

**HB**

**325**

**(File 4)**

**HFIN**

**FILE**

sec 21 amended Adopted AS Am. 4/18/98 no log

0-GH2038\F Utermohle 4/16/98

CS FOR HOUSE BILL NO. 325(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations for the operating and loan program expenses
2 of state government, for certain programs, and to capitalize funds; making
3 appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska,
4 from the constitutional budget reserve fund; and providing for an effective
5 date."

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

7 \* Section 1. ALASKA HOUSING FINANCE CORPORATION. (a) The sum of
8 \$50,000,000 from the available unrestricted cash in the general account of the Alaska housing
9 finance revolving fund (AS 18.56.032) is anticipated to be transferred to the general fund
10 during fiscal year 1999 by the direction of the board of directors of the Alaska Housing
11 Finance Corporation.

12 (b) All unrestricted mortgage loan interest payments, mortgage loan commitment fees,
13 and all other unrestricted receipts received by or accrued to the Alaska Housing Finance

1 Corporation during fiscal year 1999 and all income earned on assets of the corporation during  
 2 that period are appropriated to the Alaska Housing Finance Corporation to hold as corporate  
 3 receipts for the purposes described in AS 18.56. The corporation shall allocate its corporate  
 4 receipts among the Alaska housing finance revolving fund (AS 18.56.082), housing assistance  
 5 loan fund (AS 18.56.420), and senior housing revolving fund (AS 18.56.710) in accordance  
 6 with procedures adopted by the board of directors.

7 (c) The following amounts are appropriated to the Alaska Housing Finance  
 8 Corporation (AHFC) from the sources indicated and for the following purposes:

9	PURPOSE	AMOUNT	SOURCE
10	Housing loan programs	\$472,000,000	AHFC corporate receipts
11	not subsidized by AHFC		
12	Housing loan programs	50,000,000	AHFC corporate receipts
13	and projects subsidized		derived from arbitrage
14	by AHFC		earnings

15 \* **Sec. 2. ALASKA PERMANENT FUND CORPORATION.** (a) The amount authorized  
 16 for transfer by the Alaska Permanent Fund Corporation under AS 37.13.145(b) is appropriated  
 17 from the earnings reserve account (AS 37.13.145) to the dividend fund (AS 43.23.045(a)) for  
 18 the payment of permanent fund dividends and administrative and associated costs.

19 (b) After money is transferred to the dividend fund under (a) of this section, the  
 20 amount calculated under AS 37.13.145 to offset the effect of inflation on the principal of the  
 21 Alaska permanent fund is appropriated from the earnings reserve account (AS 37.13.145) to  
 22 the principal of the Alaska permanent fund.

23 (c) The amount required to be deposited under AS 37.13.010(a)(1) and (2) during  
 24 fiscal year 1999 is appropriated to the principal of the Alaska permanent fund in satisfaction  
 25 of that requirement.

26 (d) The interest earned during fiscal year 1999 on revenue from the sources set out  
 27 in AS 37.13.010 while the revenue is held in trust, escrow, or otherwise before receipt by the  
 28 state is appropriated to the principal of the Alaska permanent fund.

29 \* **Sec. 3. ALASKA PUBLIC UTILITIES COMMISSION.** The unexpended and  
 30 unobligated balance on June 30, 1998, of the Alaska Public Utilities Commission receipts  
 31 account for regulatory cost charges under AS 42.05.254 and AS 42.06.286 for fiscal year 1998

1 is appropriated to the Alaska Public Utilities Commission for fiscal year 1999 expenditures.

2 \* **Sec. 4. ALASKA SCIENCE AND TECHNOLOGY FOUNDATION.** The unexpended  
3 and unobligated balance in the Alaska science and technology endowment earnings reserve  
4 on June 30, 1998, is appropriated to the Alaska Science and Technology Foundation to award  
5 as grants under AS 37.17.030(d) for the fiscal year ending June 30, 1999.

6 \* **Sec. 5. ALASKA SEAFOOD MARKETING INSTITUTE.** An amount equal to the  
7 unexpended and unobligated balance on June 30, 1998, of the fiscal year 1998 general fund  
8 receipts from the salmon marketing tax (AS 43.76.110) and from the seafood marketing  
9 assessment (AS 16.51.120) is appropriated from the general fund to the Alaska Seafood  
10 Marketing Institute for marketing Alaska seafood products during fiscal year 1999.

11 \* **Sec. 6. CONSTITUTIONAL BUDGET RESERVE FUND.** (a) Amounts equal to the  
12 deposits in the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for  
13 fiscal year 1998 that were made from subfunds and accounts other than the unrestricted  
14 general fund by operation of art. IX, sec. 17(d), Constitution of the State of Alaska, to repay  
15 appropriations from the budget reserve fund are appropriated from the budget reserve fund to  
16 the subfunds and accounts from which they were transferred.

17 (b) If the unrestricted state revenue available for appropriation in fiscal year 1999 is  
18 insufficient to cover the general fund appropriations made for fiscal year 1999, the amount  
19 necessary to balance revenue and general fund appropriations is appropriated to the general  
20 fund from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

21 (c) The appropriations in (a) and (b) of this section are made under art. IX, sec. 17(c),  
22 Constitution of the State of Alaska.

23 \* **Sec. 7. DISASTER RELIEF AND FIRE SUPPRESSION.** Federal receipts received for  
24 disaster relief are appropriated to the disaster relief fund (AS 26.23.300).

25 \* **Sec. 8. FEDERAL AND OTHER PROGRAM RECEIPTS.** (a) Federal receipts,  
26 designated program receipts as defined under AS 37.05.146(b)(3), and receipts of or from the  
27 trust established by AS 37.14.400 - 37.14.450 (Exxon Valdez oil spill trust) that exceed the  
28 amounts appropriated by this Act are appropriated conditioned on compliance with the  
29 program review provisions of AS 37.07.080(h).

30 (b) If federal or other program receipts as defined in AS 37.05.146 exceed the  
31 estimates appropriated by this Act, the appropriations from state funds for the affected

1 program may be reduced by the excess if the reductions are consistent with applicable federal  
2 statutes.

3 (c) If federal or other program receipts as defined in AS 37.05.146 fall short of the  
4 estimates appropriated by this Act, the affected appropriation is reduced by the amount of the  
5 shortfall in receipts.

6 \* **Sec. 9. FISH AND GAME ENFORCEMENT.** (a) To increase enforcement of the fish  
7 and game laws of the state, the amount deposited in the general fund during the fiscal year  
8 ending June 30, 1998, from criminal fines, penalties, and forfeitures imposed for violation of  
9 AS 16 and its implementing regulations and from the sale of forfeited property or alternative  
10 damages collected under AS 16.05.195 is appropriated to the fish and game fund  
11 (AS 16.05.100).

12 (b) Appropriations totaling the estimated amount of the deposits described in (a) of  
13 this section are made in sec. 31 of this Act to the Department of Public Safety and the  
14 Department of Law for increased enforcement, investigation, and prosecution of state fish and  
15 game laws. If the receipts appropriated to the fish and game fund (AS 16.05.100) from the  
16 sources described in (a) of this section during fiscal year 1999 fall short of the estimates  
17 appropriated by this Act, each department's appropriation set out in sec. 31 of this Act is  
18 reduced proportionately.

19 \* **Sec. 10. FOUR DAM POOL TRANSFER FUND.** The amount available in the four dam  
20 pool transfer fund (AS 42.45.050) during fiscal year 1999 is appropriated to the following  
21 funds in the following percentages for the purposes set out in AS 42.45.050:

22	Power cost equalization and rural electric	40 percent
23	capitalization fund (AS 42.45.100)	
24	Southeast energy fund (AS 42.45.040)	40 percent
25	Power project fund (AS 42.45.010)	20 percent

26 \* **Sec. 11. INFORMATION SERVICES FUND.** The sum of \$55,000 is appropriated to  
27 the information services fund (AS 44.21.045) for the Department of Administration, division  
28 of information services programs, from designated program receipts.

29 \* **Sec. 12. INSURANCE AND BOND CLAIMS.** The amount necessary to fund the uses  
30 of the state insurance catastrophe reserve account described in AS 37.05.289(a) is appropriated  
31 from that account to the Department of Administration for those uses.

1 \* **Sec. 13. INSURANCE FEES.** The unexpended and unobligated balance on June 30,  
2 1998, of the Department of Commerce and Economic Development, division of insurance,  
3 general fund program receipts from insurance fees under AS 21.06.250 is appropriated to the  
4 Department of Commerce and Economic Development, division of insurance, for operating  
5 costs for the fiscal year ending June 30, 1999.

6 \* **Sec. 14. MARINE HIGHWAY SYSTEM FUND.** The sum of \$27,358,100 is  
7 appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060).

8 \* **Sec. 15. MOTOR FUEL TAX.** The following estimated amounts from the unreserved  
9 special accounts in the general fund are included within the general fund amounts appropriated  
10 by this Act:

11 Special highway fuel tax account (AS 43.40.010(g)) \$25,100,000

12 Special aviation fuel tax account (AS 43.40.010(ε)) 5,400,000

13 \* **Sec. 16. OCCUPATIONAL LICENSING.** The unexpended and unobligated balance on  
14 June 30, 1998, of the Department of Commerce and Economic Development, division of  
15 occupational licensing, general fund program receipts from occupational licensing fees under  
16 AS 08.01.065 is appropriated to the division of occupational licensing for operating costs for  
17 the fiscal year ending June 30, 1999.

18 \* **Sec. 17. OIL AND HAZARDOUS SUBSTANCE RELEASE PREVENTION**  
19 **ACCOUNT.** The following amounts are appropriated to the oil and hazardous substance  
20 release prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release  
21 prevention and response fund (AS 46.08.010) from the sources indicated:

22 (1) the balance of the oil and hazardous substance release prevention mitigation  
23 account (AS 46.08.020(b)) in the general fund on July 1, 1998, not otherwise appropriated by  
24 this Act;

25 (2) the amount collected for the fiscal year ending June 30, 1998, estimated  
26 to be \$12,300,000, from the surcharge levied under AS 43.55.300.

27 \* **Sec. 18. OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE ACCOUNT.**  
28 The following amounts are appropriated to the oil and hazardous substance release response  
29 account (AS 46.08.010(a)(2)) in the oil and hazardous substance release prevention and  
30 response fund (AS 46.08.010) from the following sources:

31 (1) the balance of the oil and hazardous substance release response mitigation

1 account (AS 46.08.025(b)) in the general fund on July 1, 1998, not otherwise appropriated by  
2 this Act;

3 (2) the amount collected for the fiscal year ending June 30, 1998, from the  
4 surcharge levied under AS 43.55.201.

5 \* **Sec. 19. RETAINED FEES.** The amount retained to compensate the collector or trustee  
6 of fees, licenses, taxes, or other money belonging to the state during the fiscal year ending  
7 June 30, 1999, is appropriated for that purpose to the agency authorized by law to generate  
8 the revenue.

9 \* **Sec. 20. SAFETY ADVISORY COUNCIL.** The amount appropriated for the 1998  
10 annual governor's safety conference (sec. 19, ch. 98, SLA 1997), plus the fiscal year 1998  
11 program receipts of the Alaska Safety Advisory Council (AS 18.60.830), less the amount  
12 expended or obligated for the 1998 annual governor's safety conference, is appropriated from  
13 general fund program receipts to the Alaska Safety Advisory Council for costs of the 1999  
14 annual governor's safety conference.

15 \* **Sec. 21. SALARY AND BENEFIT ADJUSTMENTS.** (a) The sum of \$5,241,860 is  
16 appropriated to the Office of the Governor, office of management and budget, for the fiscal  
17 year ending June 30, 1999, from the funding sources and in the amounts listed in (f) of this  
18 section to implement the monetary terms of the collective bargaining agreements listed in (b)  
19 of this section and for salary and benefit adjustments for executive branch, Alaska Court  
20 System, legislative branch, and University of Alaska employees who are not members of a  
21 collective bargaining unit.

22 (b) Funding for the following collective bargaining agreements is included in the  
23 appropriation made in (a) of this section:

24 Alaska Classified Employees Association, representing certain employees of the  
25 University of Alaska;

26 Alaska Community College Federation of Teachers, representing certain employees of  
27 the University of Alaska;

28 Alaska Public Employees Association for the Supervisory Unit;

29 Alaska State Employees Association for the General Government Unit;

30 Alyeska Correspondence School Education Association, representing teachers at the  
31 Alyeska Central School;

- 1 Alaska Vocational Technical Center Teachers Association, representing teachers at the
- 2 Alaska Vocational Technical Center;
- 3 Inlandboatmen's Union of the Pacific, representing the unlicensed marine unit;
- 4 International Brotherhood of Electrical Workers, representing nonjudicial,
- 5 nonsupervisory, classified employees of the Alaska Court System;
- 6 International Organization of Masters, Mates, and Pilots, Pacific Maritime Region for
- 7 the Masters, Mates, and Pilots Unit;
- 8 Marine Engineers Beneficial Association, representing licensed engineers employed by
- 9 the Alaska marine highway system;
- 10 Public Employees Local 71 for the Labor, Trades, and Crafts Unit;
- 11 Public Safety Employees Association, representing state troopers and other
- 12 commissioned law enforcement personnel;
- 13 Teachers' Education Association of Mt. Edgecumbe, representing teachers of the
- 14 Mt. Edgecumbe High School.

15 (c) Funding for the collective bargaining agreement with United Academics,  
 16 representing certain employees of the University of Alaska, is included in the appropriations  
 17 made to the University of Alaska in sec. 31 of this Act.

18 (d) Except as described in (e) of this section, the appropriation made in (a) of this  
 19 section is the net funding increase for salary and benefit adjustments after deducting cost  
 20 savings resulting from decreases in employer contributions to the Public Employees  
 21 Retirement System (PERS). For the fiscal year ending June 30, 1999, the PERS contribution  
 22 rate declines 1.57 percent for police and fire employees and .81 percent for all other executive  
 23 branch employees except University of Alaska employees.

24 (e) The amount of operating budget appropriations made in sec. 31 of this Act to the  
 25 University of Alaska, the Alaska Court System, and the legislature includes any increase or  
 26 decrease caused by changes to the PERS contribution rate.

27 (f) The appropriation made in (a) of this section is allocated to the following agencies  
 28 from the following funding sources in the amounts listed:

29 AGENCY	ALLOCATION
30 Administration	\$293,300
31 Commerce and Economic Development	87,300

1	Community and Regional Affairs	47,700
2	Corrections	348,600
3	Education	115,700
4	Environmental Conservation	133,000
5	Fish and Game	358,300
6	Office of the Governor	41,600
7	Health and Social Services	644,600
8	Labor	251,500
9	Law	98,300
10	Military and Veterans' Affairs	64,300
11	Natural Resources	181,600
12	Public Safety	177,100
13	Revenue	311,000
14	Transportation and Public Facilities	777,500
15	Transportation and Public Facilities/	
16	Alaska marine highway system fund	147,300
17	University of Alaska	684,500
18	Alaska Court System	219,260
19	Legislature	259,400
20	FUNDING SOURCE	AMOUNT
21	Federal receipts	749,400
22	General fund match	172,600
23	General fund receipts	1,608,460
24	General fund program receipts	210,400
25	Inter-agency receipts	224,800
26	Donated commodities handling fee account	500
27	University dormitory/food/auxiliary service	1,000
28	Federal incentive payments	11,000
29	Benefit system receipts	7,700
30	Exxon Valdez oil spill settlement	21,800
31	Agricultural loan fund	4,600

1	FICA administration fund account	300
2	Fish and game fund	48,800
3	Science and technology endowment	2,700
4	Highway working capital fund	30,400
5	International airports revenue fund	110,200
6	Public employees retirement fund	9,900
7	Second injury fund reserve account	600
8	Disabled fisherman's reserve account	500
9	Surplus property revolving fund	1,300
10	Teachers' retirement system fund	8,500
11	Veterans' revolving loan fund	700
12	Commercial fishing loan fund	7,600
13	General fund/mental health	29,600
14	University of Alaska student tuition/fees/services	42,500
15	Real estate surety fund	300
16	Judicial retirement system	100
17	Public Law 81-874	300
18	National guard retirement system	100
19	University restricted receipts	7,400
20	Training and building fund	4,400
21	Permanent fund dividend fund	17,000
22	Rural development initiative fund	200
23	Oil/hazardous prevention/response	32,400
24	Investment loss trust fund	1,112,000
25	Interagency receipts/oil and hazardous waste	5,100
26	Capital improvement project receipts	294,000
27	Power project loan fund	2,500
28	Public school fund	100
29	Child care facility revolving loan fund	100
30	Fisheries enhancement revolving loan fund	700
31	Alternative energy revolving loan fund	500

1	Bulk fuel revolving loan fund	200
2	Alaska clean water loan fund	1,100
3	Marine highway system fund	245,500
4	Storage tank assistance fund	2,600
5	Mental health trust receipts	1,400
6	Clean air protection fund	8,200
7	Information services fund	36,800
8	Mental health trust authority authorized receipts	5,400
9	Children's trust fund earnings	100
10	Alaska Industrial Development and Export Authority receipts	6,500
11	Alaska Housing Finance Corporation receipts	82,300
12	Alaska Municipal Bond Bank receipts	300
13	Alaska Permanent Fund Corporation receipts	7,100
14	Postsecondary education commission receipts	24,200
15	Alaska Energy Authority receipts	900
16	Designated program receipts	14,400
17	Test fisheries receipts	10,900
18	Alaska Public Utilities Commission receipts	10,900

19 \* **Sec. 22. SALMON ENHANCEMENT TAX.** The salmon enhancement tax collected  
 20 under AS 43.76.010 - 43.76.030 in calendar year 1997 and deposited in the general fund under  
 21 AS 43.76.025(c) , appropriated from the general fund to the Department of Commerce and  
 22 Economic Development for payment in fiscal year 1999 to qualified regional associations  
 23 operating within a region designated under AS 16.10.375.

24 \* **Sec. 23. SHARED TAXES AND FEES.** The amount necessary to refund to local  
 25 governments their share of taxes and fees collected in the listed fiscal years under the  
 26 following programs is appropriated to the Department of Revenue from the general fund for  
 27 payment in fiscal year 1999:

28	REVENUE SOURCE	FISCAL YEAR COLLECTED
29	fisheries taxes (AS 43.75)	1998
30	fishery resource landing tax (AS 43.77)	1998
31	amusement and gaming taxes (AS 43.35)	1999

1 aviation fuel tax (AS 43.40.010) 1999

2 electric and telephone cooperative tax (AS 10.25.570) 1999

3 liquor license fee (AS 04.11) 1999

4 \* **Sec. 24. STATE DEBT AND OTHER OBLIGATIONS.** (a) The amount required to pay  
5 interest on revenue anticipation notes issued by the commissioner of revenue under AS 43.08  
6 is appropriated from the general fund to the Department of Revenue for payment of the  
7 interest on those notes.

8 (b) The amount required to be paid by the state for principal and interest on all issued  
9 and outstanding state-guaranteed bonds is appropriated from the general fund to the state bond  
10 committee for payment of principal and interest on those bonds.

11 (c) The sum of \$46,029,032 is appropriated from the general fund to the Alaska debt  
12 retirement fund (AS 37.15.011).

13 (d) The sum of \$16,331,216 is appropriated from the Alaska debt retirement fund  
14 (AS 37.15.011) to the state bond committee for trustee fees and lease payments relating to  
15 certificates of participation issued for real property.

16 (e) The sum of \$8,871,807 is appropriated from the Alaska debt retirement fund  
17 (AS 37.15.011) to the state bond committee for payment of debt service and trustee fees on  
18 state general obligation bonds.

19 (f) The sum of \$5,005,283 is appropriated from the International Airports Revenue  
20 Fund (AS 37.15.430) to the state bond committee for payment of debt service and trustee fees  
21 on outstanding international airports revenue bonds.

22 (g) The sum of \$466,500 is appropriated from the Alaska clean water fund  
23 (AS 46.03.032) to the state bond committee for payment of debt service and trustee fees on  
24 outstanding clean water fund bonds.

25 (h) The sum of \$60,804,147 is appropriated to the Department of Education for state  
26 aid for costs of school construction under AS 14.11.100 from the following sources:

27 Alaska debt retirement fund (AS 37.15.011) \$26,804,147

28 School fund (AS 43.50.140) 34,000,000

29 \* **Sec. 25. STATE TRAINING AND EMPLOYMENT PROGRAM.** The lapsing balance  
30 of the employment assistance and training program account (AS 23.15.625) on June 30, 1998,  
31 is appropriated to the unemployment compensation fund (AS 23.20.130).

1 \* **Sec. 26. STATUTORY BUDGET RESERVE FUND.** If the unrestricted state revenue  
2 available for appropriation in fiscal year 1999 is insufficient to cover the general fund  
3 appropriations made for fiscal year 1999, the amount necessary to balance revenue and general  
4 fund appropriations is appropriated to the general fund from the budget reserve fund  
5 (AS 37.05.540).

6 \* **Sec. 27. STORAGE TANK ASSISTANCE FUND.** The sum of \$4,364,800 is  
7 appropriated from the oil and hazardous substance release prevention account  
8 (AS 46.08.010(a)(1)) to the storage tank assistance fund (AS 46.03.410) for the fiscal year  
9 ending June 30, 1999.

10 \* **Sec. 28. STUDENT LOAN PROGRAM.** The amount from student loan borrowers of  
11 the Alaska Commission on Postsecondary Education that is assessed for loan origination fees  
12 for the fiscal year ending June 30, 1999, is appropriated to the origination fee account  
13 (AS 14.43.120(u)) within the student loan fund of the Alaska Student Loan Corporation for  
14 the purposes specified in AS 14.43.120(u).

15 \* **Sec. 29. TEACHER CERTIFICATION.** The unexpended and unobligated balance on  
16 June 30, 1998, of the Department of Education, teacher certification general fund program  
17 receipts from certification fees under AS 14.20.020(c) is appropriated to the Department of  
18 Education, teacher certification, for operating costs for the fiscal year ending June 30, 1999.

19 \* **Sec. 30. NONLAPSE OF APPROPRIATIONS.** The appropriations made by secs. 1, 7,  
20 9(a), 10, 11, 14, 17, 18, 25, and 28 of this Act are for the capitalization of funds and do not  
21 lapse.

22 (SECTION 31 OF THIS ACT BEGINS ON PAGE \_\_\_)

# MENTAL HEALTH

MENTAL HEALTH #1

Adopted  
no lobby 4/17/98  
PM

**Amendment to House Finance Committee Substitute HB 325/326**

Offered by Hanley

**ADD COMPREHENSIVE MENTAL HEALTH CAPITAL**

**Department of Administration**

Pioneers' Homes Special Care Units (Anchorage, Palmer, Juneau)  
200.0 AHFC

**Department of Health and Social Services**

Stop-gap Repairs at Alaska Psychiatric Institute  
175.0 GF/MH

Deferred Maintenance - Competitive Grants for Trust Beneficiary Program Facilities  
200.0 GF/MH  
200.0 MHTAAR

Beneficiary and Special Needs Housing Program  
1,800.0 AHFC

Capital Projects Needs Assessments - Beneficiary Provider Facilities  
200.0 MHTAAR

American Disabilities Act Upgrades  
100.0 GF/MH  
100.0 MHTAAR

Client Data Integration Project  
200.0 GF  
200.0 MHTAAR

**Department of Revenue**

Homeless Assistance Program  
1,250.0 AHFC

Transitional Housing  
250.0 AHFC

**Department of Transportation**

Coordinated Transportation Service Transit Grants  
150.0 GF/MH  
150.0 MHTAAR

Adopted  
4/18/98

## MENTAL HEALTH #2

Amendment to House Finance Committee Substitute HB 325/326

Offered by Hanley

**ADD TO COMPREHENSIVE MENTAL HEALTH CAPITAL**

Department of Natural Resources

Mental Health Trust Land Management

530.0 MHTAAR

**CS FOR HOUSE BILL NO. 326(FIN)****IN THE LEGISLATURE OF THE STATE OF ALASKA****TWENTIETH LEGISLATURE - SECOND SESSION****BY THE HOUSE FINANCE COMMITTEE****Offered:****Referred:****Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR****A BILL****FOR AN ACT ENTITLED**

1 **"An Act making appropriations for the operating and capital expenses of the**  
2 **state's integrated comprehensive mental health program; and providing for an**  
3 **effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **\* Section 1. PURPOSE.** In accordance with AS 37.14.003 and 37.14.005, the appropriations  
6 made by this Act are for the state's integrated comprehensive mental health program.

7 **\* Sec. 2. NONGENERAL FUND RECEIPTS.** (a) Mental Health Trust Authority authorized  
8 receipts (AS 37.14.036) or administration receipts (AS 37.14.036) that exceed the amounts  
9 appropriated by this Act are appropriated conditioned upon compliance with the program review  
10 provisions of AS 37.07.080(h).

11 (b) If Mental Health Trust Authority authorized receipts (AS 37.14.036) or  
12 administration receipts (AS 37.14.036) fall short of the estimates appropriated in this Act, the  
13 affected appropriation is reduced by the amount of shortfall in receipts.

14 **(SECTION 3 OF THIS ACT BEGINS ON PAGE 2)**

# FRONT SECTION

*Adopted  
Amended* **FRONT SECTION 1  
Dawies**

AMENDMENT # \_\_\_\_\_

OFFERED IN THE HOUSE

TO HB 325

**ADD**

University of Alaska		
University of Alaska		
Statewide Services and Programs		
ACCFT	380.4	
CEA	410.2	
United Academics	1,212.5	
Non-Covered Employees	1,580.8	
TOTAL		3,583.7 GF

This would fully fund existing collective bargaining agreements through June 30, 1999 and salary increments for noncovered employees commensurate with employees covered by collective bargaining agreements.

*move funding amt to  
Back section from  
Sec. 21 UA*

## University of Alaska Funding for FY99 Salary Increases

Section 22 of the Governor's Budget included the following FY99 salary increases for the university:

	GF	Non-GF	Total
ACCFT	380.4	41.3	421.7
CEA	247.0	15.8	262.8
	\$627.4	\$57.1	\$684.5

The Governor's proposed amendment would add \$1,375.7 for the United Academics and Classified Employees Association, resulting in the following:

	GF	Non-GF	Total
ACCFT	380.4	41.3	421.7
CEA (amendment adds \$163.2)	410.2	15.8	426.0
United Academics (amendment adds \$1,212.5)	1,212.5	**	1,212.5
Total	\$2,003.1	\$57.1	\$2,060.2

Section 22 as originally proposed or amended does not include funding to cover salary increases for non-covered university employees. Total funding to cover all covered and non-covered employees is shown below:

	GF	Non-GF	Total
<u>Covered:</u>			
ACCFT	380.4	41.3	421.7
CEA	410.2	15.8	426.0
United Academics	1,212.5	**	1,212.5
<u>Non-Covered:</u>			
Classified/Professional-Technical	1,580.6	**	1,580.6
Total	\$3,583.7	\$57.1	\$3,640.8

\*\* NOTE: The university has sufficient authority in other funding sources and is not requesting additional authority.

Adopted  
as FS5  
Amended FS2

0-GH2038\F.1  
Utermohle  
4/17/98

~~w/d~~

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: CSHB 325(FIN) - Front Section

Draft Version "F" dated 4/16/98

1 Page 6, line 15:

2 Delete "\$5,241,860"

3 Insert "\$4,994,860"

4 Page 6, line 17:

5 Delete "(f)"

6 Insert "(h)"

7 Page 6, lines 24 - 25:

8 Delete "Alaska Classified Employees Association, representing certain employees of  
9 the University of Alaska;"

10 Page 7, following line 17:

Insert new subsections to read:

12 "(d) Funding for the collective bargaining agreement with the Confidential  
13 Employees Association, representing certain employees of departments of the  
14 executive branch of state government, is included in the appropriations made to those  
15 departments in sec. 31 of this Act.

16 (e) Funding for the collective bargaining agreement with the Alaska Classified  
17 Employees Association, representing certain employees of the University of Alaska,  
18 is included in the appropriations made to the University of Alaska in sec. 31 of this  
19 Act."

20 Reletter the following subsections accordingly.

Adopted  
as FS5  
FS5

1 Page 7, line 18:

2 Delete "(e)"

3 Insert "(g)"

4 Page 8, line 17:

5 Delete "684,500"

6 Insert "487,500"

7 Page 8, line 23:

8 Delete "1,608,460"

9 Insert "1,361,460"

10 ADD TO BACK SECTION

11 University of Alaska

12 BRU University of Alaska

13 Unallocated Reductions/ Additions

247.0 General funds

Adopted  
no lobby  
FS #3

AMENDMENT

OFFERED IN THE HOUSE

BY: Rep. Hunsenbly

TO: CS HB 325 (FIN)

FRONT SECTION

Section 8, page 3, lines 26, is amended by adding the following language after "designated program receipts as defined under AS 37.05.146(b)(3)"

test fishery receipts.

FS#4 wld

AMENDMENT

OFFERED IN THE HOUSE

BY: *Rep. Gussardof*

TO: CS HB 325 (FIN)

FRONT SECTION

Section 7, page 3, lines 23 - 24 is amended to read:

Add a new section (b) to read:

It is the intent of the legislature that funding necessary to meet the disaster relief responsibilities of the Department of Military and Veterans' Affairs and the fire suppression responsibilities of the Department of Natural Resources will continue to be made available through the disaster declaration process. If fiscal year 1999 disaster relief and fire suppression costs are not adequately funded by this Act, the Department of Military and Veterans' Affairs or the Department of Natural Resources, respectively, shall submit a supplemental appropriation request during the 1999 legislative session.

Adopted  
as Amended  
see FS-2  
FS#5

AMENDMENT

OFFERED IN THE HOUSE

BY: Rep. Gussendorf

TO: CS HB 325 (FIN)

FRONT SECTION

Section 21, page 6, line 15, is amended to read: (a) The sum of \$6,735,460 [~~5,241,860~~] is appropriated to the Office of the Governor, office of management and budget, for the fiscal year ending June 30, 1999, from the funding sources and in the amounts listed in (f) of this section to implement the monetary terms of the collective bargaining agreements listed in (b) of this section and for salary and benefit adjustments for executive branch, Alaska Court System, legislative branch, and University of Alaska employees who are not members of a collective bargaining unit.

Section 21, page 7, after line 14 add:

United Academics, representing certain employees of the University of Alaska;

Confidential Employees Association representing certain employees of the executive branch.

Section 21, page 7, lines 16 - 17: Delete all material

Section 21, page 7, (f) Delete all material and replace it with:

(e) The appropriation made in (a) of this section is allocated to the following agencies from the following funding sources in the amounts listed:

AGENCY	ALLOCATION
Administration	\$332,200
Commerce and Economic Development	89,100
Community and Regional Affairs	49,000
Corrections	355,400
Education	118,500
Environmental Conservation	136,500
Fish and Game	366,200
Office of the Governor	41,600
Health and Social Services	656,500
Labor	255,500
Law	100,100
Military and Veterans Affairs	65,500
Natural Resources	187,600
Public Safety	180,900
Revenue	314,600

Transportation and Public Facilities	170,000
Transportation and Public Facilities/ Alaska marine highway system fund	151,400
University of Alaska	2,060,200
Alaska Court System	219,260
Legislature	259,400
<b>FUNDING SOURCE</b>	<b>AMOUNT</b>
Federal receipts	760,400
General fund match	174,800
General fund receipts	4,170,860
General fund program receipts	210,400
Inter-agency receipts	240,600
Donated commodity handling fee account	500
University dormitory/food/auxiliary service	1,000
Federal incentive payments	11,000
Benefit system receipts	8,200
Exxon Valdez oil spill settlement	21,800
Agricultural loan fund	4,600
FICA administration fund account	300
Fish and game fund	48,900
Science and technology endowment	2,700
Highway working capital fund	31,700
International airports revenue fund	111,900
Public employees retirement fund	10,100
Second injury fund reserve account	600
Disabled fisherman's reserve account	500
Surplus property revolving fund	1,300
Teachers' retirement system fund	8,700
Veterans' revolving loan fund	700
Commercial fishing loan fund	7,600
General fund/mental health	29,600
University student tuition/fees/services	42,500
Real estate surety fund	300
Judicial retirement system	200
Public Law 81-874	300
National guard retirement system	100
University restricted receipts	7,400
Training and building fund	4,400
Permanent fund dividend fund	17,000
Rural development initiative fund	200
Oil/hazardous prevention/response	33,500
Interagency receipts/oil and hazardous waste	5,100
Capital improvement project receipts	295,200
Power project loan fund	2,500
Public school fund	100
Child care revolving loan fund	100
Fisheries enhancement revolving loan fund	700
Alternative energy revolving loan fund	500
Bulk fuel revolving loan fund	200
Alaska clean water loan fund	1,100

FS 5

Marine highway system fund	252,400
Storage tank assistance fund	2,700
Mental health trust receipts	1,400
Clear Air Protection Fund	8,300
Information services fund	36,800
Mental health trust authority authorized receipts	5,400
Children's trust fund earnings	100
Alaska Industrial Development Authority Receipts	6,500
Alaska Housing Finance Corporation Receipts	82,300
Alaska Municipal Bond Bank Receipts	300
Alaska Permanent Fund Corporation Receipts	7,100
Post-Secondary Education Commission Receipts	24,200
Alaska Energy Authority Receipts	900
Statutory designated program receipts	15,100
Test Fisheries Receipts	10,900
Alaska Public Utility Commission	10,900

Amend Section 31, Page \_\_\_\_\_, lines \_\_\_\_\_ as follows:

	Appropriation	General	Other
<b>Allocations</b>			
University of Alaska	<u>441,651,200</u> [443,026,900]	<u>165,600,600</u> [166,976,300]	276,050,600
Budget Reductions/Additons Systemwide	<u>1,513,800</u> [2,889,500]		

FSS

By: *HANLEY*

HB 325

Amendment #

Front Section

*FS # 6*

*failed*

*3-7*

*4/18/98*

The sum of \$442,860.00 is appropriated from the general fund to the Department of Education for additional district support for the Ketchikan School District for the fiscal year ending June 30, 1999. This appropriation is to partially offset the impacts from the pulp mill closure because of the cancellation of the long-term timber contract between the Ketchikan Pulp Company and the Federal Government.

The appropriation of \$442,860.00 is repealed if AS 14.17 is amended prior to September 1, 1998 and increases state aid for the Ketchikan Gateway Borough School District more than \$442,860.00

# ADMINI- STRATION

NO OBJECTIVE | adopted

ADMIN #1

**AMENDMENT**

Offered by Rep. Davis

**DELETE**

Department of Administration

Leases BRU

Leases 450.0 GF

**ADD**

Department of Administration

Division of Motor Vehicles

Field Services 450.0 GF

Failed 3-8

ADMIN #2

**Department of Administration  
Amendment**

Sponsor: Kohring

DELETE:

Department of Administration  
Public Communications Services  
Public Broadcasting - TV

\$845.2  
General Funds

ROLL CALL: HOUSE FINANCE COMMITTEE

DATE

4/16/98 pm

SUBJECT

Admin #2

MEMBER	YES	NO
FOSTER		✓
GRUSSENDORF		✓
KELLY		✓
KOHRING	✓	
MARTIN	✓	
MOSES		✓
MULDER	✓	
DAVIES JOHN		✓
DAVIS GARY		✓
HANLEY		✓
THERRIAULT		✓

TOTAL

3	8
---	---

PASSED \_\_\_\_\_

FAILED \_\_\_\_\_

- withdrawn -  
4/16/98

Admin #3

AMENDMENT

BY: Rep. Hussendorf

OFFERED IN THE HOUSE

TO: CS HB 325(FIN)

Department of Administration  
BRU: Division of Motor Vehicles  
Component: Field Services

Add \$500.0 GF to restore reduction by subcommittee

This amendment would restore the cut of \$500.0 to Field Services and bring this component back to the FY 98 authorized level. If this reduction is allowed to stand, the Division of Motor Vehicles would have to lay off as many as 12 positions in DMV offices throughout the state and may result in the closure of all outlying offices. The only offices that may stay open would be Anchorage, Fairbanks, Juneau, Soldotna, and Palmer. Lines may be longer in those offices that remain open.

Dept: Administration

House subcommittee

Preparer: Sharon Barton

Date prepared: 04/10/98

## Department Impact Statements in Response to Finance Subcommittee Budget Proposals

Program area: **Motor Vehicles**  
(Use a separate form for each program area.)

Dollar amount(s): Fund source(s):  
(985.0) **GF**

### Impact Analysis:

\$485.0 of this reduction eliminates the increment for FY 99 vehicle license plates, manuals and equipment. Projected revenues from the sale of plates for FY 99 is more than \$5 million. Plates and manuals must be made available to the public. When equipment breaks or wears out, it must be replaced in order to maintain service. Without this increment, staff would have to be eliminated to cover this cost.

We are advised that the remaining \$500.0 reduction is being made in anticipation of savings generated from reengineering that has taken place over the last year. The objective of the reengineering effort is to dramatically improve service statewide, with a growing customer base and ever increasing legislated responsibilities, without additional operating funds. Cost savings will be achieved over time, however, our strategy is built on the ability to reallocate staff savings to direct public services. If the cost savings are stripped out of the budget as they are achieved, the objective of shorter lines and improved services will not be achieved.

Interactive voice response (IVR), web based services, and automation of manual back-office processing will produce cost reductions as each month goes by. Approximately 25,000 customers receive renewal notices each month. Cost reductions will occur as customers begin to migrate away from transacting business in person or by mail and migrate to the interactive voice response and web based alternatives. However, with biennial registration, it will take two years to realize the full potential of these improvements. Meanwhile, it is essential that incremental savings in staff time be reallocated to front counters to reduce the long lines in our urban offices and to increase the number of satellite offices in outlying areas for our customers who can't or won't conduct business electronically.

The impact of this FY99 reduction will be continued long lines in larger offices, no new satellite offices, and we will have to re-evaluate field office operations statewide.

**DRAFT**

## **DMV REENGINEERING SUMMARY**

### **WHERE WE STARTED**

Just over a year ago, the Division of Motor Vehicles was transferred to the Department of Administration. At that time, the cumulative effect of several years of budget reductions, ever increasing legislated responsibilities, and annual growth of the customer base had resulted in 2-3 hour lines in larger offices, up to eight weeks to process dealer title and registration paperwork, and reports of poor customer service throughout the state. Very high employee turnover translated into high training costs and reduced employee productivity.

### **GOAL**

To dramatically improve service to DMV customers statewide by reinvesting savings generated from technology based efficiencies back into public service staff.

### **STRATEGY**

- Shift as many transactions as possible to telephone or computer interface
- Increase satellite offices and adjust office hours for public convenience
- Computerize manual back office procedures
- Re-deploy maximum resources to direct delivery of services to the public
- Create stakeholder partnerships to enhance customer service, reduce processing turnaround times and create value added private sector opportunities
- Reduce employee turnover through proper job classification and attention to work place issues

### **COMPLETED**

- Interactive Voice Response (IVR) and Web registration renewal service (*Alaska is one of only three states currently offering this service*) – 7 x 24 service; 1,094 renewals completed as of 3/24/98; target potential - over 200,000 renewals.
- Web personalized plate order system - 7 x 24 service; 266 orders completed as of 3/24/98; target potential - 3500 annual orders
- Automated upload of emission test results in cooperation with DEC
- Partnering with driving schools and other private entities for providing driver tests - CDL, Regular, and Motorcycle
- Dealer original title and registration pilot program in Anchorage and Fairbanks – 8 major dealerships committed to participate
- Credit card acceptance, enabled electronic commerce
- Auto telephone script completed (install by 4/15/98)
- Juneau satellite office in the State Office Building
- Expanded renewal capability for I/M inspection station business partners
- Separate DMV data system (ALVIN) from DPS system (APSIN)
- Create comparable job classifications to reduce employee turnover

## PROJECTS SCHEDULED FOR COMPLETION IN NEXT 6 MONTHS

- Dealer title and registration project in full production statewide
- 9 dealerships with tentative commitment to participate
- Commission agents trained for on-line processing (no delays for remote areas)
- Automation of return mailing for IVR, Web, and mail renewals
- Improve accounting capability on ALVIN system
- Increased number of business partners/commission agents/satellite offices
- Expansion of credit card use to all DMV offices

## WHERE ARE WE TODAY?

The groundwork is laid. To date, some 1,100 IVR and Web transactions have been completed. Each month an average of 25,000 registration renewal notices are mailed and the majority of these transactions could be shifted to the new electronic venues and business partners. As additional partnerships and satellite offices are established, business will spread over more locations further reducing lines in all offices. Back office improvements, backburned during the APSIN/ALVIN split project, are now scheduled for summer and fall implementation. All DMV resources are doing double duty to keep the daily business on track and, at the same time, to design and implement the new systems, partnerships, and procedures.

## FY 99 BUDGET OUTLOOK

The goal of improving public service to DMV customers is in sight but it will take another six months to a year to complete all improvements in progress and two full years to realize the full benefit of IVR and Web based services. During this time, our success is dependent on our ability to re-deploy resources to direct public service. Keeping in mind the strategy stated above, the goal will not be achieved if staff reductions are necessary in this first year of implementation; lines will remain long at larger offices, we will not have the resources to open additional satellite offices, and we will have to re-evaluate current field office operations statewide.

AMENDMENT

OFFERED IN THE HOUSE

TO: CS HB 325(FIN)

BY:

Admin #4  
w/d  
Rep. Gussendorf

Department of Administration  
BRU: Centralized Administrative Services  
Component: Office of the Commissioner

Add \$310.0 GF for increment for Labor Union Contract Negotiations.

Dept: <b>Administration</b>	House subcommittee
Preparer: <b>Sharon Barton</b>	Date prepared: <b>04/10/98</b>

## Department Impact Statements in Response to Finance Subcommittee Budget Proposals

Program area: **Office of the Commissioner**                      Dollar amount(s):    Fund source(s):  
 (Use a separate form for each program area.)                      (310.0)                      GF

**Impact Analysis:**

This reduction eliminates funding for the negotiation of the eleven bargaining unit contracts that expire between now and June of 1999. These new contracts will establish pay, benefits, and workplace provisions for most of the state's union employees for the next three years.

Funding for contract negotiations (five positions) was previously eliminated from the annual budget, with the plan to request one-time funding only for those years when negotiations would take place. Without this one time funding, we will have no trained and experienced negotiators to lead our bargaining teams.

This increment is for FY99 only. It will not be included in the FY2000 budget.



AMENDMENT

OFFERED IN THE HOUSE

TO: CS HB 325(FIN)

BY:

*Admin #5  
Failed  
Rep. Hussendorf*

Department of Administration  
BRU: Alaska Public Offices Commission  
Component: Alaska Public Offices Commission

Add \$167.3 GF to fund increment for 1998 Election Year Support

Dept: Administration

House subcommittee

Preparer: Sharon Barton

Date prepared: 04/10/98

## Department Impact Statements in Response to Finance Subcommittee Budget Proposals

Program area: **Alaska Public Offices Commission**  
(Use a separate form for each program area.)

Dollar amount(s): Fund source(s):  
(167.3) GF

### Impact Analysis:

This reduction eliminates the 1998 election year support increment. APOC, like the Division of Elections, requires additional staffing for the heavy workload of a statewide election. Even greater workload is anticipated in 1998 because it is the first statewide election under the new campaign finance law. Without this funding, APOC will be unable to meet the needs of candidates and the public for timely information.

This increment is for FY99 only. It will not be included in the FY2000 budget.

TITLE:

1998 Election Year Support

**DESCRIPTION:** 1998 will be a watershed year for campaign disclosure reform. Candidates will vie for 50 legislative seats and the office of governor under the auspices of the new campaign finance law. The Commission envisions that new candidates, incumbents, political groups and parties will have numerous questions and require additional assistance to understand and comply with the new law. More importantly, the public has increased expectations for the political process because of the new law.

At current staffing and funding levels, it will not be possible to meet the increased demands of filers and the public during the upcoming election cycle. For this reason, the Commission is seeking additional funds.

Specifically, funds are requested for a seasonal, part-time clerk in the Anchorage office and a seasonal increase from 1/2 time to 3/4 time for the single Juneau office clerk. In addition, funds are requested to conduct educational sessions for candidates and groups around the state; to hold an extra commission meeting to address advisory opinion questions and legal interpretations in a timely manner; and to install a voice mail system to more efficiently respond to telephone questions.

In addition, the Commission requests funds to further expand its Internet capabilities. Current capabilities enable filers and the public to research questions regarding disclosure laws; provide quicker access to disclosed information; and streamline the reporting process for filers who can now access some forms on-line. With current staff expertise and contractual funding, progress is slow. The Commission is requesting contractual funds to support a reimbursable service agreement with the Division of Information Services for a full time Programmer/Analyst IV to assess current disclosure filing and data capture and implement streamlined processes. These processes will use electronic means which will make it easier for filers; require less staff time for data capture; and result in information being available to the interested public in a more timely manner.

To further facilitate interpretation of the new law, the Commission is requesting funds to develop regulations during FY99. Funds would support the hiring of a regulations specialist for one year and supplies and services necessary to meet legal notice requirements. The Commission has decided that promulgating the regulations in FY 99, but after the 1998 election, will facilitate well reasoned regulations that take into account the full scope of questions and issues raised by candidates and groups during the state election cycle.

## EXPENDITURES

Personal Services	77.5
Travel	4.8
Contractual	83.0
Supplies	2.0
Equipment	
Lands & Buildings	
Grants & Claims	
Miscellaneous	
Total	167.3

## FUNDING SOURCES

1002 Federal Receipts	
1003 General Fund Match	
1004 General Fund	167.3
1005 GF Program Receipts	
1037 GF Mental Health	
Total	167.3

## STAFFING

Permanent Full-Time	1.0
Permanent Part-time	1.0
Temporary	0.0

AGENCY Administration

BRU Alaska Public Offices Commission

DECREMENT  
or INCREMENT  
Form C5  
Revised 8/25/97

Page 1 of 1

Revised Date: 1/5/98

FY 99

0000527

# Alaska State Legislature

*Interim:*

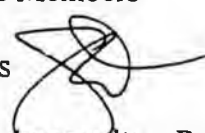
145 Main St. Lp., 223  
Kenai, Alaska 99611  
907/283-7095  
907/283-3075 fx  
907/262-7574 hm

*Session:*

State Capitol  
Juneau, AK 99801  
907/465-2693  
fx 907/465-3835  
800/463-2693

## Representative Gary Davis

### MEMORANDUM

DATE: April 14, 1998  
TO: House Finance Committee Members  
FROM: Representative Gary Davis   
RE: Dept. of Administration Subcommittee Report

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The Administration budget subcommittee recommended a general fund spending level of 174,195.7. We came in at 92.7 below our target of 174,288.4.

The longevity bonus grants were adjusted for consistent overcalculation in grant obligations.

Increments totaling 485.0 MHTAAR were allowed in Senior Services. 150.0 general fund/mental health money was approved for two full-time adult protective service positions and 179.5 general fund money was added for assisted living licensing. Citizen's Foster Care Review was reduced by 24.1 to align staffing levels with legislation that passed last year.

Office of Public Advocacy and the Public Defender Agency were fully funded for the first time since FY 92. It is the intent of the subcommittee that they will be able to operate within their budget and a supplemental request won't be necessary.

General fund spending in the Leases BRU was increased 1.1 million and the lease administration staff was transferred to the Leases BRU from Centralized Administrative Services. The total spending for the Leases BRU increased 3.5 million over authorized spending for FY 98.

The Division of Motor Vehicles field services was reduced 500.0 as a result of savings alluded to in the Governor's State of the Budget speech.

All other general fund increments were denied.

*Representing House District 8  
Cooper Landing, Funny River, Hope, Moose Pass, Seward, Sterling, Soldotna*

Representative\_Gary\_Davis@legis.state.ak.us

**Department of Administration**  
**Department Impact Statements in Response to**  
**Finance Subcommittee Budget Proposals**

Dept: <b>Administration</b>	House subcommittee
Preparer: <b>Sharon Barton</b>	Date prepared: <b>04/15/98</b>

Program area: **Office of the Commissioner**                      Dollar amount(s): **(310.0)**      Fund source(s): **GF**

***SMART START - Protection***

**Impact Analysis:**

This reduction eliminates funding for the negotiation of the eleven bargaining unit contracts that expire between now and June of 1999. These new contracts will establish pay, benefits, and workplace provisions for most of the state's union employees for the next three years.

Funding for contract negotiations (five positions) was previously eliminated from the annual budget, with the plan to request one-time funding only for those years when negotiations would take place. Without this one time funding, we will have no trained and experienced negotiators to lead our bargaining teams.

This increment is for FY99 only. It will not be included in the FY2000 budget.

Program area: **Longevity Bonus**                                      Dollar amount(s): **(2,374.9)**      Fund source(s): **GF**

**Impact Analysis:**

The House Finance Subcommittee proposal funds the FY99 Longevity Bonus amount midway between DOA mid and low range projections. This funding level is not unreasonable given the total payment pattern over the last two years.

Program area: **Office of Public Advocacy**

Dollar amount(s): (744.0) Fund source(s): **GF**

**Impact Analysis:**

This reduction denied three Child Protection increments in the Office of Public Advocacy (OPA). One of these increments for \$185.0 is now proposed for funding in the Department of Health & Social Services House Finance subcommittee report leaving unfunded the Child Protection increment of \$439.9 and the Support for Families increment for \$120.0.

The \$439.9 Child Protection increment is predicated on two primary factors, (1) DFYS policy and staffing changes and (2) changes in federal law that mandate new timelines in the handling of children's cases. DFYS has estimated that adequate staffing would allow them to assign for investigation over 3,700 reports of harm that are now filed without further action. That agency has estimated that these additional investigations would generate some 279 additional cases requiring legal intervention. We understand the House Department of Health & Social Services Finance subcommittee has reduced the DFYS request for new social worker positions from 40 to 35. DFYS has advised that the proposed reduction will not substantially affect their projection of 279 additional cases in FY99. The appointment of an OPA guardian ad litem is legally automatic upon the filing of a child in need of aid petition.

The increment funds four positions and contractual costs for the increased workload associated with the changes in DFYS policy and federal law. We will continue to tightly manage this program, however, we project that this reduction will result in the need for FY 99 supplemental funding.

With the \$120.0 increment, OPA would provide expertise, based on their experience with the CASA (Court Appointed Special Advocate) volunteer guardian ad litem program, to develop a recruitment and training program for volunteers to assist and monitor families who have been the subject of reports of harm. Without this funding, the program will not be established.

Program area: **Public Defender**

Dollar amount(s): (876.8) Fund source(s): **GF**

***SMART START - Protection***

**Impact Analysis:**

This reduction denied two Child Protection increments in the Public Defender Agency. One of these increments for \$255.0 is proposed for funding in the Department of Health & Social Services subcommittee report leaving unfunded the second increment for \$621.4.

The \$621.4 would fund ten positions and associated costs for the increased workload associated with changes in policy at the Division of Family and Youth Services. The Public Defender Agency has no

alternative to taking cases assigned by the court. We will continue to tightly manage this program, however, we project that this reduction will result in the need for FY99 supplemental funding.

Program area: **AOGCC**

Dollar amount(s): Fund source(s):  
(250.0) **GF**

**Impact Analysis:**

**Inspection Staff Increment elimination (200.0)**

Following last year's 25% increase in drilling permits and the continued increase in drilling activity on the North Slope and Cook Inlet this year, the loss of this increment would result in a negative economic impact to the state and the oil and gas industry. Drilling permit delays would delay industry's drilling schedules and disrupt development of new fields, which in turn plays havoc with the "No Decline in '99". Without additional positions, oil field inspections will decline, jeopardizing worker safety and environmental protection. Many thousands of dollars per hour will be at risk if drill rigs sit idle waiting for a safety inspection. We may also be unable to maintain the inspection level required for the state to maintain primacy of Class II Underground Injection Control (UIC) wells. Transfer of the UIC program back to the federal government will hinder waste disposal and enhanced oil recovery efforts, and chill oil and gas development in Alaska

**IOGCC Membership Increment elimination (50.0)**

The Interstate Oil and Gas Compact Commission (IOGCC) is the principle organization of states supporting responsible development of oil and gas in the United States. The State of Alaska is the second largest oil producing state in this country and a major player in IOGCC. Our leadership in IOGCC is critical to the effectiveness of the organization in national oil and gas policy. The IOGCC has played an active role in supporting and lobbying for Alaska issues, including lifting the Alaska North Slope oil export ban, opening the National Petroleum Reserve & Alaska National Wildlife Refuge and maintaining the Resource Conservation Reclamation Act exemption for oil and gas waste disposal. If this state chooses to ignore this organization it will have lost an effective voice in national politics and will discard an important friend helping to protect Alaska's oil and gas resources.

Program area: **Alaska Public Offices Commission**

Dollar amount(s): Fund source(s):  
(167.3) **GF**

**Impact Analysis:**

This reduction eliminates the 1998 election year support increment. APOC, like the Division of Elections, requires additional staffing for the heavy workload of a statewide election. Even greater workload is anticipated in 1998 because it is the first statewide election under the new campaign finance law. Without this funding, APOC will be unable to meet the needs of candidates and the public for timely information.

This increment is for FY99 only. It will not be included in the FY2000 budget.

Program area: **Motor Vehicles**

Dollar amount(s): Fund source(s):  
(985.0) **GF**

**Impact Analysis:**

\$485.0 of this reduction eliminates the increment for FY 99 vehicle license plates, manuals and equipment. Projected revenues from the sale of plates for FY 99 is more than \$5 million. Plates and manuals must be made available to the public. When equipment breaks or wears out, it must be replaced in order to maintain service. Without this increment, staff would have to be eliminated to cover this cost.

We are advised that the remaining \$500.0 reduction is being made in anticipation of savings generated from reengineering that has taken place over the last year. The objective of the reengineering effort is to dramatically improve service statewide, with a growing customer base and ever increasing legislated responsibilities, without additional operating funds. Cost savings will be achieved over time, however, our strategy is built on the ability to reallocate staff savings to direct public services. If the cost savings are stripped out of the budget as they are achieved, the objective of shorter lines and improved services will not be achieved.

Interactive voice response (IVR), web based services, and automation of manual back-office processing will produce cost reductions as each month goes by. Approximately 25,000 customers receive renewal notices each month. Cost reductions will occur as customers begin to migrate away from transacting business in person or by mail and migrate to the interactive voice response and web based alternatives. However, with biennial registration, it will take two years to realize the full potential of these improvements. Meanwhile, it is essential that incremental savings in staff time be reallocated to front counters to reduce the long lines in our urban offices and to increase the number of satellite offices in outlying areas for our customers who can't or won't conduct business electronically.

The impact of this FY99 reduction will be continued long lines in larger offices, no new satellite offices, and we will have to re-evaluate field office operations statewide.

Dept: **Administration**

House subcommittee:

Preparer: **Sharon Barton**

Date prepared: **04/15/98**

Program area: **Leases**  
(Use a separate form for each program area.)

Dollar amount(s): Fund source(s):  
(131.3) **GF**

**Impact Analysis:**

The proposed House Finance Subcommittee funding level for Leasing is well within our current projection of FY 99 costs. The recent re-negotiation of six leases in Anchorage and Juneau will result in a previously unanticipated FY 99 lease budget savings of approximately \$450.7.

After covering the \$131.3 reduction to leases, an additional \$319.4 is available from the lease savings which could be used to fund all or part of other reductions in the DOA budget. These include OPA/PD Child Protection, Division of Motor Vehicles Technology Enhancements, or the Senior Services Assisted Living Licensing.

**COMMERCE**

**&**

**ECONOMIC**

**DEVELOP-**

**MENT**

Department of Commerce and Economic Development  
Amendment

Sponsor: Kohring

ADD:

Commerce and Economic Development  
ASMI  
Alaska Seafood Marketing Institute

\$69.1  
General Fund Receipts

1 Full-time Position

PURPOSE: ~~Transfer from Trade and Development component to ASMI personal services funding and one full-time "fish industry" Trade Specialist position.~~

Return to Div Trade +  
Dev.

COMMERCE #2

Department of Commerce and Economic Development  
Amendment

Adopted  
6-5  
4/17/98

Sponsor: Kohring

ADD:

Commerce and Economic Development  
AIDEA  
Alaska Industrial Development and Export Authority \$84.4  
General Fund Receipts

1 Full-time Position

PURPOSE: Transfer from Trade and Development component to AIDEA personal services funding and one full-time "industry" Trade Specialist position.

Remain  
CED

COMMERCE #3

Department of Community and Regional Affairs  
Amendment

Adopted

Sponsor: Kohring

ADD:

Community and Regional Affairs  
Employment Training/Rural Development  
Community Development Assistance

\$68.1  
General Fund Receipts

1 Full-time Position

PURPOSE: Transfer from Department of Commerce and Economic Development to the Department of Community and Regional Affairs personal services funding and one full-time "cultural" Trade Specialist position.

Remain in CED

COMMERCE #4

Department of Natural Resources  
Amendment

Adopted

Sponsor: Kohring

ADD:

Natural Resources  
Resource Development  
Mining Development

\$153.3  
General Fund Receipts

2 Full-time Positions

PURPOSE: Transfer from the Department of Commerce and Economic Development to the Department of Natural Resources personal services funding and two full-time "minerals" Trade Specialist positions.

Remain in  
CED

COMMERCE #5

Department of Natural Resources  
Amendment

Sponsor: Kohring

ADD:

Natural Resources  
Resource Development  
Forest Management and Development

\$68.1  
General Fund Receipts

1 Full-time Position

PURPOSE: Transfer from the Department of Commerce and Economic Development to the Department of Natural Resources personal services funding and one full-time "forestry" Trade Specialist position.

Remain in DCED

COMMERCE #6

Office of the Governor  
Amendment

Sponsor: Kohring

w/d

ADD:

Office of the Governor  
Office of International Trade (New BRL/appropriation)  
Office of International Trade (New Component) \$339.7  
General Fund Receipts  
6 Full-time Positions

PURPOSE: Transfer from the Department Commerce and Economic Development to the Governor's Office, personal services funding and 6 full-time positions for the Office of International Trade.

COMMERCE

6A

Adopted  
4/17

COMMERCE #6A

By: Rep. Kohring

Office of the Governor  
Amendment

ADD:

Office of the Governor  
Office of International Trade (New BRU/appropriation)  
Office of International Trade (New Component)

6 Full-time Positions	\$339.7
Contractual	247.0

General Funds

Purpose: Transfer from the Department of Commerce & Economic Development to the Governor's Office personal services funding and 6 full-time positions for the Office of International Trade. Also, this amendment transfers the overseas contracts to the Office of International Trade with the following changes: 1. adds 103.3 back to the Japan contract (net of 60.0 reduction), 2. adds 126.9 back to the Korea contract (net of 25.0 reduction), and, 3. reduces 5.0 back to the Taiwan contract (net of 25.0 additional),

Department of Commerce & Economic Development  
Amendment

ADD:

Tourism Development:

Alaska Tourism Marketing Council

Contractual	\$ 97.3
-------------	---------

General Funds

Purpose: This restores all but 25.0 of funding for the research, public relations, and direct response. The remaining total for these items is 2,654.1.

Alaska Tourism Marketing Council

Funding Transfer

Statutory Designated Receipts	- \$ 150
General Funds	+ 150

Purpose: This action results in a net funding transfer of 50.0 from General Funds to Statutory Designated Receipts.

Department of Commerce & Economic Development  
Amendment

DELETE:

Division of Trade & Development

Personal Services

50.6

General Funds

Purpose: This is to correct a miscalculation on the subcommittee's finalized budget. The budget reflected a decrement of 133.8 for two Partially Exempt positions. The correct amount should have been 184.4.

Commerce 6A

COMMERCE #7

Front Section  
Amendment

Failed

Sponsor: Kohring

ADD:

Education	
School Finance	
Education Facilities Support	\$50,000.0
Alaska Science and Technology Endowment Funds	

PURPOSE: The \$50,000.0 Alaska Science and Technology Endowment Funds are intended to be spent in the schools for computers and technology upgrades.

ADD:

"The sum of \$50,000.0 is appropriated from the following source to the Alaska debt retirement fund (AS 37.15.011) for the purpose of paying debt service on outstanding school bond debt."

Alaska Science and Technology Endowment Funds	\$50,000.0
---	------------

DATE

4/17/98 PM

SUBJECT

CED-7

MEMBER

YES

NO

DAVIES, JOHN		✓
DAVIS, GARY	✓	
FOSTER		✓
GRUSSENDORF		✓
KELLY		✓
KOHRING	✓	
MARTIN		✓
MOSES		✓
MULDER		✓
HANLEY		✓
HERRIAULT		✓

TOTAL

2	9
---	---

PASSED \_\_\_\_\_

FAILED \_\_\_\_\_

Rep. Davies  
COMMERCE #8

AMENDMENT # \_\_\_\_\_

w/d

OFFERED IN THE HOUSE

TO HB 325

ADD:

Department of Commerce and Economic Development  
Division of Trade and Tourism  
Trade and Development

206.3 GF

Restore funding for two mineral development specialists and one forest products specialist.

COMMERCE #9

BY: Rep. Dennis

w/d

## AMENDMENT

Offered in the House Finance Committee

Department of Commerce and Economic Development

Delete:

Occupational Licensing  
Operations

-147.2 GF/PR

Add:

Division of Trade & Tourism  
Trade and Development

147.2 GF

This would deny the transfer of 3 positions in Trade & Development to the Governor's Office. The addition would be offset by reducing the same amount of GF in Occupational Licensing.

C&ED collected 1,480.0 in GF/PR that was carried into the operating budget to replenish the decrement of (649.6). The department would then reduce its authority by the excess carryforward to retain the receipts for the next year (assuming license fee collections would be lower in the "off" year). The department, using its expenditure authority provided in the front section, reduced its authorization by (671.3). 808.7 was retained by the Occupational Licensing component instead of the intended 649.6. The department increased its authorization (without specific Legislative approval) by 159.1 GF/PR.

AMENDMENT

COMMERCE #10

Failed  
4/17/9

BY: Rep. Martin

4-7

TO: HFS Commerce Subc Report

Executive Administration

Commissioner Office

Funding Change

-60.0 I/A Rcpts (1007)  
60.0 Gen Fund (1004)

Administrative Services

Funding Change

-65.0 I/A Rcpts (1007)  
65.0 Gen Fund (1004)

*Revert Subc. report and transfer funds from I/A receipts back to general funds.*

AMENDMENT

COMMERCE #11

failed  
4/17/98

BY: Rep. *Alvarez* 3-6

TO: HFS Commerce Subc Report

Division of Trade & Development

Increment

Accept increment for Bristol Bay/Kuskokwim Area Tourism and Fisheries  
Development

250.0 GF

AMENDMENT

COMMERCE #12

fair  
3-7 4/17/98

TO: HFS Commerce Subc Report

BY: Rep. d...  
4/17/98

Division of Trade & Development

Increment

Accept increment for Western Alaska Development

200.0 GF

COMMERCE #13

NO OBJ  
AMENDMENT

as amended  
BY: Rep. Devine

TO: HFS Commerce Subc Report

Division of Trade & Development

Increment

120.7  
~~225.9~~ personal services  
GF (1004)

Add 4 PFT

*This restores 4 positions and full funding for the reclassified assistant commissioner and administrative unit positions*

withdrawn  
AMENDMENT

COMMERCE #14

TO: HFS Commerce Subc Report

BY: Rep. Davies

Division of Trade & Development

Increment

339.7 personal services  
GF (1004)

342.0 contractual  
GF (1004)

Add 5 PFT and 1 PPT

*This restores 5 full time and 1 part time trade positions and full funding to the trade program, including the overseas trade office contracts*

Withdrawn  
AMENDMENT

COMMERCE #15

TO: HFS Commerce Subc Report

BY: Rep. Devick

Division of Trade & Development

Increment

576.8 personal services  
GF (1004)

Add 8 PFT

*This restores 8 development specialists/planner positions and full funding to development program*

failed 3-7  
AMENDMENT

COMMERCE #16

TO: HFS Commerce Subc Report

BY: Rep. Lewis

Tourism Development

Division of Tourism

Increment

98.2 personal services  
GF (1004)

20.0 travel  
GF (1004)

Add 1 PFT

*This restores the tourism director position and travel funding to tourism program*

withdrawn  
AMENDMENT

COMMERCE #17

TO: HFS Commerce Subc Report

BY: Rep. Horner

Tourism Development

Alaska Tourism Marketing Council

Increment

122.7 contractual  
GF (1004)

*This restores funding for research, public relations, and promotion*

Funding Transfer

-200.0 Stat Designate:1 (1108)  
200.0 GF (1004)

*Revert Subc. report and transfer funds from Stat. designated to general funds*

NO OBJ  
AMENDMENT

Commerce #18

TO: HFS Commerce Subc Report

BY: Rep. Harves

Alaska Energy Authority

Increment

Accept increment for DIS rate increases

31.0 AEA Rcpts (1107)

**COMMUNITY**

**&**

**REGIONAL**

**AFFAIRS**

**MENT**

~~Failed 5-6~~  
Rescind

C\*RA #1

Department of Community and Regional Affairs  
Amendment

Amended

Sponsor: Kohring

DELETE:

Department of Community and Regional Affairs  
Employment Training/Rural Development  
Community Development Assistance

036.25  
~~8472.5~~  
Federal Funds

C+RA #2

Failed 3-8

AMENDMENT

OFFERED IN THE HOUSE

BY: Rep. *Husendorf*

TO: HB 325

**ADD**

Department of Community & Regional Affairs  
**Municipal Revenue Sharing**  
State Revenue Sharing  
Municipal Assistance

1,135.0 GF  
1,381.9 GF

This amendment restores \$2.5 million in funding for the state's revenue sharing program to the level proposed in the Governor's FY 99 budget.

Dept:	Community & Regional Affairs	House or Senate subcommittee?	House
Preparer:	Pat Poland, Director, MRAD	Date prepared:	4/10/98

## Department Impact Statements in Response to Finance Subcommittee Budget Proposals

Program area: **Municipal Revenue Sharing**  
(Use a separate form for each program area.)

Dollar amount(s): **-2,517.9** Fund source(s): **General Fund**

### Impact Analysis:

State Revenue Sharing and Safe Communities funds, as a percentage of total municipal operating budgets, range from several percent for the very large municipalities to well over 50 percent for many of the smaller cities. A five percent (\$2.5 million) reduction in these two state shared revenue programs means these municipalities will have to make the decision between cutting basic local services or increasing local taxes. For many of Alaska's smaller cities, this cut will push them even closer to financial insolvency and possible dissolution. Also, experience has shown that this kind of significant cut usually translates into deferred maintenance and reduced operation of facilities. This will lead to deterioration, and possibly failure, of water and sewer systems, power generation systems, washeterias, community halls, clinics, and other public facilities. Any vision for the economic development of rural communities, which must be based on sound infrastructure, will be diminished.

Because of the pro-rating feature built into the State Revenue Sharing formulas, this reduction in funding will result in municipalities being paid less than 25 cents on the dollar for road maintenance entitlements as provided under Alaska statutes. Alaska's rural volunteer fire departments will also be paid at less than 25 cents on the dollar for fire protection for their residents. Many of these volunteer fire departments currently find the level of state aid not even enough to buy fuel oil to heat the facilities used to store their fire fighting equipment. Finally, Alaska's unincorporated communities, some of which contain several hundred to a thousand residents each, will see their payment reduced to below \$6,000 as compared to the \$25,000 payment amount provided in State law.

ROLL CALL: HOUSE FINANCE COMMITTEE

DATE 4/16/97 P  
 SUBJECT DCBA #2

MEMBER	YES	NO
KELLY		✓
KOHRING		✓
MARTIN		✓
MOSES	✓	
MULDER		✓
DAVIES JOHN	✓	
DAVIS GARY		✓
GRUSSENDORF	✓	
FOSTER		✓
HANLEY		✓
THERRIAULT		✓

TOTAL 

3	8
---	---

PASSED 3  
 FAILED 8

C+RA #3

Amended 3/8

AMENDMENT

OFFERED IN THE HOUSE

BY: Rep. *Gussendorf*

TO: HB 325

**ADD**

Department of Community & Regional Affairs  
**Child Assistance**  
Head Start

1,000.00 GF

This amendment restores the increment for this program as proposed in the Governor's FY 99 budget.

Dept: Community & Regional Affairs	House or Senate subcommittee? House
Preparer: Yvonne Chase, Director, DCRD	Date prepared: 4/10/98

## Department Impact Statements in Response to Finance Subcommittee Budget Proposals

Program area: **Head Start**  
(Use a separate form for each program area.)

Dollar amount(s): **-1,000.0** Fund source(s): **General Fund**

### *SMART START - Prevention*

#### Impact Analysis:

Present funding can only provide Head Start programs to 22% of the eligible children in this state. The proposed increase to the Head Start program is intended to increase services to approximately two hundred (200) children or one hundred and fifty (150) families. The services to be provided include screenings and services relative to health, physical, mental, developmental assessment and follow-up. The families would receive training and education in nutrition child development, parenting, budgeting, health, and job skills. The funding would also provide employment opportunities as well as education and career advancement opportunities to approximately 32 people.

Without this necessary increase in funding Head Start services will not be available for this group of children and their families. Additionally, families and communities will not realize the revenues from increased employment opportunities, an issue of particular concern in the implementation of the welfare to work effort.

Lack of these funds will lose the promotion and possible achievement of the health and well being of the children who would have otherwise been served. The first years of a child's life are the best years in which to invest in health related services, and these will be lost opportunities. The need for special education services can be reduced through early detection and diagnosis of disabilities. Without early detection, children will be less prepared for school, and delayed detection and diagnosis result in higher costs to the state as well as higher failure rates for these children.

DATE

4/16/98 PM

SUBJECT

DCRA #3

MEMBER	YES	NO
KOHRING		✓
MARTIN		✓
MOSES	✓	
MULDER		✓
DAVIES JOHN	✓	
DAVIS GARY		✓
GRUSSENDORF	✓	
FOSTER		✓
KELLY		✓
TERRIAULT		✓
HANLEY		✓

TOTAL

3 | 8

PASSED \_\_\_\_\_

FAILED \_\_\_\_\_

**TITLE:** Increment General Fund for Head Start Program

**DESCRIPTION:**

This increment of \$1,000,000 will provide an estimated additional 200+ families and children access to Head Start services and raise the number of eligible families served from approximately 22% to 25%. The total increment will be in the grants line item to provide direct services. These additional funds will be awarded on a competitive basis by criteria established by the Department for existing Alaska Head Start grantees and become part of their operating base with satisfactory delivery of service.

**EXPENDITURES**

Personal Services	
Travel	
Contractual	
Supplies	
Equipment	
Lands & Buildings	
Grants & Claims	1,000.0
Miscellaneous	
<b>Total</b>	<b>1,000.0</b>

**FUNDING SOURCES**

1002 Federal Receipts	
1003 General Fund Match	
1004 General Fund	1,000.0
1005 GF Program Receipts	
1092 MHTrust Inc	
<b>Total</b>	<b>1,000.0</b>

**STAFFING**

Permanent Full-Time	
Permanent Part-time	
Temporary	

**DECREMENT  
or INCREMENT**

Form C5  
Revised 8/25/97

AGENCY Community and Regional Affairs

BRU Child Assistance

COMPONENT Head Start Grants #659

Page 1 of 1

Revised Date:

FY 99

CR-3

000323

**TITLE:** Increment Mental Health Trust Settlement Income for Head Start Grant

**DESCRIPTION:**

The Head Start program serves a small, but vital, segment of Alaska's population. Twelve percent of Alaska's Head Start children have diagnosed disabilities. The majority of our residents who need mental health services must turn to other service providers. If they are fortunate enough to have medical insurance that covers mental health services, or have financial resources to pay for help, there are some private mental health practitioners available in Alaska. However, because of Alaska's sparse population, most of the private mental health practitioners are located in the larger urban areas. For Alaskans who do not have the financial resources or who live in remote areas with limited services, getting any type of health service is a challenge.

The Department requested, and was approved to receive, a one-time grant from the Council for Mental Health Trust Authority in the amount of \$50,000 under "innovative" projects, to serve children who we believe are beneficiaries of the Trust, and whose special needs are not being adequately addressed. Approximately \$25,000 will be used for "capacity building," and could be accessed by the programs for training parents and community members in the Family Wellness Model. The remaining \$25,000 will also be accessed by the programs to pay for disability specialists and mental health professionals to complete observations, assessments, and follow up planning for specific children with their parents and the program staff. The Department will not experience additional staffing or administrative costs by accepting these funds.

EXPENDITURES	
Personal Services	
Travel	
Contractual	
Supplies	
Equipment	
Lands & Buildings	
Grants & Claims	50.0
Miscellaneous	
<b>Total</b>	<b>50.0</b>
FUNDING SOURCES	
1002 Federal Receipts	
1003 General Fund Match	
1004 General Fund	
1005 GF Program Receipts	
1092 MHTrust Inc	50.0
<b>Total</b>	<b>50.0</b>
STAFFING	
Permanent Full-Time	
Permanent Part-time	
Temporary	

**DECREMENT  
or INCREMENT**  
Form C5  
Revised 8/25/97

AGENCY Community and Regional Affairs

BRU Child Assistance

COMPONENT Head Start Grants #659

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Revised Date:

FY 99

024-3

000324

C#RA #4

Failed 3/3  
AMENDMENT

OFFERED IN THE HOUSE

BY: Rep. *Jussendorf*

TO: HB 325

**ADD**

Department of Community & Regional Affairs  
**Local Government Assistance**  
Training and Development

50.0 GF

This amendment restores the funding level for this component to the Governor's proposed FY 99 level.

The subcommittee specifically wished to hold the RUBA program harmless from any reduction.

Dept: <b>Community &amp; Regional Affairs</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Pat Poland, Director, MRAD</b>	Date prepared: <b>4/10/98</b>

## Department Impact Statements in Response to Finance Subcommittee Budget Proposals

Program area: **Local Government Assistance**  
(Use a separate form for each program area.)

Dollar amount(s): **-50.0** Fund source(s): **General Fund**

### Impact Analysis:

The loss of \$50.0 in the Training and Development component will result in the loss of one full time position. While the committee has given us the option of taking this cut in other than the personnel services line item, funding levels in other line items do not allow for absorption of cuts there. It is anticipated that the position eliminated would be a senior staff member working out of the Anchorage office. Loss of such a staff person will result in a loss of expertise that will not be replaceable and the overall capacity of the division to respond, particularly to unique local crises such as the base closing in Delta and Adak, and the Shishmaref storm disaster, will be reduced. Additionally, the division's capacity to provide local land management and planning assistance, already at a very basic level, will be reduced to an extremely minimal level.

DATE

4-16-98 P

SUBJECT

DCRA 4

MEMBER	YES	NO
MARTIN		✓
MOSES	✓	
MULDER		✓
DAVIES, JOHN	✓	
DAVIS GARY		✓
GRUSSENDORF	✓	
FOSTER		✓
KELLY		✓
KOHRING		✓
HANLEY		✓
THERRIAULT		✓

TOTAL

3 : 8

PASSED \_\_\_\_\_

FAILED \_\_\_\_\_

ATT  
CRA-4

**CONTACT:** Pat Poland, Director, 269-4500

**SUMMARY OF BRU SERVICES AND RESPONSIBILITIES:**

The Local Government Assistance BRU is under the direction of the Municipal and Regional Assistance Division (MRAD), and contains four components.

**TRAINING AND DEVELOPMENT**

The largest component in the Local Government Assistance BRU, Training and Development (T&D) has staff located in seven regional offices: Anchorage, Bethel, Dillingham, Fairbanks, Juneau, Kotzebue, and Nome. The responsibilities of this component lie primarily in three major program areas: 1) local government management; 2) utility management; and 3) community development and land management.

1. Local Government Management Assistance. Using a variety of communication and training methods, staff provide training and technical assistance to local government officials on all aspects of operating a municipal government and providing basic public services. Strong emphasis is placed on basic financial management. That is, budgeting, payroll taxes, monthly financial reporting, and annual financial reports and audits.

Activities include: traveling to communities to provide on-site technical assistance and training; providing technical assistance via telephone or through the mail; sponsoring and/or conducting regional and community training seminars; providing extended management assistance through the circuit rider training program; and producing written materials for training seminars and reference documents.

(Continued on Page 2)

**SUMMARY OF BRU ISSUES:**

Major issues are listed below. A brief discussion of each issue is presented on subsequent pages.

1. The financial crisis in small communities threatens the existence of municipal governments as well as the millions of dollars the state has invested in community facilities.
2. To support continuing state and federal construction efforts to improve sanitation services in smaller communities, the division is focusing greater attention on the Rural Utility Business Advisor program.
3. Widespread efforts to dissolve cities, detach areas from boroughs, and form new boroughs indicate local residents are examining the adequacy and desirability of local government structure in Alaska and of state policies on funding services in unincorporated areas.

(Continued on page 5)

**BRU  
OVERVIEW**  
Revised 8/25/97

AGENCY Community and Regional Affairs

BRU Local Government Assistance

Page 1 of 6  
Revised Date:

FY 99

000078

ATT  
CR-4

CONTINUATION OF FORM: BRU Overview, Summary of BRU Services and Responsibilities

(Continued from Page 1)

Examples of training topics addressed include: financial management, including maintaining financial records, preparing budgets, computing payroll and payroll tax obligations and, and preparing annual and monthly financial statements; drafting and adopting ordinances, personnel administration, conducting elections, recall, conducting effective meetings and newly elected officials training, and public utility management and record keeping, including determining appropriate utility rates, general management practices, and computerized accounting.

Staff often serve as communication 'links' between small, rural communities and state and federal agencies. As such, staff play a liaison role in the administration of programs that are administered by other departments. Examples include: Administration (grants to municipalities and PERS); Revenue (shared taxes); Environmental Conservation (Village Safe Water program); Transportation and Public Facilities (public facility siting and construction); Military Affairs (emergency services); Natural Resources (area plans and land disposals); and Education (formation of municipal school districts). The Department has entered into a formal memorandum of agreement with the Internal Revenue Service to cooperatively resolve community tax problems.

2. Rural Utility Business Management (RUBA). The principal focus of this effort is training local governments to operate their utilities as businesses; i.e., so that revenues generated by the operation of a particular utility are sufficient to cover the costs of operating the facility, and that maintenance of the facility is adequate to achieve the maximum design life of the facility. While all community managed utilities are assisted, the major focus of this program is on sanitation related utilities. All state, federal agency, and Congressional sanitation studies performed over the last several years have concluded this program is critical to the success of state, federal, and local initiatives and investments to improve sanitation in rural Alaska. These efforts are coordinated with DCRA's Division of Energy efforts to provide similar assistance for electric and fuel utilities, as well as with DEC's and IHS's programs for maintenance and operation of sanitation utilities.

Services provided are similar to those described previously under financial management but with a unique focus on utilities as municipal or community owned business enterprises. Staff also participate in needs assessment prior to construction of facilities, conduct analysis of a community's financial and management capacity to operate a particular facility, and conduct rate studies to help councils determine the user fees needed to support the particular enterprise.

3. Community Development and Land Management Assistance. Staff assist and train local government officials to implement community development responsibilities. This function is carried out in several ways including: assisting community planning staff via on-site visits; training of local planning commissions at regional seminars; administering the Alaska Coastal Zone Management program and the National Flood.

(Continued on Page 3)

000179

ADDITIONAL  
EXPLANATION  
FORM

Revised 8/25/97

AGENCY Community and Regional Affairs

RRU Local Government Assi on

Page 2 of 6

Revised Date:

FY 99

ATT  
CRA-4

CONTINUATION OF FORM: BRU Overview, Summary of BRU Services and Responsibilities

(Continued from page 2)

Insurance Program; managing community expansion lands held by the state in trust for communities under section 14(c)(3) of ANCSA; providing special community economic impact assistance for communities affected by significant and unplanned economic or natural disasters (examples include the base closures at Fort Greely and Adak as well as the mill closures in Wrangell and Ketchikan); obtaining maps and socio-economic data for local economic or community development projects; and producing and maintaining community profile maps. Assistance and training are also provided on municipal planning authority, and responsibilities, and drafting and implementing local land use and subdivision ordinances.

Under the Alaska Coastal Management Program (ACMP), staff award and monitor \$1.5 million in grants, provide technical assistance and training to over 31 coastal districts, and support the DCRA representative on the Statewide Coastal Policy Council.

The division fulfills the state's responsibilities as specified in Section 14(c)(3) of ANCSA and in AS 44.47.150. Principle activities include acceptance, administration, and disposal of ANCSA land conveyed to the state in trust for future municipal corporations from 90 unincorporated villages. Specific activities include: evaluating proposed land conveyances; preparing and accepting conveyance documents; maintaining a land records system; inventorying land holdings; and preparing 14 (c) map of boundaries.

To protect community and state investments in capital projects, staff assist with selection of sites for capital facilities and other public facilities (roads, landfills, parks) and resolving land title and land management issues to assure adequate site control for publicly funded projects. All DCRA grants are checked to assure adequate site control for capital projects.

**STATE ASSESSOR**

This component provides training and technical assistance to municipal assessors and their staff on Alaska's laws governing municipal assessment, valuation, and taxation procedures and standards. Activities include: providing on-site technical assistance; conducting training seminars on assessment procedures and standards; monitoring local assessment practices and standards; initiating enforcement action when local practices violate federal, state, or local law; preparing full and true value determinations for each taxing jurisdiction; and publishing 'Alaska Taxable', a document which is published annually and reports the locally assessed values and taxation practices of the various jurisdictions in the state.

000180

**ADDITIONAL  
EXPLANATION  
FORM**  
Revised 8/25/97

AGENCY Community and Regional Affairs  
BRU Local Government Assistance

Page 3 of 6  
Revised Date:

FY 99

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4

(Continued from page 3)

**LOCAL BOUNDARY COMMISSION**

The Local Boundary Commission is composed of five members from around the state (one from each of the four judicial districts, and one at large) appointed by the Governor. Staff provide assistance to the Commission on all matters concerning municipal incorporation, dissolution, annexation, detachment, merger, and consolidation. Activities include: providing technical assistance to prospective petitioners in the development of proper petitions; preparing analytical reports and recommendations to the Commission on matters brought before it; conducting informational meetings to explain the process and standards pursuant to which the Commission acts; providing logistical and administrative support for the Commission's public hearings; and preparing and documenting the record of all Commission actions.

**STATEWIDE ASSISTANCE**

Services provided by this component fall into two principal areas: administering funding programs and policy issues analysis.

1. Administration of the State Revenue Sharing, Municipal Assistance, and Shared Fisheries Business Tax Programs. Staff administer these three programs which provide the state's primary financial support for local governments. Activities include: preparing applications, a city budget manual, and a city financial reporting manual; providing technical assistance in completing the application process for receipt of revenue sharing and municipal assistance funds; and reviewing applications and financial statements to determine program eligibility and entitlements.

2. Policy Issues Analysis and Community Databases. Staff provide responses to legislative, executive branch, and community policy initiatives regarding local government and community development. Activities include the preparation of: bill analyses and fiscal notes; position papers explaining the Department's position on a variety of policy issues; budget; and policy reports on issues. This section also compiles and maintains DCRA's Community Profile Database and the RAPIDS Database of projects funded or planned in 219 communities. These databases are one-stop sources of information used by communities, agencies and the private sector to plan, secure, and coordinate projects in communities.

**ADDITIONAL  
EXPLANATION  
FORM**  
Revised 8/25/97

AGENCY Community and Regional Affairs

BRU Local Government Assistance

000181

Page 4 of 6  
Revised Date:

FY 99

(Continued from Page 1)

**1. The financial crisis in small communities threatens the existence of municipal governments as well as the millions of dollars the state has invested in community facilities.**

Cutbacks in Revenue Sharing, Municipal Assistance, and other state and federal funds have forced many communities to reduce critical staff to half-time and eliminate any preventive maintenance of essential facilities. Many communities have managed to increase locally generated revenues during the last ten years. However, because of limited local resources, they are unable to come close to replacing the lost state funds. This situation will get worse as state funding for Revenue Sharing and Municipal Assistance continues to shrink.

The Department is working with several legislative committees to identify a means to assure a base level of funding for communities that assures an ability to continue basic public services. Increasing the minimum entitlement under state revenue sharing and municipal assistance is one concept being considered.

Reductions in Municipal and Regional Assistance Division (MRAD) staff and resources have the potential to exacerbate financial management problems in smaller communities. In response to staff and financial cutbacks, the Division has further narrowed its focus on financial management issues and problems to minimize the impact on local communities. We have trained all our field staff to help communities improve financial management and developed the Remote Utility Business Advisory (RUBA) program to concentrate on community utility management and financial problems. MRAD staff assist communities redistribute debt, raise taxes, implement and collect user fees, assist communities develop long range solutions (i.e., Utility Management Training in conjunction with DEC, PHS, the Division of Energy, and the community organizations), and otherwise minimize and diffuse the severe impacts of reductions in state assistance.

The Department is promoting and supporting efforts to develop rural economies to generate additional revenue from sources other than government, but these changes do not occur overnight.

**2. To support continuing state and federal construction efforts to improve sanitation services in smaller communities, the Division is focusing greater attention on the Rural Utility Business Advisor program.**

Every recent sanitation study concludes investments in sanitation facilities are threatened because small communities cannot pay to operate and maintain the water and sewer systems needed to effectively protect public health.

ATT  
CRA-4

**ADDITIONAL  
EXPLANATION  
FORM**  
Revised 8/25/97

AGENCY Community and Regional Affairs

BRU Local Government Assistance

000182

Page 5 of 6

Revised Date:

FY 99

C+RA #5

AMENDMENT

OFFERED IN THE HOUSE

TO: HB 325

BY: Rep. *Mussendorf*

**ADD**

Department of Community & Regional Affairs  
**Administration and Support**  
Office of the Commissioner

87.1 GF

This amendment restores the funding for the position of Special Assistant to the Commissioner.

C+RA #5

Failed 4/7

AMENDMENT

OFFERED IN THE HOUSE

BY: Rep. *Mussendorf*

TO: HB 325

**ADD**

Department of Community & Regional Affairs  
**Administration and Support**  
Office of the Commissioner

87.1 GF

This amendment restores the funding for the position of Special Assistant to the Commissioner.

Dept: <b>Community &amp; Regional Affairs</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Lamar Cotten, Deputy Commissioner</b>	Date prepared: <b>4/10/98</b>

## Department Impact Statements in Response to Finance Subcommittee Budget Proposals

Program area: **Commissioner's Office**  
(Use a separate form for each program area.)

Dollar amount(s): **-87.1** Fund source(s): **General Fund**

### Impact Analysis:

The Special Assistant to Commissioner Irwin (PCN 21516X) fulfills a number of duties which are integral to the efficient functioning of the commissioner's office.

As the commissioner's professional staff, the special assistant's most important duty is that of liaison to the Legislature. The legislative liaison's responsibilities include tracking and reviewing legislation that affects the Department, scheduling staff testimony, working with legislators and their staff to fulfill requests for information, working with other executive agencies and staff to coordinate responses to legislative requests, serving as departmental spokesperson, and performing or directing departmental research in response to legislative requests.

In addition to legislative duties, the special assistant acts as the commissioner's designee to state boards and commissions and other public and private-sector entities. The special assistant has served as the commissioner's representative on the Commission on Aging, RURAL CAP, the Alaska Head Start Association, the Alaska Federation of Natives, Rural Provider's Conference, and others.

The special assistant also works to implement the commissioner's directives regarding internal and external departmental communication.

Elimination of the special assistant position would be extremely detrimental to the efficient functioning of the commissioner's office. This cut is inadvisable and strongly recommended against.

DATE

4-16-98 P

SUBJECT

DCPA #5

MEMBER	YES	NO
MOSES	✓	
MULDER		✓
DAVIES. JOHN	✓	
DAVIS. GARY		✓
GRUSSENDORF	✓	
FOSTER		✓
KELLY	✓	
KOHRING		✓
MARTIN		✓
THERRAULT		✓
HANLEY		✓

TOTAL

4	7
---	---

PASSED

FAILED

3-8

C+RA #6

AMENDMENT

OFFERED IN THE HOUSE

BY: Rep. *Gussendorf*

TO: HB 325

**ADD**

Department of Community & Regional Affairs  
**Child Assistance**  
Child Care Administration

63.2 GF

This amendment restores the funding level for this program to the Governor's proposed FY 99 level

DATE

4/16/98 P

SUBJECT

DCRA # 6

MEMBER

YES

NO

MULDER		✓
DAVIES. JOHN	✓	
DAVIS. GARY		✓
GRUSSENDORF	✓	
FOSTER		✓
KELLY		✓
KCHRING		✓
MARTIN		✓
MOSES	✓	
HANLEY		✓
THERRIAULT		✓

TOTAL

3	8
---	---

PASSED \_\_\_\_\_

FAILED \_\_\_\_\_

# ALASKA STATE LEGISLATURE



*Interim:*  
600 East Railroad Avenue  
Wasilla, Alaska 99654  
(907) 373-1842  
Fax (907) 373-4729

*Session:*  
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REPRESENTATIVE VIC KOHRING  
DISTRICT 26

## Memorandum

**To:** House Finance Committee  
**From:** Vic Kohring *VK*  
**Date:** April 9, 1998  
**Re:** FY 99 Operating Budget for the Department of Community and Regional Affairs

I am pleased to present you with the Budget Subcommittee's proposed FY 99 operating budget for the Department of Community and Regional Affairs (DCRA). The Subcommittee equaled the requested budget cap. Some BRU's received increments.

1. A total of two full time positions were deleted. They were the Special Assistant to the Commissioner and a Grants Administrator in the Child Care BRU. Also, an unallocated reduction of \$50,000 was assigned to the Training and Development subcomponent in the Local Government Assistance BRU.
  2. The Alaska Legal Services' Pro Bono program provides legal assistance to low income families. The Subcommittee's proposed budget increased the funding for this program by \$34,400. This funding will allow the program to serve approximately 90 additional parents and children in crisis.
  3. Infrastructure is critical for economic development in any community. Many rural Alaskan communities lack adequate infrastructure to become economically self-sufficient. The proposed FY 99 budget prepared by the subcommittee members reflects this economic reality.
- The Department's Rural Utility Business Advisory (RUBA) program assists rural communities in identifying utility needs, establishing financial and management capacity to oversee proposed utility facilities, and trains local governments to manage and operate their utilities as businesses. RUBA has been identified as being critical to the success of state, federal and local efforts and investments for water and sewer systems throughout rural Alaska. Knowing the importance of adequate sanitation facilities in our rural communities, the Subcommittee's draft budget does not reduce funding for the RUBA program.
  - Adequate electric generation and fuel storage is critical to providing infrastructure in rural Alaskan communities. The Department's Division of Energy plays a significant

role in developing power and fuel supplies for rural communities. This Division also provides response to electrical emergencies, such as when fires damage or destroy generators. The proposed FY 99 budget maintains FY 98 funding levels.

- The Division of Energy also oversees the Circuit Rider program. This program hires contractors to perform inspections, conduct tests and conduct preventative maintenance on electric utility facilities to minimize electrical emergencies. The budget was increased by \$75,000.
- The Power Cost Equalization program provides subsidies to electric utility customers for those communities where electric rates are high. Approximately 76,000 Alaskans benefit from this program. The proposed budget maintains funding at FY 98 levels.

# CORREC- TIONS

AMENDMENT NO. \_\_\_\_\_

failed 2-7  
Rep. Review 4/17P  
CORRECTIONS #1

ADD

Department of Corrections  
Administration and Support BRU  
Commissioners Office

+ \$182.1 General Funds  
(Special Assistant \$85.1; Law RSA \$97.0)

The House Corrections Finance Subcommittee eliminated 2 positions in the Commissioner's Office; the Special Assistant in Anchorage and the Assistant Attorney General in Juneau.

These two positions targeted in this reduction are essential to daily operations, and are critical to court compliance monitoring, policy development, division supervision and public interaction. Without this management support, the Commissioner would not be able to adequately manage the offender population, maintain central control, and meet statutory responsibilities.

This Amendment restores:

- \$85.1 in Personal Services to fund an established Special Assistant to the Commissioner II position, and
- \$97.0 in Contractual Services to fund a Reimbursable Services Agreement (RSA) with the Department of Law. This RSA provides full funding for the services of an Assistant Attorney General position, which directly supports the Commissioner in management of the offender population, prison expansion planning, and correctional policy development and implementation.

AMENDMENT NO. \_\_\_\_\_

failed 2-7  
4/17 P  
Rep. Dennis  
CORRECTIONS #2

ADD

Department of Corrections  
Administration and Support BRU  
Community Jails

+ \$500.0 General Funds  
(Contractual Services)

The House Correction Finance Subcommittee eliminated \$501.4 for operation support for the Community Jails Program.

- The result of this action will be increased costs to the State Department of Public Safety's budget for prisoner transportation if selected communities close their jails because of their inability to obtain additional support funds; or
- increased financial burden on rural communities to maintain adequate jails for incarceration of offenders breaking state laws;

This Amendment restores:

- \$400.0 in Contractual Services to maintain support for fifteen (15) community jails throughout rural Alaska and;
- \$100.0 in Contractual Services to assist other new rural communities in providing similar local jail services.

These community jails provide short-term offender confinement and public safety services for an estimated 125,000 Alaskans in 82 rural communities. Since 1973 the State has contracted with local rural communities to house prisoners arrested for violation of state law. Current community jail contractors are: Bristol Bay, Cordova, Craig, Dillingham, Hanes, Homer, Kodiak, Kotzebue, North Slope Borough, Petersburg, Seward, Sitka, Unalaska, Valdez, and Wrangell.

AMENDMENT NO \_\_\_\_\_

*Rep. Davies*

*CORRECTIONS #3*

*failed*

*3-7*

*4117*

ADD

Department of Corrections  
Administration and Support  
Inmate Health Care

+ \$307.5 General Funds  
(Contractual Services)

The House Corrections Finance Subcommittee reduced the General Funds for Inmate Health Care Services by \$307.5.

The Department of Corrections prisoner population is increasing at a rate of approximately 10% a year and the Consumer Price Index for medical services and supplies are increasing at a rate of approximately 8% per year. In FY98, it was necessary for the component to request a \$1,650.0 supplemental to make it through the fiscal year due to an inordinate number of catastrophic cases. Any reduction in their general fund budget may result in the need to seek supplemental funds in FY99 to pay for medical and mental health contract providers.

- This Amendment restores inmate health to the Governors budget request.

AMENDMENT NO \_\_\_\_\_

Rep. Danies  
Failed 3-7  
CORRECTIONS #4  
4/17 P

ADD

Department of Corrections  
Administration and Support  
Community Corrections Director's Office

+162.1  
~~+\$12.1~~ General Funds  
Director \$102.6; Project  
Coordinator \$64.5; and Two (2)  
Adult Probation Officer II's  
\$145.0)

The House Corrections Finance Subcommittee eliminated

- 2 of the 4 Smart Start Probation Officers assigned to monitor sexual predators, 1 each in Fairbanks and 1 in Palmer.
- and
- 2 management staff; the Sexual Predator Monitoring Program Manager and Community Corrections Director positions in Anchorage; and combines all probation management functions under the Institution Director's responsibilities.

This Amendment restores:

- \$145.0 for the Probation Officers in Fairbanks and Palmer
- \$167.1 for the Division Director and Sexual Predator Monitoring Program Manager

During the first ten months of 1997, the probation/parole caseloads of sexual offenders increased 7%. The Department hired a Project Coordinator to manage the Sexual Predator Monitoring Program within Community Corrections and needs to continue this important position in the FY99 operating budget along with the establishment of two (2) additional Adult Probation Officers to monitor sexual predators under Community Corrections supervision. With the addition of these two probation positions, the caseload of officers would be approximately 55 sex offenders, many of whom are non-amenable to treatment and require maximum supervision.

The Institution's Director can not effectively manage both incarceration and probation services. This would result in the majority of probation violations being returned to incarceration.

# COURT SYSTEM

Court - 1 failed  
4/16/98  
Davies 3-10

AMENDMENT # \_\_\_\_\_

OFFERED IN THE HOUSE

TO HB 325

ADD:

Alaska Court System  
Alaska Court System  
Administration and Support

708.5  
1,417.0 GF(1/2)

Increased courtroom security requested by Chief Justice.

Would provide for 22 Court Services Officers statewide to provide security for out-of-custody felony hearings, domestic violence hearings, contested divorce hearings, other hearings with potential for violence, prisoner transports, serving of writs, etc.

# EDUCATION

EDUCATION #1  
ADOPTED  
4/14/98 P

**Amendment to House Finance Committee Substitute HB 325/326**

Offered by Hanley

**ADD**

Department of Education  
BRU K-12 Support

Foundation Program Component

660,931.3 Total funds  
633,021.6 General funds  
20,791.0 Federal funds  
7,118.7 Other funds

Additional District Support Component

3,304.4 Total funds  
3,304.4 General funds

Tuition Students Component

2,331.2 Total funds  
2,331.2 General funds

Boarding Home Grants Component

185.9 Total funds  
185.9 General funds

Youth in Detention Component

800.0 Total funds  
800.0 General funds

Schools for the Handicapped Component

3,801.7 Total funds  
3,801.7 General funds

Pupil Transportation Component

36,620.6 Total funds  
36,620.6 General funds

Child Nutrition Component

26,000.0 Total funds  
26,000.0 Federal funds

Community Schools Component

500.0 Total funds  
500.0 General funds

EXPLANATION: Allows for enrollment increases in existing formula.

wb

By: Representative Pete Kelly

Department of Education

BRU: K-12 Support  
Component: Youth in Detention

Delete: (300.0) Grants, Claims GF

(Reduce funding for Youth in Detention from 800.0 to 500.0)

BRU: Teaching and Learning Support  
Component: Teacher Certification

Delete: (40.0) Personal Services GF  
(10.0) Contractual GF

(Reduce GF funding for Teacher Certification)

BRU: Teaching and Learning Support  
Component: Special and Supplemental Services

Delete: (50.0) Unallocated GF/MH

(Reduce funding for vacant positions within the component)

BRU: Teaching and Learning Support  
Component: Quality Schools

Delete: (100.0) Personal Services GF

(Reduce funding for vacant positions within the component)

---

BRU: University of Alaska  
Component: Systemwide Reductions/Additions

ADD: 500.0 Unallocated GF

(Transfer Department of Education funding to the University of Alaska)

# EDUCATION

By: Representative Pete Kelly

2A

Department of Education

BRU: K-12 Support  
Component: Tuition Students

Delete: (410.0) Grants, Claims GF

(Reduce Governors requested increment of \$600.0 to 190.0)

BRU: Teaching and Learning Support  
Component: Quality Schools

ADD: (410.0) Contractual GF

(Increase funding to cover contractual cost associated with mandated legislation regarding the Graduation Qualifying Examination: "Exit Exam.")

---

Adopted  
4/16/98 PM

Department of Education  
Amendment

EDUCATION #3  
failed  
2-8  
4/16/98E

Sponsor: Kohring

DELETE:

None

ADD:

Department of Education  
Alyeska Central School  
Alyeska Central School

300.  
~~500.0~~  
General Funds

INTENT: "It is the intent of the Legislature that the additional general fund support be used to augment funding that Alyeska Central School receives through the Foundation Formula. This is done in recognition of the increasing demand for services to home schooled students."

Department of Education  
Amendment

EDUCATION #4  
Sailed

1-10

4/16/98 E

Sponsor: Kohring

DELETE:

Department of Education  
Commissions and Boards  
Alaska State Council on the Arts

\$642.5  
Federal Funds

\$455.2  
General Fund Match

\$3.0  
General Fund

\$6.0  
General Fund Program Receipts

\$50.0  
Statutory Designated Program Receipts

EDUCATION 5  
Adopted  
4/16/99 E

**By: Representative Pete Kelly**

Department of Education

BRU: K-12 Support  
Component: Cigarette Tax Distribution

ADD: 2,608.4 School Fund

AMENDMENT

Department of Education

ADD:

BRU: Teaching and Learning Support

Component: Quality Schools

ADD: \$300.0 for low performing schools

This amendment provides technical assistance to low-performing schools in the areas of instruction, curricula and academic resources to help these individual schools reach norms in basic subject areas.

EDUCATION #6

failed 4-7

Rep. Gussendorf

4/16/98E

PN

AMENDMENT

Department of Education

ADD:

BRU: Teaching and Learning Support

Component: Quality Schools

ADD: \$250.0 for statewide reading improvement

This amendment provides technical assistance to teachers and schools to ensure students are reading independently by the fourth grade.

EDUCATION #7  
failed  
3-8  
4/16/98  
PT  
Rep. Gussenauf

EDUCATION #8

AMENDMENT

Department of Education

ADD:

BRU: Teaching and Learning Support

Component: Quality Schools

ADD: \$85.0 for pre-school certification

Rep. Hussenlof

This amendment restores funding for preschool certification and on-site inspections.

EDUCATION #9

AMENDMENT

OFFERED IN THE HOUSE

TO: CS HB 325(FIN)

BY: Rep. Gussendorf

Department of Education  
BRU: Teaching & Learning Support  
Component: Education Special Projects

Allow funding source change as proposed in governor's budget for the Alaska Career  
Information System (AKCIS)

Add: 121.3 Statutory Designated Program Receipts  
Delete: 121.3 GF Program Receipts

EDUCATION #10

AMENDMENT

Failed

4-7

4/16/98

OFFERED IN THE HOUSE

TO: CS HB 325(FIN)

BY:

Rep. Hussendorf

Department of Education  
BRU: Teaching & Learning Support  
Component: Education Special Projects

*GF amended*

Add \$70.0 ~~Statutory Designated~~ Program Receipts

This amendment would fund Alaska Career Information system (AKCIS) increment that was proposed in the governor's budget.

EDUCATION # 11

AMENDMENT

OFFERED IN THE HOUSE

TO: CS HB 325(FIN)

BY: Rep. Hussendorf

Department of Education  
BRU: Teaching & Learning Support  
Component: Quality Schools

w/d

Add \$410.0 for student exit exam.

failed  
EDUCATION # 12

BY: Grussenborg

## AMENDMENT

Offered in the House Finance Committee

Department of Education

ADD:

Alaska Postsecondary Education Commission  
Federal Student Aid

163.5 GF Match

*The Federal State Student Incentive Grant (SSIG) Program or State Educational Incentive Grant Program (SEIG) is the only need-based state and federal grant program that the Postsecondary Education Commission administers. The program provides grants of up to \$1,500 per year to eligible low-income students (average household income of recipients was \$15,800) enrolled in full-time undergraduate programs in Alaska and Outside. Approximately 73% of grant recipients attend school in Alaska. Each year 1,200 eligible students apply for this grant, approximately 160 individuals received grants. The proposed reduction of 163.5 would eliminate the state GF allotment for the program. Failure to satisfy the maintenance of effort requirement of federal regulation would end Alaska's participation in the program.*

ROLL CALL: HOUSE FINANCE COMMITTEE

DATE

4/18/98

SUBJECT

DOE-12

MEMBER	YES	NO
DAVIS, GARY		✓
FOSTER	✓	
GRUSSENDORF	✓	
KELLY		✓
KOHRING		✓
MARTIN		✓
MOSES	✓	
MULDER		
DAVIES, JOHN	✓	
TERRIAULT		✓
HANLEY		✓

TOTAL

4	6
---	---

PASSED \_\_\_\_\_

FAILED \_\_\_\_\_