	0.0
Youth in Detention	800.0	800.0	0.0
Schools for the Handicapped	3,705.2	3,721.3	16.1
Pupil Transportation	32,842.2	30,214.8	-2,627.4
Child Nutrition	22,000.0	22,000.0	0.0
Community Schools	600.0	500.0	-100.0
School Debt Reimbursement	80,322.4	68,616.6	-11,705.8
Subtotal Formula Programs	791,472.5	783,449.0	-8,023.5
Agency Operations			
Special & Supplemental Services	36,709.6	36,732.6	23.0
Basic Education & Instructional Improvement	11,950.6	12,172.8	222.2
Education Special Projects	215.0	215.0	0.0
Adult Basic Education	3,080.0	3,080.0	0.0
Federal Vocational Education Grants	4,822.3	4,822.3	0.0
Adult & Vocational Education Administration	722.7	728.7	6.0
Alaska Career Information System	321.9	324.0	2.1
Rural School Vocational Education Program	190.0	190.0	0.0
School to Work	0.0	2,600.0	2,600.0
Teacher Certification	666.1	670.4	4.3
State Board of Education	67.7	90.4	22.7
Commissioner's Office	530.9	656.3	125.4
Administrative Services	1,871.0	2,016.9	145.9
District Support Services	789.6	795.5	5.9
Data Management	534.3	377.0	-157.3
Educational Facilities Support	727.7	715.3	-12.4
Donated Commodities	358.6	358.6	0.0
Child Nutrition Administration	725.4	729.3	3.9
Alyeska Central School	4,080.5	4,124.4	43.9
Professional Teaching Practices Commission	188.2	190.1	1.9
Alaska State Council on the Arts	1,254.3	1,257.5	3.2
Kotzebue Technical Center Operations Grant	734.0	674.0	-60.0
AVTEC Operations	4,527.4	4,548.3	20.9
Mt. Edgecumbe Boarding School	3,998.1	4,156.3	158.2
Client Services	10,939.1	10,995.6	56.5
Federal Training Grant	56.3	56.3	0.0
Vocational Rehabilitation Administration	1,183.1	1,007.5	-175.6
Independent Living Rehabilitation	1,123.2	1,124.2	1.0
Disability Determination	3,219.5	3,283.5	64.0
Special Projects	1,310.3	1,293.6	-16.7
Assistive Technology	1,104.0	1,106.2	2.2
Americans with Disabilities	185.0	186.8	1.8
Library Operations	4,715.2	5,196.2	481.0
Archives	767.6	746.9	-20.7
Museum Operations	1,372.4	1,384.7	12.3
Specific Cultural Programs	88.4	0.0	-88.4
Program Administration	966.0	0.0	-966.0
Student Loan Operations	6,451.5	0.0	-6,451.5
WICHE Student Exchange Program	329.7	0.0	-329.7
WAMI Medical Education	1,267.0	0.0	-1,267.0
Federal Student Aid	493.0	0.0	-493.0
Gov. Council on Vocational & Career Education	160.1	0.0	-160.1
Subtotal Agency Operations	114,797.3	108,607.2	-6,190.1
Total Education	906,269.8	892,056.2	-14,213.6

Changes From FY96 Authorized By Component - General Funds

	FY96	FY97	Change
Formula Programs			
Foundation Program	617,216.2	617,192.9	-23.3
Additional District Support	3,228.7	3,149.4	-79.3
Cigarette Tax Distribution	0.0	0.0	0.0
Tuition Students	1,731.2	1,731.2	0.0
Boarding Home Grants	185.9	185.9	0.0
Youth in Detention	800.0	800.0	0.0
Schools for the Handicapped	3,705.2	3,721.3	16.1
Pupil Transportation	32,842.2	30,214.8	-2,627.4
Child Nutrition	0.0	0.0	0.0
Community Schools	600.0	500.0	-100.0
School Debt Reimbursement	0.0	0.0	0.0
Subtotal Formula Programs	660,309.4	657,495.5	-2,813.9
Agency Operations			
Special & Supplemental Services	33.3	33.6	0.3
Basic Education & Instructional Improvement	948.4	1,153.5	205.1
Education Special Projects	0.0	0.0	0.0
Adult Basic Education	1,736.8	1,736.8	0.0
Federal Vocational Education Grants	0.0	0.0	0.0
Adult & Vocational Education Administration	180.8	182.5	1.7
Alaska Career Information System	214.3	216.3	2.0
Rural School Vocational Education Program	190.0	190.0	0.0
School to Work	0.0	0.0	0.0
Teacher Certification	666.1	670.4	4.3
State Board of Education	46.4	46.4	0.0
Commissioner's Office	436.2	382.4	-53.8
Administrative Services	1,183.2	1,193.9	10.7
District Support Services	513.3	518.1	4.8
Data Management	421.3	207.4	-213.9
Educational Facilities Support	140.0	118.3	-21.7
Donated Commodities	0.0	0.0	0.0
Child Nutrition Administration	45.0	45.7	0.7
Alyeska Central School	176.9	117.1	-59.8
Professional Teaching Practices Commission	188.2	190.1	1.9
Alaska State Council on the Arts	564.0	565.4	1.4
Kotzebue Technical Center Operations Grant	734.0	674.0	-60.0
AVTEC Operations	4,372.3	4,393.0	20.7
Mt. Edgecumbe Boarding School	2,312.1	2,321.8	9.7
Client Services	3,521.5	3,539.7	18.2
Federal Training Grant	5.6	5.6	0.0
Vocational Rehabilitation Administration	379.1	196.6	-182.5
Independent Living Rehabilitation	602.5	602.5	0.0
Disability Determination	0.0	0.0	0.0
Special Projects	82.9	82.9	0.0
Assistive Technology	0.0	0.0	0.0
Americans with Disabilities	185.0	186.8	1.8
Library Operations	3,637.9	4,043.3	405.4
Archives	455.7	461.9	6.2
Museum Operations	1,332.4	1,344.7	12.3
Specific Cultural Programs	88.4	0.0	-88.4
Program Administration	0.0	0.0	0.0
Student Loan Operations	0.0	0.0	0.0
WICHE Student Exchange Program	329.7	0.0	-329.7
WAMI Medical Education	1,267.0	0.0	-1,267.0
Federal Student Aid	329.5	0.0	-329.5
Gov. Council on Vocational & Career Education	0.0	0.0	0.0
Subtotal Agency Operations	27,319.8	25,420.7	-1,899.1
Total Education	687,629.2	682,916.2	-4,713.0

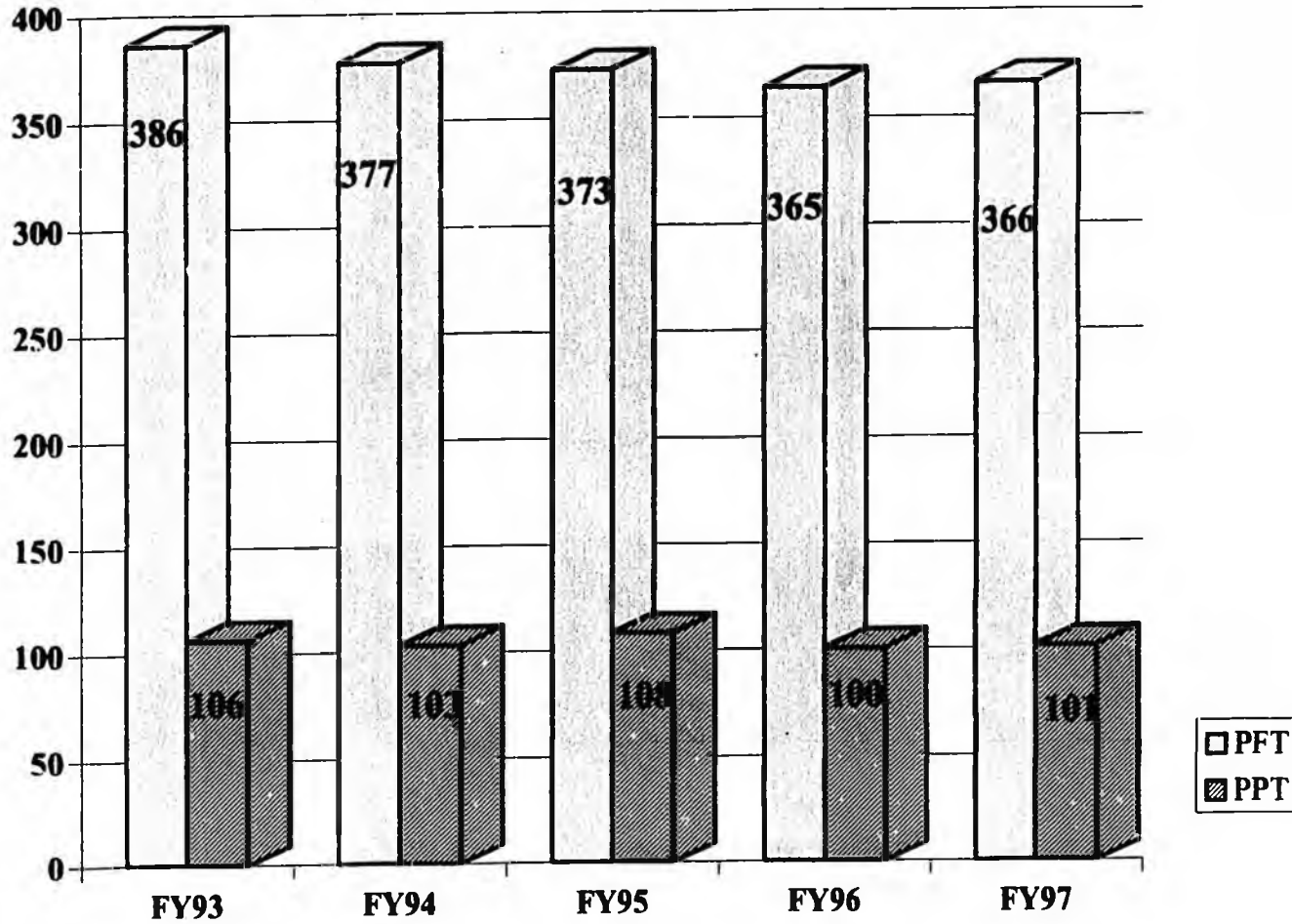
Department of Education: Agency Operations (General Funds in millions)



Department of Education
Agency Operations
Six-Year General Fund Comparison

	FY92	FY93	FY94	FY95	FY96	FY97	FY92/97 Variance
Teaching & Learning Support	4,740.5	3,976.3	3,559.7	3,565.8	3,348.6	4,183.1	-557.4
Executive Administration	2,497.5	2,442.0	3,031.3	2,649.0	2,331.9	1,622.7	-874.8
School Finance	1,106.7	961.1	1,436.4	1,064.4	1,074.6	889.5	-217.2
Alyeska Central School	124.6	103.0	112.5	176.9	176.9	117.1	-7.5
Professional Teaching Practices Commission	123.9	174.2	187.3	188.2	188.2	190.1	66.2
Alaska State Council on the Arts	1,193.6	1,070.8	1,042.1	829.6	564.0	565.4	-628.2
Kotzebue Technical Center Grant	914.5	848.7	848.7	814.0	734.0	674.0	-240.5
Alaska Vocational Technical Center	4,748.1	4,388.8	4,507.7	4,472.3	4,372.3	4,393.0	-355.1
Mt. Edgecumbe Boarding School	1,947.7	2,288.3	2,266.3	2,212.0	2,312.1	2,321.8	374.1
Vocational Rehabilitation	4,911.0	4,612.7	4,566.4	4,742.4	4,776.6	4,614.1	-296.9
Libraries, Archives & Museums	6,435.4	6,141.3	5,764.1	5,742.6	5,514.4	5,849.9	-585.5
Total	28,743.5	27,007.2	27,322.5	26,457.2	25,393.6	25,420.7	-3,322.8

Department of Education: Full and Part Time Positions



**Department of Education
Five-Year Position Comparison**

	FY93		FY94		FY95		FY96		FY97		FY93-97 Variance	
	PFT	PPT	PFT	PPT	PFT	PPT	PFT	PPT	PFT	PPT	PFT	PPT
Teaching & Learning Support	61	2	60	1	61	2	61	0	63	0	2	-2
Executive Administration	40	3	44	4	37	5	37	2	35	1	-5	-2
School Finance	20	1	12	0	18	1	17	2	22	4	2	3
Alyeska Central School	28	24	24	24	23	25	21	26	21	26	-7	2
Professional Teaching Practices Commission	2	0	2	0	2	0	2	0	2	0	0	0
Alaska State Council on the Arts	3	2	3	2	3	2	3	2	4	0	1	-2
Alaska Vocational Technical Center	27	35	26	36	26	36	28	33	24	37	-3	2
Mt. Edgecumbe	17	27	17	26	17	26	15	24	14	26	-3	-1
Vocational Rehabilitation	114	0	116	0	115	2	115	4	113	2	-1	2
Alaska State Library & Archives	56	7	56	5	56	2	52	0	52	0	-4	-7
Alaska State Museum	18	5	17	5	15	7	14	7	16	5	-2	0
Total	386	106	377	103	373	108	365	100	366	101	-20	-5

FY97 Budget Overview

Position Changes From FY96 Authorized By Component

	FY96		FY97		Change	
	PFT	PPT	PFT	PPT	PFT	PPT
Special & Supplemental Services	16	0	16	0	0	0
Basic Educ & Instructional Improve	28	0	29	0	1	0
Adult & Vocational Education Admin	7	0	7	0	0	0
Alaska Career Information System	3	0	3	0	0	0
School to Work	0	0	2	0	2	0
Teacher Certification	6	1	6	0	0	-1
Commissioner's Office	5	1	6	0	1	-1
Administrative Services	26	0	29	1	3	1
District Support Services	6	1	6	1	0	0
Data Management	5	0	4	0	-1	0
Educational Facilities Support	6	1	5	3	-1	2
Donated Commodities	2	0	2	0	0	0
Child Nutrition Administration	5	0	5	0	0	0
Alyeska Central School	21	26	21	26	0	0
Professional Teaching Practices	2	0	2	0	0	0
Alaska State Council on the Arts	3	2	4	0	1	-2
AVTEC Operations	28	33	24	37	-4	4
Mt. Edgecumbe Boarding School	15	24	14	26	-1	2
Client Services	80	0	80	0	0	0
Vocational Rehabilitation Admin	10	2	8	0	-2	-2
Independent Living Rehabilitation	1	0	1	0	0	0
Disability Determination	19	0	19	0	0	0
Special Projects	0	2	0	2	0	0
Assistive Technology	3	0	3	0	0	0
Americans with Disabilities	2	0	2	0	0	0
Library Operations	41	0	41	0	0	0
Archives	11	0	11	0	0	0
Museum Operations	14	7	16	5	2	-2
Total Positions	365	100	366	101	1	1

Formula Programs

FY97 Budget Overview

Formula Programs

The following information is a brief summary of the formula programs within the Department of Education that provide funding to school districts. The schedule on pages 36 and 37 of this overview provides a listing of the estimated allocation for these programs by school district.

Foundation Program

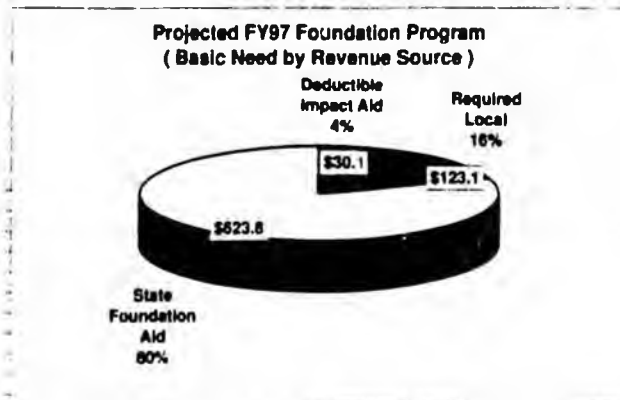
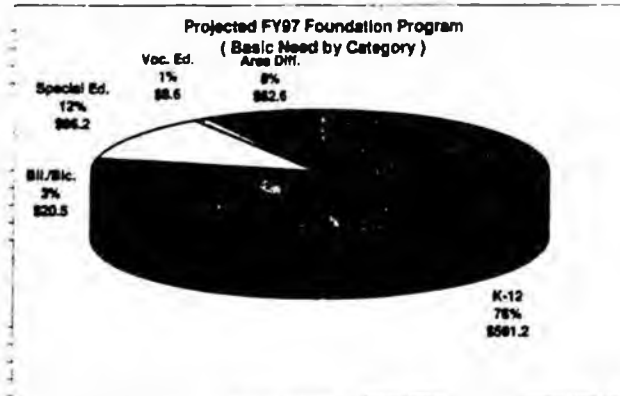
The Foundation Program provides the primary state financial support for the 54 school districts, Mt. Edgecumbe Boarding School and Alyeska Central School, the state's correspondence study program. In FY97, about \$650 million will be distributed to the school districts, according to "Basic Need", as determined by AS 14.17.021, less required local contributions and deductions for eligible Impact Aid. Alaska Statutes 14.17.170 requires that foundation payments are distributed to school districts for the first nine months of the fiscal year based on the total funding received during the preceding fiscal year. The last three months of payments are adjusted to provide each district with its revised entitlement based on current year student count data. The amount requested is based on student count projections, submitted by each school district.

The FY97 budget request includes a general fund decrement of \$150,000 for the class size reduction study that will be completed in the current fiscal year. An increment of \$6,461,200 in public school funds and \$126,700 in general funds is necessary to fund the FY97 projected entitlement for the Foundation Program.

The schedule on page 30 of this overview identifies the changes in the FY97 Foundation Program from the FY96 projection.

The actual funds needed for this program may vary depending upon the actual FY97 student counts, local contributions, and federal impact aid receipts.

The following charts illustrate the projected FY97 Foundation Program Basic Need by Category and Revenue Source. Please refer to the Appendix to this overview entitled *A Review: The Alaska School Foundation Funding Program, January 1996* for more information about the Foundation funding formula.



FY97 Budget Overview

**Department of Education
Foundation Program
Estimate of FY97 Foundation Program Changes**

Basic Need = Instructional Units x Area Cost Differential x \$61,000
State Aid = Basic Need -(Local Effort) - (90% Eligible PL 81-874 Deduct)

	<u>FY96-Authorized</u>	<u>FY97-Projection</u>	<u>Difference</u>
ADM	125,817.19	126,591.89	774.70
<i>Basic Need:</i>			
K-12 Units	9,653.39	9,692.16	38.77
Bl/Blc Units	313.07	335.70	22.63
Spec. Ed. Units	1,566.60	1,576.84	10.24
Voc. Ed. Units	139.15	141.26	2.11
Projected Instructional Adjusted Units	11,672.21 12,666.70	11,745.96 12,771.82	73.75 105.12
Basic Need @ \$61,000/per Instr. Unit \1	\$770,618.0	\$776,971.2	\$6,353.2
Required Local	(118,296.3)	(123,061.2)	(4,764.9)
90% Eligible PL 81-874 Deduct \2	(34,826.8)	(30,097.4)	4,729.4
State Aid	617,494.9	623,812.5	6,317.6
Adjustments \3 & \4	5,386.3	5,236.3	(150.0)
	<u>622,881.2</u>	<u>629,048.8</u>	<u>6,167.6</u>
<i>Impact Aid:</i>			
PL 81-874 \5	20,520.7	20,791.0	270.3
Total Need	<u>643,401.9</u>	<u>649,839.8</u>	<u>6,437.9</u>
<i>Revenues:</i>			
Public School Fund	5,394.7	11,855.9	6,461.2
GF \4	617,216.2	617,192.9	(23.3)
Net change in state revenue	<u>622,610.9</u>	<u>629,048.8</u>	<u>6,437.9</u>
<i>Impact Aid:</i>			
Impact Aid Pass thru	20,791.0	20,791.0	
Full funding	<u>\$643,401.9</u>	<u>\$649,839.8</u>	<u>\$6,437.9</u>

\1 Alyeska Central School @ 65%

\2 Decrease Eligible Impact Aid 13% for FY97

\3 Adjustments-Include \$68.8 for Risk Management property insurance for school buildings occupied on "use" permit by the school districts, \$3,667.5 for on-base military contracts, and \$1,500.0 prior year adjustments

\4 Includes GFMH, a FY97 base adjustment deleting \$150.0 GF due to completion of class size reduction program, and an increment of \$126.7 to GF

\5 PL 81-874 Pass thru for military contracts includes approximately \$10,611.7 for Anchorage, \$8,535.2 for Fairbanks and \$1,373.8 for Kodiak

Additional District Support

Although this program is not considered a "formula" program, the FY97 funding of \$3,149,400 will provide named recipient grants to single site school districts that consist of one funding community with an Average Daily Membership (ADM) of 900 or less to cover perceived shortfalls in the existing foundation formula. The department is proposing legislation that will move the single site funding into the Foundation Program.

Cigarette Tax Distribution

Alaska Statutes 43.50.140 provides that the proceeds derived from the payment of taxes, fees, penalties and license fees received by the Department of Revenue shall be paid into a state fund entitled "School Fund." Funds shall be used exclusively for rehabilitation, construction and repair of the state's school facilities, and for the cost of insurance on school facilities. The funds are distributed in direct proportion to the number of students enrolled in the participating city/borough school districts. Cigarette tax funds are offset against reimbursement for school bond debt in accordance with AS 14.11.100(b).

The FY97 request includes an increase of \$35,000 based on estimates of available revenues prepared by the Department of Revenue.

Tuition Students

Tuition payments are made to individual school districts to compensate for the loss of

revenue caused by children living in mission homes or other nonprofit institutions and children whose custody has been placed elsewhere by decree of the court. The program provides revenue in excess of basic need comparable to excess local contributions. Administrative regulation 4 AAC 09.030 provides that the tuition rate shall be based upon the amount expended annually from local funds for current operation and capital outlay for the prior year divided by the average daily membership (ADM). Approximately 845 students are being served statewide under this program.

Boarding Home Grants

Boarding Home grants are paid to school districts serving high school students who cannot attend a school facility offering a high school program where they reside. Boarding care costs and transportation to and from the boarding home are paid for by the Boarding Home grants. These funds are paid on a reimbursement basis to provider districts. In the current year, approximately 40 students are being served through this program.

Youth in Detention

This program provides reimbursement to school districts for the additional cost of providing educational programs to incarcerated youth in facilities such as the Johnson Youth Center, McLaughlin Youth Center, Fairbanks Youth Center and the Bethel Youth Facility.

FY97 Budget Overview

Schools for the Handicapped

This program provides \$3,721,300 for support services to special education students who cannot be served adequately in the mainstream classroom environment. This funding is allocated to the following programs:

Special Education Service Agency (SESA) - Funding is provided to SESA in accordance with AS 14.30.600-660 for outreach services to school districts that serve low incidence severely disabled students. The FY97 request of \$1,982,900 for SESA includes an increase of \$16,100 based on the statutory formula of 2% of special education foundation funding or \$85 per special education student, whichever is greater.

Alaska Youth Initiative (AYI) - AYI is a cooperative program of the Departments of Education and Health and Social Services and is designed to prevent out-of-state institutionalization of Alaska's trouble youth by providing comprehensive services in Alaska. In FY97, \$637,000 is allocated for AYI.

Providence Heights School - The FY97 request includes \$145,000 for the Anchorage School District to operate the educational program for students at Providence Heights School who are patients of the Alaska Psychiatric Hospital.

Alaska State School for the Deaf - The

Alaska State School for the Deaf is currently operated by the Anchorage School District and provides services for students who are not able to receive an adequate program in their home district. The school district receives foundation funds for the students enrolled. The FY97 request includes \$956,400 for a grant to the district to pay for the residential component. Students from outside Anchorage are housed in group and foster homes while they are attending school.

Pupil Transportation

In accordance with AS 14.09.010, the department may provide for the transportation of students. Subject to availability of funds, the department reimburses school districts for the cost of all approved regular routes, special education routes, other conveyance routes, and in-lieu-of agreements. In addition, the department may provide transportation for children attending non-public schools, where the distances and routes traveled are comparable to those traveled by public school students and integrating non-public student transportation into existing systems where feasible.

The FY97 request of \$32,214,800 represents 92 percent of the FY96 Authorized funding for reimbursable pupil transportation costs.

Child Nutrition Programs

This program distributes federal funds for reimbursement of meals served to eligible children and adults in approved agencies. The federal funds earned by sponsors for reimbursable meals or milk served in participating schools, child or adult day care facilities, residential child care institutions, homeless shelters, or camps help subsidize the meal costs incurred by the sponsor.

Although the funding level remains the same in FY97, the administration of the program has been transferred from the Division of Teaching and Learning Support to the Division of School Finance. With this transfer, all of the major formula programs will be administered in the same division.

Community Schools

Through grants to local school districts, the department provides funding to make school facilities available for community use, when they are not needed for regular school activities. In many communities, the school is the center of local activities, providing a place for both youth and adults to attend instructional classes. For many rural communities, the school is the only facility available for these activities to occur.

AS 14.36.030 provides for an annual grant to school districts operating a community school program of one-half of one percent of public school foundation support or \$10,000, whichever is greater. The statute also allows for proration of grants if the appropriation is insufficient to fully fund the program. Based on that formula, full funding of Community Schools would require an appropriation of over \$3,000,000. The FY97 request includes \$500,000 for the Community Schools program

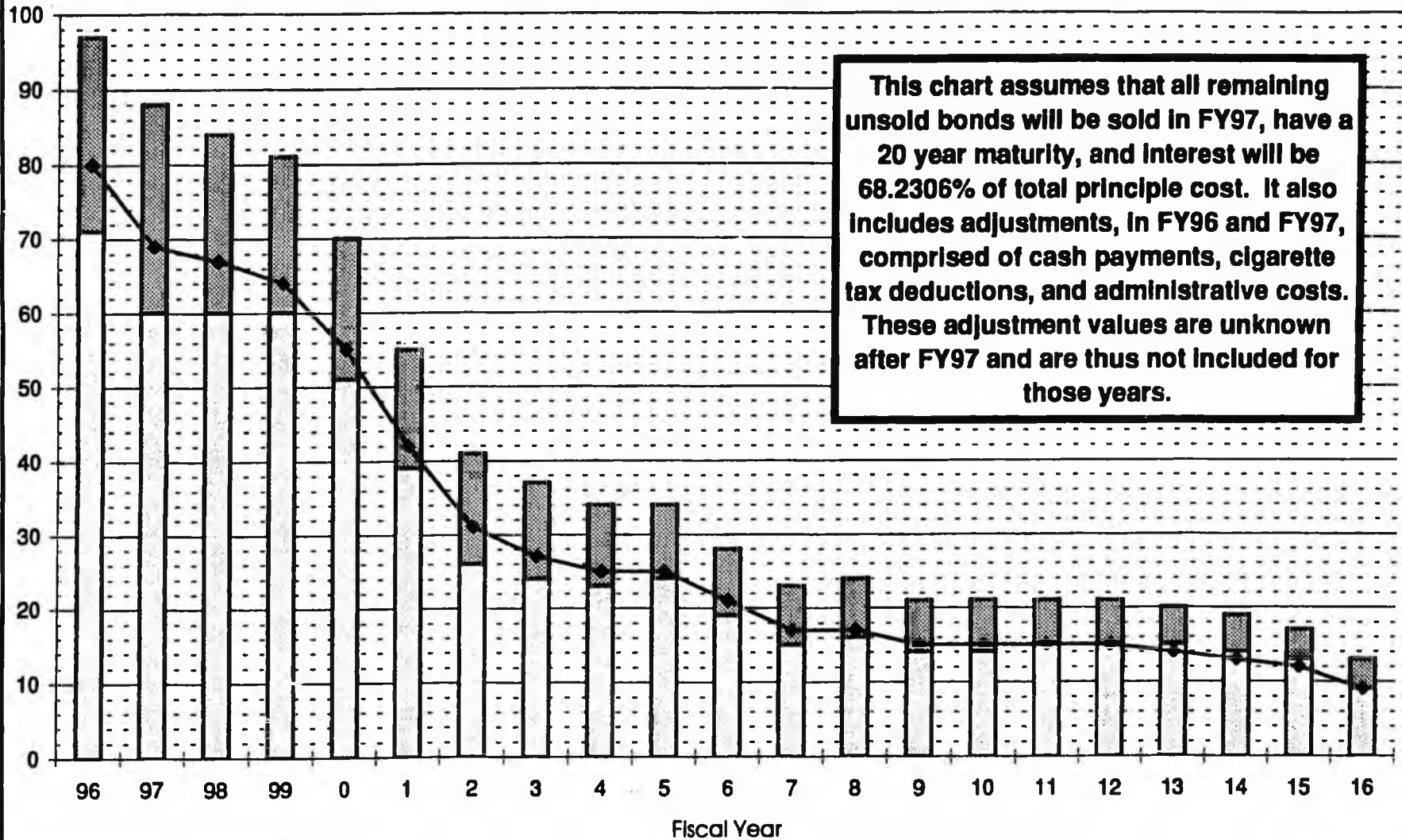
School Debt Reimbursement

The FY97 request of \$68,616,600 for this program will provide reimbursement for school construction debt that is financed by approved municipal bond sales and locally generated revenue. Upon the sale of the bonds, the municipality submits to the Department of Education information which is used to generate an annual budget for the debt service payment pursuant to AS 14.11.100.

The FY97 request is based on notification from eligible school districts, as of October 15, 1995, of voter approval on new bonds issued under the debt retirement program and expectation of debt service related to those, as well as continuation of existing debt. The following chart and schedule project the level of reimbursement under the current program to fiscal year 2016 using specific assumptions. These projections are updated annually based on information provided by school districts.

SCHOOL CONSTRUCTION ELIGIBLE DEBT RETIREMENT

Millions



This chart assumes that all remaining unsold bonds will be sold in FY97, have a 20 year maturity, and interest will be 68.2306% of total principle cost. It also includes adjustments, in FY96 and FY97, comprised of cash payments, cigarette tax deductions, and administrative costs. These adjustment values are unknown after FY97 and are thus not included for those years.

OUTSTANDING PRINCIPAL

 OUTSTANDING INTEREST

◆
 STATE LIAB INCLUDING UNSOLD BONDS

State Liability Including Unsold Bonds Assumptions

- All remaining unsold bonds will have a 20 year maturity.
- All remaining unsold bonds will be sold in FY97
- Interest will be 68.2306% of the total principle cost.

FISCAL YEAR	PROJECTED LIABILITY	ADJUSTMENTS	PROJECTED FUNDING
FY96	82,118,765	-1,796,362	80,322,403
FY97	70,660,464	-2,043,887	68,616,577
FY98	67,049,979		67,049,979
FY99	64,216,402		64,216,402
FY00	54,849,989		54,849,989
FY01	42,385,083		42,385,083
FY02	30,711,707		30,711,707
FY03	27,176,573		27,176,573
FY04	24,934,484		24,934,484
FY05	24,862,359		24,862,359
FY06	20,732,182		20,732,182
FY07	17,283,811		17,283,811
FY08	17,342,933		17,342,933
FY09	14,757,432		14,757,432
FY10	14,766,498		14,766,498
FY11	14,770,373		14,770,373
FY12	14,774,121		14,774,121
FY13	13,928,723		13,928,723
FY14	13,367,596		13,367,596
FY15	11,834,291		11,834,291
FY16	8,993,322		8,993,322

NOTE: The FY96 and 97 liability numbers are based on school district notification of anticipated debt. The adjustments column includes cash payments, cigarette tax deductions, and administrative costs. The adjustment for these items is not known after FY97 and has not been included in this schedule.

December 15, 1995, Governor's FY97 Budget Request

ALASKA DEPARTMENT OF EDUCATION

PROJECTED FY97 STATE PROGRAM ALLOCATIONS

Projected allocations are subject to adjustment based on individual program requirements.

	Total Foundation	Additional District Support	Cigarette Tax Distribution	Tuition	Boarding Home	Youth In Detention	Schools for the Handicapped	Pupil Trans.	Community Schools	Debt Retirement	PROJECTED FY97 TOTALS
ADAK	\$0	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ALASKA GATEWAY	5,055,414	0	0	0	0	0	0	441,939	3,944	0	5,501,297
ALEUTIAN REGION	518,430	40,260	0	0	0	0	0	0	1,614	0	560,304
ALEUTIANS EAST	3,743,146	0	14,335	0	0	0	0	42,631	2,960	40,305	3,843,377
ANCHORAGE	181,243,565	0	1,058,444	817,305	0	399,677	1,101,400	8,730,885	147,489	21,771,593	215,270,358
ANNETTE ISLANDS	1,833,348	177,510	0	0	0	0	0	11,048	1,614	0	2,023,520
BERING STRAIT	16,969,751	0	0	0	0	0	0	33,953	12,936	0	17,016,640
BRISTOL BAY	1,873,234	0	12,268	0	0	0	0	190,505	1,614	350,306	2,427,927
CHATHAM	2,751,502	0	0	0	0	0	0	6,904	2,074	0	2,760,480
CHUGACH	1,729,510	0	0	0	0	0	0	0	1,614	0	1,731,124
COPPER RIVER	5,370,508	0	0	0	0	0	0	501,870	4,103	0	5,876,481
CORDOVA	2,684,679	168,360	17,795	1,257	0	0	0	51,538	2,039	0	2,925,668
CRAIG	2,335,826	172,020	14,650	255	0	0	0	15,858	1,806	0	2,540,415
DELTA/GREELY	4,571,810	0	0	0	0	0	0	830,862	4,314	0	5,406,986
DENALI	3,021,537	0	15,099	0	0	0	0	261,751	2,555	0	3,300,942
DILLINGHAM	3,839,005	212,890	17,319	8,904	0	0	0	284,825	2,568	0	4,365,511
FAIRBANKS	66,371,794	0	363,086	250,912	0	189,447	0	4,749,949	52,378	11,772,984	83,750,550
GALENA	1,537,153	158,600	10,359	0	0	0	0	33,521	1,614	81,684	1,822,931
HAINES	2,266,876	0	15,481	5,078	0	0	0	148,346	1,734	0	2,437,515
HOONAH	1,963,241	126,270	12,179	0	0	0	0	33,287	1,641	190,824	2,327,442
HYDABURG	977,873	98,210	8,426	0	0	0	0	3,586	1,614	0	1,089,709
IDITAROD	5,496,233	0	0	0	27,966	0	0	40,945	4,344	0	5,569,488
JUNEAU	21,852,487	0	127,190	132,098	0	78,363	0	1,366,192	17,448	3,016,810	26,590,588
KAKE	1,265,711	137,250	9,999	0	0	0	0	24,171	1,614	0	1,438,745
KASHUNAMIUT	1,980,254	147,620	0	0	0	0	0	2,675	1,614	0	2,132,163
KENAI	44,210,660	0	240,988	243,593	22,562	0	0	2,944,674	36,776	8,851,457	56,550,710
KETCHIKAN	9,754,055	0	67,370	63,754	0	0	0	767,956	7,698	1,576,436	12,237,269
KLAWOCK	1,506,757	161,040	10,943	0	0	0	0	6,608	1,614	0	1,686,962
KODIAK	13,742,286	0	67,513	69,549	20,432	0	0	572,632	10,174	1,570,233	16,052,819
KUSPUK	5,426,635	0	0	0	0	0	0	95,909	4,159	0	5,526,703
LAKE AND PENINSULA	6,789,934	0	17,189	0	0	0	0	96,006	5,350	384,893	7,293,372
LOWER KUSKOKWIM	38,315,241	0	0	0	0	132,513	0	236,762	27,920	0	38,712,436

December 15, 1995, Governor's FY97 Budget Request
ALASKA DEPARTMENT OF EDUCATION
PROJECTED FY97 STATE PROGRAM ALLOCATIONS

Projected allocations are subject to adjustment based on individual program requirements.

	Total Foundation	Additional District Support	Cigarette Tax Distribution	Tuition	Boarding Home	Youth In Detention	Schools for the Handicapped	Pupil Trans.	Community Schools	Debt Retirement	PROJECTED FY97 TOTALS
LOWER YUKON	13,851,625	0	0	0	0	0	0	22,184	11,225	0	13,885,034
MAT-SU	56,163,766	0	291,787	61,354	0	0	0	5,179,969	48,173	7,016,317	68,761,366
NENANA	1,528,611	152,500	10,044	0	0	0	0	100,058	1,614	0	1,792,827
NOME	4,589,588	257,420	21,592	5,910	0	0	0	189,419	3,580	0	5,067,509
NORTH SLOPE	11,289,387	0	45,723	0	0	0	0	322,810	8,186	5,542,584	17,208,690
NORTHWEST ARCTIC	17,606,207	0	48,486	0	21,970	0	0	0	13,260	0	17,689,923
PELICAN	569,066	51,240	7,034	0	0	0	0	1,487	1,614	0	630,441
PETERSBURG	3,227,769	210,450	23,255	2,070	0	0	0	110,070	2,587	676,075	4,252,276
PRIBILOF	2,011,494	0	0	0	19,487	0	0	0	1,614	0	2,032,595
SITKA	6,666,245	0	46,891	20,088	0	0	0	338,993	5,507	1,647,965	8,725,689
SKAGWAY	761,123	120,170	8,921	0	0	0	0	5,459	1,614	0	897,287
SOUTHEAST	3,737,413	0	0	0	0	0	0	152,333	0	0	3,889,746
SOUTHWEST	6,758,688	0	0	0	39,277	0	0	56,608	5,302	0	6,859,875
ST. MARY'S	1,399,655	145,790	7,910	0	0	0	0	0	1,614	0	1,554,969
TANANA	1,178,033	117,120	8,269	18,851	0	0	0	18,038	1,614	0	1,341,925
UNALASKA	1,637,671	186,050	14,313	0	0	0	0	151,253	1,614	1,059,969	3,050,870
VALDEZ	3,419,496	0	26,782	0	0	0	0	266,970	2,735	1,993,977	5,709,960
WRANGELL	2,625,110	159,210	18,739	11,922	0	0	0	111,448	2,111	942,365	3,870,905
YAKUTAT	1,387,078	149,450	9,617	0	0	0	0	51,028	1,614	0	1,598,787
YUKON FLATS	5,515,969	0	0	0	0	0	0	58,494	4,558	0	5,579,021
YUKON/KOYUKUK	7,054,395	0	0	0	34,200	0	0	95,420	5,639	0	7,189,654
YUPIIT	4,266,823	0	0	0	0	0	0	0	3,292	0	4,270,115
ALYESKA CORRES.	3,918,213	0	0	0	0	0	0	0	0	0	3,918,213
MR. EDGE CUMBE	1,650,660	0	0	0	0	0	0	0	0	0	1,650,660
OTHER	26,027,260	0	0	18,300	6	0	2,619,900	454,986	0	129,800	29,250,252
	11			12			13	14		15	
TOTALS	\$649,839,800	\$3,149,430	\$2,689,996	\$1,731,200	\$185,900	\$800,000	\$3,721,300	\$30,211,815	\$500,000	\$68,616,577	\$761,449,018

11 OTHER INCLUDES CONTRACTUAL OBLIGATIONS AND OTHER ADJUSTMENTS.

12 OTHER INCLUDES CONTRACTS FOR HYDER STUDENTS ATTENDING SCHOOL IN CANADA.

13 OTHER INCLUDES ALLOCATIONS TO (SESA) AND (AYI).

14 OTHER INCLUDES ESTIMATES TO COVER ADDITIONAL COSTS DUE TO ENROLLMENT INCREASES, POPULATION SHIFTS AND NEW CONTRACTS.

15 OTHER INCLUDES ESTIMATED DEBT REIMBURSEMENT PROGRAM OVERHEAD.

**Department of Education
Formula Fund History-General Funds
(millions)**

Fiscal Year	Foundation Program	School Debt	Pupil Transportation
79 Actual	193.4	22.3	16.2
80 Actual	245.2	24.1	18.6
81 Actual	265.1	38.4	17.0
82 Actual	345.4	39.5	20.1
83 Actual	407.3	49.7	20.4
84 Actual	428.8	93.7	22.3
85 Actual	454.8	95.0	24.6
86 Actual	472.3	106.3	23.1
87 Actual	380.6	115.8	21.4
88 Actual	409.9	109.5	21.1
89 Actual	426.4	109.0	24.6
90 Actual	462.8	108.9	24.5
91 Actual	498.8	116.7	24.5
92 Actual	532.9	127.7	27.3
93 Actual	567.4	125.4	28.4
94 Actual	581.2	99.8	29.4
95 Actual	595.8	103.3	31.6
96 Authorized	617.2	80.3	32.8
97 Governor	617.2	68.6	30.2

Appendices

A REVIEW

THE ALASKA SCHOOL FOUNDATION FUNDING PROGRAM

JANUARY 1996

THE FOUNDATION PROGRAM is based on the "instructional unit" method of funding.

TERMS AND CONCEPTS printed on page 2, when used with the two mathematical formulas below, provide for understanding the foundation law.

THE FORMULA USED TO CALCULATE BASIC NEED:

$$\text{BASIC NEED} = (\text{INSTRUCTIONAL UNITS}) \times (\text{AREA COST DIFFERENTIAL}) \times (\$61,000)$$

THE FORMULA USED TO CALCULATE STATE FOUNDATION AID:

$$\text{STATE FOUNDATION AID} = (\text{BASIC NEED}) - (\text{LOCAL EFFORT}) - (90\% \text{ ELIGIBLE PL 81-874})$$



TERMS AND CONCEPTS:

ADM (AVERAGE DAILY MEMBERSHIP) - The average of the number of students enrolled in a school district or specific school program (vocational education, bilingual education, special education) over a specified fall or spring student count period. The more students a district has in Average Daily Membership, the more instructional units the district generates increasing the funding it receives through the foundation program.

AREA COST DIFFERENTIAL - A factor multiplied by a school district's instructional units to adjust for costs associated with geographic conditions, sparsity and location of various school districts. Factors vary between 1.0 and 1.46, depending usually on remoteness of the district.

BASIC NEED - An amount of money determined by multiplying the area cost differential by the number of a school district's allowable instructional units times the instructional unit value, set by the legislature. The foundation program sets the instructional unit value at \$61,000.

INSTRUCTIONAL UNIT - A number represented by a group of students identified by grade level and the student profile dependent on whether the students are enrolled in vocational, special or bilingual education programs.

INSTRUCTIONAL UNIT VALUE - The amount under the foundation formula is \$61,000 per instructional unit and is established by law.

PL 81-874 - Federal Law PL 81-874, impact aid to education, provides federal funds to school districts for children of parents living and/or working on federal property as an "in lieu of local tax revenue." Under the foundation program 90 percent of each school district's eligible PL 81-874 receipts is subtracted from the district's basic need.

REQUIRED LOCAL EFFORT - Under the law, city and borough school districts are required to contribute the lesser amount of:

- (1) the equivalent amount generated by a four mill tax levy based on the full and true value of the taxable real and personal property in the school district in the second preceding year (two years prior); or
- (2) 35 percent of a school district's basic need for the preceding school year.

In addition to the required local effort school districts are allowed to contribute the greater of an equivalent of 2.0 mills or \$14,030 per adjusted unit to hold disparities in funding per instructional unit among school districts to no more than 25 percent. The amount of local effort, either in the 4 mill equivalent or 35 percent basic need, is subtracted from a school district's basic need. Since Regional Education Attendance Areas do not have authority to collect taxes, there is no deduction for the local contribution portion of basic need in these districts.

STATE FOUNDATION AID - The amount of state money school districts are entitled to receive under the Public School Foundation Program, after local and federal shares are deducted.

OTHER ISSUES:

ALASKA'S PUBLIC SCHOOL FOUNDATION PROGRAM, AS 14.17 enables the state to meet fiscal equalization criteria outlined in the federal PL 81-874 law, commonly known as the "disparity test." Alaska must meet the guidelines in order to recognize approximately \$43 million in PL 81-874 funds within the FY95 state foundation plan as general revenues.

PL 81-874 DISPARITY TEST - The federal PL 81-874 disparity test measures the disparity in local school district revenues. The test takes into consideration designated state and local revenues. Under guidelines of the disparity test, the range of revenues may not vary more than 20 percent between the school district that raises the lowest amount of revenue per instructional unit and the school district that raises the greatest amount beginning in FY98. Since federal regulations allow states to eliminate five percent of the weighted instructional units at the top of the scale and five percent at the bottom, Alaska eliminates both of its oil rich school districts, Valdez and North Slope Borough, which contribute considerably more than 20 percent beyond the lowest amount. Since REAAs are not authorized to raise local taxes, five percent of the units at the bottom of the scale can be from any REAA. The disparity test uses \$61,000 per instructional unit as the base.

CENTRALIZED CORRESPONDENCE SCHOOL - The law provides a formula for computing funds for the state Centralized Correspondence School. Instructional units are computed under the same formula used by elementary schools with more than 200 students and multiplied by 0.65.

DECLINING ENROLLMENT - The law contains language that protects districts from losing more than 10 percent of the prior year's K-12 instructional units by phasing in the reduction over four years.

DISTRIBUTION PROCEDURES - The Department of Education will make payment of foundation aid through monthly payments to school districts. The payments for the first nine months of each fiscal year will be based on actual instructional units for the prior school year. Payments for the last three months will be adjusted by current year instructional units. Any overpayments or underpayments made during the first nine months will be adjusted in the final three payments of the fiscal year. The first counting period will be during a 20-day period ending on the fourth Friday in each October. An optional 20-day count period ending the second Friday of February may be used to calculate foundation funding, if the February counting period yields more instructional units.

FUND BALANCE LIMITATION - The law prohibits districts from accumulating an unreserved fund balance of more than 10 percent of their operating expenditures and other uses for the year. The Department of Education must deduct the amount exceeding 10 percent from a school district's succeeding year's foundation entitlement.

FULL AND TRUE VALUE - The Department of Community and Regional Affairs will determine the full value of the taxable real and personal property in each city and borough school district for the purpose of calculating a school district's required local effort.

GATHERING/REPORTING STUDENT DATA - The statute requires districts to report to the Department of Education by October 15 of each school year an estimate of its student population for the next school year. The Department of Education will use the estimates to determine the amount of state foundation aid to seek from the Legislature for the following school year.

TABLE OF INSTRUCTIONAL UNITS

COMBINED, ELEMENTARY & SECONDARY INSTRUCTIONAL UNITS

Instructional units for funding communities with fewer than 200 students in grades K-6 or fewer than 200 students in grades 7-12 are determined by the formula:

Elementary instructional units for funding communities with more than 200 students in grades K-6 are determined by the formula:

$$\text{UNITS} = 15 + \frac{(\text{ADM} - 200)}{17}$$

ADM	UNITS
1-10	2
11-20	$2 + \frac{(\text{ADM} - 10)}{5}$
21-60	$4 + \frac{(\text{ADM} - 20)}{8}$
61-120	$9 + \frac{(\text{ADM} - 60)}{12}$
121- 525	$14 + \frac{(\text{ADM} - 120)}{15}$

Secondary instructional units for funding communities with more than 200 students in grades 7-12 are determined by the formula:

$$\text{UNITS} = 18 + \frac{(\text{ADM} - 200)}{13}$$

Kindergarten students who attend less than four hours a day are counted as 0.5 ADM.

District correspondence or other students who do not regularly attend school on a daily basis are counted in the appropriate grade level of the funding community with the highest ADM in the district.

VOCATIONAL EDUCATION

FTE * X WEIGHTING FACTOR X .05 = VOCATIONAL EDUCATION UNIT - 280 students in 7 period day or 240 students in 6 period day = 1 Unit

MINIMUM FUNDING: Any funding community in which a vocational education course, approved by the Dept. of Education, is operated receives a minimum of .10 instructional units for vocational education, or each school district in which such a course is operated receives a minimum of 1.00 units whichever is greater.

FACTOR PROGRAM

.5 **CATEGORY 1** contains 16 programs: health, consumer and homemaking, horticulture, commercial art, clothing and textiles, general marketing, food production, renewable and natural resources, forestry, agriculture services and supplies, transportation and travel, wildlife management, business management, child care management and surveying.

.5 **CATEGORY 2** contains 7 programs: aircraft mechanics, communication technologies, commercial photography, agriculture mechanics, accounting and related, small engine mechanic and automotive body repair.

FACTOR PROGRAM

.5 **CATEGORY 3** contains 9 programs: agricultural production, welding, industrial education, woodworking, automobile mechanics, electrical technician, drafting, fisheries and diesel engine mechanics.

.5 **CATEGORY 4** contains 3 programs: graphics, secretarial and word processing, and construction trades.

* Full Time Equivalent

SPECIAL EDUCATION

NUMBER OF STUDENTS X WEIGHTING FACTOR = SPECIAL EDUCATION UNITS

MINIMUM FUNDING: Any funding community in which a special education program, approved by the Department of Education, is operated receives a minimum of 0.25 instructional units for special education, or any school district in which such a program is operated receives a minimum of 1.00 such units, whichever is greater.

FACTOR PROGRAM

.025 **GIFTED AND TALENTED** - 40 Students = 1 Unit
 .056 **RESOURCES** - 18 Students = 1 Unit

FACTOR PROGRAM

0.1 **SELF-CONTAINED** - 10 Students = 1 Unit
 .333 **INTENSIVE/HOSPITAL HOMEBOUND** - 3 Students = 1 Unit

BILINGUAL EDUCATION

WEIGHTING FACTOR * X STUDENT COUNT X .042 = BILINGUAL EDUCATION UNITS

MINIMUM FUNDING: Any funding community in which a bilingual program, approved by the Dept. of Education, is operated receives a minimum of 0.10 instructional units for bilingual education, or each school district in which such a program is operated receives a minimum of 1.00 such units, whichever is greater.

FACTOR PROGRAM

1 **CATEGORY A:** Students who speak a language other than English exclusively. 24 Students = 1 Unit
 1 **CATEGORY B:** Students who speak mostly a language other than English, but also speak some English. 24 Students = 1 Unit
 .2 **CATEGORY C:** Students who speak a language other than English and English with equal ease. 119 Students = 1 Unit

FACTOR PROGRAM

.2 **CATEGORY D:** Students who speak mostly English but also speak a language other than English. 119 Students = 1 Unit
 .1 **CATEGORY E:** Students who speak English exclusively but whose manner of speaking reflects the grammatical structure of another language. 238 Students = 1 Unit

*Language dominance category weighting factor.

Alaska Department of Education
Projected FY97 Foundation Program Entitlements

Prepared December 15, 1995

ALASKA DEPARTMENT OF EDUCATION
PROJECTED FY97 FOUNDATION PROGRAM ENTITLEMENTS

The enrollment and units are based on the final, revised October 15 reports received from school districts.

	BASIC NEED \$61,000	REQUIRED LOCAL	ELIGIBLE PL81-874	PL81-874 PERCENT	DEDUCTIBLE PL81-874 @ 90%	TOTAL FOUNDATION ENTITLEMENT
ADAK	\$0	\$0	\$0	100.00%	\$0	\$0
ALASKA GATEWAY	5,397,890	0	380,529	100.00%	342,476	5,055,414
ALEUTIAN REGION	569,740	0	57,011	100.00%	51,310	518,430
ALEUTIANS EAST	4,283,420	355,181	509,562	40.36%	185,093	3,743,146
ANCHORAGE	237,905,490	51,665,422	9,314,618	66.77%	4,996,503	181,243,565
ANNETTE ISLANDS	2,748,050	0	1,016,335	100.00%	914,702	1,833,348
BERING STRAIT	20,079,370	0	3,455,132	100.00%	3,109,619	16,969,751
BRISTOL BAY	2,679,120	681,970	240,580	57.23%	123,916	1,873,234
CHATHAM	3,337,920	0	651,576	100.00%	586,418	2,751,502
CHUGACH	1,842,200	0	125,211	100.00%	112,690	1,729,510
COPPER RIVER	5,443,030	0	80,580	100.00%	72,522	5,370,508
CORDOVA	3,427,590	728,797	19,032	82.40%	14,114	2,684,679
CRAIG	2,631,540	283,114	16,690	83.88%	12,600	2,335,826
DELTA/GREELY	5,378,370	0	896,178	100.00%	806,560	4,571,810
DENALI	3,348,290	301,901	27,613	100.00%	24,852	3,021,537
DILLINGHAM	4,556,700	528,666	335,087	62.68%	189,029	3,839,005
FAIRBANKS	84,191,590	14,572,622	6,593,515	54.72%	3,247,174	66,371,794
GALENA	1,689,700	72,544	314,774	28.24%	80,003	1,537,153
HAINES	2,821,250	545,269	18,985	53.29%	9,105	2,266,876
HOONAH	2,095,350	96,424	238,998	16.59%	35,685	1,963,241
HYDABURG	1,002,840	23,121	17,039	12.04%	1,846	977,873
IDITAROD	6,018,870	0	580,708	100.00%	522,637	5,496,233
JUNEAU	29,542,910	7,681,779	16,954	56.65%	8,644	21,852,487
KAKE	1,398,730	70,703	281,923	24.56%	62,316	1,265,711
KASHUNAMIUT	2,224,670	0	271,573	100.00%	244,416	1,980,254
KENAI	58,805,220	14,555,007	83,078	52.90%	39,553	44,210,660
KETCHIKAN	13,889,700	4,130,931	8,986	58.29%	4,714	9,754,055
KLAWOCK	1,690,920	62,458	274,629	49.24%	121,705	1,506,757
KODIAK	18,039,530	3,516,806	1,081,508	80.18%	780,438	13,742,286
KUSPUK	5,926,760	0	555,694	100.00%	500,125	5,426,635
LAKE AND PENINSUL	7,294,380	273,430	1,028,381	24.96%	231,016	6,789,934
LOWER KUSKOKWIM	42,466,370	0	4,612,365	100.00%	4,151,129	38,315,241
LOWER YUKON	16,801,230	0	3,277,339	100.00%	2,949,605	13,851,625
MAT-SU	65,053,450	8,883,179	14,639	49.37%	6,505	56,163,766
NENANA	1,595,760	64,822	2,926	88.35%	2,327	1,528,611
NOME	5,212,450	604,197	43,424	47.76%	18,665	4,589,588
NORTH SLOPE	17,158,690	5,398,988	2,648,619	19.73%	470,315	11,289,387
NORTHWEST ARCTIC	19,594,420	1,107,314	2,240,789	43.68%	880,899	17,606,207
PELICAN	625,860	56,794	0	93.29%	0	569,066
PETERSBURG	4,055,890	821,228	15,861	48.29%	6,893	3,227,769
PRIBILOF	2,346,670	0	372,418	100.00%	335,176	2,011,494
SITKA	8,826,700	2,089,590	158,779	49.59%	70,865	6,666,245
SKAGWAY	1,133,990	372,867	0	66.83%	0	761,123
SOUTHEAST	4,152,270	0	460,952	100.00%	414,857	3,737,413
SOUTHWEST	7,727,480	0	1,076,436	100.00%	968,792	6,758,688
ST. MARY'S	1,496,940	18,174	122,527	71.74%	79,111	1,399,655
TANANA	1,231,590	23,772	178,213	18.57%	29,785	1,178,033
UNALASKA	2,653,500	1,015,620	363	63.92%	209	1,637,671
VALDEZ	5,233,190	1,795,535	43,787	46.08%	18,159	3,419,496
WRANGELL	3,169,560	543,719	1,812	44.85%	731	2,625,110
YAKUTAT	1,520,730	119,296	39,086	40.81%	14,356	1,387,078
YUKON FLATS	6,084,750	0	631,979	100.00%	568,781	5,515,969
YUKON/KOYUKUK	7,954,400	0	1,000,006	100.00%	900,005	7,054,395
YUPIIT	5,045,310	0	864,985	100.00%	778,487	4,266,823
ALYESKA CORRES.*	3,918,213	0	0	100.00%	0	3,918,213
MI. EDGE CUMBE	1,650,660	0	0	100.00%	0	1,650,660
TOTALS	\$776,971,213	\$123,061,240	\$45,299,784		\$30,097,433	\$623,812,540

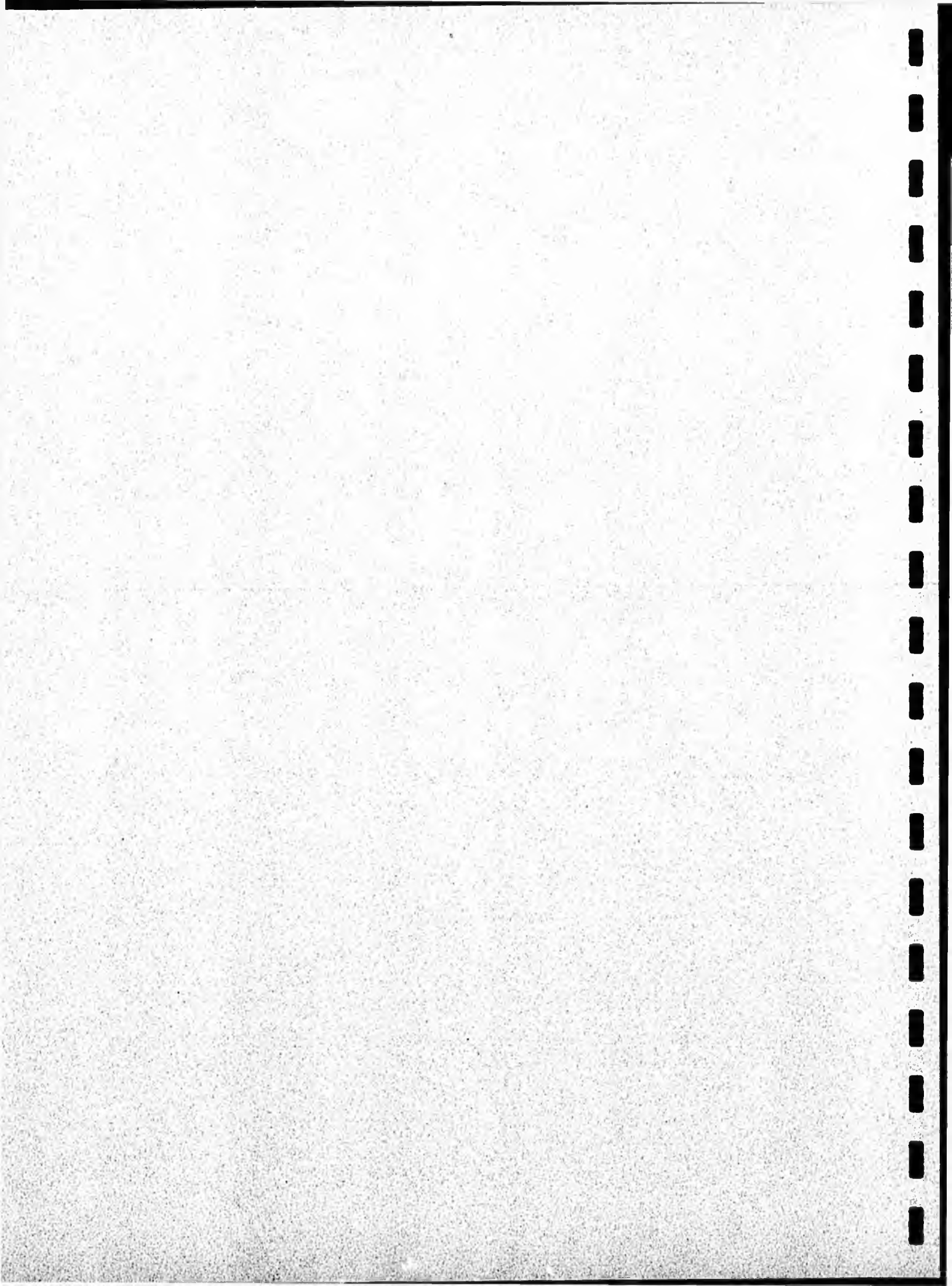
Impact Aid flow through	20,791,000
Military contracts and insurance	3,736,260
Estimated prior year adjustments	1,500,000
EST. FY97 FOUNDATION ENTITL	\$649,839,800

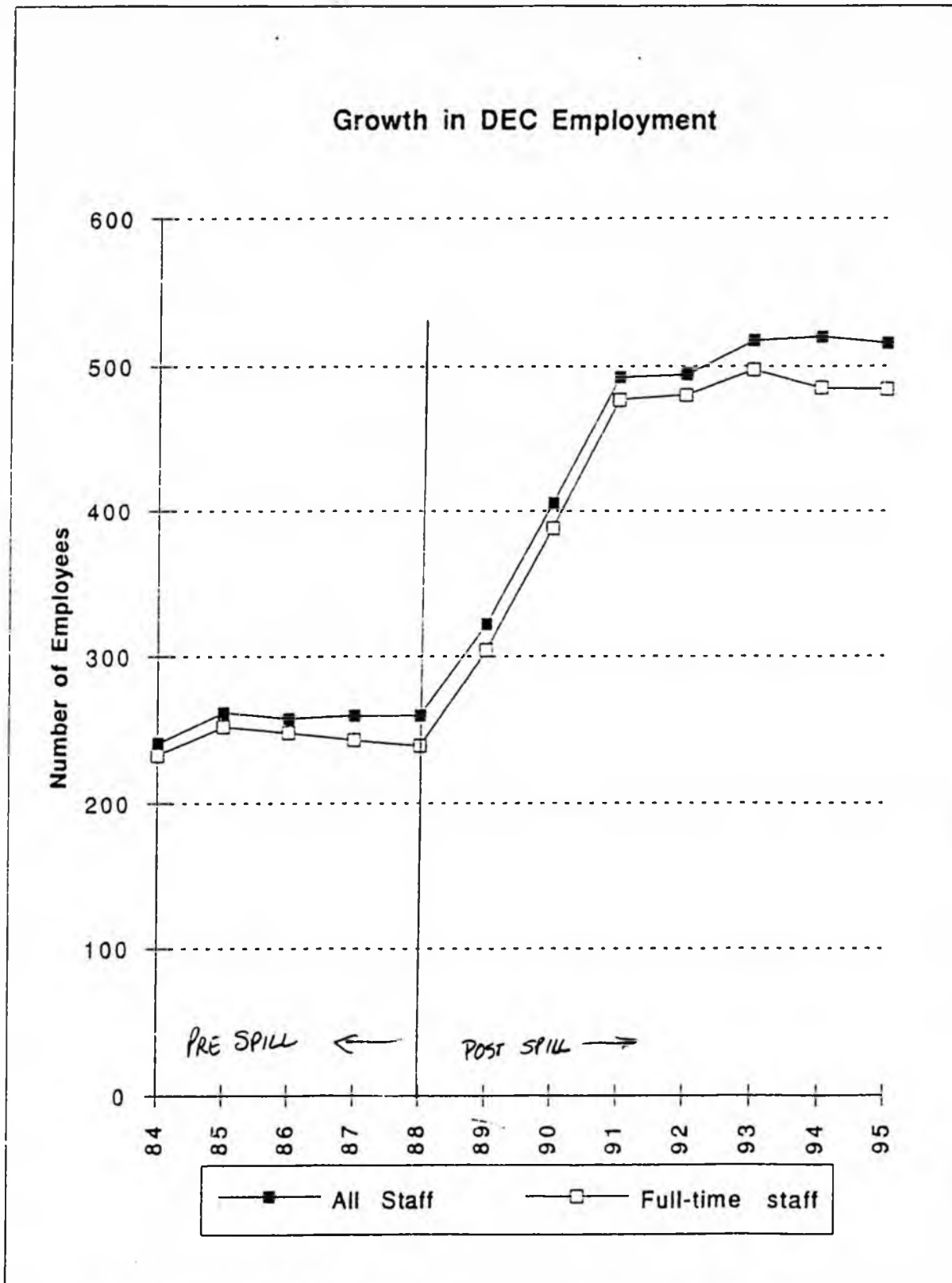
* State correspondence program basic need is adjusted by 65% in accordance with AS 14.17.022.

CA DEPARTMENT OF EDUCATION
 ECTED FY97 FOUNDATION PROGRAM ENTITLEMENTS

llment and units are based on the final, revised October 15 reports received from school districts.

	PROJ. FY97 ADM	K-12 UNITS	BIL./ BIC.	SPEC. ED.	VOC. ED.	FY97 PROJ. INSTR. UNITS	AREA DIFF.	ADJUSTED FY97 INSTR. UNITS
	0.00	0.00	0.00	0.00	0.00	0.00	1.27	0.00
CA GATEWAY	546.00	63.88	1.00	8.48	1.00	74.36	1.19	88.49
CAN REGION	21.00	4.13	1.00	1.00	1.00	7.13	1.31	9.34
CANS EAST	363.00	46.89	1.00	4.71	1.00	53.60	1.31	70.22
CRAGE	46,601.00	3,121.56	92.68	651.86	33.99	3,900.09	1.00	3,900.09
TE ISLANDS	441.00	35.40	1.00	6.34	1.00	43.74	1.03	45.05
G STRAIT	1,786.00	202.29	14.45	17.80	2.27	236.81	1.39	329.17
DL BAY	294.00	27.73	1.00	4.85	1.00	34.58	1.27	43.92
SIAM	345.00	46.48	1.00	4.65	1.00	53.13	1.03	54.72
ACH	137.00	23.03	1.00	1.46	1.00	26.49	1.14	30.20
R RIVER	635.00	68.43	1.00	7.84	1.00	78.27	1.14	89.23
DVA	536.00	41.42	1.00	7.20	1.00	50.62	1.11	56.19
	424.00	34.27	1.00	5.61	1.00	41.88	1.03	43.14
/GREELY	852.00	63.97	1.26	9.78	1.00	76.01	1.16	88.17
I	383.00	40.50	0.00	3.13	1.00	44.63	1.23	54.89
GHAM	598.00	45.87	1.72	10.23	1.00	58.82	1.27	74.70
ANKS	16,091.00	1,100.46	9.54	200.74	16.37	1,327.11	1.04	1,380.19
IA	160.00	16.67	1.00	2.64	1.00	21.31	1.30	27.70
S	443.00	36.87	1.00	5.18	1.00	44.05	1.05	46.25
AH	270.00	24.00	1.00	5.81	1.00	31.81	1.08	34.35
IURG	107.50	12.96	1.00	1.00	1.00	15.96	1.03	16.44
OD	443.00	64.10	1.36	7.35	1.38	74.19	1.33	98.67
U	5,552.00	376.82	6.97	95.54	4.98	484.31	1.00	484.31
	182.00	18.13	1.00	2.13	1.00	22.26	1.03	22.93
NAMIUT	252.00	22.80	1.44	2.18	1.00	27.42	1.33	36.47
	10,401.00	816.98	17.47	116.04	13.53	964.02	1.00	964.02
IKAN	2,850.00	197.46	2.18	24.06	4.00	227.70	1.00	227.70
OCK	230.00	21.33	1.00	3.58	1.00	26.91	1.03	27.72
C	2,897.21	230.35	6.42	31.20	3.34	271.31	1.09	295.73
K	498.00	65.52	1.00	5.53	1.00	73.05	1.33	97.16
ND PENN.	506.00	83.00	1.00	6.28	1.00	91.28	1.31	119.58
I KUSKOKWIM	3,537.50	354.76	94.27	37.18	4.05	490.26	1.42	696.17
I YUKON	1,761.39	181.37	3.52	17.24	1.89	204.02	1.35	275.43
J	12,115.00	905.02	12.95	141.00	7.48	1,066.45	1.00	1,066.45
A	170.00	17.33	1.00	2.47	1.00	21.80	1.20	26.16
	701.75	52.45	1.00	9.32	1.00	63.77	1.34	85.45
SLOPE	1,889.68	167.99	10.55	13.42	2.03	193.99	1.45	281.29
WEST ARCTIC	1,998.00	193.16	5.10	21.64	1.63	221.53	1.45	321.22
N	40.00	6.50	1.00	1.00	1.00	9.50	1.08	10.26
SBURG	774.00	57.43	1.00	7.06	1.00	66.49	1.00	66.49
DF	207.00	24.22	1.00	3.37	1.00	29.59	1.30	38.47
	1,803.00	128.33	1.00	13.43	1.94	144.70	1.00	144.70
AY	140.00	15.67	0.00	1.03	1.00	17.70	1.05	18.59
EAST	364.00	58.44	1.00	4.86	1.15	65.45	1.04	68.07
WEST	689.00	79.91	9.59	6.20	1.00	96.70	1.31	126.68
RY'S	140.00	15.33	1.00	1.55	1.00	18.88	1.30	24.54
A	100.00	12.33	1.00	1.20	1.00	15.53	1.30	20.19
SKA	360.00	30.00	1.00	2.25	1.00	34.25	1.27	43.50
Z	910.00	66.26	1.00	9.03	1.00	77.29	1.11	85.79
GELL	565.00	43.58	1.00	6.38	1.00	51.96	1.00	51.96
AT	173.00	18.91	1.00	2.17	1.00	23.08	1.08	24.93
FLATS	402.00	60.45	2.10	4.67	1.10	68.32	1.46	99.75
/KOYUKUK	624.00	83.49	2.31	8.68	2.83	97.31	1.34	130.40
	383.00	43.35	7.82	6.49	1.00	58.66	1.41	82.71
CA CORRES.	1,624.86	98.82	0.00	0.00	0.00	98.82	1.00	98.82
ECUMBE	275.00	23.76	1.00	1.00	1.30	27.06	1.00	27.06
S	126,591.89	9,692.16	335.70	1,576.84	141.26	11,745.96		12,771.82





Source: Legislative Finance Division.

oil spill - 3/24/89.

Rory Martin

Department of Environmental Conservation Employees			
FY84 to FY95			
	Full-time	Part-time	Temporary
FY84 Actual	233	5	3
FY85 Actual	252	7	3
FY86 Actual	248	10	0
FY87 Actual	243	17	0
FY88 Actual	239	21	0
FY89 Actual	304	18	0
FY90 Actual	388	17	0
FY91 Actual	477	15	0
FY92 Actual	480	14	0
FY93 Actual	497	10	10
FY94 Actual	485	19	16
FY95 Authorized	484	22	9

Oil spill - MARCH 24, 1989

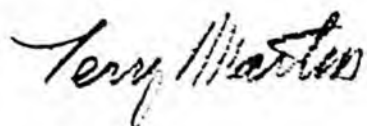
As an example, look at FY 93 actual funding breakdowns:

Personal Services	26,953.20	42.63%
Travel	2,156.50	3.41%
Contractual	23,643.70	37.40%
Commodities	815.00	1.29%
Equipment	1,154.90	1.83%
Lands/Buildings	9.80	0.02%
Grants, Claims	8,192.40	12.96%
Miscellaneous	296.20	0.47%
Total	63,221.70	100.00%

Funding Sources:

1002 Fed Rcpts	7,243.80	11.46%
1003 G/F Match	2,450.40	3.88%
1004 Gen Fund	15,687.20	24.81%
1005 GF/Prgm	405.90	0.64%
1007 I/A Rcpts	685.00	1.08%
1018 EVOSS	1,062.20	1.68%
1052 Oil/Haz Fund	18,595.70	29.41%
1055 IA/OIL Haz	8,688.50	13.74%
1061 CIP Rcpts	367.60	0.58%
1075 Clean Wtr	87.90	0.14%
1079 Storg Tank	7947.5	12.57%
Total	63,221.70	100.00%

Source: Legislative Finance Division.



**Department Of Community & Regional Affairs
General Fund Program & Administrative Funds
Summary of Changes: FY 96 Authorized to FY 97 Governor Request**

Decreases

Phase out of Municipal Land Trustee Program	91.0
Alaska Coastal Mgmt. Plan Program	100.0
Administrative Service Division Streamlining	157.0
Energy Division Operations (Circuit Rider Program, equipment, other personnel)	495.0
Economic Development Personnel	150.0

Total Decreases **993.0**

Increases

Rural Utility Business Assistance (transfer from DEC)	135.0
Rural Utility Business Assistance (Education/Training)	50.0
Other Adjustments (ie; OMB adjustments for salary increases, risk management; chargeback)	125.0

Total Increases **310.7**

Net Decrease from FY 96 Authorized **682.3**

% Decrease **6.6%**

FY 97 Budget — Agency Overview
Department of Community and Regional Affairs

DCRA Mission

To foster the development of self reliant and productive individuals, families and communities by providing training, technical assistance and financial support.

Major Goals and Strategies

Strengthen Communities

- Increase the capacity of local government to effectively provide basic public services by providing communities training and onsite technical assistance.
- Support the provision of basic local government services by providing financial assistance (State Revenue Sharing, Municipal Assistance) that supplements local revenue generation.
- Support the provision of local power generation at a reasonable cost and quality that can serve as a foundation for local economic development and community development.
- Improve the safety and cost effectiveness of energy sources for power generation and heating in rural Alaska by constructing and repairing bulk fuel storage facilities.
- Ensure that the significant investment in rural infrastructure is properly managed and maintained by providing technical assistance targeted at rural utility business management.
- Promote local economic development projects with targeted funding and Economic Development Specialist positions who can serve as catalysts to help make projects succeed.

Strengthen Families

- Improve the overall quality of life of low-income children and parents through a comprehensive Head Start program of education, health, nutrition, social services, parent involvement and career development.
- Ensure parents access to affordable, high quality child care programs by providing funding and technical assistance to care givers and parents, allowing parents to take advantage of job training and work opportunities.

Strengthen Individuals

- Ensure that residents of small rural communities in Western Alaska get the maximum benefits from their participation in the Community Development Quota (CDQ) program, a fisheries development initiative.
- Provide individual Alaskans with the job training programs they need through the federal Job Training Partnership Act (JTPA) and the state-funded State Training and Employment Program (STEP).

Key Performance Measures, FY 97

- ◆ **Child Care:** Department supported child care programs will serve 3,650 children and 550 child care providers.
- ◆ **Head Start:** Head Start services will be provided to an additional 256 children, three years old and younger, in the Bethel region through a new Early Head Start grant. Head Start will also provide program related jobs and training for 575 community residents, at least 50% of whom are, or were, Head Start parents.
- ◆ **Bulk Fuel Storage:** The bulk fuel storage facility problems will be fully resolved in two communities by building new facilities; or bulk fuel storage facilities will be brought up to acceptable standards in about 10 communities.
- ◆ **Rural Power Systems:** Power system upgrades will be completed in at least three rural communities.
- ◆ **Community Development Quota Program (CDQ):** All six CDQ groups will have met the goal and milestones set out in their respective CDQ Community Development Plans.
- ◆ **Rural Utility Business Assistance:** 5 more rural communities will have been provided adequate utility bookkeeping systems.
- ◆ **Internal Revenue Service Community Work Out Plans:** Staff will have facilitated negotiations between IRS and communities to develop work out plans on past due taxes and abate over \$50,000 in tax penalties for these communities.
- ◆ **Military Base Closure Assistance:** Staff will have facilitated local efforts to complete a base re-use plan for Adak; and a preliminary economic recovery strategy and base re-use plan for Fort Greely/Delta Junction.

Other Key Issues

Revenue Sharing: The Alaska Municipal League has initiated a proposal to combine and modify the department's two major local government financial assistance programs, State Revenue Sharing and Municipal Assistance. The key element of this proposal is to tie the combined funding level of the two programs to a percentage of the state's annual operating budget.

Power Cost Equalization: At present rates of expenditure, the Power Cost Equalization and Rural Electric Capitalization Fund will be reduced to zero within the next 3 years. Abrupt termination of the program could have severe economic consequences in rural Alaska.

Senior Citizens/Veterans Tax Exemption Programs: These programs are mandated by the state. While the state previously distributed full funding to municipalities to make up for local revenues not collected due to these programs, these reimbursements have been reduced dramatically. To enhance local revenue generation capacity and support the provision of local services, this state mandate should be eliminated and such exemptions made a local government option.

JTPA Federal Reductions: Due to major changes in Congressional legislation on work force development delivery systems, the JTPA Office will face a reduction in administrative funds available to the department.

Human Resource Investment Council: This new entity, created through the efforts of this department, other state agencies and the private sector, will provide a streamlined approach to providing employment and training services to an increasing number of Alaskan residents. The new council merges the focus, planning and oversight activities of three formerly separate advisory boards into one board.

Efficiencies and Economies

Division of Administrative Services - A general fund reduction of \$157.0 in personal services will occur with a corresponding deletion of four positions. Clerical, administrative, fiscal and audit procedures will be streamlined.

Division of Community and Rural Development - Achieve overall general fund savings by reducing personal services and streamlining rural development grants and other economic development functions with those of the Department of Commerce and Economic Development.

Division of Energy - Elimination of all contractual funds associated with the Circuit Rider Maintenance program will save \$375,000 per year. Elimination of the Division's office in Juneau will save \$120,000 in personnel costs each year. An additional \$25,000 will be saved by reducing equipment purchases. Though some funds are expected to be recouped through loan and grant programs, the division will be implementing a 3-year plan of down-sizing and concentration of efforts on rural utility programs.

Division of Municipal and Regional Assistance - FY 97 will be the first year in a 2-year planned elimination of the Municipal Lands Trustee (MLT) program. In FY 97, \$91.0 will be cut, followed by an additional \$63 cut in FY 98.

Department of Community Regional Affairs
 Summary Of General Fund Changes
 FY 96 Authorized to FY 97 Governor's Request

	FY 96 Authorized	FY 97 Gov. Request	Increase (Decrease)	%
Total General Funds	90333.6	83031.5	-7302.1	8.1%
Formula Funded Programs				
Homeowners' Property Tax Exemption	1163.8	0.0	-1163.8	
Renters' Equivalency Rebate	336.2	300.0	-36.2	
State Revenue Sharing	26271.7	24170.0	-2101.7	
Municipal Assistance	31959.0	29402.3	-2556.7	
Total Formula Funded	59730.7	53872.3	-5858.4	9.8%
Pass Through Funds				
Alaska Legal Services	261.0	261.0	0.0	
Designated Grant	0.0	80.0	80.0	
Rural Utility Business Assistance	0.0	90.0	90.0	
Child Care Grants	2255.8	2255.8	0.0	
Day Care Assistance, Resource & Referral Grants, Ed. & Training	11211.1	11211.1	0.0	
Head Start Grants	5529.8	5529.8	0.0	
Rural Development Assistance Grants*	906.4	0.0	-906.4	
Grants to Utilities for Electrical Equip.	25.0	0.0	-25.0	
Total Pass Through Funds	20189.1	19427.7	-761.4	3.8%
Total Pass Through & Formula Funds	79919.8	73300.0	-6619.8	8.3%
Program & Administration	10413.8	9731.5	-682.3	6.6%

*800.0 Requested in Capital Budget

**Department Of Community & Regional Affairs
General Fund Program & Administrative Funds
Summary of Changes: FY 96 Authorized to FY 97 Governor Request**

Decreases

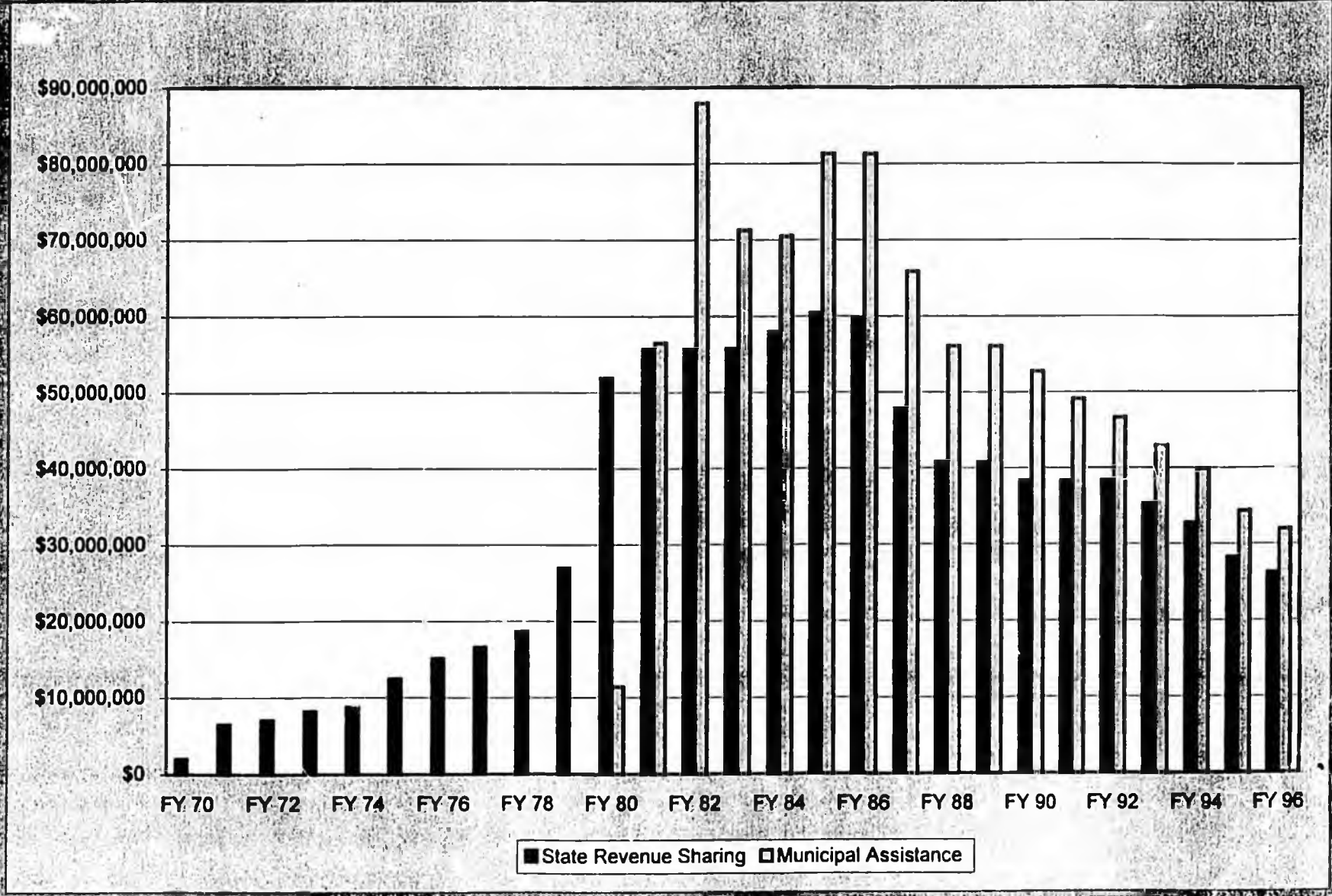
Phase out of Municipal Land Trustee Program	91.0
Alaska Coastal Mgmt. Plan Program	100.0
Administrative Service Division Streamlining	157.0
Energy Division Operations (Circuit Rider Program, equipment, other personnel)	520.0
Economic Development Personnel	150.0
Total Decreases	1018.0

Increases

Rural Utility Business Assistance (transfer from DEC)	135.0
Rural Utility Business Assistance (Education/Training)	50.0
Other Adjustments (ie; OMB adjustments for salary increases, risk management; chargeback)	150.0
Total Increases	335.7
Net Decrease from FY 96 Authorized	682.3
% Decrease	6.6%

Funding History of State Revenue Sharing - Municipal Assistance

	State Revenue Sharing	Municipal Assistance
FY 70	\$2,020,000	
FY 71	\$6,500,000	
FY 72	\$7,085,000	
FY 73	\$8,215,000	
FY 74	\$8,777,000	
FY 75	\$12,458,626	
FY 76	\$15,130,100	
FY 77	\$16,596,657	
FY 78	\$18,656,800	
FY 79	\$26,944,912	
FY 80	\$51,900,000	\$11,399,999
FY 81	\$55,707,600	\$56,496,000
FY 82	\$55,707,600	\$87,929,546
FY 83	\$55,721,000	\$71,300,000
FY 84	\$57,950,000	\$70,500,000
FY 85	\$60,350,000	\$81,306,800
FY 86	\$59,632,200	\$81,306,800
FY 87	\$47,879,100	\$65,858,500
FY 88	\$40,773,400	\$56,084,400
FY 89	\$40,773,400	\$56,084,400
FY 90	\$38,347,000	\$52,747,000
FY 91	\$38,347,000	\$49,103,200
FY 92	\$38,347,000	\$46,648,000
FY 93	\$35,279,200	\$42,916,200
FY 94	\$32,809,700	\$39,912,100
FY 95	\$28,249,133	\$34,364,367
FY 96	\$26,271,700	\$31,959,000



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Juneau, Alaska 99801-2105

Copies of minutes listed below were originally included in this file. The minutes are available on the legislative computer database. In order to save space copies of minutes have not been left in the files.

Mary Pagenkopf

HFIn 1/16/96 1:35 p.m.

1/16/96

Labor

EMPLOYMENT SECURITY DIVISION

EMPLOYMENT/UNEMPLOYMENT SERVICES

The primary reason the Employment Security Division exists is to ease the negative effects that involuntary unemployment has on Alaska's wage earners, their families, communities, and all Alaskans by advancing their opportunities for profitable employment, and by administering a partial wage replacement program for eligible workers.

The Employment Services program provides labor exchange services to Alaskans, including recruiting job seekers, obtaining job openings from employers, matching and referring qualified applicants to jobs, vocational counseling and testing, maintaining a statewide job listing, assisting employers with special occupational needs, and disseminating labor market information.

The Unemployment Insurance program collects employer contributions for deposit in the UI Trust Fund and pays benefits to workers who are temporarily unemployed and looking for work. Unemployment in Alaska is highly seasonal, with a high volume in winter months, and low during summer. For the past ten years, \$1.3 billion was paid in Unemployment Insurance benefits. In 1994, there were 120,000 new claims for regular benefits.

ALASKA WORK PROGRAMS

The Alaska Work Programs operate the JOBS and Food Stamp Employment & Training programs and participates in a partnership between the division and the Department of Health & Social Services, Division of Public Assistance to enable Aid to Families with Dependent Children and Food Stamp recipients to attain economic self-sufficiency. Services provided include: assessment, testing, counseling, employability planning, case management, job readiness and job search activities, placement and job development assistance to the program participants.

STATE TRAINING AND EMPLOYMENT PROGRAM

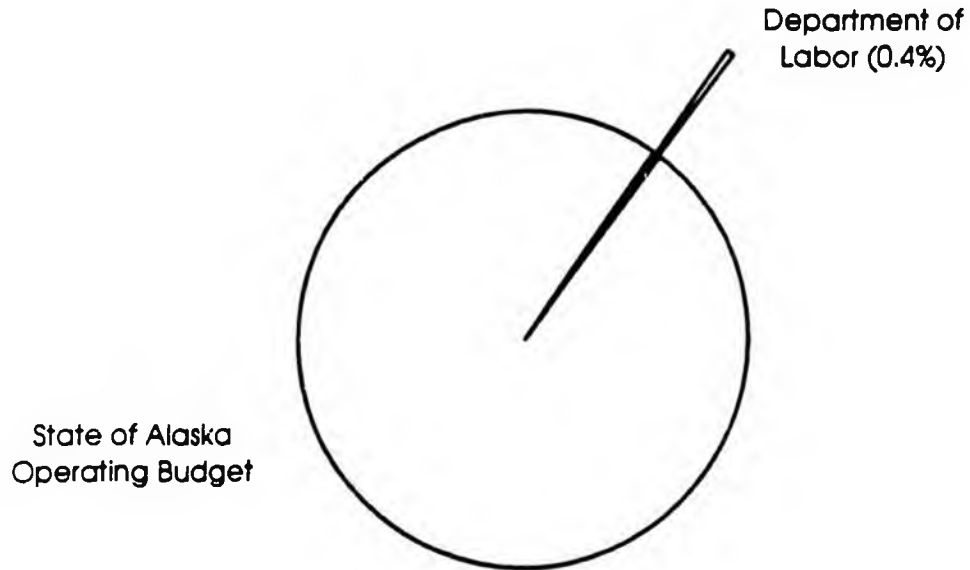
The Alaska State Training and Employment Program (STEP) was established to help increase training opportunities for Alaska's workers, especially those severely affected by fluctuations in the state's labor market and provides a job ready workforce upon which new and expanding businesses can draw. Priority for service is given to individuals currently receiving unemployment, women, minorities, and/or rural Alaskans, persons enrolled in the Unemployed Parent Program of AFDC, persons responsible for court-ordered child support payments, persons lacking skills or whose skills have been outdated by technological change, and individuals whose annual income is less than the Alaska Annual Average Wage (\$31,892) as determined by the Alaska Department of Labor. As of June 30, 1994, nearly 4,700 participants have

Attachment 2
1/16/96
Labor

ALASKA DEPARTMENT OF LABOR

FY 97 BUDGET OVERVIEW

FY 96 General Fund Operating Budget Comparison



DEPARTMENT OF LABOR

AGENCY CONTACTS

Tom Cashen, Commissioner	465-2700
Ed Flanagan, Deputy Commissioner	465-2700
Dwight Perkins, Special Assistant	465-2700
Jan Hart DeYoung, Hearing Examiner Alaska Labor Relations Agency	269-4895 (Anchorage)
Arbe Williams, Director Administrative Services Division	465-2720
Paul Grossi, Director Worker's Compensation Division	465-2790
Al Dwyer, Director Labor Standards & Safety Division	269-4914 (Anchorage) 465-4855 (Juneau)
Rebecca J. Nance, Director Employment Security Division	465-2712

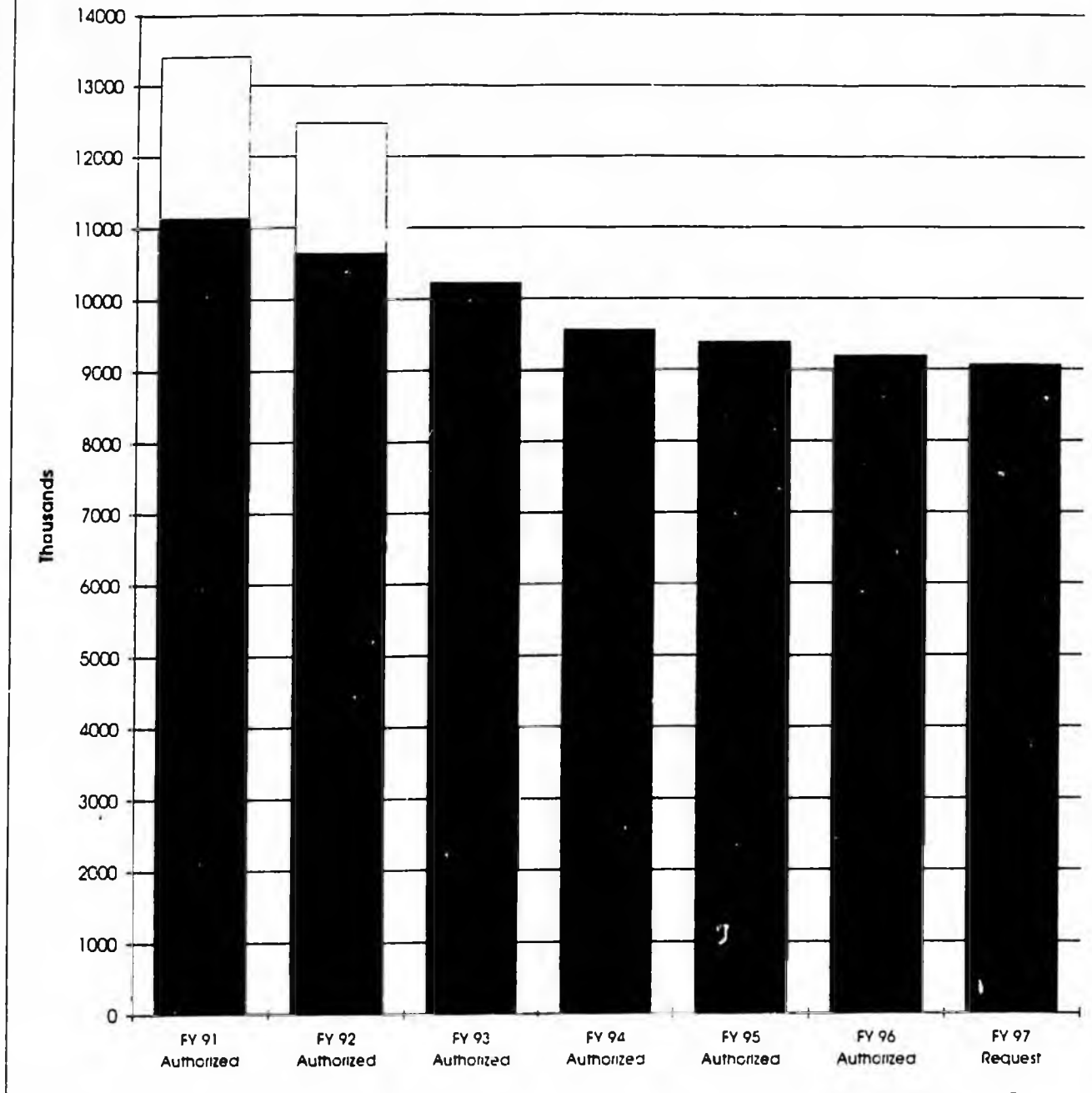
State of Alaska
 FY 96 Authorized Budget Comparison

1/10/96

Source: Legislative Finance Summary dated 01/09/96

	General Funds		Total Funds	Positions			
				PFT	PPT	Non-Perm	
1. Education	677,792.8	1. Education	906,269.8	1. University of Alaska	3,464	243	0
2. Health & Social Services	357,384.3	2. Health & Social Services	861,479.1	2. Transportation	2,687	777	0
3. Administration	168,126.7	3. University of Alaska	442,511.6	3. Health & Social Services	2,078	59	16
4. University of Alaska	167,160.9	4. Transportation	336,228.6	4. Corrections	1,349	6	21
5. Transportation	129,764.6	5. Administration	256,480.7	5. Administration	1,102	94	69
6. Corrections	128,503.5	6. Community & Regional Aff.	147,912.7	6. Public Safety	865	55	2
7. Community & Regional Aff.	90,333.6	7. Corrections	137,909.9	7. Revenue	760	55	72
8. Public Safety	85,356.6	8. Revenue	119,003.2	8. Fish & Game	732	813	64
9. Alaska Court System	45,868.9	9. Public Safety	99,314.3	9. <u>Labor</u>	669	46	0
10. Natural Resources	42,763.4	10. Fish & Game	93,170.7	10. Alaska Court System	652	39	21
11. Fish & Game	40,522.0	11. Natural Resources	62,626.5	11. Natural Resources	583	240	818
12. Commerce	37,013.5	12. <u>Labor</u>	61,591.5	12. Environmental Conservation	498	14	11
13. Legislature	30,941.9	13. Commerce	61,309.6	13. Education	471	101	5
14. Law	19,822.4	14. Law	55,432.8	14. Law	439	6	0
15. Governor	18,069.4	15. Environmental Conservation	46,931.4	15. Commerce	395	15	0
16. Environmental Conservation	17,978.4	16. Alaska Court System	46,308.2	16. Legislature	242	272	0
17. Revenue	12,085.3	17. Military & Vet Affairs	31,824.8	17. Community & Regional Aff.	185	7	1
18. <u>Labor</u>	9,177.2	18. Legislature	31,053.9	18. Governor	179	1	23
19. Military & Vet Affairs	6,915.8	19. Governor	21,375.3	19. Military & Vet Affairs	156	0	45
Total	2,085,581.2	Total	3,818,734.6	Total	17,506	2,843	1,168

Alaska Department of Labor - GENERAL FUNDS



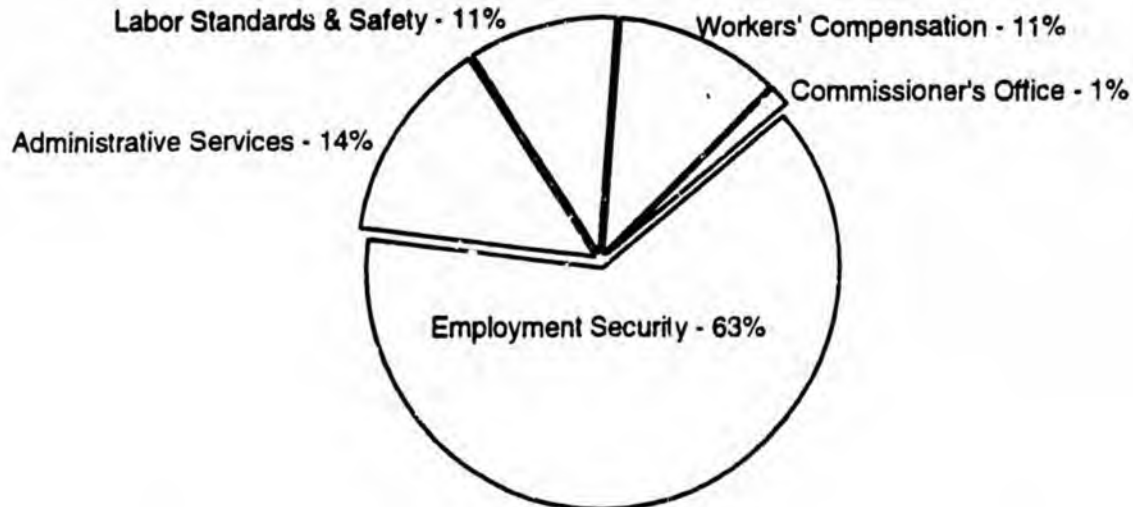
Note: During FY 91 & FY 92 the State Training & Employment Program (STEP) was classified as general funds. In FY 93 STEP classification was changed to non-general funds. Amounts for the STEP program are shown as unshaded in the appropriate years.

Major Fund Changes

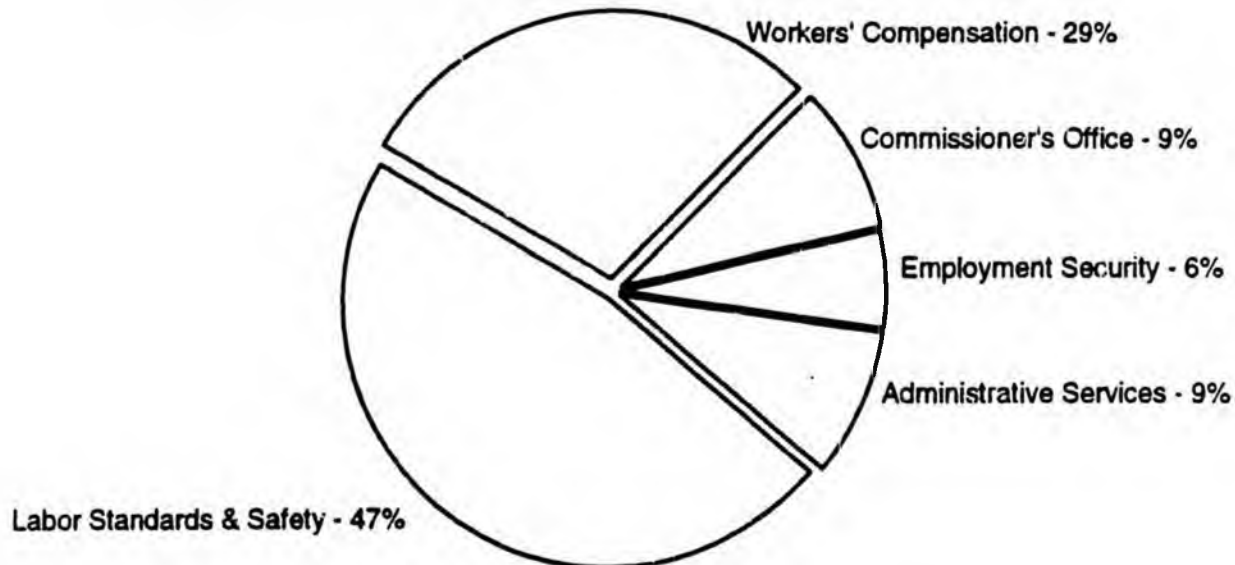
- FY 91 - FY 92 Decreases for 5%- reductions and STEP
- FY 92 - FY 93 Increase for DP Chargeback, STEP fund source change, Unallocated & Misc cuts
- FY 93 - FY 94 Reductions to Labor Market Info, Comm. Offs, Work Comp, Labor Standards & Safety
- FY 94 - FY 95 Reductions to Data Processing, Labor Market Info and Occ Safety & Health
- FY 95 - FY 96 Reduction to Occupational Safety & Health
- FY 96 - FY 97 Reductions to Wage & Hour and Mechanical Inspection

Department of Labor

FY 97 Operating Budget Request by Division



FY 97 GENERAL FUND Operating Budget Request by Division

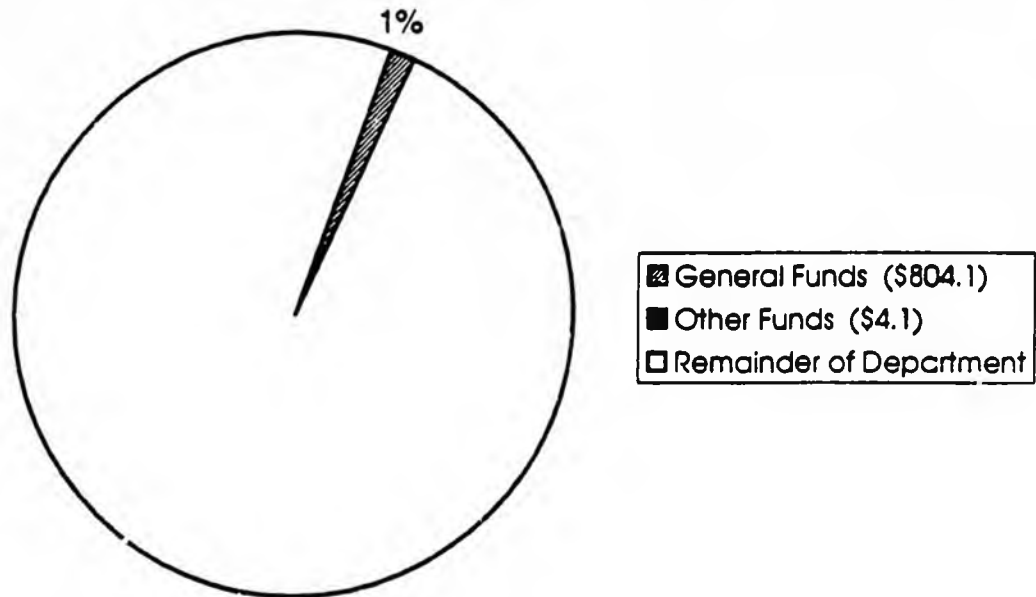


The Department is comprised of the Commissioner's Office, which includes the Alaska Labor Relations Agency, and four divisions:

- Administrative Services
- Employment Security
- Labor Standards & Safety
- Workers' Compensation

The Department of Labor's mission as set out in Title 23 is to foster and promote the welfare of the wage earners in the state, improve their working conditions and advance their opportunities for profitable employment.

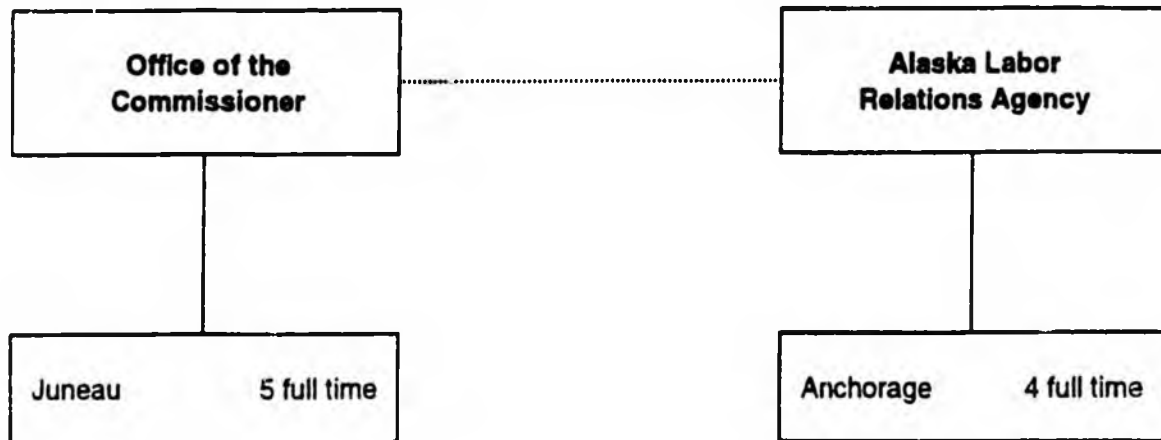
COMMISSIONER'S OFFICE



Department of Labor's FY 97 Budget Request

The Office is comprised of two components:

- Office of the Commissioner
- Alaska Labor Relations Agency



COMMISSIONER'S OFFICE

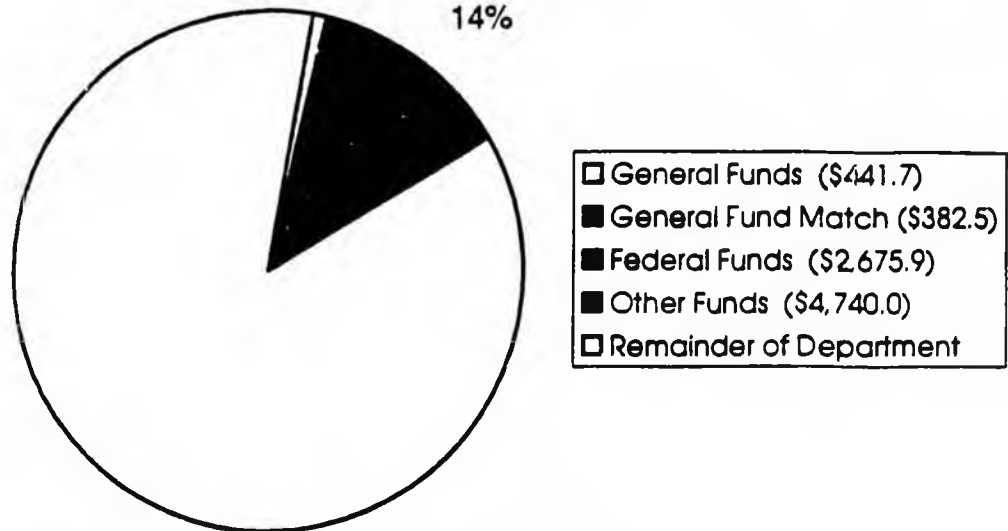
COMMISSIONER'S OFFICE

The Commissioner's Office is the policy arm of the department and focuses operations on the purpose of the department which is to foster and promote the health, safety, and economic well being of Alaska's workers.

ALASKA LABOR RELATIONS AGENCY

The Alaska Labor Relations Agency administers the Public Employment Relations Act and the Alaska Railroad's laws for public employers in the state. This includes the State, University, Railroad, political subdivisions, and school districts. The Agency's principal role is to referee disputes between organized labor and public employers. The Agency's methods can be informal, through conciliation, or formal, through quasijudicial administrative hearings.

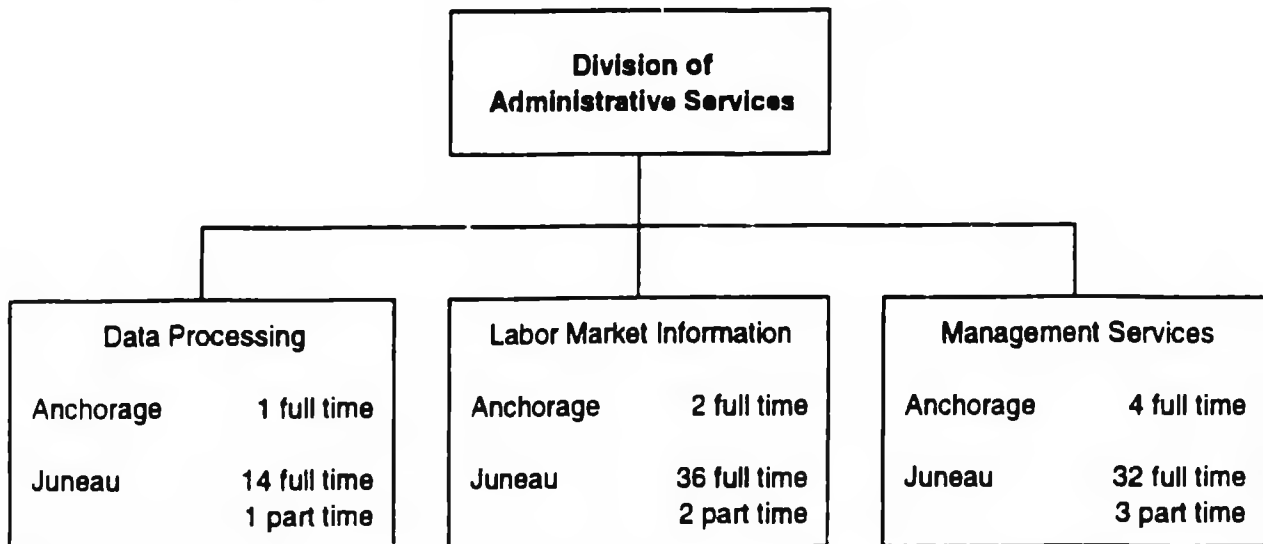
ADMINISTRATIVE SERVICES DIVISION



Department of Labor's FY 97 Budget Request

The Division is comprised of three components:

- Data Processing
- Labor Market Information
- Management Services



ADMINISTRATIVE SERVICES DIVISION

DATA PROCESSING

Data Processing Operations provides the internal data processing support necessary for department programs to operate as efficiently, effectively and economically as possible. Services include: long-range planning, coordination of operations with the Department of Administration and other agencies to facilitate public access to services; LAN operation and maintenance; development of hardware and software standards; application installation and maintenance; equipment installation and repair; database management; and computer security.

LABOR MARKET INFORMATION

The Labor Market Information component funds the department's Research & Analysis (R&A) section and produces economic and demographic information to support the advancement of meaningful job opportunities for Alaskans. The R&A section is the primary source of Alaska's labor market information and demographic data.

This section prepares and provides monthly analysis on the condition of Alaska's labor market through the department's Alaska Economic Trends publication. Surveys of Alaska wage rates as well as forecasts of employment and occupational staffing patterns are developed to aid Alaskans in selecting their future careers. To assist the state's efforts to promote the hiring of resident Alaskans, reports on resident hire are also prepared.

Information on the size and structure of Alaska's population is prepared by this section. Electronic census geographic information to enhance the accuracy of the decennial census and facilitate the state's redistricting work is also produced by R&A.

The section also provides housing market information and affordability indices for communities throughout the state as well as information on occupational injuries and pre and post training earnings. Information provided by this section supports the state's employment and training initiatives.

MANAGEMENT SERVICES

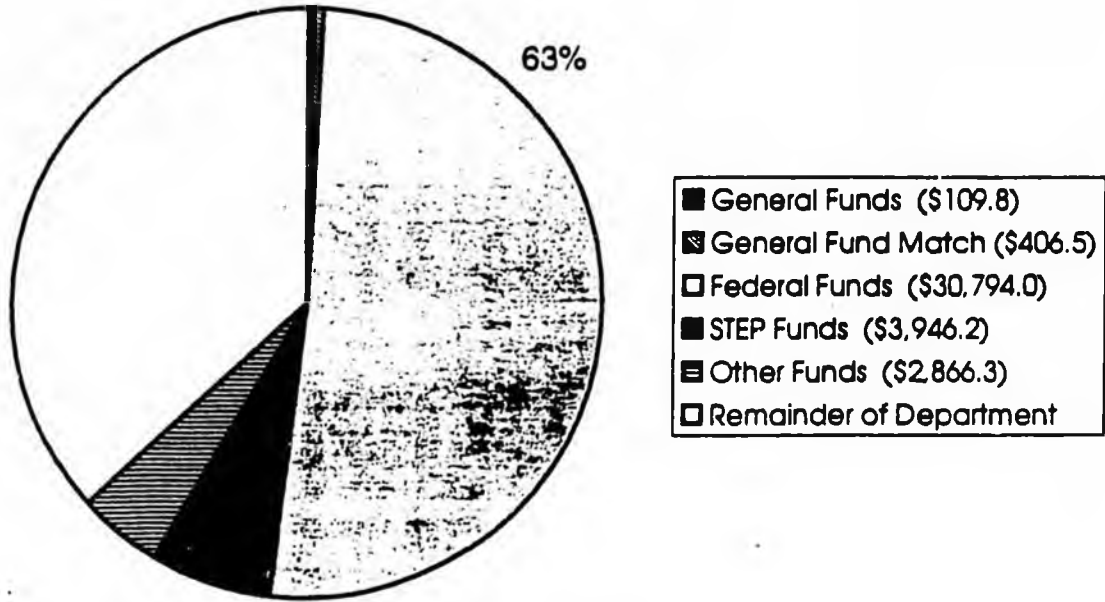
Services consist of budget planning, monitoring and reporting; federal, state and unemployment insurance trust fund accounting; publications; personnel management, training, affirmative action activities and labor relations; systems analysis and computer programming; and purchasing, supply, mail and office space management. These services are provided to all agencies in the department.

ADMINISTRATIVE SERVICES DIVISION (Continued)

DIVISION HIGHLIGHTS

The Department of Labor continues to operate under an agreement with the Department of Administration which caps the chargeback of costs for data processing operations. The cap was increased by \$316.0 to \$1,600.0 for FY 97. In order to provide direction to minimize chargeback costs and to support the department's programs efficiently, Data Processing Operations has been reorganized. Under the direction of the Director of the Administrative Services Division, the Manager of Information Services now supervises all mainframe and network programming and system support staff.

EMPLOYMENT SECURITY DIVISION



Department of Labor's FY 97 Budget Request

The Division is comprised of four components:

- Alaska Work Programs (JOBS)
- Employment/Unemployment Services
- Governor's Committee on Employment of People with Disabilities
- State Training & Employment Program

Division of Employment Security					
Anchorage	110 full time 1 part time	Juneau	166 full time 25 part time	Seward	4 full time 1 part time
Bethel	1 full time 1 part time	Kenai	22 full time 3 part time	Sitka	5 full time 1 part time
Dillingham	2 full time	Ketchikan	18 full time	Soldotna	2 full time
Eagle River	8 full time	Kodiak	6 full time 3 part time	Tok	1 full time 1 part time
Fairbanks	44 full time 1 part time	Kotzebue	2 full time 1 part time	Valdez	5 full time 1 part time
Glennallen	1 full time 1 part time	Nome	4 full time	Wasilla	21 full time
Homer	4 full time 1 part time	Petersburg	2 full time		

EMPLOYMENT SECURITY DIVISION

EMPLOYMENT/UNEMPLOYMENT SERVICES

The primary reason the Employment Security Division exists is to ease the negative effects that involuntary unemployment has on Alaska's wage earners, their families, communities, and all Alaskans by advancing their opportunities for profitable employment, and by administering a partial wage replacement program for eligible workers.

The Employment Services program provides labor exchange services to Alaskans, including recruiting job seekers, obtaining job openings from employers, matching and referring qualified applicants to jobs, vocational counseling and testing, maintaining a statewide job listing, assisting employers with special occupational needs, and disseminating labor market information.

The Unemployment Insurance program collects employer contributions for deposit in the UI Trust Fund and pays benefits to workers who are temporarily unemployed and looking for work. Unemployment in Alaska is highly seasonal, with a high volume in winter months, and low during summer. For the past five years, \$1.3 billion was paid in Unemployment Insurance benefits. In 1994, there were 120,000 new claims for regular benefits.

ALASKA WORK PROGRAMS

The Alaska Work Programs operate the JOBS and Food Stamp Employment & Training programs and participates in a partnership between the division and the Department of Health & Social Services, Division of Public Assistance to enable Aid to Families with Dependent Children and Food Stamp recipients to attain economic self-sufficiency. Services provided include: assessment, testing, counseling, employability planning, case management, job readiness and job search activities, placement and job development assistance to the program participants.

STATE TRAINING AND EMPLOYMENT PROGRAM

The Alaska State Training and Employment Program (STEP) was established to help increase training opportunities for Alaska's workers, especially those severely affected by fluctuations in the state's labor market and provides a job ready workforce upon which new and expanding businesses can draw. Priority for service is given to individuals currently receiving unemployment, women, minorities, and/or rural Alaskans, persons enrolled in the Unemployed Parent Program of AFDC, persons responsible for court-ordered child support payments, persons lacking skills or whose skills have been outdated by technological change, and individuals whose annual income is less than the Alaska Annual Average Wage (\$31,892) as determined by the Alaska Department of Labor. As of June 30, 1994, nearly 4,700 participants have

EMPLOYMENT SECURITY DIVISION (Continued)

received STEP training. One-tenth of one percent of each worker's wages subject to regular UI contributions is collected by DOL and put into a special account. The money is appropriated by the Legislature to fund STEP. STEP expenditures for fiscal year '94 were \$2.9 million.

The STEP pilot program is scheduled to sunset June 30, 1996. Legislation has been drafted to create a permanent program starting in FY 97.

GOVERNOR'S COMMITTEE ON EMPLOYMENT OF PEOPLE WITH DISABILITIES

The Committee was established in 1960 and exists to promote and empower people with disabilities to gain, retain, and advance in employment in Alaska. A new Committee project, Interagency Vocational and Employment Network (IVEN), has become the catalyst for coordination among service providers who help place people with disabilities in jobs. The network is with service providers in the Anchorage/Mat-Su area and Fairbanks. By providing a centralized location with an applicant pool of job-ready individuals with disabilities, employers have one number to call to learn if a qualified worker is available. The program boasts cooperative relationships with some of Alaska's largest, private employers.

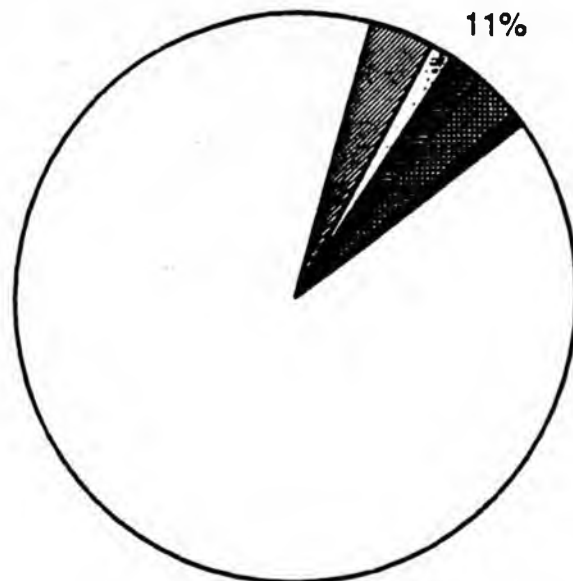
DIVISION HIGHLIGHTS

In order to promote year-round employment and resident hire in the seafood industry, the division has established a seafood office. The office's primary mission is to work with Alaska's seafood industry processors to build partnerships that will provide a stable workforce for processors with an emphasis on the employment of Alaskans and progression into quality year-round jobs. The recruitment of rural Alaskans is a priority and the experience and expertise of the Department of Community and Regional Affairs is being utilized to build upon and expand the rural seafood job placement successes of the CDQ program.

Through the Alaska Human Resource Investment Council, the division continues its commitment to collaborate with its employment and training partner agencies with a focus on enacting a comprehensive human resource policy for Alaska and to establish a viable workforce development system accessible to all Alaskans seeking jobs and job training.

In 1995 the JOBS program moved 2,383 AFDC clients into paid employment. 1,405 parents closed their JOBS case and went off AFDC. More than doubling the average monthly caseload of 900 clients in FY 93, the Alaska JOBS program served an average of 1,860 clients per month in 1995, yet the cost per client continued to decline. In FY 95, the average cost per JOBS parent was \$2,133, down 28% from FY 94's cost of \$2,959, and 54% from FY 93's cost of \$4,674. JOBS caseload growth continued to outpace AFDC growth, when since June 1992, JOBS cases grew 15% compared to AFDC case growth of 7%.

LABOR STANDARDS & SAFETY DIVISION

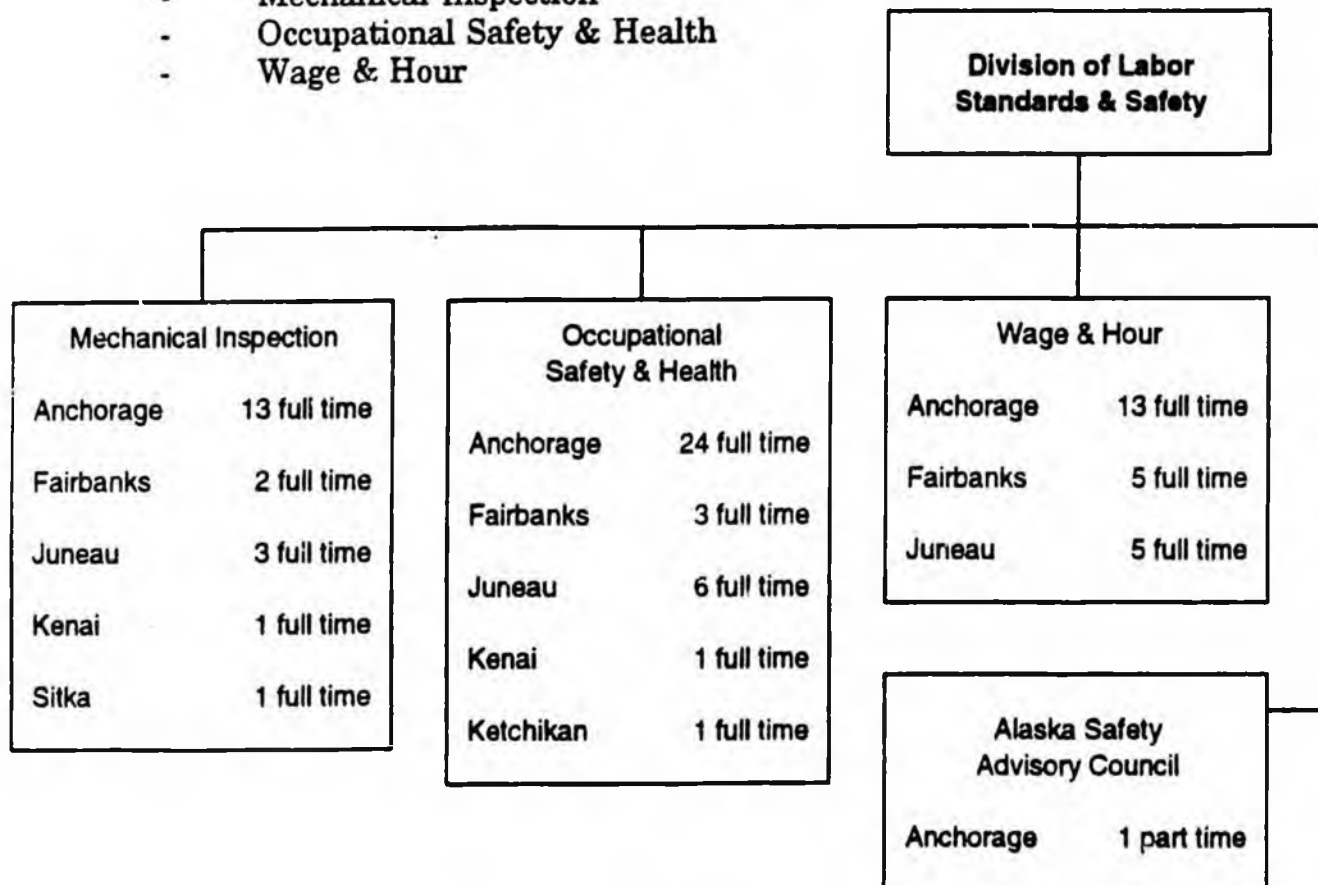


	General Funds (\$2,163.2)
	Program Receipts (\$875.2)
	General Fund Match (\$1,230.7)
	Federal Funds (\$1,637.1)
	Other Funds (\$400.1)
	Remainder of Department

Department of Labor's FY 97 Budget Request

The Division is comprised of four components:

- Alaska Safety Advisory Council
- Mechanical Inspection
- Occupational Safety & Health
- Wage & Hour



LABOR STANDARDS & SAFETY DIVISION

ALASKA SAFETY ADVISORY COUNCIL

The Alaska Safety Advisory Council provides assistance to various state agencies by making recommendations on proposed legislation and regulations dealing with safety, health, and injury prevention, also the Council works to promote coordination of state and federal programs that deal with accident prevention. In addition the Council organizes, promotes and holds the annual Governor's Safety Conference to bring together Alaskans interested in safety & health matters.

MECHANICAL INSPECTION

The Mechanical Inspection program provides the public with protection from the following dangers: improperly installed or improperly maintained boilers, pressure vessels, elevators, wheelchair lifts and recreational devices such as ski lifts, tramways, and amusement rides; sub-code electrical and plumbing installations and incompetent installers.

OCCUPATIONAL SAFETY & HEALTH

The Occupational Safety & Health program, through regulation development and enforcement, inspections, training and the distribution of applicable information, attempts to lower the number of industrial fatalities, injuries and illnesses suffered by Alaskan workers. The program also certifies individuals to perform hazardous work including asbestos removal, hazardous painting and explosives handling.

WAGE & HOUR

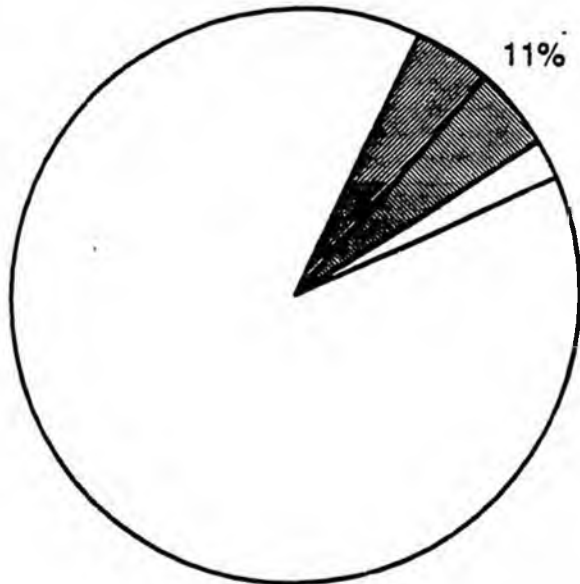
The Wage & Hour program promotes the welfare of the wage earner in the state by ensuring compliance with the state's labor laws relative to payment of wages, minimum wage, overtime, family leave, employment preference and prevailing wage; and protects minors from abuse and exploitation in the workplace. The program also protects the general public from unscrupulous business operations of unlicensed construction contractors and employment agencies.

DIVISION HIGHLIGHTS

The Wage & Hour program recovers in excess of \$1 million in wages for approximately 2,100 employees annually.

The five year occupational fatality average for occupations covered by the Occupational Safety & Health program has declined by more than 54% since the inception of the program. In comparing 1993 with the previous year, lost time injuries were reduced 10% and money paid out in workers' compensation claims was reduced by \$3.3 million.

WORKERS' COMPENSATION DIVISION

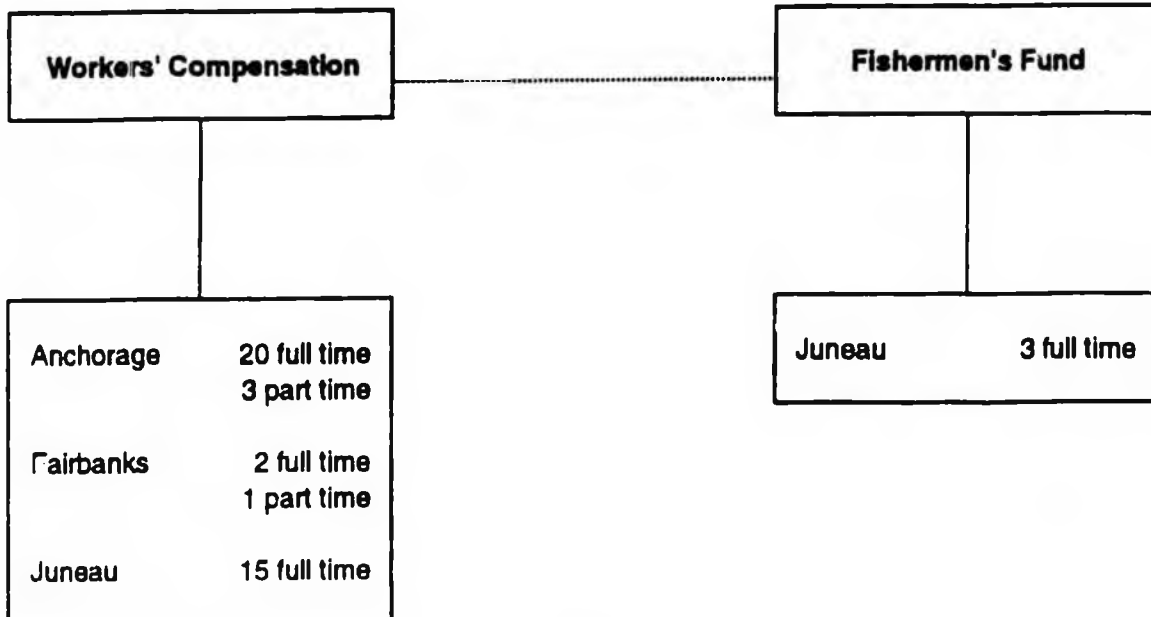


▨	General Funds (\$2,630.0)
▩	Second Injury Fund (\$2,853.4)
□	Fishermen's Fund (\$1,301.9)
■	Other Funds (\$19.3)
□	Remainder of Department

Department of Labor's FY 97 Budget Request

The Division is comprised of two components:

- Workers' Compensation
- Fishermen's Fund



WORKERS' COMPENSATION DIVISION

WORKERS' COMPENSATION

The Workers Compensation program, through adjudications, the Second Injury Fund, rehabilitation benefits, administration, and monitoring of self-insurers, assures that Alaska employers provide timely and correct payment of medical costs and partial replacement of wages to employees who are injured or become ill as a result of work conditions and, if necessary, retraining for an injured worker's return to gainful employment.

FISHERMEN'S FUND

The Fishermen's Fund program provides assistance with the costs for treatment and care of Alaska licensed commercial fishermen who are injured or become ill due to commercial fishing activities in Alaska.

DIVISION HIGHLIGHTS

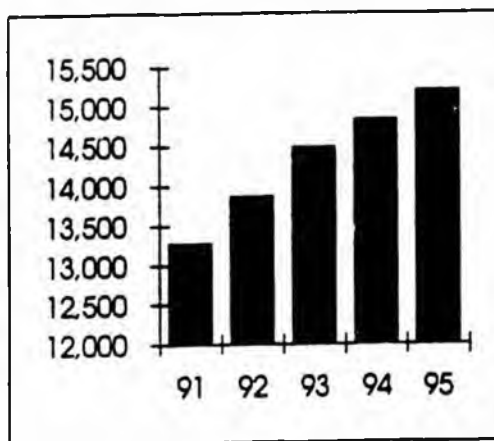
Each year the Workers' Compensation Division (WCD) is responsible for generating approximately \$9.7 million in revenue to the state of which \$5.8 million is general fund monies. In 1995 WCD generated revenues from the following: \$4.8 million in general funds from the Workers' Compensation Premium Tax; \$2.6 million in Second Injury Fund receipts; \$1.3 million in Fishermen's Fund receipts; and approximately \$1 million in general funds from interest on the two funds.

In addition, WCD is supporting legislation for a new revenue generating program which would bring in additional funding. WCD proposes that a user fee of a 4% assessment of claim dollars on all self-insured employers be established. The assessment of self-insured employers would create an equitable user fee akin to the 2.7% Workers' Compensation Premium Tax insured employers already pay. The new fee would generate approximately \$671.3 thousand in revenue to the state. Assessment revenues would be used to reduce direct general fund support of the division.

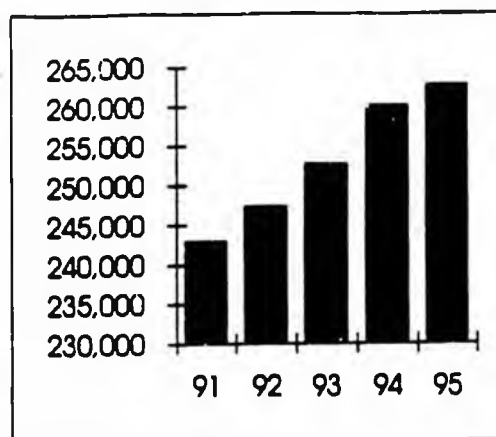
Department of Labor

General Fund Budget versus the Alaska Work Force

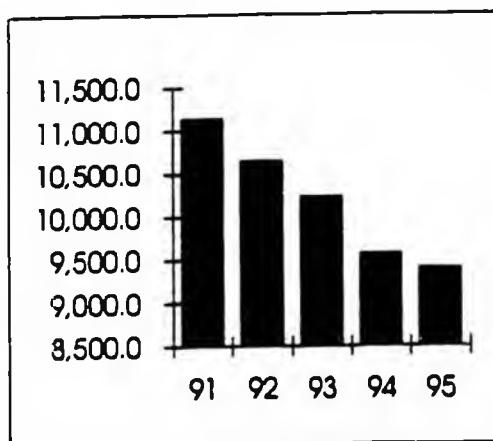
Number of Employers



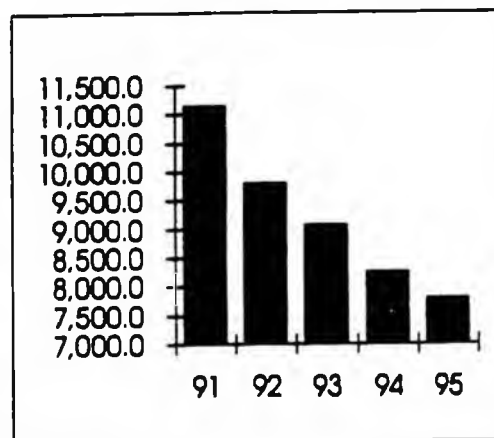
Number of Employees



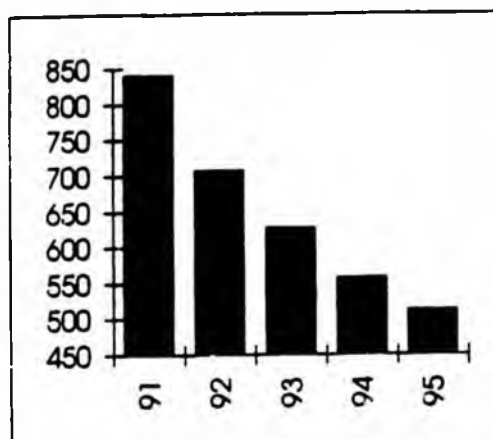
General Fund Budget



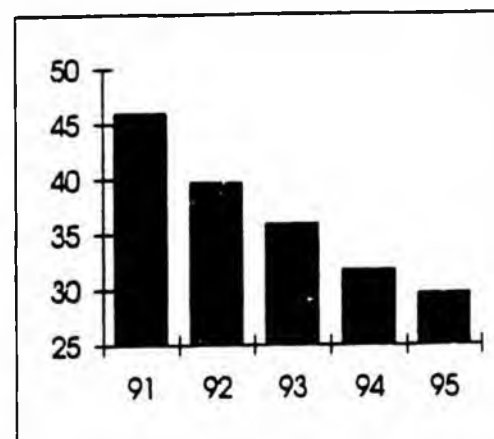
GF Budget in 1991 Dollars



1991 Dollars per Employer



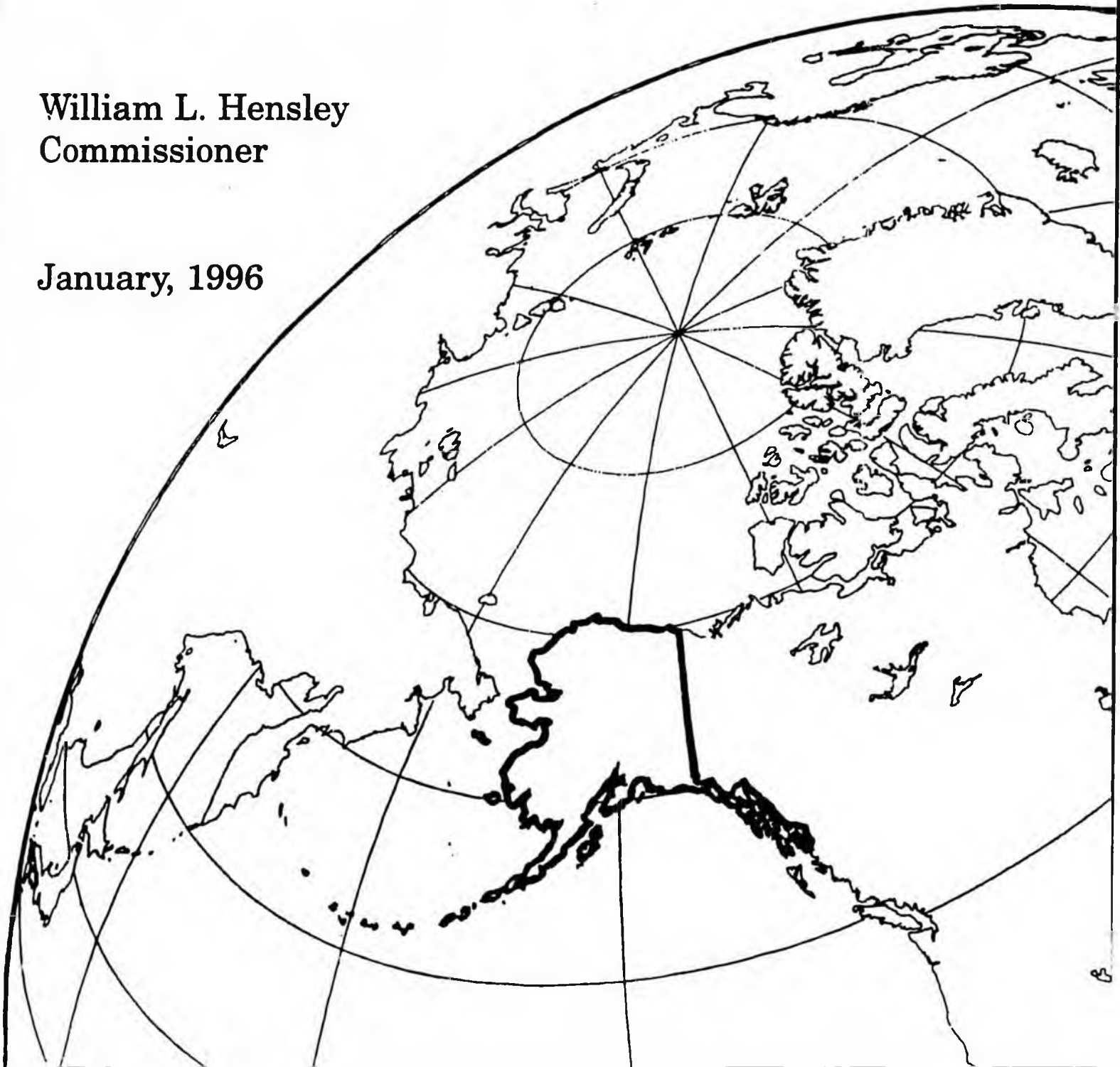
1991 Dollars per Employee



FY 1997 OPERATING BUDGET OVERVIEW

William L. Hensley
Commissioner

January, 1996



DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

FY 1997 Operating Budget Overview

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INTRODUCTION

This **"FY 1997 Operating Budget Overview"** document provides a brief overview of the statutory functions of each organization within the department as well as a brief departmental funding history and a summary of proposed changes for FY 97.

The department's total operating budget request representing all funding sources in FY 97 is approximately \$60.4 million, down from \$61.3 million in FY 96. The department's unrestricted general fund budget request of \$11.3 million is down \$2.7 million from the FY 96 authorized level of \$14.0 million.

The department's general fund budget falls into four categories: (1) designated program receipts for self-supporting agencies and programs -- \$14.0 million (2) general fund program receipts for operations funded with fees for services -- \$11.0 million; (3) general fund match for federal programs in the Alaska Seafood Marketing Institute -- \$843.6 thousand; and (4) agency operations supported in whole or in part with unrestricted general fund appropriations -- \$10.5 million.

AGENCIES AND FUNCTIONS

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT (AS 44.33.020)

The primary goal of the Department of Commerce and Economic Development is to promote an active, healthy and expanding business community. This goal is accomplished through two main tasks: consumer protection through regulation of business; and economic development through advocacy programs which develop, strengthen, and diversify Alaska's economic base, increase employment opportunities, and stimulate private enterprise.

Overview of Divisions/Agencies

The department directs Alaska's business regulatory, economic development and international trade programs, and is responsible for economic development advocacy and marketing in oil and gas, fishing, timber, minerals, tourism, international trade, and other services and industries. The department maintains international trade offices in eight (8) nations, provides infrastructure financing and regulates banking, securities, insurance, and professional occupations. The department is comprised of eight (8) line divisions and nine (9) independent organizations governed by boards and commissions. In addition, the Commissioner sits on twelve (12) boards and councils.

Public Protection Functions

- **The Division of Measurement Standards** (AS 44.33.020, 45.75, 42.30.200-380) runs three programs:

The Weights and Measures Program requires the testing and certification of accuracy for weighing and measuring devices used in commercial transactions, and the testing of packaged commodities to verify labeled weight, measure, or count. Devices tested through this program include retail gasoline pumps, fuel meters, remote consoles, and scales used for grocery stores, airline baggage, personal vehicles, construction, rail freight, and wholesale fish purchase.

Through the Truck Size and Enforcement Program, the division issues oversize/overweight permits and operates the state's ten permanent (or "fixed") weigh stations. The program specifies the routes and conditions under which vehicles or loads that exceed legal dimension and weight limitations set by statute and regulation may move on the state highway system. Danger and inconvenience to the traveling public is minimized as a result of restrictions placed on overweight/oversize loads and vehicles, and potential damage to the highway is reduced. The Division's function is to detect and correct vehicles and loads that exceed the allowable limits.

The Air Carrier Program requires annual certification of all aircraft that transport passengers or freight commercially intrastate and requires that the operator demonstrate financial responsibility in accordance with statutory limits.

- **The Division of Insurance** (AS 21) licenses approximately 6,300 qualified individuals, firms, and insurance companies to market insurance in Alaska. It reviews rate and form filings submitted by insurance companies and examines insurance companies' records to ensure the consumer is treated fairly and quality insurance is provided. The division also examines insurance companies' financial records in order to verify that the company has sufficient reserves to protect policyholders and that investments meet statutory requirements. It investigates and resolves close to 600 individual written consumer complaints each year in addition to answering routine queries received over the phone and from the general public that stop by the office. The division administers and collects premium taxes on insurers of approximately \$27 million annually. The division is funded entirely through program receipts paid by the insurance industry. The division was accredited by the National Association of Insurance Commissioners (NAIC) on December 7, 1992. As of December, 1995, 47 states have met the NAIC's standards for financial solvency regulation of insurance companies. Alaska was the first west coast state to be accredited.
- **The Division of Banking, Securities and Corporations** (AS 06, 10, 32.11, 44.33.020, 45.50, 45.55) regulates state-chartered financial institutions; administers and enforces state security laws, including the licensing of broker/dealers and investment advisors; and administers laws relating to the formation and filing of corporations, limited partnerships, BIDCO's, and other associations. The overall functions of the division supports the foundation for trade and commerce in Alaska. Availability of credit, capital markets, and business legal formations is the heart of the division's activity.

The Banking Section charters and supervises state-chartered banks, mutual savings banks, trust companies, bank holding companies, credit unions, consumer finance offices, and premium finance companies. The division acts to assure the safety and soundness of financial institutions, and encourages an adequate, competitive credit system.

The Securities Section protects the investing public by providing an investment environment that is free of fraud and misrepresentation. Through regulation, it provides a responsible marketplace which encourages the financing of legitimate business and industry in the state. The section seeks to increase small business access to capital while assuring that investor protection is not compromised. The section also is responsible for proxy matters for Native corporations.

The Corporations Section files Articles of Incorporation and other documents in order to establish legal status for corporate and other entities, and issues Certificates of Authority for foreign corporations wishing to do business in Alaska. The section administers Alaska's Business Name and Trademark Law to ensure that those who wish to file their business names or trademarks are given protection against infringement.

- **The Division of Occupational Licensing** (AS 08, 05.15, 43.70, 44.33.020) issues all business licenses and serves as the central professional licensing agency for the state. The division is entirely funded by program receipts from license fees.

The division regulates 129 professions within 35 licensing programs. The division supports 20 licensing boards and directly administers the remaining 15 programs. The 35 programs are:

- | | |
|--|--|
| 1) Architects, Engineers and
Engineers & Land Surveyors | 18) Veterinary |
| 2) Athletic Commission | 19) Real Estate |
| 3) Barbers & Hairdressers | 20) Real Estate Appraisers |
| 4) Direct Entry Midwives | 21) Acupuncture |
| 5) Chiropractors | 22) Audiologists & Hearing Aid Dealers |
| 6) Clinical Social Workers | 23) Collection Agencies |
| 7) Dental | 24) Concert Promoters |
| 8) Dispensing Opticians | 25) Construction Contractors |
| 9) Marine Pilots | 26) Electrical Administrators |
| 10) Marital & Family Therapy | 27) Geologists |
| 11) Medical | 28) Guide-Outfitters |
| 12) Nursing | 29) Mechanical Administrators |
| 13) Optometry | 30) Mortuary Science |
| 14) Pharmacy | 31) Naturopathy |
| 15) Physical/Occupational Therapy | 32) Nursing Home Administrators |
| 16) Psychology | 33) Storage Tank Workers |
| 17) Public Accountancy | 34) Business Licensing |
| | 35) Nurse Aide Registry |

The division's goal is to provide efficient licensing and enforcement services, so qualified professionals can work at their trades and incompetent and unethical professionals do not harm the public.

For that purpose, the division reviews individuals' qualifications for initial licensure and renewal, administers competency examinations, establishes qualifications and performance standards, investigates public complaints of incompetent professional service, conducts disciplinary hearings, and sets and collects license fees.

At the start of Fiscal Year 1996, the division was responsible for 34,610 professional licenses and 67,289 business licenses. The business licensing program generated \$1,527.9 in revenue for the General Fund during FY 95 after covering its costs. Professional licensing programs covered their costs with license fees as required by AS 08.01.065.

- **The Alaska Public Utilities Commission** (AS 42.05, 42.06, 42.45) regulates public utilities by certifying qualified providers of public utility and pipeline services; and ensuring that they provide safe and adequate services and facilities at just and reasonable rates, terms, and conditions. The commission also determines the eligibility and the per kilowatt-hour support for electric utilities under the Power Cost Equalization program.

A public utility or pipeline carrier must obtain a certificate of public convenience and necessity, which describes the authorized service area and scope of operations of the utility. A certificate may be issued only if the commission finds the applicant to be fit, willing, and able to provide the utility service requested.

The commission consists of five Commissioners appointed by the Governor and confirmed by the Legislature for six-year terms of office. It is funded by a regulatory assessment on the revenues of regulated utilities and pipeline carriers.

General Government Functions

- **The Division of Administrative Services** serves the internal administrative needs of the department through management guidance, accounting, budget development, purchasing, property control, data and word processing, and human resources services.

Economic Development Functions

- **Commissioner's Office** The overall administration and management responsibilities for the department are vested in the Office of the Commissioner. The Commissioner sets the policies and direction for the department, and by statute, serves on twelve (12) boards and commissions. In addition, the Commissioner participates in many other state policy forums, including the Alaska Human Resources Investment Council, Welfare Reform Task Force and *Marketing Alaska*. Staff in this office support the Commissioner in the overall management and coordination of department activities, including strategic planning, policy direction, management oversight, and legislative coordination.

The major goals of the Commissioner are to work with the private sector to strengthen Alaska's competitiveness in the world marketplace, and protect Alaska's citizens and businesses by maintaining a fair and consistent business regulatory environment.

As chair of the *Marketing Alaska* Executive Committee, the Commissioner leads the implementation of the Governor's *Marketing Alaska* initiative. This initiative is a long-term public-private partnership designed to tailor government economic development programs to meet private sector needs and assist the private sector in meeting the competitive challenges of the global marketplace.

There are two primary components of the *Marketing Alaska* initiative. First, the Governor, Commissioner, and other Alaska leaders are communicating directly with key decision-makers in our major industries to let them know that they are welcome here. We also want to stay abreast of what the competition is doing around the world, and what we can do to add value to our products — basically following the model developed by the Governor when he, the Commissioner and members from the *Marketing Alaska* executive committee met with the CEO's of the major oil industry companies. The Second, the administration has an ongoing dialogue with members of the key industries — including seafood, timber, cultural resources, small business, mining and minerals, oil and gas, and tourism — with one goal in mind: to identify how the State of Alaska and the

industry can work together to improve each sector's market share in the world economy.

- The mission of the newly established **Division of Trade and Development (DTD)** (AS 44.33.020, 44.33.800, 44.67.010, 36.30.322-.338) is to encourage investment and sound economic development throughout Alaska. DTD's efforts are a key part of the State of Alaska's overall economic development strategy to increase employment and diversify our economic base. The division accomplishes its mission by:
 - **increasing and enhancing demand for Alaska products and services.** Division activities include providing up-to-date market information to Alaskan businesses and communities; providing technical assistance for product and market development; and promoting Alaska products and services domestically and abroad.
 - **ensuring a supportive business climate in Alaska.** Division activities include advocating for business-sensitive regulations and permitting processes; developing state policies to entice business expansion; improving communication between the state and private sector; and helping business and industry access capital.
 - **stimulating economic growth statewide.** Division activities include supporting the expansion of value-added processing; removing trade barriers overseas; helping communities develop needed infrastructure; and assisting training efforts.

Governor Knowles' *Marketing Alaska* initiative -- a partnership comprised of members of the Knowles Administration, the Alaska Legislature, and the private sector -- is the cornerstone of DTD's work program. DTD staff is responsible for implementing many of the more than 200 recommendations developed through the *Marketing Alaska* process.

- **The Division of Investments** (AS 16.10, 26.15, 27.09, 44.33, 44.88, 45.88-.89, 45.95, 45.98) promotes economic development through direct state lending within those industries that are not adequately serviced by the private sector. The division administers and services eleven (11) loan programs for the department: Commercial Fishing, Fisheries Enhancement, Small Business Economic Development, Veterans, Small Business, Historical District, Child Care Facility, Residential Energy Conservation, Alternative Energy, Mining and Water Resources.

The division also provides loan servicing in ten portfolios for five investors: The Alaska Industrial Development and Export Authority, and the Departments of Revenue, Environmental Conservation, Health and Social Services, and Military and Veterans Affairs.

The division administers the Fisheries Enhancement Tax Receipts program, distributing to the regional aquaculture associations the tax collected by the Department of Revenue on the sale of salmon in areas where regional aquaculture associations are supported by local fishers.

- **The Division of Tourism** (AS 44.33.119-135) supports the growth of Alaska's private tourism industry by fostering a climate for doing business that is positive; developing new markets for potential visitors; conducting research into visitor demographics, opinions and expenditures as well as the size and scope of Alaska's travel industry; creating opportunities for Alaska businesses to make business contacts that would otherwise have been impossible to make; and providing information to potential visitors that will assist them in their trip planning. To achieve these goals, the Division of Tourism encompasses the following program elements:

Development and maintenance of travel trade relationships in German-speaking Europe and Japan; developing travel trade relationships in Australia and the United Kingdom; development and maintenance of travel trade relationships in niche markets within the United States; answering written and telephonic inquiries from potential visitors; developing special promotions that will stimulate travel to Alaska; development and maintenance of a commercial film industry in Alaska; and design, production and distribution of printed materials to support the efforts above. Additionally, the Division of Tourism serves as an advocate for Alaska tourism businesses by providing input to other state and federal agencies concerning the potential impact to the travel industry through their regulatory and budgetary actions. Finally, the Division of Tourism works closely with the Alaska Tourism Marketing Council in the direct marketing of Alaska as a visitor destination to consumers.

- **The Alaska Tourism Marketing Council (ATMC)** (AS 44.33.700-735) is a public/private partnership whose mission is to stimulate economic growth, diversification, and employment by promoting Alaska as a visitor destination in domestic markets to consumers. To achieve this mission, the ATMC conducts a targeted national marketing program aimed at U.S. and Canadian markets determined to have the greatest potential for producing new and repeat visitors.

Primary elements of the program include media advertising, public relations research, direct response campaigns, and distribution of trip planning information such as the State Vacation Planner. The program not only motivates people to visit, it provides Alaska businesses and local organizations the opportunity to access a national marketplace which they could not otherwise afford.

The ATMC is a public corporation of the state governed by a twenty-one (21)-member board, ten (10) appointed by the Governor, ten (10) appointed by the Alaska Visitors Association, and the Director of the Division of Tourism. This cooperative marketing effort combines the financial resources and marketing expertise of the state and private sector, and benefits all segments of Alaska through increased visitor industry spending.

- **The Alaska Industrial Development and Export Authority (AIDEA)** (AS 44.88) is a public corporation which provides capital to finance economic growth in Alaska. Through a variety of programs AIDEA provides financing assistance to industrial, manufacturing, and other business

enterprises to further AIDEA's overall mission of developing and diversifying the state's economic base, thereby creating additional employment opportunities for Alaskans.

Historically, AIDEA accomplishes its mission by acting as a secondary market for financing institutions, making no direct loans, but rather purchasing a major portion of business loans from financial institutions. The participations are funded through the sale of bonds or internal assets.

In an effort to produce more private sector employment, AIDEA has placed greater emphasis on infrastructure and resource development projects through the Development Finance (owner/operator) program, created in 1986. AIDEA has the ability to own and operate specific projects that support private sector employment in the state and advance the authority's mission.

AIDEA has a business assistance loan guaranteed program, which was created to help stimulate new business and to help businesses by providing a guarantee on new loans or loans to refinance existing debt; and an export assistance loan guarantee program, which is designed to facilitate the export of Alaskan goods, services, and raw materials on loans made for eligible export transactions.

Since 1993, AIDEA also has oversight responsibility for projects owned by the Alaska Energy Authority.

AIDEA is governed by a five-member board consisting of the Commissioners of the Departments of Commerce and Economic Development, Revenue, and one (1) additional commissioner (currently the Commissioner of the Department of Transportation and Public Facilities, and two (2) public members.

- **The Alaska Seafood Marketing Institute (AS 16.51)** generically promotes all species of Alaska seafood worldwide and works to improve seafood quality to enhance profitability and growth for the Alaska seafood industry. The Communications, Export and Domestic Marketing programs utilize advertising, publicity, public relations, and promotions to increase awareness of, and preference for Alaska seafood products. The quality programs are aimed at teaching fishermen, processors, retailers and restaurateurs about proper handling of Alaska seafood products.

The quasi-independent commodity commission consists of twenty-five (25) board members appointed by the Governor, including twelve (12) seafood processors, twelve (12) commercial fishers, and one (1) lay person. The board has established six (6) standing committees: executive, quality, salmon, shellfish, whitefish, and export promotions.

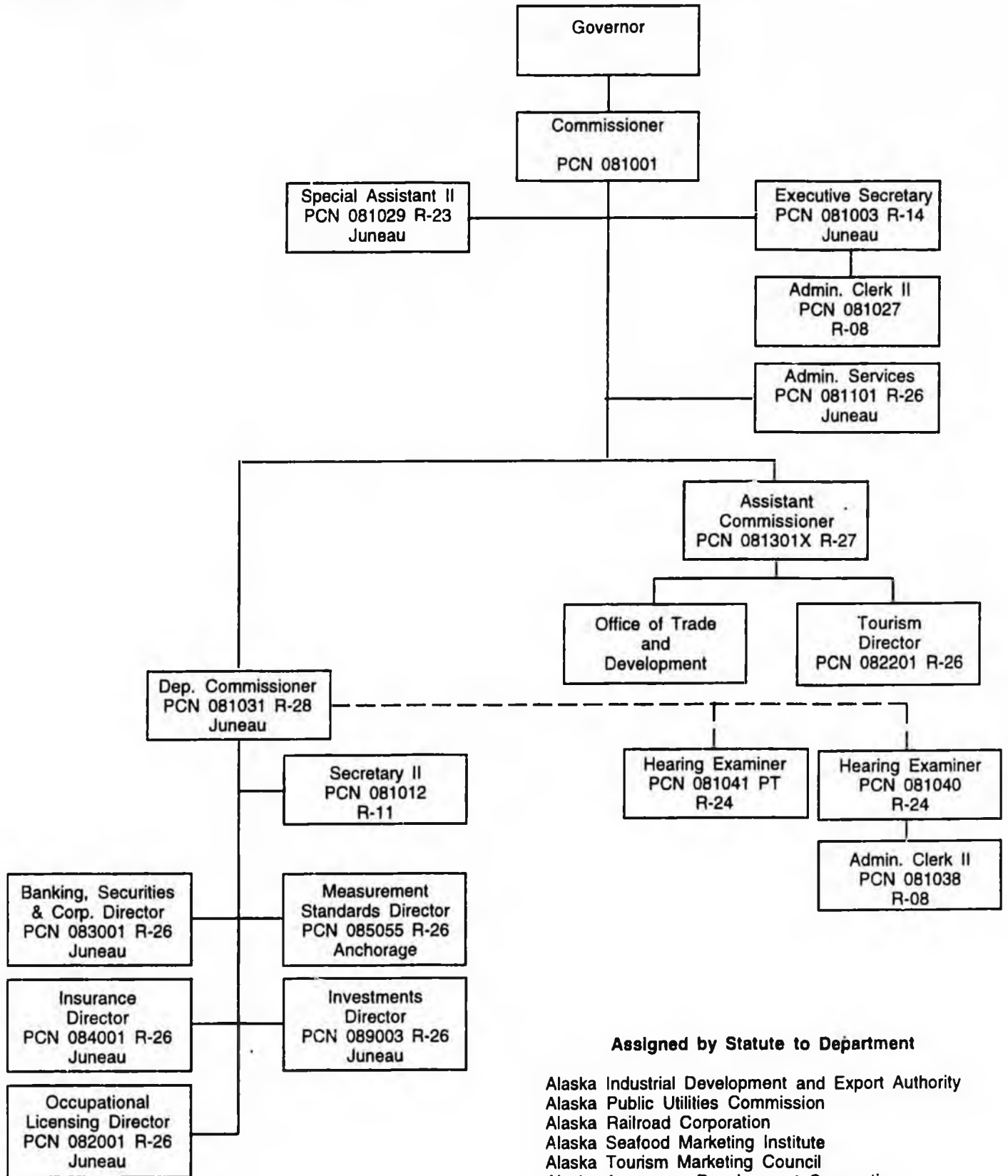
- **The Alaska Aerospace Development Corporation (AS 14.40.821-.990)** is a public corporation created by the Alaska State Legislature to develop aerospace related economic and technical opportunities. AADC is working with private corporations, government agencies, and universities to develop a comprehensive low earth orbit launch complex and full service satellite

ground station facilities. The Kodiak Launch Complex will be located on Kodiak Island and ground station activities will be concentrated in Fairbanks. Additionally, AADC is working to promote satellite assembly, test, and distribution facilities in Anchorage as well as educational opportunities throughout the state.

- **The Alaska Science and Technology Foundation (AS 37.17)** is a public corporation of the State of Alaska formed to promote the development and application of science and technology for the direct benefit of Alaskans. ASTF is governed by a nine member policy making Board of Directors appointed by the Governor. To achieve this mission, the Alaska Science and Technology Endowment has been established. Endowment income provides the Foundation's operating expenses and grants for eligible projects.
- **The Alaska Railroad Corporation (AS 42.40)** operates and manages the Alaska Railroad, which the federal government sold to the state in 1985. It is a public corporation with a legal existence independent of and separate from the state, and is governed by a board of directors consisting of the Commissioners of the Departments of Commerce and Economic Development and Transportation and Public Facilities, and five members appointed by the Governor.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

State of Alaska



Assigned by Statute to Department

- Alaska Industrial Development and Export Authority
- Alaska Public Utilities Commission
- Alaska Railroad Corporation
- Alaska Seafood Marketing Institute
- Alaska Tourism Marketing Council
- Alaska Aerospace Development Corporation
- Alaska Science & Technology Foundation

Approved: _____
William L. Hensley, Commissioner

FUNDING HISTORY AND ORGANIZATIONAL CHANGES

Funding History

<u>Fiscal Year</u>	<u>Auth.</u>	<u>Gen. Fund</u>	<u>GF-Prog. Rec.</u>	<u>Fed. Funds</u>	<u>Other Funds</u>
FY 97 Governor	60,374.3	11,323.4	24,996.9	5,275.0	18,779.0
FY 96 Auth	61,209.6	13,969.4	23,044.1	6,401.1	17,795.0
FY 95 Auth	65,479.2	14,211.9	25,353.0	7,558.1	18,356.2
FY 94 Auth	84,486.2	36,244.3	29,211.9	7,591.3	11,438.7
FY 93 Auth	78,313.4	33,669.9	22,445.6	8,805.9	10,392.0
FY 92 Auth	68,365.1	37,010.2	15,780.9	5,217.0	10,357.0
FY 91 Auth	69,054.3	37,996.7	14,779.7	5,381.5	10,896.4
FY 90 Auth	70,404.4	43,756.7	13,737.4	3,527.5	9,382.8
FY 89 Auth	67,516.6	37,542.6	20,044.6	1,475.0	8,454.4
FY 88 Auth	55,712.6	31,091.1	15,414.5	1,729.8	7,477.2
FY 87 Rev.	54,404.2	36,390.7	10,912.6	225.0	6,875.9

Other funds include Loan Funds, IA Receipts, State Corporate Receipts, AK Science & Technology Endowment Earnings, and CIP Receipts.

Organizational Changes

- o The Office of International Trade and the Division of Economic Development were consolidated into the new Division of Trade and Development in FY 96, and are budgeted as a single division in FY 97.

Budget Structure Change

- o There is a new BRU/component for the Division of Trade and Development. There are no other budget structure changes in the FY 97 operating budget request.

Department of Commerce and Economic Development
FY 1997 Governor's Budget

	DCED Total	Measurement Standards	Bank, Sec & Corp	Insurance	Occ Lic Operations	Occ Lic Boards
UNALLOCATED	0.0					
100 PERS SVCS	23,368.7	2,498.7	1,479.8	2,840.8	3,095.6	
200 TRAVEL	2,100.2	112.4	79.5	268.6	98.5	254.5
300 CONT SVCS	25,967.4	271.8	80.7	945.9	963.2	8.0
400 SUPPLIES	594.2	26.1	18.9	59.2	59.4	
500 EQUIPMENT	190.8	18.3	6.8	34.2	51.1	
700 GRANTS	8,153.0				100.0	
EXPENDITURES	60,374.3	2,927.3	1,665.7	4,148.7	4,367.8	262.5
FUNDING	60,374.3	2,927.3	1,665.7	4,148.7	4,367.8	262.5
1002 FED REC	5,275.0					
1003 GF MATCH	843.6					
1004 GEN FUND	10,479.8	745.1				
1005 PROG REC	11,033.3	2,164.2	1,650.7			
1007 IA REC	812.5				231.9	
1022 CORP REC	4,856.3					
1025 SCI/TECH	9,514.7					
1035 VRLF	216.8					
1036 CFRLF	2,459.8					
1040 RESF REC	194.1				194.1	
1057 SBRLF	8.0					
1061 CIP REC	135.0					
1067 MRLF	9.0					
1068 CCFRLF	6.5					
1069 HORLF	3.0					
1070 FERLF	274.9					
1071 AERLF	279.5					
1072 RECRLF	8.9					
1091 DES PROG REC	13,963.6	18.0	15.0	4,140.7	3,941.8	262.5
FULL TIME	389	45	25	50	58	
PART TIME	16	7			3	

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**Department of Commerce and Economic Development
FY 1997 Governor's Budget**

	APUC	Commissioner's Office	Administrative Services	Trade & Development	Investments	Tourism Development
	UNALLOCATED					
100	2,599.3	493.7	1,082.0	1,342.0	2,408.3	856.8
200	53.6	23.1	6.8	180.7	31.2	104.0
300	1,229.6	99.9	119.5	894.8	595.2	1,579.1
400	60.7	5.0	8.1	43.5	37.9	24.0
500	25.0			6.1	4.8	
700					220.0	93.8
	EXPENDITURES					
	FUNDING					
	3,968.2	621.7	1,216.4	2,467.1	3,297.4	2,657.7
	3,968.2	621.7	1,216.4	2,467.1	3,297.4	2,657.7
1002				150.0		
1003						
1004		534.7	852.6	2,006.3		2,452.2
1005				62.0		40.5
1007		87.0	363.8	98.8	31.0	
1022						
1025						
1035					216.8	
1036					2,459.8	
1040						
1057					8.0	
1061				135.0		
1067					9.0	
1068					6.5	
1069					3.0	
1070					274.9	
1071					279.5	
1072					8.9	
1091	3,968.2			15.0		165.0
	FULL TIME	41	7	19	45	15
	PART TIME			1		4

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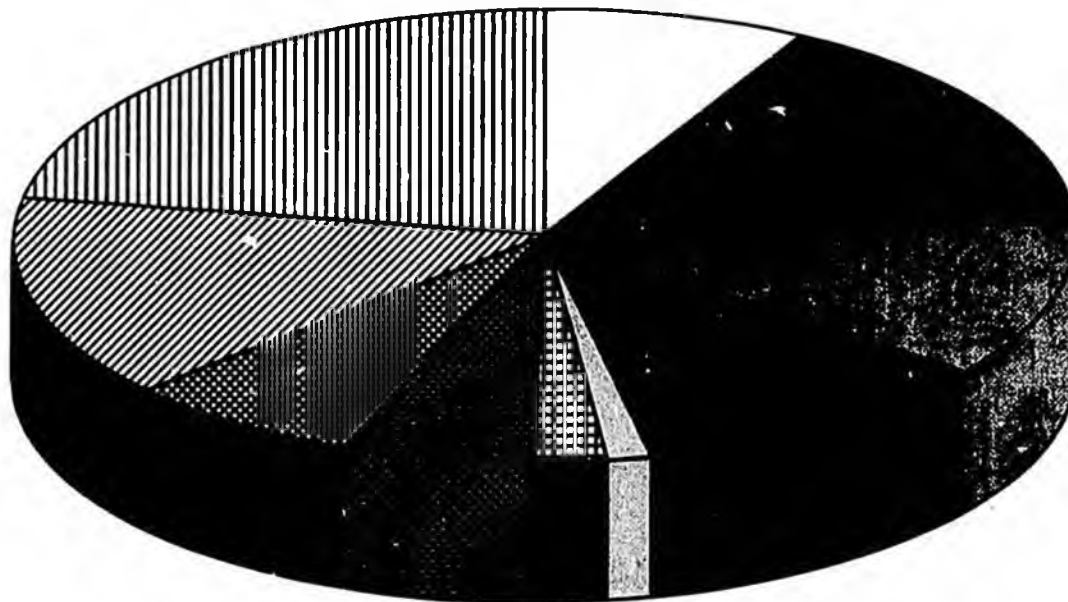
Department of Commerce and Economic Development
 FY 1997 Governor's Budget

	ATMC	AIDEA Operations	AIDEA AEA O&M	ASMI	AADC	ASTF
UNALLOCATED						
100 PERS SVCS	195.8	2,035.9	328.4	1,196.4	321.4	593.8
200 TRAVEL	55.1	68.2	30.0	600.0	50.0	84.0
300 CONT SVCS	5,058.4	1,598.4	683.6	10,969.1	175.3	694.9
400 SUPPLIES	4.0	38.9	8.0	180.0	4.0	16.5
500 EQUIPMENT	5.0	15.5	5.0	14.0	5.0	
700 GRANTS						7,739.2
EXPENDITURES	5,318.3	3,756.9	1,055.0	12,959.5	555.7	9,128.4
FUNDING	5,318.3	3,756.9	1,055.0	12,959.5	555.7	9,128.4
1002 FED REC				5,000.0		125.0
1003 GF MATCH				843.6		
1004 GEN FUND	3,888.9					
1005 PROG REC				7,115.9		
1007 IA REC						
1022 CORP REC		3,756.9	1,055.0		44.4	
1025 SCI/TECH					511.3	9,003.4
1035 VRLF						
1036 CFRLF						
1040 RESF REC						
1057 SBRLF						
1061 CIP REC						
1067 MRLF						
1068 CCFRLF						
1069 HDRLF						
1070 FERLF						
1071 AERLF						
1072 RECRLF						
1091 DES PROG REC	1,429.4					
FULL TIME	3	28	4	18	4	7
PART TIME				1		

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Department of Commerce and Economic Development

FY97 Governor's Request by Agency



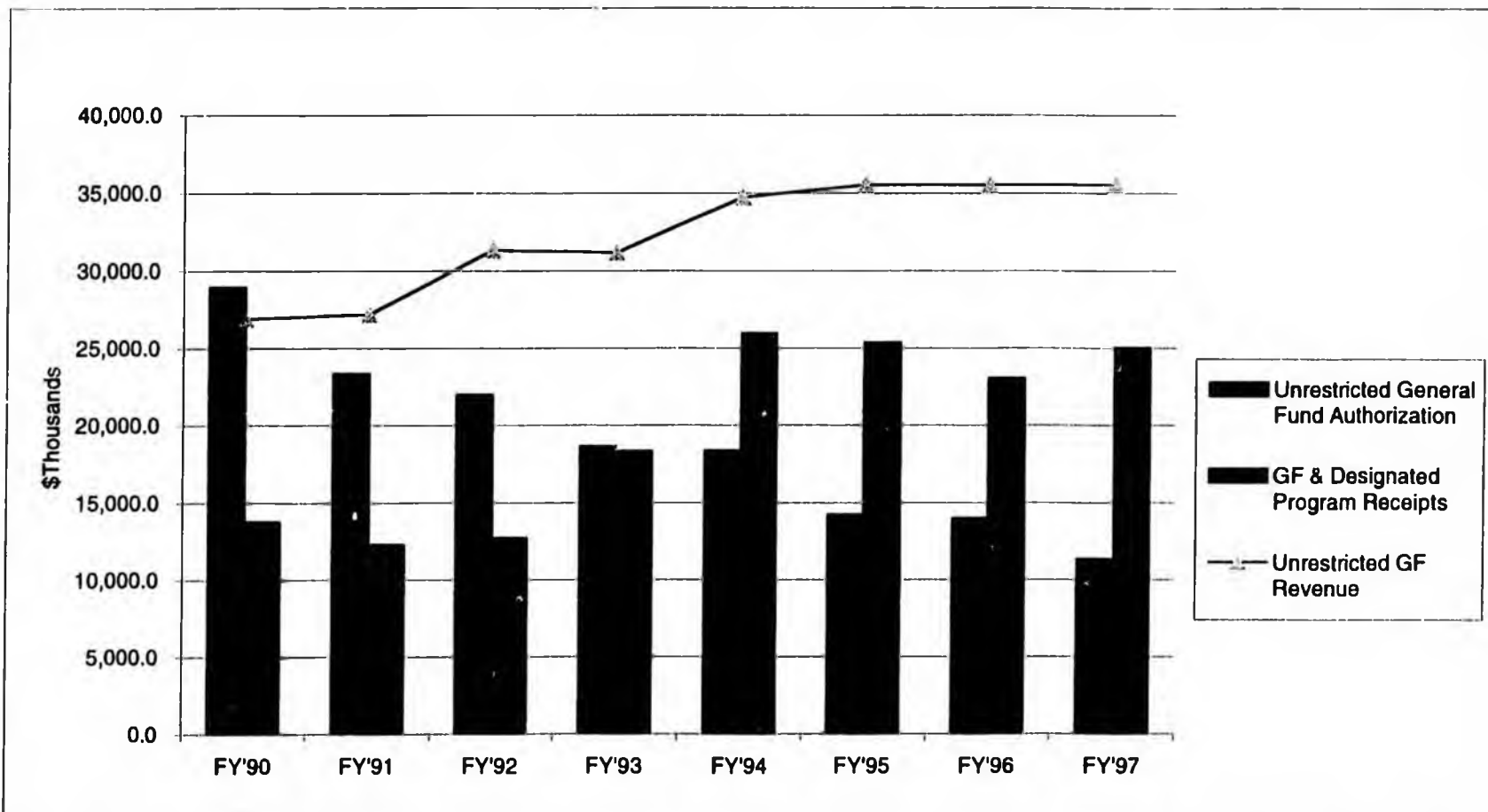
- Measurement Standards
- Banking, Securities & Corporations
- Insurance
- ▨ Occupational Licensing
- AK Public Utilities Comm
- Commissioner's Office
- ▩ Administrative Services
- Trade & Development
- ▨ Tourism
- ▨ AK Tourism Marketing Council
- ▨ AK Seafood Marketing Institute

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General Fund and GF Program Receipts

Total \$36,320.3

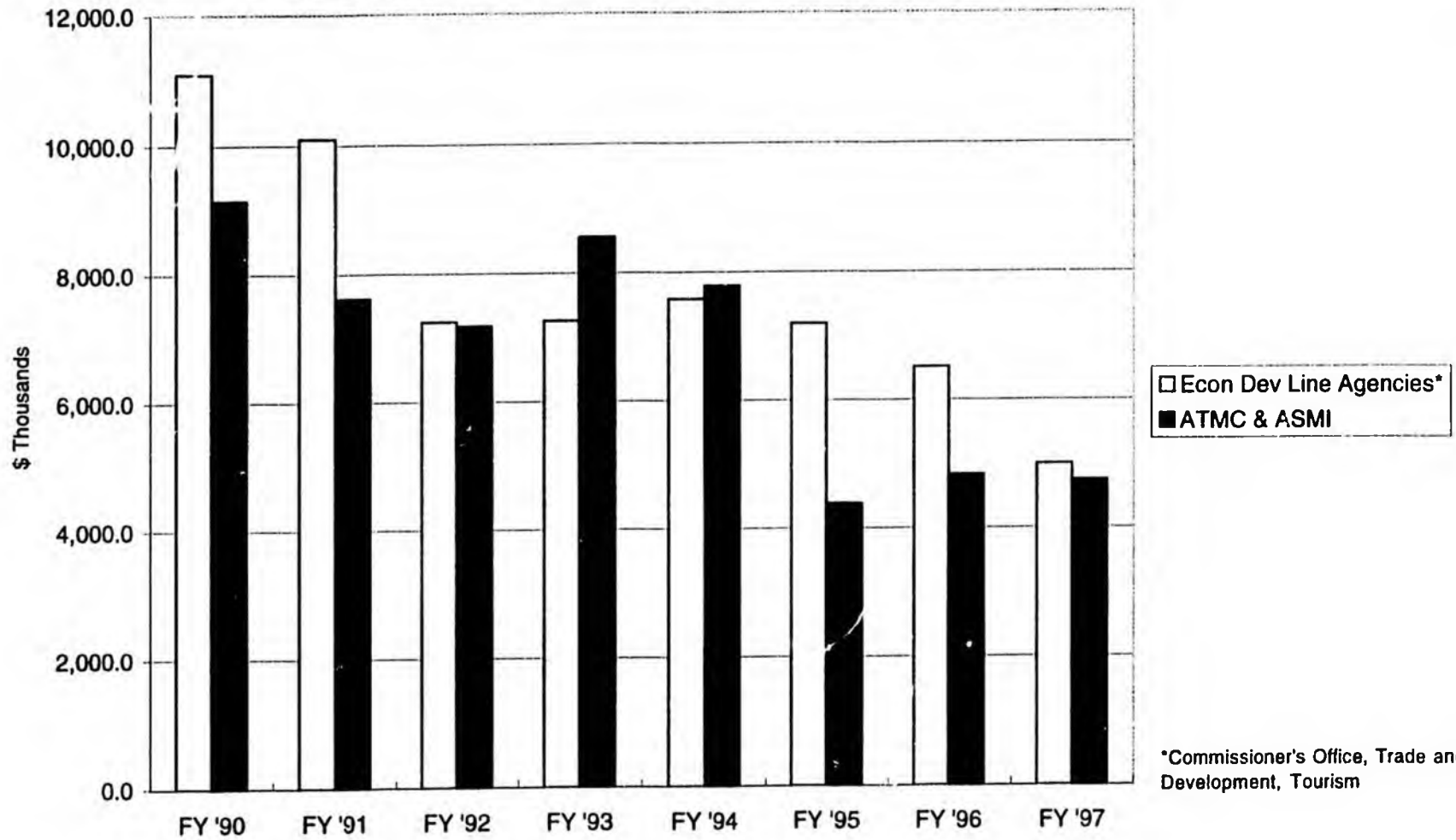
**Department of Commerce and Economic Development
General Fund and General Fund Program Receipts**



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	FY'90	FY'91	FY'92	FY'93	FY'94	FY'95	FY'96	FY'97
Unrestricted General Fund Authorization	28,930.0	23,329.8	21,963.7	18,600.0	18,324.3	14,211.9	13,969.4	11,323.4
GF & Designated Program Receipts	13,737.4	12,271.0	12,671.6	18,287.9	25,937.3	25,353.0	23,044.1	24,996.9
Unrestricted GF Revenue	26,908.6	27,180.8	31,342.0	31,163.9	34,742.6	35,546.2	35,546.2	35,546.2

Economic Development Programs Unrestricted General Fund Authorization



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*Commissioner's Office, Trade and Development, Tourism

PROGRAM CHANGES

<u>Description</u>	<u>Gen Fund</u>	<u>Total</u>
Multiple Agencies		
<u>Third-Party Travel Reimbursements</u>	126.7	126.7
Changes in federal personal income tax law make it mandatory that travel paid by a third-party for a State employee for work-related travel must be paid by the State agency and then billed to the third party. This mandates State agencies to budget for these pass-through costs. (Designated Program Receipts)		
<u>Designated Program Receipts Funding</u>		
Designated Program Receipts are those funds that are required by Alaska Statute to fully meet the operating expenses of an agency or a particular activity or event that otherwise would not occur. The distinguishing characteristic of Designated Program Receipts is that any increase or decrease has no effect on the state's fiscal gap. The revenue raised for these services is restricted to the cost of providing the service. Multiple agencies in the department were switched to Designated Program Receipts.		
Division of Measurement Standards		
<u>Program Receipt Increase</u>	0.0	0.0
In an effort to make the industries regulated by this agency bear the cost of regulation, fees are being increased. The Weights and Measures program will increase device registration fees an average of 275%. The Truck Enforcement program will increase oversize/overweight permit fees an average of 50%. The of General Fund authorization replaced with General Fund Program Receipts is \$876.5.		
<u>Administrative Clerk III</u>	0.0	0.0
One permanent part-time weigh station operator is reclassified to a permanent full-time administrative clerk III to ensure quick response to requests for overweight/oversize permits.		
Division of Insurance		
<u>Designated Program Receipts Funding</u>	0.0	0.0
\$4,036.4 GF Program Receipts are replaced with Designated Program Receipts. Per AS 21.06.250, the Division of Insurance is funded by the collection of fees charged for the services provided		

PROGRAM CHANGES

<u>Description</u>	<u>Gen Fund</u>	<u>Total</u>
<p>by the division. The fees are established by regulation in 3 AAC 31.</p>		
<p><u>Division of Occupational Licensing</u></p>		
<p><u>Designated Program Receipts Funding</u> \$4,023.3 GF Program Receipts are replaced with Designated Program Receipts. These Designated Program Receipts are generated through licensing fees from the various licensing programs within occupational licensing. These funds also support a significant portion of the BRU operations.</p>	0.0	0.0
<p>AS 08.01.065 require fees to cover full regulatory costs of a board, or occupations if a board regulates more than one occupation. This change in funding source codes identifies fees mandated by statute to licensing programs under the self-sufficiency concept. Under this statutory mandate, fees must be adjusted to cover costs; and is not intended to generate excess revenue to the general fund.</p>		
<p><u>Nurse Aide Registry Funding Changes</u> The Nurse Aide Certification program is funded in part by an RSA with the Department of Health and Social Services, Division of Medical Assistance. That RSA is being reduced in FY 97. A Designated Program Receipts increment is necessary in order to fully allocate the cost of this federally mandated program and reduce the IA Receipts. (Designated Program Receipts)</p>	53.0	32.9
<p><u>Real Estate Surety Fund Education & Hearing Costs</u> The Real Estate Surety Fund was established to compensate individuals who are harmed by real estate licensees. The Surety Fund is funded by fees charged to licensees. AS 08.88.450 authorizes the Real Estate Commission to expend an amount appropriated by the Legislature for educational and hearing costs. This decrement is for a projected reduction in activity in FY 97, and a partial change in funding source for the Publications Specialist (PCN 08-2049).</p>	0.0	(82.0)
<p><u>Annual Newsletters</u> Communication with licensees is especially important for a division which is completely</p>	42.0	42.0

PROGRAM CHANGES

<u>Description</u>	<u>Gen Fund</u>	<u>Total</u>
<p>funded with user fees. Currently, the Real Estate Commission publishes a quarterly newsletter which informs real estate licensees of changes in law and regulation, recent disciplinary actions and other issues. Other occupational license holders would benefit greatly from an annual newsletter regarding their programs.</p> <p>The Real Estate Surety Fund Education currently pays 100% of a Publications Specialist position (PCN 08-2049). If the cost of the position is divided between the Real Estate Surety Fund and Designated Program Receipts, the essential information can be provided to all occupational licensees.</p> <p>This increment identifies the Designated Program Receipts portion to change the funding source of PCN 08-2049, and contractual funds for printing and postage of the newsletters. (Designated Program Receipts)</p>		
<p><u>Out-of-State Travel</u></p> <p>This decrement will contribute to the goal of controlling agency costs and limiting out-of-state travel by restricting management staff to one outside trip annually as necessary, and reducing licensing boards participation in national conferences. Members of licensing boards often travel out-of-state to attend meetings of national associations of licensing boards which regulate the same professions. Some of these meetings involve setting nationally recognized standards for the profession, or concern national licensing examinations. Additionally, there are events which provide general information on trends in the regulated industry.</p> <p>This reduction will limit those licensing boards which traveled out-of-state in FY 96 to only one outside trip by a single board member and the boards' staff person (such as, Executive Secretary or Coordinator positions) during FY 97. Many boards do not currently travel outside and would not be permitted to in the future.</p>	<p>(15.0)</p>	<p>(15.0)</p>
<p>AK Public Utilities Commission <u>Designated Program Receipts Funding</u></p>	<p>0.0</p>	<p>0.0</p>

PROGRAM CHANGES

<u>Description</u>	<u>Gen Fund</u>	<u>Total</u>
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\$3,547.7 GF Program Receipts are replaced with Designated Program Receipts. AS 42.05.254 and 42.06.285 require the Alaska Public Utilities Commission to collect a Regulatory Cost Charge (RCC) from regulated utilities and pipeline carriers. The Commission is required to limit the amount of RCC collected so that the total amount of the fees collected just covers the authorized budget of the Commission. (AS 42.05.254(b))

Utility Finance Analyst III

	70.4	70.4
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Alaska Public Utilities Commission is requesting the creation of a new Utility Finance Analyst III position.

In October 1993, the Alaska Public Utilities Commission approved the settlement methodology for setting intrastate tariffs for shipping oil through the Trans-Alaska Pipeline System (TAPS). The Commission directed staff to audit the intrastate expenses of the TAPS Carriers back to 1987. This massive project has required the full-time attention of the one staff analyst with experience in pipeline dockets, but the work is not completed. Other pipeline cases have received less staff attention as a result.

Adequate finance staffing is essential to ensuring that intrastate pipeline rates remain just and reasonable, based on decisions timely rendered, thus promoting economic development.

The Commissioners face a wide range of complex issues which require thorough analysis of the filings and arguments made by pipeline carriers. While the parties to a proceeding usually present a thorough case, the analysis of the record cannot be assigned to staff when it also serves as a party to a case. Therefore, at least one experienced pipeline financial analyst must be available to advise the Commission directly when other staff members are named as a party. (Designated Program Receipts)

Alaska 2001 Professional Services

	96.8	96.8
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Alaska 2001 is an inquiry into the state's telecommunications future initiated by the Alaska Public Utilities Commission. The APUC sought input

PROGRAM CHANGES

<u>Description</u>	<u>Gen Fund</u>	<u>Total</u>
<p>and recommendation from the public in four broad areas of telecommunications policy (competition and regulation, universal service, government use and provision of telecommunications services, and economic development). The Alaska 2001 process used task forces that were open to public participation to discuss issues and formulate preliminary reports and recommendations. An advisory committee, chaired by Lt. Gov. Fran Ulmer and representing the interests of a wide variety of public and private groups, was formed to synthesize, and expand upon, the work of the task forces. The Advisory Committee's report which was developed through a consensus decision-making process includes recommendations, directed to the APUC, the legislature, and the governor, on state telecommunications policy.</p> <p>To carry out the recommendations from the Alaska 2001 inquiry the Commission will need to hire an expert to investigate Alaska's telecommunications market structure to determine how to accommodate and take advantage of potential competition in the remaining telecommunications markets not already subject to competition. The consultant's duties will include: 1) an analysis of the potential to sustain competition in all of Alaska's local exchange markets; and 2) preparation of recommendations for rules to achieve an orderly transition to competition. (Designated Program Receipts)</p>		
<p><u>Building Lease</u></p> <p>The Department of Administration currently pays all office lease costs for the Alaska Public Utilities Commission. This increment would allow the Commission to assume the full cost of the building lease from the Department of Administration. This switches the funding source from General Fund to Designated Program Receipts.</p>	229.5	229.5
<p><u>Office of the Commissioner</u></p> <p><u>Convert Clerk to Oil and Gas Development Specialist</u></p> <p>In FY 96, the department's Commissioner's Office has held vacant a Juneau receptionist position in order to cover a portion of the cost of the special assistant to the Oil and Gas Policy Council. The balance of the cost of the special assistant</p>	0.0	49.1

PROGRAM CHANGES

Description

Gen Fund

Total

is covered with interagency receipts. This increment will formally convert the receptionist to an oil and gas development specialist and increase interagency receipts authorization.

The Oil and Gas Policy Council consists of the commissioners of Commerce and Economic Development, Revenue, and Natural Resources, oil and gas company executives, labor leaders, environmental groups representatives, and members from the general public. Its task is to develop comprehensive oil and gas development policies for consideration by the Governor and the Legislature.

The assistant to the Council provides general management support and advice, including coordination of meetings, procurement, research and analysis, and advising the Commissioner and the Governor's Office on oil and gas matters.

Division of Administrative Services

Allocate Centralized Administrative Support Costs

(185.0)

0.0

In FY 97, the Office of Management and Budget, Division of Budget Review is implementing the Designated Program Receipts funding source, recognizing that some agencies generate revenue from the industries they regulate and/or support. Within the Department of Commerce and Economic Development, these agencies include the Division of Occupational Licensing, the Division of Insurance, and the Alaska Public Utilities Commission. For each of these agencies, the industry supported bears the State's cost of its regulation and support. We believe this should include a portion of the General Fund administrative costs incurred by the Division of Administrative Services.

This decrement is a fund source change, supplanting General Fund authorization with Interagency Receipts. Those agencies funded from Designated Program Receipts, and the Division of Investments, which is funded from loan fund receipts, will fund the Division of Administrative Services, in part, through Reimbursable Services Agreements (RSA). Each

PROGRAM CHANGES

<u>Description</u>	<u>Gen Fund</u>	<u>Total</u>
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agency has a corresponding Designated Program Receipts increment in its budget.

Division of Trade and Development

Consolidation Administrative Savings and Efficiencies

	(202.7)	(202.7)
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The merger of the Division of Economic Development and the Office International Trade into the new Division of Trade and Development offers the opportunity for substantial cost reductions tied to increased efficiencies. Further savings are realized by placing the Division of Tourism, with the new division, under the Assistant Commissioner for Tourism, Trade and Development. Total operational savings tied to the reorganization are projected at \$202.7. Specific savings tied to the reorganization and other cost-cutting measures include:

Personal Services (\$105.8)

1) With the consolidation of the Office of International Trade and the Division of Economic Development, the position of Director of Economic Development is deleted.

2) The half time position of Administrative Clerk II, in the division's Fairbanks Office is deleted.

3) The Anchorage OIT Receptionist position, an Administrative Clerk II, is reduced to half time.

Travel (\$20.0)

Significantly reduce the number of staff traveling to in-state conferences, meetings and trade shows. Staff attending events will be required to brief colleagues on significant trade and development issues. Additionally, Trade and Development management are developing criteria for travel to ensure only essential trips are taken.

Contractual (\$58.9)

1) Overseas (\$50.0) -- Merge Trade and Tourism's separate Tokyo operations into one office in a lower-rent district (\$40.0 savings). Other operating efficiencies -- lower telecommunications costs,

PROGRAM CHANGES

<u>Description</u>	<u>Gen Fund</u>	<u>Total</u>
etc. -- in Japan, Korea and Taiwan are expected to result in an additional \$10.0 savings.		
2) Miscellaneous (\$8.9) -- Cut costs tied to telecommunications, postage, subscriptions, memberships and conferences. Take advantage of new technologies, such as the Internet to realize substantial savings.		
Supplies (\$15.0) and Equipment (\$3.0)		
Substantially reduce budget for supplies and equipment in the Anchorage, Juneau and Fairbanks offices.		
<u>Change ARDOR Grants Program Funding</u>	(650.0)	0.0
The Alaska Regional Development Organizations (ARDOR) program will be funded with corporate receipts from the Alaska Industrial Development and Export Authority (AIDEA). There is an FY 97 budget increment in AIDEA increasing its contractual line by \$650.0 in corporate receipts. In turn, AIDEA will contract with the Department of Community and Regional Affairs in the amount of \$650.0, for the provision of ARDOR grants. Therefore, the funding source for the program is being changed in this component from General Funds to Interagency Receipts.		
<u>Transfer ARDOR Grants Program to DCRA</u>	0.0	(650.0)
In accordance with Governor's Knowles Executive Order No. 93, responsibility for the ARDOR program is transferred to the Department of Community and Regional Affairs.		
<u>Fisheries Development Specialist Funding Change</u>	(77.6)	0.0
Funding for the division's Fisheries Development Specialist is being changed from General Fund to Interagency Receipts from the Division of Investments. The Division of Investments manages the Commercial Fishing Loan Program and the Fisheries Enhancement Loan Program. These programs provide financing for commercial fishermen to pursue their trade and for private, nonprofit hatcheries to produce salmon. In order to ensure the success of the loan programs, the commercial fishing industry needs to stay current with industry trends and meet competitive		

PROGRAM CHANGES

<u>Description</u>	<u>Gen Fund</u>	<u>Total</u>
<p>challenges. The Fisheries Development Specialist works with industry participants and appropriate agencies to help the Alaska seafood industry better compete in international and domestic markets through coordination of efforts designed to expand markets, improve quality, increase product options, and decrease production costs.</p>		
<p><u>Eliminate Grants Administrator</u> The division's Grants Administrator position is being eliminated. The position is responsible for: administration of the division's Economic Development Matching Grants Program and other grants (including designated grants); financial administration of the business assistance program grants; administration of the Alaska Product Preference Program; and responding to grant inquiries.</p>	(65.9)	(65.9)
<p><u>Division of Tourism</u> <u>Alaska Travel Workshops</u> The Division requests Designated Program Receipts authority to collect and expend participation fees from private sector tourism entities for a series of travel workshops in Japan and Australia. As part of the Division's effort to effectively market Alaska in the prime markets of Japan and Australia, we are expanding the Alaska Travel Workshops. Similar to a trade mission, this series of workshops connects Alaskan suppliers of tourism products with international buyers. The workshops take place over a 10-day period in three of the largest markets in each country. In addition, substantial media coverage is pre-arranged in each location. The estimated cost of the workshops is \$30,000 each, with the Division contributing \$10,000 toward each workshop. Costs encompass rental of convention and/or hotel facilities in each city, rental of display booths, booth furniture, access to electricity, program printing and other associated costs.</p>	40.0	40.0
<p><u>Advertising Sales in Foreign Travel Guides</u> The Division requests Designated Program Receipts authority to collect revenue from advertising sales and to expend this amount in the production of foreign language travel guides.</p>	83.0	83.0

PROGRAM CHANGES

Description

Gen Fund

Total

The Division of Tourism produces three foreign language travel guides (two Japanese, one German) through its contractors in Japan and Germany. The production expenses for these guides have always been paid out of the Division's general fund appropriation. As general funds dollars decrease, we are exploring new sources of funding from the tourism industry. As a test project, we submitted a RPL this year for authority to bring in funds from the sale of advertising in the Japanese winter guide. Since the RPL's approval in September, we have had great success in selling ads. The winter guide was totally produced with advertising dollars! We would like to continue selling advertising and expand the program to all of our established foreign markets, not only for the financial benefit, but because we feel strongly about creating partnerships with the private sector. When tourism businesses make a financial commitment to the State's marketing efforts, they then have a vested interest in the success of the program.

Gold Rush Commemorative Public Relations Program

25.0

25.0

The Division requests Designated Program Receipts authority to collect and expend funds for the Gold Rush Centennial Celebration Public Relations Program.

The Division is leading an effort develop programs featuring the 100th anniversary of the Klondike gold rush, in conjunction with the Alaska Tourism Marketing Council, the State Library, the Department of Transportation, and other federal agencies. Several convention and visitors bureaus (CVB) and centennial societies have indicated an interest in piggybacking on the Division's public relations efforts. Rather than creating community by community efforts, the money can be combined with our existing public relations budget, thereby leveraging small dollar amounts into more buying power. CVB's from Skagway, Nome, and Fairbanks would join with groups such as the Southeast Alaska Tourism Council and the Alaska Society of Convention and Visitors Bureaus to contribute a total of \$25,000 to the Division's budget. The ATMC has indicated that it will participate at a level of \$15,000 in FY 96.

PROGRAM CHANGES

<u>Description</u>	<u>Gen Fund</u>	<u>Total</u>
<p>We expect that interest in contributing to this effort will continue for another two years.</p>		
<p><u>Expanded Alaska Presence at ITB/Berlin Trade Show</u> The Division requests Designated Program Receipts authority to collect a participation fee from private sector tourism organizations for the ITB/Berlin Trade Show.</p> <p>In the past, Alaska has had a small booth at the ITB/Berlin trade show, the largest international tourism trade show in the world. Through this forum, the Division has contact with trade and press representatives from throughout the world. Three to five Alaska tourism entities will have the opportunity to share booth space at a cost of approximately \$3,000 - \$4,000 (depending on the number of committed participants and current exchange rate of the Deutsche mark). Thus, the Division's portion of the total fee will be matched threefold. The funds will be used to cover the show registration fee, booth space rental, electrical access and furniture rental, printing and other associated costs.</p>	<p>12.0</p>	<p>12.0</p>
<p><u>International Travel Trade Reduction</u> General Fund support for international travel trade efforts is reduced. The decline in GF support of offset by increased program receipt authority. After this GF reduction, 15% of the Division's international marketing efforts will be paid for by private sector businesses.</p>	<p>(97.4)</p>	<p>(97.4)</p>
<p><u>Domestic Travel Trade Reduction</u> General Fund support for domestic travel trade efforts is reduced. This reduction is partially offset by increased program receipt authority. When this reduction takes effect, 9% of the Division's domestic travel trade program will be paid for by the private sector.</p>	<p>(98.7)</p>	<p>(98.7)</p>
<p>Programs that have been eliminated or reduced include:</p> <ul style="list-style-type: none"> -- consumer oriented travel shows -- highway directed marketing efforts 		

PROGRAM CHANGES

<u>Description</u>	<u>Gen Fund</u>	<u>Total</u>
<p>Because highway marketing crosses domestic and international lines, there is also a realignment of the international marketing effort to provide more focus on highway travel through our foreign programs.</p>		
<p><u>Inquiry Fulfillment Reduction</u> General Fund support for the Inquiry section is reduced. These savings are to be achieved through improved use of technology and postage savings.</p>	(30.0)	(30.0)
<p><u>Alaska Public Lands Information Centers Reduction</u> The Division will no longer be contributing funds toward the operation of the Alaska Public Lands Information Center (APLIC) facilities in Anchorage and Fairbanks. Contractual Reduction: (\$140.0)</p> <p>In addition, the Division will no longer fund the operation of the Tok-APLIC as of the end of the 1996 tour season. One permanent full time and three permanent seasonal positions will not be funded. (\$60.4); travel (\$4.8), administrative, and supply costs (\$3.5) will be eliminated.</p>	(208.7)	(208.7)
<p><u>Film Program Reduction</u> General Fund support for the Film Program is reduced. Of this, \$13,100 is a reduction in personal services due to the lay-off of .3 position (the remainder of the savings due to the elimination of this position comes in the next decrement under administration).</p> <p>The exact effect of this reduction is as yet undetermined as we are reviewing the different program components for their individual effectiveness.</p>	(88.1)	(88.1)
<p><u>Administration Reduction</u> General Fund support for Administration of the Division of Tourism is reduced. The bulk of this reduction comes from the elimination of .7 of a position (the balance of this reduction is contained in the Film Program decrement). There is also a savings of travel and contractual as budget reducing measures.</p>	(34.6)	(34.6)

PROGRAM CHANGES

<u>Description</u>	<u>Gen Fund</u>	<u>Total</u>
<p><u>AK Tourism Marketing Council</u> <u>Designated Program Receipts Funding</u> \$1,429.4 GF Program Receipts are replaced with Designated Program Receipts. Under AS 44.33.705, the tourism industry association is required to contribute a minimum of 25 percent of the operating cost of the ATMC. The department and the industry association enter into a contract which outlines the joint management of the ATMC and defines the amount of the industry contribution. Under the contract, use of the industry contribution is restricted to the operating expenses of the ATMC.</p> <p>The funds which are required by Alaska Statute 44.33.700-735, for the ATMC to fully meet the operating expenses of the agency, by contract, are designated for a specific purpose. Furthermore, this category includes those General Fund Program Receipts which fully cover the expenses of a particular activity, or event, that otherwise would not occur. The critical distinguishing feature of these receipts is that any increase or reduction in them has no effect on the state's fiscal gap (excess receipts can not be utilized by any other program or service).</p>	0.0	0.0
<p><u>Domestic Marketing Program Reduction</u> The General Fund Domestic Marketing Program is reduced. The balance of the General Fund contribution to the Domestic Marketing Program is \$3,888.9.</p>	(50.0)	(50.0)
<p><u>AK Industrial Development and Export Authority</u> <u>ARDOR Grants Program</u> This increment is necessary to allow AIDEA to provide funding to the Department of Community and Regional Affairs for the Alaska Regional Development Organizations (ARDOR) Grants program. The ARDOR program provides grants to regional organizations for projects which will encourage economic development. ARDORs are required to provide services designed to encourage economic development in local communities and businesses, and develop and implement strategies to attract new industry, expand international trade opportunities, and encourage tourism within each region. AIDEA has a broad range of</p>	0.0	650.0

PROGRAM CHANGES

<u>Description</u>	<u>Gen Fund</u>	<u>Total</u>
<p>powers and duties designed to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska.</p> <p>By tying funding for the ARDOR program to AIDEA corporate receipts, the state is recognizing the critical linkage between development planning and attraction (the role of the ARDORs) and development financing (the role of AIDEA). The ARDORs will become an outreach vehicle for potential economic development projects throughout the state, the financing of which will improve the economic conditions and economic opportunities for Alaskans.</p>		
<p>AK Seafood Marketing Institute <u>Federal Market Promotion Program</u></p> <p>This decrement reduces Federal receipts for the Market Promotion Program (MPP) to \$5.0 million to match the anticipated FY 97 award of \$4 to \$5 million. In addition, the federal required General Fund Match for the MPP program is being reduced to \$843,600 which will provide 21% to 17% of the required 21% match, depending on the actual amount of the federal grant.</p> <p>With the reductions of federal and state funding for the export program, Alaska's ability to compete in foreign markets has been significantly eroded while at the same time international farmed salmon competition has increase production to 53% of the total world supply. This increased production coupled with massive foreign government subsidies, (as an example Norway provides \$120 million for production and marketing) has significantly reduced value and marketability of Alaska's commercial harvest.</p>	<p>(50.0)</p>	<p>(1,301.1)</p>
<p>AK Aerospace Development Corporation <u>Education Coordinator and Operating Reductions</u></p> <p>This decrement reflects a reduction in personal services (including COLA) due to elimination of the permanent full-time Education Coordinator position. Additional reductions have been made in the contractual services and supplies line items. This reduction will not affect the services provided by AADC. (AADCRF & ASTF Endowment Income)</p>	<p>0.0</p>	<p>(103.6)</p>

PROGRAM CHANGES

<u>Description</u>	<u>Gen Fund</u>	<u>Total</u>
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AK Science and Technology Foundation

Pass-Through Federal Funding

	0.0	125.0
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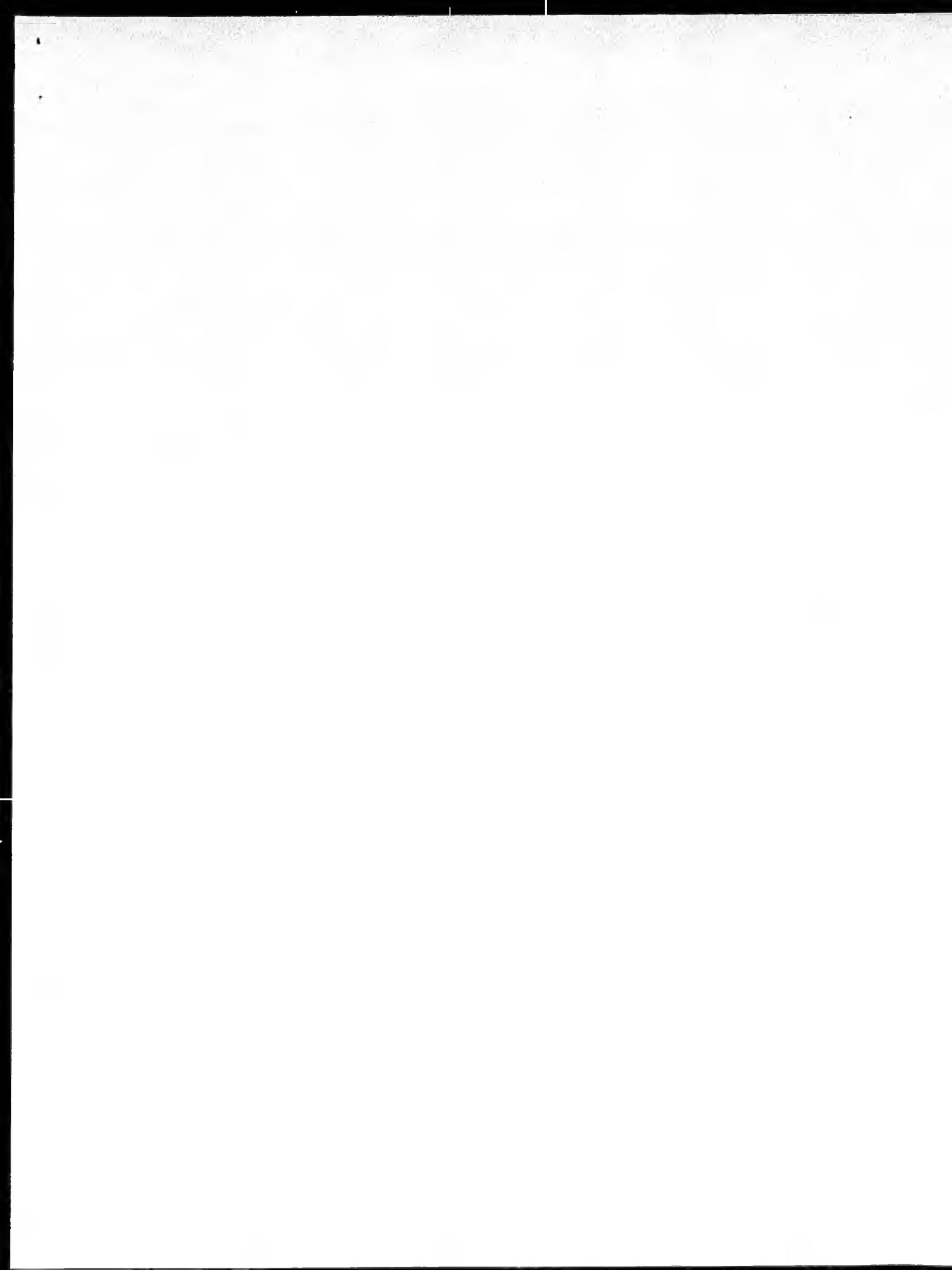
ASTF requests receipt authority to pass-through federal funding from the U.S. Department of Energy, Sandia National Laboratory to an ASTF grantee, ASTF #91-2-076, Hybrid Renewable Microgrid Power Plant. Approval of this request will allow these funds to be received by ASTF and paid out to grantee with no impact to the general fund or ASTF's Endowment Income.

Anticipated NIST, U.S. Department of Commerce planning grant to establish manufacturing extension center for value-added forest products.

**DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
Phone Contact List**

<u>Agency/Contact</u>	<u>Phone</u>
Commissioner's Office	
William L. Hensley, Commissioner.....	465-2500
Jeff Bush, Deputy Commissioner	465-2500
Veronica Slajer, Special Assistant.....	465-2500
Administrative Services	
Guy Bell, Director	465-2505
Banking, Securities & Corporations	
Willis Kirkpatrick, Director	465-2521
Trade & Development	
Debby Sedwick, Assistant Commissioner	269-8110
Tom Lawson, Lead Development Specialist-Juneau.....	465-2162
Bennett Brooks, Lead Trade Specialist-Anchorage.....	269-8110
Insurance	
Marianne K. Burke, Director	465-2515
Investments	
Martin Richard, Director	465-2510
Measurement Standards	
Edward Moses, Director	345-7750
Occupational Licensing	
Catherine Reardon, Director.....	465-2534
Tourism	
Tom Garrett, Director	465-2012
<u>Independent Agencies</u>	
AK Aerospace Development Corporation	
Pat Ladner, Executive Director	561-3338
AK Energy Authority	
William R. (Riley) Snell, Executive Director	561-8050

<u>Agency/Contact</u>	<u>Phone</u>
AK Industrial Development and Export Authority	
William R. (Riley) Snell, Executive Director	561-8050
AK Public Utilities Commission	
Robert A. Lohr, Executive Director	276-6222
AK Railroad Corporation	
James B. Blasingame, VP Corporate Affairs	265-2680
AK Seafood Marketing Institute	
Art Scheunemann, Executive Director.....	465-5560
AK Tourism Marketing Council	
David Karp, Executive Director	269-8180



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STATE OF ALASKA**

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Mail Stop 3101

*130 Seward Street, Suite 400
Juneau, Alaska 99801-2105*

Copies of minutes listed below were originally included in this file. The minutes are available on the legislative computer database. In order to save space copies of minutes have not been left in the files.

Mary Pagenkopf

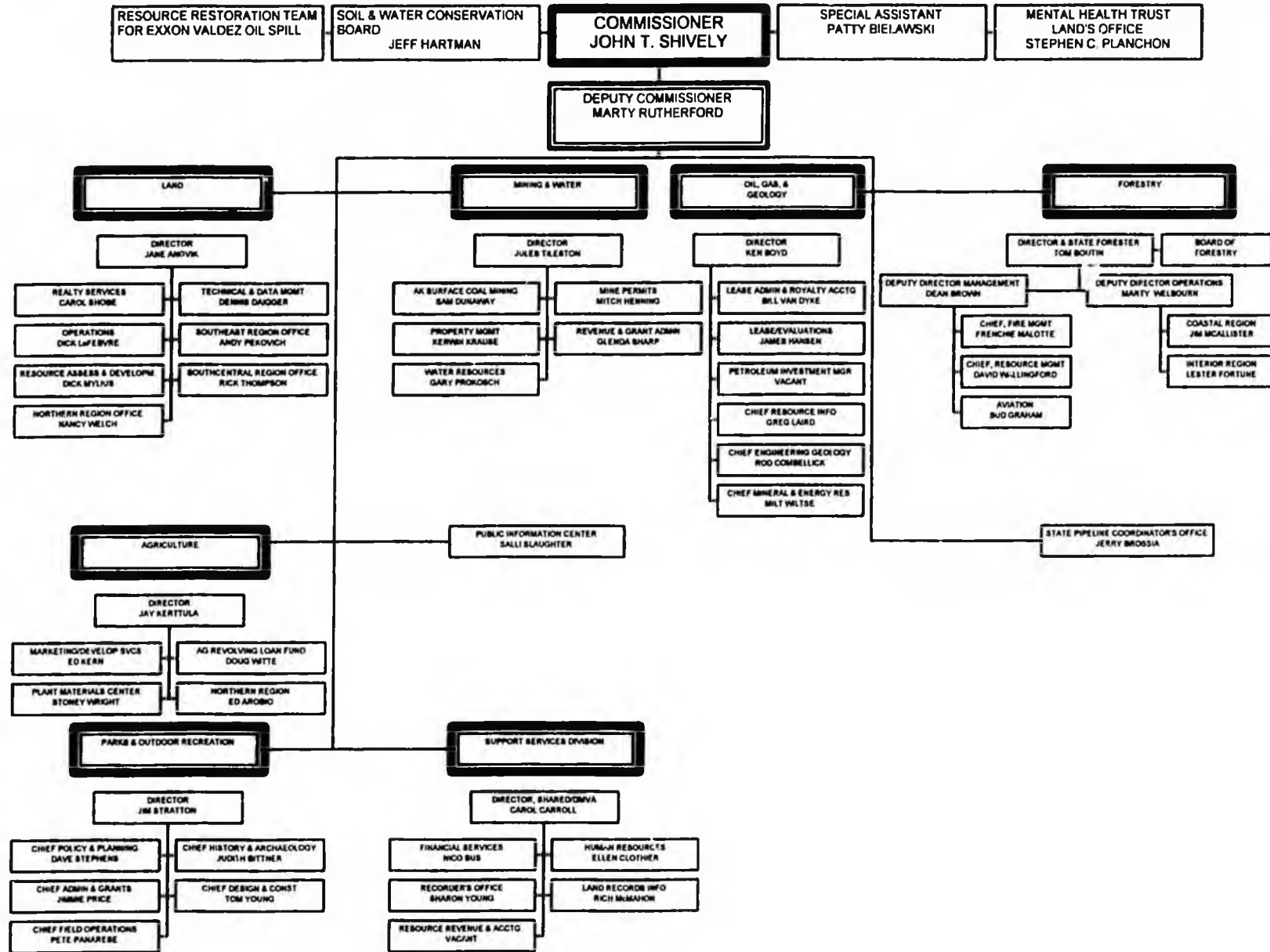
HFIn 1/17/97 1:40 pm

**Alaska Department of Natural Resources
FY 97 Budget Overview**



JANUARY 1996

FY 97 ALASKA DEPARTMENT OF NATURAL RESOURCES



DEPARTMENT OF NATURAL RESOURCES

MISSION

Developing, preserving, and enhancing our natural resources for us and for our children.

Major Goals and Strategies

1 Develop and stimulate resource-based economic activity

- Offer 1.6 million acres for oil & gas leasing in three lease sales.
- Provide 49.3 million board feet for the forest industry.
- Provide 50 agriculture land disposal packages
- Generate over \$650,000 from fees from the state's 31,000 mine claims.
- Administer 140 private timber sales and 1,800 personal use permits.
- Generate \$1 million in coal royalties.
- Generate \$10 million from land sales, permits, leases and fees.
- Generate over \$2 million in user fees from park operations.
- Process over 3,000 requests for use of state land or resources.
- Generate at least \$2 million from Alaska Mental Health Trust lands.

2 Preserve Alaska's resources, scenic and cultural values and stress Alaska's quality of life

- Locate one new alternative energy source for rural Alaska communities.
- Complete two master plans for marine parks
- Supervise and inspect 20 Alaskan dams for safety.
- Coordinate with the Bureau of Land Management to protect 134 million acres of Alaska's lands from wild fires, providing over 1000 seasonal jobs for rural residents.
- Plant 600 acres of forest land and survey 1,000 acres for regeneration.

3 Enhance natural resource accessibility by simplifying and accelerating regulatory processes and organizational structures to better serve our customers

- Maintain customer service centers in Public Information Centers in Anchorage, Juneau, and Fairbanks.
- Complete 1000 deeds for the Mental Health Trust Lands.
- Provide quality customer service for over 10,000 lease and sale contracts. Audit and maintain accurate records for 25,000 payments.
- Revise Title 38 to significantly reduce the steps in the many statutory processes.
- Certify entitlement for one municipal government and convey about 20,000 acres to 20 different municipalities.
- Adopt regulations which ensure that DNR management is consistent with the Mental Health Trust enabling act, settlement and settlement legislation.
- Attempt to secure the remaining 20,000 acres of Mental Health Trust entitlement.

4 Improve public awareness of Alaska's natural resource asset base, its market potential within Alaska and the world, how it affects our daily lives, creates jobs, and how to implement its promise for our common future.

- Convert 50% of the remaining manual plats to digital format and create 1,000 townships, in automated format, on the state's land information system.
- Develop public access for the electronic records of Land Records Information Services financed by fees and generate \$50,000 in program receipts.
- Distribute 10,000 resource integration maps generating \$50,000 in program receipts.
- Increase natural resource awareness in 20 public schools.
- Complete the Kodiak area plan (5 million acres).
- Establish a home page on the Internet providing world wide access to Alaska geologic resource publications.

KEY PERFORMANCE MEASURES

- Offer 1.6 million acres of state land for oil & gas leasing in three lease sales.
- Administer and facilitate the issuance of 31,000 mining claim permits.
- Maintain and operate 127 state park units to accommodate 6 million visits.
- Maintain the state's land data base through the notation of 10,000 state resource transactions, affecting 12,000 townships, and make this information available to the public.
- Generate \$1.3 million from sale of forest products and offer 49.3 million board feet for the forest industry.

Efficiencies and Economies

Volunteers In Parks (VIP): The VIP program which presently provides 72,000 hours of donated time, will be expanded 5% (3600 hours) this year.

Central Fire Facility: Forestry will evaluate consolidation of four separate fire suppression facilities into one, saving \$8 million over the 20 year life of the project.

Recorder's Office will provide copies of documents within one day of request.

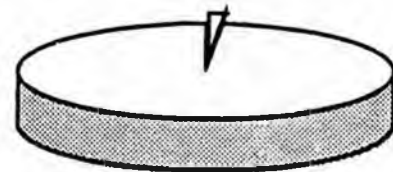
Other Key Issues

Responsibility review: Review all of our responsibilities, such as continued state ownership of vast amounts of surface land, to see if we can concentrate on the "vital few" and eliminate most of the "trivial many".

Process review: Continue the review of all of our processes to eliminate unnecessary steps and duplication.

Native Commission Report: Analyze our activities in rural Alaska to help achieve the goals set out in this report.

Department of Natural Resources
2% of Total Operating Budget



Budget Summary	FY95 Actual	FY96 Authorized	FY97 Governor
General Fund - Designated for specific purposes	\$N/A	\$2,522.7	\$2,544.4
General Fund - All other	50,918.7	41,780.7	41,127.1
Federal Funds	10,946.0	11,029.8	8,318.9
Other Funds -State corporation earnings, internal service funds	17,525.9	7,918.3	7,337.6
TOTAL BUDGET	\$79,390.6	\$63,251.5	\$59,328.0
Positions - Full-time	604	583	560
Part-time and Seasonal	240	240	231

DNR 96Auth to 97Gov (GF ONLY)

Short Form Page #	Description	Amount	Comments
	96 AUTH	42,763.4	
6	DP Chargeback Reduction	(110.3)	(110.3) subtotal reductions
*	Telecom Adjustments	88.7	
*	Salary Adjustments	434.8	
*	Risk Mgmt Adjustments	95.5	
15	Fund Source Change Badami - gift/grant to DesPR	640.0	
18	Fund Source Change Develop Proj -gift/grant to DesPR	500.0	1,759.0 subtotal increases & fund source changes
	97 ADJUSTED	44,412.1	
2	Ad Svcs Reduction - Share Director w/DMVA	(47.5)	
4	Eliminate CAC	(90.7)	
9	Land Reduction - Shore Fish (Appeals)	(150.0)	
10	Forestry Reduction - Span of Control	(225.0)	
11	O&G Reduction - Executive Order #92	(25.0)	
12	Mining Reduction - Coal Surface Mining	(124.4)	
13	DGGS Reduction - Executive Order #92	(25.0)	
14	Water Reduction - Adjudication of Water Rights	(43.0)	
14	Water Reduction - Eliminate USGS pass-through	(115.0)	
20	Parks Reduction - Replace GF w/Fees program receipts	(100.0)	
21	Ag Reduction - Eliminate Nursery	(95.0)	
21	Ag Reduction - Marketing and Land Disposal	(100.0)	
21	Ag Reduction - Replace GF with ARLF	(200.0)	(1,340.6) DECREMENTS
15	SPCO - Alyeska RPL DesPR Increase	400.0	
20	Parks PR Increment	200.0	600.0 increments
	97 GOVERNOR	43,671.5	908.1 subtotal changes 96 Auth to 97 Gov
	SUMMARY:		
	96 Authorized to 97 Adjusted	1,648.7	
	97 Adjusted to 97 Governor	(740.6)	
	96 Authorized to 97 Governor	908.1	

* Included in individual component listings.

State of Alaska Department of Health & Social Services

Fiscal Year 1997 Budget Overview



**Tony Knowles,
Governor**



**Karen Perdue,
Commissioner**

DEPARTMENT of HEALTH and SOCIAL SERVICES

**FY97 OPERATING BUDGET
HIGHLIGHTS**

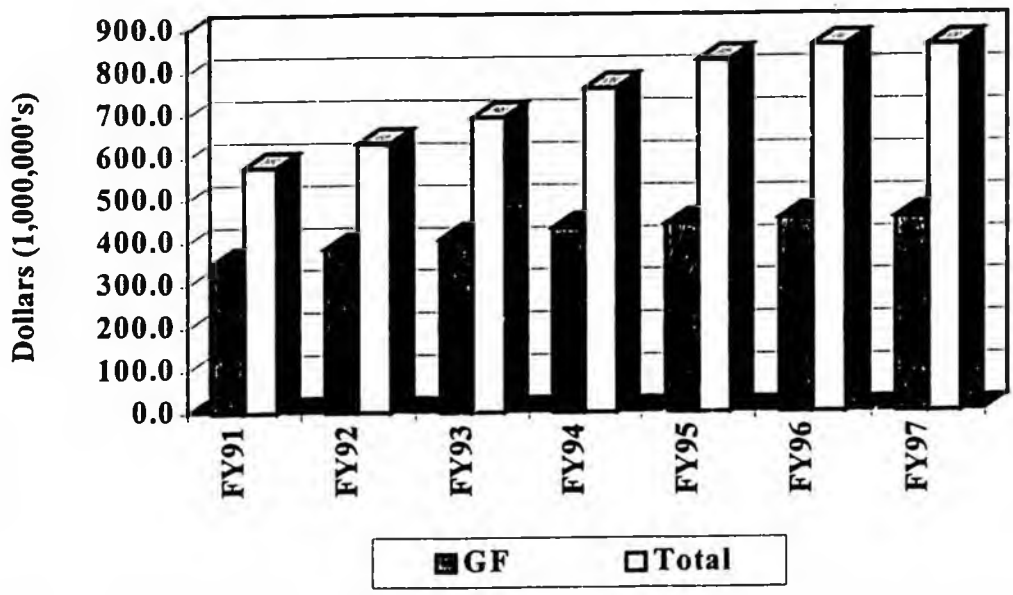
Development of FY97 Governor's Budget Request

	GF	TOTAL
FY96 CONFERENCE COMMITTEE REPORT	\$454,888.0	\$861,245.3
FISCAL NOTES/OTHER APPROPRIATIONS BILLS		
Division of Public Health	\$233.8	\$233.8
FY96 AUTHORIZED	\$455,121.8	\$861,479.1
ADJUSTMENTS		
Labor Contracts Adjustment	\$1,032.7	\$1,569.6
Risk Management Adjustment	\$247.5	\$376.5
Information Services Chargeback Adjustment	(\$146.1)	(\$307.9)
One Time Item (TB Control)	(\$83.8)	(\$83.8)
Total	\$1,050.3	\$1,554.4
FY97 BASE	\$456,172.1	\$863,033.5
INTERDEPARTMENTAL TECHNICAL TRANSFERS		
To DOA Senior Services	(\$250.0)	(\$250.0)
INCREMENTS/DECREMENTS		
FORMULA PROGRAMS		
Increments	\$2,918.8	\$3,406.3
Decrements	\$0.0	(\$148.5)
Sub-total	\$2,918.8	\$3,257.8
NON-FORMULA PROGRAMS		
Increments	\$250.0	\$1,980.4
Decrements		
Grants	(\$842.1)	(\$2,562.1)
Non-Grants	(\$1,425.7)	(\$3,894.9)
MH Trust Receipts	\$0.0	\$1,945.0
Sub-total	(\$2,017.8)	(\$2,531.6)
TECHNICAL TRANSFERS	\$0.0	(\$2,121.2)
Total	\$901.0	(\$1,395.0)
FY97 GOVERNOR'S REQUEST	\$456,823.1	\$861,388.5
NET AGENCY INCREASE	\$1,701.3	(\$90.6)
NET % INCREASE	0.4%	0.0%
FY97 POSITIONS	PFT	2047
	PPT	58
	TMP	10

DEPARTMENT of HEALTH and SOCIAL SERVICES

**FY97 OPERATING BUDGET
HIGHLIGHTS**

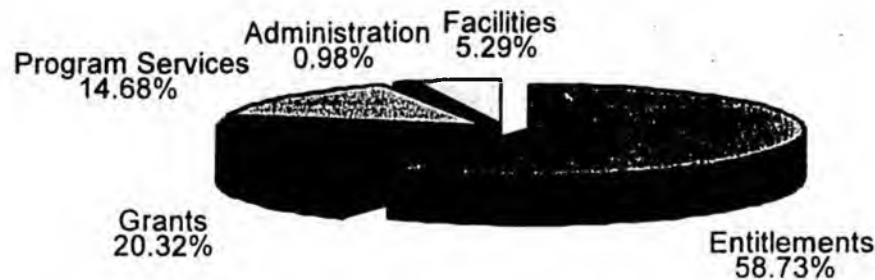
**General Fund and Total Funds
FY91-FY96 Authorization and FY97 Request**



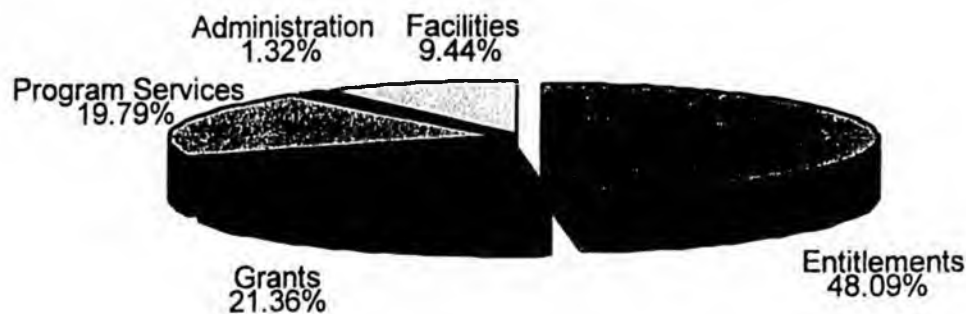
DEPARTMENT of HEALTH and SOCIAL SERVICES

FY97 OPERATING BUDGET HIGHLIGHTS

FY97 General Fund Request by Expenditure Category



FY91 General Fund Authority by Expenditure



Entitlements include all of the formula programs: AFDC, Adult Public Assistance, General Relief Medicaid, General Relief Assistance, Medicaid, Foster Care, Subsidized Adoption and Guardianship, and others.

Program Services include both administration and delivery of direct services, such as public health nursing and social services, as well as the administration of entitlements and community grants.

Community Grants include most of the components with major grants to other organizations, major contracts for service delivery, and the Energy Assistance program.

General Administration Services include the Commissioner's Office and other components of the Division of Administrative Services, and the three Mental Health Trust Boards--the Alaska Mental Health Board, the Governor's Council on Developmental Disabilities and Special Education, and the Advisory Board on Alcoholism and Drug Abuse.

Facilities include youth correctional facilities, Alaska Psychiatric Institute, and Harborview Developmental Center.

DEPARTMENT of HEALTH and SOCIAL SERVICES

FY97 OPERATING BUDGET HIGHLIGHTS

The mission of the Department of Health and Social Services is to promote and protect the health and well-being of every Alaskan by investing in families and communities.

To accomplish this mission in FY97 and beyond the department must adjust to significant changes at both the federal and state level. The department has adopted the following seven guiding principles:

1. services should be consumer driven
2. programs should be designed to promote client self-sufficiency
3. staff should strive to optimize local ownership of programs
4. collaboration strategies should be adopted
5. staff should work toward an efficient and effective management system
6. department should strive for a quality work force
7. program managers should design effective and outcome based services

Key Budget Points

Federal Changes Significant but not fully defined changes pending at the federal level

Welfare Reform Alaska moves ahead with plan to move people from welfare to work

Medicaid Program Slower growth through cost containment, and healthy economic climate with lower inflation of health care costs

Formula Growth Some formula programs continue historical caseload growth

Juvenile Justice Increasing caseloads stretch juvenile justice resources and facilities

Administrative Efficiencies Achieve 3% reduction in general administration costs and delete a total of 31 permanent full-time positions

Investment in Mental Health Trust beneficiaries Cooperation with the Mental Health Trust Authority led to modest increases for beneficiaries

Grants Achieve 1% reduction within targeted areas

DEPARTMENT of HEALTH and SOCIAL SERVICES

**FY97 OPERATING BUDGET
HIGHLIGHTS**

Federal Changes

The Governor's FY97 budget shows a dramatic change in the growth of entitlements as compared to the last 7 years. Caseload decreases and slower growth for AFDC and Medicaid give Alaska an opportunity to plan for expected Federal changes.

The Governor and the department are participating in dialogue regarding widespread reform in the following areas:

PROPOSAL

- Welfare Bill (HR4)
 - AFDC
 - Food Stamps
 - SSI
 - Child Protection Block Grant
 - Child Support
 - Child Nutrition
 - Child Care Block Grant

- Medicaid

- Workforce Development

- Labor HSS Appropriation

STATUS

In negotiation between the
Congress and the President

In negotiation between the
Congress and the President

Pending Conference

In US Senate

DEPARTMENT of HEALTH and SOCIAL SERVICES

**FY97 OPERATING BUDGET
HIGHLIGHTS**

Welfare Reform Key Principles

- Emphasizes work
- Sets limits on benefits
- Reinvests in Alaska families
- Maintains the safety net for Alaska's poor
- Promotes Responsibility
- Re-engineers delivery system

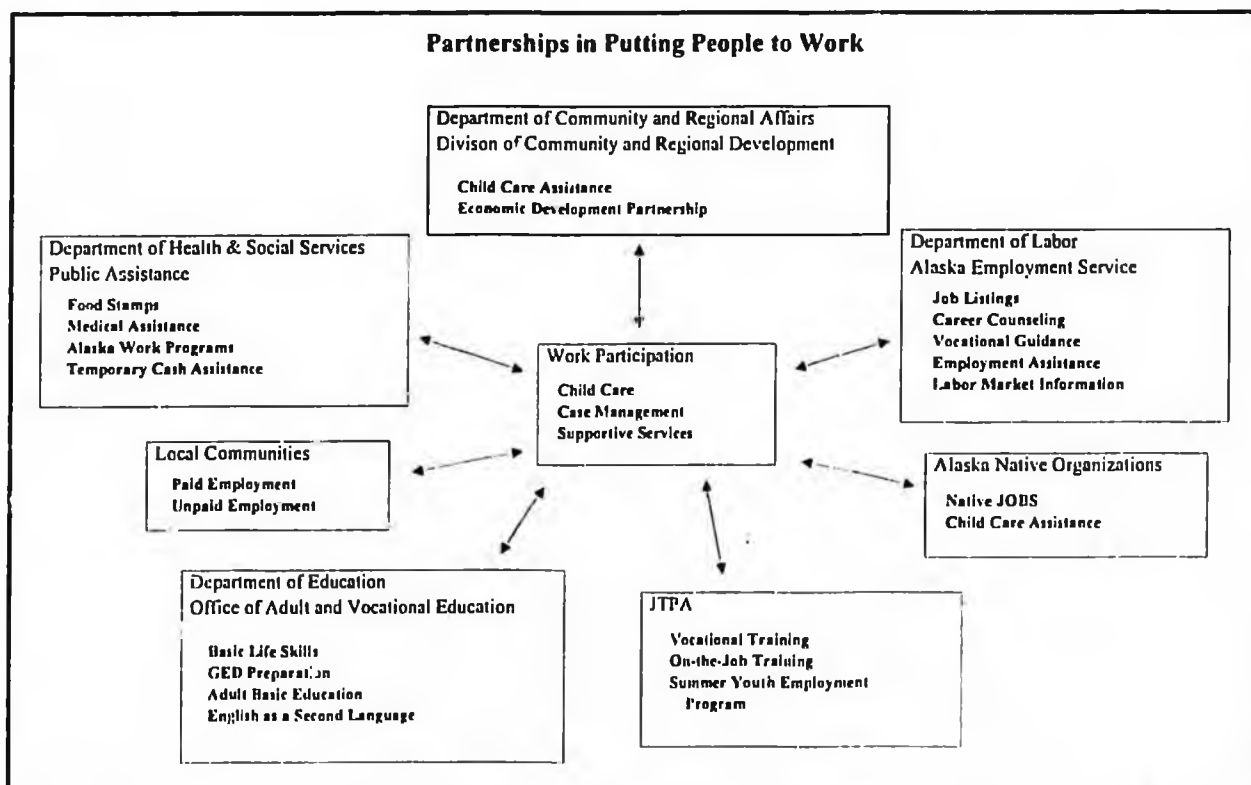
DEPARTMENT of HEALTH and SOCIAL SERVICES

FY97 OPERATING BUDGET HIGHLIGHTS

Welfare Reform

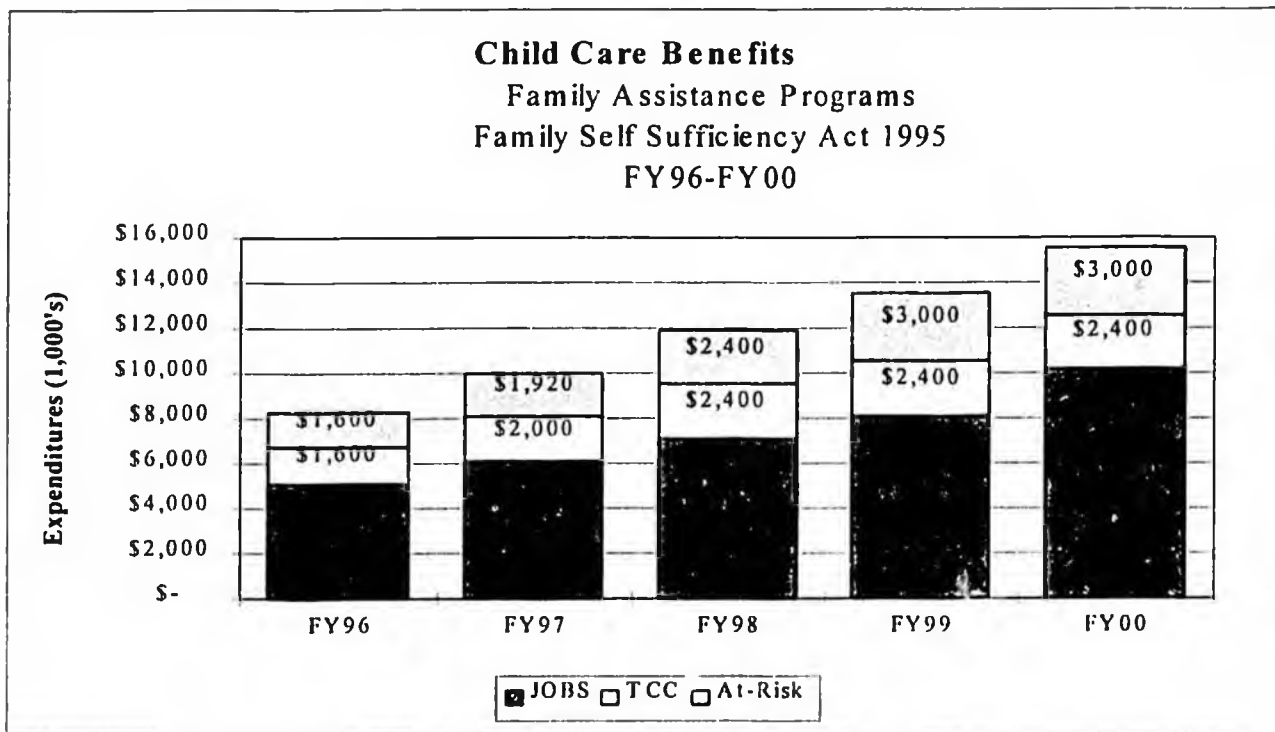
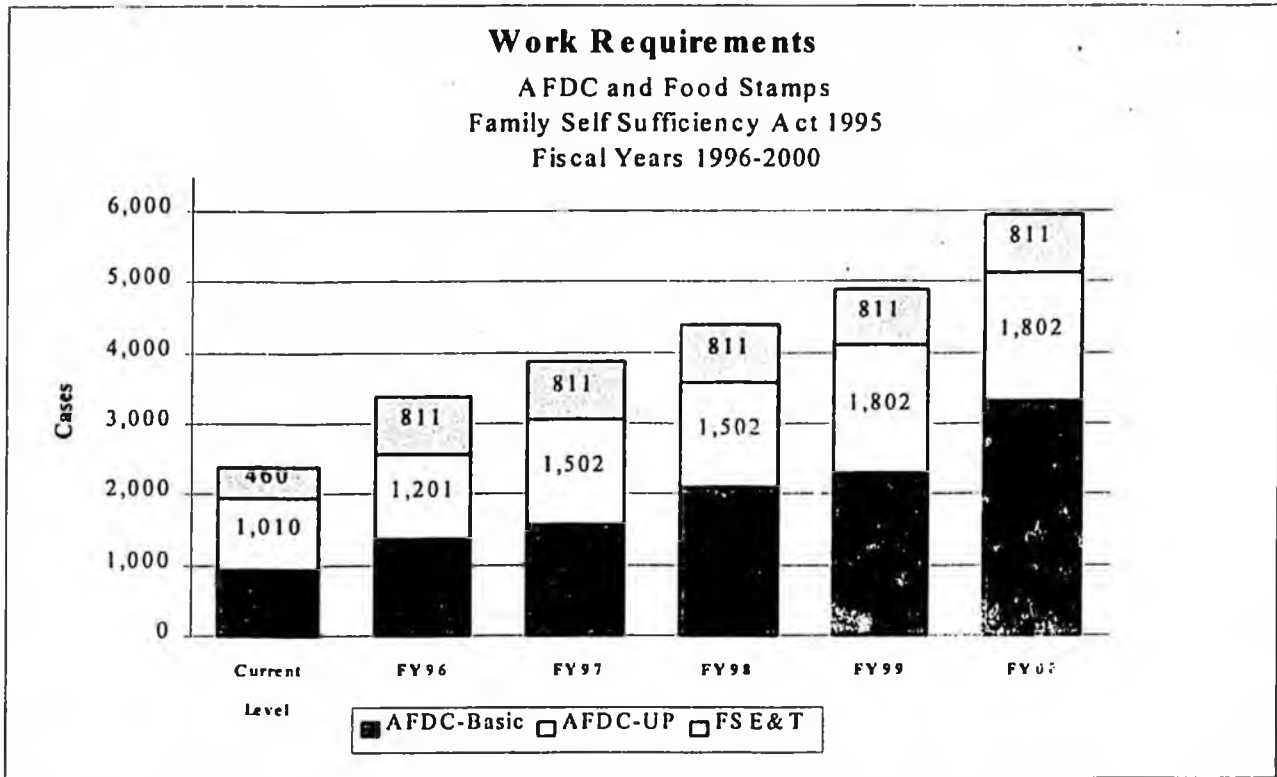
The Knowles Welfare Reform Plan:

- A 5 year limit on welfare benefits (beginning at age 18)
- No additional general fund money required for AFDC benefits in the next 5 years if reinvestment of program savings into job training and child care is made (\$6883.4 GF)
- Reducing AFDC caseloads by 10% (1,300 cases) over 5 years
- Reducing benefits for welfare recipients with low housing costs
- Adjust payments to two parent families
- Letting families keep more of the income they earn so it pays to work
- Establishing a diversion program to help families avoid welfare
- Increasing child support cash collections for welfare families by 35%



DEPARTMENT of HEALTH and SOCIAL SERVICES

**FY97 OPERATING BUDGET
HIGHLIGHTS**



DEPARTMENT of HEALTH and SOCIAL SERVICES

FY97 OPERATING BUDGET HIGHLIGHTS

Medical Assistance Formula Programs

The Medical Assistance BRU formula programs (Medicaid and General Relief Medical) are the same level in FY97 as in FY96 due to:

- No significant increase in the number of recipients
- Aggressive cost management
- Sentinel effects from health care and welfare reform discussions

Uncertainties at the federal level continue to dominate discussions at this time. The eventual outcome of the federal Medicaid debate will undoubtedly require Alaska to review and adjust its Medicaid program.

Key Issues in Federal Medicaid Reform

- Entitlement (Per Capita Cap) versus Block Grant
- Flexibility versus national minimum standards
- Growth rate formulas (equity among states)

ATTACHMENT III

ATTACHMENT III

**Formula Allotment of Funds under Conference Agreement
(Excluding Amounts for Undocumented Aliens and Special Rule)**

State	Federal Medicaid Grant FY 1998	Projected Federal Medicaid Grant FY 1997	% Difference	Projected Federal Medicaid Grant FY 1998	% Difference	Projected Federal Medicaid Grant FY 1999	% Difference
Alabama	1,517,852,207	1,854,240,908	9.00	1,742,481,573	5.33	1,835,387,049	5.33
Alaska	204,933,213	212,105,875	3.50	223,417,482	5.33	235,332,336	5.33
Arizona	1,370,781,297	1,484,151,813	9.00	1,573,834,719	5.33	1,657,787,325	5.33
Arkansas	1,011,457,933	1,102,489,147	9.00	1,161,284,893	5.33	1,223,216,216	5.33
California	8,946,838,481	9,752,053,923	9.00	10,434,897,698	7.00	11,165,128,538	7.00
Colorado	757,482,879	826,887,020	9.00	888,699,842	5.33	918,080,934	5.33
Connecticut	1,463,011,635	1,514,217,042	3.50	1,558,643,553	3.00	1,580,836,424	2.00
Delaware	212,327,763	219,759,235	3.50	231,478,995	5.33	243,823,770	5.33
District of Columbia	501,412,091	518,981,515	3.50	534,530,380	3.00	545,220,987	2.00
Florida	3,715,624,180	4,050,030,357	9.00	4,333,532,481	7.00	4,638,879,755	7.00
Georgia	2,428,320,802	2,644,889,456	9.00	2,785,730,745	5.33	2,934,293,765	5.33
Hawaii	323,124,375	334,433,728	3.50	344,466,740	3.00	351,358,075	2.00
Idaho	278,329,888	303,379,357	9.00	324,615,912	7.00	347,339,028	7.00
Illinois	3,467,274,342	3,779,329,032	9.00	3,932,204,830	4.05	4,183,832,988	5.89
Indiana	1,862,467,267	2,128,189,321	9.00	2,213,318,894	4.00	2,301,849,570	4.00
Iowa	835,235,885	910,407,125	9.00	948,823,410	4.00	984,686,348	4.00
Kansas	713,700,889	777,933,947	9.00	809,051,305	4.00	841,413,357	4.00
Kentucky	1,577,828,832	1,719,833,427	9.00	1,811,562,144	5.33	1,908,182,220	5.33
Louisiana	2,822,000,000	2,622,000,000	0.00	2,822,000,000	0.00	2,822,000,000	0.00
Maine	684,220,790	718,518,618	3.50	740,074,073	3.00	754,875,555	2.00
Maryland	1,369,899,847	1,487,481,188	8.60	1,546,959,634	4.00	1,608,838,018	4.00
Massachusetts	2,870,346,862	2,970,808,002	3.50	3,059,833,272	3.00	3,121,131,938	2.00
Michigan	3,485,182,988	3,777,048,348	9.00	3,929,131,320	4.00	4,085,258,573	4.00
Minnesota	1,793,776,358	1,858,558,528	3.50	1,912,255,284	3.00	1,950,500,390	2.00
Mississippi	1,221,701,000	1,378,211,000	3.00	1,471,815,000	7.00	1,571,822,000	7.00
Missouri	1,848,248,845	2,015,881,350	9.00	2,098,308,804	4.00	2,208,104,742	5.33
Montana	312,212,472	340,311,585	9.00	358,345,980	4.71	375,349,911	5.33
Nebraska	463,900,417	488,708,750	4.81	600,792,953	3.00	510,808,812	2.00
Nevada	257,898,453	281,107,134	9.00	300,784,634	7.00	321,839,558	7.00
New Hampshire	380,000,000	380,000,000	0.00	380,000,000	0.00	380,000,000	0.00
New Jersey	2,854,621,241	2,854,532,984	3.50	3,043,188,974	3.00	3,104,032,353	2.00
New Mexico	634,758,945	691,886,070	9.00	740,317,025	7.00	792,139,217	7.00
New York	12,901,793,038	13,353,366,795	3.50	13,753,958,468	3.00	14,029,035,598	2.00
North Carolina	2,587,883,809	2,820,793,352	9.00	2,933,625,086	4.00	3,050,970,089	4.00
North Dakota	241,168,563	262,873,733	9.00	273,388,683	4.00	284,324,230	4.00
Ohio	4,034,048,890	4,397,114,182	9.00	4,572,988,728	4.00	4,755,918,878	4.00
Oklahoma	911,198,775	993,206,684	9.00	1,062,731,131	7.00	1,137,122,310	7.00
Oregon	1,088,870,440	1,188,850,780	9.00	1,234,116,811	4.00	1,283,481,483	4.00
Pennsylvania	4,454,423,400	4,782,171,114	7.36	4,973,457,959	4.00	5,172,398,277	4.00
Rhode Island	646,886,282	684,786,281	3.50	718,728,839	3.00	748,363,418	2.00
South Carolina	1,621,021,815	1,788,913,779	9.00	1,861,143,290	5.33	1,880,388,062	5.33
South Dakota	262,804,959	286,457,405	9.00	297,915,702	4.00	309,832,330	4.00
Tennessee	2,519,934,251	2,748,728,333	9.00	2,856,597,488	4.00	2,970,861,366	4.00
Texas	8,351,909,343	8,923,581,184	9.00	7,408,231,868	7.00	7,928,808,097	7.00
Utah	484,274,254	527,858,937	9.00	558,009,654	5.33	589,681,849	5.33
Vermont	248,158,728	258,844,284	3.50	284,549,813	3.00	289,953,182	2.04
Virginia	1,144,962,508	1,248,009,135	9.00	1,335,389,774	7.00	1,428,845,658	7.00
Washington	1,763,480,986	1,825,182,131	3.50	1,879,937,595	3.00	1,917,538,347	2.00
West Virginia	1,158,813,157	1,280,928,342	9.00	1,311,393,395	4.00	1,363,817,931	4.00
Wisconsin	1,709,800,842	1,883,365,700	9.00	1,937,889,928	4.00	2,015,405,525	4.00
Wyoming	132,915,380	137,587,429	3.50	144,903,900	6.33	152,631,625	5.33
Subtotal: States &	98,246,087,884	103,083,710,678	7.10	107,750,946,783	4.53	112,480,484,215	4.39
Subtotal: Territories	139,950,000	149,892,485	7.10	158,878,044	4.53	183,558,193	4.39
U. S. Total	98,386,037,884	103,233,603,164	7.10	107,909,824,827	4.53	112,664,042,408	4.39

Notes: (1) Projected grants for FY 1997 through FY 2002 assume no changes in any state's poverty count, consumer cost index, input cost index, and FMAP. (2) The allotments shown for Louisiana, Nebraska, and Nevada exclude their increased allocations under Special Rule (b)(3)(C)(i)(iii). Under the special rule Louisiana and Nebraska receive an additional \$37,048,207 and \$108,132,408 in 1997, and Nevada \$80,000,000 in FY 1998-1999. (3) Amounts for undocumented aliens excluded.

ATTACHMENT III

ATTACHMENT III

**Formula Allotment of Funds under Conference Agreement
(Excluding Amounts for Undocument Aliens and Special Rule)**

State	Projected Federal Medicaid Grant FY 2000	% Difference	Projected Federal Medicaid Grant FY 2001	% Difference	Projected Federal Medicaid Grant FY 2002	% Difference	Total Federal Medicaid Grant FY 1996 - 2002
Alabama	1,933,288,240	5.33	2,036,389,435	5.33	2,144,989,017	5.33	12,864,348,427
Alaska	247,862,610	5.33	261,102,189	5.33	275,028,789	5.33	1,659,800,474
Arizona	1,748,176,058	5.33	1,838,289,625	5.33	1,912,871,810	4.00	11,594,882,245
Arkansas	1,288,450,337	5.33	1,357,163,393	5.33	1,429,540,917	5.33	8,573,602,836
California	11,946,685,394	7.00	12,782,953,372	7.00	13,677,780,108	7.00	76,708,115,481
Colorado	952,724,172	4.00	990,833,139	4.00	1,030,466,484	4.00	6,342,864,250
Connecticut	1,622,653,153	2.00	1,655,108,216	2.00	1,688,208,340	2.00	11,093,678,383
Delaware	268,828,892	5.33	270,523,470	5.33	284,950,488	5.33	1,719,690,812
District of Columbia	556,125,387	2.00	567,247,894	2.00	578,592,862	2.00	3,802,091,087
Florida	4,961,461,338	7.00	5,308,783,832	7.00	5,680,377,088	7.00	32,688,668,829
Georgia	3,051,665,516	4.00	3,173,732,136	4.00	3,300,681,422	4.00	20,317,113,842
Hawaii	358,383,198	2.00	365,550,860	2.00	372,681,877	2.00	2,450,178,852
Idaho	371,652,758	7.00	397,668,451	7.00	425,505,243	7.00	2,448,480,433
Illinois	4,330,366,308	4.00	4,503,601,781	4.00	4,683,745,831	4.00	28,860,375,093
Indiana	2,393,923,552	4.00	2,489,890,494	4.00	2,588,267,714	4.00	16,088,694,812
Iowa	1,024,084,200	4.00	1,065,047,568	4.00	1,107,649,471	4.00	6,873,944,016
Kansas	875,069,891	4.00	910,072,687	4.00	946,475,594	4.00	5,873,717,650
Kentucky	2,009,924,511	5.33	2,117,113,785	5.33	2,230,019,463	5.33	13,374,434,382
Louisiana	2,622,000,000	0.00	2,781,831,260	5.33	2,809,119,721	5.33	18,780,950,981
Maine	789,673,068	2.00	785,372,527	2.00	801,079,878	2.00	5,284,114,507
Maryland	1,673,191,540	4.00	1,740,119,201	4.00	1,808,723,969	4.00	11,235,993,397
Massachusetts	3,183,554,578	2.00	3,247,225,668	2.00	3,312,170,181	2.00	21,785,171,500
Michigan	4,248,688,835	4.00	4,418,813,509	4.00	4,595,358,049	4.00	28,518,258,518
Minnesota	1,989,510,388	2.00	2,029,300,606	2.00	2,069,888,818	2.00	13,601,788,179
Mississippi	1,684,652,660	7.00	1,802,792,347	7.00	1,928,987,811	7.00	11,100,000,018
Missouri	2,296,428,931	4.00	2,388,286,089	4.00	2,483,817,532	4.00	15,337,878,193
Montana	390,383,907	4.00	405,978,464	4.00	422,217,602	4.00	2,602,779,931
Nebraska	521,024,988	2.00	531,446,488	2.00	542,074,398	2.00	3,556,253,807
Nevada	344,368,327	7.00	368,474,110	7.00	394,267,298	7.00	2,268,737,513
New Hampshire	360,000,000	0.00	367,200,000	2.00	374,544,000	2.00	2,541,744,000
New Jersey	3,166,113,000	2.00	3,229,435,260	2.00	3,294,023,985	2.00	21,845,927,777
New Mexico	847,588,962	7.00	908,920,189	7.00	970,404,603	7.00	5,584,012,012
New York	14,309,616,310	2.00	14,595,808,838	2.00	14,887,724,809	2.00	97,831,290,654
North Carolina	3,173,008,893	4.00	3,299,928,249	4.00	3,431,928,419	4.00	21,298,136,897
North Dakota	296,697,199	4.00	307,525,087	4.00	319,828,091	4.00	1,984,803,587
Ohio	4,846,155,425	4.00	5,144,001,642	4.00	5,349,781,708	4.00	33,200,000,033
Oklahoma	1,216,720,872	7.00	1,301,891,333	7.00	1,383,023,728	7.00	8,015,894,810
Oregon	1,334,820,743	4.00	1,388,213,572	4.00	1,443,742,115	4.00	8,959,695,844
Pennsylvania	5,379,292,128	4.00	5,584,483,813	4.00	5,818,242,366	4.00	36,174,447,057
Rhode Island	605,230,885	2.00	617,335,298	2.00	629,682,004	2.00	4,137,811,788
South Carolina	2,064,946,091	5.33	2,175,069,668	5.33	2,291,068,131	5.33	13,740,558,833
South Dakota	322,225,623	4.00	335,114,848	4.00	348,519,234	4.00	2,162,888,900
Tennessee	3,089,695,820	4.00	3,213,263,652	4.00	3,341,814,999	4.00	20,738,915,886
Texas	8,411,891,887	6.12	8,761,450,414	4.04	9,101,508,431	4.00	54,875,181,021
Utah	616,884,985	5.33	649,793,995	5.33	682,982,488	5.06	4,103,175,964
Vermont	281,254,276	4.19	293,055,846	4.20	305,359,758	4.20	1,919,175,467
Virginia	1,485,999,485	4.00	1,545,439,464	4.00	1,607,257,043	4.00	9,795,883,067
Washington	1,955,887,074	2.00	1,985,004,815	2.00	2,034,904,912	2.00	13,371,913,869
West Virginia	1,418,370,648	4.00	1,475,105,474	4.00	1,534,109,693	4.00	9,520,508,641
Wisconsin	2,099,021,746	4.00	2,179,882,616	4.00	2,287,067,121	4.00	14,089,093,279
Wyoming	180,771,469	5.33	189,345,412	5.33	178,378,603	5.33	1,076,511,828
Subtotal: States	117,189,281,660	4.19	122,106,519,258	4.20	127,233,231,637	4.20	786,080,282,326
Subtotal: Territories	170,403,188	4.19	177,553,267	4.20	185,007,943	4.20	1,143,042,118
U. S. Total	117,359,685,048	4.19	122,284,072,525	4.20	127,418,239,580	4.20	787,223,304,444

DEPARTMENT of HEALTH and SOCIAL SERVICES

**FY97 OPERATING BUDGET
HIGHLIGHTS**

Other Formula Programs

Historical growth patterns continue for the remainder of the department's formula programs and are expected to be as follows:

Adult Public Assistance : 4.2% growth in caseload requiring a \$1,967.6 increment

Foster Care : 7.2% growth in caseload requiring a \$1,264.6 increment

Projected growth in reports of harm to children : 7.3%

Projected growth in youth corrections intakes : 3.2%

Subsidized Adoption and Guardianship : 7.2% growth in placements requiring a \$174.1 increment

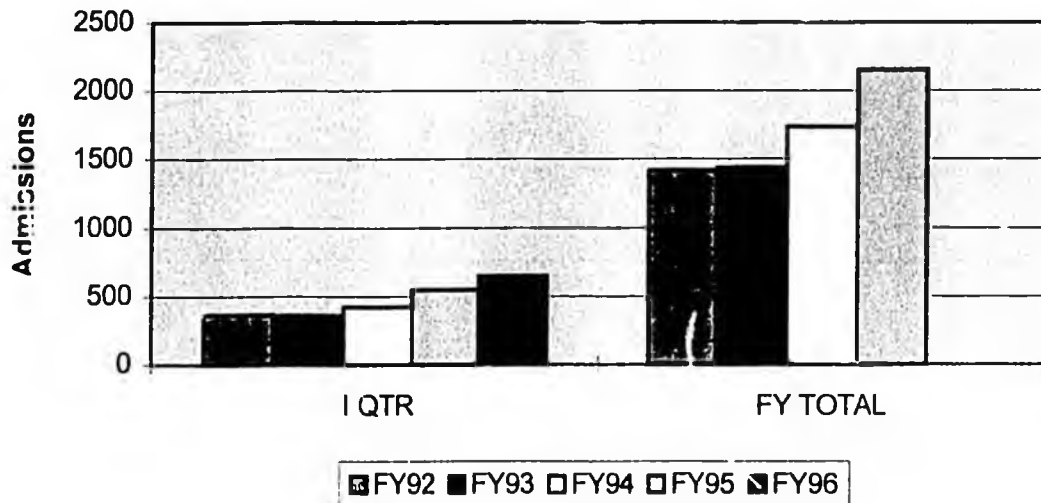
DEPARTMENT of HEALTH and SOCIAL SERVICES

**FY97 OPERATING BUDGET
HIGHLIGHTS**

Juvenile Justice

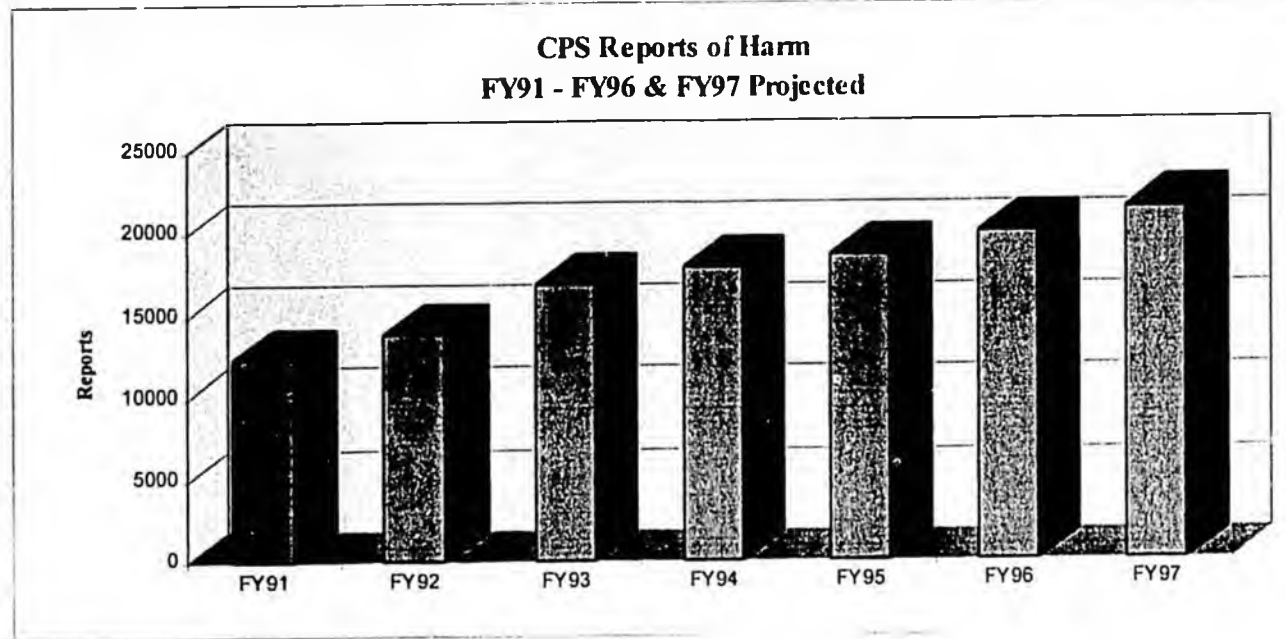
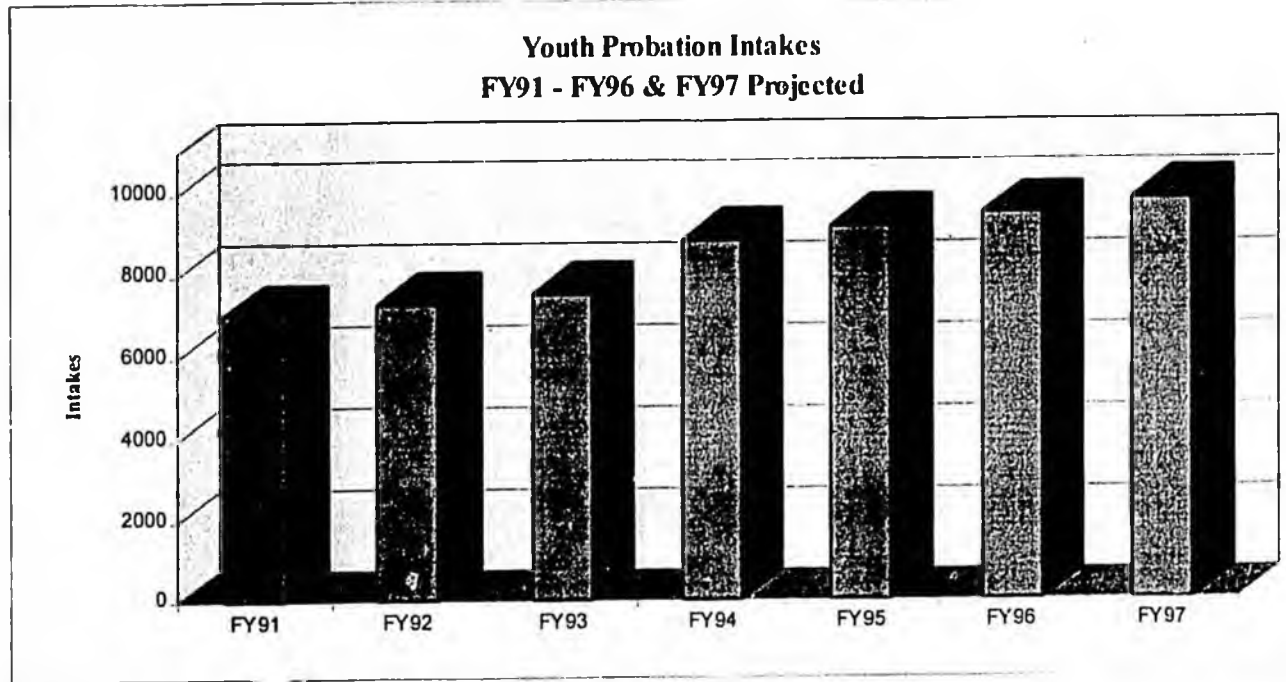
As we strive to address Alaska's growing juvenile justice problems with the tools available to the department--youth correctional facilities and our juvenile probation officers--we find ourselves stretched between increasing caseloads and very tight budgets. As the following charts show, our resources are being spread over an ever increasing caseload. We are, therefore, working with communities and concerned organizations to craft a collaborative approach to this problem that will result in a local commitment to reversing the upward trend. Through our Making a Difference program and the ongoing Conference on Youth and Justice we are actively recruiting local participation in this very important work.

**YOUTH CORRECTIONAL FACILITIES ADMISSIONS
FY92 - FY96**



DEPARTMENT of HEALTH and SOCIAL SERVICES

**FY97 OPERATING BUDGET
HIGHLIGHTS**



DEPARTMENT of HEALTH and SOCIAL SERVICES

FY97 OPERATING BUDGET HIGHLIGHTS

Non-Formula Programs

Administrative efficiencies:

- The department's new FY97 budget structure is a first major step toward efficient management by reducing the number of appropriations and budget components within the department
 - reduce number of appropriations from 28 in FY96 to 19 in FY97
 - reduce number of components from 104 in FY96 to 94 in FY97
 - simplified budget management and increased program management flexibility
 - reduce the number of delete/add supplementals required
- Reorganized staff duties and eliminated underutilized positions to a target of a 3% reduction in administrative costs
- \$813.4 in general fund sources saved

Facilities:

- Harborview Development Center closure 2nd year efforts
 - General fund reduction of \$585.0
 - Delete 20 positions in FY97, reduce staff to level needed based on discharges
 - Place eight developmentally disabled individuals and twelve individuals experiencing a mental illness (complex conditions with various dementia) into community settings
- Alaska Psychiatric Institute right-sizing
 - Delete 7 positions in FY97
 - Constant admission rate of 1100 per year over last 5 years will be served in FY97 by reduced staff (more than 65 positions eliminated over last 2 years)
 - Concerns and issues
 - evaluating the adequacy of current nighttime staffing levels with respect to maintaining minimum safety requirements
 - federal funding under new federal Medicaid program (Medicaid Disproportionate Share)

Grants:

- Overall department grants reduction of \$842.1 in general fund sources (1% reduction)
- Efforts to maintain essential services
 - No reductions for Alcoholism and Drug Abuse grants programs
 - Will work with Grantees to targeted areas for reduction having least impact on services

DEPARTMENT of HEALTH and SOCIAL SERVICES

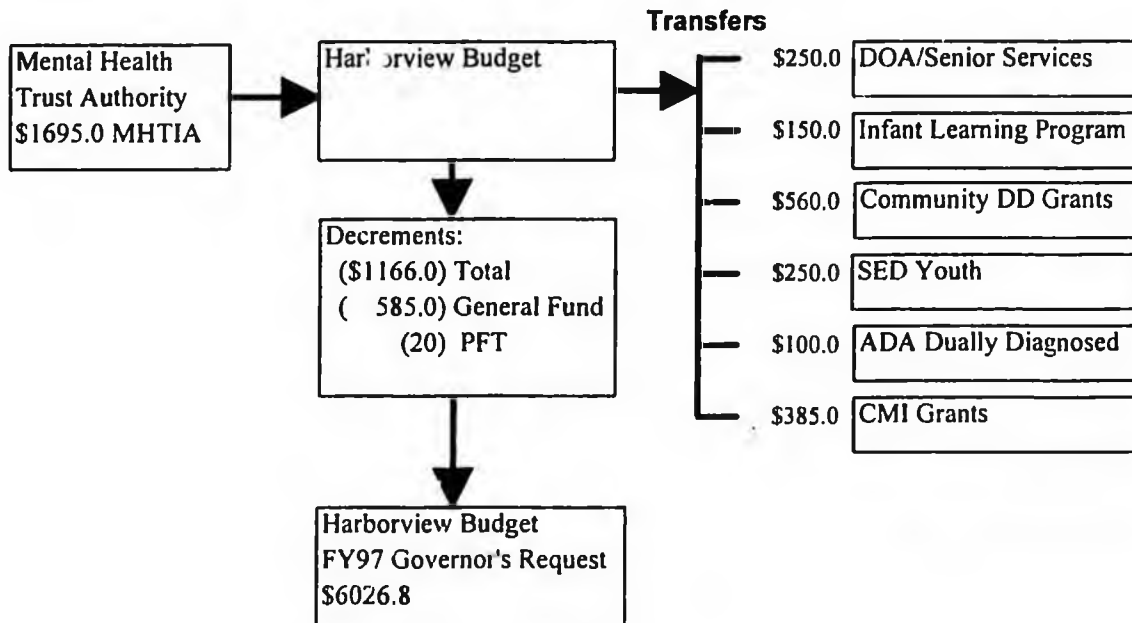
**FY97 OPERATING BUDGET
HIGHLIGHTS**

Investment in Mental Health Trust Beneficiaries

The DHSS FY97 budget includes implementation of a number of program enhancements that were recommended by the Mental Health Trust Authority.

Key points of the funding proposal:

- The Department worked closely with the Mental Health Trust Authority and the advisory boards during fall 1995 to identify needed program enhancements.
- The complex funding proposal includes minimal new general funds which leverage significant mental health trust receipts so that funds can be transferred from Harborview to community programs.
- Transfers from Harborview Developmental Center are consistent with the second year of the close-out plan and include funds for discharging 20 residents to community programs.



DEPARTMENT of HEALTH and SOCIAL SERVICES

**FY97 OPERATING BUDGET
HIGHLIGHTS**

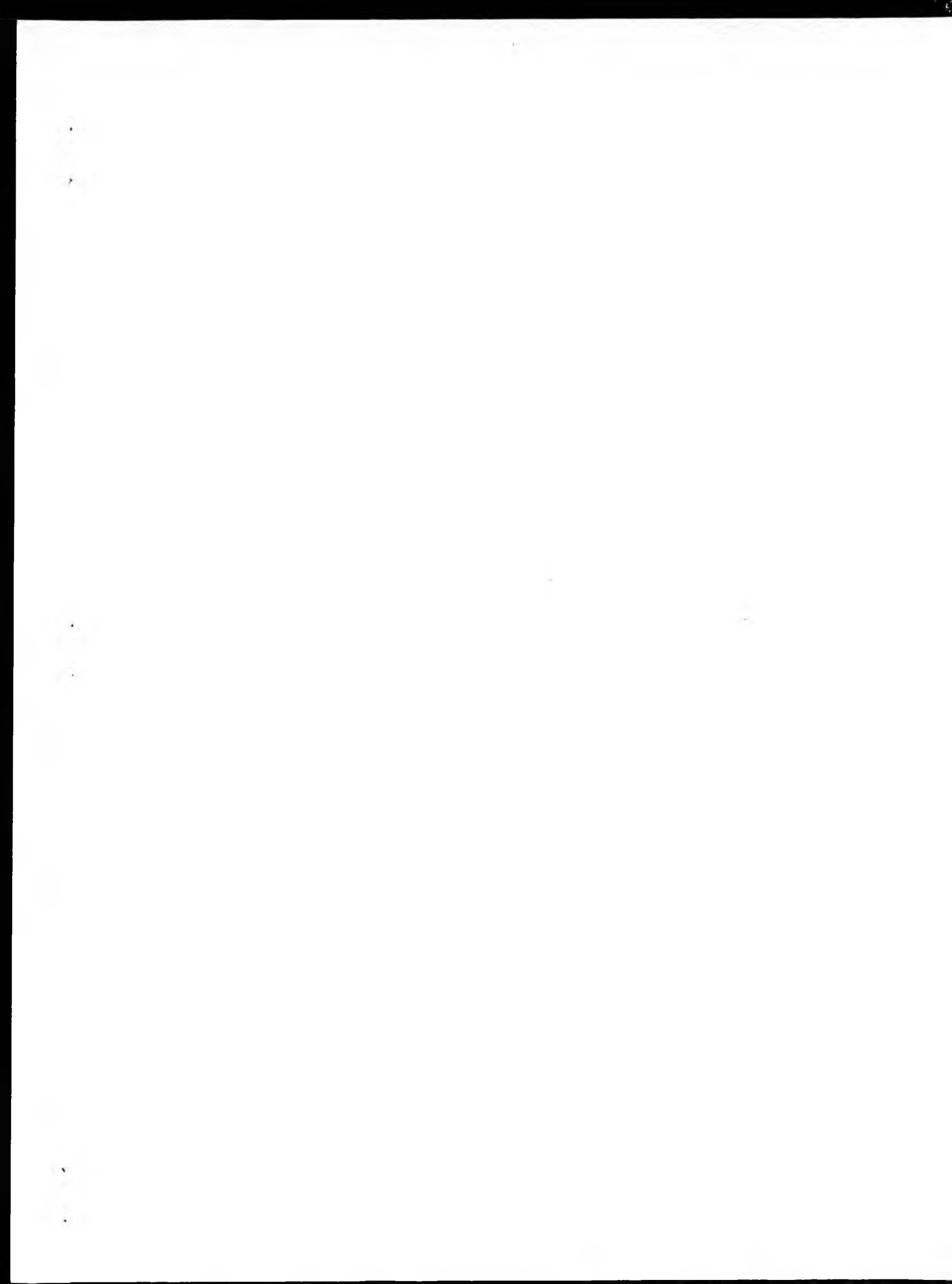
FY97 Position Deletions/Additions

Deleted Positions

Component	Classification	Location	Position Status	Range	Time Status
Nursing	PH Nurse Aide	Tanana	Filled	10JK	Part Time
Nursing	PH Specialist II	Juneau	Filled	20KL	Full Time
Bureau of Vital Statistics	Project Coordinator	Juneau	Filled	18LM	Full Time
Community Health/EMS Services	Health Program Mgr II	Juneau	Vacant	21A	Full Time
Community Health/EMS Services	Admin Asst I	Juneau	Filled	12DE	Full Time
Mental Health/DD Admin	Admin Clerk II	Anchorage	Vacant	8A	Full Time
Alaska Psychiatric Institute	Lic Prac Nurse	Anchorage	Vacant	13A	Full Time
Alaska Psychiatric Institute	Psych Nurse Asst I	Anchorage	Vacant	7A	Full Time
Alaska Psychiatric Institute	Nurse III (Psych)	Anchorage	Vacant	16A	Full Time
Alaska Psychiatric Institute	Nurse I	Anchorage	Vacant	14A	Full Time
Alaska Psychiatric Institute	Correspondence Sec I	Anchorage	Vacant	8KL	Seasonal
Alaska Psychiatric Institute	Admin Clerk II	Anchorage	Vacant	8CD	Seasonal
Alaska Psychiatric Institute	Garment Worker II	Anchorage	Vacant	8BC	Seasonal
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7AB	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Vacant	7AB	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Resident Aide I	Valdez	Filled	7BC	Full Time
Harborview Developmental Center	Electrician	Valdez	Filled	52CD	Full Time
Harborview Developmental Center	Unit Supervisor HDC	Valdez	Vacant	17A	Full Time
Harborview Developmental Center	Cook I	Valdez	Filled	99	Full Time
Harborview Developmental Center	Unit Supervisor HDC	Valdez	Filled	17CD	Full Time
Harborview Developmental Center	Lic Prac Nurse	Valdez	Filled	13BC	Full Time
Harborview Developmental Center	Resident Aide IV	Valdez	Filled	12A	Full Time
Harborview Developmental Center	Lic Prac Nurse	Valdez	Filled	13FJ	Full Time
Harborview Developmental Center	Admin Clerk	Valdez	Vacant	8A	Full Time
Harborview Developmental Center	Maintenance Mechanic	Valdez	Filled	52DE	Full Time
Admin Services Support	Accounting Tech III	Juneau	Vacant	16BC	Full Time

New Positions

Component	Classification	Location	Position Status	Range	Time Status
Maternal, Child, & Family Hlth	Admin Clerk II	Anchorage	New	8A	Full Time
Epidemiology	Admin Clerk II	Anchorage	New	8A	Full Time
Community Health/EMS Services	Admin Clerk III	Juneau	New	10A	Part Time
Community Health/EMS Services	Admin Clerk II	Juneau	New	8A	Part Time



Attachment #3
1/17/96
University

University of Alaska

FY97 Operating and Capital Budget Request

January 12, 1996

Prepared by the
Statewide Budget Office
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University of Alaska

FY97 Operating and Capital Budget Request

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University of Alaska

FY97 Operating and Capital Budget Request

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UNIVERSITY OF ALASKA STATEWIDE SYSTEM

202 BUTROVICH BLDG
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January 8, 1996

Dear Alaska Legislator:

I am very pleased to submit the University of Alaska's FY97 budget proposal for your consideration.

During the summer and early fall, discussions were held throughout the University to prepare a thoughtful budget that would not only fairly represent the needs of public higher education in Alaska, but also recognize the fiscal pressures on State government. Prepared under the guidance of the University of Alaska Board of Regents, and submitted with its approval, this budget represents three major aspirations: to maintain and improve the quality of the University's work in instruction, research and public service; to provide access to higher education for both urban and rural residents; to meet the growing needs of industry and the public for a skilled citizenry.

Even in the face of declining general fund revenues, the University of Alaska provides a quality education at reasonable costs. But this is becoming ever more difficult to do. General fund support has not kept pace with increased enrollments or the cost of goods and services, decreasing by \$4.7 in nominal dollars since FY94 and by over 40% in real dollars since FY86. The result is not only a very lean institution, but one which needs more resources so that it can expand its services and meet the publics' growing expectations.

To meet these additional resource needs, the University is first looking to itself. It has reduced its dependence on State general funds, increasing revenues from other sources by over \$47 million or 40% since FY91. Most notably, student tuition and fee revenues have increased by 52% since FY91 and now account for 46% of direct instructional expenditures. However, tuition rates at the University of Alaska are now comparable to those in similar institutions in other states. Further increases in FY97 would work against many Alaskans obtaining the education needed for entry level jobs and cause many to delay or surrender any chance of reasonable economic advancement.

UNIVERSITY OF ALASKA

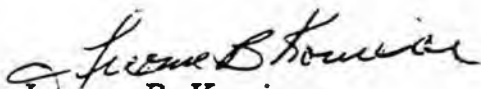
The University has also initiated difficult and controversial internal program reviews and assessments designed to assure academic quality, administrative efficiency, and increased levels of faculty and staff productivity. That process is ongoing and will eventually affect virtually every program in the University. Many programs will lose resources. Some programs will be in new organizational arrangements, and some offerings will be discontinued.

These reductions and reallocations, however, in the absence of increased State support, must inevitably lead to reductions in full-time instructors, library books and periodicals, and course section offerings. The University will have no choice but to contract the range of services it now provides if State support, in real terms, continues to erode.

These are difficult times and I do not envy the challenges that you face during this upcoming legislative session. However, I urge you to consider the effect that continued reductions to University programs will have on Alaska's citizens and on the State's economy. Ultimately, we are all affected if Alaskans cannot obtain the quality education they need to assure success in our increasingly complex economy, or if the research and public outreach needed for economic development becomes less and less available.

This budget proposal realistically reflects the resources the University needs to meet its obligations to the public and to support the priorities of the State. I know you will give it your serious consideration.

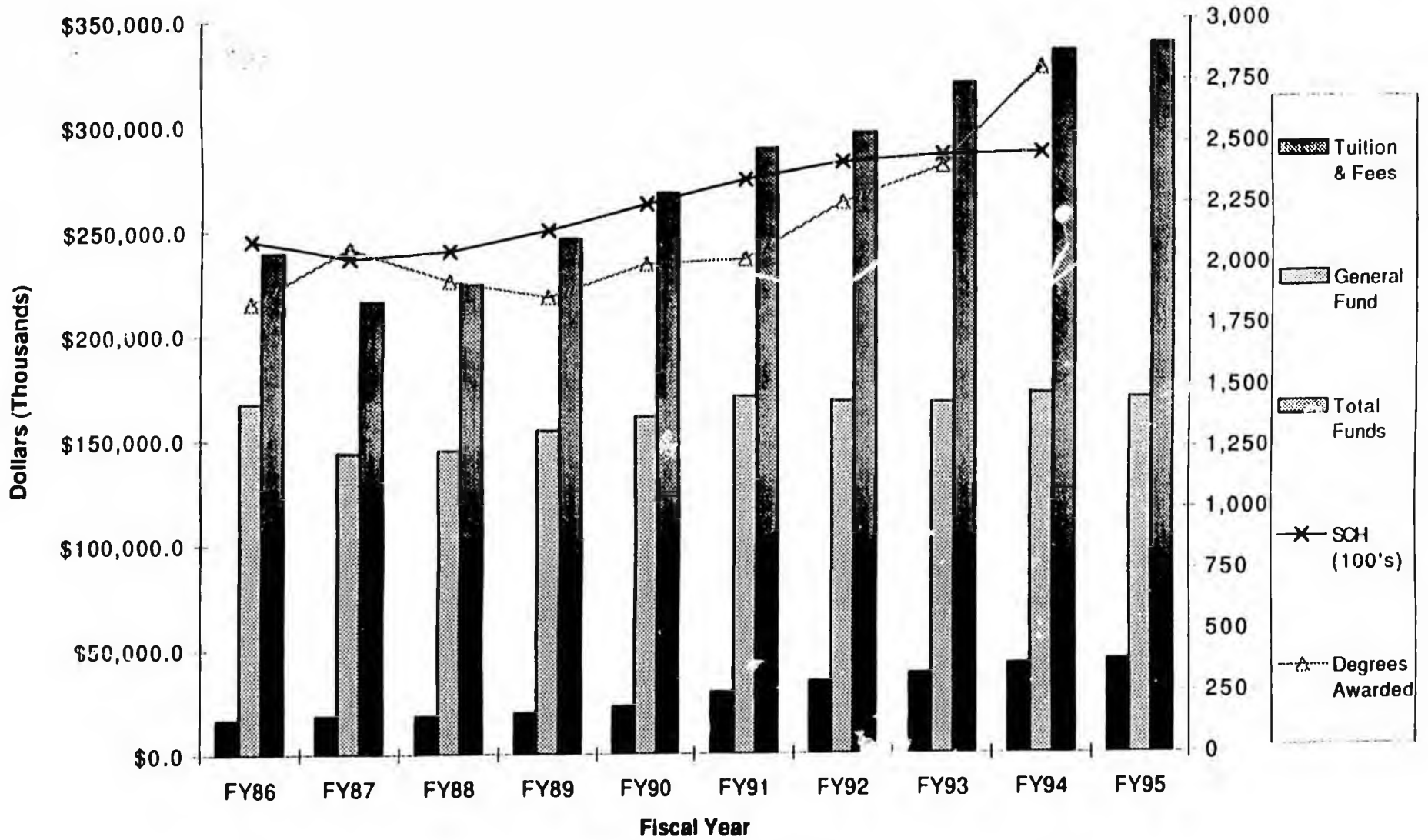
Sincerely,



Jerome B. Komisar
President

University of Alaska Fund Sources/Student Credit Hours/Degrees FY86-FY95

iii



Excludes Intra-Agency receipts

University of Alaska
Actual Revenues by Fund Source
FY91-FY95
(in thousands)

	FY91	FY92	FY93	FY94	FY95	% Change FY91-FY95
Federal Receipts	35,191.5	36,169.6	49,190.7	52,140.3	50,826.9	44%
GF/GF Match/GF-MH*	170,434.3	168,105.5	167,409.2	171,815.6	169,513.5	-1%
Intra-Agency Receipts	29,835.1	23,276.1	23,716.1	32,485.1	34,834.6	17%
Interest Income	2,699.5	2,606.7	2,228.2	1,656.0	2,620.5	-3%
Auxiliary Receipts	16,323.4	16,949.4	18,959.3	19,400.2	20,408.5	25%
Science/Technology Funds	0.0	0.0	3,000.0	3,000.0	3,119.9	n/a
Student Tuition/Fees	29,076.8	34,209.7	37,904.2	42,318.3	44,281.9	52%
Indirect Cost Recovery	8,698.2	9,454.2	9,118.4	11,359.2	11,204.1	29%
University Receipts	24,557.4	26,728.4	29,543.0	30,296.2	34,080.9	39%
CIP Receipts	1,546.2	1,820.6	2,165.4	3,050.5	2,284.6	48%
Total Revenues	318,362.4	319,320.2	343,234.5	367,521.4	373,175.4	17%

*FY96 GF Authorization = \$167,361.7, a decrease of 1.3% from FY95

- * From FY91 to FY95 undergraduate tuition rates increased 63% and actual student tuition and fee revenues increased 52%.
- * During this same period, student fees as a percentage of total revenues (net of intra-agency receipts) grew from 10% to 13%, and student fees as a percentage of direct instructional expenditures grew from 33% to 46%.
- * Federal receipts increased 44% from FY91 to FY95, increasing from 12% of total revenues (net of intra-agency receipts) in FY91 to 15% in FY95.
- * State appropriations (including Science and Technology Funds) dropped from 59% of total revenues in FY91 to 51% in FY95.

University of Alaska Systemwide

Executive Summary

	General Fund	Non-General Fund	Total
I. Operating Budget			
FY96 Authorization	167,361.7	275,149.9	442,511.6
Governor's Base Adjustments	1,793.1	0.0	1,793.1
FY97 Adjusted Base	169,154.8	275,149.9	444,304.7
Maintaining Existing Programs	8,215.0	1,130.5	9,345.5
Building & Equipment Maintenance, Renewal & Replacement	6,309.3	0.0	6,309.3
Improved Instruction & Student Success	1,981.4	73.4	2,054.8
Research & Public Initiatives	1,133.0	200.0	1,333.0
Adjustments to Non-General Fund Authority	0.0	5,824.2	5,824.2
General Fund/Science & Technology Fund Change	250.0	(250.0)	0.0
FY97 Board Of Regents Request	\$187,043.5	\$282,128.0	\$469,171.5

	General Fund	Non-General Fund	Total
II. Capital Budget			
Deferred Maintenance	133,200.0	0.0	133,200.0
Code Compliance	11,701.7	0.0	11,701.7
Campus Security & Safety	2,515.0	0.0	2,515.0
Equipment/Computer Systems Upgrades	12,750.0	1,000.0	13,750.0
Building Completions/Repairs & Renovation	16,916.0	275.0	17,191.0
Planning for Growth	12,000.0	0.0	12,000.0
Sponsored Research Facilities	3,500.0	3,500.0	7,000.0
Construction for Growth	43,352.0	43,534.0	86,886.0
Other	1,000.0	1,000.0	2,000.0
FY97/Six-Year Board of Regents Request	\$236,934.7	\$49,309.0	\$286,243.7

University of Alaska Systemwide

FY97 Operating Budget Request

Introduction

The University of Alaska Board of Regents have identified four major themes around which the FY97 operating budget has been built. These themes are designed to reflect the variety of needs throughout the university system.

Maintaining Existing Programs

The University of Alaska struggles to provide a quality educational environment at a reasonable cost to students in the face of declining state revenues. General fund support has not kept pace with increased enrollments or the cost of goods and services, decreasing by \$4.7 in nominal dollars since FY94 and by over 40% in real dollars since FY86. This has necessitated extensive reallocation among programs to provide basic services and to meet annual maintenance needs, and is slowly eroding the quality of university services. Continued reallocations will necessarily lead to reductions in full-time instructors, library books and periodicals, and course offerings. Funds are requested to cover increases in fixed costs, meet accreditation recommendations for full-time faculty and library materials, comply with basic safety and access requirements, and maintain core services.

Building and Equipment Maintenance, Renewal and Replacement

Inadequate funding for building maintenance, renewal and replacement over the past several years has resulted in a deferred maintenance backlog of over \$130 million throughout the university, but primarily at the Fairbanks campus which houses the oldest buildings. These facilities, which account for approximately 40% of all state facilities, represent a substantial investment on the part of the state and must be properly maintained to prevent continued depreciation of the state's assets. The Board of Regents has implemented a multi-year plan to fully fund building maintenance in the operating budget by the end of FY 2001, and in FY96 the university reallocated an additional \$2 million to bring its total building maintenance budget up to \$14.4 million. The university's calculated annual budget need for building maintenance is approximately \$25 million, however, leaving a budget gap of over \$10 million. The Regents are committed to eliminating this deficit and to avoiding increased backlogs in deferred maintenance, but it must be recognized that reallocation of this level of funding from existing resources will have a rippling effect throughout university programs and services. Funds are requested to offset half of the remaining deficit.

Funds are also requested to allow for the systematic upgrade and replacement of instructional equipment to supplement the learning experience. The two most common needs are for computer lab equipment and laboratory equipment. Additionally, replacement equipment is needed for administrative personnel as old equipment wears out or becomes obsolete. Funding for equipment replacement has been obtained primarily through the capital budget over the past several years. This is a haphazard approach that does not provide for adequate planning, nor does it always address the areas of greatest need. The university must have a base level of funding for equipment replacement on an annual basis to address these concerns.

Improving Instruction and Student Success

The University of Alaska has been directed through accreditation review to improve the ratio of full-time faculty to part-time faculty, and to increase its library holdings to a level appropriate to its size and mission. Funds are requested to continue the university's efforts to meet these recommendations. Student success also relies on a variety of factors beyond direct instruction offered in the traditional classroom. The campus environment itself must be conducive to learning, which includes adequate security and counseling services. In addition, the diversity of the state's many peoples poses certain challenges in the university environment. Instructors, administrators and students alike need additional skills to deal with the variety of backgrounds brought to the university by its various students. Students attending the university after a lifetime in rural Alaska need additional assistance as they accustom themselves to a new lifestyle of learning in a larger city and with many more and different people than those to which they have previously been exposed. The university has developed many innovative programs to help assure the success of individual students. Funds are requested to strengthen these programs to reach more potentially successful university students.

The university has also begun to develop course work and programs designed to respond to community needs and to be delivered through a variety of technologies now available, including audio and video conferencing. Use of distance delivery technologies can do much to address the demands of rural campuses and provide the continuum of courses desired by students at many of the campuses so relocation to Fairbanks or Anchorage becomes unnecessary, and reduces the need for duplication of personnel to teach similar courses at each campus. Funds are also requested to enhance these services.

Research and Public Initiatives

As the state's land-, sea- and space-grant institution, the university's mission includes research and technology transfers to further progress and economic development in Alaska. Towards this end, the university is utilizing the UA Technology Development Corporation to pursue patents and licensing agreements for a number of potentially profitable research efforts. The university is also forming collaborative study programs among its own institutions and with other state research agencies. Increased research activity in fisheries, forestry, mining and oil development, and northern engineering will further the state's ability to develop its natural and energy resources. Similarly, increased focus on tourism-related training programs and continued collaborative work with Russian universities and students will further the state's ability to expand its economic base. Funds are requested to strengthen the university's ability to focus on these areas, seek matching funds from granting agencies, attract and develop top faculty and graduate students and enrich instructional programs in related disciplines.

University of Alaska Systemwide

FY97 Operating Budget Request

Introduction

Building the FY97 General Fund Budget Request						
	SW-BRA	SPS	UAA	UAF	UAS	Total UA
FY96 General Fund Authorization	0.0	11,743.8	59,717.5	82,504.4	13,396.0	167,361.7
Governor's Base Adjustments:						
1.3% COLA	1,750.0					
DP Chargeback Increase		43.1				
FY97 Adjusted Base	1,750.0	11,786.9	59,717.5	82,504.4	13,396.0	169,154.8
FY97 Board of Regents Increment Request						
Maintaining Existing Programs	4,332.7	220.0	2,123.3	1,411.1	127.9	8,215.0
Building & Equipment Maintenance, Renewal & Replacement	400.0	257.3	1,954.9	3,356.4	340.7	6,309.3
Improved Instruction & Student Success	650.0	0.0	331.4	655.0	345.0	1,981.4
Research & Public Initiatives	150.0	0.0	200.0	783.0	0.0	1,133.0
General Fund/Science & Technology Fund Change	0.0	0.0	0.0	250.0	0.0	250.0
Total Increments	5,532.7	477.3	4,609.6	6,455.5	813.6	17,888.7
FY97 Total General Fund Request	7,282.7	12,264.2	64,327.1	88,959.9	14,209.6	187,043.5

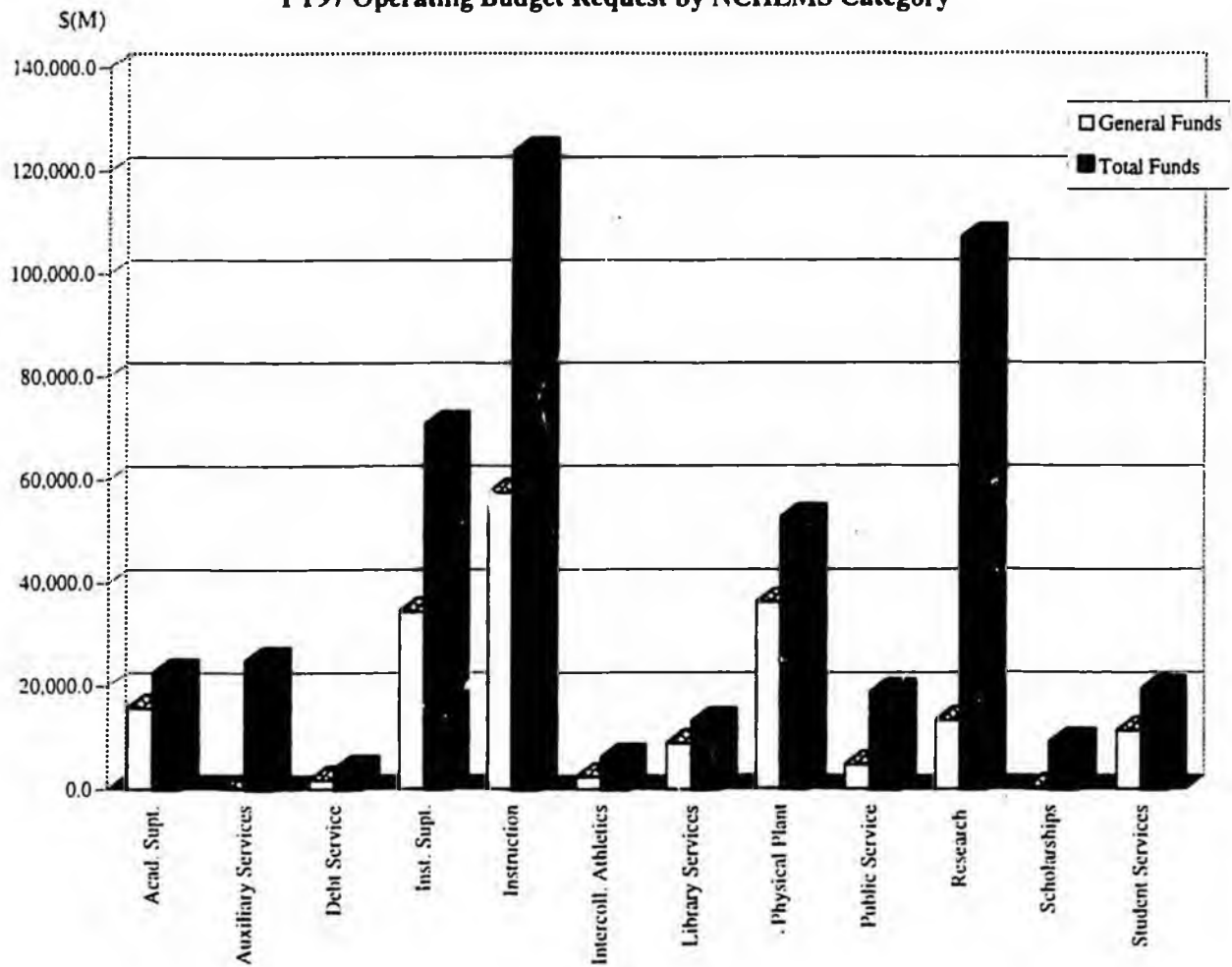
Current and Proposed Revenue Sources												
Fund Type	SW-BRA		SPS		UAA		UAF		UAS		Total	
	Adj Base	Growth	Adj Base	Growth	Adj Base	Growth	Adj Base	Growth	Adj Base	Growth	Adj Base	Growth
Federal Receipts	403.9	(403.9)	1,500.0	(1,500.0)	12,512.7	2,500.0	66,150.1		864.5	435.0	81,431.2	1,031.1
General Fund Match					19.8		2,741.8		18.2		2,779.8	0.0
General Fund	1,750.0	5,532.7	11,786.9	477.3	59,496.9	4,609.6	79,762.6	6,455.5	13,377.8	813.6	166,174.2	17,888.7
Intra-Agency Receipts			8,666.7	(645.0)	5,812.8	50.0	29,596.0		320.4		44,395.9	(595.0)
Interest Income			2,781.4		20.0	80.0		100.0	20.0		2,801.4	200.0
Auxiliary Receipts	38.2	(38.2)			9,002.6		12,522.4	100.0	2,421.6	402.6	23,984.8	464.4
Science & Tech Funds							2,900.0	(250.0)			2,900.0	(250.0)
GF/Mental Health					200.8						200.8	0.0
Student Fees & Tuition	175.2	(175.2)			29,301.0	290.0	19,611.2		4,754.8	63.9	53,842.2	178.7
Indirect Cost Recovery	143.3	(143.3)	30.0	1,500.0	2,200.9	1,600.0	13,788.3		110.5	135.0	16,273.0	3,091.7
University Receipts	189.6	810.4	4,384.8	20.0	13,895.6	1,650.0	25,867.4		2,232.9	400.0	46,570.3	2,880.4
CIP Receipts	23.2	(23.2)			1,170.6		1,592.8		164.5		2,951.1	(23.2)
Total	2,723.4	5,559.3	29,149.8	(147.7)	133,633.7	10,779.6	254,532.6	6,405.5	24,265.2	2,270.1	444,304.7	24,866.8

University of Alaska Systemwide

Summary by NCHEMS Category

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.	14,220.2	4,801.6	19,021.8	14,443.2	5,047.3	19,490.5	15,782.9	42.4	6,507.4	22,332.7
Auxiliary Services	0.0	20,490.7	20,490.7	0.0	23,946.6	23,946.6	0.0	0.0	24,649.2	24,649.2
Debt Service	1,742.5	2,760.6	4,503.1	1,807.8	1,897.0	3,704.8	1,807.8	520.0	1,377.0	3,704.8
Inst. Supt.	35,541.1	26,966.4	62,507.5	31,608.3	36,292.4	67,900.7	34,580.1	993.6	34,965.5	70,539.2
Instruction	48,706.7	50,662.1	99,368.8	51,626.6	65,517.6	117,144.2	57,596.2	46,632.9	19,316.8	123,545.9
Intercoll. Athletics	2,408.1	3,598.9	6,007.0	2,379.8	2,867.2	5,247.0	2,379.8	365.0	3,152.2	5,897.0
Library Services	10,146.4	1,809.8	11,956.2	8,992.8	3,038.9	12,031.7	8,911.5	2,034.8	1,948.8	12,895.1
Physical Plant	27,423.4	13,722.5	41,145.9	27,958.5	15,746.2	43,704.7	36,159.1	50.0	16,091.2	52,300.3
Public Service	4,921.8	11,735.5	16,657.3	4,579.7	12,838.8	17,418.5	4,773.2	620.6	13,080.8	18,474.6
Research	12,289.4	55,010.0	67,299.4	12,332.5	93,212.0	105,544.5	13,362.7	0.0	93,335.1	106,697.8
Scholarships	390.0	7,006.1	7,396.1	352.7	7,064.6	7,417.3	312.7	0.0	8,654.6	8,967.3
Student Services	11,723.9	5,097.7	16,821.6	11,279.8	7,681.3	18,961.1	11,377.5	2,761.6	5,028.5	19,167.6
Total	169,513.5	203,661.9	373,175.4	167,361.7	275,149.9	442,511.6	187,043.5	54,020.9	228,107.1	469,171.5

FY97 Operating Budget Request by NCHEMS Category



University of Alaska Systemwide

Board of Regents' Increment List - FY97 Operating Budget Request

Introduction

Category		GF	Other Funds		Total Funds
			Student Fees	NGF	
Campus	Increment Title				
Maintaining Existing Programs					
	Systemwide Bud.Red& Add. Implementation of Performance Based Salary Schedules	3,431.0	0.0	0.0	3,431.0
	Systemwide Bud.Red& Add. Salary Increases for Collective Bargaining Units	401.7	0.0	0.0	401.7
	Systemwide Bud.Red& Add. Networks and Telecommunications Support	500.0	0.0	1,000.0	1,500.0
Statewide Services	Statewide Services Maintenance of Programs	115.0	0.0	0.0	115.0
Statewide Services	Governance Video/Audio Conferencing Support	30.0	0.0	0.0	30.0
Statewide Networks	Statewide Networks Maintenance of Programs	75.0	0.0	0.0	75.0
Anchorage Campus	Legally Mandated Access-Studts. With Learning Disabilities	81.5	0.0	0.0	81.5
Anchorage Campus	Cons. Library - Maint. Current Periodicals. Increased Res. Cost	400.0	0.0	0.0	400.0
Anchorage Campus	Operating Costs of Aviation Complex, Phases I and II	369.1	0.0	0.0	369.1
Anchorage Campus	Administrative Services Electronic Forms Application System	50.0	0.0	0.0	50.0
Anchorage Campus	New Faculty, Instructional Support, UAA Division-wide	916.3	130.5	0.0	1,046.8
Anchorage Campus	Computer and Technology Services Positions	87.4	0.0	0.0	87.4
Anchorage Campus	Alaska Natural Heritage Program (Nature Conservancy)	219.0	0.0	0.0	219.0
Ak. Cooperative Ext Svc	Fixed Cost Increases- Alaska Cooperative Extension	7.0	0.0	0.0	7.0
Bristol Bay Campus	Fixed Cost Increases- Bristol Bay Campus	2.8	0.0	0.0	2.8
Chukchi Campus	Fixed Cost Increases-Chukchi Campus	4.6	0.0	0.0	4.6
Fairbanks Campus	Fixed Cost Increases- Fairbanks Physical Plant	216.0	0.0	0.0	216.0
Fairbanks Campus	Fixed Cost Increases-Instr., Library, Inst Supt. Student Svcs.	130.7	0.0	0.0	130.7
Fairbanks Campus	Fixed Cost Increases-Utilities	537.4	0.0	0.0	537.4
Fairbanks Campus	Safety-Judicial Services and Safety Education	207.0	0.0	0.0	207.0
Fairbanks Campus	Operating Computer Network	150.0	0.0	0.0	150.0
Fairbanks Campus	Compliance with State and Federal Mandates	100.0	0.0	0.0	100.0
Fairbanks Organized Res.	Fixed Cost Increases-Organized Research	21.2	0.0	0.0	21.2
Interior-Aleutians Campus	Fixed Cost Increase- Interior-Aleutians Campus	9.3	0.0	0.0	9.3
Kuskokwim Campus	Fixed Cost Increases-Kuskokwim Campus	11.0	0.0	0.0	11.0
Northwest Campus	Fixed Cost Increases-Northwest Campus	7.6	0.0	0.0	7.6
Rural College	Fixed Cost Increases-Rural College	1.0	0.0	0.0	1.0
School of Fisheries	Fixed Cost Increases-School of Fisheries Ocean Sciences	1.5	0.0	0.0	1.5
Tanana Valley Campus	Fixed Cost Increases- Tanana Valley Campus	4.0	0.0	0.0	4.0
Juneau Campus	Fixed Cost Increases - Juneau Campus	64.0	0.0	0.0	64.0
Ketchikan Campus	Fixed Cost Increases-Ketchikan Campus	20.8	0.0	0.0	20.8
Sitka Campus	Custodial/Utilities for Building Expansion	35.1	0.0	0.0	35.1
Sitka Campus	Fixed Cost Increases-Sitka Campus	8.0	0.0	0.0	8.0
Total Maintaining Existing Programs		8,215.0	130.5	1,000.0	9,345.5

University of Alaska Systemwide

Board of Regents' Increment List - FY97 Operating Budget Request

Introduction

Category		GF	Other Funds		Total Funds
			Student Fees	NGF	
Campus	Increment Title				
Bldg. & Equip. Maint. Ren. & Replacement					
Systemwide Bud.Red& Add.	Computing and Information Technology Upgrades	400.0	0.0	0.0	400.0
Statewide Services	Building Maintenance and R&R Shortfall	257.3	0.0	0.0	257.3
Anchorage Campus	Student Services Operating Equipment	20.0	0.0	0.0	20.0
Anchorage Campus	Building Maintenance and R&R Shortfall	1,618.9	0.0	0.0	1,618.9
Anchorage Campus	Equip. Needs - Chancellor's Office and Administrative Svcs.	31.0	0.0	0.0	31.0
Anchorage Campus	Information Technology and Computer Lab. Equip. Upgrades	285.0	0.0	0.0	285.0
Fairbanks Campus	Building Maintenance/R&R Shortfall	3,306.4	0.0	0.0	3,306.4
Fairbanks Campus	Campus Beautification and Preservation	50.0	0.0	0.0	50.0
Juneau Campus	Building Maintenance and R&R Shortfall	274.1	0.0	0.0	274.1
Ketchikan Campus	Building Maintenance and R&R Shortfall	55.8	0.0	0.0	55.8
Sitka Campus	Building Maintenance and R&R Shortfall	10.8	0.0	0.0	10.8
Total Bldg. & Equip. Maint. Ren. & Replacement		6,309.3	0.0	0.0	6,309.3
Improved Instruction and Student Success					
Systemwide Bud.Red& Add.	Distance Education/U of A Learning Cooperative	300.0	0.0	0.0	300.0
Systemwide Bud.Red& Add.	Business and Industry Response Fund	200.0	0.0	0.0	200.0
Systemwide Bud.Red& Add.	Cross-Campus Academic Programs	150.0	0.0	0.0	150.0
Anchorage Campus	Univ. Police Force, Trng and Student Intern/Sec. Officer Pgm.	59.1	0.0	0.0	59.1
Anchorage Campus	Expand Summer Session Offerings - Anchorage Campus	75.0	8.0	0.0	83.0
Anchorage Campus	Grievance Council and Increased Faculty Services	34.0	0.0	0.0	34.0
Anchorage Campus	Outcomes Assessment	26.9	0.0	0.0	26.9
Homer Campus	Kachemak Bay (Homer Campus) Instructional Programs	65.0	1.5	0.0	66.5
Homer Campus	Kachemak Bay (Homer) Campus Std. Svcs. Acad. Adv. Psn.	40.0	0.0	0.0	40.0
Kodiak College	P/T Counselor and Library Asst. Pns for Kodiak College	31.4	0.0	0.0	31.4
Fairbanks Campus	Staffing Computer Labs	100.0	0.0	0.0	100.0
Fairbanks Campus	Library Services Improvements	50.0	0.0	0.0	50.0
Fairbanks Campus	Graduate Assistantships	100.0	0.0	0.0	100.0
Fairbanks Campus	Initiatives to meet Accreditation Standards	100.0	0.0	0.0	100.0
Fairbanks Campus	Rural Alaska Honors Institute (RAHI)	55.0	0.0	0.0	55.0
Fairbanks Organized Res.	Alaska Native Language Center	100.0	0.0	0.0	100.0
Rural College	Counseling - Rural Campuses	150.0	0.0	0.0	150.0
Juneau Campus	Core Biology Faculty	112.3	25.0	0.0	137.3
Juneau Campus	Core History/Philosophy Faculty	96.1	21.8	0.0	117.9
Juneau Campus	Student Outcomes Assessment	55.0	0.0	0.0	55.0
Ketchikan Campus	Math/Science Faculty	27.2	5.7	0.0	32.9
Sitka Campus	Core Mathematics Faculty	54.4	11.4	0.0	65.8
Total Improved Instruction and Student Success		1,981.4	73.4	0.0	2,054.8

University of Alaska Systemwide

Board of Regents' Increment List - FY97 Operating Budget Request

Introduction

Category		GF	Other Funds		Total Funds
			Student Fees	NGF	
Campus	Increment Title				
Research and Public Initiatives					
Systemwide Bud.Red& Add.	Intellectual Properties Patents and Copyrights	150.0	0.0	0.0	150.0
Anchorage Campus	Amer. Russian Ctr., State and Private Support for AID Pgm.	200.0	0.0	200.0	400.0
Fairbanks Campus	Building Alaska's Resources - Tourism	100.0	0.0	0.0	100.0
Fairbanks Organized Res.	Arctic Eng. Res. Initiative and Arctic Energy/Mineral	130.0	0.0	0.0	130.0
Fairbanks Organized Res.	Building Alaska's Resources - Forests	195.0	0.0	0.0	195.0
Fairbanks Organized Res.	Earthquake and Volcano Hazards	92.0	0.0	0.0	92.0
Fairbanks Organized Res.	Arctic Botany Lab for IAB	66.0	0.0	0.0	66.0
School of Fisheries	Building Alaska's Resources - Fisheries	200.0	0.0	0.0	200.0
Total Research and Public Initiatives		1,133.0	0.0	200.0	1,333.0
Non-General Fund					
Systemwide Bud.Red& Add.	Decrease Remaining NGF	0.0	-175.2	-798.2	-973.4
Statewide Services	Increase Ind. Cost Rec.; Decrease Intra-agency Rec. Budgets	0.0	0.0	95.0	95.0
Statewide Networks	Increase IA Receipt Authority	0.0	0.0	80.0	80.0
Statewide Networks	Increase Indirect Cost Recovery Authority	0.0	0.0	700.0	700.0
Statewide Networks	Decrease Federal Budget Authority	0.0	0.0	-1,500.0	-1,500.0
Anchorage Campus	Increase Interest Income Authority in Auxiliary Services	0.0	0.0	80.0	80.0
Anchorage Campus	Increase in Non-General Fund Authority	0.0	0.0	5,550.0	5,550.0
Prince Wm. Sound CC	Increase Student Fee and Intra-Agency Receipt Authority	0.0	150.0	50.0	200.0
Fairbanks Campus	Increase Interest Income Authority in Auxiliary Services.	0.0	0.0	100.0	100.0
Kuskokwim Campus	Increase in Auxiliary Receipt Auth. for Kuskokwim Campus	0.0	0.0	100.0	100.0
Juneau Campus	Federal Receipts/Indirect Cost Recovery	0.0	0.0	700.0	700.0
Juneau Campus	Increase Dorm/Food/Housing Receipt Authority	0.0	0.0	402.6	402.6
Juneau Campus	Increase Interest Income Authority in Auxiliary Services.	0.0	0.0	20.0	20.0
Sitka Campus	Increase Fed. Rec., UA Receipts and Indirect Cost Rec. Auth.	0.0	0.0	270.0	270.0
Total Non-General Fund		0.0	-25.2	5,849.4	5,824.2
General Fund/Science & Technology Fund Change					
Fairbanks Organized Res.	General Fund/Science & Tech Fund Source Change	250.0		-250.0	0.0
Total General Fund/Science & Technology Fund Change		250.0	0.0	-250.0	0.0
Total Increments Requested		17,888.7	178.7	6,799.4	24,866.8

University of Alaska Systemwide

FY97 Capital Budget Request/Six-Year Capital Improvement Plan

Introduction

The Board of Regents has established the University of Alaska's FY97 capital budget request and six-year capital improvement plan to address the university's critical capital needs. Projects within this request are grouped into nine major categories and further prioritized to facilitate short and longer-term planning. Categories are described below and a prioritized listing of projects is included on the following pages.

Capital Program Categories

The Board of Regents FY97/six-year capital budget request is grouped into nine major program categories. These are:

- Deferred Maintenance
- Code Compliance
- Campus Safety and Security
- Equipment/Computer Systems Upgrade
- Building Completions/Repair and Renovation
- Planning for Growth
- Sponsored Research Facilities
- Construction for Growth
- Other

Deferred Maintenance \$133,200.0

The Board of Regents' highest priority capital need continues to be funding to reduce the backlog of deferred maintenance. The university was fortunate to receive significant funding for deferred maintenance from the 1995 legislature, and continues to make progress in fully funding maintenance and renewal and replacement to prevent additional backlogs. However, the university still has an unfunded deferred maintenance backlog of approximately \$133,200.0.

Code Compliance \$11,701.7

This request will provide funding to correct code compliance violations and problems at several locations throughout the university. These include fire and life safety code violations at the University of Alaska Fairbanks which have been cited by the State Fire Marshall and which put UAF in jeopardy of building closure. Funding is also requested to meet highest priority access needs under the Americans with Disabilities Act and to correct the most serious code deficiencies at other campuses throughout the university.

Campus Security and Safety \$2,515.0

Funding requested in this category will address health and life safety issues on the campuses. Funds will provide additional access to emergency communications systems, improve the physical security of students and university facilities, implement lighting and

University of Alaska Systemwide

FY97 Capital Budget Request/Six-Year Capital Improvement Plan

Introduction

safety upgrades, and correct a serious traffic hazard situation at the University of Alaska Southeast.

Equipment/Computer Systems Upgrades \$12,750.0

Capital equipment items are necessary for the continued support of the instructional student services and the institutional support functions of the university. Included in this request are funds to complete the communications backbone at the University of Alaska Anchorage, provide needed support for distance delivery of instructional services, upgrade hardware and software to support new finance, human resources and student information systems, supplement library acquisitions and media equipment, and to replace worn or defective classroom and laboratory equipment.

Building Completions/Repair and Renovation \$16,916.0

Projects included in this category provide for completion of facilities to meet enrollment growth, renovation and realignment of space to bring departments which share similar resources into closer proximity, and major upgrade and renovation to bring facilities up to code and meet programmatic needs. The FY97 request includes renovation of the food service facilities in Juneau and Fairbanks, completion of the classroom facility in Sitka, and upgrade and renovation of the science facility and physical plant at Anchorage, as well as a variety of other projects.

Planning for Growth \$13,250.0

Meeting the needs of students and the public is an ongoing planning effort. Additional land must be secured for future development and program plans and design work must be completed for proposed capital improvements.

Sponsored Research Facilities \$3,500.0

Funding requested in this category will be used to leverage federal, private and revenue bond proceeds for the construction of a facility to house Geophysical Institute programs as well as several federal and private agencies with complementary missions.

Construction for Growth \$42,102.0

This category includes funding for construction of new classroom, library and housing facilities to meet current and projected enrollment demands. The FY97 request includes expansion of the Consortium Library in Anchorage, classroom facilities in Homer, Kenai and Dillingham, and student housing in Anchorage and Fairbanks.

Other \$1,000.0

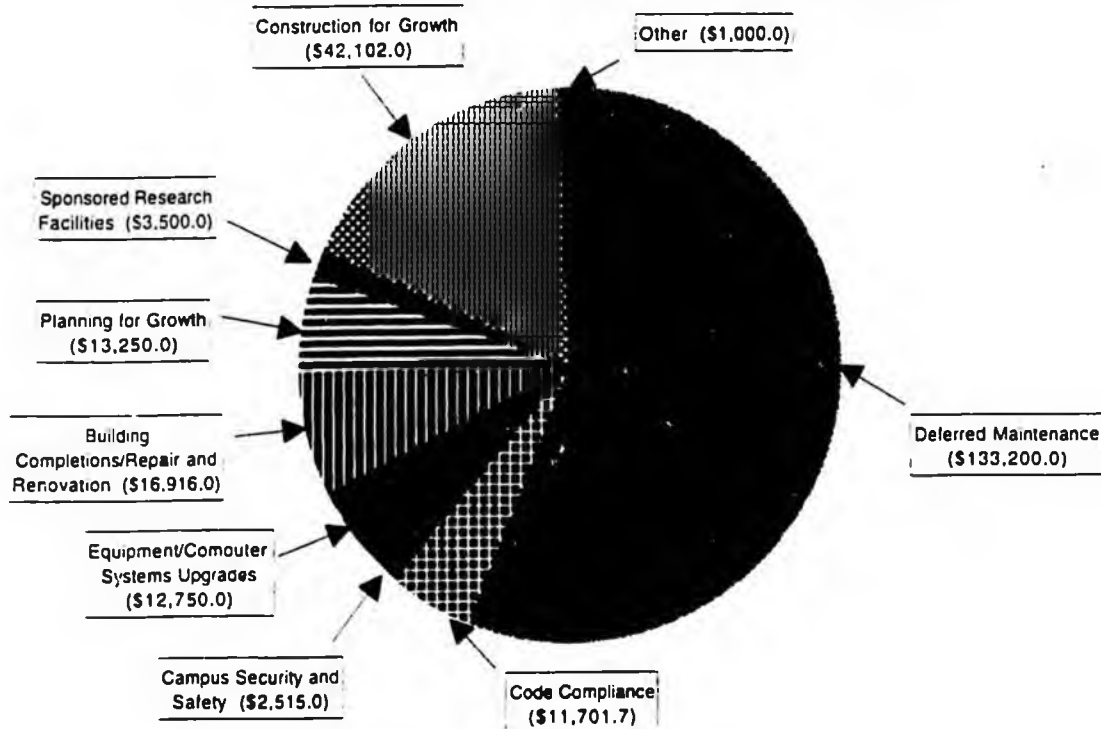
The Atwood Chair of Journalism created at the University of Alaska Anchorage, through the generosity of the former editor of the Anchorage Times, has the opportunity to become self sustaining. The Atwood Foundation has offered to match up to \$1 million dollars to capitalize the Chair through the creation of an endowment.

University of Alaska Systemwide

FY97 Capital Budget Request/Six-Year Capital Improvement Plan By Program Category and MAU (general funds only)

PROGRAM CATEGORY	UAA	UAF	UAS	SYSTEMWIDE	TOTAL
Deferred Maintenance				133,200.0	133,200.0
Code Compliance	1,000.0	7,900.0	801.7	2,000.0	11,701.7
Campus Security and Safety	750.0	400.0	1,365.0		2,515.0
Equipment/Computer Systems Upgrades	5,000.0	3,000.0	250.0	4,500.0	12,750.0
Building Completions/Repair and Renovation	3,300.0	11,400.0	2,216.0		16,916.0
Planning for Growth	4,650.0	8,500.0		100.0	13,250.0
Sponsored Research Facilities		3,500.0			3,500.0
Construction for Growth	22,850.0	11,200.0	8,052.0		42,102.0
Other	1,000.0				1,000.0
TOTAL/MAU	38,550.0	45,900.0	12,684.7	139,800.0	236,934.7

FY97/Six-Year Capital Request by Program Category



University of Alaska Systemwide

FY97 Capital Budget Request/Six-Year Capital Improvement Plan By Board of Regents' Priority

Priority	Campus	Project Title	General Fund	Non-General Fund	Total
1	Systemwide	Deferred Maintenance	133,200.0		133,200.0
2	Systemwide	Code Compliance	9,701.7		9,701.7
3	Systemwide	Security/Safety Improvements	1,515.0		1,515.0
4	Systemwide	Computer/Network Improvements	6,500.0	500.0	7,000.0
5	Juneau Campus	Mourant Food Service Remodel	500.0	275.0	775.0
6	Anchorage Campus	Student Housing		29,000.0	29,000.0
7	Mat-Su College	Building Project Completion	500.0		500.0
8	Sitka Campus	Classroom Renovation/Completion	1,466.0		1,466.0
9	UAA/Juneau Campus	SFOS Space/Accreditation Needs	1,500.0		1,500.0
10	Fairbanks Campus	Food Service Renovation & Expansion	5,500.0		5,500.0
11	Juneau Campus	Glacier Highway Pedestrian Bridge	1,000.0		1,000.0
12	Systemwide	ADA Barrier Removal	2,000.0		2,000.0
13	Systemwide	Equipment: Library, Instruction, Research	6,250.0	500.0	6,750.0
14	Anchorage Campus	Consortium Library Facility	14,000.0		14,000.0
15	Fairbanks Campus	Space Planning & Renovation	1,500.0		1,500.0
16	Homer Campus	Classroom Planning & Site	750.0		750.0
17	Fairbanks Campus	Elvey Complex Construction Match	3,500.0	3,500.0	7,000.0
18	Anchorage Campus	Atwood Chair of Journalism Match	1,000.0	1,000.0	2,000.0
19	Juneau Campus	Physical Education/Recreation Facility	1,334.0	1,334.0	2,668.0
20	Fairbanks Campus	Student Apartment Housing Planning	500.0		500.0
21	Anchorage Campus	Land Acquisition	3,900.0		3,900.0
22	Anchorage Campus	Science Facilities Upgrade/Renovation	1,500.0		1,500.0
23	Ketchikan Campus	Remodel for Space Efficiencies	250.0		250.0
24	UAA/MAU-Wide	Renovate Space	1,000.0		1,000.0
25	Fairbanks Campus	West Ridge Infrastructure Planning/Upgrade	4,100.0		4,100.0
26	Anchorage Campus	Physical Plant Facility Renovation	300.0		300.0
27	Bristol Bay Campus	Classroom Addition, Planning & Construction	900.0		900.0
28	Kenai Peninsula College	Addition Planning & Construction	3,450.0		3,450.0
29	Juneau Campus	Residence Hall Addition Planning & Construction		3,200.0	3,200.0
30	Kuskokwim Campus	Food Storage Facility Construction	300.0		300.0
31	Northwest Campus	Space Renovation	100.0		100.0
32	Fairbanks Campus	Walkways, Stairs, Streets, Parking Repair/Upgrade	1,500.0		1,500.0
33	Homer Campus	Classroom Construction	5,400.0		5,400.0
34	Juneau Campus	Egan Classroom Wing Addition	6,718.0		6,718.0
35	Fairbanks Campus	UA Museum Addition Planning/Design	500.0		500.0
36	Fairbanks Campus	Student Apartment Housing Construction	10,000.0		10,000.0
37	Fairbanks Campus	Brooks Building Renovation	2,800.0		2,800.0
38	Systemwide	General Advanced Planning	100.0		100.0
39	Fairbanks Campus	Comprehensive Planning New/Existing Facilities	1,900.0		1,900.0
40	Anchorage Campus	Student Apartments		10,000.0	10,000.0
			236,934.7	49,309.0	286,243.7

**University of Alaska
Statewide**

Systemwide Budget Reductions & Additions MAU Summary

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Systemwide Budget Reductions and Additions	0.0	0.0	0.0	0.0	3,735.8	3,735.8	7,282.7	0.0	1,000.0	8,282.7
Total	0.0	0.0	0.0	0.0	3,735.8	3,735.8	7,282.7	0.0	1,000.0	8,282.7

Increment Title	GF	Other Funds		Total Funds
		Student Fees	NGF	
Systemwide BRA	4,332.7	0.0	1,000.0	5,332.7
Total Maintaining Existing Programs	4,332.7	0.0	1,000.0	5,332.7
Systemwide BRA	400.0	0.0	0.0	400.0
Total Bldg. & Equip. Maint. Ren. & Replacement	400.0	0.0	0.0	400.0
Systemwide BRA	650.0	0.0	0.0	650.0
Improved Instruction and Student Success	650.0	0.0	0.0	650.0
Systemwide BRA	150.0	0.0	0.0	150.0
Total Research and Public Initiatives	150.0	0.0	0.0	150.0
Systemwide BRA	0.0	(175.2)	(798.2)	(973.4)
Total Non-General Fund	0.0	(175.2)	(798.2)	(973.4)
Total Increment Request-Systemwide Budget Reductions & Additions	5,532.7	(175.2)	201.8	5,559.3

Systemwide Budget Reductions & Additions MAU Summary

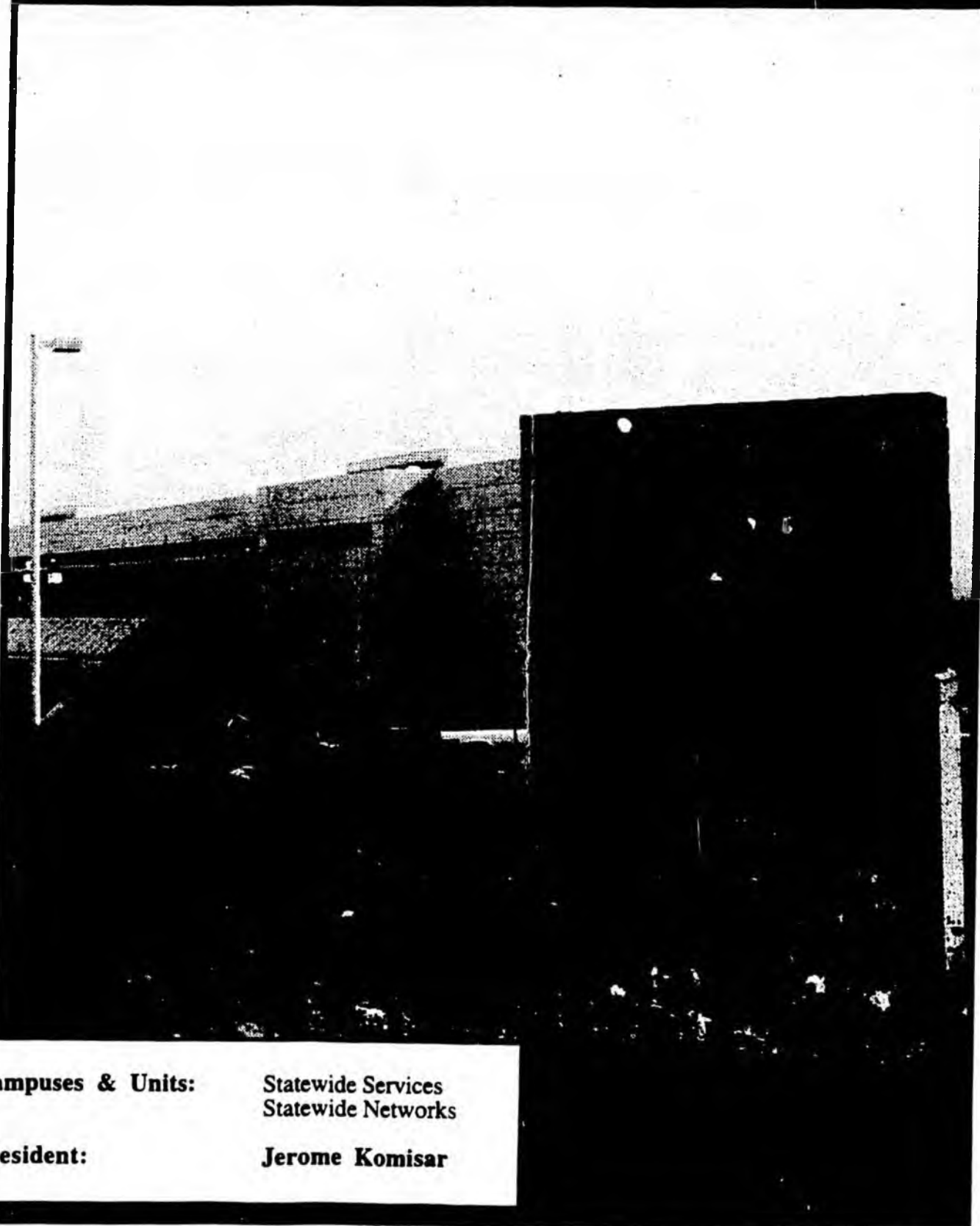
FY97 Capital Budget Request/Six-Year Capital Improvement Plan				
Category				
BOR Priority/Campus	Title	General Fund	Non-General Fund	Total
Deferred Maintenance				
1 Systemwide	Deferred Maintenance	133,200.0		133,200.0
Code Compliance				
12 Systemwide	ADA Barrier Removal	2,000.0		2,000.0
Equipment/Computer Systems Upgrades				
4 Systemwide/SPS	Computer/Network Improvements	4,500.0	500.0	5,000.0
Planning for Growth				
38 Systemwide	General Advanced Planning	100.0		100.0
Total Systemwide/Statewide Programs & Services		139,800.0	500.0	140,300.0

Systemwide Budget Reductions & Additions

NCHFMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.							650.0	0.0	1,000.0	1,650.0
Inst. Supt.					1,033.0	1,033.0	2,775.0	0.0	0.0	2,775.0
Instruction					2,402.8	2,402.8	3,707.7	0.0	0.0	3,707.7
Research					300.0	300.0	150.0	0.0	0.0	150.0
Total	0.0	0.0	0.0	0.0	3,735.8	3,735.8	7,282.7	0.0	1,000.0	8,282.7

Operating Budget Increments Increment Title	GF	Other Funds		Total Funds
		Student Fees	NGF	
Maintaining Existing Programs				
Campus Dist.:Implementation of Performance Based Salary Schedules	3,431.0	0.0	0.0	3,431.0
Campus Dist.:Salary Increases for Collective Bargaining Unit Employees (CEA)	401.7			401.7
Campus Dist.:Networks and Telecommunications Support	500.0		1,000.0	1,500.0
Bldg. & Equip. Maint. Ren. & Replacement				
Campus Dist.:Computing and Information Technology Upgrades	400.0	0.0	0.0	400.0
Improved Instruction and Student Success				
Campus Dist.: Distance Ed./UA Learning Coop	300.0	0.0	0.0	300.0
Campus Dist.: Business and Industry Response Fund	200.0	0.0	0.0	200.0
Cross-Campus Academic Programs	150.0	0.0	0.0	150.0
Research and Public Initiatives				
Intellectual Properties Patents and Copyrights	150.0	0.0	0.0	150.0
Non-General Fund				
Decrease Remaining NGF	0.0	(175.2)	(798.2)	(973.4)
Total Systemwide Budget Reductions & Additions	5,532.7	(175.2)	201.8	5,559.3

Statewide Programs & Services



Campuses & Units: Statewide Services
 Statewide Networks

President: Jerome Komisar

Statewide Programs & Services MAU Summary

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Statewide Services	6,855.1	9,368.2	16,223.3	6,772.0	12,331.1	19,103.1	6,972.4	0.0	12,426.1	19,398.5
Statewide Networks	5,062.8	3,673.4	8,736.2	4,971.8	4,913.4	9,885.2	5,291.8	0.0	4,311.8	9,603.6
Total	11,917.9	13,041.6	24,959.5	11,743.8	17,244.5	28,988.3	12,264.2	0.0	16,737.9	29,002.1

Operating Budget Increments by Type				Total Funds
Increment Title	GF	Other Funds		
		Student Fees	NGF	
Statewide Services	145.0	0.0	0.0	145.0
Statewide Networks	75.0	0.0	0.0	75.0
Total Maintaining Existing Programs	220.0	0.0	0.0	220.0
Statewide Services	257.3	0.0	0.0	257.3
Total Bldg. & Equip. Maint. Ren. & Replacement	257.3	0.0	0.0	257.3
Statewide Services	0.0	0.0	95.0	95.0
Statewide Networks	0.0	0.0	(720.0)	(720.0)
Total Non-General Fund	0.0	0.0	(625.0)	(625.0)
Total Increment Request-Statewide Programs & Services	477.3	0.0	(625.0)	(147.7)

Statewide Services

NCHEMS Category	FY95 Actuals			FY96 Auth			FY97 Request			
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	Total Funds
Acad. Supt.	424.6	0.0	424.6	495.7	80.0	575.7	495.7	0.0	80.0	575.7
Inst. Supt.	6,063.8	9,368.2	15,432.0	5,903.1	12,246.1	18,149.2	5,846.2	0.0	12,346.1	18,192.3
Physical Plant	366.7	0.0	366.7	373.2	5.0	378.2	630.5	0.0	0.0	630.5
Total	6,855.1	9,368.2	16,223.3	6,772.0	12,331.1	19,103.1	6,972.4	0.0	12,426.1	19,398.5

Operating Budget Increments Increment Title	GF	Other Funds		Total Funds
		Student Fees	NGF	
Maintaining Existing Programs				
Governance Video/Audio Conferencing Support	30.0	0.0	0.0	30.0
Statewide Services Maintenance of Programs	115.0	0.0	0.0	115.0
Bldg. & Equip. Maint. Ren. & Replacement				
Building Maintenance and R&R Shortfall	257.3	0.0	0.0	257.3
Non-General Fund				
Increase Indirect Cost Recovery; Decrease Intra-agency Receipt Budgets	0.0	0.0	95.0	95.0
Total Statewide Services	402.3	0.0	95.0	497.3

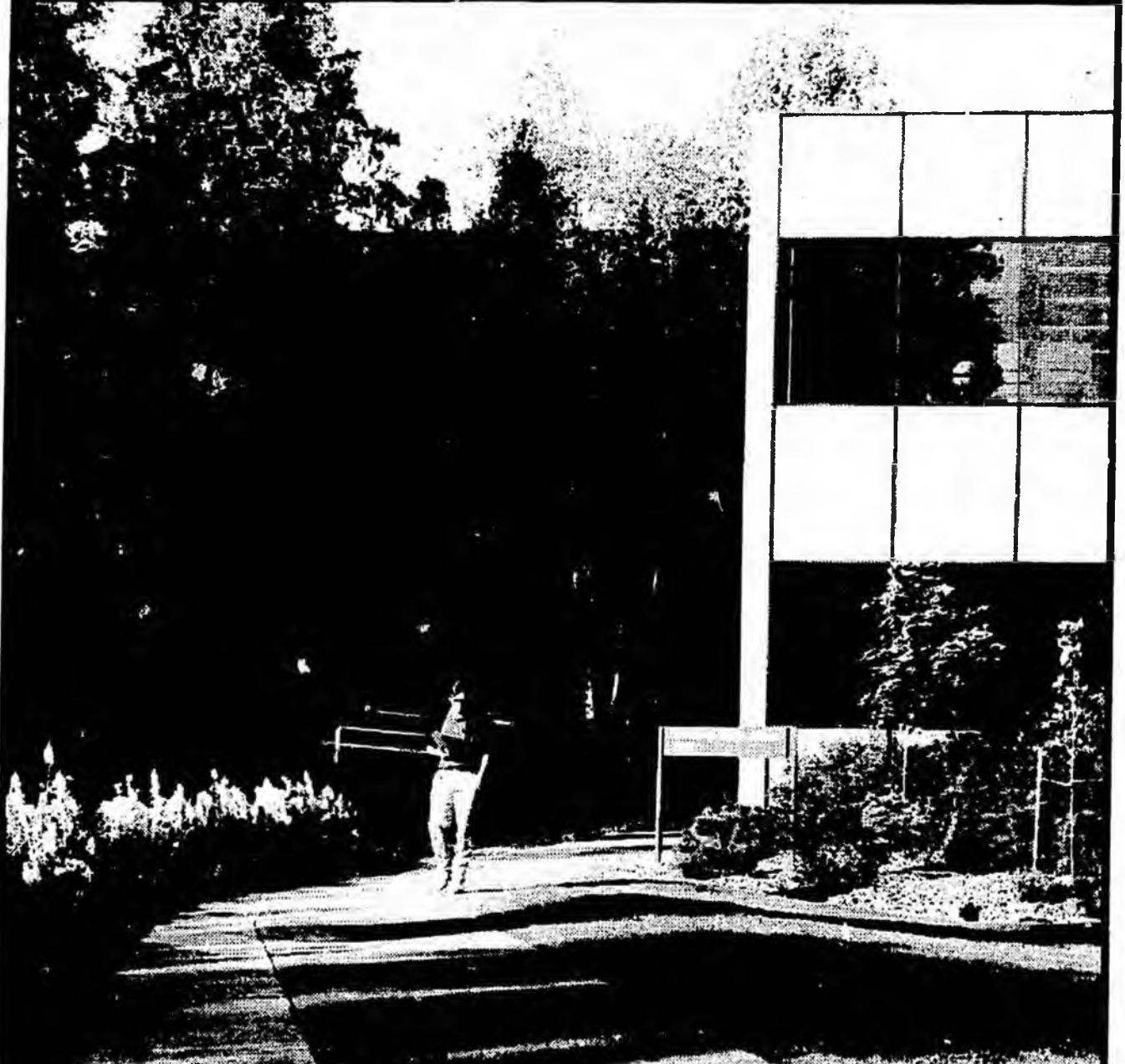
Statewide Networks

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	Total Funds
Acad. Supt.	1,565.4	1,851.1	3,416.5	1,117.8	2,234.7	3,352.5	1,192.8	0.0	1,584.7	2,777.5
Debt Service	419.1	0.0	419.1	422.4	0.0	422.4	422.4	0.0	0.0	422.4
Inst. Supt.	3,078.3	1,822.3	4,900.6	3,216.6	2,033.7	5,250.3	3,461.6	0.0	2,002.1	5,463.7
Instruction		0.0		215.0	645.0	860.0	215.0	0.0	725.0	940.0
Physical Plant										
Total	5,062.8	3,673.4	8,736.2	4,971.8	4,913.4	9,885.2	5,291.8	0.0	4,311.8	9,603.6

Operating Budget Increments Increment Title	GF	Other Funds		Total Funds
		Student Fees	NGF	
Maintaining Existing Programs				
Statewide Networks Maintenance of Programs	75.0	0.0	0.0	75.0
Non-General Fund				
Increase IA Receipt Authority	0.0	0.0	80.0	80.0
Increase Indirect Cost Recovery Authority	0.0	0.0	700.0	700.0
Decrease Federal Budget Authority	0.0	0.0	(1,500.0)	(1,500.0)
Total Statewide Networks	75.0	0.0	(720.0)	(645.0)

University of Alaska
Anchorage

University of Alaska Anchorage



Campuses & Units: Anchorage Campus
Homer Campus
Kenai Peninsula College
Kodiak College
Matanuska-Susitna College
Prince William Sound Community College
Statewide Higher Education for Armed Forces

Chancellor: E. Lee Gorsuch

University of Alaska Anchorage MAU Summary

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Anchorage Campus	51,074.7	56,401.7	107,476.4	50,313.3	61,286.9	111,600.2	54,786.5	23,285.5	44,969.9	123,041.9
Homer Campus	353.2	444.9	798.1	346.5	622.4	968.9	451.5	322.8	251.1	1,025.4
Kenai Pen. College	3,020.8	1,577.4	4,598.2	2,941.9	2,475.7	5,417.6	2,941.9	1,267.8	1,257.9	5,467.6
Kodiak College	1,773.9	579.6	2,353.5	1,756.6	970.6	2,727.2	1,788.0	372.3	598.3	2,758.6
Mat-Su College	2,326.1	1,718.8	4,044.9	2,423.8	2,043.0	4,466.8	2,423.8	1,455.2	587.8	4,466.8
Prince Wm. Sd. CC	1,621.5	1,735.8	3,357.3	1,562.6	2,427.6	3,990.2	1,562.6	559.4	2,068.2	4,190.2
SWHEAF	382.0	1,864.4	2,246.4	372.8	3,090.0	3,462.8	372.8	2,328.0	762.0	3,462.8
Total	60,552.2	64,322.6	124,874.8	59,717.5	72,916.2	132,633.7	64,327.1	29,591.0	50,495.2	144,413.3

Operating Budget Increments by Type				Total Funds
Increment Title	GF	Other Funds		
		Student Fees	NGF	
Anchorage Campus	2,123.3	130.5	0.0	2,253.8
Total Maintaining Existing Programs	2,123.3	130.5	0.0	2,253.8
Anchorage Campus	1,954.9	0.0	0.0	1,954.9
Total Bldg. & Equip. Maint. Ren. & Replacement	1,954.9	0.0	0.0	1,954.9
Anchorage Campus	195.0	8.0	0.0	203.0
Homer Campus	105.0	1.5	0.0	106.5
Kodiak College	31.4	0.0	0.0	31.4
Improved Instruction and Student Success	331.4	9.5	0.0	340.9
Anchorage Campus	200.0	0.0	200.0	400.0
Total Research and Public Initiatives	200.0	0.0	200.0	400.0
Anchorage Campus	0.0	0.0	5,630.0	5,630.0
Prince Wm Sound CC	0.0	150.0	50.0	200.0
Total Non-General Fund	0.0	150.0	5,680.0	5,830.0
Total Increment Request-University of Alaska Anchorage	4,609.6	290.0	5,880.0	10,779.6

University of Alaska Anchorage

MAU Summary

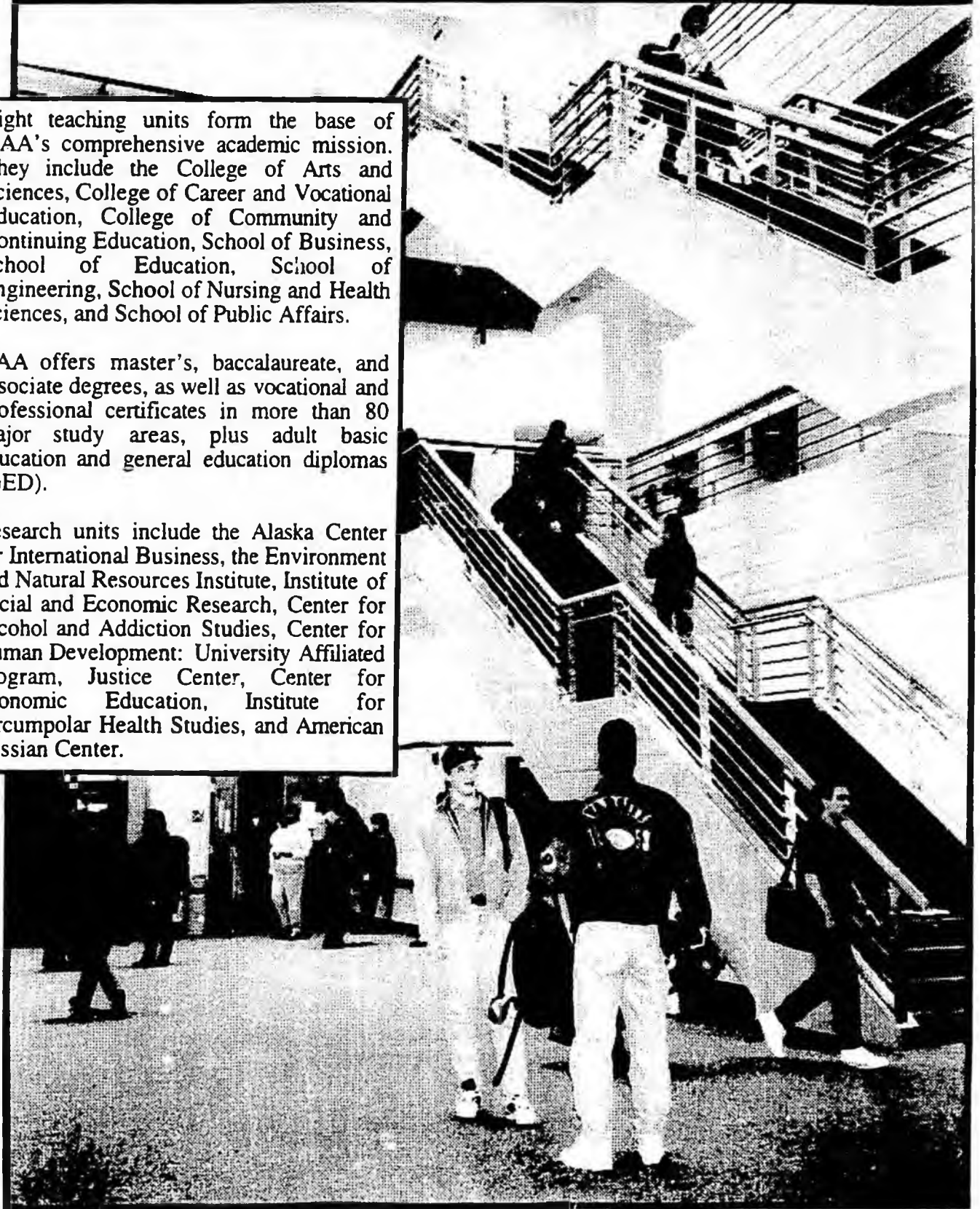
FY97 Capital Budget Request/Six-Year Capital Improvement Plan				
Category		General Fund	Non-General Fund	Total
BOR Priority/Campus	Title			
Code Compliance				
2	Systemwide/UAA	Code Compliance	1,000.0	1,000.0
Campus Security and Safety				
3	Systemwide/UAA	Security/Safety Improvements	750.0	750.0
Equipment/Computer Systems Upgrades				
4	Systemwide/UAA	Computer/Network Improvements	2,000.0	2,000.0
13	Systemwide/UAA	Equipment: Library.Instruction.Research	3,000.0	3,000.0
Building Completions/Repair and Renovation				
7	Mat-Su College	Building Project Completion	500.0	500.0
22	Anchorage Campus	Science Facilities Upgrade/Renovation	1,500.0	1,500.0
24	UAA/MAU-Wide	Renovate Space	1,000.0	1,000.0
26	Anchorage Campus	Physical Plant Facility Renovation	300.0	300.0
Planning for Growth				
16	Homer Campus	Classroom Planning & Site	750.0	750.0
21	Anchorage Campus	Land Acquisition	3,900.0	3,900.0
Construction for Growth				
6	Anchorage Campus	Student Housing		29,000.0
14	Anchorage Campus	Consortium Library Facility	14,000.0	14,000.0
28	Kenai Peninsula College	Addition Planning & Construction	3,450.0	3,450.0
33	Homer Campus	Classroom Construction	5,400.0	5,400.0
40	Anchorage Campus	Student Apartments		10,000.0
Other				
18	Anchorage Campus	Atwood Chair of Journalism Match	1,000.0	1,000.0
Total University of Alaska Anchorage			38,550.0	40,000.0
				78,550.0

Anchorage Campus

Eight teaching units form the base of UAA's comprehensive academic mission. They include the College of Arts and Sciences, College of Career and Vocational Education, College of Community and Continuing Education, School of Business, School of Education, School of Engineering, School of Nursing and Health Sciences, and School of Public Affairs.

UAA offers master's, baccalaureate, and associate degrees, as well as vocational and professional certificates in more than 80 major study areas, plus adult basic education and general education diplomas (GED).

Research units include the Alaska Center for International Business, the Environment and Natural Resources Institute, Institute of Social and Economic Research, Center for Alcohol and Addiction Studies, Center for Human Development: University Affiliated Program, Justice Center, Center for Economic Education, Institute for Circumpolar Health Studies, and American Russian Center.



Anchorage Campus

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	Total Funds
Acad. Supt.	5,176.7	1,644.3	6,821.0	5,162.4	787.7	5,950.1	5,303.9	0.0	1,940.2	7,244.1
Auxiliary Services		7,198.3	7,198.3		7,763.1	7,763.1	0.0	0.0	7,843.1	7,843.1
Debt Service	146.3	452.1	598.4	153.3	653.0	806.3	153.3	0.0	653.0	806.3
Inst. Supt.	7,963.4	2,452.5	10,415.9	8,015.0	3,960.6	11,975.6	8,291.1	497.2	3,869.7	12,658.0
Instruction	18,026.7	24,269.8	42,296.5	17,539.9	28,173.9	45,713.8	19,918.3	19,704.9	8,469.5	48,092.7
Intercoll. Athletics	1,339.2	2,645.1	3,984.3	1,260.1	2,309.8	3,569.9	1,260.1	365.0	2,594.8	4,219.9
Library Services	2,818.7	567.6	3,386.3	2,798.6	357.6	3,156.2	2,520.1	699.7	602.6	3,822.4
Physical Plant	8,761.0	1,949.5	10,710.5	8,850.4	2,637.2	11,487.6	10,905.5	0.0	3,027.2	13,932.7
Public Service	128.4	4,342.9	4,471.3	147.3	4,729.7	4,877.0	321.2	204.2	4,887.4	5,413.5
Research	1,487.7	3,699.5	5,187.2	1,288.9	3,460.3	4,749.2	1,201.3	0.0	4,333.4	5,534.7
Scholarships	28.8	4,278.9	4,307.7	27.5	3,311.6	3,339.1	27.5	0.0	4,811.6	4,839.1
Student Services	5,197.8	2,901.2	8,099.0	5,069.9	3,142.4	8,212.3	4,884.2	1,813.8	1,937.4	8,635.4
Total	51,074.7	56,401.7	107,476.4	50,313.3	61,286.9	111,600.2	54,786.5	23,285.5	44,969.9	123,041.9

Operating Budget Increments Increment Title	GF	Other Funds		Total Funds
		Student Fees	NGF	
Maintaining Existing Programs				
Legally Mandated Access for Students With Learning Disabilities	81.5	0.0	0.0	81.5
Consortium Library - Maint. Current Periodicals, Increased Resource Cost	400.0	0.0	0.0	400.0
Operating Costs of Aviation Complex, Phases I and II	369.1	0.0	0.0	369.1
Administrative Services Electronic Forms Application System	50.0	0.0	0.0	50.0
New Faculty, Instructional Support, UAA Division-wide	916.3	130.5	0.0	1,046.8
Computer and Technology Services Positions	87.4	0.0	0.0	87.4
Alaska Natural Heritage Program (Nature Conservancy)	219.0	0.0	0.0	219.0
Bldg. & Equip. Maint. Ren. & Replacement				
Student Services Operating Equipment	20.0	0.0	0.0	20.0
Building Maintenance and R&R Shortfall	1,618.9	0.0	0.0	1,618.9
Equipment Needs - Chancellor's Office and Administrative Services	31.0	0.0	0.0	31.0
Information Technology and Computer Laboratory Equipment Upgrades	285.0	0.0	0.0	285.0
Improved Instruction and Student Success				
University Police Force, Training and Student Intern/Security Officer Program	59.1	0.0	0.0	59.1
Expand Summer Session Offerings - Anchorage Campus	75.0	8.0	0.0	83.0
Grievance Council and Increased Faculty Services	34.0	0.0	0.0	34.0
Outcomes Assessment	26.9	0.0	0.0	26.9
Research and Public Initiatives				
American Russian Center, State and Private Support for AID Program	200.0	0.0	200.0	400.0
Non-General Fund				
Increase Interest Income Authority in Auxiliary Services	0.0	0.0	80.0	80.0
Increase in Non-General Fund Authority	0.0	0.0	5,550.0	5,550.0
Total Anchorage Campus	4,473.2	138.5	5,830.0	10,441.7

Homer Campus



The Homer Campus of Kenai Peninsula College is located on Pioneer Avenue in Homer. Academic courses are offered leading to the Associate of Arts degree and the Associate of Applied Science degrees and vocational certificates in Office Management Technology and Small Business Management. In addition the campus offers a wide range of continuing education courses.

Homer Campus

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.	155.6	7.2	162.8	133.9	33.0	166.9	133.9	0.0	33.0	166.9
Auxiliary Services					50.0	50.0	0.0	0.0	0.0	0.0
Inst. Supt.					0.0	0.0	0.0	0.0	0.0	0.0
Instruction	88.7	437.7	526.4	114.3	526.4	640.7	179.3	322.8	205.1	707.2
Library Services	13.3	0.0	13.3	7.6	0.0	7.6	7.6	0.0	0.0	7.6
Physical Plant	39.9	0.0	39.9	45.2	0.0	45.2	45.2	0.0	0.0	45.2
Scholarships					5.0	5.0	0.0	0.0	5.0	5.0
Student Services	55.7	0.0	55.7	45.5	8.0	53.5	85.5	0.0	8.0	93.5
Total	353.2	444.9	798.1	346.5	622.4	968.9	451.5	322.8	251.1	1,025.4

Operating Budget Increments Increment Title	GF	Other Funds		Total Funds
		Student Fees	NGF	
Improved Instruction and Student Success				
Kachemak Bay (Homer Campus) Instructional Programs	65.0	1.5	0.0	66.5
Kachemak Bay (Homer) Campus Student Services Academic Advising Position	40.0	0.0	0.0	40.0
Total Homer Campus	105.0	1.5	0.0	106.5

Kenai Peninsula College



Kenai Peninsula College (KPC) has grown into a comprehensive college offering a variety of programs to meet vocational, academic, and community needs.

The campus includes a vocational building, academic classrooms, laboratories, a library and media center, a bookstore and a snack bar/commons area.

Programs offered at KPC include complete associate degree programs, coursework leading to baccalaureate degrees, vocational programs, and continuing education and personal development courses.

Kenai Peninsula College

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Auxiliary Services		259.1	259.1		304.7	304.7	0.0	0.0	354.7	354.7
Inst. Supt.	496.6	43.9	540.5	426.7	107.6	534.3	426.7	0.0	107.6	534.3
Instruction	1,493.0	1,257.9	2,750.9	1,631.2	1,904.8	3,536.0	1,631.2	1,267.8	637.0	3,536.0
Library Services	173.5	0.6	174.1	158.7	2.0	160.7	158.7	0.0	2.0	160.7
Physical Plant	485.8	0.0	485.8	365.1	0.0	365.1	365.1	0.0	0.0	365.1
Scholarships		15.9	15.9		156.6	156.6	0.0	0.0	156.6	156.6
Student Services	371.9	0.0	371.9	360.2	0.0	360.2	360.2	0.0	0.0	360.2
Total	3,020.8	1,577.4	4,598.2	2,941.9	2,475.7	5,417.6	2,941.9	1,267.8	1,257.9	5,467.6

Kodiak College



KODIAK COLLEGE



Kodiak College serves more than 1,000 students per semester and provides outreach services to the village communities of Akhiok, Karluk, Larsen Bay, Old Harbor, Ouzinkie and Port Lions.

Kodiak College provides courses leading to associate and baccalaureate degrees plus Adult Basic Education, GED preparation, continuing education and vocational courses. Special interest courses in fisheries safety and licensing enhance the curriculum. Students may choose traditionally structured courses or those offered in open entry learning labs in English, Mathematics and Office Management Technology. Kodiak College's Carolyn Floyd Library features a growing academic collection of almost 30,000 volumes and many special collections.

The Student Services Center assists students by providing academic and career counseling as well as diagnostic and standardized testing. Now in its fourth year, the Kodiak College Student Association (KCSA) plays an active role in addressing student issues on a local and statewide basis.

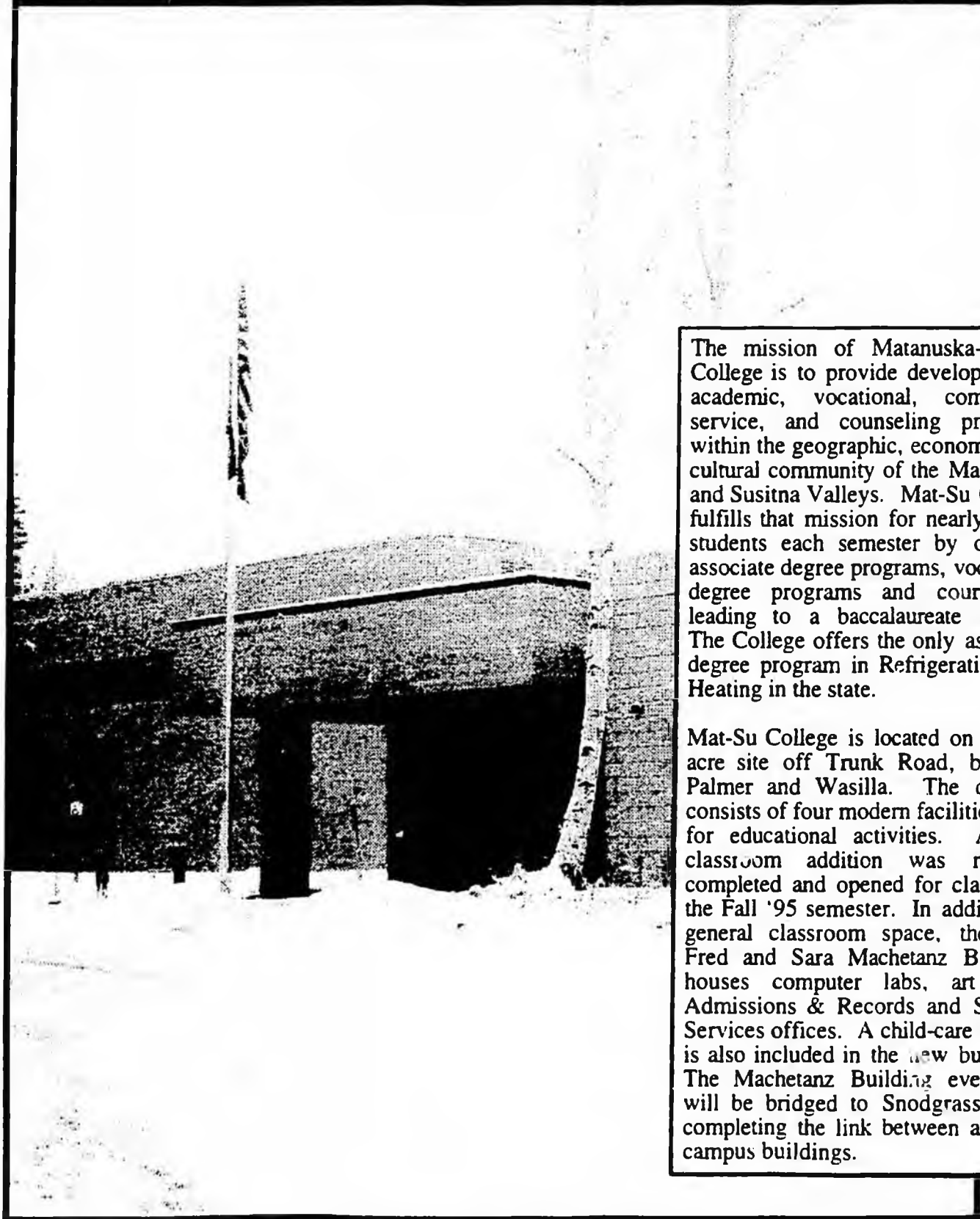
The KoC campus serves as a cultural center in the community, sponsoring events such as lectures, seminars, art shows and local TV productions.

Kodiak College

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Auxiliary Services		117.7	117.7		100.0	100.0	0.0	0.0	100.0	100.0
Inst. Supt.	364.6	0.0	364.6	392.7	0.0	392.7	392.7	0.0	0.0	392.7
Instruction	603.2	451.8	1,055.0	559.3	869.3	1,428.6	559.3	372.3	497.0	1,428.6
Library Services	232.5	5.0	237.5	248.4	0.0	248.4	257.8	0.0	0.0	257.8
Physical Plant	419.2	0.0	419.2	405.5	0.0	405.5	405.5	0.0	0.0	405.5
Scholarships		5.1	5.1		1.3	1.3	0.0	0.0	1.3	1.3
Student Services	154.4	0.0	154.4	150.7	0.0	150.7	172.7	0.0	0.0	172.7
Total	1,773.9	579.6	2,353.5	1,756.6	970.6	2,727.2	1,788.0	372.3	598.3	2,758.6

Operating Budget Increments		GF	Other Funds		Total Funds
Increment Title			Student Fees	NGF	
Improved Instruction and Student Success					
Part-time Counselor and Library Assistant Positions for Kodiak College		31.4	0.0	0.0	31.4
Total Kodiak College		31.4	0.0	0.0	31.4

Matanuska-Susitna College



The mission of Matanuska-Susitna College is to provide developmental, academic, vocational, community service, and counseling programs within the geographic, economic, and cultural community of the Matanuska and Susitna Valleys. Mat-Su College fulfills that mission for nearly 1,600 students each semester by offering associate degree programs, vocational degree programs and coursework leading to a baccalaureate degree. The College offers the only associate degree program in Refrigeration and Heating in the state.

Mat-Su College is located on a 940-acre site off Trunk Road, between Palmer and Wasilla. The campus consists of four modern facilities used for educational activities. A new classroom addition was recently completed and opened for classes in the Fall '95 semester. In addition to general classroom space, the new Fred and Sara Machetanz Building houses computer labs, art labs, Admissions & Records and Student Services offices. A child-care facility is also included in the new building. The Machetanz Building eventually will be bridged to Snodgrass Hall, completing the link between all four campus buildings.

Matanuska-Susitna College

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.		0.0			4.0	4.0	0.0	0.0	4.0	4.0
Auxiliary Services		288.9	288.9		301.4	301.4	0.0	0.0	301.4	301.4
Inst. Supt.	415.5	2.0	417.5	446.7	33.5	480.2	446.7	0.0	33.5	480.2
Instruction	762.2	1,415.1	2,177.3	826.2	1,699.6	2,525.8	826.2	1,455.2	244.4	2,525.8
Library Services	353.2	0.0	353.2	336.9	0.0	336.9	336.9	0.0	0.0	336.9
Physical Plant	495.7	12.8	508.5	525.2	3.0	528.2	525.2	0.0	3.0	528.2
Scholarships		0.0			1.5	1.5	0.0	0.0	1.5	1.5
Student Services	299.5	0.0	299.5	288.8	0.0	288.8	288.8	0.0	0.0	288.8
Total	2,326.1	1,718.8	4,044.9	2,423.8	2,043.0	4,466.8	2,423.8	1,455.2	587.8	4,466.8

Prince William Sound Community College

Prince William Sound Community College (PWSCC), with its main campus in the historic community of Valdez, and extensions in Cordova and the Copper Basin, serves a geographic area of more than 44,000 square miles.

Administratively attached to the University of Alaska Anchorage, PWSCC is partially funded by the communities it serves.

PWSCC provides developmental academic, and vocational education and training, as well as community interest courses and community service, to the residents of the Prince William Sound and Cooper Basin regions as well as serving students from the entire state of Alaska.



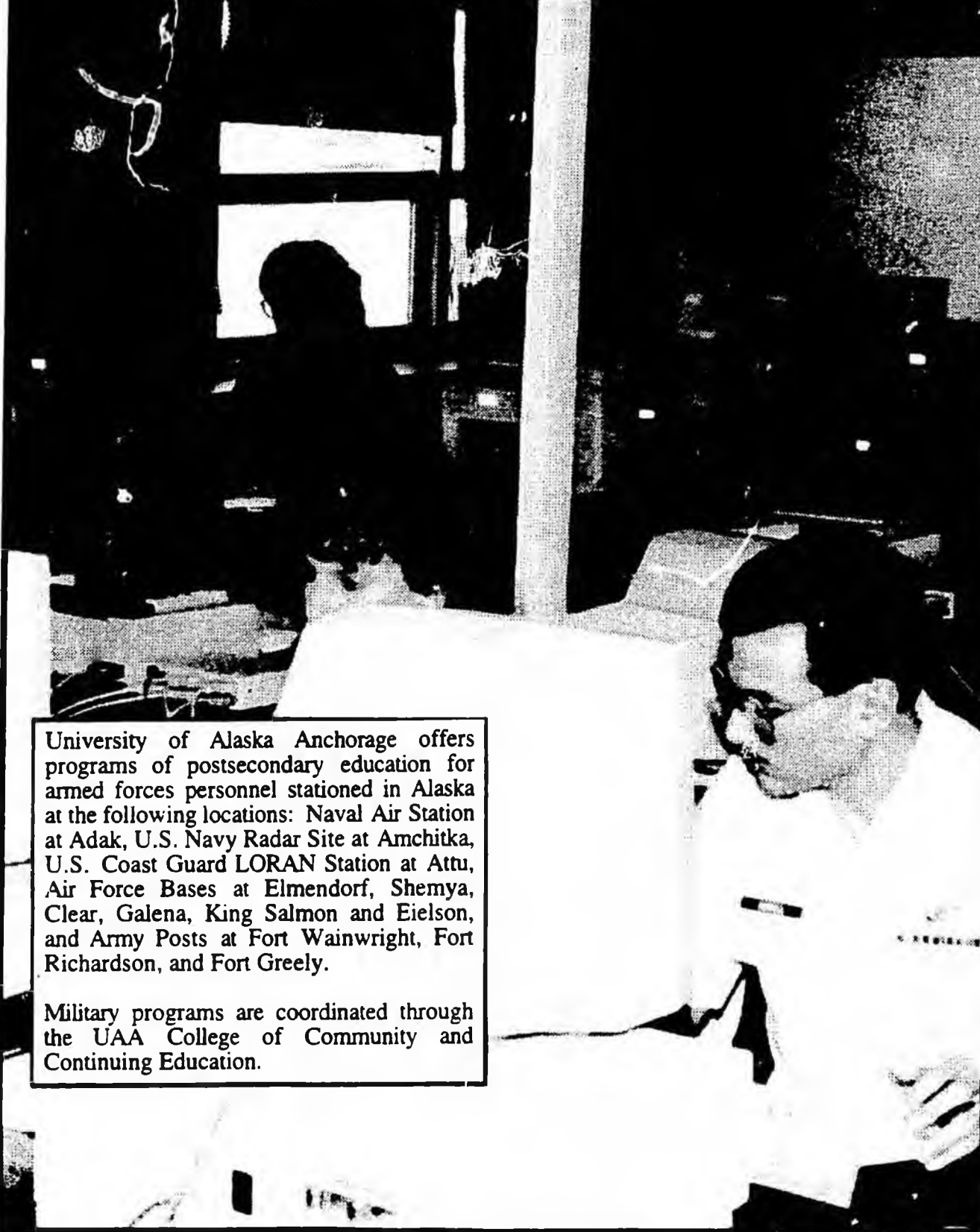
PRINCE WILLIAM SOUND
COMMUNITY COLLEGE

Prince William Sound Community College

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.	143.8	3.5	147.3	121.1	13.2	134.3	121.1	0.0	13.2	134.3
Auxiliary Services		218.7	218.7		281.4	281.4	0.0	0.0	281.4	281.4
Inst. Supt.	350.2	216.9	567.1	394.3	117.3	511.6	394.3	0.0	167.3	561.6
Instruction	414.5	1,243.0	1,657.5	382.6	1,949.2	2,331.8	364.5	559.4	1,539.8	2,463.7
Library Services	0.0	38.3	38.3	24.4	15.1	39.5	24.4	0.0	15.1	39.5
Physical Plant	507.4	0.0	507.4	483.9	21.8	505.7	493.9	0.0	21.8	515.7
Scholarships		0.3	0.3	0.0	6.0	6.0	0.0	0.0	6.0	6.0
Student Services	205.6	15.1	220.7	156.3	23.6	179.9	164.4	0.0	23.6	188.0
Total	1,621.5	1,735.8	3,357.3	1,562.6	2,427.6	3,990.2	1,562.6	559.4	2,068.2	4,190.2

Operating Budget Increments				Total Funds
Increment Title	GF	Other Funds		
		Student Fees	NGF	
Non-General Fund				
Increase Student Fee and Intra-Agency Receipt Authority	0.0	150.0	50.0	200.0
Total Prince William Sound Community College	0.0	150.0	150.0	200.0

Statewide Higher Education for Armed Forces



University of Alaska Anchorage offers programs of postsecondary education for armed forces personnel stationed in Alaska at the following locations: Naval Air Station at Adak, U.S. Navy Radar Site at Amchitka, U.S. Coast Guard LORAN Station at Attu, Air Force Bases at Elmendorf, Shemya, Clear, Galena, King Salmon and Eielson, and Army Posts at Fort Wainwright, Fort Richardson, and Fort Greely.

Military programs are coordinated through the UAA College of Community and Continuing Education.

Statewide Higher Education for Armed Forces

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.	270.3	0.0	270.3	265.6	0.0	265.6	265.6	0.0	0.0	265.6
Auxiliary Services		83.9	83.9		202.0	202.0	0.0	0.0	202.0	202.0
Instruction	105.8	1,780.5	1,886.3	101.2	2,888.0	2,989.2	101.2	2,328.0	560.0	2,989.2
Physical Plant	5.9	0.0	5.9	6.0	0.0	6.0	6.0	0.0	0.0	6.0
Total	382.0	1,864.4	2,246.4	372.8	3,090.0	3,462.8	372.8	2,328.0	762.0	3,462.8

University of Alaska
Fairbanks

University of Alaska Fairbanks



Campuses & Units:

Alaska Cooperative Extension
Arctic Region Supercomputer Center
Bristol Bay Campus
Chukchi Campus
Fairbanks Campus
Fairbanks Organized Research
Interior-Aleutians Campus
Kuskokwim Campus
Northwest Campus
Rural College
School of Fisheries & Ocean Sciences
Tanana Valley Campus

Chancellor:

Joan Wadlow



University of Alaska Fairbanks

MAU Summary

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Arctic Region										
Supercomputer Ctr.	0.0	6,436.8	6,436.8	0.0	16,500.0	16,500.0	0.0	0.0	16,500.0	16,500.0
Ak.Coop.Ext.Svc.	3,195.1	2,672.0	5,867.1	3,220.7	2,798.3	6,019.0	3,169.1	0.0	3,298.3	6,467.4
Bristol Bay Camp.	606.2	266.7	872.9	634.5	418.6	1,053.1	637.3	165.5	303.1	1,105.9
Chukchi Campus	853.0	82.9	935.9	851.7	328.5	1,180.2	829.8	87.4	241.1	1,158.3
Fairbanks Campus	56,580.1	55,147.1	111,727.2	54,103.3	67,743.6	121,846.9	59,618.2	16,483.5	51,860.1	127,961.8
Fairbanks Org Res	8,632.0	34,684.8	43,316.8	8,819.7	61,122.7	69,942.4	9,587.5	0.0	57,522.7	67,110.2
Int.-Aleut.Campus	982.4	504.2	1,486.6	1,033.7	635.3	1,669.0	1,023.0	245.7	389.6	1,658.3
Kuskokwim Camp.	2,578.8	1,195.2	3,774.0	2,717.4	1,455.4	4,172.8	2,693.4	304.5	1,600.9	4,598.8
Northwest Campus	1,247.1	223.6	1,470.7	1,325.7	412.2	1,737.9	1,333.3	212.9	199.3	1,745.5
Rural College	4,069.9	2,334.4	6,404.3	3,022.5	1,793.1	4,815.6	3,087.6	1,030.0	763.1	4,880.7
School of Fisheries	4,769.3	14,262.1	19,031.4	4,862.9	16,443.5	21,306.4	5,064.4	112.6	19,330.9	24,507.9
Tanana Valley CC	0.0	0.0	0.0	1,912.3	1,327.0	3,239.3	1,916.3	969.1	357.9	3,243.3
Total	83,513.9	117,809.8	201,323.7	82,504.4	170,978.2	253,482.6	88,959.9	19,611.2	152,367.0	260,938.1

Operating Budget Increments by Type		Other Funds		Total Funds
Increment Title	GF	Student Fees	NGF	
Alaska Cooperative Extension	7.0	0.0	0.0	7.0
Bristol Bay Campus	2.8	0.0	0.0	2.8
Chukchi Campus	4.6	0.0	0.0	4.6
Fairbanks Campus	1,341.1	0.0	0.0	1,341.1
Fairbanks Organized Research	21.2	0.0	0.0	21.2
Interior-Aleutians Campus	9.3	0.0	0.0	9.3
Kuskokwim Campus	11.0	0.0	0.0	11.0
Northwest Campus	7.6	0.0	0.0	7.6
Rural College	1.0	0.0	0.0	1.0
Fisheries & Ocean Sciences	1.5	0.0	0.0	1.5
Tanana Valley Campus	4.0	0.0	0.0	4.0
Total Maintaining Existing Programs	1,411.1	0.0	0.0	1,411.1
Fairbanks Campus	3,356.4	0.0	0.0	3,356.4
Total Bldg. & Equip. Maint. Ren. & Replacement	3,356.4	0.0	0.0	3,356.4
Fairbanks Campus	405.0	0.0	0.0	405.0
Rural College	150.0	0.0	0.0	150.0
Improved Instruction and Student Success	555.0	0.0	0.0	555.0
Fairbanks Campus	100.0	0.0	0.0	100.0
Fairbanks Organized Research	583.0	0.0	0.0	583.0
Fisheries & Ocean Sciences	200.0	0.0	0.0	200.0
Total Research and Public Initiatives	883.0	0.0	0.0	883.0
Fairbanks Campus	0.0	0.0	100.0	100.0
Kuskokwim Campus	0.0	0.0	100.0	100.0
Total Non-General Fund	0.0	0.0	200.0	200.0
Fairbanks Organized Research	250.0	0.0	(250.0)	0.0
Total General Fund/Science & Technology Fund Change	250.0	0.0	(250.0)	0.0
Total Increment Request-University of Alaska Fairbanks	6,455.5	0.0	(50.0)	6,405.5

University of Alaska Fairbanks

MAU Summary

FY97 Capital Budget Request/Six-Year Capital Improvement Plan				
Category		General Fund	Non-General Fund	Total
BOR Priority/Campus	Title			
Code Compliance				
2 Systemwide/UAF	Code Compliance	7,900.0		7,900.0
Campus Security and Safety				
3 Systemwide/UAF	Security/Safety Improvements	400.0		400.0
Equipment/Computer Systems Upgrades				
13 Systemwide/UAF	Equipment: Library,Instruction,Research	3,000.0	500.0	3,500.0
Building Completions/Repair and Renovation				
10 Fairbanks Campus	Food Service Renovation & Expansion	5,500.0		5,500.0
15 Fairbanks Campus	Space Planning & Renovation	1,500.0		1,500.0
31 Northwest Campus	Space Renovation	100.0		100.0
32 Fairbanks Campus	Walkways,Stairs,Streets,Parking Upgrade	1,500.0		1,500.0
37 Fairbanks Campus	Brooks Building Renovation	2,800.0		2,800.0
Planning for Growth				
9 UAF/Juneau Campus	SFOS Space/Accreditation Needs	1,500.0		1,500.0
20 Fairbanks Campus	Student Apartment Housing Planning	500.0		500.0
25 Fairbanks Campus	West Ridge Infrastructure Planning/Upgrade	4,100.0		4,100.0
35 Fairbanks Campus	UA Museum Addition Planning/Design	500.0		500.0
39 Fairbanks Campus	Comprehensive Planning New/Existing Facilities	1,900.0		1,900.0
Sponsored Research Facilities				
17 Fairbanks Campus	Elvey Complex Construction Match	3,500.0	3,500.0	7,000.0
Construction for Growth				
27 Bristol Bay Campus	Classroom Addition, Planning & Construction	900.0		900.0
30 Kuskokwim Campus	Food Storage Facility Construction	300.0		300.0
36 Fairbanks Campus	Student Apartment Housing Construction	10,000.0		10,000.0
Total University of Alaska Fairbanks		45,900.0	4,000.0	49,900.0

Alaska Cooperative Extension



As part of the service mission of UAF, the Alaska Cooperative Extension (ACE) offers programs throughout the state. It is part of a nationwide educational system that functions in a cooperative relationship between the federal government and various states through land-grant colleges and universities.

The mission of ACE is to interpret and extend research-based knowledge in an understandable form for consumers and to solve problems and challenges facing the people of Alaska.

Extension education in Alaska is delivered by faculty located at 14 sites. Major program areas include home economics, 4-H youth development, agriculture and natural resources, and community resource development.

Alaska Cooperative Extension Service

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Public Service	3,195.1	2,672.0	5,867.1	3,220.7	2,798.3	6,019.0	3,169.1	0.0	3,298.3	6,467.4
Total	3,195.1	2,672.0	5,867.1	3,220.7	2,798.3	6,019.0	3,169.1	0.0	3,298.3	6,467.4

Operating Budget Increments		GF	Other Funds		Total Funds
Increment Title			Student Fees	NGF	
Maintaining Existing Programs					
Fixed Cost Increases-Alaska Cooperative Extension		7.0	0.0	0.0	7.0
Total Alaska Cooperative Extension		7.0	0.0	0.0	7.0

Arctic Region Supercomputer Center

The University of Alaska's Arctic Region Supercomputing Center supports innovation and excellence in Arctic science research with high-performance computing, training, and networking activities. The center's CRAY Y-MP M98 is the largest-memory, four-processor supercomputer in the world.

More than 150 faculty, students, and researchers use the center's supercomputer, which is named Denali. Located in the University of Alaska Butrovich Building on the UAF campus, Denali has been on-line since January 1993.

Scientific applications currently supported by the center include Arctic ice-ocean-atmosphere modeling, global climate modeling, polar ice sheets, volcanic plume modeling, solar-terrestrial physics, arctic engineering, arctic biology, mechanical engineering, and computer science.



Arctic Region Supercomputer Center

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	Total Funds
Research		6,436.8	6,436.8		16,500.0	16,500.0	0.0	0.0	16,500.0	16,500.0
Total	0.0	6,436.8	6,436.8	0.0	16,500.0	16,500.0	0.0	0.0	16,500.0	16,500.0

Bristol Bay Campus

The Bristol Bay Campus is located and administered in Dillingham, with two sub-regional centers in Naknek and Iliamna. The campus serves 32 villages in an area of 55,000 square miles.

The campus offers an associate of arts degree in general studies and associate of applied science degree in small business, community health practitioner studies, early childhood education, human service technology, and renewable resources. Coursework is available leading to the UAF Bachelor of Arts degree in rural development and the Bachelor of Education degree through the Rural Education Program. In addition, continuing education, vocational, and general interest courses are available.

More than 100 courses are offered every semester throughout the Bristol Bay region by distance delivery, correspondence, and itinerant instruction, as well as more traditional methods.



Bristol Bay Campus

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Auxiliary Services		17.3	17.3		23.3	23.3	0.0	0.0	23.3	23.3
Inst. Supt.					178.2	178.2	0.0	0.0	178.2	178.2
Instruction	556.4	248.1	804.5	584.7	217.1	801.8	584.7	165.5	101.6	851.8
Physical Plant	49.8	1.3	51.1	49.8	0.0	49.8	52.6	0.0	0.0	52.6
Total	606.2	266.7	872.9	634.5	418.6	1,053.1	637.3	165.5	303.1	1,105.9

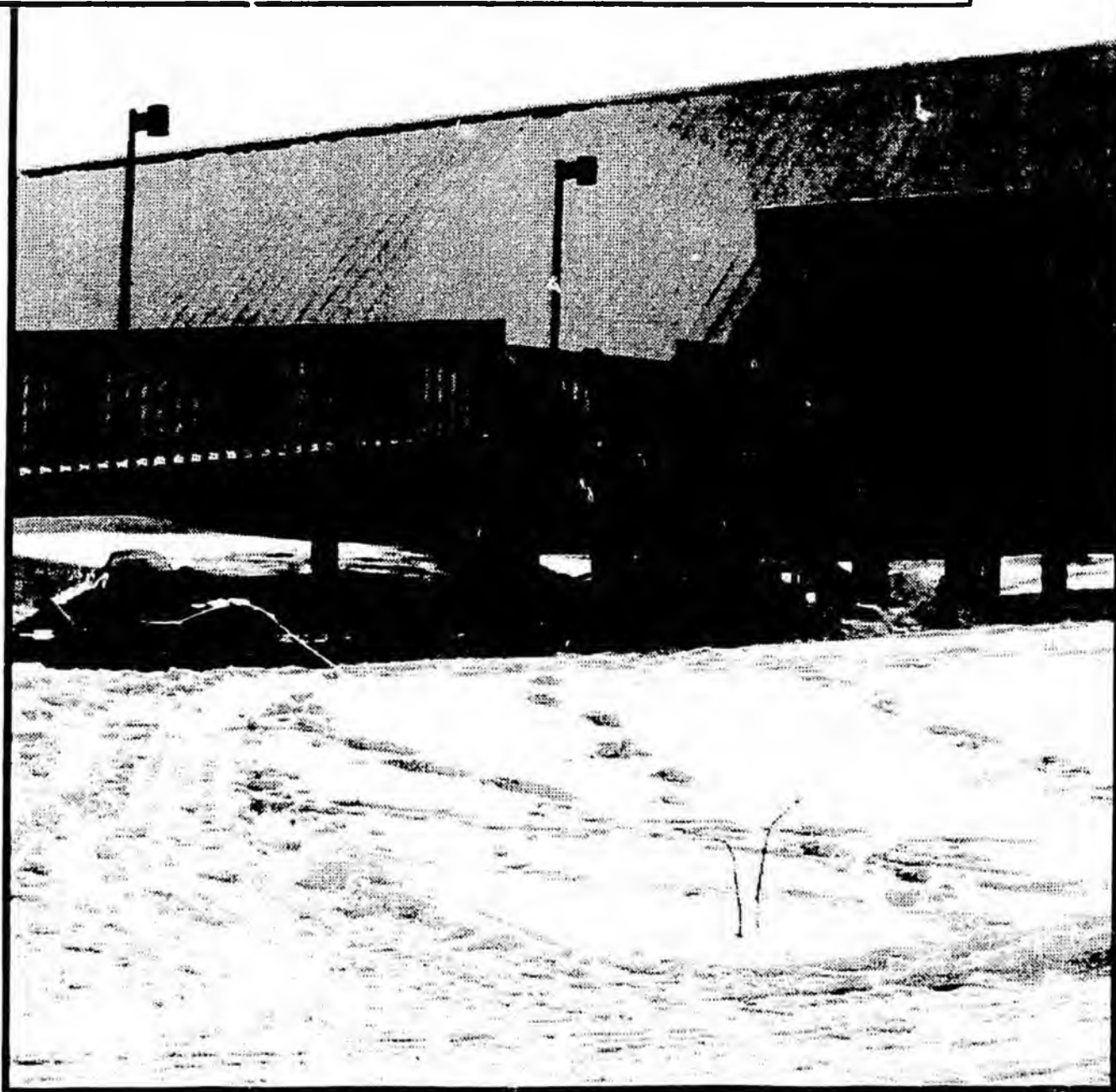
Operating Budget Increments				Total Funds
Increment Title	GF	Other Funds		
		Student Fees	NGF	
Maintaining Existing Programs				
Fixed Cost Increases-Bristol Bay Campus	2.8	0.0	0.0	2.8
Total Bristol Bay Campus	2.8	0.0	0.0	2.8

Chukchi Campus

The Chukchi Campus is located in Kotzebue, 26 miles north of the Arctic Circle on the shores of the Chukchi Sea. The campus serves Kotzebue and 10 villages in a region of more than 36,000 square miles.

Chukchi offers the associate of arts and associate of applied science degrees as well as courses leading to baccalaureate degrees in education, rural development, and social work.

In addition to courses offered locally, Chukchi is the College of Rural Alaska's prime contributor to the cross-regional distance education network.



Chukchi Campus

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.	43.3	0.0	43.3	41.0	8.2	49.2	41.0	7.7	0.5	49.2
Auxiliary Services		16.7	16.7		32.2	32.2	0.0	0.0	32.2	32.2
Inst. Supt.	301.3	3.3	304.6	238.8	44.5	283.3	213.2	0.0	44.5	257.7
Instruction	353.5	62.9	416.4	406.2	240.1	646.3	406.2	76.5	163.6	646.3
Library Services	59.8	0.0	59.8	63.6	0.0	63.6	63.8	0.0	0.0	63.8
Physical Plant	59.1	0.0	59.1	60.2	0.0	60.2	63.7	0.0	0.0	63.7
Student Services	36.0	0.0	36.0	41.9	3.5	45.4	41.9	3.2	0.3	45.4
Total	853.0	82.9	935.9	851.7	328.5	1,180.2	829.8	87.4	241.1	1,158.3

Operating Budget Increments				Total Funds
Increment Title	GF	Other Funds		
		Student Fees	NGF	
Maintaining Existing Programs				
Fixed Cost Increases-Chukchi Campus	4.6	0.0	0.0	4.6
Total Chukchi Campus	4.6	0.0	0.0	4.6

Fairbanks Campus



As one of the nation's top 100 research universities, UAF is among a select few universities with land-, sea- and space-grant status.

Cold region issues are emphasized by instruction and research in arctic biology and ecology, geophysics, space physics, wildlife, fisheries and ocean sciences, northern engineering, Native languages, cross-cultural studies, agriculture, forestry, mining, and petroleum development.

UAF offers a broad array of undergraduate and graduate degree programs, including doctoral programs, has a thriving Honors Program, ranks second among universities in the Pacific Northwest in enrolling National Merit Scholars, and provides vocational and technical job training.

Rasmuson Library is the largest in the state, and access to collections is available through traditional means and through interlibrary loans to all libraries in Alaska. Comprehensive computer databases extend the library resources beyond the state.

Fairbanks Campus

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.	3,160.4	912.3	4,072.7	3,174.9	1,581.6	4,756.5	3,624.9	0.0	1,581.6	5,206.5
Auxiliary Services		10,121.5	10,121.5		11,731.4	11,731.4	0.0	0.0	11,831.4	11,831.4
Debt Service	1,177.1	2,308.5	3,485.6	1,232.1	1,244.0	2,476.1	1,232.1	520.0	724.0	2,476.1
Inst. Supt.	11,774.1	11,211.3	22,985.4	7,762.2	12,883.4	20,645.6	7,529.1	356.2	12,527.2	20,412.5
Instruction	15,998.4	10,786.6	26,785.0	18,565.3	14,712.5	33,277.8	18,176.4	13,338.1	2,374.4	33,888.9
Intercoll. Athletics	1,068.9	953.8	2,022.7	1,119.7	557.4	1,677.1	1,119.7	0.0	557.4	1,677.1
Library Services	5,153.7	968.0	6,121.7	4,299.1	2,212.1	6,511.2	4,459.3	1,044.1	1,168.0	6,671.4
Physical Plant	13,402.4	10,664.3	24,066.7	13,630.0	12,128.5	25,758.5	19,066.8	50.0	12,078.5	31,195.3
Public Service	912.6	2,915.9	3,828.5	570.6	3,346.9	3,917.5	641.8	400.0	2,946.9	3,988.7
Scholarships	321.8	2,387.1	2,708.9	277.0	3,258.8	3,535.8	237.0	0.0	3,258.8	3,495.8
Student Services	3,610.7	1,917.8	5,528.5	3,472.4	4,087.0	7,559.4	3,531.1	775.1	2,811.9	7,118.1
Total	56,580.1	55,147.1	111,727.2	54,103.3	67,743.6	121,846.9	59,618.2	16,483.5	51,860.1	127,961.8

Operating Budget Increments Increment Title	GF	Other Funds		Total Funds
		Student Fees	NGF	
Maintaining Existing Programs				
Fixed Cost Increases-Fairbanks Physical Plant	216.0	0.0	0.0	216.0
Fixed Cost Increases-Instruction, Library, Inst. Supt, Student Services	130.7	0.0	0.0	130.7
Fixed Cost Increases-Utilities	537.4	0.0	0.0	537.4
Safety-Judicial Services and Safety Education	207.0	0.0	0.0	207.0
Operating Computer Network	150.0	0.0	0.0	150.0
Compliance with State and Federal Mandates	100.0	0.0	0.0	100.0
Bldg. & Equip. Maint. Ren. & Replacement				
Building Maintenance/R&R Shortfall	3,306.4	0.0	0.0	3,306.4
Campus Beautification and Preservation	50.0	0.0	0.0	50.0
Improved Instruction and Student Success				
Staffing Computer Labs	100.0	0.0	0.0	100.0
Library Services Improvements	50.0	0.0	0.0	50.0
Graduate Assistantships	100.0	0.0	0.0	100.0
Initiatives to meet Accreditation Standards	100.0	0.0	0.0	100.0
Rural Alaska Honors Insitute (RAHI)	55.0	0.0	0.0	55.0
Research and Public Initiatives				
Building Alaska's Resources - Tourism	100.0	0.0	0.0	100.0
Non-General Fund				
Increase Interest Income Authority in Auxiliary Services	0.0	0.0	100.0	100.0
Total Fairbanks Campus	5,202.5	0.0	100.0	5,302.5

Fairbanks Organized Research



Research is an integral part of the UAF mission. UAF is the research institution of the UA system and is rated among the top 100 research institutions in the United States.

UAF is the state's center for organized research in basic and applied research with particular emphasis on high latitude problems, which has provided the university with a well-earned reputation. UAF's uniqueness is based on its geographic position and the expertise and reputation of its faculty.

UAF's research institutes and centers focus upon problems of the state of Alaska and the Arctic. These include the development of renewable and non-renewable resources, energy sources, the environmental impact of human activities, and the cultural understanding and preservation of peoples of the North.

UAF provides opportunities for undergraduate students to participate in basic and applied research. Several departments have summer undergraduate research programs, some specifically targeted at Alaska Native students.

Fairbanks Organized Research

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	Total Funds
Research	8,632.0	34,684.8	43,316.8	8,819.7	61,122.7	69,942.4	9,587.5	0.0	57,522.7	67,110.2
Total	8,632.0	34,684.8	43,316.8	8,819.7	61,122.7	69,942.4	9,587.5	0.0	57,522.7	67,110.2

Operating Budget Increments Increment Title	GF	Other Funds		Total Funds
		Student Fees	NGF	
Maintaining Existing Programs				
Fixed Cost Increases-Organized Research	21.2	0.0	0.0	21.2
Research and Public Initiatives				
Arctic Engineering Research Initiative and Arctic Energy/Mineral	130.0	0.0	0.0	130.0
Building Alaska's Resources - Forests	195.0	0.0	0.0	195.0
Alaska Native Language Center	100.0	0.0	0.0	100.0
Earthquake and Volcano Hazards	92.0	0.0	0.0	92.0
Arctic Botany Lab for IAB	66.0	0.0	0.0	66.0
General Fund/Science & Technology Fund Change				
Funding source change from Sci/tech to General Fund	250.0	0.0	(250.0)	0.0
Total Fairbanks Organized Research	854.2	0.0	(250.0)	604.2

Interior-Aleutians Campus



The Interior-Aleutians Campus serves 54 towns and villages within the Doyon Corporation region and the Aleutians/Pribilof Islands, an area of about 200,000 square miles.

Although the director's office and some faculty are located at UAF's main campus, the Interior-Aleutians Campus is the most decentralized of the College of Rural Alaska campuses with campus centers in Fort Yukon, McGrath, Tok, and Unalaska.

Courses are offered throughout the region via distance delivery, on site by local or itinerant instructors, and by correspondence. The campus offers a range of degree programs, including the associate of arts, several associate of applied science degrees, vocationally oriented degrees and certificates, and the bachelor of education degree through the Rural Education Program. Skill-building and community-interest classes are also offered.

Interior-Aleutians Campus

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.							0.0	0.0	0.0	0.0
Auxiliary Services		4.8	4.8		7.0	7.0	0.0	0.0	7.0	7.0
Inst. Supt.				3.6	20.0	23.6	7.4	0.0	20.0	27.4
Instruction	898.0	490.4	1,388.4	901.1	608.3	1,509.4	881.1	245.7	362.6	1,489.4
Physical Plant	84.4	9.0	93.4	129.0	0.0	129.0	134.5	0.0	0.0	134.5
Total	982.4	504.2	1,486.6	1,033.7	635.3	1,669.0	1,023.0	245.7	389.6	1,658.3

Operating Budget Increments				Total Funds
Increment Title	GF	Other Funds		
		Student Fees	NGF	
Maintaining Existing Programs				
Fixed Cost Increases-Interior-Aleutians Campus	9.3	0.0	0.0	9.3
Total Interior-Aleutians Campus	9.3	0.0	0.0	9.3

Kuskokwim Campus

The Kuskokwim Campus is located in Bethel, 80 miles inland on the Kuskokwim river. It is a community of about 4,000 people that serves as the transportation and service center of a region of more than 50 villages.

Housing is available on campus in Sackett Hall, which provides four-person apartments with space for 42 students and a dining service.

Distance delivery of courses and educational programs to students throughout the region is an integral part of the Kuskokwim Campus. In the College of Rural Alaska, this campus serves as the center for the development and application of emerging educational and telecommunications technologies.

The Yup'ik Language Center is located at Kuskokwim, as is the Yup'ik Museum, Library, and Cultural Center.



Kuskokwim Campus

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	Total Funds
Acad. Supt.	259.2	0.0	259.2	266.7	9.5	276.2	266.7	0.0	9.5	276.2
Auxiliary Services		270.8	270.8		312.7	312.7	0.0	0.0	412.7	412.7
Inst. Supt.	314.9	1.7	316.6	304.4	554.2	858.6	272.6	0.0	594.2	866.8
Instruction	1,104.4	755.8	1,860.2	1,169.6	537.9	1,707.5	1,169.6	304.5	533.4	2,007.5
Library Services	151.4	68.4	219.8	163.1	0.0	163.1	163.9	0.0	0.0	163.9
Physical Plant	265.0	68.3	333.3	338.4	0.0	338.4	345.4	0.0	10.0	355.4
Research	230.8	25.1	255.9	235.3	41.1	276.4	235.3	0.0	41.1	276.4
Student Services	253.1	5.1	258.2	239.9	0.0	239.9	239.9	0.0	0.0	239.9
Total	2,578.8	1,195.2	3,774.0	2,717.4	1,455.4	4,172.8	2,693.4	304.5	1,600.9	4,598.8

Operating Budget Increments		GF	Other Funds		Total Funds
			Student Fees	NGF	
Increment Title					
Maintaining Existing Programs					
Fixed Cost Increases-Kuskokwim Campus		11.0	0.0	0.0	11.0
Non-General Fund					
Increase in Auxiliary Receipt Authority for Kuskokwim Campus		0.0	0.0	100.0	100.0
Total Kuskokwim Campus		11.0	0.0	100.0	111.0

Northwest Campus



The Northwest Campus serves the residents of Nome and the people of 15 Bering Strait villages surrounding Nome. Northwest offers a general program with courses leading to three baccalaureate degrees: education, social work, and rural development. Associate of arts and associate of applied science degrees are also offered. Vocational and applied courses are important in the area and involve nearly half of the student body.

Northwest has a well-developed computer lab, which provides the basis for job training that leads to certificates and degrees in computer applications, office management, and applied business.

A highly developed program of distance delivery and a long-term commitment to developmental education are integral to the Northwest Campus.

Northwest Campus

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.	68.9	0.0	68.9	142.6	14.1	156.7	142.6	11.0	3.1	156.7
Auxiliary Services		55.4	55.4		72.5	72.5	0.0	0.0	72.5	72.5
Inst. Supt.	288.1	0.0	288.1	328.9	24.7	353.6	328.9	0.0	24.7	353.6
Instruction	650.6	161.3	811.9	687.8	219.3	907.1	687.8	199.3	20.0	907.1
Library Services	73.6	0.0	73.6	15.3	59.3	74.6	15.8	0.0	59.3	75.1
Physical Plant	115.0	6.9	121.9	106.7	19.0	125.7	113.8	0.0	19.0	132.8
Student Services	50.9	0.0	50.9	44.4	3.3	47.7	44.4	2.6	0.7	47.7
Total	1,247.1	223.6	1,470.7	1,325.7	412.2	1,737.9	1,333.3	212.9	199.3	1,745.5

Operating Budget Increments				Total Funds
Increment Title	GF	Other Funds		
		Student Fees	NGF	
Maintain Existing Programs				
Fixed Cost Increases-Northwest Campus	7.6	0.0	0.0	7.6
Total Northwest Campus	7.6	0.0	0.0	7.6

Rural College



The College of Rural Alaska offers a wide range of academic and programmatic options which respond to the changing conditions of Alaska. Short-term courses, workshops, vocational/technical and in-service training, developmental studies, credit for prior learning, and other non-degree-oriented services provide community and continuing education.

The college geographically serves nearly two-thirds of the state, representing more than 160 primarily Native communities in the Arctic, sub-arctic and coastal environments. Extended campuses are located in Nome, Bethel, Dillingham, and Kotzebue.

Rural College

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.	615.0	0.0	615.0	992.5	73.1	1,065.6	992.5	12.7	60.4	1,065.6
Auxiliary Services		204.6	204.6		343.3	343.3	0.0	0.0	343.3	343.3
Inst. Supt.	49.3	0.0	49.3	403.0	39.0	442.0	318.1	0.0	39.0	357.1
Instruction	3,376.0	2,129.8	5,505.8	1,564.4	1,337.7	2,902.1	1,564.4	1,017.3	320.4	2,902.1
Physical Plant	29.6	0.0	29.6	62.6	0.0	62.6	62.6	0.0	0.0	62.6
Student Services							150.0	0.0	0.0	150.0
Total	4,069.9	2,334.4	6,404.3	3,022.5	1,793.1	4,815.6	3,087.6	1,030.0	763.1	4,880.7

Operating Budget Increments		GF	Other Funds		Total Funds
			Student Fees	NGF	
Increment Title					
Maintaining Existing Programs					
Fixed Cost Increases-Rural College		1.0	0.0	0.0	1.0
Improved Instruction and Student Success					
Counseling - Rural Campuses		150.0	0.0	0.0	150.0
Total Rural College		151.0	0.0	0.0	151.0

School of Fisheries & Ocean Sciences



The School of Fisheries and Ocean Sciences offers the bachelor of science degree in fisheries science through the Division of Fisheries. Graduate degrees include the M.S. and PH.D. and are offered in the oceanographic disciplines, marine biology, and fisheries.

Created in 1987, the school is responsible for coordinating the university's statewide programs in marine education, research, technology and extension relating to Alaska's vast fisheries and marine environment.

Undergraduate majors in the school are well-prepared for graduate study or to enter management, law enforcement, and/or public information-education fields related to fisheries and are often able to find summer fieldwork opportunities during their under-graduate studies through cooperating state and federal agencies.

The school operates coastal facilities at Juneau, Kodiak, Seward, and Kasitsna Bay, and also the 133-foot National Science Foundation vessel, the R/V Alpha Helix, for seagoing research and education.

School of Fisheries & Ocean Sciences

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	Total Funds
Acad. Supt.	689.0	174.9	863.9	737.1	36.8	773.9	738.6	0.0	36.8	775.4
Inst. Supt.	992.0	1,833.9	2,825.9	848.7	2,688.0	3,536.7	848.7	0.2	2,687.8	3,536.7
Instruction	559.8	290.0	849.8	543.4	113.4	656.8	543.4	112.4	1.0	656.8
Physical Plant	5.2	717.6	722.8	160.9	634.1	795.0	160.9	0.0	634.1	795.0
Public Service	600.4	1,211.4	1,811.8	584.2	1,307.9	1,892.1	584.2	0.0	1,307.9	1,892.1
Research	1,922.9	10,034.3	11,957.2	1,988.6	11,663.3	13,651.9	2,188.6	0.0	14,663.3	16,851.9
Total	4,769.3	14,262.1	19,031.4	4,862.9	16,443.5	21,306.4	5,064.4	112.6	19,330.9	24,507.9

Operating Budget Increments Increment Title	GF	Other Funds		Total Funds
		Student Fees	NGF	
Maintaining Existing Programs				
Fixed Cost Increases-School of Fisheries Ocean Sciences	1.5	0.0	0.0	1.5
Research and Public Initiatives				
Building Alaska's Resources - Fisheries	200.0	0.0	0.0	200.0
Total School of Fisheries & Ocean Sciences	201.5	0.0	0.0	201.5

Tanana Valley Campus

Tanana Valley Campus (TVC) is located in Fairbanks at the Downtown Center and at the Hutchison Career Center. TVC delivers eleven associate degree programs and eight certificate programs that are responsive to local and regional vocational/technical training needs. TVC is committed to increasing public access to postsecondary education and preparing students for the present and future workforce.

University of Alaska
Fairbanks
Downtown Center

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Academic and vocational courses at TVC are delivered primary in the evening and on weekends, serving a population that is often working and attending school parttime. Rural students living on the main UAF campus are also enrolled in many of TVC's programs, particularly aviation mechanics, diesel/heavy equipment, and fire science. TVC provides services that enhance retention for returning and under-prepared students.

Through a Tech Prep initiative, TVC is developing articulated vocational programs with Fairbanks and regional school districts. Staff and faculty have forged close ties with businesses and local agencies, which benefit instruction and increase job placement.

Tanana Valley Campus

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.				271.2	0.0	271.2	271.2	0.0	0.0	271.2
Inst. Supt.							4.0	0.0	0.0	4.0
Instruction				1,641.1	1,327.0	2,968.1	1,641.1	969.1	357.9	2,968.1
Total	0.0	0.0	0.0	1,912.3	1,327.0	3,239.3	1,916.3	969.1	357.9	3,243.3

Operating Budget Increments		GF	Other Funds		Total Funds
Increment Title			Student Fees	NGF	
Maintaining Existing Programs					
Fixed Cost Increases-Tanana Valley Campus		4.0	0.0	0.0	4.0
Total Tanana Valley Campus		4.0	0.0	0.0	4.0

**University of Alaska
Southeast**

University of Alaska Southeast



Campus: Juneau Campus
Sitka Campus
Ketchikan Campus

Chancellor: Marshall L. Lind



University of Alaska Southeast MAU Summary

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Juneau Campus	10,241.1	5,988.1	16,229.2	10,142.5	7,309.4	17,451.9	10,744.0	3,423.0	5,455.8	19,622.8
Ketchikan Campus	1,483.6	720.3	2,203.9	1,468.2	1,027.3	2,495.5	1,572.0	512.5	520.5	2,605.0
Sitka Campus	1,804.8	1,779.5	3,584.3	1,785.3	1,938.5	3,723.8	1,893.6	883.2	1,530.7	4,307.5
Total	13,529.5	8,487.9	22,017.4	13,396.0	10,275.2	23,671.2	14,209.6	4,818.7	7,507.0	26,535.3

Operating Budget Increments by Type Increment Title	GF	Other Funds		Total Funds
		Student Fees	NGF	
Juneau Campus	64.0	0.0	0.0	64.0
Ketchikan Campus	20.8	0.0	0.0	20.8
Sitka Campus	8.0	0.0	0.0	8.0
Total Maintaining Existing Programs	92.8	0.0	0.0	92.8
Juneau Campus	274.1	0.0	0.0	274.1
Ketchikan Campus	55.8	0.0	0.0	55.8
Sitka Campus	45.9	0.0	0.0	45.9
Total Bldg. & Equip. Maint. Ren. & Replacement	375.8	0.0	0.0	375.8
Juneau Campus	263.4	46.8	0.0	310.2
Ketchikan Campus	27.2	5.7	0.0	32.9
Sitka Campus	54.4	11.4	0.0	65.8
Improved Instruction and Student Success	345.0	63.9	0.0	408.9
Juneau Campus	0.0	0.0	1,122.6	1,122.6
Sitka Campus	0.0	0.0	270.0	270.0
Total Non-General Fund	0.0	0.0	1,392.6	1,392.6
Total Increment: Request-University of Alaska Southeast	813.6	63.9	1,392.6	2,270.1

University of Alaska Southeast

MAU Summary

FY97 Capital Budget Request/Six-Year Capital Improvement Plan				
Category		General Fund	Non-General Fund	Total
BOR Priority/Campus	Title			
Code Compliance				
2 Systemwide/UAS	Code Compliance	801.7		801.7
Campus Security and Safety				
3 Systemwide/UAS	Security/Safety Improvements	365.0		365.0
11 Juneau Campus	Glacier Highway Pedestrian Bridge	1,000.0		1,000.0
Equipment/Computer Systems Upgrades				
13 Systemwide/UAF	Equipment: Library,Instruction,Research	250.0		250.0
Building Completions/Repair and Renovation				
5 Juneau Campus	Mourant Food Service Remodel	500.0	275.0	775.0
8 Sitka Campus	Classroom Renovation/Completion	1,466.0		1,466.0
23 Ketchikan Campus	Remodel for Space Efficiencies	250.0		250.0
Construction for Growth				
19 Juneau Campus	Physical Education/Recreation Facility	1,334.0	1,334.0	2,668.0
29 Juneau Campus	Residence Hall Addition Planning & Construction		3,200.0	3,200.0
34 Juneau Campus	Egan Classroom Wing Addition	6,718.0		6,718.0
Total University of Alaska Southeast		12,684.7	4,809.0	17,493.7

Juneau Campus



UAS Juneau serves a diverse student population that is seeking everything from vocational certification to master's degrees. It also serves as the administrative center for the regional unit.

Degree programs include teacher education, liberal arts, business, and public administration. Career education programs include power technology, mining technology, welding technology, and marine technology.

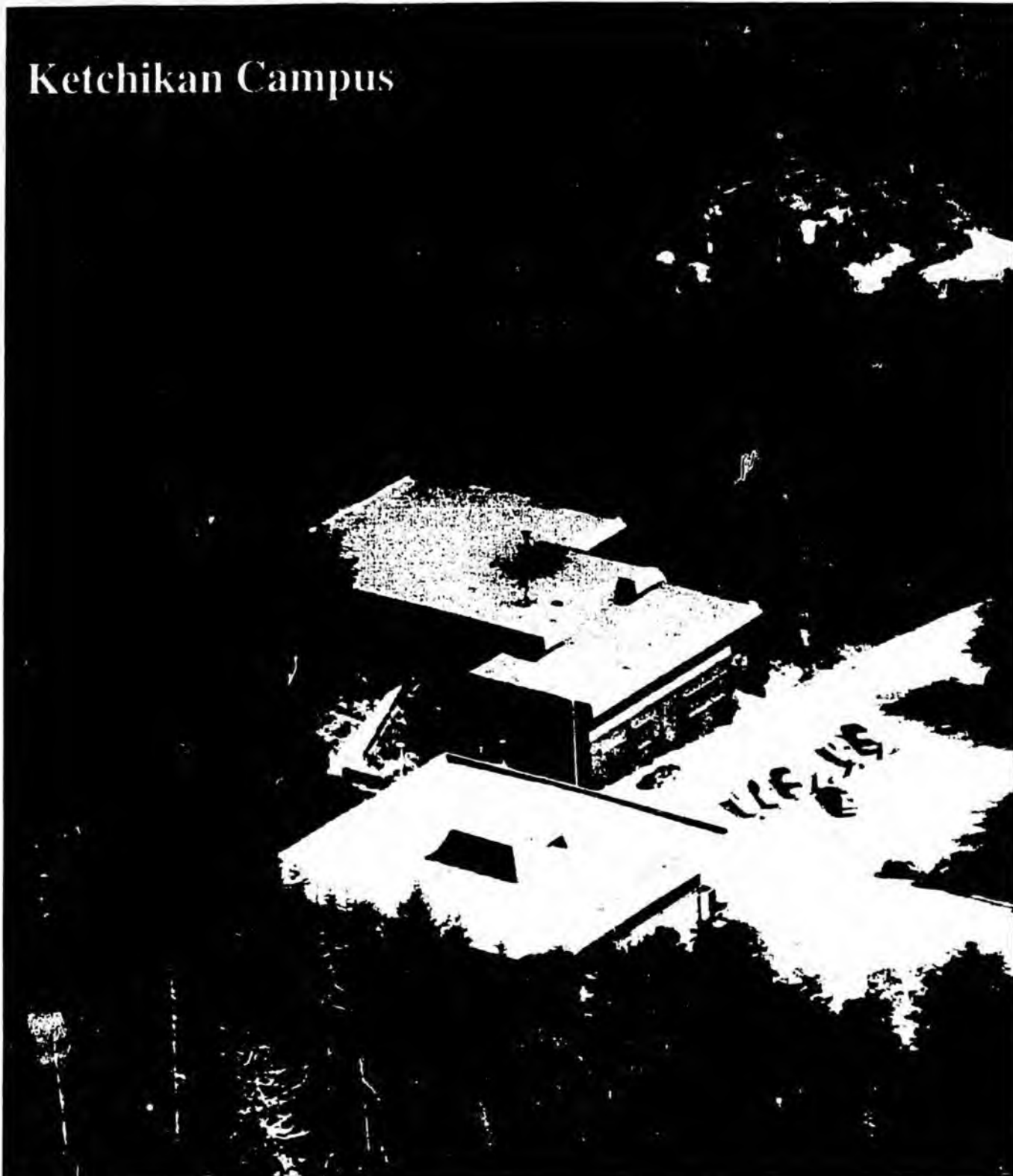
UAS courses are also offered via distance delivery throughout the Southeast region, military bases throughout Alaska, and to students in the Yukon Territory.

Juneau Campus

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.	1,297.3	131.0	1,428.3	1,226.3	171.4	1,397.7	1,243.1	11.0	160.4	1,414.5
Auxiliary Services		1,379.9	1,379.9		1,948.0	1,948.0	0.0	0.0	2,370.6	2,370.6
Inst. Supt.	2,124.9	0.0	2,124.9	2,096.4	230.8	2,327.2	2,188.7	89.7	201.1	2,479.5
Instruction	2,807.3	3,337.6	6,144.9	3,072.2	3,388.5	6,460.7	3,233.0	2,919.8	1,315.5	7,468.3
Library Services	884.5	153.0	1,037.5	684.7	331.9	1,016.6	702.8	230.2	101.7	1,034.7
Physical Plant	1,894.2	271.4	2,165.6	1,928.4	286.5	2,214.9	2,229.4	0.0	286.5	2,515.9
Public Service	85.3	161.5	246.8	56.9	272.3	329.2	56.9	15.1	257.2	329.2
Research	16.0	129.5	145.5		124.6	124.6	0.0	0.0	274.6	274.6
Scholarships	39.4	317.9	357.3	48.2	321.8	370.0	48.2	0.0	411.8	460.0
Student Services	1,092.2	106.3	1,198.5	1,029.4	233.6	1,263.0	1,041.9	157.2	76.4	1,275.5
Total	10,241.1	5,988.1	16,229.2	10,142.5	7,309.4	17,451.9	10,744.0	3,423.0	5,455.8	19,622.8

Operating Budget Increments Campus Increment Title		GF	Other Funds		Total Funds
			Student Fees	NGF	
Maintaining Existing Programs					
Fixed Cost Increases - Juneau Campus		64.0	0.0	0.0	64.0
Bldg. & Equip. Maint. Ren. & Replacement					
Building Maintenance and R&R Shortfall		274.1	0.0	0.0	274.1
Improved Instruction and Student Success					
Core Biology Faculty		112.3	25.0	0.0	137.3
Core History/Philosophy Faculty		96.1	21.8	0.0	117.9
Student Outcomes Assessment		55.0	0.0	0.0	55.0
Non-General Fund					
Federal Receipts/Indirect Cost Recovery		0.0	0.0	700.0	700.0
Increase Dorm/Food/Housing Receipt Authority		0.0	0.0	402.6	402.6
Increase Interest Income Authority in Auxiliary Services		0.0	0.0	20.0	20.0
Total Juneau Campus		601.5	46.8	1,122.6	1,770.9

Ketchikan Campus



UAS Ketchikan promotes continuing, professional, and technical education for students in the community and the region.

The campus offers certificates of completion in welding, diesel technology, clerical skills, accounting technician, business technology, and the visitor industry program.

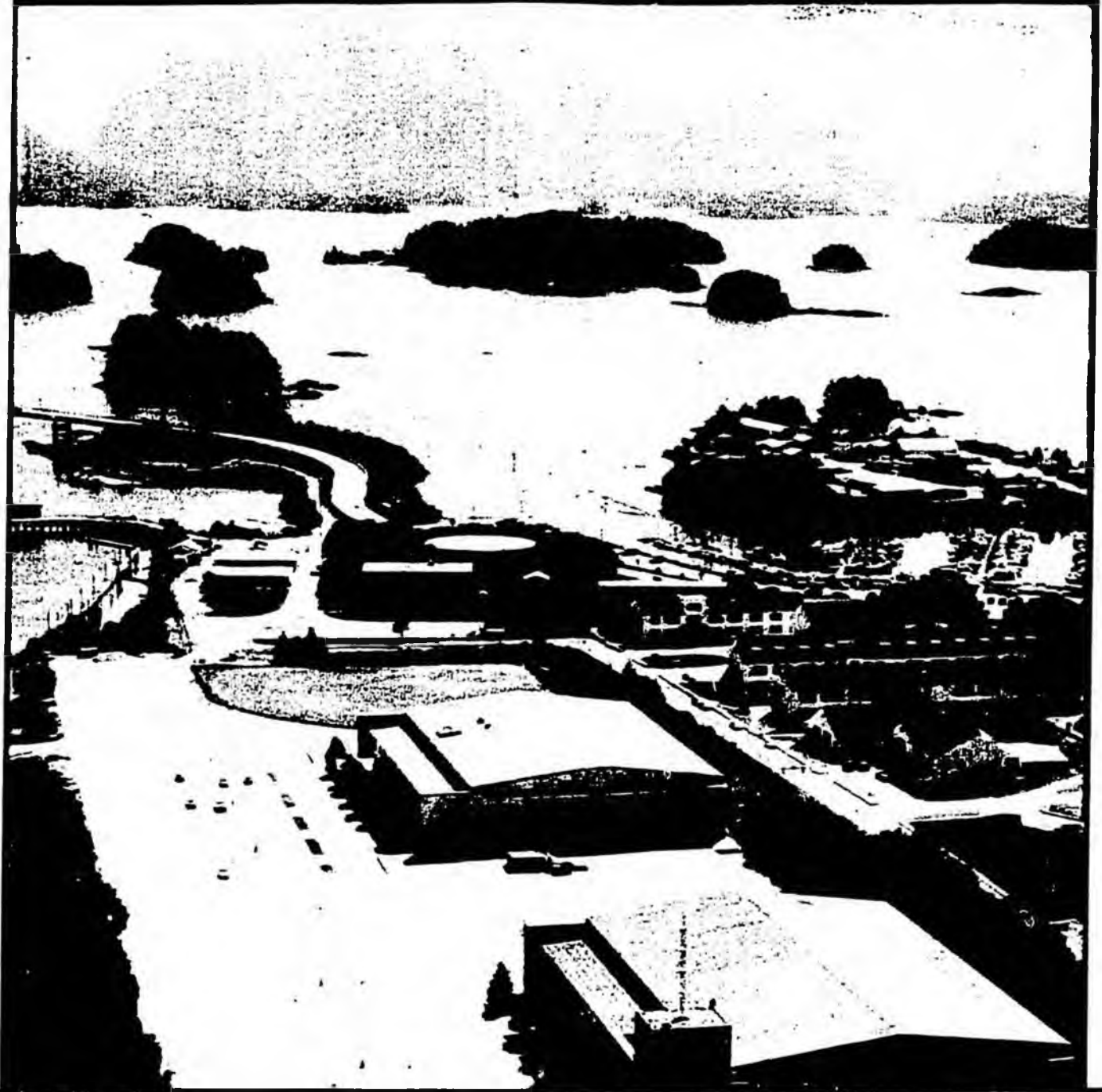
In addition, the campus offers the associate of arts degree, the traditional transfer curriculum, and associate of applied science degrees in business administration, office administration, visitor industry, travel industry, and diesel technology.

Ketchikan Campus

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.	87.8	0.0	87.8	71.5	0.0	71.5	72.4	0.0	0.0	72.4
Auxiliary Services		58.4	58.4		101.0	101.0	0.0	0.0	101.0	101.0
Inst. Supt.	466.8	5.2	472.0	373.1	62.6	435.7	371.7	32.1	30.5	434.3
Instruction	349.2	576.6	925.8	497.5	676.9	1,174.4	535.2	437.1	245.5	1,217.8
Library Services	141.7	0.0	141.7	124.0	38.1	162.1	126.6	38.0	0.1	164.7
Physical Plant	256.2	0.0	256.2	249.3	0.0	249.3	316.5	0.0	0.0	316.5
Public Service		80.0	80.0		140.2	140.2	0.0	0.0	140.2	140.2
Scholarships		0.1	0.1		1.0	1.0	0.0	0.0	1.0	1.0
Student Services	181.9	0.0	181.9	152.8	7.5	160.3	149.6	5.3	2.2	157.1
Total	1,483.6	720.3	2,203.9	1,468.2	1,027.3	2,495.5	1,572.0	512.5	520.5	2,605.0

Operating Budget Increments Increment Title	GF	Other Funds		Total Funds
		Student Fees	NGF	
Maintaining Existing Programs				
Fixed Cost Increases-Ketchikan Campus	20.8	0.0	0.0	20.8
Bldg. & Equip. Maint. Ren. & Replacement				
Building Maintenance and R&R Shortfall	55.8	0.0	0.0	55.8
Improved Instruction and Student Success				
Math/Science Faculty	27.2	5.7	0.0	32.9
Total Ketchikan Campus	103.8	5.7	0.0	109.5

Sitka Campus



UAS Sitka offers access to postsecondary education opportunities to its community and to students throughout the region via distance delivery methods.

The campus offers certificates in accounting technician, business technology, clerical, and data processing, and curriculums in law enforcement and welding technology. In addition, it offers the associate of arts degree, the traditional transfer curriculum, and associate of applied science degrees in business administration, health information management and office administration.

Sitka Campus

NCHEMS Category	FY95 Actual			FY96 Authorization			FY97 Request			Total Funds
	GF	NGF	Total Funds	GF	NGF	Total Funds	GF	SF	Other NGF	
Acad. Supt.	262.9	77.3	340.2	222.9	0.0	222.9	226.9	0.0	0.0	226.9
Auxiliary Services		194.7	194.7		372.6	372.6	0.0	0.0	372.6	372.6
Inst. Supt.	497.3	5.2	502.5	454.1	35.2	489.3	463.4	18.2	92.0	573.6
Instruction	559.0	967.2	1,526.2	623.6	1,079.9	1,703.5	670.6	837.2	643.1	2,150.9
Library Services	90.5	8.9	99.4	68.4	22.8	91.2	73.8	22.8	0.0	96.6
Physical Plant	180.9	21.4	202.3	188.7	11.1	199.8	236.0	0.0	11.1	247.1
Public Service		351.8	351.8		243.5	243.5	0.0	0.6	242.9	243.5
Scholarships		0.8	0.8		1.0	1.0	0.0	0.0	1.0	1.0
Student Services	214.2	152.2	366.4	227.6	172.4	400.0	222.9	4.4	168.0	395.3
Total	1,804.8	1,779.5	3,584.3	1,785.3	1,938.5	3,723.8	1,893.6	883.2	1,530.7	4,307.5

Operating Budget Increments Increment Title	GF	Other Funds		Total Funds
		Student Fees	NGF	
Maintaining Existing Programs				
Fixed Cost Increases-Sitka Campus	8.0	0.0	0.0	8.0
Bldg. & Equip. Maint. Ren. & Replacement				
Custodial/Utilities for Building Expansion	35.1	0.0	0.0	35.1
Building Maintenance and R&R Shortfall	10.8	0.0	0.0	10.8
Improved Instruction and Student Success				
Core Mathematics Faculty	54.4	11.4	0.0	65.8
Non-General Fund				
Increase Federal Receipts, UA Receipts and Indirect Cost Recovery Authority	0.0	0.0	270.0	270.0
Total Sitka Campus	108.3	11.4	270.0	389.7

Appendices

UNIVERSITY OF ALASKA

University Appropriation and Budget History

Year	Appropriation Item	Gen Funds	Statutory Reference
FY 85	Conference	168,489.2	SLA 84 Chap 122
	Spec. Approp-FY85 Salary ACCFT	1,309.6	SLA 84 Chap 171
	Spec. Approp-MSCL Library	50.0	SLA 84 Chap 171
	Spec. Approp-OR Forest Res Area Coord	45.0	SLA 84 Chap 24
	Vetoes	(1,585.7)	SLA 84 Chap 122
FY 85	Beginning Authorization	168,308.1	
	Supplemental-Retro Salary Increase	1,522.9	SLA 85 Chap 87
FY 85	Final Authorization	169,831.0	
	Base Adj: Supplemental-Retro Salary Increase	(1,522.9)	SLA 85 Chap 87
	Base Adj: Reduce Legislative FY85 Add-ons	(1,499.1)	
	Base Adj: FY86 Salary Adjustment	1,945.4	
	Base Adj: Replacement Equipment	319.6	
FY 86	Base	169,074.0	
	Program Reductions	(7,329.9)	
FY 86	Conference	161,744.1	SLA 85 Chap 98
	Re-Approp-Classroom-Chugiak/Eagle River	25.0	SLA 85 Chap 105
	Re-Approp-Dir Small Bus Ctr	70.0	SLA 85 Chap 105
	Re-Approp-Egan Papers	36.0	SLA 85 Chap 105
	Re-Approp-Geo Science Intern	123.2	SLA 85 Chap 105
	Re-Approp-Inst Equip & Utility Costs	60.0	SLA 85 Chap 105
	Re-Approp-ISER Study-Impact Sending Red.	75.0	SLA 85 Chap 105
	Re-Approp-Naknek/King Salmon Satellite Ofc	20.0	SLA 85 Chap 105
	Re-Approp-Rosie Creek Fire Res	8.8	SLA 85 Chap 105
	Re-Approp-Yupik Language	25.0	SLA 85 Chap 105
	Spec. Approp-FY86 Salary Adj	887.9	SLA 85 Chap 98
	Spec. Approp-FY86 Salary Adj	4,886.7	SLA 85 Chap 87
	Veto-Dir Small Bus Ctr	(70.0)	SLA 85 Chap 105
	Veto-Inst Equip & Utility Costs	(60.0)	SLA 85 Chap 105
FY 86	Beginning Authorization	167,831.7	
FY 86	Final Authorization	167,831.7	
FY 87	Base	167,831.7	
	Reduce Reappropriations (SLA 85,Chap105)	(0.2)	
	Base Adjustments	0.8	
	Transfers to other Agencies	(0.1)	
	Legislative Reductions	(15,017.7)	
FY 87	Conference	152,814.5	SLA 86 Chap 129
	Re-Approp-CES Cordova Marine Adv. Pgm.	21.0	SLA 86 Chap 130 Sec. 416
	Re-Approp-Mt. Edgecumbe Facility	223.8	SLA 86 Chap 130 Sec. 182
	Re-Approp-PWS - Cordova Lease	26.7	SLA 86 Chap 130 Sec. 419
	Re-Approp-UAJ - Instruction	255.0	SLA 86 Chap 130 Sec. 219
FY 87	Beginning Authorization	153,341.0	
	Governor's 10% Restriction	(15,210.3)	SLA 87, Ch 9, Adm Ord #90 & 91
FY 87	Revised Authorization	138,130.7	
	OMB Partial Release of Gov. 10% Restriction	5,928.8	Based upon Capital Project lapses
FY 87	Final Authorization	144,059.5	
	Base Adj: OMB Partial Release of Gov 10% Restrict	(359.5)	
FY 88	Base	143,700.0	
	Legislative Reductions	(5,898.3)	
FY 88	Conference	137,801.7	SLA 87 Chap 95
	Spec. Approp-PWSCC Lease	25.0	FSSLA 87 Chap 3
	Spec. Approp-Restore FY87 Salary Reductions	5,467.9	SLA 87 Chap 95 Sec. 22

* Beginning in FY93, the Gen Funds column includes GF/MHTIA Sci. Tech Funds

UNIVERSITY OF ALASKA

University Appropriation and Budget History

Year	Appropriation Item	Gen Funds	Statutory Reference
	Spec. Approp-Restore FY87 Salary Reductions	3,477.4	FSSLA 87 Chap 3
	Veto - Petroleum Dev. Lab Equip	(236.0)	SLA 87 Chap 95
FY 88	Beginning Authorization	146,536.0	
FY 88	Final Authorization	146,536.0	
	Base Adj: Statewide Restructuring	(600.0)	
	Base Adj: Bunnell Commemorative	(25.0)	
	Base Adj: FY89 Staff Benefit Increase	1,524.9	
	Base Adj: Spec. Approp-Restore FY87 Salary Reduct	(359.0)	
FY 89	Base	147,076.9	
	Program Increases	2,700.5	
FY 89	Conference	149,777.4	SLA 88 Chap 154
	Re-Approp-SW Networks Computer Maintenance	25.0	SLA 88 Chap 173 Sec. 175
	Spec. Approp- FY89 Faculty Market Based Comp	1,500.0	SLA 88 Chap 154 Sec. 18
	Re-Approp-U.A. Dev. Efforts	76.6	SLA 88 Chap 173 Sec. 179
	Re-Approp-UAF AK Native Language Ctr.	115.0	SLA 88 Chap 173 Sec. 212
	Re-Approp-UAF Maintenance	93.0	SLA 88 Chap 173 Sec. 178
	Re-Approp-UAA Chair for Private Enterprise	25.7	SLA 88 Chap 173 Sec. 257
	Re-Approp-UAF School of Mineral Engineering	5.0	SLA 88 Chap 173 Sec. 259
	Re-Approp-UAF School of Mineral Engineering	5.0	SLA 88 Chap 173 Sec. 260
	Re-Approp-UAA Upper Div/Extended Sites	48.1	SLA 88 Chap 173 Sec. 211
	Re-Approp-Mat-Su Library	1.9	SLA 88 Chap 173 Sec. 177
	Re-Approp-UAS Legislative Internship Pgm.	27.0	SLA 88 Chap 173 Sec. 244
	Re-Approp-UAS Legislative Internship Pgm.	5.0	SLA 88 Chap 173 Sec. 200
	Spec. Approp-Insitute for Circumpolar Health	250.0	SLA 88 Chap 137 Sec. 173
FY 89	Beginning Authorization	151,954.7	
	Supplemental - FY89 Bering Sea Conference	20.0	SLA 89 Chap 87 Sec. 52
	Supplemental - FY89 Cold Weather	200.0	SLA 89 Chap 87 Sec. 51
	Supplemental - FY89 Health Benefits	2,051.7	SLA 89 Chap 87 Sec. 1
FY 89	Final Authorization	154,226.4	
	Base Adj: Supplemental-FY89 Bering Sea Conference	(20.0)	SLA 89 Chap 87 Sec. 52
	Base Adj: Supplemental - FY89 Cold Weather	(200.0)	SLA 89 Chap 87 Sec. 51
	Base Adj: Supplemental - FY89 Health Benefits	(2,051.7)	SLA 89 Chap 87 Sec. 1
	Base Adj: UAF/RC: Distance Delivery Sys	78.3	
	Base Adj: FY89-90 Hlth/Variable Benefit Adj	2,526.8	
	Base Adj: UAA Public Safety/Hazard Materials	(20.0)	
	Base Adj: Re-Approp-UAA Chair- Private Enterprise	(25.7)	
	Base Adj: Re-Approp-UAF Sch of Mineral Engineering	(5.0)	
	Base Adj: Re-Approp-UAF Sch of Mineral Engineering	(5.0)	
	Base Adj: Re-Approp-UAS Legislaive Internship Pgm.	(5.0)	
FY 90	Base	154,499.1	
	Base Adj: Earthquake Monitoring Equip	300.0	
	Base Adj: SPS: Computer Lease Purchase	300.0	
	Base Adj: SPS Interest Income Supplant	1,077.0	
	Base Adj: SPS	75.0	
	Base Adj: UAA	153.0	
	Transfers	250.0	
	Increments	2,195.8	
FY 90	Conference	158,849.9	SLA 89 Chap 116
	Re-Approp-FY 89-90 Seismic	225.0	SLA 89 Chap 117 Sec. 196

* Beginning in FY93, the Gen Funds column includes GF/MHTIA Sci. Tech Funds

UNIVERSITY OF ALASKA

University Appropriation and Budget History

Year	Appropriation Item	Gen Funds	Statutory Reference
FY 90	Beginning Authorization	159,074.9	
	Supplemental-FY90 Retro Salary Adjustment	1,922.7	SLA 90 Chap 45 Sec. 4
	Supplemental-FY90 World Trade Ctr	17.0	SLA 90 Chap 57 Sec. 72
FY 90	Final Authorization	161,014.6	
	Base Adj: Supplemental-FY90 Retro Salary Adj	(1,922.7)	SLA 90 Chap 45 Sec. 4
	Base Adj: Supplemental-FY90 World Trade Ctr	(17.0)	SLA 90 Chap 57 Sec. 72
	Base Adj: Re-Approp-FY 89-90 Seismic	(225.0)	SLA 89 Chap 117 Sec. 196
	Base Adj: SPS/Computer Lease Purchase	300.0	
	Base Adj: UAS/Library Facility Start-up Costs	124.0	
	Base Adj: UAS/Mt. Edgecumbe Facility Start-up Costs	10.0	
	Base Adj: UAA/Nature Conservancy	216.0	
FY 91	Base	159,499.9	
	Base Adj: Transfer WAMI from DOE	302.0	
	Program Increases	4,221.2	
FY 91	Conference	164,023.1	SLA 90 Chap 209
	Spec. Approp-FY91 Salary COLA	4,005.6	SLA 90 Chap 45
	Vetoes	(3,904.1)	SLA 90 Chap 209
	Fiscal Note: HB 402 - Applied Telecom Ctr	200.0	SLA 90 Chap 74
FY 91	Beginning Authorization	164,324.6	
	Supplemental-FY91 Middle East	442.1	SLA 91 Chap 1 Sec. 30
	Supplemental-FY91 UAF Snow Removal	222.1	SLA 91 Chap 1 Sec. 31
	Supplemental-FY91 Ak Space Grant Pgm	100.0	SLA 91 Chap 96 Sec. 103
	Supplemental-FY91 UAF Haz Mat	150.0	SLA 91 Chap 96 Sec. 104
	Supplemental-FY91 UAF/Construct Claim	650.0	SLA 91 Chap 96 Sec. 112
	Supplemental-FY91 Retro Salary Adjustment	3,253.5	SLA 91 Chap 96 Sec. 120
	Supplemental-ACCFT Arbitration Settlement	1,220.0	SLA 91 Chap 96 Sec. 134
	Supplemental-FY91 Institute for Circumpolar Health	20.0	SLA 91 Chap 1 Sec. 32
	Special Appropriation-Office of Soviet Relations	22.0	SLA 91 Chap 96 Sec. 157
	Special Appropriation-Ak Native Language Ctr.	30.0	SLA 91 Chap 96 Sec. 158
FY 91	Final Authorization	170,434.3	
	Base Adj: Supplemental-FY91 Middle East	(442.1)	
	Base Adj: Supplemental-FY91 UAF Snow Removal	(222.1)	
	Base Adj: Supplemental-FY91 Ak Space Grant Pgm	(100.0)	
	Base Adj: Supplemental-FY91 UAF Haz Mat	(150.0)	
	Base Adj: Supplemental-FY91 UAF/Construct Claim	(650.0)	
	Base Adj: Supplemental-FY91 Retro Salary Adj	(3,253.5)	
	Base Adj: Supplemental-ACCFT Arbitration Settlement	(1,220.0)	
	Base Adj: Supplemental-FY91 Instit. Circumpolar Hlth	(20.0)	
	Base Adj: Spec. Approp-Office of Soviet Relations	(22.0)	
	Base Adj: Supplemental-Ak Native Language Ctr.	(30.0)	
FY 92	Base	164,324.6	
	Base Adj: FY92 Salary Adjustments	6,778.0	
	Base Adj: FY92 PERS/TRS Increase	2,070.8	
	Base Adj: FY92 FICA/Medicare Increase	427.9	
	Base Adj: Center for Information Technology	300.0	
	Program Increases- FY92 Increments	3,398.5	
	Program Decreases -Unallocated Reduction/SPS Travel	(2,026.8)	
FY 92	Conference	175,273.0	SLA 91 Chap 73 Sec. 40
	Reappropriation UAA Library Books	1.6	SLA 91 Chap 96 Sec. 58B
	Vetoes	(7,173.0)	

* Beginning in FY93, the Gen Funds column includes GF/MHTIA Sci. Tech Funds

UNIVERSITY OF ALASKA

University Appropriation and Budget History

Year	Appropriation Item	Gen Funds	Statutory Reference
FY 92	Beginning Authorization	168,101.6	
	Supplemental: ACCFT Settlement	3,187.7	FSSLA 92 Chap 5
	Supplemental: Judgements & Claims	256.1	FSSLA 92 Chap 5
	Supplemental: UAF Power Plant	940.0	FSSLA 92 Chap 5
	Supplemental: PWSCC ACCFT Salary Adj.	27.0	FSSLA 92 Chap 5
	Supplemental: UAS Vax Computer	200.0	FSSLA 92 Chap 5
FY 92	Estimated Final Authorization	172,712.4	
	Supplemental: ACCFT Settlement	(3,187.7)	FSSLA 92 Chap 5
	Supplemental: Judgements & Claims	(256.1)	FSSLA 92 Chap 5
	Supplemental: UAF Power Plant	(940.0)	FSSLA 92 Chap 5
	Supplemental: PWSCC ACCFT Salary Adj.	(27.0)	FSSLA 92 Chap 5
	Supplemental: UAS Vax Computer	(200.0)	FSSLA 92 Chap 5
	Base Adj: SPS/Inst Support - DOA Computing Charge	201.5	
	Base Adj: FOR/Research - DOA Computing Charge	223.8	
	Base Adj: Anchorage Campus/Lib - DOE Medical Library	271.4	
	Base Adj: Juneau Campus/Instruction - DOE Training	68.0	
FY 93	Base	168,866.3	
	General Fund Replacement-Sci & Tech Funds	(3,000.0)	
	General Fund Replacement-Interest Income	(200.0)	
	Increments	825.0	
	Unallocated Reductions	(450.0)	
FY 93	Conference	166,041.3	FSSLA 92 Chap 136
	Add Sci & Tech to GF Amt.	3,000.0	
FY 93	Beginning Authorization (GF + Sci & Tech)	169,041.3	
	Special Appropriation: Sitka Campus	30.0	SB 165 Sec. 145
	Supplemental: Judgements & Claims	1,150.0	SB 165 Sec. 57
	Supplemental: UAF Snow Removal	275.0	SB 165 Sec. 121
	Supplemental: ACCFT Salary Adjustment	507.0	HB 158 Sec. 5
FY 93	Final Authorization (GF+Sci & Tech)	171,003.3	
	Supplemental: Judgements & Claims	(1,150.0)	
	Supplemental: UAF Snow Removal	(275.0)	
	Supplemental: ACCFT Salary Adjustment	(507.0)	
	Special Appropriation: Sitka Campus	(30.0)	
FY 94	Base (GF + Sci & Tech)	169,041.3	
	Increments	5,165.3	
FY 94	Conference (GF + Sci & Tech)	174,206.6	FSSLA 94 Chap 3
	Supplemental: UAF Emergency Water Well	220.0	FSSLA 94 Chap 2 (HB455)
	ACCFT Settlement-FY94 Cost of FY93 Compensation Increase	522.2	HB 158 Sec. 6
FY 94	Final Authorization (GF+Sci & Tech)	174,948.8	
	Supplemental: UAF Emergency Water Well	(220.0)	
FY 95	Base (GF + Sci & Tech)	174,728.8	
	General Reduction	(2,575.9)	FSSLA 94 Chap 3
	UACN Telecommunications Charges	(32.4)	FSSLA 94 Chap 3
	WAMI Reduction	(100.0)	FSSLA 94 Chap 3
FY 95	Conference (GF + Sci & Tech)	172,020.5	FSSLA 94 Chap 3
	ACCFT Settlement-FY95 Cost of FY94 Compensation Increase	289.0	FSSLA 94 CH 92 (HB510)
	FY94 Supplemental(FY95 Lapse Date): Virus Free Seed Potatoes	120.0	FSSLA 94 Chap 2 (HB455)
	Reappropriation: WAMI	106.0	FSSLA 94 CH 8 (HB441)

* Beginning in FY93, the Gen Funds column includes GF/MHTIA Sci. Tech Funds

UNIVERSITY OF ALASKA

University Appropriation and Budget History

Year	Appropriation Item	Gen Funds	Statutory Reference
FY 95	Final Authorization (GF + Sci & Tech)	172,529.5	
	Reduction of Virus Free Seed Potatoes	(120.0)	
	Transfer from Department of Administration	52.2	
	Budget Amendment-Natural Sciences Building (FC)	287.8	
	Budget Amendment-Natural Sciences Building (BRA)	212.2	
FY 96	Governor's Amended Budget	172,961.7	
	General Reduction	(2,100.0)	
	Reduce Budget Amendment-Natural Sciences Building (FC)	(287.8)	
	Reduce Budget Amendment-Natural Sciences Building (BRA)	(212.2)	
FY 96	Conference (GF + Sci & Tech)	170,361.7	<i>FSSLA 95 Chap 103 (HB100)</i>
	HB268, Ch 103, Sec 135-Virus Free Seed Potatoes (S/T)	100.0	<i>FSSLA 95 CH 103 (HB268)</i>
	Governors veto-Sci & Tech Funds	(100.0)	
FY 96	Final Authorization (GF + Sci & Tech)	170,361.7	
	Governor's Base Adjustments	1,793.1	
FY 97	Adjusted Base	172,154.8	
	Increments	17,888.7	
FY 97	Request (GF + Sci & Tech)	190,043.5	

University of Alaska General Fund Appropriation History

FY 85	Final Authorization	169,831.0
FY 86	Final Authorization	167,831.7
FY 87	Final Authorization	144,059.5
FY 88	Final Authorization	146,536.0
FY 89	Final Authorization	154,226.4
FY 90	Final Authorization	161,014.6
FY 91	Final Authorization	170,434.3
FY 92	Estimated Final Authorization	172,712.4
FY 93	Final Authorization (GF+Sci & Tech)	171,003.3
FY 94	Final Authorization (GF+Sci & Tech)	174,948.8
FY 95	Final Authorization (GF + Sci & Tech)	172,529.5
FY 96	Final Authorization (GF + Sci & Tech)	170,361.7
FY 97	Request (GF + Sci & Tech)	190,043.5

Component Service Descriptions (NCHEMS)

Academic Support -- The academic support service unit provides academic administration & governance to the institution's academic programs; academic program advising & course & curriculum planning, research, development & evaluation, including faculty development. Also included is academic computing -- regional academic mainframes. VAX systems & the student micro-computer labs.

Auxiliary Services -- The auxiliary service unit provides conveniences & services needed by students to maintain an on-campus, resident student body. These services include resident student housing, food service dining halls, retail stores' operations such as the bookstore & vending machines, & specialized services such as child care.

Debt Service -- The debt services unit allows for the repayment of debt obligations.

Institutional Support -- The institutional support service unit provides executive services including the office of the President, Chancellors' offices, & other institutional support functions including business offices, accounting, budget development, EEO/AA, educational properties management, facilities planning & construction, finance, human resources, information services, institutional research, internal audit, investment properties management, legal counsel, payroll, procurement, records, risk & hazardous materials management, systems maintenance, university relations & support for the assemblies & the Board of Regents.

Instruction -- The instruction service unit provides all activities which are part of the system's instruction programs. Instructional services include all credit & non-credit courses for academic, & vocational instruction.

Intercollegiate Athletics -- Intercollegiate athletic sports are organized in association with the NCAA or NAIA. Intercollegiate athletics includes the necessary support staff associated with the athletic programs.

Library Services -- The library services unit provides services which directly support the collection, cataloging, storage & distribution of published materials -- periodical, subscription & book holdings,

microfiche & other reference technology aids & inter-library bibliographic access through networks such as GNOSIS & the Washington Library Network.

Physical Plant -- The physical plant service unit provides plant administrative services; building maintenance services including routine & preventative repair & maintenance of buildings & structures; remodeling & renovation projects; custodial services including janitorial & elevator operations; landscaping & grounds maintenance services; utilities services including electricity, heating fuel, garbage & sewage disposal; & specialized safety & code compliance management services including campus security & hazardous materials management. Also included are fire protection, property insurance, & similar items.

Public Service -- The major public service units are the Cooperative Extension Service, KUAC Radio & TV, small business development programs & other community service programs produced in cooperation with community organizations & local governments

Research -- The research service unit contains all of the activities directly related to scientific & academic research. The majority of the research is funded by non-general funds.

Scholarships -- The scholarships service unit includes scholarships & fellowships in the form of grants to students. The scholarships service unit also issues trainee stipends, prizes, & student awards.

Student Services -- The student services unit includes the admissions, the registrar & those activities whose primary purpose is to contribute to the students' emotional & physical well-being & to their intellectual, cultural, & social development outside the context of the formal instruction program. Student services include social recreational, & cultural activities; counseling services which include personal, career guidance & placement, & vocational testing; student health medical services; financial aid management & student employment; student admissions, registration & student records administration; & student recruitment marketing & counseling.

Glossary of Abbreviations

<u>ABBREVIATION</u>	<u>DEFINITION</u>
1040	OMB Revised Program Summary
1041	OMB Revised Program Summary by Budget Component
ACCFT	Bargaining Unit - Community College Teachers
Adj.	Adjusted
Adj. Base	Adjusted Base
AKSAS	State of Alaska Accounting System
ALLOC	Allocations
APPROP	Appropriation
AREV	Advanced Revelation data base used by the University for Budget Development
AUTH	Authorization
AUTH BAL	Authorization Balance
AUX	UA Dorm, Food, Auxiliary Services
BO	BRU Overview Form
BOR	Board of Regents
BRA	Budget Reductions and Additions
BRU	Budget Request Unit
CEA	Bargaining Unit - Classified Employees Association
C1	OMB Component Financial Summary
C2	OMB Adjusted Base Budget Form
C4	OMB Transfer Budget Form
C5	OMB Increment Budget Form
C20	OMB Revenue Summary
C21	OMB Revenue Detail Forms
C200	OMB Travel and Moving Detail Form
C300	OMB Contractual Services Detail Form
C400	OMB Supplies and Materials Detail Form
C500	OMB Equipment and Machinery Form
C700	OMB Lands, Grants, and Miscellaneous Detail Form
CF1	Component Goals and Services Form
CF2	Component Objectives and Accomplishment Measures Form
CIP	CIP Overhead Positions and Costs
Contr.	Contracts - Contractual Services
CPI	OMB Capital Project Description Form
CP2	OMB Capital Projects Plan FY93-FY97 Explanation Form
CP3	OMB Status of Currently Authorized Capital Projects Form
CS1	Component Summary Form
CY	Current Year
DBR	Division of Budget Review (a division in Ak Office of Management and Budget)
Equip.	Equipment
FAS	Financial Accounting System
FED	Federal Receipts - Federal Revenues
FTE	Full Time Equivalent
FY	Fiscal Year
Gen Funds	General Funds
GF	General Funds
GFM	General Fund Match
GF/MHF	General Fund/Mental Health Trust

Glossary of Abbreviations

ABBREVIATION

DEFINITION

GF/MHTIA	General Fund/Mental Health Trust
Greenbook	MAU's Draft Budget
HRIS	Human Resources Information System
HRS	Human Resources System v. 3
IA/Oil	Intra-Agency Oil Hazardous Waste
IAR	Intra-Agency Receipt
ICR	Indirect Cost Recovery
II	Interest Income
LB&A	Legislative Budget and Audit Committee
MAU	Major Administrative Unit
NCHEMS	National Center for Higher Education Management Systems
NGF	Non-General Funds
NP####	New Position Control Number
OMB	Office of Management and Budget
ORP	Optional Retirement Program
P1	Project Listing (OMB Detail Form)
P2	Project Detail (OMB Detail Form)
P/S	Personal Services
PACS	Position Access Control System (State system)
PCN	Position Control Number
PERS	Public Employees Retirement System
Pers. Svcs	Personal Services
PFT	Permanent Full Time Position
PPT	Permanent Part-time Position
Purplebook	Detail of increments, adjustments & transfers in Authorization by NCHEM
PY	Prior Year
Redbook	Summary of Annual Operating and Capital Request
Ref#	Reference Number
Rev.	Revised
Rev. Auth	Revised Authorization
RP	Revised Program
RPL	Revised Program Legislative
Sci/Tech	Science and Technology Funds
SF	Student Fees
SIS	Student Information System
SPS	Statewide Program and Services
SPS/SN	Statewide Networks
SPS/SW	Statewide Services
TRS	Teachers Retirement System
UAA	University of Alaska Anchorage
UAA/AC	UAA/Anchorage Campus
UAA/HOM	UAA/Homer Campus
UAA/KOC	UAA/Kodiak College
UAA/KPC	UAA/Kenai Peninsula College
UAA/MSC	UAA/Matanuska-Susitna College
UAA/PWSCC	UAA/Prince William Sound Community College
UAA/AF	UAA/Statewide Higher Education for the Armed Forces

Glossary of Abbreviations

ABBREVIATION

DEFINITION

UAF	University of Alaska Fairbanks
UAF/ARC	UAF/Arctic Region Supercomputer Center
UAF/CES	UAF/Alaska Cooperative Extension
UAF/FC	UAF/Fairbanks Campus
UAF/IC	UAF/Interior-Aleutians Campus
UAF/OR	UAF/Fairbanks Organized Research
UAF/RC	UAF/Rural College
UAF/CC	UAF/Chukchi Campus
UAF/KC	UAF/Kuskokwim Campus
UAF/NC	UAF/Northwest Campus
UAF/SF	UAF/School of Fisheries and Ocean Sciences
UAF/TVC	UAF/Tanana Valley Campus
UAL	Unallocated
UAR	University Receipts
UAS	University of Alaska Southeast
UAS/JC	UAS/Juneau Campus
UAS/KEC	UAS/Ketchikan Campus
UAS/SC	UAS/Sitka Campus
VocTech	Vocational-Technical Education
Yellowbook	President's Proposed Working Budget

LEGISLATIVE REFERENCE LIBRARY

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

*(907) 465-3808
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Mail Stop 3101*

*130 Seward Street, Suite 400
Juneau, Alaska 99801-2105*

Copies of minutes listed below were originally included in this file. The minutes are available on the legislative computer database. In order to save space copies of minutes have not been left in the files.

Mary Pagenkopf

HFin 1/18/96 1:37 p.m

Alaska Court System
FY 97 Operating Budget Request

FY 96 Authorized Budget	<i>(644 PFTs, 39 PPTs & 21 NPPs)</i>	\$45,462,400
Adjustments		<u>64,300</u>
FY 97 Adjusted Base		45,526,700
FY 97 Increments	<i>(an increase of 4.8% over the FY 97 adjusted base) (requesting 10 PFTs & 2 PPTs. Total of 12 new positions)</i>	<u>2,171,900</u>
FY 97 Request	<i>(654 PFTs, 41 PPTs & 21 NPPs)</i>	<u><u>\$47,698,600</u></u>

FY 97 Increments Summary *(organized by budget request unit)*

Statewide

Reduce personal services underfunding **\$600,000**

Personal services is severely underfunded. The Office of Management and Budget recommends that underfunding range from a minimum of 4% to a maximum of 7%. The court system's average underfunding percentage is 8.07%, or a nearly \$3,100,000 shortfall. The excessive underfunding requires the court to hold vacant positions open for 45 days. This practice delays the processing of cases and reduces service to the public. The court is requesting additional personal services funding to reduce the vacancy factor to 6.5%.

Appellate Courts

Equipment to support new computerized case management system **49,500**

Provide funding for upgrading computer software, replacing miscellaneous computer parts, personal computers for the clerk's offices in Juneau and Fairbanks, laptops and computer furniture.

Leasehold improvements for Clerk's Office **23,000**

Renovation of clerk's office and reception area in Anchorage. The project will include replacing carpeting, removal of a wall and painting.

Alaska Court System
FY 97 Operating Budget Request

Trial Courts

Restore travel funding

\$65,000

The trial courts rely on travel to provide judicial services to 58 court sites and many other communities throughout Alaska. Most of these locations are only accessible by air travel. The Legislature has restored approximately \$50,000 of the 1992 Legislature's \$115,000 travel funding reduction. The trial courts incurred deficits of \$115,000 and \$77,000 in fiscal years 1994 and 1995, respectively. Underfunding travel results in trial delays and inadequate service to rural Alaska.

New positions

458,800

First District

Library Assistant I, Juneau, 8A, permanent part-time position

\$16,000

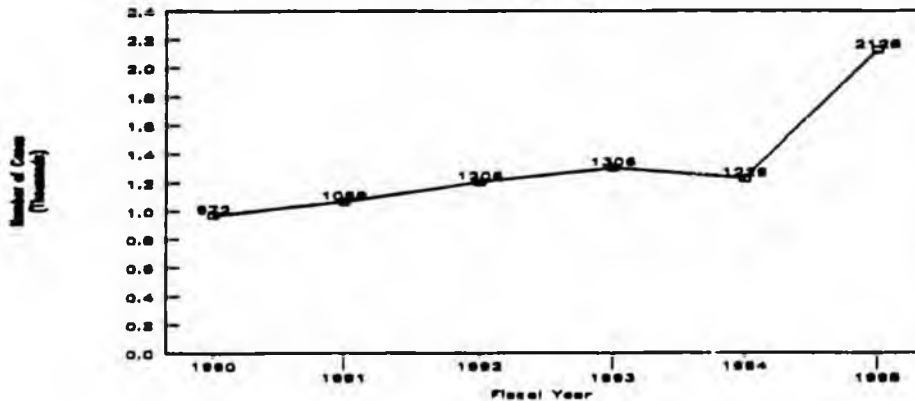
The court has supported this function with temporary employees for the past 15 years. The district is not funded for temporaries. There is a high turnover rate for temporaries and permanent staff wastes time training new employees. The court has requested this position for many years.

Court Clerk II, Juneau, 10A, permanent full-time position

\$35,400

A custody investigator was hired for the district for the first time in late 1993. Clerical staff was not authorized. The investigator performs both professional and clerical duties. The workload increased to the point that the clerical duties are excessive. Clerical support will allow the investigator to concentrate on professional duties. The requested position will also assist in the clerk's office as time permits.

Juneau Trial Courts
 Other Civil & Domestic Relations



Alaska Court System
FY 97 Operating Budget Request

Trial Courts (continued)

New positions

Third District

Computer Clerk, Anchorage, 10A, permanent full-time position **\$40,400**

The number of computer users increased from approximately 50 to over 250 during the past several years. At the present staffing level, computer services employees must each support nearly 100 computer users. Industry standards recommend one support person for every 50 to 75 computer users. Computer staff assists with software usage, hardware repair and systems development. Understaffing results in unnecessary delays in case processing.

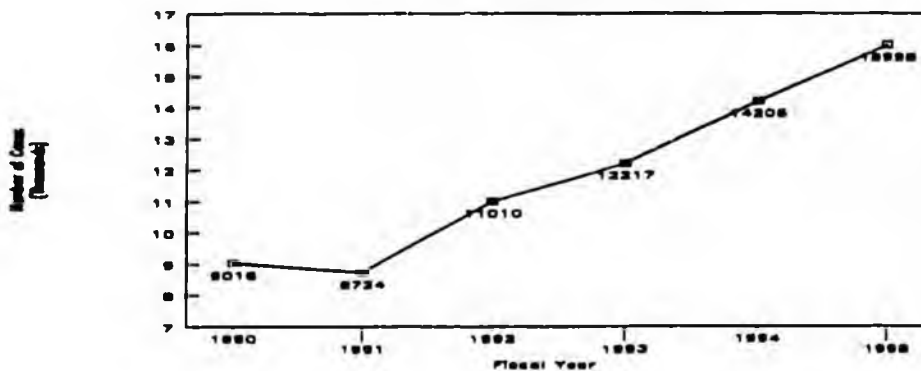
District Court Judge, Valdez, permanent full-time position **\$135,900**

The Supreme Court transferred the Superior Court judge from Valdez to Palmer. The Palmer Trial Courts have experienced a substantial increase in case filings and need additional judicial resources. This request will create a new District Court judgeship for Valdez.

Court Clerk III, Palmer, 12A, permanent full-time position **\$40,300**

Palmer is one of the busiest courts in the state, which reflects the dramatic increase in the area's population. The court has extensive weekend activity and is not staffed with a weekend in-court clerk. This position will also provide support for other in-courts, clerical and secretarial staff during regular court hours.

Palmer Trial Courts
Total Filings



Alaska Court System
FY 97 Operating Budget Request

Trial Courts (continued)

New positions

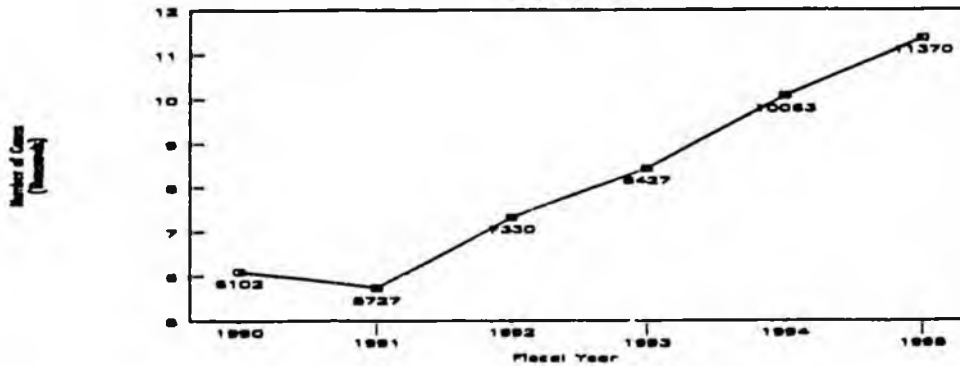
Third District

Traffic Clerk, Palmer, 10A, permanent full-time position

\$36,300

As the result of above average growth in filings in the 1990s, the Palmer Trial Courts have the second highest traffic workloads in the State. Additional clerical staff is needed to process traffic case filings.

Palmer Trial Courts
Traffic Filings

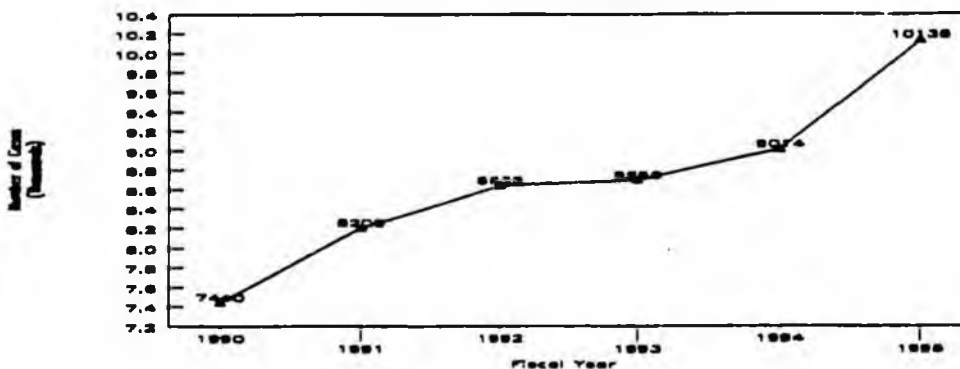


Court Clerk I, Kenai, 8A, permanent full-time position

\$33,700

The clerical workload in the Kenai Trial Courts has increased with the steady growth in case filings. The court is falling behind in processing cases.

Kenai Trial Courts
Total Case Filings



Alaska Court System
FY 97 Operating Budget Request

Administration

New positions

\$101,500

General Helper, 6A, General Services, permanent full-time position

\$29,200

Additional support staff is needed for the General Services section of Fiscal Operations. General Services is responsible for statewide microfilming, printing and supply distribution.

Facilities Supervisor, 22A, Facilities, permanent full-time position

\$72,300

Staff position to oversee new facilities projects and to monitor operations and maintenance in the trial courts.

Equipment funding

54,000

Replacement equipment for the Print Shop and additional furniture and shelving for the State Law Library. The court system operates a full-scale print shop, which produces over 12 million pages annually. This volume places a heavy demand on the printing equipment and necessitates replacing a paper folder, shrink wrap machine and the metal master plate maker. With the completion of the new court building in Anchorage, the law library will be able to expand. There is a critical need for additional public work area and shelving for reference materials.

Total FY 97 Increments

\$2,171,900

Alaska Court System
FY 97 Operating Budget Request

Trial Courts (continued)

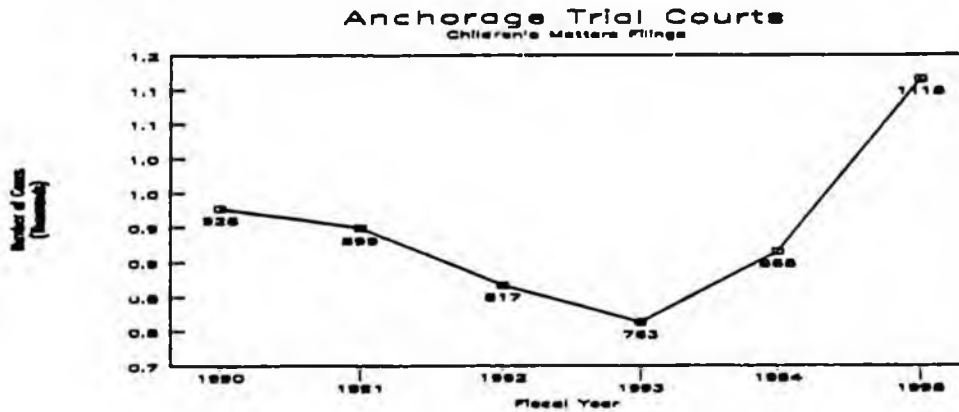
New positions

Third District

Standing Master, Anchorage, 22A, permanent full-time position

\$85,400

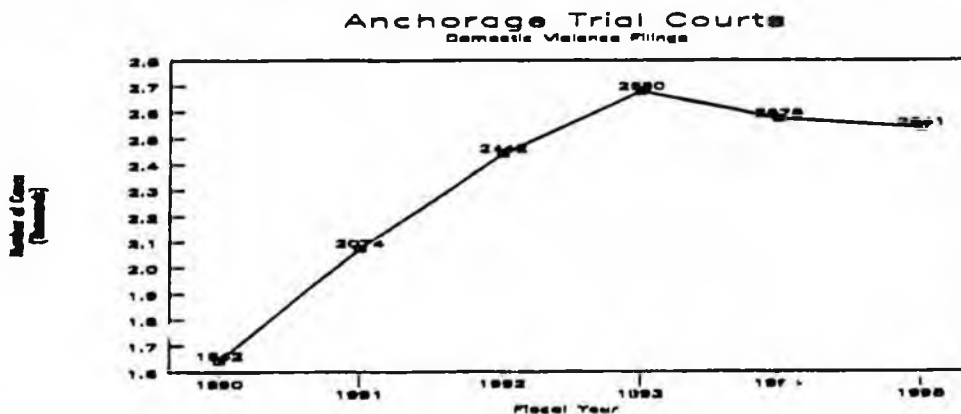
The case filings in the Family and Children's court have grown over the last five years. Both procedural and rule changes have increased the workload of this department.



Court Clerk II, Anchorage, 10A, permanent full-time position

\$35,400

Provide clerical support to committing magistrates. The section has experienced an increase in domestic violence petitions since 1990.



Funding for maintenance and operation of the new Anchorage courthouse

415,000

The 1995 Legislature funded one-half of the cost of operating the new Anchorage Courthouse. The court system will take occupancy of the 208,000 square foot facility in early 1996. During fiscal year 1997, the court must assume a full year's cost of operation.

Alaska Court System
FY 97 Operating Budget Request

Trial Courts (continued)

Bethel & Fairbanks travel and pro tem judge **\$24,200**

Bethel case filings have increased 22% since 1992, without any increase in judicial staffing. Fairbanks judges routinely travel to Bethel. This leaves Fairbanks short of judicial staff. Funding is needed for a part-time judge in Fairbanks and for travel costs.

Courthouse security systems **242,000**

Provide funding for contractual security services and equipment for the Juneau court building. **\$142,000**

Provide funding for contractual security services for the new Anchorage courthouse and expand coverage to 24 hours. **\$100,000**

Increase juror fees to \$27.50 a day **107,400**

The current \$25 a day allowance for jury duty has not changed since 1981 despite a nearly 50% increase in the CPI. Jurors must pay for parking, child care, transportation and other costs while serving as jurors. Jury service impacts 20,000 to 30,000 Alaskans each year. The court system has requested an increase in the fee to \$30 a day many years. We are now requesting an incremental increase of 10% to \$27.50. The court will continue to request additional funding until the rate is increased to \$30 a day.

Equipment funding **16,500**

Provide funding for jury seating in Craig, a personal computer for Vital Statistics in Sitka, a personal computer for the Nome Trial Courts, replace worn out chairs in 3rd District and buy a personal computer for the Galena District Court.

Leasehold improvements for the Palmer Trial Courts **15,000**

Provide funding to reconfigure the courthouse to accommodate an additional superior court judge and staff.

Attachment A

Evaluation of Juvenile Victim-Offender Mediation Pilot Project

Since March of 1994, the Anchorage Victim-Offender Mediation Pilot project has been providing victims, juvenile offenders and juvenile justice system workers with a promising alternative to the traditional juvenile justice process. Initial results show that mediation provides overworked juvenile intake staff with a time-saving and effective referral option; creates and maintains positive community investment in the problem of juvenile crime; provides victims with the opportunity to create and implement a restitution agreement with the offender; and provides an opportunity for "healing" or closure around the criminal incident for both the victim and the offender. The project's advisory committee (a volunteer group of juvenile justice professionals including lawyers, judges, mediators, social workers, victims' advocates, police, juvenile probation/corrections, and representatives from McLaughlin Youth Center) has determined that the project is worthwhile and should continue. The VOMP project is expecting a 300% increase in case referrals under the Municipality of Anchorage's Making a Difference pilot project scheduled to begin in December, 1995. The Judicial Council has been asked to evaluate the program's effectiveness and to make recommendations about how it could be improved.

Background of Victim-Offender Mediation Project

The idea for establishing a victim-offender mediation project began when staff at McLaughlin Youth Center and Victims for Justice successfully mediated several cases between victims and juvenile offenders. Victims of crime, who often feel frustrated and powerless in court proceedings, wished to discuss the facts and feelings surrounding the offense directly with the offender. Professionals who work with juvenile offenders believed that the face-to-face meetings could encourage rehabilitation by helping the offenders take personal responsibility for their actions.

VOMP is modeled after other victim-offender mediation programs, which exist in nearly 100 jurisdictions. VOMP receives referrals from juvenile Intake (since it began taking cases in 1994, VOMP had received over 100 cases and mediated approximately 50. VOMP expects as much as a 300% increase in case referrals beginning in December, 1995 under the Municipality of Anchorage's Making a Difference pilot project). If both victims and offenders are willing, VOMP arranges face-to-face meetings which are mediated by specially trained community volunteers. Virtually all mediations have resulted in a restitution agreement between the victim and the offender. VOMP staff monitor performance of all restitution agreements and report back to juvenile Intake.

The VOMP is administered by a non-profit corporation, the Community Dispute Resolution Center. A Community Advisory Committee¹ works closely with the CDRC Board of Directors to guide program implementation. The Community Advisory Committee established seven goals for the project² and established an

¹ The advisory committee includes representatives from the Department of Social Work and the Justice Center at UAA, the Alaska Court System, Victims for Justice, McLaughlin Youth Center, the Department of Health and Human Services, prosecuting attorneys, defense attorneys, and juvenile probation, and interested community members.

² The goals are: increasing offenders' feelings of accountability; providing an additional referral option for Intake and other juvenile justice workers; providing an opportunity for conciliation (or reconciliation) between victim and offender; creating and maintaining positive community investment in the problem of (and the solutions to) juvenile crime; providing an opportunity to create and implement a restitution agreement; providing an opportunity for "healing" or closure around the criminal incident for both the victim and the offender; and empowering the victim to exert some control over the process. Ancillary goals include providing both victims and offenders referrals to other services.

1/18/96
Attach 2

evaluation committee to collect data from victims, offenders and volunteer mediators. However, the VOMP lacks the staff and resources to analyze the data or collect more data.

Initial feedback from victims, offenders, mediators and staff at McLaughlin is uniformly positive, consistent with research from other states indicating that victim-offender mediation programs benefit all participants. In particular, several victims who participated in VOMP mediations reported a great sense of relief after meeting the offender face to face. The Community Advisory Committee asked the Judicial Council to evaluate the project's operations to date to determine if it has met the goals articulated by the advisory committee, if it could be improved, if it should be expanded to accept a wider range of referrals, and if so, how. Note that this increment only seeks funding for the evaluation, not operation of the project.

The Evaluation

The Council will begin to collect data to evaluate VOMP's success and effectiveness, including whether it meets the organizers' goals, after two years of operation. Other evaluation criteria will include: whether the project is understood and supported by the community, and within the professional community, and whether it meets the needs of the victims, youthful offenders, juvenile justice personnel, and the community. Evaluation data will come from the following sources:

1. structured interviews with participants, program staff, and representatives from referring agencies (courts, juvenile probation, victims' advocacy groups, prosecutors and defense attorneys);
2. evaluation forms completed by mediators and mediation participants;
3. review of final reports completed by the project coordinator;
4. review of court files;
5. focus group interviews with members of the community and review of media coverage of the project; and
6. comparative information from similar programs in other states.

The Judicial Council will evaluate the program during a one-year period of its operation. At the end of the evaluation period, the Council will recommend whether the program should be continued, and if so, how it should be structured (including whether it should be expanded, for example to include adult offenders or some types of violent offenders), and how it should be funded.

Budget

The project evaluation budget has been minimized by using existing Judicial Council staff and resources. Judicial Council staff also will try, as much as possible, to collaborate with the Department of Social Work at the University of Alaska, Anchorage. The project total for FY97 would be \$15.0. It would include a temporary secretary at five hours per day for three months (\$4.5), contractual professional services (\$8.0) for mediator training and data collection, and miscellaneous expenses (\$2.5) for telephone, postage, courier, machine maintenance, supplies, and equipment.

Summary of Unexpended/Unencumbered FY 95 Appropriations - GF portion

Total Funds	44,934,240 *
Non-GF	-26,354,676
GF Portion	18,579,564

Agency	Appropriation/Allocation	FY 95 Net		%
		Unrestricted Authorization	FY 95 Unex/Unob	
HSS	AFDC	53,451,400.0	5,700,443	10.66%
HSS	Medicaid Non Facility	55,954,700.0	1,956,275	3.50%
HSS	Medicaid Waivers	1,392,200.0	1,206,674	63.77%
Leg	Un-reappr. Carryfwd Balance	54,674,428.0	1,073,171	n/a
HSS	Public Assistance Admin	17,662,500.0	1,003,187	5.68%
HSS	Purchased Services	37,768,674.0	948,977	2.51%
HSS	Medicaid Facility	53,810,200.0	602,263	1.12%
HSS	Adult Public Assistance	36,782,700.0	501,131	1.36%
DFG	Comm Fish Management	22,511,500.0	429,593	1.90%
C&RA	Day Care Assist	11,111,100.0	429,593	3.87%
Law	Exxon Valdez Oil Spill	1,295,900.0	413,504	31.91%
DOT	SW Facility M&C	13,015,100.0	266,339	2.05%
DEC	Facility Construction & Operation	2,389,300.0	261,380	10.94%
C&RA	State Service Delivery	592,200.0	249,039	42.05%
Law	Weiss V. State	1,124,300.0	219,467	19.51%
HSS	General Relief Assistance	991,900.0	193,563	19.51%
COT	Statewide Engineering	1,194,300.0	182,199	15.26%
Admin	Pioneers Home	24,600,300.0	167,527	0.68%
Rev	Oil & Gas Tax Cases	292,300.0	156,834	53.66%
Rev	Commissioners Office	405,300.0	156,148	38.53%
DOT	SW Hwy & Aviation M&O	72,463,500.0	151,955	0.21%
HSS	OAA-ALB Hold Harmless	2,402,100.0	137,339	5.72%
DEC	Air Quality Management	1,496,600.0	132,863	8.88%
Rev	Oil & Gas Division	3,505,300.0	124,580	3.55%
		471,489,802	16,664,044	3.53%
Various	All other appropriations		1,915,520	

* This sheet summarizes the schedule of FY 95 Statewide Operating Lapsing Authorization

DRAFT

11/8/96
ATT 3

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ALASKA MENTAL HEALTH TRUST AUTHORITY



FINAL REPORT

October 31, 1995

ALASKA MENTAL HEALTH TRUST AUTHORITY



members of the
BOARD OF TRUSTEES

Nelson Page *Chair*

Evelyn Tucker

John Pugh

Kay Burrows

Phil Younker Jr.

Tom Hawkins

John Malone

ALASKA MENTAL HEALTH TRUST AUTHORITY

1995 FINAL REPORT

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EXECUTIVE SUMMARY

The settlement of the mental health lands trust litigation created the Alaska Mental Health Trust Authority (AMHTA) to ensure that Trust assets are properly managed and that the needs of the beneficiaries are met. In the six months since their appointment, the Trustees of the Authority have:

- ◆ Negotiated and signed a Memorandum of Understanding with the Department of Natural Resources (DNR) to provide for the proper management of Trust lands;
- ◆ Negotiated and signed a Reimbursable Services Agreement (RSA) with DNR to fund the development and management of the Trust lands;
- ◆ Negotiated and signed a Memorandum of Agreement with the Alaska Permanent Fund Corporation (APFC) to provide for the proper management of the Trust Fund;
- ◆ Transferred the \$200,000,000 Trust Fund to the APFC;
- ◆ Adopted as the first funding priority the inflation-proofing of the Trust fund;
- ◆ Located office space, hired key staff and adopted by-laws and policies and procedures for the Board of Trustees;
- ◆ Established a cooperative planning process with the Department of Health and Social Services to begin the creation of a integrated comprehensive mental health plan;
- ◆ Developed recommendations for General Fund/Mental Health FY 97 base funding for the integrated comprehensive mental health program; and,
- ◆ Proposed FY 97 operating and capital budgets for General Fund/Mental Health and Trust income funding

The Trustees have necessarily focused much of our initial effort on ensuring that Trust assets are properly managed. We then turned our attention to the determination of funding needs within the general fund/ mental health category and the use of Trust income to ensure the existence of a integrated comprehensive mental health program for Alaska. However, there has not been enough time to work with the Department of Health and Social Services to integrate the separate plans of the four beneficiary boards and commission. As a result, we have not been able to base our budget recommendations on an integrated comprehensive mental health plan. Therefore, the determination of funding needs contained in this report should not be considered as our final recommendation for this year or as precedent setting for future years.

Land Management: Trust Income and Economic Activity for Alaska

The most substantial accomplishments to date have been in the land management arena. The Mental Health Lands Trust Unit within DNR has been actively searching for income generating opportunities on trust land and we expect to at least **double** revenues from these lands in the next year. This anticipated increase in revenue should cover the cost of land management. In future years, any net profits from the land will augment the income generated by the Trust Fund.

Management of Trust land is now fully funded by Trust income. We envision that these lands will rapidly become generators of increasing economic activity throughout the state. An aggressive work plan proposed by DNR and funded by the Trust is intended to develop opportunities to contribute to Trust income and the state's economy. We intend to change the perception of involvement with Trust land. Our positive public purpose, better customer service, private sector flexibility and access to DNR resources and expertise will give us an edge in highly competitive markets.

DNR has already begun the regulation promulgation process for Trust land. These regulations will provide reliable marketplace expectations and will enable the Trust Lands Unit to act quickly to create and capitalize on opportunities for income generation. A full report on Trust land activities begins on page 7.

Trust Fund Investment and Income

The \$200 million appropriation to the trust corpus was deposited on December 15, 1994. Those funds were managed by the Department of Revenue until July 3, 1995 and by the Alaska Permanent Fund Corporation since then. Under the terms of the settlement, income from the Fund is available annually and will be deposited into the income account at the end of each fiscal year.

The Trustees have established priorities for the use of mental health trust income as follows:

1. Inflation-proofing the Trust Fund;
2. Paying for the costs of land management (by DNR) and Trust Fund management (by the Alaska Permanent Fund Corporation);
3. Funding the minimum administrative costs necessary for the operation of the Trust Authority; and,
4. Following these uses, the funds will be available after deposit in the Trust Income Account to ensure that the State has a integrated comprehensive mental health program for the beneficiaries.

A full explanation of the assets, earnings, and expenditures of the Trust as of the end of FY 95 begins on page 18.

The Trustees are concerned that variations in the investment performance of the Trust fund may result in significant variation in the funding available for the integrated comprehensive mental health program. Accordingly, we are considering various strategies to smooth annual variation in available funds. The Trust Authority will issue a report when the Trustees have made a final decision on this issue.

Status of the Integrated Comprehensive Mental Health Program

Many beneficiaries are well served by Alaska's mental health program. The emphasis placed on supporting beneficiaries and their families in their communities to become and remain as independent as possible is fundamentally sound public policy. For those beneficiaries who have been able to access them, these investments in community based programs have often kept their families together and reduced the need for more restrictive and costly services.

Despite these positive attributes, Alaska's mental health program is not fully integrated nor comprehensive. It consists of an array of services provided through several administering agencies guided by separate strategic plans developed independently by the four beneficiary planning boards and commission. Services are often insufficient to meet the need, fragmented, overlapping or have gaps that leave some beneficiaries unserved.

The strategy for addressing these issues must begin at the planning stage. The settlement assigned the Department of Health and Social Services (DHSS), working in conjunction with the Trust Authority, the task of working with these agencies and planning boards and commission to develop an integrated comprehensive mental health program plan. A status report on this effort is attached in the Appendix. The Trustees are in process of negotiating a Memorandum of Understanding with DHSS and believe that we have formed the foundation for a productive partnership.

The general fund has been and will continue to be the primary funding source for the mental health program. The Trustees believe that the budget must reflect the strategic decisions which will be a part of the integrated comprehensive mental health program plan. This is the only way to meet increasing needs with limited resources. The Trustees intend to ensure that planning is directed toward specific outcomes for the beneficiaries and that funding is tied to measurable results. Our recommendations for general fund/mental health expenditures will be based on this approach.

In addition, the Trustees intend to address the issues of appropriate data collection and outcome based planning and budgeting head on. Without reliable data and measurable results, the Trustees cannot meet their fiduciary responsibility to the beneficiaries and the people of the state to ensure that both general funds and Trust income are spent in the

most effective and efficient manner possible. We will use a strategy based upon our ability to promulgate regulations and directly expend Trust income to meet these goals.

The FY 97 General Fund Mental Health Budget Process

The budget processes for general fund/mental health (GF/MH) will undergo substantial changes this year as the result of the settlement. For the first time:

- ◆ The Trust Authority must recommend a general fund budget for the state's integrated comprehensive mental health program;
- ◆ The Governor must submit to the legislature a separate appropriation bill limited to appropriations for the state's integrated comprehensive mental health program, including a report explaining the reasons for the differences, if any, between the Governor's proposal and the Trust Authority's recommendation; and
- ◆ The legislature must pass a separate appropriation bill limited to appropriations for the state's integrated comprehensive mental health program, including a report explaining the reasons for the differences, if any, between the appropriations in the bill and the Trust Authority's recommendation.

The Trust Authority has worked with the Governor's Office of Management and Budget, the Division of Legislative Finance, administrative officers of the affected executive branch agencies, and the representatives of the beneficiary boards and commission to ensure that this process is as simple as possible and causes the least disruption to current procedures without violating the letter or spirit of the settlement legislation.

We believe this process will allow the Governor and legislature to view Alaska's mental health program as a comprehensive whole while allowing executive branch agencies to effectively serve our beneficiaries without undue administrative burden. We intend to work with the legislative leadership to develop a legislative process which will also meet this goal without unnecessary disruptions to established procedures.

FY 97 General Fund Mental Health Base

The Trust Authority is recommending a series of adjustments to the FY 97 base budget for GF/MH funding. These changes are intended to:

- ◆ Further refine the allocation by state agencies for time and effort, and therefore funding, between beneficiary and non-beneficiary services within certain budget request units (BRUs);
- ◆ Make adjustments recommended by the mental health beneficiary boards and commission to better reflect services to beneficiaries versus non-beneficiaries; and

- ◆ Reflect philosophic differences between the Trustees and previous budgeters on functions which should or should not be considered and funded as the portion of the state's integrated comprehensive mental health program.

The Trust Authority's recommended FY 97 GF/MH base budget begins on page 23.

FY 97 Funding Strategy

The beneficiaries will face many challenges over the next several years as both federal and state funding for necessary services is constrained. The Trustees have a fiduciary duty to ensure that the Trust is utilized to maximize the ability of beneficiaries and their families to meet their needs while gaining independence and full integration into their communities.

To meet this responsibility, the Trustees have developed a funding strategy for FY 97 which integrates recommendations for general fund/mental health funding with decisions on how Trust income will be spent. We believe that this partnership is essential to meet the goal of improving the effectiveness and efficiency of the mental health program.

This responsibility also includes taking steps to ensure that every recommendation or decision made by the Trust Authority that a dollar be spent on the mental health program is based on accurate information. This is true regardless of whether that dollar will come from the General Fund or Trust income. This information must be adequate to ensure that the funds are spent efficiently, fairly and in a manner consistent with the public policy goals of the Trust Authority and the state.

Accordingly, we believe that during FY 96 and part of FY 97, some of the most important uses of net Trust income will be to prepare for the future of a integrated comprehensive mental health program for Alaska. In that light, our expenditures of net trust income will initially be focused in the following areas:

- ◆ Outcome oriented planning and budgeting;
- ◆ Data collection for more rational decision making;
- ◆ Development of strategies to increase the capacity of the mental health program to meet the needs of the beneficiaries.
- ◆ Cooperation with the Department of Health and Social Services in completing a integrated comprehensive mental health plan which will identify opportunities for increased efficiency and effectiveness in the mental health program;
- ◆ Development of asset enhancing strategies including planned charitable giving; and,

- ◆ Accountability to the beneficiaries, the Governor and the legislature.

This additional rigor must be brought to all essential governmental services as we search for the most effective and efficient ways to assist people in reaching their goals.

The settlement requires the Trust Authority to adopt regulations and guidelines for the establishment of services including provisions that establish a process for long-range planning for expenditures from the mental health trust income account. As these regulations are developed, we will provide notification of the specific purposes and amounts of any grants or contracts we anticipate making as required by AS 47.30.046(a)(3).

LAND MANAGEMENT

Mental Health Trust Land Unit Department of Natural Resources Annual Report September 15, 1995

Introduction

The Alaska Mental Health Trust settlement legislation requires that the Department of Natural Resources (DNR) manage Alaska Mental Health Trust (AMHT) lands on behalf of the Alaska Mental Health Trust Authority (Trust Authority) pursuant to the terms and conditions of a contract between DNR and the Trust Authority. The legislation also requires that DNR establish a separate unit to manage AMHT lands. The Mental Health Trust Land Unit (MHTLU) was established within the office of the Commissioner and is fully responsible for the management of AMHT lands in a manner that is consistent with the Alaska Mental Health Enabling Act and the settlement legislation.

Governor Knowles appointed Stephen Planchon executive director of the MHTLU in December, 1994. The key objectives of the MHTLU for the remainder of the fiscal year were to: (1) hire necessary MHTLU staff; (2) transfer AMHT land management responsibilities from other divisions within DNR to the MHTLU; (3) establish an effective working relationship between the MHTLU and the Trust Authority; (4) initiate efforts to develop new regulations for the management of AMHT lands; (5) facilitate the transfer of settlement lands to the Trust Authority; (6) effectively manage existing permits, contracts and leases on AMHT lands; (7) pursue new opportunities for the development of AMHT lands and resources; and (8) improve the perception of doing business on AMHT land.

FY 95 achievements included:

- ◆ Established a core staff of four: the executive director, two natural resource managers (one remains to be hired), and an administrative assistant;
- ◆ Issued a Department Order transferring AMHT responsibilities to the MHTLU;
- ◆ Executed a DNR/Trust Authority memorandum of understanding and FY 96 services contract;
- ◆ Gathered information that will be necessary to develop AMHT land management regulations, including examples of trust land management

regulations and policies associated with other trust land entities inside and outside of Alaska;

- ◆ Worked with other DNR divisions to streamline the settlement land transfer process. Substantial completion is projected for the end of FY 96;
- ◆ Worked effectively with other DNR divisions to address a backlog of action needs associated with existing permit applications, permits, leases and contracts affecting AMHT lands;
- ◆ Actively pursued new resource development opportunities on AMHT lands, including preparation for an FY 96 timber sale at Cape Yakataga, inclusion of 25 AMHT parcels in the FY 96 DNR land sale, inclusion of AMHT lands in upcoming oil and gas lease sales, and issuance of mineral exploration permits on AMHT land; and,
- ◆ Aggressively pursued the improvement of the perception AMHT lands.

Operation expenses for FY 95 totaled approximately \$268,000. Revenues totaled approximately \$380,000; approximately \$30,000 was deposited in the Trust Account and \$350,000 was deposited in the Income Account.

The following report provides a more specific description of FY 95 activities.

Administration

Considerable effort was expended developing the operating framework for the management of AMHT lands. Key elements of the established framework include: a department order which describes internal procedures that DNR will use to manage AMHT lands; a memorandum of understanding between DNR and the Trust Authority, which provides a general understanding of the DNR/Trust Authority working relationship; and a reimbursable services agreement between the MHTLU and the Trust Authority which provides a specific description of services to be provided by DNR during FY 96 and the costs associated with those services.

The DNR framework consists of a small MHTLU staff which, utilizing the considerable resources and expertise of other DNR divisions as well as occasional private contractors, will achieve work plan objectives developed in consultation with the Trust Authority. The framework, as currently configured, will enable the MHTLU to manage the state-wide AMHT resources in a professional and cost-effective manner. The MHTLU consists of the executive director, two natural resource managers (one position is vacant), an administrative assistant, and non-permanent employees when needed. The MHTLU consults with the Trust Authority Resources Committee on land management and development actions and provides regular reports to its full board of directors. During the initial months of the Trust Authority

operations (March through June) monthly activity reports were provided to the Trust Authority.

To establish a better understanding of trust land management principles and practices the MHTLU organized trust management workshops for the Trust Authority and DNR employees. Professor Sally Fairfax, a trust land management expert from the University of California, Berkeley, led the workshops.

Settlement Closure

DNR is responsible for transferring the settlement lands to Trust Authority and noting the transfer on the public record. The Land and Support Services divisions of DNR are primarily responsible for settlement closure actions. Over 5,000 parcels (approximately 1 million acres) will be transferred to the Authority by quit claim deeds. The transfers will be subject to valid existing rights that existed at the time that the parcels were designated as settlement lands by the Legislature.

The parcels are a mix of fee estate (550,000 acres), mineral estate (340,000 acres), and coal, oil and gas estate (100,000 acres). Prior to transferring the lands to the Trust Authority, title records must be reviewed to ensure that the property is free of problems that would prevent conveyance. If problems are encountered and the lands cannot be transferred, then one of the following will occur:

1. If the lands are not original trust lands, the State will provide equal value replacement acreage; or,
2. If the lands are original trust lands, the federal government will provide replacement acreage on an acre for acre basis.

As of June 30, 1995 title research was completed for approximately one half of the settlement lands. Approximately 4,000 acres (about 1% of the researched property), valued at approximately \$1.2 million, appear unconveyable. It is expected that title research and subsequent conveyances will be substantially completed by July 1, 1996. Public records (e.g. status plats maintained by DNR) should be fully updated shortly thereafter. The MHTLU is responsible for monitoring overall settlement closure progress.

Included in the settlement was an obligation of the Anchorage, Ketchikan and Matanuska-Susitna municipal governments to reconvey lands to the state for transfer to the Trust Authority. The Matanuska-Susitna Borough fulfilled the obligation in FY 95 (approximately 756 acres). Also during FY 95, the Municipality of Anchorage Assembly provided the necessary approvals for Municipality of Anchorage land (approximately 256 acres) to be transferred early in FY 96.

Regulations

The settlement legislation requires that regulations be adopted by DNR which will ensure that AMHT land management is consistent with the Alaska Mental Health Enabling Act. These regulations, at a minimum, must address: (1) maintenance of the trust land base; (2) management for the benefit of the trust; (3) management for long-term sustained yield of products from the land; and (4) management for multiple use of trust land. The legislation also requires that DNR consult with the Trust Authority before adopting the regulations.

Given the delays that occurred in appointing the Trust Authority board members and the subsequent hiring of Trust Authority staff, it was not prudent for DNR to begin the regulation drafting process. However, the MHTLU did begin to gather information that will be essential to the process, including examples of regulations, policies and procedures that are used elsewhere in Alaska and the United States for trust land management and development.

It is expected that the MHTLU and Trust Authority will begin discussing the regulation drafting process early in FY 96. DNR and the Trust Authority are committed to providing interested members of the public with meaningful opportunities to participate in the adoption of regulations for AMHT land management.

General Land Management

General MHTLU land management actions for FY 95 consisted of identifying and consolidating existing information about AMHT lands, completing inspections of key AMHT parcels, and managing existing permits, contracts, mining claims and leases on AMHT lands.

Through the course of the AMHT litigation, extensive information was generated about AMHT land and resources. The MHTLU made it a priority to identify information that will be useful to AMHT land managers. The identification process provided an excellent opportunity for the MHTLU to interact with numerous public and private entities that are knowledgeable about AMHT lands, including federal and state agencies, Alaska Native corporations, municipal governments, private industry representatives and special interest groups. The effort resulted in the completion of a directory of information applicable to AMHT lands. In addition to this effort, the MHTLU worked with the Plaintiff Attorneys on a plan for transferring or sharing land and resource information that they accumulated during the course of AMHT litigation.

Land inspections were completed on lands in the following areas: Anchorage, Fairbanks, Healy, Juneau, Kenai, Ketchikan, Nenana, Petersburg, and Sitka. All inspections included an effort to meet with municipal government representatives as well as other neighbors and members of the public that might be interested in AMHT land management efforts in the area. A future goal of the MHTLU is to establish a

network of volunteer "land watchers" in areas of AMHT ownership. Overall, the inspections resulted in the discovery of very few problems associated with AMHT lands. Several opportunities were identified as a result of the inspections, e.g. small scale timber harvest and commercial and recreational lease opportunities.

Approximately 169 active land leases, 8 coal leases, 2,482 mining claims and 11 oil and gas leases exist on AMHT lands. FY 95 activities associated with these encumbrances included the review of case files, identification of outstanding problems (e.g. appraisal updates required), monitoring of revenue collection, response to requests to assign or modify agreements, and on-the-ground inspections, where possible. Key activities in FY 95 included:

- ◆ Administration of the Fort Knox gold mine lease (approximately 1,139.5 AMHT acres), a major contributor to the Fairbanks area economy for the next twenty years;
- ◆ Approval of 11 annual exploration permits associated with mining claims on AMHT lands;
- ◆ Inspection of land leases in the Juneau, Petersburg, Fairbanks, and Kenai areas, with the identification of several compliance problems that will be addressed in FY 96;
- ◆ Approval of the Idemitsu, Alaska assignment of its Chickaloon area coal leases and mine permit to Cook Inlet Region, Inc;
- ◆ Administration of a 25,000 cubic yard sand and gravel extraction contract in Petersburg and a 158,000 cubic yard fill permit in the Eagle River area;
- ◆ Identification of lease administration issues that need to be resolved in order to ensure that lease administration is consistent with the Mental Health Enabling Act; and,
- ◆ Trespass enforcement, including a collection of revenues from a timber trespass.

A key goal of FY 95 will be to continue efforts to ensure that permits, leases, mining claims and contracts are managed in a manner that is consistent with the Alaska Mental Health Enabling Act and the 1994 settlement legislation.

Strategic Development

While the MHTLU necessarily emphasized the start-up and management activities described above, the need to begin looking for future development opportunities was quickly recognized by both the MHTLU and the Trust Authority. To address this need

in a general way, the MHTLU directed the completion of an opportunities analysis for AMHT lands. The analysis incorporated information generated as a result of settlement activities as well as new information generated from a review of AMHT maps and information, as well as interviews with individuals in the public and private sectors that are knowledgeable about development opportunities in the geographic areas associated with AMHT lands. The project was completed in August, 1995. Component parts of the final report included: a summary report, summary maps (1 inch to a mile scale), summary DNR status plats, and a comprehensive opportunities analysis data base.

The report focused on development opportunities associated with AMHT surface estate, leaving a subsurface analysis to more specific efforts in FY 96. Opportunities were identified in terms of short, mid and long-term. Examples of general opportunities addressed in the report included: timber harvest, gravel extraction, residential subdivision, commercial development, and exchange/enhancement. The report concluded that approximately 500 parcels, totaling approximately 100,000 acres, are associated with short (less than 3 years) through long term (greater than 10 years) surface development opportunities.

Approximately 400 of the identified parcels are associated with short term opportunities. Examples of specific short term opportunities include: commercial timber harvest at Cape Yakataga, Tyonek, Ketchikan, and Thorne Bay; residential development at Anchorage, Fairbanks, Gustavus, Ketchikan, Petersburg, Sitka, Juneau, and Kachemak Bay; and commercial development in Anchorage, Juneau, Petersburg, and Fairbanks.

The MHTLU will incorporate the opportunities analysis recommendations into FY 96 work plan activities, including, at a minimum: the completion of more specific recommendations for timber harvest (where, when and how); the completion of marketing strategies for AMHT key residential properties; and feasibility studies for certain commercial development opportunities.

In addition to the general opportunities analysis, the MHTLU strategic development activities included:

Minerals

Approximately one third of the AMHT portfolio is mineral estate only. AMHT fee estate acreage also has mineral value associated with it. Accordingly, mineral exploration and development will be a key focus of the MHTLU. AMHT lands are closed to mineral entry until DNR adopts specific regulations for the exploration and development of the AMHT mineral estate.

To prepare for future exploration and development activities on AMHT lands, the MHTLU entered into a contract with a minerals exploration and development consultant to prepare a report for the MHTLU and Trust Authority which describes

traditional and emerging approaches to mineral exploration and development in Alaska, the Lower 48 and other mineral rich countries. The MHTLU also initiated discussions with individuals in the private and public sectors familiar with mineral development in Alaska. These efforts, in combination with the process used to adopt regulations for mineral exploration and development on AMHT land, which will include full public participation, will form the basis for MHTLU management of the AMHT mineral estate.

The MHTLU also considered specific mineral exploration and lease requests during FY 95. While the MHTLU was not prepared to consider lease requests, it did consider exploration requests and, as a result, will issue a non-exclusive exploration permit to a prominent mining company for the surface exploration of approximately 1,000 acres in the Fairbanks area.

Timber

1. Contracted with the Division of Forestry to lay out a 5 million board foot timber sale in the Cape Yakataga area for a FY 96 sale and harvest. This is the first step toward establishing ongoing AMHT timber operation in the Cape Yakataga area. The University of Alaska intends to harvest approximately 17 million board feet per year from this area also.
2. Initiated the review of a request by the Exxon Valdez oil spill (EVOS) restoration planners to assist EVOS restoration efforts by providing approximately 50 million board feet of Cape Yakataga area timber to the owner of timber rights in the Tatitlek area. If the transaction is found to be in the best interest of the AMHT, then the owner will agree to move its timber harvest operations to the Cape Yakataga area, thereby providing the EVOS Trustee Council an opportunity to accomplish specific restoration goals in the Tatitlek area. The MHTLU is in the preliminary stages of this review. A final action will require a best interest finding and full consultation with the Trust Authority.
3. Initiated efforts to issue a request for proposal in early FY 96 to analyze AMHT timber resources for the specific purpose of developing a comprehensive plan for AMHT timber resource management, including specific recommendations for the location and timing of upcoming timber sales.

Coal, Oil and Gas

1. Obtained Trust Authority approval to include approximately 25,000 acres of AMHT lands in the Cape Yakataga area and approximately 8,000 acres in the Cook Inlet area in upcoming oil and gas lease sales. The Cape Yakataga sale has been delayed pending a Commissioner's decision on specific terms and conditions for the leases. The Cook Inlet re-offer (the tracts have been offered in previous sales) sale is currently scheduled to take place at the end of November, 1995.

2. Began to review the possibility of participating in coal-based methane development currently planned for the Houston-Wasilla area.

3. Took steps to facilitate the timely production of coal resources associated with AMHT lands in the Chicaloon-Sutton area. Actions included the approval of coal lease assignments from Idemitsu, Alaska to Cook Inlet Region, Inc. (CIRI), and the initiation of a review of an assignment request from Placer Dome, U.S. Inc. to the New Jersey based Nerox Power Systems. According to recent press releases, Nerox intends to begin coal production in FY 96. CIRI has not projected when coal production will commence on it's leases.

Real Estate

1. Executed a ten year right-of-way permit and ground lease associated with University of Alaska timber operations in the Cape Yakataga area. The R/W and lease are essential to the University's 17 million board feet per year timber harvest operation.

2. Included 25 AMHT subdivision parcels in the upcoming DNR land sale. The parcels are valued at approximately \$300,000 and are remnants from previous land sale efforts. The key areas of AMHT participation are Fairbanks, Nenana and Southeast Alaska.

3. Commenced discussions with agencies currently occupying the AMHT Juneau waterfront parcel commonly referred to as the Subport. The purpose of the discussions is to initiate efforts to convert the site to higher and better uses.

Material Sales/Fill Permits

1. Sold 25,000 yards of crushed rock in Petersburg.

2. Allowed 158,000 yards of fill to be deposited on AMHT lands in the Eagle River area. The fill permit generated revenue for the AMHT and was essential to the timely closure of an historic landfill located on the site.

3. Initiated efforts to generate FY 96 revenues from extraction and fill activities: 125,000 cubic yards of gravel at Healy, 25,000 yards of rock at Petersburg, 15,000 yards of processed gravel materials in Fairbanks, and the deposition of an additional 50,000 yards of fill material in Eagle River.

Other

Alaska Mental Health Enabling Act Entitlement

In addition to settlement lands being transferred to the Trust Authority from the state, the Trust Authority will receive the remaining Enabling Act entitlement yet be conveyed by the federal government. To get a better understanding of the status of remaining Enabling Act entitlement and selections, the MHTLU supervised an Enabling Act entitlement analysis completed by the Division of Land. The analysis was completed in June, 1995 and produced an analysis summary and data base, as well as a series of selection and conveyance maps at a scale of 1:1,000,000.

The report concluded that the remaining Enabling Act entitlement equals approximately 20,000 acres. The report also concluded that the 20,000 acres will come from a remaining selection pool that will equal approximately 90,000 acres after adjustments are made for competition with other land selecting entities such as Alaska Native village corporations. Furthermore, the report concluded that fewer than 10,000 of the remaining selections would be considered valuable AMHT assets if conveyed. The remaining 80,000 acres of selections are considered of marginal economic value, e.g. wetlands, etc.

The MHTLU will use the Enabling Act analysis when it develops recommendations for conveyance priorities to the Trust Authority and federal government.

Public Relations

The MHTLU and Trust Authority placed an emphasis on improving public perception of doing business on AMHT lands. MHTLU public relation activities included:

1. Meetings with representatives of municipal governments, including Anchorage, Fairbanks, Juneau, Sitka, Petersburg, Matanuska-Susitna, Kenai, Ketchikan and Nenana;
2. Presentations to special interest groups including: the Anchorage chapter of the International Right of Way Association, the Anchorage/Mat Valley Utility Association, the Alaska Title Insurance Association, the Anchorage and Fairbanks chapters of the Alaska Miners Association, and the Alaska Coal Miners Association;
3. A presentation to the House Resource Committee of the Alaska legislature;
4. Presentations to staff in all the DNR Regional Offices;
5. Meetings with Alaska native corporations that own land adjacent to or near AMHT lands; and,
6. One-on-one meetings with individuals interested in MHTLU activities.

Financial Report

Expenses

MHTLU operations were funded by general state funds in FY 95. MHTLU operations did not effectively commence until the mid-point of FY 95 with the hiring of the MHTLU executive director. Accordingly, FY 95 expenses of approximately \$268,000 do not reflect the actual costs of a fully functional MHTLU for the year. FY 96 will be the first complete year of MHTLU operations. Approximately 97 % of MHTLU costs in FY 96 will be funded by the Mental Health Trust Income Account. The remaining 3% will be funded by general state funds associated with actions necessary to complete the Alaska Mental Health Trust settlement. A general breakdown of the FY 96 budget is broken down as follows:

Personnel	\$258,500
Travel	23,000
Contract ¹	418,500
Settlement Closure	<u>23,600</u>
Total	\$723,600

The FY 95 budget places a heavy emphasis on maintaining a lean and efficient "core" staff which leverages its resources by making cost-effective use of other DNR employees or private contractors on an "as needed" basis. Additionally, the FY 96 budget includes the completion of several strategic planning documents to facilitate the timely development of a variety of AMHT resources, e.g. timber, minerals and real estate.

Revenues

Revenues attributable to AMHT lands totaled approximately \$380,000. Approximately \$30,000 of the total was deposited in the AMHT Trust Account with the remainder deposited in the Income Account. A general breakdown of revenues is as follows:

Land sale contracts	\$ 4,000.00
Timber sales	32,000.00
Permit fees and revenues	41,000.00
Coal lease rentals	11,000.00
Mining claim rentals	63,000.00
Land leases	226,000.00
Oil and Gas lease rentals	<u>3,000.00</u>
Total	\$380,000.00

Low FY 95 revenues are attributable to the fact the majority of the settlement lands were not encumbered by existing revenue producing permits, contracts and leases. FY 96 goals project an increase of AMHT revenue to approximately \$1 million based upon an increase in strategic development activities. Given the nature of anticipated revenue increase (timber sale revenues),

¹ Includes the following types of costs: Contracts for use of DNR employees and private contractors, strategic planning documents, space rental, equipment, telephone, printing services, general supplies, etc.

it is expected that the majority of the FY 96 revenue increase will be deposited into the AMHT Trust Account.

More specific financial records are on file at the MHTLU.

Future Plans and Projections

As noted above, the MHTLU and Trust Authority have executed a contract which projects approximately \$700,000 in MHTLU costs and \$1,500,000 in MHTLU revenues.

A five year projection of MHTLU costs and revenues is difficult to calculate given the lack of a thorough understanding of AMHT resources and probable market demands for those resources over the next five years. For projection purposes only, the MHTLU will strive for annual revenues in excess of \$10 million per year by the year 2,001, with MHTLU costs at approximately \$1.5 million.

TRUST FUND INVESTMENT AND INCOME

The \$200 million appropriation to the trust corpus was deposited on December 15, 1994. Those funds were managed by the Department of Revenue until July 3, 1995 and by the Alaska Permanent Fund Corporation since then. Under the terms of the settlement, income from the Fund is available annually and will be deposited into the income account at the end of each fiscal year.

The Department of Revenue placed the Trust Fund in the General Investment Pool where it earned the 6 month Treasury Bill rate. This allowed the Fund to earn a fixed return with no risk to principle until the Trustees were appointed and could negotiate a transfer to the Alaska Permanent Fund Corporation. As of June 30, 1995, the Trust Fund earned \$6,630,000. This income remained in the Trust Income Account managed by the Department of Revenue.

During FY 95 the Trust land earned approximately \$380,000. The portion of this income which must be considered Trust principal, \$30,000, was transferred to the Trust Fund managed by the APFC. The remainder, \$350,000, was transferred to the Trust Income Account.

The Trustees have established inflation-proofing as the first priority for the use of Trust income. The amount necessary to inflation proof the initial \$200 million for FY 95 has been determined to be \$3,553,000. In addition, since the next deposit of Trust income will not occur until the end of FY 96, the current income account balance must be used to fund the FY 96 RSA with DNR to manage the land (\$700,000) and the FY 96 administrative budget of the Trust Authority (\$952,800). These expenditures will leave a FY 96 balance in the income account of approximately \$1,774,200.

For FY 96, the Trust Income Account status can be summarized as follows:

Income from Trust Fund available as of July 1, 1995	\$6,630,000
FY 95 income from Trust land apportioned to Trust Income Account	\$350,000
Inflation-proofing for FY 95	(\$3,553,000)
FY 96 RSA with DNR for land management	(\$700,000)
FY 96 Trust Authority Administrative expenses	<u>(\$952,800)</u>
Balance for FY 96	\$1,774,200

The Alaska Permanent Fund has realized an annual rate of return, including an adjustment for inflation, of 4.85% over the last 5 years. Based on this average return,

the Trust could expect to earn approximately \$9,700,000 per year after inflation-proofing. The Permanent Fund's Board of Trustees has set a long-term investment goal of earning a realized real return of 3%. This would result in Trust earnings of approximately \$6,000,000 per year. (See Alaska Permanent Fund 1994 Report)

The Trustees are concerned that variations in the investment performance of the Trust Fund may result in significant variation in the funding available for the mental health program. Accordingly, we are considering various strategies to smooth annual variations in available funds. The Trust Authority will issue a report when a final decision has been made on this issue.

Finally, it is apparent that based on current income, income projections and the unmet needs faced by the beneficiaries, there are no funds in the Trust Income Account that are not reasonably necessary to meet the projected operating and capital expenses of the integrated comprehensive mental health program.

STATUS OF THE INTEGRATED COMPREHENSIVE MENTAL HEALTH PROGRAM

Many beneficiaries are well served by Alaska's mental health program. The growing emphasis placed on supporting beneficiaries and their families in their communities to become and remain as independent as possible is fundamentally sound public policy. For those beneficiaries who have been able to access them, these investments in community based programs have often kept their families together and reduced the need for more restrictive and costly services.

Despite these positive attributes, Alaska's mental health program is not fully integrated nor comprehensive. It consists of an array of services provided through several administering agencies guided by separate strategic plans developed independently by the four beneficiary planning boards and commission. Services are often inadequate to meet the need, fragmented, overlapping or have gaps that leave some beneficiaries unserved.

This July, the Trust Authority received reports and plans from:

The Advisory Board on Alcoholism and Drug Abuse;

The Alaska Commission on Aging;

The Alaska Mental Health Board; and

The Governor's Council on Disabilities and Special Education.

These reports and plans are attached in the Appendix. They provide the Trust Authority, the Governor and the legislature with essential information concerning:

- ◆ Budget recommendations for each beneficiary group including the reasons for those recommendations;
- ◆ The guidelines used by each board or commission to establish services to the beneficiaries;
- ◆ Forecasts of the number of people needing services;
- ◆ Projections of the resources required to provide the necessary services and facilities; and,
- ◆ Reviews of the status of that portion of the mental health program serving their beneficiaries.

Our review of these reports and plans demonstrates the importance of having these boards and commission focus on the needs of each beneficiary group. Their proven ability to pull

together the strands of each of their constituencies is essential for developing the information and strategic planning necessary for the creation of an integrated comprehensive mental health program.

The task before us now is to provide the umbrella under which these plans can be melded together to provide an integrated and comprehensive view of a mental health program that can efficiently and effectively serve Alaska. These boards and commission often use different planning regions within the state, different terminology, and approach data collection with different assumptions and methodology. It is critical to note, however, that all of them share the fundamental view that community based services which support the ability of consumers and their families to be as independent as possible is far preferable and more cost effective than creating dependence by relying on more restrictive services.

The strategy for addressing concerns about gaps in services, inadequate service levels and barriers to the integration of these separate programs must begin at the planning stage. The settlement assigned the Department of Health and Social Services (DHSS), in conjunction with the Trust Authority, the task of working with the various agencies and planning boards and commission to develop an integrated comprehensive mental health program plan. The initial working document for this effort is attached in the appendix. The Trustees are in the process of negotiating a Memorandum of Understanding with DHSS and believe that we have formed the foundation for a productive partnership. We will assist DHSS to provide the leadership necessary for this effort to succeed.

In addition, the Trustees intend to address the issues of appropriate data collection and outcome based planning and budgeting head on. Without reliable data and measurable results, the Trustees cannot meet their fiduciary responsibility to the beneficiaries and the people of the state to ensure that both general funds and Trust income are spent in the most effective and efficient manner possible. We will use a strategy based upon our ability to promulgate regulations and directly expend Trust income to meet these goals.

FY 97 GENERAL FUND MENTAL HEALTH BASE

The Trust Authority is recommending a series of adjustments to the FY 97 base budget for GF/MH funding. These changes are intended to:

- ◆ Further refine the allocation by state agencies of time and effort, and therefore funding, between beneficiary and non-beneficiary services within certain budget request units (BRUs);
- ◆ Make adjustments recommended by the mental health beneficiary boards and commission to better reflect services to beneficiaries versus non-beneficiaries; and
- ◆ Reflect philosophic differences between the Trustees and previous budgeters on functions which should or should not be considered and funded as a portion of the state's integrated comprehensive mental health program.

These base budget figures constitute a work in progress. The goal is to fashion parameters for an integrated comprehensive mental health program budget that facilitates good public policy decisions about how best to provide efficient and effective mental health services.

We will continue to work with the planning boards and commission, the administering agencies, the Office of Management and Budget, Legislative Finance, and the legislature to refine the scope of this budget. The attached spread sheets lay out the Trust Authority's current thinking in this area and are followed by a more detailed explanation for why changes were made in some key components.

**Alaska Mental Health Trust Authority
FY97 Beneficiary Board Recommended Base**

DEPARTMENT/BRU/COMPONENT	FY96 GF/MHTIA	FY97 RECOMMENDED BASE				TOTAL RECOMMENDED BASE	FY97 AMHTA BASE
		AMHB	GCDSE	ABADA	COA		
Department of Health and Social Services							
Medical Assistance							
Medicaid Non-Facility	4,593.1	6,952.5	3,000.0			9,952.5	9,952.5
Medicaid-Facilities	12,253.1	7,070.4	2,660.8			9,731.2	9,731.2
Purchased Services							
Foster Care	1,790.0	1,077.6	216.1			1,293.7	1,547.9
Residential Child Care	2,490.0	294.1				294.1	3,522.0
Family and Youth Services							
Northern Region	80.4	80.4				80.4	80.4
Youth Facility Services							
McLaughlin Youth Center	62.1	62.1				62.1	62.1
Fairbanks Youth Facility	81.6	81.6				81.6	81.6
Manillaq							
Alcohol and Drug Abuse Services	0.0			522.4		522.4	522.4
Mental Health/Developmental Disabilities Services	353.5	353.5				353.5	353.5
Norton Sound							
Public Health Services	99.3		99.3			99.3	99.3
Alcohol & Drug Abuse Services	485.9			232.2		232.2	232.2
Mental Health/Developmental Disabilities Services	406.5	358.2	48.3			406.5	406.5
Southeast Alaska Regional Health Corp.							
Alcohol & Drug Abuse Services	321.1			140.6		140.6	140.6
Mental Health Services	126.5	126.5				126.5	126.5
Tanana Chiefs Conference							
Alcohol & Drug Abuse Services	479.1			202.4		202.4	202.4
Mental Health Services	535.2	535.2				535.2	535.2

DEPARTMENT/BRU/COMPONENT	FY96 GF/MHTIA	FY97 RECOMMENDED BASE				TOTAL RECOMMENDED BASE	FY97 AMHTA BASE
		AMHB	GCDSE	ABADA	COA		
DHSS (cont.)							
Yukon-Kuskokwim Health Corporation							
Alcohol & Drug Abuse Services	910.7			418.5		418.5	418.5
Mental Health Services	916.6	916.6				916.6	916.6
Tlingit-Haida Central Council							
Alcohol & Drug Abuse Services	0.0			6.0		6.0	6.0
State Health Services							
Maternal, Child, & Family Health	73.6		73.6			73.6	73.6
Health Grants							
Infant Learning Program Grants	3,353.3		3,353.3			3,353.3	3,353.3
Alcohol and Drug Abuse Services							
Administration	956.3			769.1		769.1	769.1
Alcohol/Drug Abuse Grants	4,931.1			7,718.8		7,718.8	7,718.8
Corrections Alcohol & Drug Abuse Services	331.5			331.5		331.5	331.5
Community Mental Health Grants							
General Community Mental Health Grants	2,858.3	2,858.3				2,858.3	2,858.3
Psychiatric Emergency Services	4,999.0	4,999.0				4,999.0	4,999.0
Services/Chronically Mentally Ill	10,589.7	10,589.7				10,589.7	10,589.7
Designated Evaluation & Treatment	1,102.3	1,102.3				1,102.3	1,102.3
Seriously Emotionally Disturbed Youth	6,288.5	6,288.5				6,288.5	6,288.5
Medicaid Community Mental Health Grants							
Medicaid Community Mental Health Grants	1,000.0	1,000.0				1,000.0	1,000.0
Community DD Grants							
Community Developmental Disability Grants	20,562.4		20,562.4			20,562.4	20,562.4
Institutions and Administration							
Mental Health/Developmental Disability Admin	3,410.0	2,810.6	599.4			3,410.0	3,410.0
Alaska Psychiatric Hospital	5,850.0	5,850.0				5,850.0	5,850.0
Harborview Development Center	4,375.0	764.0	1,814.5			2,578.5	4,375.0

DEPARTMENT/BRU/COMPONENT	FY96 GF/MHTIA	FY97 RECOMMENDED BASE				TOTAL RECOMMENDED BASE	FY97 AMHTA BASE
		AMHB	GCDSE	ABADA	COA		
DHSS (cont.)							
Mental Health Trust Boards							
Board on Alcohol & Drug Abuse	331.8			331.8		331.8	331.8
Alaska Mental Health Board	379.0	379.0				379.0	379.0
Gov's Council on Disabilities & Special Education	0.0		0.0			0.0	0.0
Administrative Services							
Commissioner's Office	99.7	99.7				99.7	0.0
Personnel and Payroll	63.0	63.0				63.0	0.0
Administrative Support Services	198.3	198.3				198.3	0.0
DHSS TOTAL	97,737.6	54,911.1	32,427.7	10,673.5	0.0	98,012.1	102,929.7
Department of Administration (DOA)							
Senior Services							
Pioneers Homes	414.0				414.0	414.0	414.0
Senior Services Administration	210.2				210.2	210.2	210.2
Home & Community-Based Care	1,621.6				1,621.6	1,621.6	1,621.6
Office of Public Advocacy							
Office of Public Advocacy	611.1	213.9	397.2			611.1	611.1
DOA TOTAL	2,856.9	213.9	397.2	0.0	2,245.8	2,856.9	2,856.9
Department of Corrections (DOC)							
Statewide Operations							
Inmate Health Care	3,207.9	3,207.9				3,207.9	3,207.9
Inmate Programs	781.3			781.3		781.3	781.3
DOC TOTAL	3,989.2	3,207.9	0.0	781.3	0.0	3,989.2	3,989.2
Department of Education (DOE)							
K-12 Support							
Foundation Program	5,696.5	0.0	0.0			0.0	0.0
Schools for the Handicapped	2,377.1	0.0	0.0			0.0	0.0
Education Program Support							
Basic Education & Instructional Improvement	227.5	227.5				227.5	227.5

DEPARTMENT/BRU/COMPONENT	FY96 GF/MHTIA	FY97 RECOMMENDED BASE				TOTAL RECOMMENDED BASE	FY97 AMHTA BASE
		AMHB	GCDSE	ABADA	COA		
DOE (cont.)							
Vocational Rehabilitation Client Services	1,379.5	0.0	0.0			0.0	0.0
Vocational Rehabilitation Administration	155.8	0.0	0.0			0.0	0.0
DOE TOTAL	9,836.4	227.5	0.0	0.0	0.0	227.5	227.5
Department of Law (DOL)							
Legal Services Operations	66.2	66.2				66.2	66.2
DOL TOTAL	66.2	66.2	0.0	0.0	0.0	66.2	66.2
Alaska Court System (ACS)							
Alaska Court System Trial Courts	39.3	39.3				39.3	39.3
ACS TOTAL	39.3	39.3	0.0	0.0	0.0	39.3	39.3
University of Alaska (UA)							
University of Alaska Anchorage Anchorage Campus	200.8	0.0	200.8			200.8	200.8
UA TOTAL	200.8	0.0	200.8	0.0	0.0	200.8	200.8
PROGRAM TOTAL MENTAL HEALTH FUNDS	114,726.3	58,665.9	33,025.7	11,454.6	2,245.8	105,391.9	110,309.5

SUMMARY AND RATIONALE RECOMMENDATIONS FOR FY 97 GF/MH BASE ADJUSTMENTS

Department of Health and Social Services

Medical Assistance

Medicaid Non-Facility:	Adjust Base to \$9,952.5
Medicaid Facility	Adjust Base to \$9,731.2

These adjustments are based on better information about the relative proportions of beneficiary services and non-beneficiary services (and thus GF/MH and GF) in these two components. We note, however, that these numbers will also have to be adjusted, since they are based on FY 94 data. DHSS will provide a new breakdown which will be reflected in our October 31 update. Furthermore, certain services provided to beneficiaries are not included in these numbers such as psychotropic medications. These will be added when cost data becomes available. We also note that there are significant other services which are provided to beneficiaries by these components. Since these other services are not directly related to the mental health concerns of the beneficiaries, they are not included. We will continue to work with DHSS to refine these numbers. The changes from FY 96 do not increase or decrease the overall BRU base, but only the allocation between GF/MH and GF.

Purchased Services

Foster Care:	Adjust Base to \$1,547.9
Residential Child Care:	Adjust Base to \$3,522.0

These adjustments are based on better information about the relative proportions of beneficiary services and non-beneficiary services (and thus GF/MH and GF) in these two components. The base in Foster Care would include AYI (\$1,077.6) plus augmented services for the proportion of clients who are beneficiaries (34% of augmented services are for DD clients (\$216.1), 40% for MH clients(\$254.2)). The base in Residential Child Services would take the total cost of residential child care (\$5,596.4) times the proportion of beds filled by beneficiaries (114 of 140, or 81%), less the amount which would have been spent on basic foster care for these 114 children (\$1,011.1). The changes from FY 96 do not increase or decrease the overall BRU base, but only the allocation between GF/MH and GF.

Maniilaq

Alcohol and Drug Abuse Services:	Adjust base to \$522.4
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This amount represents the proportion of the FY 96 Maniilaq ADA services appropriation which is applicable to beneficiary services, as calculated by DHSS. The changes from FY 96 do not increase or decrease the overall BRU base, but only the allocation between GF/MH and GF.

Norton Sound

Alcohol and Drug Abuse Services: Adjust base to \$232.2

This amount represents the proportion of the FY 96 Norton Sound ADA services appropriation which is applicable to beneficiary services, as calculated by DHSS. The changes from FY 96 do not increase or decrease the overall BRU base, but only the allocation between GF/MH and GF.

Southeast Alaska Regional Health Corporation

Alcohol and Drug Abuse Services: Adjust base to \$140.6

This amount represents the proportion of the FY 96 SEARCH ADA services appropriation which is applicable to beneficiary services, as calculated by DHSS. The changes from FY 96 do not increase or decrease the overall BRU base, but only the allocation between GF/MH and GF.

Tanana Chiefs Conference

Alcohol and Drug Abuse Services: Adjust base to \$202.4

This amount represents the proportion of the FY 96 Tanana Chiefs Conference ADA services appropriation which is applicable to beneficiary services, as calculated by DHSS. The changes from FY 96 do not increase or decrease the overall BRU base, but only the allocation between GF/MH and GF.

Yukon Kuskokwim Health Corporation

Alcohol and Drug Abuse Services: Adjust base to \$418.5

This amount represents the proportion of the FY 96 YKHC ADA services appropriation which is applicable to beneficiary services, as calculated by DHSS. The changes from FY 96 do not increase or decrease the overall BRU base, but only the allocation between GF/MH and GF.

Tlingit-Haida Central Council

Alcohol and Drug Abuse Services: Adjust base to \$6.0

This amount represents the proportion of the FY 96 Tlingit-Haida Central Council ADA services appropriation which is applicable to beneficiary services, as calculated by DHSS. The changes from FY 96 do not increase or decrease the overall BRU base, but only the allocation between GF/MH and GF.

Alcohol and Drug Abuse Services

Administration: Adjust base to \$ 769.1

Alcohol/Drug Abuse Grants: Adjust base to \$7,718.8

This amount represents the proportion of these BRU services appropriation which is applicable to beneficiary services, as calculated by DHSS. The changes from FY 96 do not increase or decrease the overall BRU base, but only the allocation between GF/MH and GF.

Institutions and Administration

Harborview Developmental Center

No base adjustment

We have not recommended a change to this base at this time because DHSS is continuing to refine options for Harborview. The Trustees intend to revisit this issue at our October 9th meeting, and will take action at that time regarding our recommendation for GF/MH base funding for Harborview.

Administrative Services

Commissioner's Office:

Set GF/MH base at zero

Personnel and Payroll:

Set GF/MH base at zero

Administrative Support Services:

Set GF/MH base at zero

We see no advantage to listing portions of these three BRUs as GF/MH, and DHSS concurs. The changes from FY 96 do not increase or decrease the overall BRU base, but only the allocation between GF/MH and GF.

Department of Education

K-12 Support

Foundation Program:

Set GF/MH base at zero

Schools for the Handicapped:

Set GF/MH base at zero

We recommend that no funding for these components be designated as GF/MH. The Trustees believe that K-12 education is a separate program which must serve all children regardless of beneficiary or non-beneficiary status, and should thus be wholly funded with GF dollars. We further believe that separation of the GF/MH funded portion of the public school foundation formula from the early schools funding bill (which would be required because all mental health funding must now be in a separate bill) would confuse school districts and the public at large. The changes from FY 96 do not increase or decrease the overall BRU base, but only the allocation between GF/MH and GF.

Vocational Rehabilitation

Client Services:

Set GF/MH base at zero

Vocational Rehabilitation Admin.:

Set GF/MH base at zero

We recommend that no funding for these components be designated as GF only. Vocational Rehabilitation funding is allocated according to federal law, and cannot be reallocated between beneficiaries and non-beneficiaries. The changes from FY 96 do not increase or decrease the overall BRU base, but only the allocation between GF/MH and GF.

FY 97 FUNDING STRATEGY

The settlement framework changes how Alaskans will plan and fund the mental health program. In addition, changes at the federal level seem certain to have significant impacts on the program. The Trustees have a fiduciary duty to ensure that the Trust is utilized to maximize the ability of beneficiaries and their families to meet their needs while gaining independence and maximum integration into their communities.

To meet this responsibility, the Trustees have developed a funding strategy for FY 97 which integrates recommendations for general fund/mental health funding with decisions on how Trust income will be spent. We believe that this partnership is essential to meet the goal of improving the effectiveness and efficiency of the mental health program.

Over \$25 million in operating and \$20 million in capital needs were prioritized and recommended to the Trustees by the Advisory Board on Alcohol and Drug Abuse, the Alaska Commission on Aging, the Alaska Mental Health Board, and the Governor's Council on Disabilities and Special Education. The magnitude of this unmet need required the Trustees to carefully consider what could reasonably be funded given the current fiscal climate and the anticipated earnings of the Trust.

The Trustees identified several areas where joint efforts by the state and the Trust offer opportunities for improving the program while minimizing the cost to the state. The lack of regulations for Trust income allocations required the Trustees to utilize Trust funds primarily in ways that did not commit the Trust and future Trustees to long term funding commitments. Funding strategies which will create future savings were emphasized as well as items that will increase the accountability and efficiency of the program.

The Trustees have made recommendations for general fund appropriations and will be directly spending the beneficiaries' money. We take this responsibility very seriously and are committed to making sure that our decisions are based on accurate information. This information must be adequate to ensure that the funds are spent efficiently, fairly and in a manner consistent with the public policy goals of the Trust Authority and the state.

Achieving this goal will require the coordination of the many agencies, boards, commissions and individuals that make up the mental health program. In addition to the Department of Health and Social Services, the Department of Corrections and the Department of Administration are key administering agencies for portions of the program. In addition to the four planning boards and commission, consumer and provider groups must play major roles in shaping the future of the program. The effective collaboration of these stakeholders is essential to meet the challenges ahead and is a priority for the Trustees.

The actions of the Trustees must be based upon a solid foundation. During FY 96 and part of FY 97, the most important use of net Trust income will be to build this foundation

for the future of Alaska's integrated comprehensive mental health program. Therefore, it is expected that our expenditures of net trust income will focus on the following areas:

- ◆ Outcome oriented planning and budgeting;
- ◆ Data collection for more rational decision making;
- ◆ Development of strategies to increase the capacity of the mental health program to meet the needs of the beneficiaries.
- ◆ Cooperation with the Department of Health and Social Services in completing a integrated comprehensive mental health plan which will identify opportunities for increased efficiency and effectiveness in the mental health program;
- ◆ Development of asset enhancing strategies including planned charitable giving; and,
- ◆ Accountability to the beneficiaries, the Governor and the legislature.

The settlement requires the Trust Authority to adopt regulations and guidelines for the establishment of services including provisions that establish a process for long-range planning for expenditures from the mental health trust income account. These regulations are necessary for the Trustees to meet their fiduciary duty to spend the beneficiaries' money pursuant to established policies and procedures. The regulatory process will afford beneficiaries, the public and policy makers an essential opportunity to impact how the Trustees spend Trust funds. As these regulations are developed, we will provide notification of the specific purposes and amounts of any grants or contracts we anticipate making as required by AS 47.30.046(a)(3).

For the foreseeable future, the general fund will continue to be the primary source of funding for the mental health program. We believe that, properly managed, the Trust can and will make a significant contribution to ensuring that Alaska has an integrated comprehensive mental health program.

The FY 97 proposed operating and capital budgets for general fund/mental health and Trust income begin on page 32.

**Alaska Mental Health Trust Authority
FY97 Funding Strategy
Proposed Operating Budget**

DEPT.*	Recom'd By...**	Beneficiary Service	General Fund	Trust Income Account	TOTAL
Prevention					
DOA	ACoA	Care Coordination/Purchased Services for Seniors	900.0		900.0
DOA	ACoA	Increased Respite for Seniors	200.0		200.0
DHSS	AMHB	Healthy Families Program		250.0	250.0
DHSS	GCDSE	Infant Learning Program Grants	740.0		740.0
DHSS	AMHB	Mental Health Crisis Respite	750.0		750.0
DHSS	GCDSE	Developmental Disability Respite Services	425.0		425.0
Prevention Total			3,015.0	250.0	3,265.0
Community Support					
DHSS		12 Sourdough Unit residents to community programs		385.0	385.0
DHSS	GCDSE	6 HDC residents to community programs		310.0	310.0
DHSS	ABADA	MH/Chronic Alcoholism Dual Diagnosis Treatment	368.0		368.0
DHSS	ABADA	Emergency Care for Chronic Alcoholics	254.6		254.6
DHSS	AMHB	Mental Health Voluntary/Involuntary Inpatient Care	750.0		750.0
DHSS	GCDSE	Developmental Disability Vocational Services	500.0		500.0
Community Support Total			1,872.6	695.0	2,567.6
Facility-Based					
DOC	DOC	Prison Mental Health Psychiatric Residency Program	30.0		30.0
DOC	DOC	Psychiatric Nurse Assistants for Women Offenders	80.0		80.0
Facility-Based Total			110.0		110.0
FY97 Operating Budget Total			4,997.6	945.0	5,942.6

***Department:**

DOA: Department of Administration
 DHSS: Department of Health and Social Services
 DOC: Department of Corrections

****Recommended by...**

ACoA: Alaska Commission on Aging
 GCDSE: Governor's Council on Disabilities and Special Education
 AMHB: Alaska Mental Health Board
 ABADA: Advisory Board on Alcohol and Drug Abuse

**Alaska Mental Health Trust Authority
FY97 Funding Strategy
Proposed Capital Budget**

DEPT.	Recom'd By...	Beneficiary Service	General Fund/ Mental Health	Trust Income Account	TOTAL
Americans with Disabilities Act Compliance					
DHSS	AMHB	ADA Mandated Compliance	300.0		300.0
DHSS	ABADA	ADA Upgrades	300.0		300.0
Americans with Disabilities Act Total			600.0	0.0	600.0
Transportation/Vehicles					
various	All	Vehicles for coordinated client services	500.0	500.0	1,000.0
Transportation/Vehicles Total			500.0	500.0	1,000.0
Beneficiary Facility Modifications					
DHSS	GCDSE	Home improvements & modifications to improve accessibility for families	250.0	250.0	500.0
Beneficiary Facility Modifications Total			250.0	250.0	500.0
Grantee Facility Modifications					
DHSS	ABADA	Emergency Services modifications - linked to operating increment		150.0	150.0
DHSS	AMHB	Moving/renovation: Aniak		125.0	125.0
DHSS	AMHB	Clinic addition/remodeling: Ketchikan		212.0	212.0
DHSS & DOA	All	Remodel and renovate facilities: competitive grants		250.0	250.0
DHSS	GCDSE	Program modifications - agency & state facilities	200.0		200.0
DHSS	AMHB	Crisis respite and/or clinic replacement/renovation	500.0		500.0
DHSS	ABADA	Remodel/rehabilitation of existing facilities	750.0		750.0
DHSS	ABADA	Construction of new and replacement facilities	1,000.0		1,000.0
DOA	COA	New adult day care facility in Chugiak and planning for new adult day care facility in Palmer	993.2		993.2
Grantee Facility Modifications Total			3,443.2	737.0	4,180.2

State Facility Modifications

DOA	COA	Facilities Completion: ADRD units in Sitka and Fairbanks Pioneers Homes and complete units in Palmer and Juneau Pioneer Homes	271.9	271.9	543.8
State Facility Modifications Total			217.9	271.9	543.8

Program Equipment

DHSS	DHSS	Data integration project	75.0	75.0	150.0
DHSS	GCDSE	Adaptive Equipment	150.0	150.0	300.0
Program Equipment Total			225.0	225.0	450.0
FY97 Capital Budget Total			5,290.1	1,983.9	7,274.0

* Recommended by....

ACoA: Alaska Commission on Aging

GCDSE: Governor's Council on Disabilities and Special Education

AMHB: Alaska Mental Health Board

ABADA: Advisory Board on Alcohol and Drug Abuse

DOC: Department of Corrections

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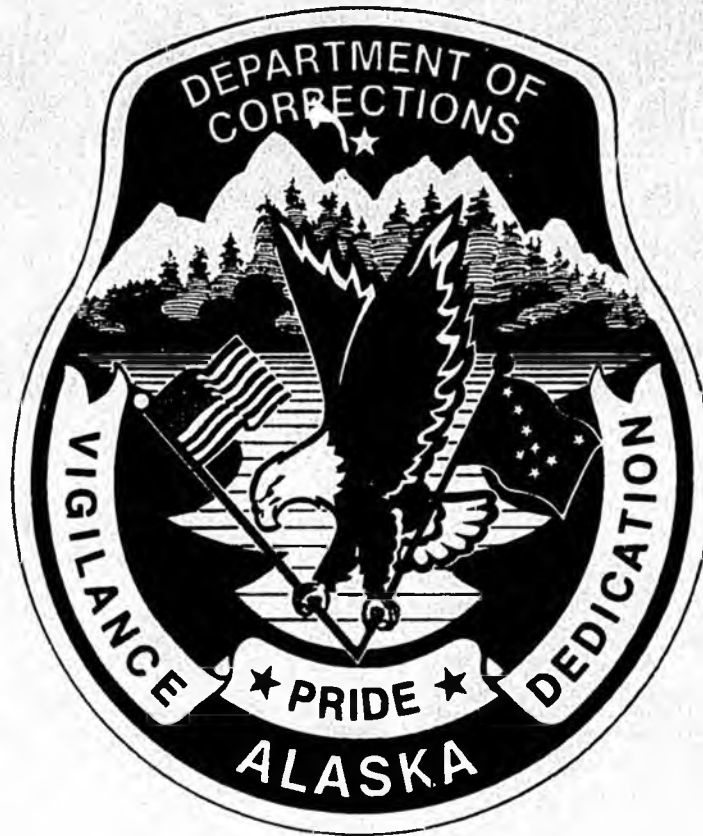
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Juneau, Alaska 99801-2105*

Copies of minutes listed below were originally included in this file. The minutes are available on the legislative computer database. In order to save space copies of minutes have not been left in the files.

Mary Pagenkopf

HFin 11/19/96 1:37 p.m.

**DEPARTMENT OF
CORRECTIONS**



***FY 97 GOVERNOR'S OPERATING
BUDGET OVERVIEW***

***Margaret M. Pugh
Commissioner***

DEPARTMENT OF CORRECTIONS

FY97 Operating Budget Highlights

Development of FY97 Governor's Budget Request

	GF	TOTAL
FY96 CONFERENCE COMMITTEE REPORT	\$129,050.4	\$134,467.6
FISCAL NOTES/OTHER APPROPRIATIONS BILLS		
Community Jails	\$437.0	\$437.0
Partial Year Funding/Chapter 80 SLA 95 (DWI Law)		
Division of Community Corrections	\$540.0	\$540.4
FY95/96 Carryforward	\$2,464.9	\$2,464.9
FY96 AUTHORIZED	\$132,492.7	\$137,909.9
ADJUSTMENTS		
Labor Contracts Adjustments	\$1,067.1	\$1,087.0
DIS	\$7.9	\$7.9
DP Chargeback	(\$37.6)	(\$37.6)
Risk Management	(\$10.4)	(\$10.4)
Fiscal Note/Chapter 80 SLA 95 (Full Year Funding)	\$540.4	\$540.4
TOTAL	\$1,567.4	\$1,587.3
FY97 BASE	\$134,060.1	\$139,497.2
INCREMENTS/DECREMENTS		
Increments	\$80.0	\$1,044.7
Decrements	\$0.0	(\$124.6)
TOTAL	\$80.0	\$920.1
FY97 GOVERNOR'S REQUEST	\$134,140.1	\$140,417.3
FY97 POSITIONS		
PFT		1,358
PPT		4
TMP		21

The Department of Corrections fiscal year 1997 Operating Budget Request reflects our commitment to budget discipline, protection of the public and rehabilitation of offenders. Minimal operational budget increments necessary to meet our critical obligations are included.

Mission:

The Mission of the Department of Corrections is:

"In partnership with the citizens of Alaska, protect the public from recidivistic crime, by using best correctional practices to provide a continuum of appropriate, humane, safe, and cost effective confinement, supervision and rehabilitation services to people remanded to the custody of the Department of Corrections.

The Department will carry out it's responsibilities while respecting the rights of victims and recognizing the dignity inherent in all human beings."

Goals:

Four primary goals operationally define the department's approach to carrying out its Mission while maintaining budget discipline:

1. Provide alternatives to incarceration;
2. Consider bed space needs;
3. Reduce administrative costs;
4. Upgrade computer and telecommunication services and our management information system.

Key Challenges:

Our first key challenge is the increasing number of people coming into our system, resulting in overcrowded institutions, and increased caseloads in Community Corrections. This is brought about in large part because Alaska is one of only six states with a unified state correctional system, responsible for confinement and care of all misdemeanor, felons, and persons being held on civil restraint. Most states provide these services for felons only.

The average daily count in Institutions frequently exceeds our court imposed emergency capacity and contempt of court fines are now approaching a total of \$1 Million.

The department has taken a number of innovative actions to relieve Institutional overcrowding problems, including:

- ▶ Worked with a Community Advisory Board to implement a pilot "Day Reporting" project in Anchorage to reduce the number of probation and parole violators returned to incarceration;
- ▶ Piloted Community Work Service Programs at Lemon Creek and Ketchikan Correctional Centers;
- ▶ Compiled three year, fixed-price contracts with 15 small communities for operations of their Community Jails;
- ▶ Worked with the Parole Board to hold hearings on a monthly basis instead of quarterly;
- ▶ Working with the Children's Cabinet and the Youth and Justice Working Group to develop prevention strategies and juvenile justice system enhancements;
- ▶ Working with criminal justice agencies and local communities to develop Alternative Dispute Resolution programs at the local level;
- ▶ Working with local communities to develop a better understanding of local and state responsibilities;
- ▶ Working with the Mental Health Trust Authority and related boards to examine alternatives for dealing with Title 47 civil commitments in the future;
- ▶ Renovated space at Matanuska-Susitna Pre-Trial and Wildwood Correctional Center, which added bed space.

Along with increased numbers of offenders in state Institutions, there is an increase in the number of people on probation and parole supervision. The Department has taken the following innovative actions to begin mitigation of this problem:

- ▶ Shifted probation personnel to "hot spots" in Bethel, Mat-Su, and Kodiak;
- ▶ Implemented pilot projects at two sites for low risk probationers, reducing time needed for management of these cases;
- ▶ Implemented a pilot program in Rural Alaska which allows probation officers to better supervise their cases by performing on the spot alcohol and drug tests;
- ▶ Expanded contract solicitation for Community Residential Center capacity to add Kenai and Mat-Su and to expand capacity in Bethel and Juneau.

Our second major challenge is that the fastest growing segment of the confined population is women. The department faces substantial legal challenges regarding housing and programming for women. The Department has taken a number of actions to resolve women's issues, including:

- ▶ Established a Corrections Action Team to comprehensively examine women's issues and to develop comprehensive, long term solutions;
- ▶ Expanded bed space at Matanuska-Susitna Pretrial for female offenders;
- ▶ Ensured that renovations at Wildwood Correctional Center expanded and improved housing for female offenders;
- ▶ Improved women's programming at a number of facilities.

Our third major challenge is the need to finish automating the department and to replace the existing management information system. The department has taken the following actions to make this happen:

- ▶ Finalized detailed installation plans for automating two high traffic correctional centers in Anchorage, as well as two probation offices in Southcentral Alaska;
- ▶ Used these detailed plans to prepare RFP's to contract for the internal wiring installation necessary at those four sites with assistance from DOA/DIS and GS&S;
- ▶ Purchased equipment and software necessary to automate the first four sites;
- ▶ Arranged with DOA/DIS for Wide Area Network (WAN) connections at the first four sites once the internal installations are completed;
- ▶ Realigned positions within the Department to adequately staff the effort;
- ▶ Begun planning for automation of an additional twelve sites in FY97;
- ▶ Prepared FY97 capital and operations budget increments to expand and accelerate this effort.

Priority Setting Process:

The Department engaged in an intensive internal strategic planning process during the summer of 1995, which was facilitated by the National Institute of Corrections and Mr. John Gorczyk, Commissioner of Corrections in Vermont. During this engagement the department clarified its Vision and Mission, validated its Core Functions, and established an ongoing strategic management process. Out of that process came the four primary goals established in the "Goals" section.

Accordingly, our operating budget reflects our actions to provide alternatives to incarceration, reduce administrative costs, and upgrade our computer, telecommunication and management information systems. The Department continues to engage the public, local communities, other agencies, and the legislature in intensive discussions on the issue of added bed space and costs to Alaskans.

Legislation:

The Department is not recommending new legislation at this time. Administration bills which will affect the Department include: a Vehicle Theft bill, an amendment to the DWI statutes, and a bill which would allow expanded wiretapping by Public Safety under exceptional circumstances.

Bills pending from the 1st Session of the Nineteenth Alaska Legislature which will affect the department if passed during the 2nd Session include:

SB 61	An Act Relating to Life Sentences for some 3rd Time Feloney Offenders
SB 91	An Act Relating to Criminal Transmission of HIV
SB 123	An Act Relating to Post Secondary Education Programs
SB 126	An Act Relating to PFD Eligibility
SB 127	An Act Relating to Crime Victims
SB 155	An Act Relating to Jail Time by Electronic Monitoring
SB 167	An Act Relating to Day Fines
SB 175	An Act Relating to "No Frills" Conditions of Prison Confinement
HB 2	An Act Relating to "Boot Camps" for Nonviolent Offenders
HB 24	An Act Relating to Lower Alcohol Limit to 0.08 for OMVI's
HB 38	An Act Relating to Capital Punishment For Murder
HB 45	An Act Relating to Capital Punishment For Murder
HB 69	An Act Relating to Penalties For Drunk Driving
HB 75	An Act Relating to Increased Penalties For JoyRiding
HB 84	An Act Relating to Assaults By Two or More Persons
HB 127	An Act Relating to 120 Days Jail; Assault on Officers
HB 142	An Act Relating to Juveniles Convicted of Adult Offenses
HB 199	An Act Relating to Criminal Transmission of HIV
HB 255	An Act Relating to Homicide By Automobile

Reduced Administrative Costs:

Costs are always a concern when revenues are tight and demand for services is high. The Department has made a commitment to make every effort to live within its budget. In addition to the lower cost alternative community corrections programs described above and the audit and evaluation actions described elsewhere, the Department has taken the following actions to control costs:

- ▶ In conjunction with OMB, installed an intensive quarterly expenditure review process, to ensure that all components are controlling costs within budget;
- ▶ In conjunction with the Department of Administration worked to streamline the state procurement process, which will save time in contract and purchase agreement preparation as well as cost of goods and services purchased;
- ▶ Resolved outstanding personnel disputes using Accelerated Mediation, reducing the time needed to deal with these issues and limited the States' liability exposure;
- ▶ Altered Community Residential Center (CRC) contracts and RFP's to require an increased percentage of "per diem" beds which will only be paid for if used;
- ▶ Reviewed the Minnesota Cost-of-Care agreement resulting in avoiding costs for \$110,000 in disputed claims;
- ▶ Amended cost of care agreements with Medical providers, avoiding excessive costs;
- ▶ Established a vacancy control desk to manage vacancies equitably.

Evaluation Process:

During the past year, the Department has committed itself to evaluation of all existing and new programs. In order to meet this commitment, the Department has taken the following actions:

- ▶ Established an internal audit function to identifying cost savings and facilitate operational and managerial improvements;
- ▶ Established objective evaluation components for our pilot projects, including the Judicial Council for the Day Reporting project, University of Alaska/Southeast for our Lemon Creek Work Service project and the University of Alaska/Anchorage for our Sex Offender Treatment program;
- ▶ Begun implementation of our automation and MIS enhancement program.

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

AGENCY OPERATING BUDGET SUMMARY

AGENCY: Department of Corrections

ITEM	FY '95 FINAL AUTH	FY '95 ACTUAL	FY '96 CONFERENCE	FY '96 AUTHORIZED	FY '97 ADJ BASE	FY '97 GOVERNOR	FY96 AUTHORIZED vs. FY97 GOVERNOR DIFFERENCE
* * * EXPENDITURE TOTAL * * *	128,197.9	125,531.5	134,467.6	137,909.9	139,497.2	140,417.3	2,507.4
EXPENDITURES							
Personal Services	84,236.2	83,179.1	87,697.6	85,362.4	86,594.2	87,101.3	1,738.9
Travel	1,230.5	1,057.3	1,198.9	1,387.3	1,396.0	1,383.4	-3.9
Contractual Services	30,387.1	29,277.4	36,705.7	38,260.6	38,640.3	38,745.9	485.3
Commodities	9,921.4	9,790.8	10,843.8	10,725.3	10,697.9	11,017.9	292.6
Equipment	334.2	282.8	89.4	89.4	83.9	83.9	-5.5
Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Claims	2,088.5	1,944.1	2,084.9	2,084.9	2,084.9	2,084.9	0.0
Misc.	0.0	0.0	-4,152.7	0.0	0.0	0.0	0.0
* * * * FUNDING TOTAL * * * *	128,197.9	125,531.5	134,467.6	137,909.9	139,497.2	140,417.3	2,507.4
FUNDING							
1002 Federal Receipts	1,683.2	1,648.4	1,754.4	1,754.4	1,770.3	1,688.3	-66.1
1004 General Fund Receipts	116,515.7	114,141.0	122,655.6	126,097.9	128,273.4	128,273.4	2,175.5
1005 GF/Program Receipts	2,775.6	2,748.7	2,405.6	2,405.6	2,424.5	2,424.5	18.9
1006 GF/Mental Health Trust	3,575.0	3,458.6	0.0	0.0	0.0	0.0	0.0
1007 Inter-Agency Receipts	458.1	374.0	320.6	320.6	320.6	742.7	422.1
1037 GF/Mental Health	0.0	0.0	3,989.2	3,989.2	3,362.3	3,442.3	-546.9
1050 Permanent Fund Div Fund	802.9	796.5	802.9	802.9	802.9	802.9	0.0
1059 Correctional Indust Fund	2,250.6	2,227.5	2,250.6	2,250.6	2,250.6	2,750.6	500.0
1061 Capital Impr Proj Rpts	136.8	136.8	288.7	288.7	292.6	292.6	3.9
STAFFING							
Full-time	1,323.0	1,323.0	1,343.0	1,349.0	1,351.0	1,358.0	9.0
Part-time	6.0	6.0	6.0	6.0	4.0	4.0	-2.0
Temporary	0.0	0.0	0.0	21.0	21.0	21.0	0.0

Department of Corrections

FY95 Lapse

1/17/96

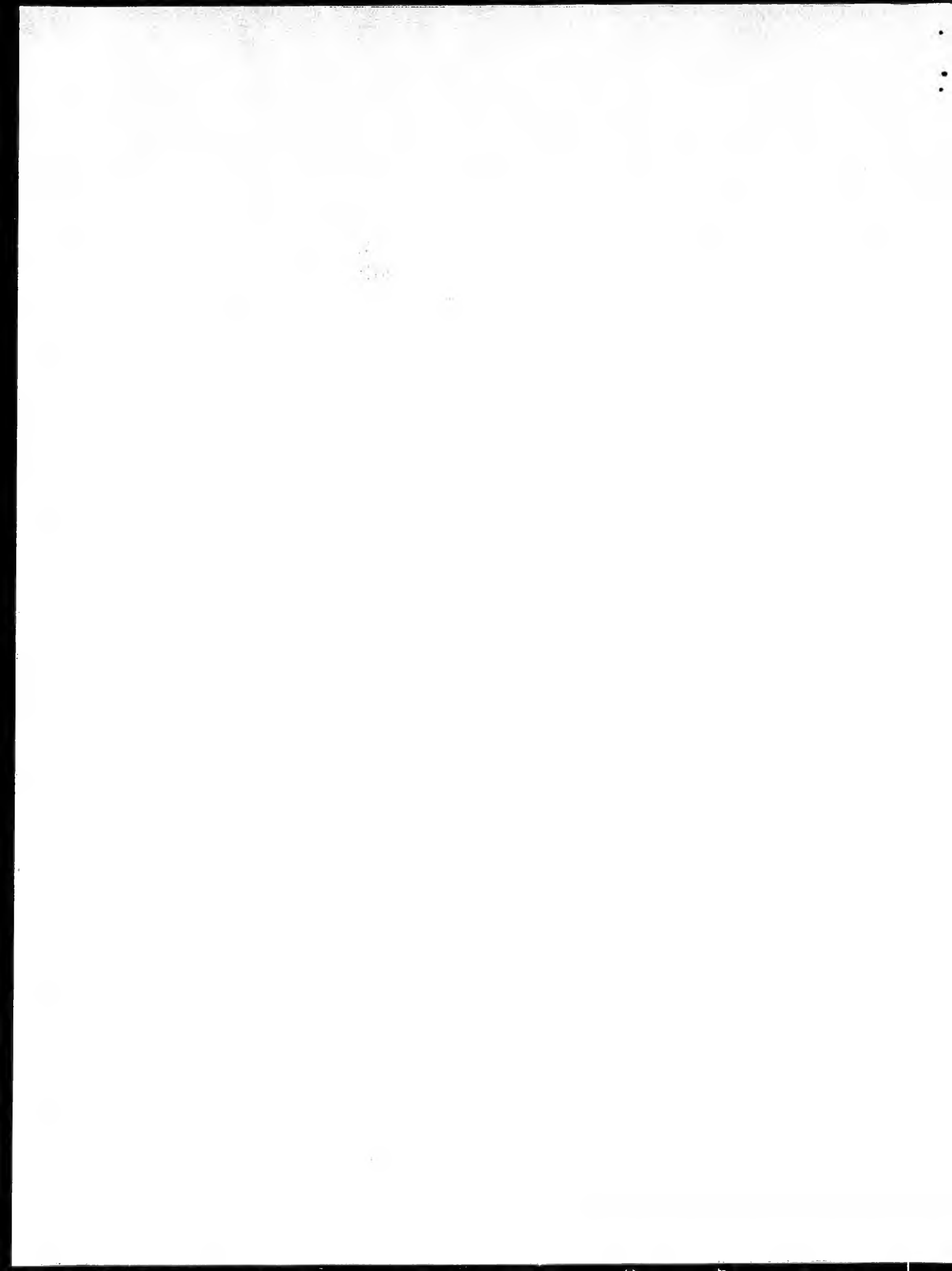
BRU/COMPONENT	71000	72000	73000	74000	75000	77000	78000	TOTAL	Gen.Funds	GF/PR	GF/MHTF	FED.	CIP	CORR.INDU.	PFD	IA	TOTAL
ADMINISTRATION & SUPPORT BRU																	
Office of the Commissioner	\$19,566	\$1,698	\$36,850	\$543	\$52	\$0	\$0	\$58,709	\$58,709								\$58,709
Parole Board	\$94	\$356	\$225	\$482	\$70	\$0	\$0	\$1,227	\$1,227								\$1,227
Correctional Academy	\$177,937	\$848	\$753	\$188	\$0	\$0	\$0	\$179,726	\$179,726								\$179,726
Administrative Services	\$134,956	\$654	\$225,315	\$20,771	\$77	\$514	\$0	\$382,287	\$382,287								\$382,287
Data and Word Processing	\$27,858	\$1,537	\$589	\$6,192	\$18	\$0	\$0	\$36,194	\$36,194								\$36,194
Facilities-Capital Improve.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								\$0
Sub-Total BRU	\$360,411	\$6,093	\$263,732	\$28,176	\$217	\$614	\$0	\$668,143	\$668,143	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$668,143
STATEWIDE OPERATIONS BRU																	
Division of Institutions								\$0									
Inmate Health Care	\$40,258	\$7,374	\$121,316	\$13,838	\$216	\$50	\$0	\$182,852	\$62,012		\$120,840						\$182,852
Inmate Programs	\$77	\$25,427	\$97,121	\$2,768	\$2,222	\$61	\$0	\$127,674				\$10,800			\$116,874		\$127,674
Corr. Industries-Admin.	\$10,818	\$21	\$3	\$40	\$1	\$0	\$0	\$10,883	\$10,883								\$10,883
Corr. Industries-Product	\$0	(\$16,128)	(\$60,721)	(\$59,578)	\$40,589	\$118,817	\$0	\$22,979						\$22,979			\$22,979
Institution Director's Office	\$102,815	\$17,835	\$430	\$4,675	\$66	\$0	\$0	\$125,821	\$125,821								\$125,821
Transportation	\$1,940	\$1,468	\$9,721	\$2,771	\$0	\$0	\$0	\$15,900	\$15,900								\$15,900
Out-of-State Contractual	\$0	\$17,535	\$220,886	\$5,500	\$0	\$81	\$0	\$243,982	\$243,982								\$243,982
Arvid Mountain C.C.	\$42	\$317	\$2,482	\$1,081	\$877	\$5	\$0	\$4,804	\$4,804								\$4,804
Combined Hilland Mtn. C.C.	\$1,832	\$1,991	\$3,921	\$1,781	\$0	\$468	\$0	\$9,993	\$9,993								\$9,993
Cook Inlet C.C.	\$37	\$1,432	\$5,661	\$22,183	\$28	\$74	\$0	\$29,415	\$29,415								\$29,415
Fairbanks C.C.	\$44	\$5,251	\$12,046	\$14,053	\$1,257	\$3,669	\$0	\$36,320	\$36,320								\$36,320
Ketchikan C.C.	\$15	\$744	\$61	\$1,607	\$44	\$1,210	\$0	\$3,681	\$3,681								\$3,681
Lemon Creek C.C.	\$85	\$918	\$2,971	\$8,268	\$32	\$1,456	\$0	\$13,730	\$13,730								\$13,730
Matanuska-Susitna C.C.	(\$1,463)	\$1,411	\$1,878	\$11,827	\$81	\$2,217	\$0	\$15,929	\$15,929								\$15,929
Palmer C.C.	(\$75)	\$16,214	\$9,265	\$2,188	\$52	\$1,632	\$0	\$29,256	\$29,256								\$29,256
Sixth Avenue C.C.	\$46	\$1,029	\$4,984	\$18,104	\$3,097	\$753	\$0	\$26,013	\$26,013								\$26,013
Spring Creek C.C.	\$462,946	\$25,521	\$3,487	\$18,788	\$213	\$2,824	\$0	\$513,777	\$489,777			\$24,000					\$513,777
Wildwood C.C.	\$1,204	\$2,819	\$5,537	\$10,750	\$1,738	\$3,088	\$0	\$25,134	\$25,134								\$25,134
Yukon-Kuskokwim C.C.	\$360	\$1,048	\$405	\$5,257	\$330	\$69	\$0	\$7,467	\$7,467								\$7,467
Institutions Sub-Total	\$620,981	\$112,225	\$441,452	\$83,677	\$50,823	\$138,452	\$0	\$1,445,610	\$1,150,117	\$0	\$120,840	\$34,800	\$0	\$22,979	\$0	\$116,874	\$1,445,610
Division of Community Corrections																	
Comm. Corr. Director's Office	\$25	\$5,961	\$468,553	\$204	\$52	\$0	\$0	\$474,795	\$447,847	\$26,948							\$474,795
Northern Region Probation	(\$28)	\$23,771	\$9,848	\$3,537	\$0	\$1,000	\$0	\$38,128	\$38,128								\$38,128
Southcentral Region Prob.	\$34,313	\$4,703	\$15,117	(\$192)	\$110	\$0	\$0	\$54,051	\$54,051								\$54,051
Southeast Region Prob.	\$15,937	\$5,208	\$4,700	\$0	\$0	\$0	\$0	\$25,845	\$25,845								\$25,845
PI MacKenzie Rehab. Prqgm	\$25,944	\$160	\$63,625	\$753	\$213	\$74	\$0	\$90,769	\$90,769								\$90,769
Comm. Corr. Sub-Total	\$76,191	\$39,803	\$581,843	\$4,302	\$375	\$0	\$0	\$683,588	\$656,640	\$26,948	\$0	\$0	\$0	\$0	\$0	\$0	\$683,588
Sub-Total BRU	\$697,172	\$162,028	\$1,003,296	\$87,979	\$51,198	\$138,452	\$0	\$2,129,198	\$1,806,767	\$26,948	\$120,840	\$34,800	\$0	\$22,979	\$0	\$116,874	\$2,129,198
FY95 Department Total																	
	\$1,057,583	\$167,121	\$1,267,027	\$118,185	\$51,416	\$138,968	\$0	\$2,787,341	\$2,464,900	\$26,948	\$120,840	\$34,800	\$0	\$22,979	\$0	\$116,874	\$2,787,341
1) GENERAL FUNDS (GF) = LAPSED CASH AUTHORIZATION																	
2) OTHER FUNDS (I.E. GF/PR; GF/MHTF; Federal, CIP, Correctional Industries Fund; PFD; and Interagency) = LAPSED NON-CASH AUTHORIZATION																	

Department of Corrections
FY97 Operating Request

1/16/96

ITEM	FY 96 Conf.Comm.	FY96 Misc. Adjust.	FY96 Com. Juts	FY96 Fiscal Note	FY96 Carryfwd	FY96 Authorized	FY97 COLA	FY97 Misc. Adj.	FY97 DIS	FY97 DP Chrg/bk	FY97 Risk \$\$	FY97 Fiscal Note	FY97 Adj. Base	FY97 Dec/Inc	FY97 Request
Total	\$134,487.6	\$0.0	\$437.0	\$540.4	\$2,484.9	\$137,909.9	\$1,087.0		\$7.9	(\$37.6)	(\$10.4)	\$540.4	\$139,497.2	\$920.1	\$140,417.3
Personal Svcs	\$87,697.6	(\$3,115.4)		\$122.0	\$658.2	\$96,362.4	\$1,087.0	\$33.2			(\$10.4)	\$122.0	\$86,694.2	\$507.1	\$87,101.3
Travel	\$1,198.9	\$75.4			\$113.0	\$1,387.3		\$8.7					\$1,396.0	(\$12.6)	\$1,383.4
Contractual	\$38,705.7	(\$516.2)	\$437.0	\$418.4	\$1,215.7	\$38,260.6		(\$9.0)	\$7.9	(\$37.6)		\$418.4	\$38,640.3	\$105.6	\$38,745.9
Supplies	\$10,843.8	(\$483.6)			\$365.1	\$10,726.3		(\$27.4)					\$10,697.9	\$320.0	\$11,017.9
Equipment	\$89.4	\$0.0			\$0.0	\$89.4		(\$5.5)					\$83.9	\$0.0	\$83.9
Grants	\$2,084.9	(\$112.9)			\$112.9	\$2,084.9							\$2,084.9	\$0.0	\$2,084.9
Miscellaneous	(\$4,152.7)	\$4,152.7			\$0.0	\$0.0							\$0.0	\$0.0	\$0.0
Total Expend.	\$134,487.6	\$0.0	\$437.0	\$540.4	\$2,484.9	\$137,909.9	\$1,087.0	\$0.0	\$7.9	(\$37.6)	(\$10.4)	\$540.4	\$139,497.2	\$920.1	\$140,417.3
Federal	\$1,764.4	\$0.0				\$1,764.4	\$16.0				(\$0.1)		\$1,770.3	(\$82.0)	\$1,688.3
GF	\$122,666.6	\$0.0	\$437.0	\$540.4	\$2,464.9	\$126,097.9	\$1,020.6	\$654.2	\$7.9	(\$37.6)	(\$10.0)	\$540.4	\$128,273.4		\$128,273.4
GF/PR	\$2,406.6	\$0.0				\$2,406.6	\$19.0				(\$0.1)		\$2,424.6		\$2,424.6
GF/MH	\$3,989.2	\$0.0				\$3,989.2	\$27.5	(\$854.2)			(\$0.2)		\$3,362.3	\$80.0	\$3,442.3
Interagency	\$320.6	\$0.0				\$320.6							\$320.6	\$422.1	\$742.7
PFD	\$802.9	\$0.0				\$802.9							\$802.9		\$802.9
Corr. Industries	\$2,260.6	\$0.0				\$2,260.6							\$2,260.6	\$500.0	\$2,760.6
CIP	\$288.7	\$0.0				\$288.7	\$3.9						\$282.6		\$282.6
Total Funds	\$134,487.6	\$0.0	\$437.0	\$540.4	\$2,464.9	\$137,909.9	\$1,087.0	\$0.0	\$7.9	(\$37.6)	(\$10.4)	\$540.4	\$139,497.2	\$920.1	\$140,417.3
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Thank you for the opportunity to present our operating budget and to describe our key issues for FY97.



DEPARTMENT OF TRANSPORTATION and PUBLIC FACILITIES

FY97 OPERATING BUDGET

HOUSE FINANCE OVERVIEW

January 19, 1996

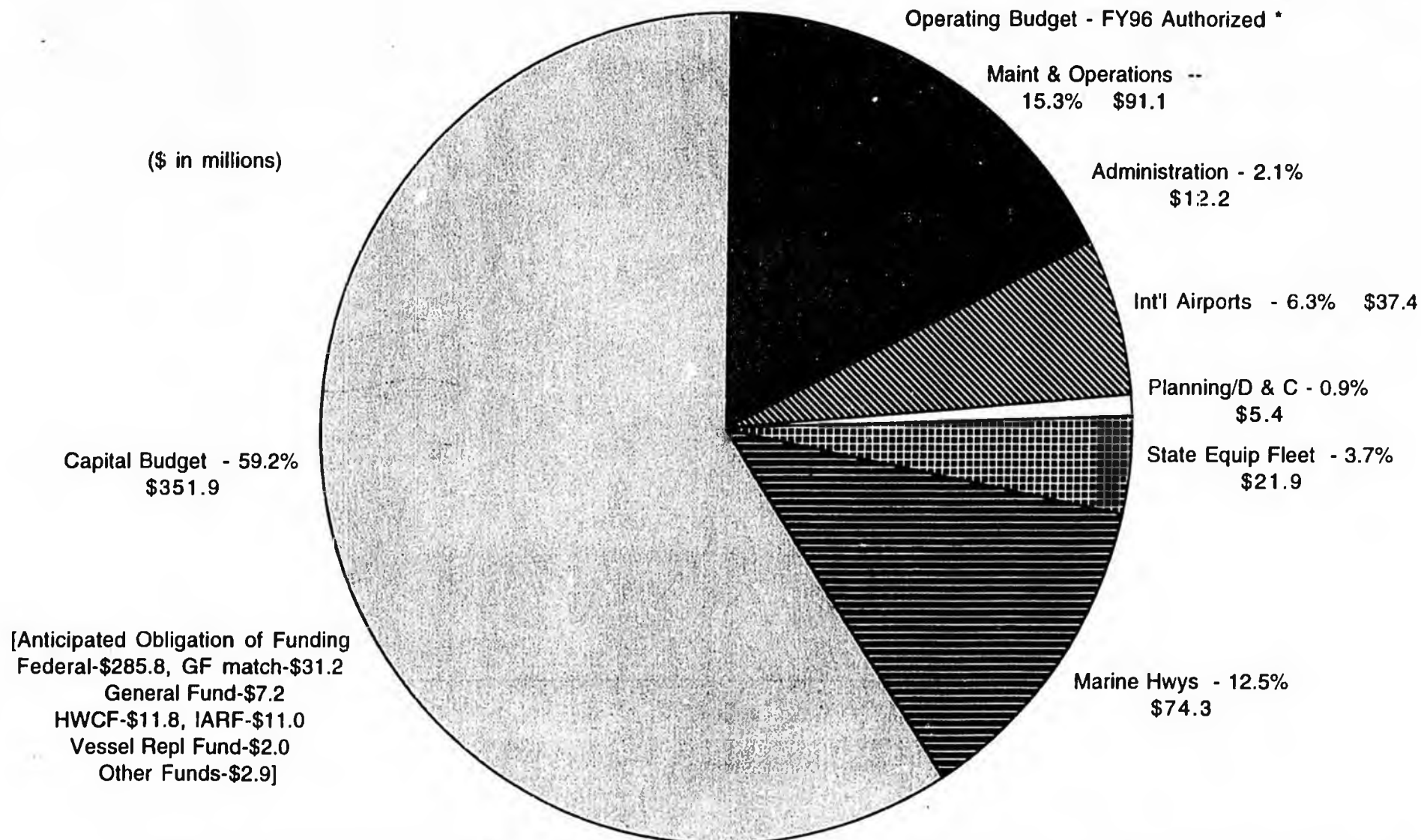
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

BASIC RESPONSIBILITIES AND SERVICES

- Maintain and operate over 12,000 centerline miles in the State highway system
- Maintain and operate eight vessels in the Alaska Marine Highway System
- Maintain and operate almost 700 public facilities occupied by the department and multiple State agencies
- Maintain and operate Anchorage and Fairbanks International Airports
- Maintain and operate 264 other airports statewide
- Design and construct capital projects
 - Federal Highway Program - \$245 million (including matching funds)
 - Federal Aviation Program - \$82 million (including matching funds)
 - Buildings and Harbors - intermittent
- Current employment is approximately 2750 people (about 3000 in summer)

**Department of Transportation & Public Facilities
FY96 CAPITAL & OPERATING BUDGET - TOTAL FUNDS ***

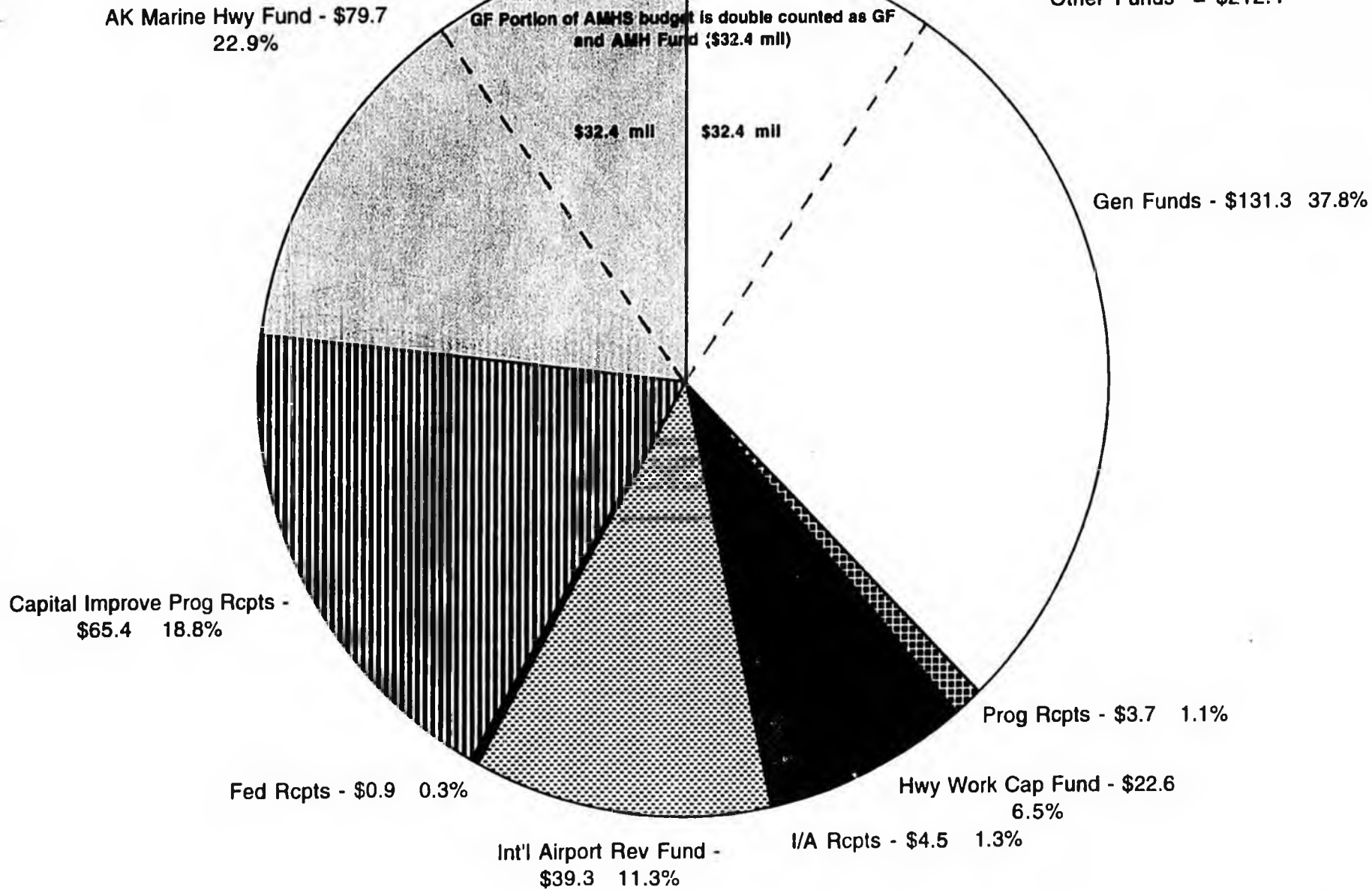
Total = \$594.2 Million



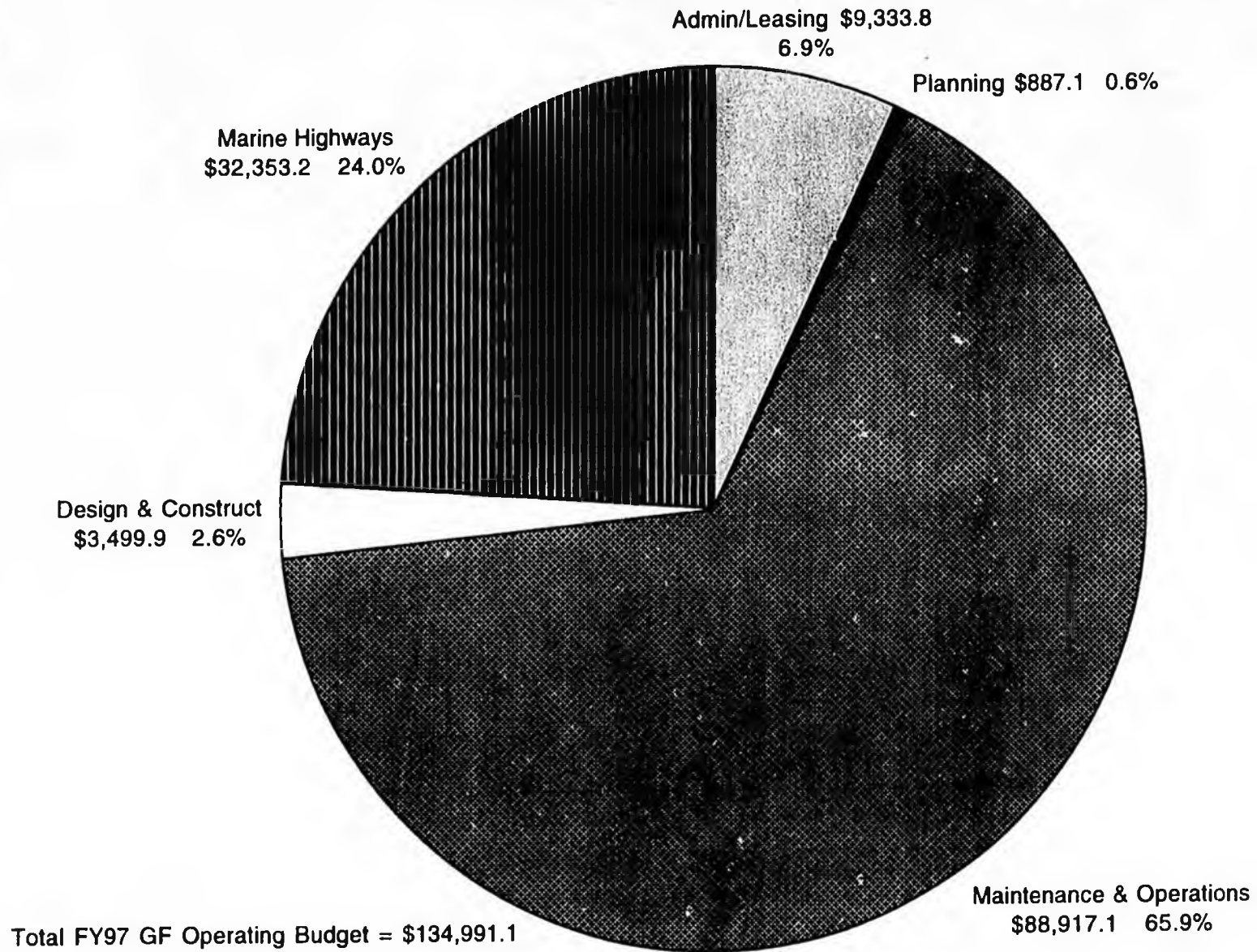
* FY96 Capital Budget figures utilize funding level anticipated to be obligated by Federal sources and actual budgeted amounts for other capital fund sources. Operating figures are FY96 authorized, but CIP Receipts are not included in any operating functions to avoid double counting the capital authorization.

Department of Transportation & Public Facilities
 FY97 Governor's Operating Budget
TOTAL FUNDS BY FUND SOURCE
 All Dollars in Millions

Total Operating Budget = \$347.4
 General Fund/Program Receipts = \$135.0
 "Other Funds" = \$212.4



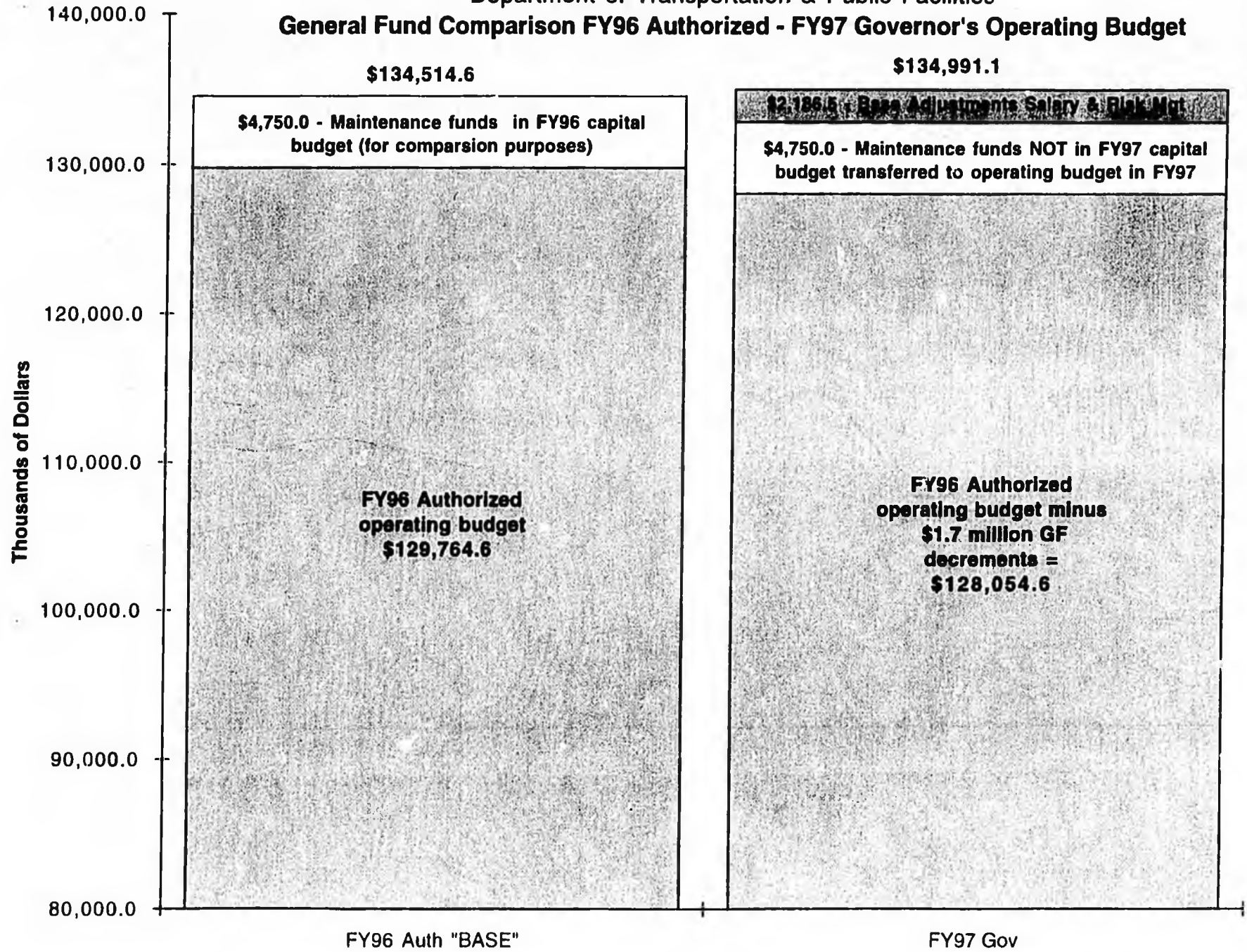
Department of Transportation & Public Facilities
FY97 Governor's **General Fund Operating Budget**



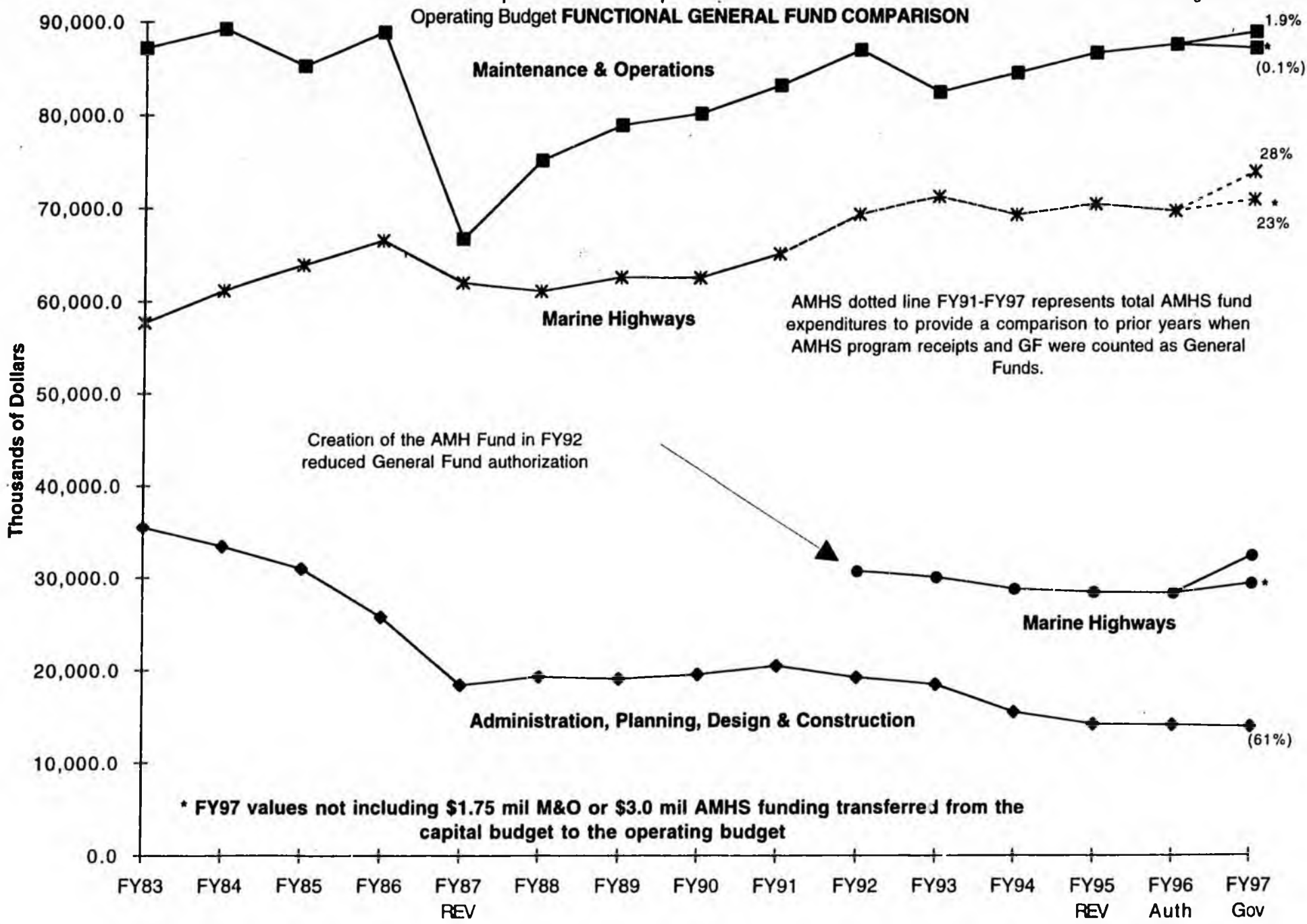
Department of Transportation & Public Facilities

	GF/PR	Other Funds	Total Funds
FY96 AUTHORIZED "BASE" (used for comparison to FY97)	134,514.6	206,464.0	340,978.6
AMHS authority to spend funds transferred from capital budget	0.0	3,000.0	3,000.0
Salary Adjustment (Collective Bargaining Agreements)	1,469.2	2,785.1	4,254.3
Risk Management Adjustment	750.8	1,347.2	2,098.0
Dept. of Admin. Miscellaneous Adjustments	(33.5)	(106.5)	(140.0)
Subtotal Base Adjustments	2,186.5	7,025.8	9,212.3
FY97 ADJUSTED BASE	136,701.1	213,489.8	350,190.9
Maintenance and Operations GF Decrements	(1,070.0)	0.0	(1,070.0)
Alaska Marine Highway System Reductions	(320.0)	0.0	(320.0)
Switch Fund - Increase Indirect Cost Allocation Plan CIP Funding	(200.0)	200.0	0.0
Administrative Reductions	(120.0)	(6.3)	(126.3)
CIP Receipt Reductions	0.0	(1,582.3)	(1,582.3)
Reduce Excess HWCF funding	0.0	(247.5)	(247.5)
International Airport Increments	0.0	576.2	576.2
Subtotal Increments/(Decrements)	(1,710.0)	(1,059.9)	(2,769.9)
FY97 GOVERNOR'S BUDGET	134,991.1	212,429.9	347,421.0
CHANGE FROM FY96 BASE	476.5	5,965.9	6,442.4
NET REDUCTION IN POSITIONS - 58			
FY96 Authorized "Base" includes \$4.75 million transferred from the capital to the operating budget.			
Note: Base adjustments for Marine Highway's Vessel components include 60% funding as GF that would be deposited to the AK Marine Highway Fund (AMHF) as well as 100% of the necessary authority to spend from the fund. The transfer of GF from the capital budget for AMHS also requires a matching increase of AMHF authority to spend. This results in a double counting of that portion of the AMHS adjustments.			

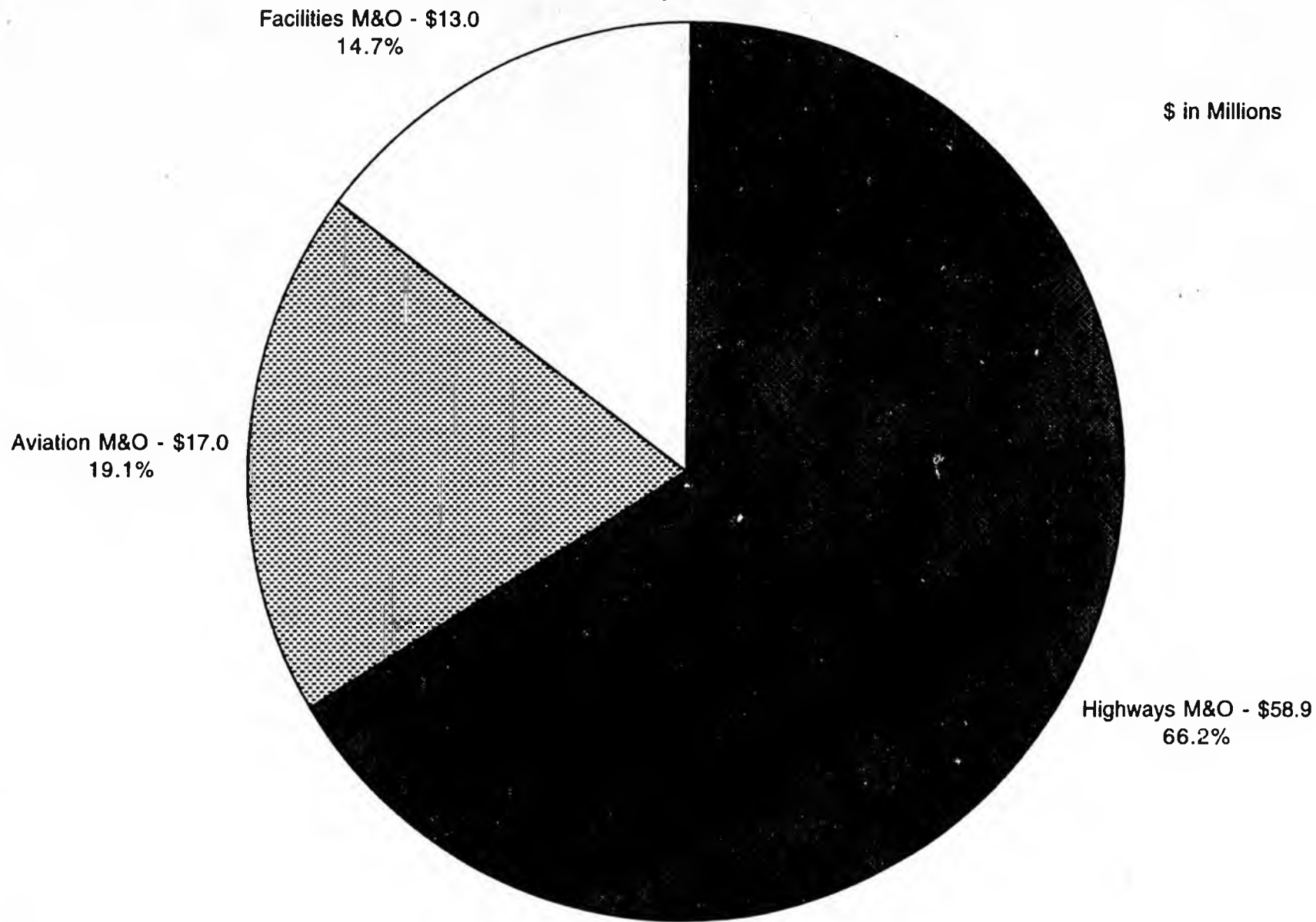
**Department of Transportation & Public Facilities
General Fund Comparison FY96 Authorized - FY97 Governor's Operating Budget**



Department of Transportation & Public Facilities
 Operating Budget **FUNCTIONAL GENERAL FUND COMPARISON**

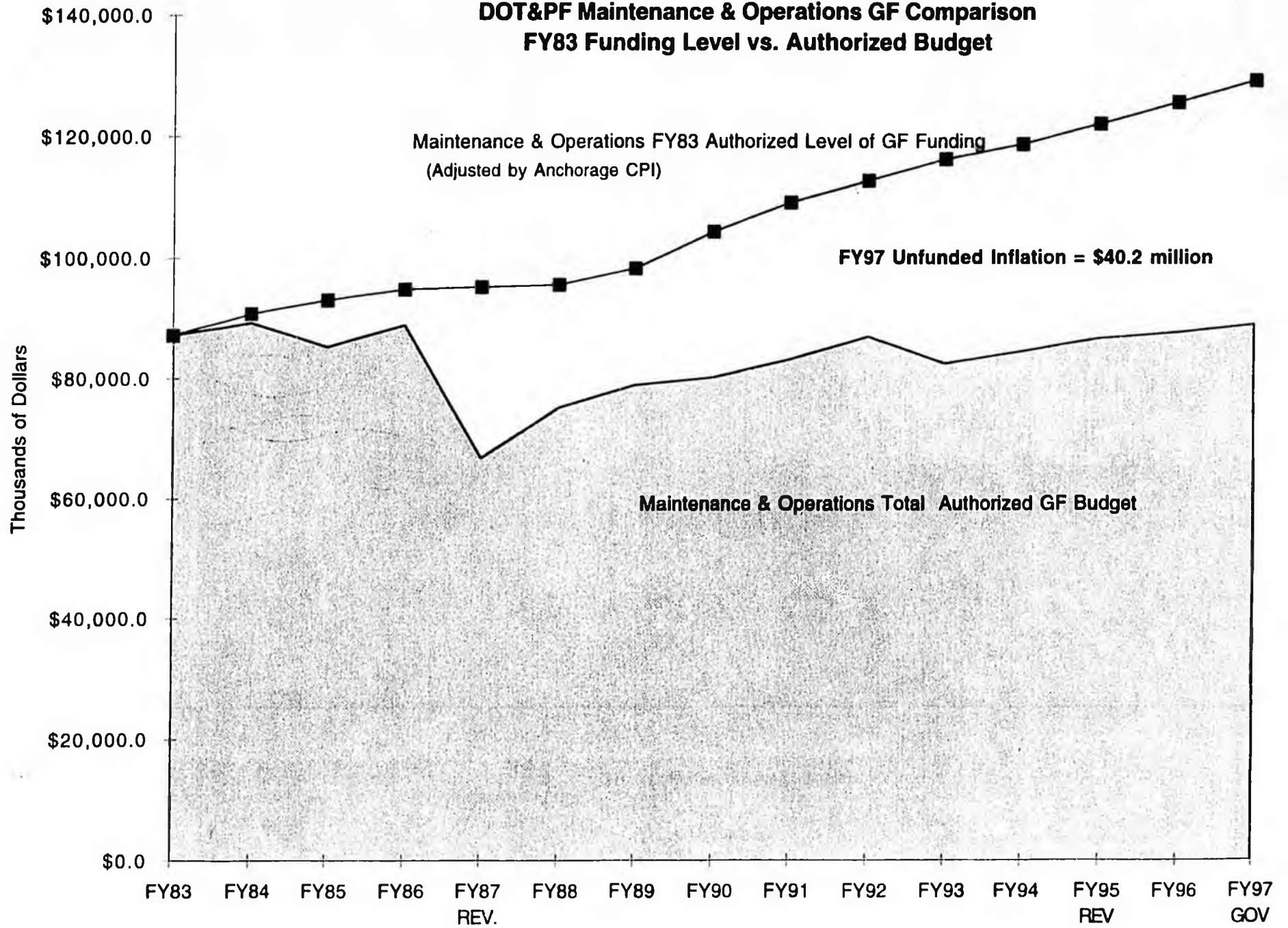


Department of Transportation & Public Facilities
FY97 Governor's Operating Budget
Maintenance and Operations General Funds

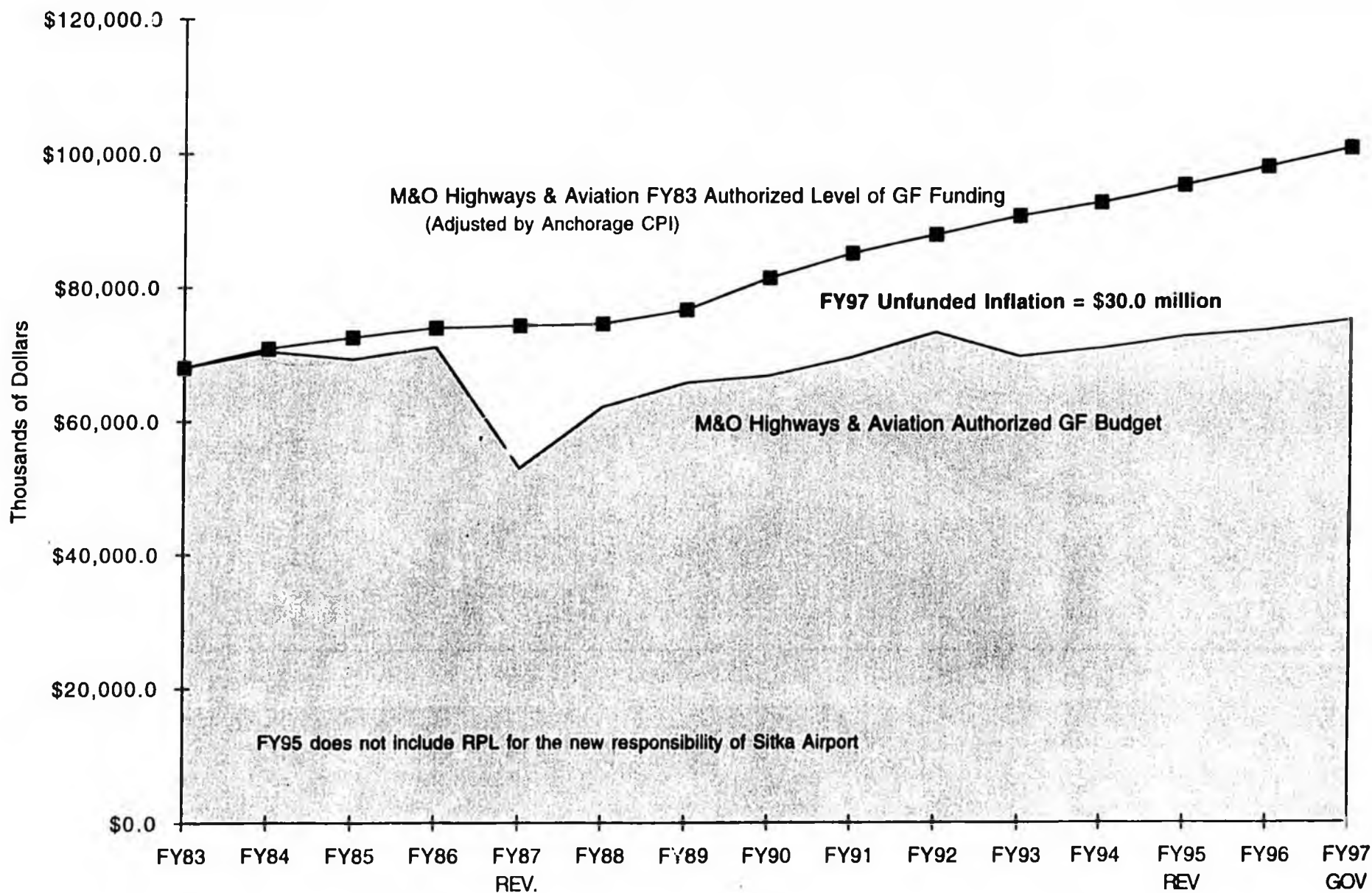


DOT&PF Total Maintenance and Operations GF Budget = \$88.9 million

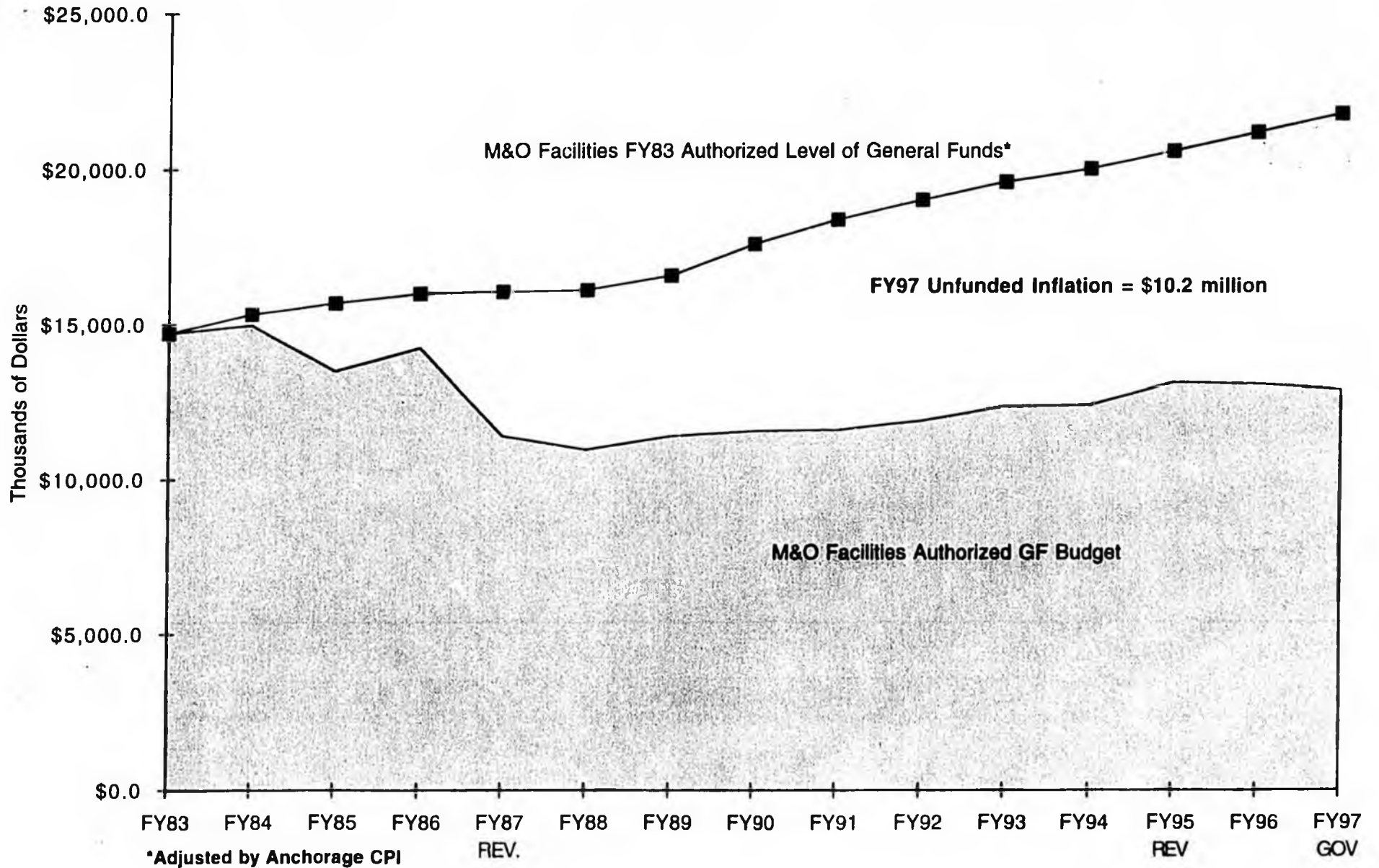
**DOT&PF Maintenance & Operations GF Comparison
FY83 Funding Level vs. Authorized Budget**



DOT&PF Highways & Aviation Maintenance GF Comparison FY83 Funding Level vs. Authorized Budget



**DOT&PF Facilities Maintenance GF Comparison
FY83 Funding Level vs. Authorized Budget**



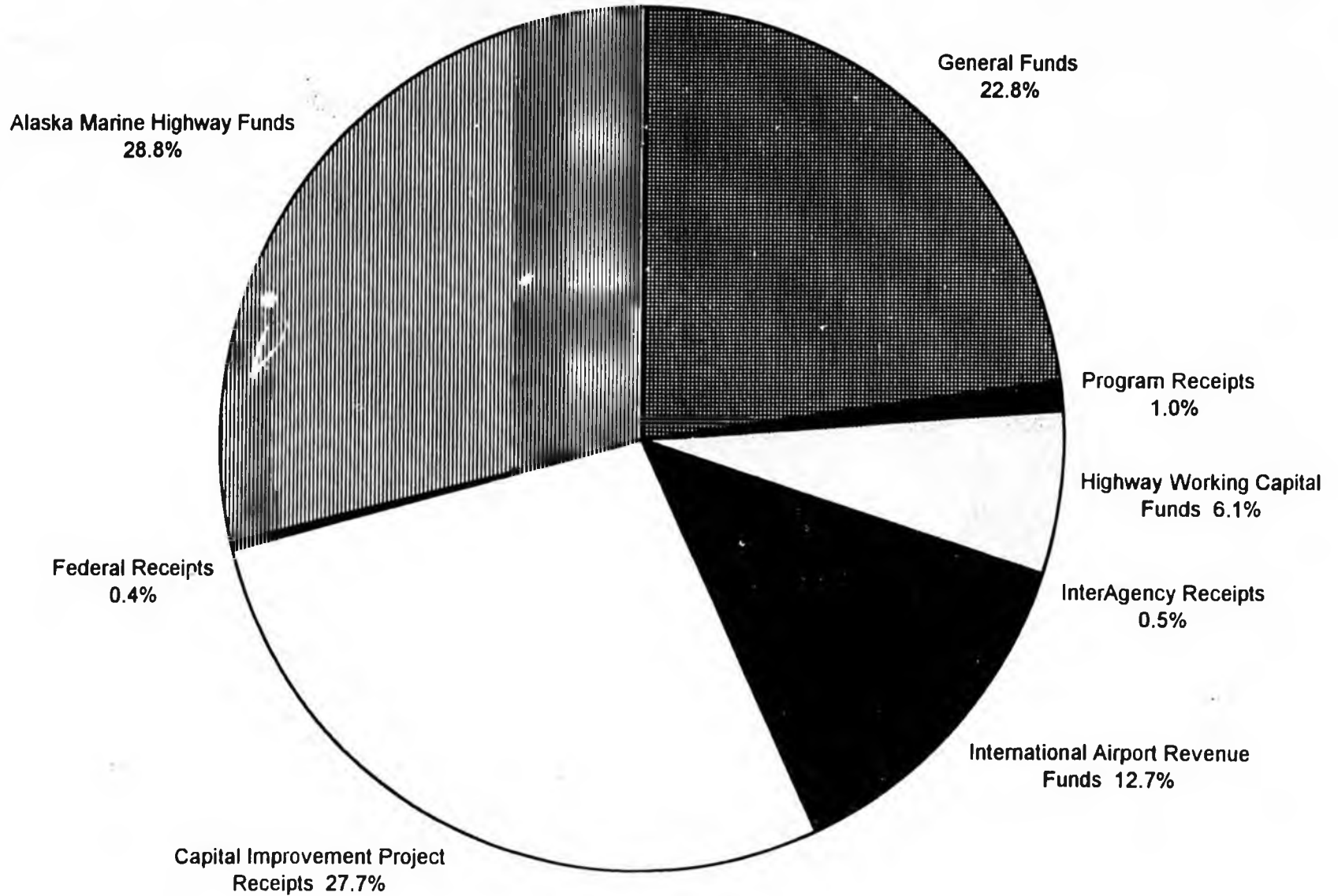
*Adjusted by Anchorage CPI

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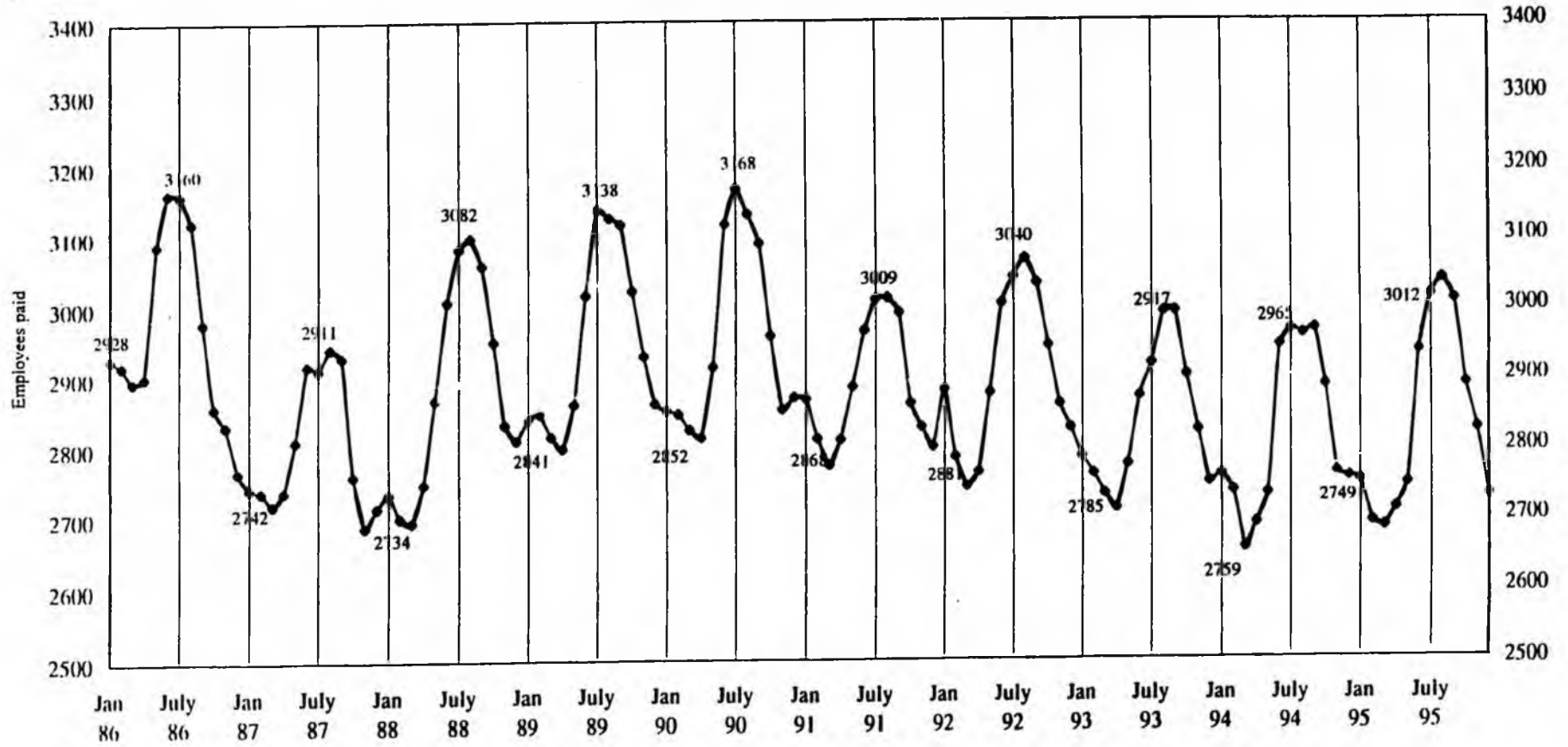
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**FY96 DOT&PF FAID POSITIONS
FUNDING SOURCE DISTRIBUTION
(Average of 2878 Position Equivalents)**



ACTIVE, PAID DOT&PF EMPLOYEES

January 1986 through December 1995



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graph Chart2\sheet1

Prepared by
Carol Shelp 12/95