

**HB**

**75**

**(File 4)**

**HFIN**

**FILE**

HEALTH +  
SOCIAL  
SERVICES

## Agency Totals - FY98 Operating Budget

Agency: Department of Health and Social Services

	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<b>Totals for Agency</b>	<b>819,257.2</b>	<b>862,401.0</b>	<b>898,826.7</b>	<b>878,081.0</b>	<b>-20,745.7</b>	<b>-2.3%</b>
<u>Objects of Expenditure:</u>						
Personal Services	111,073.4	117,655.3	118,802.9	118,142.2	-660.7	-0.6%
Travel	3,849.2	4,183.3	4,138.5	4,125.8	-12.7	-0.3%
Contractual	41,024.6	45,221.9	53,529.0	53,354.2	-174.8	-0.3%
Commodities	18,096.9	18,779.6	18,866.3	18,442.6	-423.7	-2.2%
Equipment	2,051.3	1,202.7	1,167.0	1,201.2	34.2	2.9%
Lands/Buildings	0.6	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	643,156.2	675,383.2	702,323.0	687,915.9	-14,407.1	-2.1%
Miscellaneous	0.0	-25.0	-0.0	-5,100.9	-5,100.9	0.0%
<u>Funding Sources:</u>						
1002 Fed Rcpts	312,449.3	337,834.7	360,836.8	355,823.0	-5,013.8	-1.4%
1003 G/F Match	192,849.1	198,139.2	202,713.8	193,894.7	-8,819.1	-4.4%
1004 Gen Fund	137,006.4	133,873.2	136,094.4	133,258.6	-2,835.8	-2.1%
1005 GF/Prgm	18,103.8	15,103.4	5,868.0	5,733.5	-134.5	-2.3%
1006 GF/MHTIA	331.5				0.0	0.0%
1007 I/A Rcpts	40,054.1	41,495.2	44,469.0	43,569.0	-900.0	-2.0%
1013 Alchl/Drug	2.0	2.0	2.0	2.0	0.0	0.0%
1022 Corp Rcpts		100.8	0.0	0.0	0.0	0.0%
1037 GF/MH	95,692.1	101,506.5	101,726.7	101,684.2	-42.5	-0.0%
1047 Title 20		6,310.8	5,410.8	5,410.8	0.0	0.0%
1050 PFD Fund	21,392.7	21,716.5	21,492.5	21,492.5	0.0	0.0%
1055 IA/OIL HAZ		40.1	40.5	40.5	0.0	0.0%
1061 CIP Rcpts	1,312.7	750.2	881.6	881.6	0.0	0.0%
1077 Gifts/Grnt	63.5	80.9	100.0	100.0	-0.0	-0.0%
1091 GF/Desig		3,215.0	14,760.9	11,760.0	-3,000.0	-20.3%
1092 MHTAAR		2,232.5	4,089.7	4,089.7	0.0	0.0%
1098 ChildTrErn			340.0	340.0	0.0	0.0%
1099 ChildTrPrn			0.0	0.0	0.0	0.0%
<u>Positions:</u>						
Perm Full Time	2,086.0	2,049.0	2,030.0	2,029.0	-1.0	-0.0%
Perm Part Time	59.0	59.0	61.0	61.0	0.0	0.0%
Non-Perm	16.0	10.0	11.0	10.0	-1.0	-9.1%

## Component Summary - FY98 Operating Budget

Agency: Department of Health and Social Services

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Public Assistance</b>							
1	ATAP (formerly AFDC)	115,926.1	122,469.4	116,563.9	113,563.9	-3,000.0	-2.6%
2	Adult Public Assistance	41,675.5	43,658.2	44,515.0	44,515.0	0.0	0.0%
3	General Relief Assistance	1,025.7	1,041.9	1,041.9	541.9	-500.0	-48.0%
4	OAA-ALB Hold Harmless	2,428.7	2,298.1	2,298.1	2,298.1	0.0	0.0%
5	PFD Hold Harmless	21,392.7	21,716.5	21,492.5	21,492.5	0.0	0.0%
6	Energy Assistance Program	4,742.7	5,504.9	5,512.7	5,512.7	0.0	0.0%
	* BRU Total	187,091.4	196,689.0	191,424.1	187,924.1	-3,500.0	-1.8%
<b>Medical Assistance</b>							
9	Medicaid Non-Facility	134,638.2	133,936.4	150,371.9	144,071.9	-6,300.0	-4.2%
10	Medicaid Facility	133,231.2	143,761.0	146,312.0	143,684.9	-2,627.1	-1.8%
11	General Relief Medical	3,359.7	4,854.1	2,838.7	2,838.7	0.0	0.0%
12	Medicaid State Programs	20,766.6	19,945.2	14,019.4	14,019.4	0.0	0.0%
13	Waivers Services	9,365.8	11,098.8	14,288.4	13,788.4	-500.0	-3.5%
14	Medicaid PFD Hold Harmless	512.9	1,100.0	1,100.0	1,100.0	0.0	0.0%
15	Medicaid ALB Hold Harmless	29.4	25.7	25.7	25.7	0.0	0.0%
16	Indian Health Service	30,620.5	34,432.7	48,782.1	48,782.1	0.0	0.0%
	* BRU Total	332,524.3	349,153.9	377,738.2	368,311.1	-9,427.1	-2.5%
<b>Public Assistance Administration</b>							
17	Public Assistance Admin	1,135.7	1,458.8	1,617.3	1,615.7	-1.6	-0.1%
18	Quality Control	1,008.3	999.0	1,015.2	1,014.1	-1.1	-0.1%
19	Public Assistance Field Svcs	19,179.2	20,829.3	23,085.6	22,327.7	-757.9	-3.3%
20	Fraud Investigation	871.3	1,229.3	1,244.0	1,193.2	-50.8	-4.1%
21	Public Assist Data Processing	3,926.6	3,887.5	4,588.9	4,588.1	-0.8	-0.0%
7	Alaska Work Programs	5,374.5	6,503.7	8,489.6	6,489.2	-2,000.4	-23.6%
8	Child Care Benefits	6,390.3	7,988.6	12,842.7	11,842.7	-1,000.0	-7.8%
	* BRU Total	37,885.9	42,896.2	52,883.3	49,070.7	-3,812.6	-7.2%
<b>Medical Assistance Administration</b>							
22	Medical Assistance Admin.	1,032.0	1,135.6	1,164.9	1,163.4	-1.5	-0.1%
23	Health Purchasing Group	9,913.8	12,578.0	13,827.9	13,224.6	-603.3	-4.4%
24	Medical Care Adv Committee	19.4				0.0	0.0%
25	Certification and Licensing	1,035.1	1,197.9	1,187.4	1,183.0	-4.4	-0.4%
26	Medicaid Rate Adv Commission	764.7	815.4	0.0	-0.0	-0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Health and Social Services

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Medical Assistance Administration</b>							
27	Hearings and Appeals	297.6	361.9	376.5	375.9	-0.6	-0.2%
28	Medicaid Waivers Authorization	383.7	448.7	-0.0	0.0	0.0	0.0%
29	Audit	598.5	616.1	629.1	627.8	-1.3	-0.2%
	* BRU Total	14,044.8	17,153.6	17,185.8	16,574.7	-611.1	-3.6%
<b>Purchased Services</b>							
30	Delinquency Prevention	553.2	879.2	990.2	990.2	0.0	0.0%
34	Family Preservation	2,716.4	3,514.8	3,514.2	3,509.7	-4.5	-0.1%
31	Foster Care	10,226.9	9,999.6	10,832.0	-0.0	-10,832.0	-100.0%
	Foster Care Base Rate				6,546.3	6,546.3	%
	Foster Care Augmented Rate				800.0	800.0	%
	Foster Care Special Need				2,459.7	2,459.7	%
	Foster Care AYI				876.0	876.0	%
32	Subsidized Adoptions/Guardians	4,829.4	5,574.8	6,089.1	6,089.1	0.0	0.0%
33	Residential Child Care	9,835.5	10,062.9	10,062.9	9,892.9	-170.0	-1.7%
	* BRU Total	28,161.4	30,031.3	31,488.4	31,163.9	-324.5	-1.0%
<b>Family and Youth Services</b>							
35	Southcentral Region	10,643.7	11,261.7	8,822.4	8,817.7	-4.7	-0.1%
36	Northern Region	7,158.5	7,708.8	6,070.2	6,065.9	-4.3	-0.1%
37	Southeastern Region	3,265.9	3,707.6	2,741.1	2,739.3	-1.8	-0.1%
38	DFYS Central Office	3,347.0	3,136.0	3,131.4	3,127.2	-4.2	-0.1%
39	Probation Services			6,582.7	5,992.4	-590.3	-9.0%
	* BRU Total	24,415.1	25,814.1	27,347.8	26,742.5	-605.3	-2.2%
<b>Youth Facility Services</b>							
40	McLaughlin Youth Center	8,884.8	8,865.3	9,565.8	8,899.4	-666.4	-7.0%
41	Fairbanks Youth Facility	2,791.3	2,903.6	2,945.0	2,944.6	-0.4	-0.0%
42	Nome Youth Facility	261.5	366.9	348.0	347.8	-0.2	-0.1%
43	Johnson Youth Center	1,089.3	1,035.4	1,150.9	1,150.6	-0.3	-0.0%
44	Bethel Youth Facility	1,841.8	1,837.5	1,887.4	1,887.0	-0.4	-0.0%
	* BRU Total	14,868.7	15,008.7	15,897.1	15,229.4	-667.7	-4.2%

## Component Summary - FY98 Operating Budget

Agency: Department of Health and Social Services

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Children's Trust Programs</b>							
45	Children's Trust Programs			340.0	340.0	0.0	0.0%
	* BRU Total	0.0	0.0	340.0	340.0	0.0	0.0%
<b>Social Services Block Grant Offset</b>							
46	Social Svcs Block Grant Offset		0.0	0.0	0.0	0.0	0.0%
	* BRU Total	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Human Services Community Matching Grant</b>							
47	Human Svcs Comm Matching Grant	1,769.6	1,751.9	1,751.9	1,751.9	0.0	0.0%
	* BRU Total	1,769.6	1,751.9	1,751.9	1,751.9	0.0	0.0%
<b>Maniilaq</b>							
48	Social Services	852.4	843.9	843.9	843.9	0.0	0.0%
49	Public Health Services	910.4	901.3	901.3	901.3	0.0	0.0%
50	Alcohol & Drug Abuse	983.1	983.1	983.1	983.1	0.0	0.0%
51	Mental Health/DD Svcs	353.5	350.0	350.0	350.0	0.0	0.0%
	* BRU Total	3,099.4	3,078.3	3,078.3	3,078.3	0.0	0.0%
<b>Norton Sound</b>							
52	Social Services	43.7	62.2	62.2	62.2	0.0	0.0%
53	Public Health Services	1,257.2	1,245.2	1,245.2	1,245.2	0.0	0.0%
54	Alcohol & Drug Abuse Svcs	540.0	540.0	540.0	540.0	0.0	0.0%
55	Mental Health/DD Svcs	406.5	402.4	402.4	402.4	0.0	0.0%
56	Sanitation	97.3	96.3	96.3	96.3	0.0	0.0%
	* BRU Total	2,344.7	2,346.1	2,346.1	2,346.1	0.0	0.0%
<b>Southeast Alaska Regional Health Consortium</b>							
57	Public Health Svcs	121.3	120.1	120.1	120.1	0.0	0.0%
58	Alcohol & Drug Abuse Svcs	331.4	331.4	331.4	331.4	0.0	0.0%
59	Mental Health Services	126.2	125.2	125.2	125.2	0.0	0.0%
	* BRU Total	578.9	576.7	576.7	576.7	0.0	0.0%
<b>Kawerak Social Services</b>							
60	Kawerak Social Services	376.5	372.7	372.7	372.7	0.0	0.0%
	* BRU Total	376.5	372.7	372.7	372.7	0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Health and Social Services

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Tanana Chiefs Conference</b>							
61	Public Health Svcs	241.7	239.3	239.3	239.3	0.0	0.0%
62	Alcohol & Drug Abuse Svcs	497.5	497.5	497.5	497.5	0.0	0.0%
63	Mental Health Svcs	535.2	529.8	534.8	534.8	0.0	0.0%
	* BRU Total	1,274.4	1,266.6	1,271.6	1,271.6	0.0	0.0%
<b>Tlingit-Haida</b>							
64	Social Services	188.5	186.6	186.6	186.6	0.0	0.0%
65	Alcohol & Drug Abuse Svcs	11.9	11.9	11.9	11.9	0.0	0.0%
	* BRU Total	200.4	198.5	198.5	198.5	0.0	0.0%
<b>Yukon-Kuskokwim Health Corporation</b>							
66	Public Health Svcs	916.6	907.4	907.4	907.4	0.0	0.0%
67	Alcohol & Drug Abuse Svcs	959.3	959.3	959.3	959.3	0.0	0.0%
68	Mental Health Svcs	916.6	907.4	907.4	907.4	0.0	0.0%
	* BRU Total	2,792.5	2,774.1	2,774.1	2,774.1	0.0	0.0%
<b>State Health Services</b>							
69	Nursing	12,836.8	13,601.3	13,773.5	13,755.3	-18.2	-0.1%
70	Women, Infants and Children	17,371.2	16,992.2	17,742.2	17,742.2	0.0	0.0%
71	Maternal, Child, & Family Hlth Healthy Families	7,225.2	10,067.9	10,823.3	9,207.3	-1,616.0	-14.9%
72	Laboratory Services	2,957.3		3,480.5	-0.0	-3,480.5	-100.0%
73	Public Health Admin Svcs	818.7	716.5	852.0	850.8	-1.2	-0.1%
74	Epidemiology	7,837.4	8,129.7	8,195.3	8,185.9	-9.4	-0.1%
75	EMS Training & Licensing	1,256.0				0.0	0.0%
76	Bureau of Vital Statistics	1,178.7	1,163.8	1,374.8	1,373.6	-1.2	-0.1%
77	Health Services/Medicaid	1,493.4	1,523.0	1,815.8	1,815.8	0.0	0.0%
78	Community Health/EMS Services		2,807.5	3,792.1	2,884.2	-907.9	-23.9%
79	Community Health Services	927.7				0.0	0.0%
80	Comm. Health/EMS Grants		2,991.2	2,991.2	2,991.2	0.0	0.0%
81	State Medical Examiner	776.1	1,088.4	1,102.1	1,101.2	-0.9	-0.1%
82	Home Health Services	1,742.0	1,867.6	0.0	0.0	0.0	0.0%
83	Infant Learning Program Grants	4,221.9	4,702.6	4,802.6	4,802.6	0.0	0.0%
	* BRU Total	60,642.4	65,651.7	70,745.4	66,016.1	-4,729.3	-6.7%

## Component Summary - FY98 Operating Budget

Agency: Department of Health and Social Services

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Public Labs &amp; Radiological</b>							
84	Chief of Labs & Radiological		853.6	0.0	930.7	930.7	%
85	Anchorage Laboratory		1,198.2	-0.0	1,101.3	1,101.3	%
86	Fairbanks Laboratory		1,256.6	0.0	1,164.2	1,164.2	%
	Juneau Laboratory				0.0	0.0	0.0%
	* BRU Total	0.0	3,308.4	0.0	3,196.2	3,196.2	%
<b>Health Grants</b>							
87	Community Health Grants	1,486.2				0.0	0.0%
88	EMS Grants	1,556.6				0.0	0.0%
	* BRU Total	3,042.8	0.0	0.0	0.0	0.0	0.0%
<b>Alcohol and Drug Abuse Services</b>							
89	Administration	1,553.5	2,347.2	2,417.4	2,412.1	-5.3	-0.2%
90	Alcohol Safety Action Program	1,037.0	1,227.9	1,106.8	1,106.5	-0.3	-0.0%
91	Alcohol/Drug Abuse Grants	16,381.0	17,183.1	17,465.6	17,465.6	0.0	0.0%
92	CAASA Grants	177.3	177.3	177.3	177.3	0.0	0.0%
93	Corrections' ADA Services	806.1	663.0	663.0	663.0	0.0	0.0%
94	Rural Services Grants		1,624.8	1,624.8	1,624.8	0.0	0.0%
	* BRU Total	19,954.9	23,223.3	23,454.9	23,449.3	-5.6	-0.0%
<b>Medicaid Community Mental Health Grants</b>							
95	Medicaid Community MH Grants	993.3				0.0	0.0%
	* BRU Total	993.3	0.0	0.0	0.0	0.0	0.0%
<b>Community Mental Health Grants</b>							
96	General Comm Mental Hlth Grnts	3,054.3	888.4	821.2	935.8	114.6	14.0%
97	Psychiatric Emergency Svcs	5,526.1	5,731.1	7,051.7	5,726.1	-1,325.6	-18.8%
98	Svcs/Chronically Mentally Ill	10,851.8	11,345.0	11,227.7	11,345.0	117.3	1.0%
99	Designated Eval & Treatment	799.6	1,046.3	0.0	1,046.3	1,046.3	%
100	Svcs/Seriously Emotion Dst Yth	7,440.0	6,832.5	7,894.7	7,942.1	47.4	0.5%
	* BRU Total	27,671.8	25,843.3	26,995.3	26,995.3	-0.0	-0.0%
<b>Community Developmental Disabilities Grants</b>							
101	Community DD Grants	20,619.1	21,058.4	19,684.2	19,684.2	0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Health and Social Services

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
	<b>Community Developmental Disabilities Grants</b>						
	* BRU Total	20,619.1	21,058.4	19,684.2	19,684.2	0.0	0.0%
	<b>Institutions and Administration</b>						
102	Mental Health/DD Admin	4,619.2	4,310.1	4,536.4	4,499.3	-37.1	-0.8%
103	Alaska Psychiatric Institute	15,565.6	15,183.2	15,147.5	15,145.0	-2.5	-0.0%
104	Harborview Development Center	6,509.0	6,008.7	2,207.9	2,207.6	-0.3	-0.0%
105	Federal Mental Health Projects	1,288.8	1,872.6	2,048.5	2,048.5	0.0	0.0%
	* BRU Total	27,982.6	27,374.6	23,940.3	23,900.4	-39.9	-0.2%
	<b>Mental Health Trust Boards</b>						
106	Alaska Mental Health Board	391.7	381.0	382.5	380.0	-2.5	-0.7%
107	Governor's Cncl/Disabilities	431.8	591.1	640.8	640.8	-0.0	-0.0%
108	Board on Alcohol. & Drug Abuse	302.5	324.3	340.5	337.9	-2.6	-0.8%
	* BRU Total	1,126.0	1,296.4	1,363.8	1,358.7	-5.1	-0.4%
	<b>Administrative Services</b>						
109	Commissioner's Office	999.8	881.0	901.7	848.7	-53.0	-5.9%
110	Personnel and Payroll	899.4	894.5	1,182.6	1,182.3	-0.3	-0.0%
111	Administrative Support Svcs	3,191.3	2,887.8	2,981.4	2,981.1	-0.3	-0.0%
112	Health Plan. & Facilities Mgmt	705.8	869.9	902.5	742.4	-160.1	-17.7%
	* BRU Total	5,796.3	5,533.2	5,968.2	5,754.5	-213.7	-3.6%
	<b>*** Total Agency Expenditure</b>	<b>819,257.2</b>	<b>862,401.0</b>	<b>898,826.7</b>	<b>878,081.0</b>	<b>-20,745.7</b>	<b>-2.3%</b>
	Federal Funds	312,449.3	344,145.5	366,247.6	361,233.8	-5,013.8	-1.4%
	General Funds	443,982.9	451,837.3	461,163.8	446,331.9	-14,831.9	-3.2%
	Other Funds	62,825.0	66,418.2	71,415.3	70,515.3	-900.0	-1.3%

## Component Summary - FY98 Operating Budget

### General Funds and CBR

Agency: Department of Health and Social Services

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Public Assistance</b>							
1	ATAP (formerly AFDC)	52,399.2	55,195.7	52,664.6	49,664.6	-3,000.0	-5.7%
2	Adult Public Assistance	38,415.3	40,080.2	40,781.0	40,781.0	0.0	0.0%
3	General Relief Assistance	1,025.7	1,041.9	1,041.9	541.9	-500.0	-48.0%
4	OAA-ALB Hold Harmless	2,428.7	2,298.1	2,298.1	2,298.1	0.0	0.0%
	* BRU Total	94,268.9	98,615.9	96,785.6	93,285.6	-3,500.0	-3.6%
<b>Medical Assistance</b>							
9	Medicaid Non-Facility	68,329.9	66,775.1	73,047.7	71,544.7	-2,150.0	-2.9%
10	Medicaid Facility	67,216.7	72,011.2	73,156.0	71,842.4	-1,313.6	-1.8%
11	General Relief Medical	3,359.7	4,854.1	2,838.7	2,838.7	0.0	0.0%
12	Medicaid State Programs	2,705.1	3,523.2	3,603.0	3,603.0	0.0	0.0%
13	Waivers Services	2,436.6	2,106.3	7,144.2	6,894.2	-250.0	-3.5%
15	Medicaid ALB Hold Harmless	29.4	25.7	25.7	25.7	0.0	0.0%
	* BRU Total	144,077.4	149,295.6	160,462.3	156,748.7	-3,713.6	-2.3%
<b>Public Assistance Administration</b>							
17	Public Assistance Admin	612.5	831.6	910.5	908.9	-1.6	-0.2%
18	Quality Control	495.9	487.0	494.8	493.7	-1.1	-0.2%
19	Public Assistance Field Svcs	10,153.2	10,891.0	12,002.9	11,245.0	-757.9	-6.3%
20	Fraud Investigation	437.4	612.8	619.7	568.9	-50.8	-8.2%
21	Public Assist Data Processing	1,876.0	2,265.4	2,544.7	2,543.9	-0.8	-0.0%
7	Alaska Work Programs	2,398.5	2,929.3	3,967.5	1,967.1	-2,000.4	-50.4%
8	Child Care Benefits	2,628.1	3,402.1	5,024.4	4,024.4	-1,000.0	-19.9%
	* BRU Total	18,601.6	21,419.2	25,564.5	21,751.9	-3,812.6	-14.9%
<b>Medical Assistance Administration</b>							
22	Medical Assistance Admin.	511.7	674.8	613.7	612.2	-1.5	-0.2%
23	Health Purchasing Group	2,956.7	4,189.1	4,732.8	4,429.5	-303.3	-6.4%
24	Medical Care Adv Committee	9.7				0.0	0.0%
25	Certification and Licensing	361.0	446.8	436.6	432.2	-4.4	-1.0%
26	Medicaid Rate Adv Commission	398.1	410.0	-0.0	0.0	0.0	0.0%
27	Hearings and Appeals	127.7	144.7	150.0	149.7	-0.3	-0.2%
28	Medicaid Waivers Authorization	112.6	157.9	0.0	0.0	0.0	0.0%
29	Audit	262.3	327.0	331.9	330.6	-1.3	-0.4%
	* BRU Total	4,739.8	6,350.3	6,265.0	5,954.2	-310.8	-5.0%

## Component Summary - FY98 Operating Budget

### General Funds and CBR

Agency: Department of Health and Social Services

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Purchased Services</b>							
34	Family Preservation	1,891.6	1,937.4	1,936.8	1,932.3	-4.5	-0.2%
31	Foster Care	9,105.5	8,619.6	9,452.0	-0.0	-9,452.0	-100.0%
	Foster Care Base Rate				5,216.3	5,216.3	%
	Foster Care Augmented Rate				800.0	800.0	%
	Foster Care Special Need				2,409.7	2,409.7	%
	Foster Care AYI				876.0	876.0	%
32	Subsidized	3,508.3	4,210.2	4,613.3	4,613.3	0.0	0.0%
	Adoptions/Guardians						
33	Residential Child Care	8,602.5	9,494.9	9,494.9	9,324.9	-170.0	-1.8%
	* BRU Total	23,107.9	24,262.1	25,497.0	25,172.5	-324.5	-1.3%
<b>Family and Youth Services</b>							
35	Southcentral Region	9,350.7	9,823.3	7,229.8	5,101.2	-2,128.6	-29.4%
36	Northern Region	6,617.0	7,043.0	5,313.5	3,084.3	-2,229.2	-42.0%
37	Southeastern Region	2,936.1	3,343.0	2,322.4	1,258.6	-1,063.8	-45.8%
38	DFYS Central Office	1,392.2	1,180.6	1,151.5	1,147.3	-4.2	-0.4%
39	Probation Services			6,582.7	5,992.4	-590.3	-9.0%
	* BRU Total	20,296.0	21,389.9	22,599.9	16,583.8	-6,016.1	-26.6%
<b>Youth Facility Services</b>							
40	McLaughlin Youth Center	8,596.3	8,586.1	9,286.6	8,620.2	-666.4	-7.2%
41	Fairbanks Youth Facility	2,663.6	2,773.0	2,813.5	2,813.1	-0.4	-0.0%
42	Nome Youth Facility	261.5	366.9	348.0	347.8	-0.2	-0.1%
43	Johnson Youth Center	1,070.2	,011.4	1,126.9	1,126.6	-0.3	-0.0%
44	Bethel Youth Facility	1,812.9	1,800.1	1,850.0	1,849.6	-0.4	-0.0%
	* BRU Total	14,404.5	14,537.5	15,425.0	14,757.3	-667.7	-4.3%
<b>Social Services Block Grant Offset</b>							
46	Social Svcs Block Grant Offset		-6,310.8	-5,410.8	0.0	5,410.8	0.0%
	* BRU Total	0.0	-6,310.8	-5,410.8	0.0	5,410.8	0.0%
<b>Human Services Community Matching Grant</b>							
47	Human Svcs Comm Matching Grant	1,769.6	1,751.9	1,751.9	1,751.9	0.0	0.0%
	* BRU Total	1,769.6	1,751.9	1,751.9	1,751.9	0.0	0.0%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

Agency: Department of Health and Social Services

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<b>Maniilaq</b>							
48	Social Services	852.4	843.9	843.9	843.9	0.0	0.0%
49	Public Health Services	910.4	901.3	901.3	901.3	0.0	0.0%
50	Alcohol & Drug Abuse	983.1	983.1	983.1	983.1	0.0	0.0%
51	Mental Health/DD Svcs	353.5	350.0	350.0	350.0	0.0	0.0%
	* BRU Total	3,099.4	3,078.3	3,078.3	3,078.3	0.0	0.0%
<b>Norton Sound</b>							
52	Social Services	43.7	62.2	62.2	62.2	0.0	0.0%
53	Public Health Services	1,257.2	1,245.2	1,245.2	1,245.2	0.0	0.0%
54	Alcohol & Drug Abuse Svcs	540.0	540.0	540.0	540.0	0.0	0.0%
55	Mental Health/DD Svcs	406.5	402.4	402.4	402.4	0.0	0.0%
56	Sanitation	97.3	96.3	96.3	96.3	0.0	0.0%
	* BRU Total	2,344.7	2,346.1	2,346.1	2,346.1	0.0	0.0%
<b>Southeast Alaska Regional Health Consortium</b>							
57	Public Health Svcs	121.3	120.1	120.1	120.1	0.0	0.0%
58	Alcohol & Drug Abuse Svcs	331.4	331.4	331.4	331.4	0.0	0.0%
59	Mental Health Services	126.2	125.2	125.2	125.2	0.0	0.0%
	* BRU Total	578.9	576.7	576.7	576.7	0.0	0.0%
<b>Kawerak Social Services</b>							
60	Kawerak Social Services	376.5	372.7	372.7	372.7	0.0	0.0%
	* BRU Total	376.5	372.7	372.7	372.7	0.0	0.0%
<b>Tanana Chiefs Conference</b>							
61	Public Health Svcs	241.7	239.3	239.3	239.3	0.0	0.0%
62	Alcohol & Drug Abuse Svcs	497.5	497.5	497.5	497.5	0.0	0.0%
63	Mental Health Svcs	535.2	529.8	534.8	534.8	0.0	0.0%
	* BRU Total	1,274.4	1,266.6	1,271.6	1,271.6	0.0	0.0%
<b>Tlingit-Haida</b>							
64	Social Services	188.5	186.6	186.6	186.6	0.0	0.0%
65	Alcohol & Drug Abuse Svcs	11.9	11.9	11.9	11.9	0.0	0.0%
	* BRU Total	200.4	198.5	198.5	198.5	0.0	0.0%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

Agency: Department of Health and Social Services

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Yukon-Kuskokwim Health Corporation</b>							
66	Public Health Svcs	916.0	907.4	907.4	907.4	0.0	0.0%
57	Alcohol & Drug Abuse Svcs	959.3	959.3	959.3	959.3	0.0	0.0%
68	Mental Health Svcs	916.6	907.4	907.4	907.4	0.0	0.0%
	* BRU Total	2,792.5	2,774.1	2,774.1	2,774.1	0.0	0.0%
<b>State Health Services</b>							
69	Nursing	8,499.5	8,204.8	8,305.1	8,286.9	-18.2	-0.2%
70	Women, Infants and Children	2,048.3	1,950.0	2,700.0	2,700.0	0.0	0.0%
71	Maternal, Child, & Family Hlth	3,886.1	3,913.4	4,553.7	2,307.7	-2,246.0	-49.3%
	Healthy Families				936.0	936.0	%
72	Laboratory Services	2,259.3		2,640.2	0.0	-2,640.2	-100.0%
73	Public Health Admin Svcs	650.3	512.3	645.7	644.5	-1.2	-0.2%
74	Epidemiology	2,320.7	1,981.7	1,995.3	1,985.9	-9.4	-0.5%
75	EMS Training & Licensing	683.7				0.0	0.0%
76	Bureau of Vital Statistics	760.7	698.8	904.1	902.9	-1.2	-0.1%
78	Community Health/EMS Services		685.9	704.8	696.9	-7.9	-1.1%
79	Community Health Services	60.3				0.0	0.0%
80	Comm. Health/EMS Grants		2,591.2	2,591.2	2,591.2	0.0	0.0%
81	State Medical Examiner	776.1	1,088.4	1,102.1	1,101.2	-0.9	-0.1%
82	Home Health Services	1,571.1	1,701.8	-0.0	-0.0	0.0	0.0%
83	Infant Learning Program Grants	4,221.9	4,371.9	4,471.9	4,471.9	0.0	0.0%
	* BRU Total	27,738.0	27,700.2	30,614.1	26,625.1	-3,989.0	-13.0%
<b>Public Labs &amp; Radiological</b>							
84	Chief of Labs & Radiological		687.1	0.0	740.3	740.3	%
85	Anchorage Laboratory		744.8	-0.0	656.1	656.1	%
86	Fairbanks Laboratory		1,044.9	0.0	959.5	959.5	%
	Juneau Laboratory				0.0	0.0	0.0%
	* BRU Total	0.0	2,476.8	0.0	2,355.9	2,355.9	%
<b>Health Grants</b>							
87	Community Health Grants	1,195.6				0.0	0.0%
88	EMS Grants	1,556.6				0.0	0.0%
	* BRU Total	2,752.2	0.0	0.0	0.0	0.0	0.0%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

Agency: Department of Health and Social Services

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<b>Alcohol and Drug Abuse Services</b>							
89	Administration	911.4	1,153.9	1,561.8	1,556.5	-5.3	-0.3%
90	Alcohol Safety Action Program	1,013.2	1,047.5	1,106.8	1,106.5	-0.3	-0.0%
91	Alcohol/Drug Abuse Grants	11,945.2	12,645.0	12,015.0	12,015.0	0.0	0.0%
92	CAASA Grants	177.3	177.3	177.3	177.3	0.0	0.0%
93	Corrections' ADA Services	663.0	663.0	663.0	663.0	0.0	0.0%
94	Rural Services Grants		1,624.8	1,624.8	1,624.8	0.0	0.0%
	* BRU Total	14,710.1	17,311.5	17,148.7	17,143.1	-5.6	-0.0%
<b>Medicaid Community Mental Health Grants</b>							
95	Medicaid Community MH Grants	993.3				0.0	0.0%
	* BRU Total	993.3	0.0	0.0	0.0	0.0	0.0%
<b>Community Mental Health Grants</b>							
96	General Comm Mental Hlth Grnts	2,669.0	888.4	773.8	888.4	114.6	14.8%
97	Psychiatric Emergency Svcs	5,526.1	5,731.1	7,051.7	5,726.1	-1,325.6	-18.8%
98	Svcs/Chronically Mentally Ill	10,490.2	10,918.7	10,801.4	10,918.7	117.3	1.1%
99	Designated Eval & Treatment	799.6	1,046.3	0.0	1,046.3	1,046.3	%
100	Svcs/Seriously Emotion Dst Yth	6,095.7	6,213.5	6,166.1	6,213.5	47.4	0.8%
	* BRU Total	25,580.6	24,798.0	24,793.0	24,793.0	-0.0	-0.0%
<b>Community Developmental Disabilities Grants</b>							
101	Community DD Grants	20,519.1	21,058.4	18,905.2	18,905.2	0.0	0.0%
	* BRU Total	20,519.1	21,058.4	18,905.2	18,905.2	0.0	0.0%
<b>Institutions and Administration</b>							
102	Mental Health/DD Admin	3,307.9	3,013.9	3,039.1	3,002.0	-37.1	-1.2%
103	Alaska Psychiatric Institute	8,212.0	7,140.8	1,763.3	1,760.8	-2.5	-0.1%
104	Harborview Development Center	3,958.2	2,038.6	939.6	939.3	-0.3	-0.0%
	* BRU Total	15,478.1	12,193.3	5,742.0	5,702.1	-39.9	-0.7%
<b>Mental Health Trust Boards</b>							
106	Alaska Mental Health Board	356.7	381.0	382.5	380.0	-2.5	-0.7%
108	Board on Alcohol. & Drug	302.5	324.3	324.5	321.9	-2.6	-0.8%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

Agency: Department of Health and Social Services

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	<b>Mental Health Trust Boards</b>						
	Abuse						
	* BRU Total	659.2	705.3	707.0	701.9	-5.1	-0.7%
	<b>Administrative Services</b>						
109	Commissioner's Office	540.8	478.2	483.5	430.5	-53.0	-11.0%
110	Personnel and Payroll	750.7	744.0	799.5	799.2	-0.3	-0.0%
111	Administrative Support Svcs	2,123.6	2,190.5	2,152.7	2,152.4	-0.3	-0.0%
112	Health Plan. & Facilities Mgmt	204.7	256.5	259.7	99.6	-160.1	-61.6%
	* BRU Total	3,619.8	3,669.2	3,695.4	3,481.7	-213.7	-5.8%
	<b>*** Total Agency Expenditure</b>	<b>443,982.9</b>	<b>451,837.3</b>	<b>461,163.8</b>	<b>445,331.9</b>	<b>-14,831.9</b>	<b>-3.2%</b>

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Health and Social Services

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Public Assistance</b>													
<b>Alaska Temporary Assistance Program</b>													
Deny increment from CSED collections	Dec	-1,246.8	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-1,246.8	-0.0	-0.0	-0.0	-0.0
1091 GF/Desig		-1,246.8											
Adjust formula projections	Dec	-1,753.2	0.0	0.0	0.0	0.0	0.0	0.0	-1,753.2	0.0	0.0	0.0	0.0
1091 GF/Desig		-1,753.2											
		-3,000.0	0.0	0.0	0.0	0.0	0.0	0.0	-3,000.0	0.0	0.0	0.0	0.0
<b>General Relief Assistance</b>													
End rental assistance program	Dec	-500.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-500.0	-0.0	-0.0	-0.0	-0.0
1004 Gen Fund		-500.0											
		-500.0	0.0	0.0	0.0	0.0	0.0	0.0	-500.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-3,500.0	0.0	0.0	0.0	0.0	0.0	0.0	-3,500.0	0.0	0.0	0.0	0.0
<b>Medical Assistance</b>													
<b>Medicaid Non-Facility</b>													
Align funding between Med Non-Fac & Mat, Child & Fam Hlth	TrOut	-1,000.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-1,000.0	-0.0	-0.0	-0.0	-0.0
1002 Fed Rcpts		-1,000.0											
Transfer in fr Mat, Child & Family Hlth for Medicaid Options	TrIn	1,000.0	0.0	0.0	0.0	0.0	0.0	0.0	1,000.0	0.0	0.0	0.0	0.0
1004 Gen Fund		1,000.0											
Deny transfer of GF fr General Relief Med & adjust fed funds	Dec	-4,300.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-4,300.0	-0.0	-0.0	-0.0	-0.0
1002 Fed Rcpts		-2,150.0											
1003 G/F Match		-2,150.0											
Revised projections	Dec	-2,000.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,000.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		-1,000.0											
1003 G/F Match		-1,000.0											
		-6,300.0	0.0	0.0	0.0	0.0	0.0	0.0	-6,300.0	0.0	0.0	0.0	0.0
<b>Medicaid Facility</b>													
Continue efforts to coordinate with IHS Medicaid	Dec	-1,000.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,000.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		-500.0											
1003 G/F Match		-500.0											
Increase not accepted	Dec	-1,627.1	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-1,627.1	-0.0	-0.0	-0.0	-0.0
1002 Fed Rcpts		-813.5											
1003 G/F Match		-813.6											
		-2,627.1	0.0	0.0	0.0	0.0	0.0	0.0	-2,627.1	0.0	0.0	0.0	0.0

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Health and Social Services

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Medical Assistance</b>												
<b>Waivers Services</b>												
Older AK Waiver continues to lapse, Hope Cottage refinance	Dec	-500.0	0.0	0.0	0.0	0.0	0.0	0.0	-500.0	0.0	0.0	0.0
1002 Fed Rcpts		-250.0										
1003 G/F Match		-250.0										
		-600.0	0.0	0.0	0.0	0.0	0.0	0.0	-500.0	0.0	0.0	0.0
*** BRU Total ***		-9,427.1	0.0	0.0	0.0	0.0	0.0	0.0	-9,427.1	0.0	0.0	0.0
<b>Public Assistance Administration</b>												
<b>Public Assistance Administration</b>												
Travel reduction	Dec	-1.6	0.0	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-1.6										
		-1.6	0.0	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Quality Control</b>												
Travel reduction	Dec	-1.1	0.0	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 G/F Match		-1.1										
		-1.1	0.0	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Public Assistance Field Services</b>												
Formula workload, AWP staff will assist in workload	Dec	-750.0	0.0	0.0	0.0	0.0	0.0	0.0	-750.0	0.0	0.0	0.0
1003 G/F Match		-750.0										
Travel reduction	Dec	-7.9	0.0	-7.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-7.9										
		-757.9	0.0	-7.9	0.0	0.0	0.0	0.0	-750.0	0.0	0.0	0.0
<b>Fraud Investigation</b>												
Department continues to lapse funds	Dec	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	-50.0	0.0	0.0	0.0
1003 G/F Match		-50.0										
Travel reduction	Dec	-0.8	0.0	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 G/F Match		-0.8										
		-50.8	0.0	-0.8	0.0	0.0	0.0	0.0	-50.0	0.0	0.0	0.0
<b>Public Assistance Data Processing</b>												
Travel reduction	Dec	-0.8	0.0	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-0.8										
		-0.8	0.0	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Health and Social Services

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Public Assistance Administration</b>													
<b>Alaska Work Programs</b>													
Readjust FY97 base for savings in "work first" philosophy	Dec	-2,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,000.0	0.0	0.0	0.0
1003 G/F Match		-2,000.0											
Travel reduction	Dec	-0.4	0.0	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-0.4											
		-2,000.4	0.0	-0.4	0.0	0.0	0.0	0.0	0.0	-2,000.0	0.0	0.0	0.0
<b>Child Care Benefits</b>													
Better coordination with DCRA and Native Child Care	Dec	-1,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,000.0	0.0	0.0	0.0
1003 G/F Match		-1,000.0											
		-1,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,000.0	0.0	0.0	0.0
*** BRU Total ***		-3,812.6	0.0	-12.6	0.0	0.0	0.0	0.0	0.0	-3,800.0	0.0	0.0	0.0
<b>Medical Assistance Administration</b>													
<b>Medical Assistance Administration</b>													
Travel reduction	Dec	-1.5	0.0	-1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-1.5											
		-1.5	0.0	-1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Health Purchasing Group</b>													
Lapsed \$1.2 million GF in FY96, no base adjustment	Dec	-600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-600.0	0.0	0.0	0.0
1002 Fed Rcpts		-300.0											
1003 G/F Match		-300.0											
Travel reduction	Dec	-3.3	0.0	-3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 G/F Match		-3.3											
		-603.3	0.0	-3.3	0.0	0.0	0.0	0.0	0.0	-600.0	0.0	0.0	0.0
<b>Certification and Licensing</b>													
Travel reduction	Dec	-4.4	0.0	-4.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-4.4											
		-4.4	0.0	-4.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Hearings and Appeals</b>													
Travel reduction	Dec	-0.6	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		-0.3											
1003 G/F Match		-0.3											
		-0.6	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Health and Social Services

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	FPT	Tmp
<b>Medical Assistance Administration</b>												
<b>Audit</b>												
Travel reduction												
1004 Gen Fund	-1.3	0.0	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	-1.3	0.0	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***	-611.1	0.0	-11.1	0.0	0.0	0.0	0.0	0.0	-600.0	0.0	0.0	0.0
<b>Purchased Services</b>												
<b>Family Preservation</b>												
Travel reduction												
1004 Gen Fund	-4.5	0.0	-4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	-4.5	0.0	-4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Foster Care</b>												
To Foster Care Base Rate component												
1002 Fed Rcpls	-1,330.0											
1003 G/F Match	-1,330.0											
1004 Gen Fund	-2,319.8											
1091 GF/Desig	-1,666.5											
To Foster Care Augmented Rate												
1003 G/F Match	-284.0											
1004 Gen Fund	-116.0											
1037 GF/MH	-400.0											
To Foster Care Special Need												
1004 Gen Fund	-1,711.8											
1007 IA Rcpls	-50.0											
1037 GF/MH	-747.9											
To Foster Care Alaska Youth Initiative												
1004 Gen Fund	-476.0											
1037 GF/MH	-400.0											
	-10,832.0	0.0	0.0	-691.8	0.0	0.0	0.0	-10,140.2	0.0	0.0	0.0	0.0
<b>Foster Care Base Rate</b>												
Fr Foster Care component												
1002 Fed Rcpls	1,330.0											
1003 G/F Match	1,330.0											
1004 Gen Fund	2,319.8											
1091 GF/Desig	1,666.5											
Formula reduction												
1004 Gen Fund	-100.0											
	6,546.3	0.0	0.0	0.0	0.0	0.0	0.0	6,546.3	0.0	0.0	0.0	0.0

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Health and Social Services

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Purchased Services</b>												
<b>Foster Care Augmented Rate</b>												
Fr Foster Care component	800.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	800.0	0.0	-0.0	-0.0	-0.0
1003 G/F Match	284.0											
1004 Gen Fund	116.0											
1037 GFMH	400.0											
	800.0	0.0	0.0	0.0	0.0	0.0	0.0	800.0	0.0	0.0	0.0	0.0
<b>Foster Care Special Need</b>												
Fr Foster Care component	2,509.7	-0.0	-0.0	691.8	-0.0	-0.0	-0.0	1,817.9	0.0	-0.0	-0.0	-0.0
1004 Gen Fund	1,711.8											
1007 VA Rcpts	50.0											
1037 GFMH	747.9											
Utilize Medicaid Waiv, Title IVE, altern to psych hospitals	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	-50.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-50.0											
	2,469.7	0.0	0.0	691.8	0.0	0.0	0.0	1,767.9	0.0	0.0	0.0	0.0
<b>Foster Care Alaska Youth Initiative</b>												
Fr Foster Care component	876.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	876.0	0.0	-0.0	-0.0	-0.0
1004 Gen Fund	476.0											
1037 GFMH	400.0											
	876.0	0.0	0.0	0.0	0.0	0.0	0.0	876.0	0.0	0.0	0.0	0.0
<b>Residential Child Care</b>												
One-time fiscal note of 170.0	-170.0	0.0	0.0	0.0	0.0	0.0	0.0	-170.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-170.0											
	-170.0	0.0	0.0	0.0	0.0	0.0	0.0	-170.0	0.0	0.0	0.0	0.0
***BRU Total***	-324.5	0.0	-4.5	0.0	0.0	0.0	0.0	-320.0	0.0	0.0	0.0	0.0
<b>Family and Youth Services</b>												
<b>Family and Youth Services Southcentral Region</b>												
Fr SSBG Offset -- budget in components, not front section	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1004 Gen Fund	-2,123.9											
1047 Title 20	2,123.9											
Travel reduction	-4.7	0.0	-4.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-4.7											
	-4.7	0.0	-4.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Health and Social Services

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	?PPT	Tmp
<b>Family and Youth Services</b>													
<b>Family and Youth Services Northern Region</b>													
Fr SSBG Offset – budget in components, not front section	Trln	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1004 Gen Fund		-2,224.9											
1047 Title 20		2,224.9											
Travel reduction	Dec	-4.3	0.0	-4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-4.3											
		<b>-4.3</b>	<b>0.0</b>	<b>-4.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Family and Youth Services Southeastern Region</b>													
Fr SSBG Offset – budget in components, not front section	Trln	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1004 Gen Fund		-1,062.0											
1047 Title 20		1,062.0											
Travel reduction	Dec	-1.8	0.0	-1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-1.8											
		<b>-1.8</b>	<b>0.0</b>	<b>-1.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Division of Family and Youth Services Central Office</b>													
Travel reduction	Dec	-4.2	0.0	-4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-4.2											
		<b>-4.2</b>	<b>0.0</b>	<b>-4.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Probation Services</b>													
Allow \$340.0 of increment	Dec	-586.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-586.0	0.0	0.0	0.0
1004 Gen Fund		-586.0											
Travel reduction	Dec	-4.3	0.0	-4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-4.3											
		<b>-590.3</b>	<b>0.0</b>	<b>-4.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-586.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>-606.3</b>	<b>0.0</b>	<b>-19.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-586.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Youth Facility Services</b>													
<b>McLaughlin Youth Center</b>													
Travel reduction	Dec	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-0.1											
Increase not accepted	Dec	-666.3	-451.3	-0.0	-0.0	-155.0	-0.0	-0.0	-60.0	-0.0	-0.0	-0.0	-0.0
1004 Gen Fund		-666.3											
		<b>-666.4</b>	<b>-451.3</b>	<b>-0.1</b>	<b>0.0</b>	<b>-155.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-60.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Health and Social Services

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Trnp
<b>Youth Facility Services</b>												
<b>Fairbanks Youth Facility</b>												
Travel reduction	-0.4	0.0	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-0.4	0.0	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<hr/>												
<b>Nome Youth Facility</b>												
Travel reduction	-0.2	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-0.2	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<hr/>												
<b>Johnson Youth Center</b>												
Travel reduction	-0.3	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-0.3	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<hr/>												
<b>Bethel Youth Facility</b>												
Travel reduction	-0.4	0.0	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-0.4	0.0	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<hr/>												
<b>*** BRU Total ***</b>		<b>-667.7</b>	<b>-451.3</b>	<b>-1.4</b>	<b>0.0</b>	<b>-155.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-60.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Social Services Block Grant Offset</b>												
<b>Social Services Block Grant Offset</b>												
Transfer funds to Southcentral Region & zero out component	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	2,123.9											
1047 Title 20	-2,123.9											
Transfer funds to Northern Region & zero out component	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	2,224.9											
1047 Title 20	-2,224.9											
Transfer funds to Southeastern Region & zero out component	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	1,062.0											
1047 Title 20	-1,062.0											
<hr/>												
<b>*** BRU Total ***</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Health and Social Services

State Health Services	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Nursing</b>													
Travel reduction	Dec	-18.2	0.0	-18.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-18.2											
		-18.2	0.0	-18.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Maternal, Child, and Family Health</b>													
Transfer to Med Non-Facilities to fund Medicaid Optional Svc	TrOut	-1,000.0	-1,000.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1004 Gen Fund		-1,000.0											
Federal authority for school based services Medicaid claim	TrIn	1,000.0	1,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		1,000.0											
Allow \$314.0 for existing five Healthy Family sites	Dec	-300.0	0.0	0.0	0.0	0.0	0.0	0.0	-300.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-300.0											
Travel reduction	Dec	-10.0	0.0	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-10.0											
Addition of position not accepted	MisAdj	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-1.0	-0.0	-0.0
Transfer Health Families funding to a new component	TrOut	-1,306.0	-39.9	0.0	-4.5	-1.3	0.0	0.0	-1,260.3	0.0	0.0	0.0	0.0
1004 Gen Fund		-936.0											
1007 I/A Rcpts		-120.0											
1092 MHTAAR		-250.0											
		-1,616.0	-39.9	-10.0	-4.5	-1.3	0.0	0.0	-1,560.3	0.0	-1.0	0.0	0.0
<b>Healthy Families</b>													
Transfer Healthy Families funding fr Maternal, Child, & Fam	TrIn	1,306.0	39.9	-0.0	4.5	1.3	-0.0	-0.0	1,260.3	-0.0	-0.0	-0.0	-0.0
1004 Gen Fund		936.0											
1007 I/A Rcpts		120.0											
1092 MHTAAR		250.0											
		1,306.0	39.9	0.0	4.5	1.3	0.0	0.0	1,260.3	0.0	0.0	0.0	0.0
<b>Laboratory Services</b>													
Increase not accepted	Dec	-132.0	-67.0	-0.0	-65.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1005 GF/Prgm		-132.0											
Transfer to Chief of Labs and Radiological	TrOut	-893.8	-645.9	-58.2	-97.8	-103.2	-23.2	0.0	0.0	34.5	-41.0	0.0	0.0
1002 Fed Rcpts		-110.0											
1004 Gen Fund		-631.9											
1005 GF/Prgm		-71.5											
1007 I/A Rcpts		-80.4											

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Health and Social Services

State Health Services	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Laboratory Services</b>													
Transfer to Anchorage Laboratory	TrOut	-1,062.1	-739.0	-4.9	-48.2	-293.4	-10.0	0.0	0.0	33.4	0.0	0.0	0.0
1002 Fed Rcpts		-253.0											
1004 Gen Fund		-616.9											
1007 I/A Rcpts		-192.2											
Transfer to Fairbanks Laboratory	TrOut	-1,126.0	-858.2	-4.9	-75.0	-225.9	-12.2	0.0	0.0	51.2	0.0	0.0	0.0
1004 Gen Fund		-920.3											
1007 I/A Rcpts		-204.7											
Transfer to Juneau Laboratory	TrOut	-267.6	-67.0	0.0	-200.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-267.6											
		<b>-3,480.5</b>	<b>-2,377.1</b>	<b>-68.0</b>	<b>-486.6</b>	<b>-622.5</b>	<b>-45.4</b>	<b>0.0</b>	<b>0.0</b>	<b>119.1</b>	<b>-41.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Public Health Administrative Services</b>													
Travel reduction	Dec	-1.2	0.0	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-1.2											
		<b>-1.2</b>	<b>0.0</b>	<b>-1.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Epidemiology</b>													
Travel reduction	Dec	-9.4	0.0	-9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-9.4											
		<b>-9.4</b>	<b>0.0</b>	<b>-9.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Bureau of Vital Statistics</b>													
Travel reduction	Dec	-1.2	0.0	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-1.2											
		<b>-1.2</b>	<b>0.0</b>	<b>-1.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Community Health/Emergency Medical Services</b>													
Travel reduction	Dec	-7.9	0.0	-7.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-7.9											
Allow funding of Medicaid Optional Services	Dec	-900.0	-57.9	-15.0	-25.1	-2.0	0.0	0.0	-800.0	0.0	0.0	0.0	-1.0
1007 I/A Rcpts		-900.0											
		<b>-907.9</b>	<b>-57.9</b>	<b>-22.9</b>	<b>-25.1</b>	<b>-2.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-800.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.0</b>
<b>State Medical Examiner</b>													
Travel reduction	Dec	-0.9	0.0	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-0.9											
		<b>-0.9</b>	<b>0.0</b>	<b>-0.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>-4,729.3</b>	<b>-2,435.0</b>	<b>-131.8</b>	<b>-511.7</b>	<b>-624.5</b>	<b>-45.4</b>	<b>0.0</b>	<b>-1,100.0</b>	<b>119.1</b>	<b>-42.0</b>	<b>0.0</b>	<b>-1.0</b>

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Health and Social Services

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Public Labs &amp; Radiological</b>													
<b>Chief of Laboratory and Radiological Services</b>													
Transfer from Laboratory Services	Trln	893.8	621.9	56.0	94.2	99.4	22.3	-0.0	-0.0	0.0	41.0	-0.0	-0.0
1002 Fed Rcpts		110.0											
1004 Gen Fund		631.9											
1005 GF/Pigm		71.5											
1007 VA Rcpts		80.4											
Begin lab consolidation	Inc	39.2	27.3	2.5	4.1	4.4	0.9	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		39.2											
Travel reduction	Dec	-2.3	0.0	-2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-2.3											
		<b>930.7</b>	<b>649.2</b>	<b>56.2</b>	<b>98.3</b>	<b>103.8</b>	<b>23.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>41.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Anchorage Laboratory</b>													
Transfer from Laboratory Services	Trln	1,062.1	739.0	66.6	111.9	118.1	26.5	-0.0	-0.0	0.0	-0.0	-0.0	-0.0
1002 Fed Rcpts		253.0											
1004 Gen Fund		616.9											
1007 VA Rcpts		192.2											
Begin lab consolidation	Inc	39.2	27.3	2.5	4.1	4.4	0.9	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		39.2											
		<b>1,101.3</b>	<b>766.3</b>	<b>69.1</b>	<b>116.0</b>	<b>122.5</b>	<b>27.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Fairbanks Laboratory</b>													
Transfer from Laboratory Services	Trln	1,126.0	782.8	70.5	118.5	125.1	28.1	-0.0	-0.0	0.0	-0.0	-0.0	-0.0
1004 Gen Fund		920.3											
1007 VA Rcpts		204.7											
Begin lab consolidation	Inc	39.2	27.3	2.5	4.1	4.4	0.9	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		39.2											
		<b>1,164.2</b>	<b>810.1</b>	<b>73.0</b>	<b>122.6</b>	<b>129.5</b>	<b>29.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Juneau Laboratory</b>													
Transfer from Laboratory Services	Trln	267.6	67.0	-0.0	200.6	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1004 Gen Fund		267.6											
Begin laboratory consolidation	Dec	-267.6	-67.0	0.0	-200.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-267.6											
		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>3,196.2</b>	<b>2,225.6</b>	<b>198.3</b>	<b>336.9</b>	<b>355.8</b>	<b>79.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>41.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Alcohol and Drug Abuse Services</b>													
<b>Administration</b>													
Travel reduction	Dec	-5.3	0.0	-5.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-5.3											

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Health and Social Services

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Alcohol and Drug Abuse Services</b>												
<b>Administration</b>												
	-5.3	0.0	-5.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Alcohol Safety Action Program (ASAP)</b>												
Travel reduction	-0.3	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-0.3											
	-0.3	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***	-5.6	0.0	-5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Community Mental Health Grants</b>												
<b>General Community Mental Health Grants</b>												
From Psychiatric Emergency Services	114.6	0.0	0.0	0.0	0.0	0.0	0.0	114.6	0.0	0.0	0.0	0.0
1037 GF/MH	114.6											
	114.6	0.0	0.0	0.0	0.0	0.0	0.0	114.6	0.0	0.0	0.0	0.0
<b>Psychiatric Emergency Services</b>												
Transfer back to GCMHG	-114.6	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-114.6	-0.0	-0.0	-0.0	-0.0
1037 GF/MH	-114.6											
Transfer to SED Youth	-47.4	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-47.4	-0.0	-0.0	-0.0	-0.0
1037 GF/MH	-47.4											
Transfer to Chronically Mentally Ill	-117.3	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-117.3	-0.0	-0.0	-0.0	-0.0
1037 GF/MH	-117.3											
Transfer to Designated Evaluation and Treatment	-1,046.3	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-1,046.3	-0.0	-0.0	-0.0	-0.0
1037 GF/MH	-1,046.3											
	-1,325.6	0.0	0.0	0.0	0.0	0.0	0.0	-1,325.6	0.0	0.0	0.0	0.0
<b>Services to the Chronically Mentally Ill</b>												
Transfer from Psychiatric Emergency Services	117.3	0.0	0.0	0.0	0.0	0.0	0.0	117.3	0.0	0.0	0.0	0.0
1037 GF/MH	117.3											
	117.3	0.0	0.0	0.0	0.0	0.0	0.0	117.3	0.0	0.0	0.0	0.0
<b>Designated Evaluation and Treatment</b>												
Transfer from Psychiatric Emergency Services	1,046.3	0.0	0.0	0.0	0.0	0.0	0.0	1,046.3	0.0	0.0	0.0	0.0
1037 GF/MH	1,046.3											
	1,046.3	0.0	0.0	0.0	0.0	0.0	0.0	1,046.3	0.0	0.0	0.0	0.0

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Health and Social Services

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Trnp
<b>Community Mental Health Grants</b>													
<b>Services for Seriously Emotionally Disturbed Youth</b>													
Transfer from Psychiatric Emergency Services	Trln	47.4	0.0	0.0	0.0	0.0	0.0	0.0	47.4	0.0	0.0	0.0	0.0
1037 GFMH		47.4											
		47.4	0.0	0.0	0.0	0.0	0.0	0.0	47.4	0.0	0.0	0.0	0.0
*** BRU Total ***		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Institutions and Administration</b>													
<b>Mental Health/Developmental Disabilities Administration</b>													
Contract out Quality Assurance	Dec	-25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-25.0	0.0	0.0	0.0
1037 GFMH		-25.0											
Travel reduction	Dec	-12.1	0.0	-12.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GFMH		-12.1											
		-37.1	0.0	-12.1	0.0	0.0	0.0	0.0	0.0	-25.0	0.0	0.0	0.0
<b>Alaska Psychiatric Institute</b>													
Travel reduction	Dec	-2.5	0.0	-2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Prgm		-2.5											
		-2.5	0.0	-2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Harborview Development Center</b>													
Travel reduction	Dec	-0.3	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GFMH		-0.3											
		-0.3	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-39.9	0.0	-14.9	0.0	0.0	0.0	0.0	0.0	-25.0	0.0	0.0	0.0
<b>Mental Health Trust Boards</b>													
<b>Alaska Mental Health Board</b>													
Travel reduction	Dec	-2.5	0.0	-2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GFMH		-2.5											
		-2.5	0.0	-2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Advisory Board on Alcoholism and Drug Abuse</b>													
Travel reduction	Dec	-2.6	0.0	-2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GFMH		-2.6											
		-2.6	0.0	-2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-5.1	0.0	-5.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Health and Social Services

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Administrative Services</b>													
<b>Commissioner's Office</b>													
Remove Children's cabinet position & \$ for direct svcs	Dec	-60.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-50.0	0.0	0.0	0.0
1004 Gen Fund		-50.0											
Travel reduction	Dec	-3.0	0.0	-3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-3.0											
		-63.0	0.0	-3.0	0.0	0.0	0.0	0.0	0.0	-50.0	0.0	0.0	0.0
<b>Personnel and Payroll</b>													
Travel reduction	Dec	-0.3	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-0.3											
		-0.3	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Administrative Support Services</b>													
Travel reduction	Dec	-0.3	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-0.3											
		-0.3	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Health Planning &amp; Facilities Management</b>													
Fund component from CIP	Dec	-159.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-159.0	0.0	0.0	0.0
1004 Gen Fund		-159.0											
Travel reduction	Dec	-1.1	0.0	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-1.1											
		-160.1	0.0	-1.1	0.0	0.0	0.0	0.0	0.0	-159.0	0.0	0.0	0.0
*** BRU Total ***		-213.7	0.0	-4.7	0.0	0.0	0.0	0.0	0.0	-209.0	0.0	0.0	0.0
***** Agency Total *****		-20,746.7	-660.7	-12.7	-174.8	-423.7	34.2	0.0	-14,407.1	-5,100.9	-1.0	0.0	-1.0

Alaska State Legislature  
House Finance Committee

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**MEMORANDUM**

DATE: March 21, 1997

TO: House Finance Committee Members

FROM: Mark Hanley *MH*

SUBJECT: H&SS Subcommittee Recommendations

The House Health and Social Services Finance subcommittee reduced the Governor's budget \$900 million proposal by approximately \$16 million in total funds (\$13 million general funds). The Department's total budget will still increase in FY98 by over \$15 million.

The House subcommittee recommended increases in funding for several programs. Additional youth probation officers will be hired in FY98 due to a \$222,000 increase. An additional Indian Child Welfare Act compliance officer will also be hired. The Women, Infants and Children baby-formula program will be allowed to distribute an additional \$750,000 worth of formula in FY98.

More children will be served in the Infant Learning Program due to a \$100,000 increase, and \$314,000 additional funding will be used in the Healthy Families program to replace lost federal grant dollars. An inhalant abuse program will also begin in FY98 due to the subcommittee's action. Finally, the federal social services block grant, which supports child protection programs, has been reduced by Congress; the House subcommittee was able to appropriate state money to replace the lost federal money.

The subcommittee reduced spending by \$13 million in general funds. Most of the reductions were taken in three major areas - Alaska Temporary Assistance Program (ATAP) cash assistance, Alaska Work Program assistance and child care, and Medicaid.

### **ATAP Cash Assistance**

Changes to assumptions originally made in the Governor's budget, and new information let to the subcommittee's \$3 million reduction in ATAP. When the Governor's budget request was submitted, the Department assumed that the new earned income disregard would be \$300 per month, as well as 40% of the remaining earnings.

Because that disregard amount would disqualify many ATAP recipients from the Medicaid program, the Department is planning to drop the disregard to at least \$150 per month and 40% of remaining earnings. This policy alone comprises a majority of the \$3 million reduction recommended by the House subcommittee. An additional amount was reduced from the Governor's request due to an error in projected savings from ATAP recipients entering the workforce for the first time, and an assumption by the subcommittee that 200 more people than estimated by the Governor will enter some form of paid employment.

### **Alaska Work Program and Child Care**

With the passage of welfare reform at the federal and state levels, the Department expects to serve 4,252 recipients in the Work Program. ATAP recipients participating in paid, unpaid or other qualifying activities will also qualify for child care benefits.

The subcommittee examined the cost of the Work Program over the past few years, and concluded that the cost per participant should be closer to \$1,900 per participant, rather than the Governor's proposed cost of \$2,300 per participant. The old JOBS program was more intensive, both in staff and assistance offered. The Department has now adopted a "work first" philosophy, which emphasizes holding a job as the most important step towards self-sufficiency. This approach should be less staff and resource intensive than the old JOBS program, and thus cheaper.

When examining child care offered to ATAP recipients, the subcommittee examined programs statewide. Child care is offered to low-income Alaskans in the Department of Community and Regional Affairs (C&RA). ATAP child care is offered only to recipients of ATAP cash assistance. Native organizations in Alaska also receive low-income and ATAP child care money directly from the federal government.

The subcommittee focused on the overlap between the Governor's requested child care for the ATAP program, and the other two major child care programs in the state. C&RA estimates that 9 - 10 % of the Anchorage families receiving child care through the day care assistance program are also ATAP recipients. As well, of the 1,429 families estimated to need child care in

House H&SS Subcommittee Recommendations

March 21, 1997

Page 3

FY98, 20 - 30% of those families are Alaska Natives, and possibly participating in Native child care programs.

These two examples indicate that the Governor's requested funding level for ATAP child care is overstated by at least one million dollars.

### **Medicaid**

The Department of Health & Social Services can manage health care costs in the Medicaid program in three ways - the statutory options list; scope, duration and limit regulations; and finally, managed care programs. Unfortunately, the Department insists on managing the House budget recommendations by turning off vital services in the options list, including several mental health services. The subcommittee concluded that this is not the responsible approach to House budget recommendations.

Several small changes were made to the Department's assumptions which build the Medicaid budget request. First, the Department assumed that in FY98 Medicaid costs will grow at 7.6%. The House chose a more conservative growth rate of 7%. Additionally, the House assumed that the Department could slightly increase their efforts on a few managed care programs, as well as increased cooperation with the 100% federally funded IHS/Medicaid.

A final recommendation in the Medicaid program was for mental health clinics to hold their billings to the FY97 level. Medicaid billing in mental health clinics has increased 500% over the past four years, but the Department cannot adequately assess what is happening in the mental health system to account for this increase. The House would like the department to hold the line for one year while information is gathered on the increase in billings.

The total reductions to the Medicaid program equate to two or three days worth of billings, and the subcommittee is confident that the Department will be able to manage these cost savings, while still providing all the services on the statutory options list, including hearing aids, eyeglasses and dental care.

The attached spreadsheets show the other changes made to the Governor's budget not already described.

**HOUSE FINANCE H and SS RECOMMENDATIONS**

	FY96 Actual Total GF	FY97 Auth Total GF	FY98 Gov Total GF	Gov to House	FY98 House Total GF
<b>PUBLIC ASSISTANCE</b>					
<b>Permanent Fund Dividend Hold-harmless</b>	0.0	0.0	0.0	0.0	0.0
<b>Energy Assistance Program</b>	0.0	0.0	0.0	0.0	0.0
<b>ATAP</b>					
Deny GF increment from CSED collections, adjust formula assumptions (see attached sheet)	52,399.2	55,195.7	52,664.6	-3,000.0	49,664.6
<b>Adult Public Assistance</b>	38,415.3	40,080.2	40,781.0	0.0	40,781.0
<b>General Relief Assistance</b>					
End rental assistance program	1,025.7	1,041.9	1,041.9	-500.0	541.9
<b>OAA-ALB Hold Harmless</b>	2,428.7	2,298.1	2,298.1	0.0	2,298.1
<b>MEDICAL ASSISTANCE</b>					
<b>Medicaid Non-facility</b>					
\$1 mill. GF fund change in Healthy Families (Medicaid time-study money) transferred for options, see attached sheet	68,329.9	66,775.1	73,694.7	-2,150.0	71,544.7
<b>Medicaid Facility</b>					
Continue efforts to coordinate with IHS Medicaid	67,216.7	72,011.2	72,342.4	-500.0	71,842.4
<b>General Relief Medical</b>	3,359.7	4,854.1	2,838.7	0.0	2,838.7
<b>Medicaid State Programs</b>	2,705.1	3,523.2	3,603.0	0.0	3,603.0

**HOUSE FINANCE H and SS RECOMMENDATIONS**

	FY96 Actual Total GF	FY97 Auth Total GF	FY98 Gov Total GF	Gov to House	FY98 House Total GF
<b>Waivered Services</b>					
Older Alaskan Waiver continues to lapse, Hope Cottage refinance 10%	2,436.6	2,106.3	7,144.2	-250.0	6,894.2
<b>Medicaid Perm Fund Div Hold-harmless</b>					
	0.0	0.0	0.0	0.0	0.0
<b>Medicaid ALB Hold-harmless</b>					
	25.7	25.7	25.7	0.0	25.7
<b>Indian Health Service</b>					
	0.0	0.0	0.0	0.0	0.0
<b>PUBLIC ASSISTANCE ADMIN</b>					
<b>Public Assistance Administration</b>					
	612.5	831.6	910.5	0.0	910.5
<b>Quality Control</b>					
	495.9	487.0	494.8	0.0	494.8
<b>Field Services (formerly Eligibility Det.)</b>					
Formula workload decreases plus AWP staff will help workload	10,153.2	10,891.0	12,002.9	-750.0	11,252.9
<b>Fraud Investigation</b>					
Dep't continues to lapse money	437.4	612.8	619.7	-50.0	569.7
<b>Alaska Work Programs</b>					
Readjust FY97 base for savings in "work first" philosophy	2,398.5	2,929.3	3,967.5	-2,000.0	1,967.5
<b>Child Care Benefits</b>					
Better coordination with C&RA DCAP and Native Child Care	2,628.1	3,402.1	5,024.4	-1,000.0	4,024.4

**HOUSE FINANCE H and SS RECOMMENDATIONS**

	FY96 Actual Total GF	FY97 Auth Total GF	FY98 Gov Total GF	Gov to House	FY98 House Total GF
<b>Public Assistance Data Processing</b>	1,876.0	2,265.4	2,544.7	0.0	2,544.7
<b>MEDICAL ASSISTANCE ADMIN</b>					
<b>Medical Assistance Administration</b>	511.7	674.8	613.7	0.0	613.7
<b>Health Purchasing Group (Claims Processing)</b>					
Lapsed \$1.2 mill GF in FY96, no base adjustment	2,956.7	4,189.1	4,732.8	-300.0	4,432.8
<b>Certification &amp; Licensing</b>	361.0	446.8	436.6	0.0	436.6
<b>Medicaid Rate Advisory Committee</b>	398.1	410.0	0.0	0.0	0.0
<b>Hearings &amp; Appeals</b>	127.7	144.7	150.0	0.0	150.0
<b>Medicaid Waivers Authorization</b>	112.6	157.9	0.0	0.0	0.0
<b>Audit</b>	262.3	327.0	331.9	0.0	331.9
<b>PURCHASED SERVICES</b>					
<b>Delinquency Prevention</b>	0.0	0.0	0.0	0.0	0.0
<b>Foster Care Base Rate</b>					
Last year's formula increment was 11%, FY98 backup says approximately 4% in FY97	5,690.9	5,387.3	5,907.5	-100.0	5,807.5
<b>Foster Care Augmented Rate</b>	682.9	646.5	708.9	0.0	708.9

**HOUSE FINANCE H and SS RECOMMENDATIONS**

	FY96 Actual Total GF	FY97 Auth Total GF	FY98 Gov Total GF	Gov to House	FY98 House Total GF
<b>Foster Care Special Need</b>					
Better utilize Medicaid, waivers, Title IVE. Seek alternatives to psychiatric hospitals.	2,103.4	1,991.1	2,183.4	-50.0	2,133.4
<b>Foster Care AYI</b>	628.3	594.8	652.2	0.0	652.2
<b>Subsidized Adoptions/Guardians</b>	3,508.3	4,210.2	4,613.3	0.0	4,613.3
<b>Residential Child Care</b>					
One-time fiscal note of 170	8,602.5	9,494.9	9,494.9	-170.0	9,324.9
<b>Family Preservation</b>	1,891.6	1,937.4	1,936.8	0.0	1,936.8
<b>DFYS</b>					
<b>Southcentral Region</b>	9,350.7	9,823.3	7,229.8	0.0	7,229.8
<b>Northern Region</b>	6,617.0	7,043.0	5,313.5	0.0	5,313.5
<b>Southeastern Region</b>	2,936.1	3,343.0	2,322.4	0.0	2,322.4
<b>DFYS Central Office</b>	1,392.2	1,180.6	1,151.5	0.0	1,151.5
<b>Probation Services</b>					
Allow 240 increment	0.0	0.0	6,582.7	-586.0	5,996.7
<b>YOUTH FACILITY SERVICES</b>					
<b>McLaughlin Youth Center</b>	8,596.3	8,586.1	8,620.3	0.0	8,620.3

**HOUSE FINANCE H and SS RECOMMENDATIONS**

	FY96 Actual Total GF	FY97 Auth Total GF	FY98 Gov Total GF	Gov to House	FY98 House Total GF
<b>Fairbanks Youth Facility</b>	2,663.6	2,773.0	2,813.5	0.0	2,813.5
<b>Nome Youth Facility</b>	261.5	366.9	348.0	0.0	348.0
<b>Johnson Youth Center</b>	1,070.2	1,011.4	1,126.9	0.0	1,126.9
<b>Bethel Youth Facility</b>	1,812.9	1,800.1	1,850.0	0.0	1,850.0
<b>CHILDREN'S TRUST PROGRAMS</b>	0.0	0.0	0.0		
<b>SOCIAL SVCS BLCK GRNT OFFSET</b> Offset money is moved directly into DFYS		-6,310.8	-5,410.8	0.0	-5,410.8
<b>HUMAN SVCS MATCH GRANT</b>	1,769.6	1,751.9	1,751.9	0.0	1,751.9
<b>DESIGNATED BRU'S</b> last year was 10,613	10,666.8	10,613.0	10,618.0	0.0	10,618.0
<b>STATE HEALTH SERVICES</b>					
<b>Nursing</b>	8,499.5	8,204.8	8,305.1	0.0	8,305.1
<b>Women, Infants &amp; Children</b>	2,048.3	1,950.0	2,700.0	0.0	2,700.0

**HOUSE FINANCE H and SS RECOMMENDATIONS**

	FY96 Actual Total GF	FY97 Auth Total GF	FY98 Gov Total GF	Gov to House	FY98 House Total GF
<b>Maternal, Child and Family Health</b>					
Allow 314 incr. for existing five Healthy Family sites, replace GF (1000 GF) with Medicaid time-study money, Healthy Families is moved into new component	3,886.1	3,913.4	4,553.7	-1,300.0	3,253.7
<b>Public Health Administrative Services</b>					
	650.3	512.3	645.7	0.0	645.7
<b>Epidemiology</b>					
	2,320.7	1,981.7	1,995.3	0.0	1,995.3
<b>Bureau of Vital Statistics</b>					
	760.7	698.8	904.1	0.0	904.1
<b>Health Services/Medicaid</b>			0.0		
<b>Community Health Service/EMS Services</b>					
Move Medicaid time-study money (900 IA) to Healthy Families	744.0	683.8	704.8	0.0	704.8
<b>Community Health /EMS Grants</b>					
	2,752.2	2,591.2	2,591.2	0.0	2,591.2
<b>State Medical Examiner</b>			1,102.1	0.0	1,102.1
<b>Home Health Services</b>					
Transferred to DoA, Senior Svcs	1,571.1	1,701.8	0.0	0.0	0.0
<b>Infant Learning Programs</b>					
	4,221.9	4,371.9	4,471.9	0.0	4,471.9

**HOUSE FINANCE H and SS RECOMMENDATIONS**

	FY96 Actual Total GF	FY97 Auth Total GF	FY98 Gov Total GF	Gov to House	FY98 House Total GF
<b>PUBLIC LABS &amp; RADIOLOGICAL</b>					
<b>Chief of Labs and Radiological</b>					
	2,259.3	687.1	698.7	39.2	737.9
<b>Anchorage Lab</b>		744.8	611.1	39.2	650.3
<b>Fairbanks Lab</b>		1,044.9	932.3	39.2	971.5
<b>Juneau Lab</b>					
Begin lab consolidation		0.0	267.6	-267.6	0.0
<b>ALCOHOL &amp; DRUG ABUSE SVCS</b>					
	14,710.1	17,311.5	17,148.7	0.0	17,148.7
<b>COMM MENTAL HEALTH GRANTS</b>					
<b>General Community Mental Hlth Grnts</b>					
	2,669.0	888.4	888.4	0.0	888.4
<b>Crises Intervention Svcs (Psych. Emerg. Svcs.)</b>	5,526.1	5,731.1	5,726.1	0.0	5,726.1
<b>Svcs to the Chroncially Mentally Ill</b>	10,490.2	10,918.7	10,918.7	0.0	10,918.7
<b>Designated Evaluation &amp; Treatment</b>	799.6	1,046.3	1,046.3	0.0	1,046.3
<b>Seriously Emotionally Dist. Youth</b>	6,095.7	6,213.5	6,213.5	0.0	6,213.5
<b>CMH GRANTS REFINANCE</b>					
	993.3	0.0	0.0	0.0	0.0

**HOUSE FINANCE H and SS RECOMMENDATIONS**

	FY96 Actual Total GF	FY97 Auth Total GF	FY98 Gov Total GF	Gov to House	FY98 House Total GF
<b>COMMUNITY DD GRANTS</b>	20,519.1	21,058.4	18,905.2	0.0	18,905.2
<b>INST. &amp; ADMIN</b>					
<b>Mental Health/DD Admin</b>					
Contract out Quality Assurance	3,307.9	3,013.9	3,039.1	-25.0	3,014.1
<b>API</b>	8,212.0	7,140.8	1,763.3	0.0	1,763.3
<b>Harborview</b>	3,958.2	2,038.6	939.6	0.0	939.6
<b>Federal Mental Health Projects</b>	0.0	0.0	0.0	0.0	0.0
<b>MENTAL HEALTH BOARDS</b>					
<b>AK Mental Health Board</b>	356.7	381.0	382.5	0.0	382.5
<b>Gov's Council on Disabilities &amp; Special Educ.</b>	0.0	0.0	0.0		0.0
<b>Adv Board on Alcoholism &amp; Drug Abuse</b>	302.5	324.3	324.5	0.0	324.5

**HOUSE FINANCE H and SS RECOMMENDATIONS**

	FY96 Actual Total GF	FY97 Auth Total GF	FY98 Gov Total GF	Gov to House	FY98 House Total GF
<b>ADMIN</b>					
<b>Commissioners Office</b>					
remove Children's cabinet position money plus \$\$ for direct services	540.8	478.2	483.5	-50.0	433.5
<b>Personnel &amp; Payroll</b>					
	750.7	744.0	799.5	0.0	799.5
<b>Administrative Support Services</b>					
	2,123.6	2,190.5	2,152.7	0.0	2,152.7
<b>Health Planning &amp; Facilities Management</b>					
Fund more of component from CIP	204.7	256.5	259.0	-159.0	100.0
<b>General travel reduction</b>					
				-130.0	-130.0
<b>GRAND TOTAL</b>	443,193.4	450,746.8	459,552.7	-13,220.0	446,332.7

**House assumes lower earned income disregard and new wage earners**

	Participants	EID from \$300 to \$150	Yearly savings	GF Savings
Already earning	1,409	0.15	2,680.2	1,340.1
New earners (per Gov's request)	533	0.15	959.4	479.7
	Participants	Avg. yearly earnings to state		
New earners not in fiscal note (nor Gov's request)	284	3.84	1,090.6	545.3
House assumes additional earners	200	3.84	768.0	384.0
<b>Total GF savings</b>				<b>2,749.1</b>

**House assumes some child care being provided to ATAP recipients in Native Child Care grant**

	Yearly cost of child care for all families	percent of caseload that is Native	House estimate of Native Child Care supplanting GF/Fed	GF Savings	
Two parent families estimated needing child care	196	1,176.0	32%	15%	70.6
One parent families estimated needing child care	1,873	7,432.6	24%	10%	297.3
<b>Total GF savings</b>				<b>367.9</b>	

**House assumes some child care being provided to ATAP recipients in C&RA programs**

	Families receiving care	GF cost per year	GF savings to AWP Child Care
Anchorage only	105	6.0	630.0
<b>Total GF savings</b>			<b>630.0</b>

**House assumes a lower cost per participant in "work first" philosophy**

	FY95 Act	FY96 Act	FY97 Auth	FY98 Gov*	FY98 Hse*
AWP total funding	5,102.7	5,374.5	6,503.7	10,080.8	8,080.8
AWP participants	1,860	2,100	2,000	4,252	4,252
Cost/participant (exclusive Native)	2.74	2.56	3.25	2.37	1.90

\* includes transfer of personnel to Field Services

**AWP Child Care**

	FY95 Act	FY96 Act	FY97 Auth	FY98 Gov	FY98 Hse
Total Non-native Child Care	3,717.6	4,525.8	6,024.2	8,608.5	7,608.5
Families requiring child care	651	758	1,024	1,429	1,429
Cost per family	5.71	5.97	5.88	6.02	5.32

STATE OF ALASKA

**DEPT. OF HEALTH AND SOCIAL SERVICES**

*DIVISION OF ADMINISTRATIVE SERVICES*

**TONY KNOWLES, GOVERNOR**

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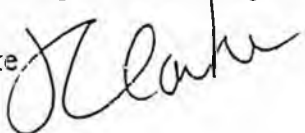
**MEMORANDUM**

**RECEIVED**  
MAR 20 1997.

**DATE:** March 19, 1997

**TO:** Annalee McConnell  
Director  
Office of Management & Budget

**FROM:** Janet Clarke  
Director



**SUBJECT:** House Finance DHSS Sub-Committee Reduction Analysis

The attached report provides response to the recommendations for reductions of the House Finance DHSS Sub-Committee to the Governor's Operating Budget request for the department. These proposed reductions produce various degrees of jeopardy to this department's programs especially those of our major formula program areas, public assistance and medical assistance.

The department has special concerns regarding non-acceptance of some of our proposed budget structure changes. If reductions are made, the structure will become even more important for program management purposes.

cc: Karen Perdue

Attachments

**Department of Health and Social Services**  
**FY98 Impact of House Finance Subcommittee Recommendations**

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Summary of FY98 Impact of House Finance Subcommittee Recommendations

BRU	Component	Reduction Description	Total	General Fund	Federal	Other
Public Assistance	ATAP	Deny increment in CSED collections, adjust formula assumptions	(3,000.0)	(3,000.0)		
Public Assistance	General Relief Assistance	End Rental Assistance Program	(500.0)	(500.0)		
Medical Assistance	Medicaid Non-Facility/Facility/Waivers Services	Eliminate Optional Medicaid Services for Adults	(8,100.0)	(2,900.0)	(4,050.0)	(1,150.0)
Public Assistance Administration	Public Assistance Field Services	Formula Workload Reductions	(1,150.0)	(750.0)	(400.0)	
Public Assistance Administration	Fraud Investigation	Department continues to lapse money	(50.0)	(50.0)		
Public Assistance Administration	Alaska Work Programs	Readjust FY97 base for savings in "work first" philosophy	(2,000.0)	(2,000.0)		
Public Assistance Administration	Child Care Benefits	Better coordination with C& RA DCAP and Native Child Care	(1,000.0)	(1,000.0)		
Medical Assistance Administration	Health Purchasing Group	Prior Year General Fund Lapse Adjustment	(600.0)	(300.0)	(300.0)	
Purchased Services	Foster Care	Readjust base and better utilize Medicaid, waivers, and Title IV-E	(150.0)	(150.0)		
Purchased Services	Residential Care	One time fiscal note item	(170.0)	(170.0)		
Family & Youth Services	Probation Services	Allow \$240.0 increment (the actual increment will be \$222.0 with indicated reduction)	(586.0)	(586.0)		
Health Services	Maternal, Child and Family Health	Reduce Healthy Families Alaska program increment by \$300.0 and replace \$1,000.0 general funds with Medicaid Inter-agency Receipts	(300.0)	(1,300.0)		1,000.0
State Health Services	Laboratory Services	Closure of Juneau Lab	(150.0)	(150.0)		
State Health Services	Community Health/EI IS Services	\$900.0 Medicaid supported Inter-agency Receipts for COMPASS Program	(900.0)			(900.0)
Alcohol and Drug Abuse Grants	Alcohol and Drug Abuse Grants	Impact of elimination of Medicaid Options on Adults served through Alcohol and Drug Abuse Grants				
Community Mental Health Grants; Institutions & Administration	All CMHG Components; Alaska Psychiatric Institute	Impact of Medicaid Options on Adults served through Community Mental Health Grants and API inpatient services				
Community DD Grants	Community DD Grants	Impact of loss of Medicaid Options for Adults served by DD				
Institutions and Administration	MH/DD Administration	25.0 General Fund identified for Quality Assurance activities	(100.0)	(25.0)		(75.0)
Administrative Services	Health Planning and Facilities Management	Refinancing Using Capital Appropriations		(159.0)		159.0
Administrative Services	Commissioner's Office	Eliminate Children's Cabinet position funding	(50.0)	(50.0)		
Departmentwide	Various	General travel reduction	(130.0)	(130.0)		
<b>Departmental Totals</b>			<b>(18,936.0)</b>	<b>(13,220.0)</b>	<b>(4,750.0)</b>	<b>(966.0)</b>

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Public Assistance		
Component	ATAP		
Reduction Description	Deny increment in CSED collections, adjust formula assumptions		
Funding (Reduction Amount )	Total funding loss	Total	(\$3,000.0)
		General Fund	(\$3,000.0)
		Federal	0.0
		Other	0.0
Explanation of Impact	<ul style="list-style-type: none"> <li>• New state and federal laws are intended to improve the collection of child support from absent parents who are not adequately supporting their children. We believe that the additional receipts collected by the state for kids receiving benefits from the state should go toward the support of those kids. This reduction precludes this pass through.</li> <li>• The total FY98 ATAP House proposed budget is \$ 113,563.9 or \$8,905.3 below FY97 authorized. The proposed additional reduction of \$ .75 million to PA Field Offices, \$ 2.0 million reduction in welfare-to-work services, and \$ 1.0 million reduction in child care will make it very hard for the state to meet the significant challenge of welfare reform and achieve the ATAP benefit savings that now total \$ 8,905.3.</li> <li>• SB98 included amendments to the Child Support Enforcement statutes. The occupational and driver's licensing provisions of the child support amendments, which are assumed to take effect on October 1, 1996 increased the amount of support collected on behalf of ATAP children. The state share of child support collected on behalf of ATAP children is transferred to DHSS as Designated Program Receipts, which reduce the need for regular General Fund money to fund formula need in the ATAP component. The FY98 Governor's budget did not add regular general fund to meet the projected cost of ATAP services.</li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Public Assistance		
Component	General Relief Assistance		
Reduction Description	End Rental Assistance Program.		
Funding (Reduction Amount)	Total funding loss	Total	(\$500.0)
		General Fund	(\$500.0)
		Federal	0.0
		Other	0.0
Explanation of Impact	<ul style="list-style-type: none"> <li>• This program was established prior to statehood (1953) to provide minimal assistance to the Alaska's poorest residents. Proposed cut of \$500.0 GF shreds this basic safety net program at a time when these recipients, who are the poorest of the poor, are facing dramatic cuts in federal programs.</li> <li>• GRA is the bottom tier in Alaska's welfare system, providing a small amount of aid to anyone who is extremely poor and facing an emergency need. The homeless in Alaska's largest cities are the principal beneficiaries of this program. Under the proposed House budget GR shelter assistance for about 300 persons monthly would be eliminated.</li> <li>• GRA also funds indigent burials. This basic state service covers the cost of about 325 burials per year which would otherwise fall on the communities and funeral homes of the state. Annual cost of GR burial is \$500.0—virtually all that would remain of the GRA budget after this cut.</li> </ul>		
Planned Response	<ul style="list-style-type: none"> <li>• Eliminate rental assistance to homeless Alaskans</li> <li>• Continue to fund indigent burials</li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRJ	Medical Assistance		
Component	Medicaid Non-Facility/Facility/Waivers Services		
Reduction Description	<b>Eliminate Optional Medicaid Services for Adults</b>		
Funding (Reduction Amount)	Total funding loss.	Total	(\$8,100.0)
		General Fund Match	(\$2,900.0)
		Federal	(\$4,050.0)
		Other represents MHTAAR	Other
Explanation of Impact	<ul style="list-style-type: none"> <li>Given the magnitude of these cuts, the timeframes within which to meet them and the absorption which has already occurred, the Department has no choice but to utilize the statutory direction of AS 47.07.035 to eliminate services for adults in priority order. The statute directs the Department to eliminate coverage for optional services and eligibility groups if funding is not adequate to serve all of the clients covered.</li> <li>Loss of the general fund identified in the Governor's Budget for restoration of options 6 through 10 will eliminate the Alaska Mental Health Trust Authority support of \$1,150.0 in Mental Health Trust Authority Authorized Receipts.</li> </ul> <p>The options which are not restored are:</p> <ul style="list-style-type: none"> <li>Adult Dental</li> <li>Emergency Hospital Services</li> <li>Speech, Hearing, and Language disorders</li> <li>Optometrist Services &amp; Eyeglasses</li> <li>Occupational Therapy</li> </ul> <ul style="list-style-type: none"> <li>Adults, Elderly and Disabled - over 8,600 clients will be impacted by the loss of these services; 30% of the disabled &amp; elderly use these services.</li> <li>Means no screening mammograms, prosthetics devices, medical supplies or equipment, case management and rehabilitative services.</li> <li>The loss of Mammography will result in a potential risk to receiving a five year \$5 million federal grant (Breast and Cervical Cancer Grant) to the Epidemiology Section of Public Health.</li> <li>Without these services, clients will access more intensive acute services such as hospital and nursing homes.</li> <li>The cut for the Waiver Services clients would result in DD being</li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

	<p>unable to refinance clients from the wait list to the waivers as slots become available until 500.0 of reduced expenditures has been realized. As a result, both this cut and the cost shift to JHS will be included in the Medicaid Non-Facility cut against the optional services.</p>
<p>Planned Response</p>	<ul style="list-style-type: none"> <li>• The Division will initiate the necessary regulations to implement these cuts as soon as the FY98 Budget is finalized. The regulatory process will take up to 6 months to complete.</li> <li>• Estimated implementation date is October 1, 1997.</li> <li>• Claims submissions lag from the date of implementation to date of billing but average between 6-8 weeks.</li> <li>• The Division will have about 7 months in which to achieve the 2,900.0 general fund cut targeted by the House Finance Committee, which represents an annualized amount of over 4,500.0.</li> <li>• In some cases, clients will access more acute services which shifts costs to the more acute services portion of the budget.</li> <li>• To achieve a reduction of this magnitude, within these time frame and with client cost shifting to more acute services, will require eliminating services through number 15 (Rehabilitative Services) on the priority list.</li> </ul> <p>In order to avoid future cost and enable the Department to more effectively manage the program, the following legislative changes are needed:</p> <ul style="list-style-type: none"> <li>• Passage of the Governor's regulatory relief (Adoption by Reference) legislation.</li> <li>• Legislation which exempts the Medicaid Program from the regulatory process or relaxes interpretation of what constitutes an emergency.</li> <li>• Changes in the Medicaid Rate Setting Statute</li> <li>• Extension of the Certificate of Need Moratorium</li> <li>• Passage of the Personal Care legislation.</li> </ul>

# DH&SS FY98 Impact of House Finance Subcommittee Recommendations

## Cumulative Savings over 7 Months

TABLE OF MEDICAID PRIORITIES - AS 47.07.035  
(Lowest to Highest)  
Adult Services Only  
FY98

Service	Recipients	Total Funds	Cumulative Total Funds Balance	Cumulative General Funds Balance
1 Direct Entry Midwives		Already Eliminated		
2 Clinical Social Workers		Already Eliminated		
3 Psychologists		Already Eliminated		
4 Chiropractic		Already Eliminated		
5 Advanced Nurse Practitioners		Already Eliminated		
6 Adult Dental		Already Eliminated		
7 Emergency Hospital Services		Already Eliminated		
8 Speech, Hearing, & Language Disorders		Already Eliminated		
9 Optometrist Service & Eyeglasses		Already Eliminated		
* 10 Occupational Therapy		Already Eliminated		1,150,000
11 Mammography	1,123	81,301	81,301	1,190,650
12 Prosthetic Devices				1,190,650
13 Medical Supplies & Equipment	1,335	1,070,558	1,151,859	1,725,930
14 Targeted Case Management (S Abuse & MH)	1,421	2,055,502	3,207,361	2,753,681
15 Rehabilitative Services (Sub Abuse & MH)	2,127	6,312,346	9,219,707	5,759,853
16 Clinic Services Includes Mental Health Clinics				
17 Physical Therapy				
18 Personal Care				
19 Prescribed Drugs				
20 Hospice Care				
21 Non-Institutional Long Term Care (Includes Home & Community Based Waivers)				
22 Inpatient Psychiatric Services				
23 Intermediate Care for the Mentally Retarded				
24 Intermediate Care Services				
25 Medically Complex Children's Services (TEFRA & OBRA)				
26 Individuals Under 21 Not Eligible for AFDC				
27 Skilled Nursing Services for Individuals Under 21				
28 Aged, Blind and Disabled Individuals				
29 Individuals in a Hospital, Skilled or Intermediate Care at 300% SSI Level				
30 Individuals Under 21 Under supervision of the Department				
31 Subsidized Adoptions				

18. Includes Alaska Psychiatric Institute.

19. Includes Harborview Developmental Center.

26-28-31 Are Eligibility Groups. The cost shown are included in the above optional services as well as the mandatory Medicaid Services.

House Finance Targets would eliminate options 11 through 15  
Assumes October effective regulation change to cut services and  
an additional 2 months to account for billing lags.

\* Governor's Request restored Option 6-10 at 1,150.0 GFM

This projection is the same as FY96 because of the small growth in the  
program FY96 YTD over FY95. Data thru January. - 2/15/96

## DH&SS FY98 Impact of House Finance Subcommittee Recommendations

### Sec. 47.07.035. Priority of medical assistance.

If the department finds that the cost of medical assistance for all persons eligible under this chapter will exceed the amount allocated in the state budget for that assistance for the fiscal year, the department shall eliminate coverage for optional medical services and optionally eligible groups of individuals in the following order:

- (1) midwife services;
- (2) clinical social workers' services;
- (3) psychologists' services;
- (4) chiropractic services;
- (5) advanced nurse practitioner services;
- (6) adult dental services;
- (7) emergency hospital services;
- (8) treatment of speech, hearing, and language disorders;
- (9) optometrists' services and eyeglasses;
- (10) occupational therapy;
- (11) mammography screening;
- (12) prosthetic devices;
- (13) medical supplies and equipment;
- (14) targeted case management services;
- (15) rehabilitative services for substance abusers and emotionally disturbed or chronically mentally ill adults;
- (16) clinic services;
- (17) physical therapy;
- (18) personal care services in a recipient's home;
- (19) prescribed drugs;
- (20) hospice care;
- (21) long-term care noninstitutional services;
- (22) inpatient psychiatric facility services;
- (23) intermediate care facility services for the mentally retarded;
- (24) intermediate care facility services;
- (25) individuals described in AS 47.07.020 (b)(11);
- (26) [See delayed amendment note]. individuals under age 21 who are not eligible for benefits under the federal aid to families with dependent children program because they are not deprived of one or more of their natural or adoptive parents;
- (27) skilled nursing facility services for persons under age 21;
- (28) aged, blind, and disabled individuals who, because they do not meet the income requirements, do not receive supplemental security income under Title XVI of the Social Security Act, but who are eligible, or would be eligible if they were not in a skilled nursing facility or intermediate care facility, to receive an optional state supplementary payment;
- (29) individuals in a hospital, skilled nursing facility, or intermediate care facility whose income while in the facility does not exceed 300 percent of the supplemental security income benefit rate under Title XVI of the Social Security Act, but who, because of income, are not eligible for the optional state supplementary payment;
- (30) individuals under age 21 under supervision of the department for whom maintenance is being paid in whole or in part from public money and who are in foster homes or private child-care institutions;
- (31) individuals under age 21 who the department has determined cannot be placed for adoption without medical assistance because of a special need for medical or rehabilitative care and who the department has determined are hard-to-place children eligible for subsidy under AS 25.23.190 - 25.23.220.

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Public Assistance Administration		
Component	Public Assistance Field Services		
Reduction Description	Formula Workload Reductions		
Funding (Reduction Amount )	Total funding loss	Total	(\$1,150.0)
		General Fund	(\$750.0)
		Federal	(\$400.0)
		Other	0.0
Explanation of Impact	<ul style="list-style-type: none"> <li>Proposed cuts to DPA staff will increase caseloads to an unmanageable size when the demands on staff are greater than ever.</li> <li>A reduction of \$750.0 GF would result in roughly \$400.0 in los. federal match participation. The total actual financial impact would be \$1,150.0. This budget cut eliminates funding for twenty-three existing positions that collectively manage an average monthly caseload of 4,025 public assistance program cases.</li> <li>The programmatic impacts of the \$750.0 GF reduction would be severe. Some DPA offices would lose their ability to carry out its mission of providing timely, accurate formula program benefits and reducing welfare dependency.</li> <li>Welfare Reform demands more case management that requires DPA workers spend more time with clients. Because of the need to help recipients move into the workforce, eligibility determination and benefit issuance are no longer the primary services we must provide to families. The fundamental way in which we interact with clients will change. Case management occurs when applicant work search, child care, counseling, job training and other relevant services are coordinated by a worker effectively and efficiently to help coach an individual from welfare to work. The case manager and the client work in partnership to develop the family self-sufficiency plan that outlines the steps necessary for the client to move into work and self sufficiency.</li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Public Assistance Administration		
Component	Fraud Investigation		
Reduction Description	<b>Department continues to lapse money</b>		
Funding (Reduction Amount )	Total funding loss	Total	(\$50.0)
		General Fund	(\$50.0)
		Federal	0.0
		Other	0.0
Explanation of Impact	<ul style="list-style-type: none"> <li>This reduction eliminates funding for one Fraud Investigator position which will not significantly impact the overall fraud control plan.</li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Public Assistance Administration		
Component	Alaska Work Programs		
Reduction Description	Readjust FY97 base for savings in "work first" philosophy		
Funding (Reduction Amount)	Total funding loss	Total	(\$2,000.0)
		General Fund	(\$2,000.0)
		Federal	0.0
		Other	0.0
Explanation of Impact	<ul style="list-style-type: none"> <li>• <b>The proposed House cuts to the work programs will make it impossible to achieve federal work participation rates resulting in a penalty (\$3.2 million) to the state.</b></li> <li>• The number of recipients in participating in federally mandated work activities will be <b>more than 1100 fewer than required.</b></li> <li>• The reinvestment funds lost in this reduction are not an increase in the total public assistance budget. The FY98 Governor's budget transferred dollars used to pay benefits to Welfare-to-work services. The benefit money is available from benefit reductions and projected caseload decrease from welfare reform.</li> <li>• Without these reinvestments it will be impossible for the state to meet the significant challenges proposed by welfare reform. If we do not succeed, the safety net for poor families will erode and eventually disappear and much of the burden for caring for these Alaskans will fall to local governments and non-profit agencies.</li> <li>• This cut will make poor families vulnerable to extreme hardship since there are not the resources to help them become self-sufficient when their welfare benefits are cut off.</li> <li>• Proposed cuts to work programs will make it impossible to adequately screen recipients for employment, which is the primary concern of potential employers. Plan for "Work First" contract services will be cut by 50%. Our "Work First" model is designed to prepare and move recipients into the workforce</li> <li>• The proposed House budget means 340 fewer recipients monthly will be in the job preparation activity. This reduction alone would probably prevent Alaska from meeting the Federal mandated</li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

	<p>requirements.</p> <ul style="list-style-type: none"> <li>Proposed cuts to community grants and contracts will make it very difficult to leverage community resources for welfare-to-work efforts. Community work service will provide many clients with the necessary skill development to help them succeed in wage paying jobs. It also satisfies the federal request for clients who need to be in a work activity.</li> <li>The proposed House reduction will reduce contract and grant funding for community work service by 50%. Recipients residing in rural areas will be significantly impacted. Each month roughly 600 fewer ATAP recipients will be active in Community Work Service.</li> </ul>
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ATAP Recipient Cases in a Work Activity

Federal Mandated Work Activity	FY97 Base	FY98 Gov	House Reduction	FY93 House Funded
Employment Activity*	1832	2022	(0)	2022
Community Work Service	60	1000	(581)	419
Work First		821	(340)	481
Other	558	502	(200)	302
<b>Total Monthly Activity</b>	<b>2450</b>	<b>4345</b>	<b>(1121)</b>	<b>3224</b>
Number Meeting Federal Mandated Work Requirements	1200	3189		1900
Federal Work Requirements Met	No	Yes		No
Federal Work Sanction Avoided	No	Yes		No

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Public Assistance Administration		
Component	Child Care Benefits		
Reduction Description	Better coordination with C& RA DCAP and Native Child Care		
Funding (Reduction Amount )	Total funding loss	Total	(\$1,000.0)
		General Fund	(\$1,000.0)
		Federal	
		Other	
Explanation of Impact	<ul style="list-style-type: none"> <li>• The reinvestment funds lost in this reduction are not an increase in the total public assistance budget. The FY98 Governor's budget transferred dollars used to pay child care benefits. The money is available from benefit reductions and projected caseload decrease from welfare reform.</li> <li>• <b>303 fewer children</b> will be served and a minimum of <b>150 ATAP families</b> who would otherwise be engaged in work activities according to the law must be exempted because affordable child care is not available.</li> <li>• If funding is shifted to meet the needs of these parents, <b>150 other low-income working parents</b>, not on ATAP would be unable to access the child care assistance they need to remain employed.</li> <li>• Proposed cuts to child care will make it impossible for many parents to ever afford an opportunity to go to work.</li> <li>• All TANF recipients are parents. When Congress passed federal welfare reform and created the Child Care Block Grant (CCDF) they understood that assistance with paying for child care costs often makes the critical difference in whether a parent can in fact work to support the family.</li> <li>• The average number of children per single parent family is 1.8. two-parent families have an average of 2.6 children. 51% of their children are between the ages of 0-6 and will require child care during the hours their parents participate in approved work activities. 34% of their children are between the ages of 7-12 and may require after school care. The average annual cost of child care assistance for a family at poverty level is \$3300 per child</li> </ul>		

- State funded DCAP is available only for care in licensed facilities and parents are often wait-listed for this program. Welfare-to-work is a statewide program and unfortunately licensed facilities are often unavailable outside of the urban centers.
- Guidance from the federal government clarifies that the eligibility of Indian children for a tribal program does not affect their eligibility for a State program, as a result states cannot have a policy of refusing to provide child care services to Alaska Native children. These children have dual eligibility for CCDF child care services regardless of whether a tribe operates its own TANF or work program.

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Medical Assistance Administration		
Component	Health Purchasing Group		
Reduction Description	<b>Prior Year General Fund Lapse Adjustment</b>		
Funding (Reduction Amount)	Total funding loss	Total	(\$600.0)
		General Fund	(\$300.0)
		Federal	(\$300.0)
		Other	
Explanation of Impact	<ul style="list-style-type: none"> <li>• A 600.0 reduction in this component will hinder the Division's ability to implement satisfactory cost management measures to achieve the proposed Governor's Request let alone the House targets. Many of the cost management activities represent new initiatives which will require increased contractual services costs. Under funding these activities will compromise achieving the cost savings upon which the Governor's budget and the House targets are predicated.</li> <li>• The ability to contract for support and technical assistance to develop and implement additional managed care pilot activities would be restricted.</li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Purchased Services		
Component	Foster care		
Reduction Description	<b>Readjust base and better utilize Medicaid, waivers, and Title IV-E</b>		
Funding (Reduction Amount)	Total reduction for project by fund source.	Total	(\$150.0)
		General Fund	(\$150.0)
		Federal	
		Other	
Explanation of Impact	<ul style="list-style-type: none"> <li>This reduction will result in the need to work with Division of Mental Health and Developmental Disabilities, and Division of Medical Assistance to develop alternative to manage the care of clients with severe emotional, psychological, and psychiatric needs.</li> </ul>		
Planned Response	<ul style="list-style-type: none"> <li>Base rates paid to foster parents will be held at 1991 levels.</li> <li>Augmented rates and costs for special needs children will be minimized.</li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Purchased Services		
Component	Residential Care		
Reduction Description	<b>One time fiscal note item</b>		
Funding (Reduction Amount)	Total funding loss	Total	(170.0)
		General Fund	(170.0)
		Federal	
		Other	
Explanation of Impact	<ul style="list-style-type: none"> <li>• A one-time item was missed in the technical preparation of the budget.</li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Family & Youth Services		
Component	Probation Services		
Reduction Description	Allow \$240.0 increment (the actual increment will be \$222.0 with indicated reduction)		
Funding (Reduction Amount)	Total funding loss by fund source. Include any matching funds.	Total	(\$586.0)
		General Fund	(\$586.0)
		Federal	
		Other	
Explanation of Impact	<ul style="list-style-type: none"> <li>• The Governor's budget adds sufficient funding for \$560.0 in additional local diversion projects and three Juvenile Probation Officers. The reduction will eliminate two of the JPO's and reduce the additional diversion grants to \$140.0</li> <li>• The reduction will reduce our ability to meet the goals of the Governor's Conference on Youth and Justice. Without a diversion grant program, communities will lack resources to find alternatives to placement in our youth facilities. Consequently the number of youth placed in our five facilities will continue to increase.</li> <li>• In addition, consequences for youth who commit criminal offenses will be delayed, and communities will not have alternatives available for holding youth when detention beds are not available. Further, the number of needed detention beds scheduled for development in several communities is based on having alternative placements available for some of the less serious offenders.</li> </ul>		
Planned Response	<ul style="list-style-type: none"> <li>• Fill only 1 Juvenile Probation Officer position.</li> <li>• Reduce new grants to community diversion programs to \$140.0</li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Health Services		
Component	Maternal, Child and Family Health		
Reduction Description	Reduce Healthy Families Alaska program increment by \$300.0 and replace \$1,000.0 general funds with Medicaid Inter-agency Receipts		
Funding (Reduction Amount)	Total funding loss	Total	(\$300.0)
	Other is Inter-agency Receipts received under Medicaid from Medical Assistance	General Fund	(\$1,300.0)
		Federal	
		Other	\$1,000.0
Explanation of Impact	<p>Healthy Families Alaska is geared to preventing child abuse and neglect through identification of families at risk and providing them support in becoming healthy nurturing families. Support begins at pre-natal and extends to age five. Client growth in the program comes from additional births to existing clients and new births of targeted families. To fully fund the existing programs and support their normal caseload growth 2.2 million dollars is needed. To simply maintain programs at existing levels the 300.0 increment was needed for a base of 1.5 million. Elimination of this increment drops program funding to 1,300.0 of which 1,000.0 will be based on federal funding.</p> <ul style="list-style-type: none"> <li>• The outcome of a 300.0 reduction is that approximately 92 highly stressed, at-risk families will not receive services.</li> <li>• This is based on a statewide average cost of \$3291 per year/per family.</li> <li>• Replacing the general fund with Medicaid based Inter-agency Receipts funds effectively eliminates general funds that support this program and makes the continuation of the existing program fully dependent upon the continued availability of federal funds.</li> <li>• The long-term impact of this reduction will be increased rates of child abuse and neglect in the high risk families not served and,</li> <li>• Increased costs to the child protective services (DFYS) budget to follow up on reports of abuse, conduct investigations to verify abuse and then to pay for selected numbers of children who then end up in the foster care system.</li> </ul>		
Planned Response	A 300.0 reduction would be implemented under one of the options shown below. The bottom line of all the options is a reduction in the number of individual families served. Since it is the individual families that are at		

risk, it becomes less important to rate communities or projects by overall community risk.

- Option One would move the Kenai program, which is funded by a federal grant that is expiring, into the status of a pilot Medicaid funded program and would reduce the funding for a position (from full-time to half-time) with the South Central Foundation program.
- Option Two would cut the Juneau program since it is a community considered to have more local resources than some others and could therefore, perhaps, support the program locally. Small funding increments would be provided to the new programs, the position in South Central would be fully funded and transfer the Kenai program as discussed under option one.
- Option Three would cut Fairbanks and Bethel and fund the Kenai program with Healthy Families grant dollars.
- Option Four would eliminate the Kenai program when their federal funding ends August 1997. Funding would be reduced to Fairbanks, Mountain View, Bristol Bay, Juneau and Mat-Su. Bethel and South Central would be eliminated.

Healthy Families Alaska Programs  
Survey II - March 17, 1997

All Healthy Families Alaska grantees were contacted and asked what they would do with their program in FY 98, if their current level of funding remained close to their FY 97 levels. They all responded they would continue operation. The following table reflects numbers close to the FY97 levels, except for Juneau, so it is assumed these numbers would be acceptable.

Table 1. Healthy Families Continuation Question and Proposed Funding for Programs in FY 98

Program	Current Budget and Proposed FY 98 Budget		Would Continue Program at Proposed 98 Funding	
	FY 97	FY 98	Yes	No
Catholic Community Services - Juneau	331.0	243.0	X	
Bristol Bay Native Association	184.0	175.0	X	
Anchorage Center for Families - Mountain View	243.0	250.0	X	
Mat-Su Services for Children & Adults	265.0	265.0	X	
Resource Center for Parents and Children - Fairbanks	150.0	175.0	X	
Rural CAP - Bethel	150.0	175.0	X	
South Central Foundation - Anchorage	40.0	23.0	X	
Kenai Parent Support Program				
Total	1363.0	1306.0		

**Discussion:** Programs expressed grave concerns for the integrity of their programs at a lowered level of funding. All are strongly committed to continuing this prevention program even under adversity.

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	State Health Services		
Component	Laboratory Services		
Reduction Description	Closure of Juneau Lab		
Funding (Reduction Amount)	Total funding loss.	Total	(\$150.0)
		General Fund	(\$150.0)
		Federal	
		Other	
Explanation of Impact	<p>Closure of the Juneau Laboratory on July 1, 1997.</p> <p>Premature closure of the Juneau Lab will:</p> <ul style="list-style-type: none"> <li>• compound rather than resolve overcrowding and health/safety issues in the Anchorage lab;</li> <li>• reduce our capacity to perform the laboratory testing essential to identifying, evaluating and controlling public health threats;</li> <li>• reduce some specific services provided by the laboratory to Southeast Alaska.</li> </ul> <p>Specifically, closure of the Juneau Laboratory prematurely would:</p> <ol style="list-style-type: none"> <li>1. result in temporary loss of capacity to perform mycology testing;</li> <li>2. require additional costs to re-institute this needed mycology work due to the need to make significant alterations to the Anchorage laboratory to allow mycology work to be performed there,</li> <li>3. result in loss of capacity for storing and distributing vaccines to health care providers in Juneau (The Juneau lab stores and distributes vaccines to health care providers in Juneau. There is no alternative yet developed to ensure uninterrupted continuation of this function if the Juneau lab closes. A planned transition is necessary to provide an alternative that maintains this essential function without interruption);</li> <li>4. curtailment of water bacteriology and water suitability testing for Southeast communities (With closure of the Juneau lab this work will have to be sent to the DEC laboratory in Palmer).</li> </ol>		
Planned Response	<p>Elimination of the Juneau laboratory represents a precipitous approach to reducing the laboratory budget. If the Juneau laboratory is closed, positions and existing expertise will be lost. Alaska will lose the investment we have made in training these staff and will lose their expertise as essential members of our disease surveillance and control team.</p>		

Closing the Juneau Laboratory without allowing appropriate time to transition to a new updated facility severely reduces the State Public Health Laboratories' ability to protect the health of the citizens of Alaska.

These cuts would reduce capacity to perform necessary testing rather than reduce budget through efficiencies. This reduced capacity will compromise the State's surveillance and ability to respond to outbreaks. The Anchorage laboratory was not built to be a laboratory and continues to have major space and health and safety concerns. Also, the Anchorage laboratory is not staffed nor does it have the space for additional staff or equipment to pick up all of the work presently performed in Juneau. Additionally, only Juneau currently has the necessary staff expertise in Mycology and Water Bacteriology.

If the Juneau laboratory is closed, the positions and existing expertise will be lost. It is likely that the microbiologists will move out of state since there are few job opportunities for these specialists in the State of Alaska. This will reduce our ability to recruit microbiologists in the future due to the small in-state job pool of these professionals. Therefore it will take a long time to hire and retrain competent staff to meet Federal regulations.

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	State Health Services		
Component	Community Health/EMS Services		
Reduction Description	<b>\$900.0 Medicaid supported Inter-agency Receipts for COMPASS Program</b>		
Funding (Reduction Amount)	Total funding loss	Total	(\$900.0)
		General Fund	
		Federal	
	Other represents Medicaid supported Inter-agency Receipts	Other	(\$900.0)
Explanation of Impact	<ul style="list-style-type: none"> <li>• COMPASS stands for COMMunity Partnerships for Access, Solutions, and Success. COMPASS is a systems reform initiative set to remove barriers and focus on comprehensive services for young children.</li> <li>• The integration of education, health, and social services on the community level is encouraged through COMPASS. The approach with communities is for them to be responsible for analyzing problems, designing solutions, and implementing efforts.</li> <li>• 13 COMPASS communities out of 49 community proposals were awarded in FY 97.</li> <li>• Phase I of FY97 funding included travel of seven community members from each of the COMPASS communities to attend the COMPASS Institute (co-sponsored with the Danforth Foundation).</li> <li>• Phase II funding is based on the COMPASS Communities' Action Agendas that were developed by each community team at the COMPASS Institute. Each community receives a small amount of funding for their efforts to improve results for children in their community.</li> <li>• Communities need funding to keep initiative moving in their community. This reduction of funding severely impedes the success of these communities' efforts to improve results for Alaska's children.</li> </ul>		
Planned Response	<ul style="list-style-type: none"> <li>• The COMPASS Initiative will continue. Communities will not receive funding.</li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Alcohol and Drug Abuse Grants		
Component	Alcohol and Drug Abuse Grants		
Reduction Description	Impact of elimination of Medicaid Options on Adults served through Alcohol and Drug Abuse Grants		
Funding (Reduction Amount )	Total funding loss.	Total	
		General Fund	
	In Medical Assistance Impact Analysis	Federal	
		Other	
Explanation of Impact	<ul style="list-style-type: none"> <li>• Follow statutory direction of AS 47.07.035 to eliminate services/optional Medicaid eligible groups in priority order. Option (14), targeted case management services, and Option (15), rehabilitative services for substance abusers and emotionally disturbed or chronically mentally ill adults will be eliminated.</li> <li>• Medicaid reimbursements to alcoholism and drug abuse providers for treatment services for adults was \$1,522,209 in FY 96. The impact will be felt predominately in programs providing services to women and their children. It is estimated that Medicaid reimbursement will be eliminated for 1,111 adults.</li> <li>• Since the majority of treatment services are for women and their children, we would estimate that some women would lose custody of their children to DFYS due to their continued alcohol and drug abuse. This would then increase the cost to DFYS. Without appropriate treatment services clients will access more intensive acute services such as emergency rooms in hospital, jail facilities and shelters as they continue to use and abuse alcohol and other drugs.</li> </ul>		
Planned Response	<ul style="list-style-type: none"> <li>• If the Division continues current policy of admission priority for pregnant women and the priority to serve women who have children and women whose children are in DFYS custody then they will replace others in care under grant funds.</li> <li>• The results would be the same - increased use of hospitals, jails and shelters but it would be men and women without children that would not be receiving treatment services.</li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Community Mental Health Grants; Institutions & Administration		
Component	All CMHG Components; Alaska Psychiatric Institute		
Reduction Description	Impact of Medicaid Options on Adults served through Community Mental Health Grants and API inpatient services		
Funding (Reduction Amount)	Total funding loss.	Total	
	In Medical Assistance Impact Analysis	General Fund	
		Federal	
		Other	
Explanation of Impact	<ul style="list-style-type: none"> <li>• At least half of the community support program for adults with severe mental illnesses will be wiped out, after 10 years of development. As many as 1500 severely mentally ill adults may lose all or part of their public support system. In addition, many more adults with severe depression and a wide variety of other mental and emotional disorders will also lose most of their publicly funded care.</li> <li>• Without the community treatment and rehabilitation system in place, psychiatric hospitalization will potentially increase substantially, particularly at API.</li> <li>• There will also be a substantial adverse effect on the courts and correctional system; the entire range of welfare systems; local police and state troopers; homeless and emergency shelters; hospital emergency rooms; and any other agency or service that deals with persons in crisis.</li> <li>• Payments for prescription medications will be maintained for all populations.</li> <li>• Physicians and mental health clinics would be able to be reimbursed for intake assessments, treatment planning, and psychotherapy.</li> </ul>		
Planned Response	<ul style="list-style-type: none"> <li>• With rehabilitation services gone available public funding for adult services will be reduced, therefore, grant funds for adults will have to be awarded in a manner that maximizes services to those most in need</li> </ul> <p>Mechanisms will have to put in place to ensure that grant funds are used exactly as intended, which will require very strict oversight steps.</p>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Community DD Grants		
Component	Community DD Grants		
Reduction Description	<b>Impact of loss of Medicaid Options for Adults served by DD</b>		
Funding (Reduction Amount )	Total funding loss.	Total	
	In Medical Assistance Impact Analysis	General Fund	
		Federal	
		Other	
Explanation of Impact	<ul style="list-style-type: none"> <li>• Follow statutory direction of AS 47.07.035 to eliminate services/options for Medicaid eligible groups in priority order. <b>Means no:</b> screening mammograms; prosthetics devices; medical supplies or equipment; case management; rehabilitative services; and clinic services including mental health clinics.</li> <li>• DD provides services to a substantial number of the 30% of the disabled and elderly identified in the FY98 Impact Analysis by Medical Assistance.</li> <li>• With the elimination of services/options, DD consumers will access more intensive acute services such as in-patient hospital and nursing homes to meet their service needs.</li> <li>• Additional cost shifting to Home and Community Based Medicaid Waiver Services for those over the age of 21 years will be necessary.</li> <li>• Cost shifting to Community DD Grants for those consumers not eligible for Home and Community Based Medicaid Waivers, thus utilizing more of the waiver refinance funds targeted to reduce the DD Wait List.</li> <li>• Loss of essential support services to the DD adults of the State of Alaska not eligible for Home and Community Based Medicaid Waivers.</li> <li>• Increased number of Home and Community Based Medicaid Waivers, many of which will be low cost, covering only the optional services lost by the planned reduction. The bottom line will be higher costs to Medicaid for Waivers since each new plan will also be required to add the cost of care coordination services (\$2950.0).</li> </ul>		
Planned Response	<ul style="list-style-type: none"> <li>• Start cost shifting to Home and Community Based Medicaid Services whenever a consumer needs services that have been deleted from the</li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

	<p>Options list.</p> <ul style="list-style-type: none"><li>• Refinance additional consumers with Home and Community Based Medicaid Waivers currently served on Community DD Grants to obtain the necessary GF to restore services lost to DD adults on Medicaid.</li></ul>
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DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Institutions and Administration		
Component	MH/DD Administration		
Reduction Description	<b>25.0 General Fund identified for Quality Assurance activities</b>		
Funding (Reduction Amount )	Total funding loss	Total	(\$100.0)
		General Fund	(\$25.0)
		Federal	
		Other is Medicaid supported Inter-agency Receipt	Other (\$75.0)
Explanation of Impact	The quality assurance project is matched by Medicaid. A loss of \$25.0 GF means that another \$75.0 in Medicaid match can not be collected. This means that one and one half positions will not have funding. Without these positions, we will not be able to complete all of the scheduled reviews.		
Planned Response	Both the MHTA and Medical Assistance who support this project do not feel that contracting this activity will provide the desired outcomes. The Division will need to review what this impact means and try to mitigate the loss of these funds in order to successfully implement this project.		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Administrative Services			
Component	Health Planning and Facilities Management			
Reduction Description	<b>Refinancing Using Capital Appropriations</b>			
Funding (Reduction Amount)	Total funding for project by fund source. Total		0.0	
	Include any matching funds.			
	Activities funded with GF in this unit are not CIP related; effective cut is \$159.0.	General Fund		(\$159.0)
		Federal		
CIP			\$159.0	
Explanation of Impact	<ul style="list-style-type: none"> <li>• The proposed reduction in the Administrative Services BRU is a 6% reduction.</li> <li>• The specific cut to the Health Planning component would cut in half the last vestiges of health planning staff in the Department (+ positions); they have been staffing the HB 528 Long Term Care working group, assisting in Certificate of Need (CON), and this is where the newly established Data Administrator is housed. These planning activities are not normally funded with CIP receipts; they perform critical work that is related to potential costs savings throughout the department.</li> <li>• The Certificate of Need program provides review of any expenditure of \$1 million or more for construction of a health care facility, alteration of bed capacity, or change in a category of health, to control costs and improve quality of care.</li> <li>• As a result of the 2 year moratorium on Certificates Of Need (CON), HB 528 created a Governor's Working Group on long term care that will report back to the legislature with a recommended future course for long term care including CON.</li> <li>• Data Integration will provide more accurate reliable information about human services managed by DHSS which will enable local, state, and federal agencies—including the legislature—to make more informed decisions in their respective realm of responsibility.</li> </ul>			
Beneficiary Group or Groups Served	Without these activities, the general population of Alaska would likely see higher costs of health care in the future.			

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Administrative Services		
Component	Commissioner's Office		
Reduction Description	<b>Eliminate Children's Cabinet position funding</b>		
Funding (Reduction Amount )	Total funding for project by fund source. Include any matching funds.	Total	(\$50.0)
		General Fund	(\$50.0)
		Federal	0.0
		Other	0.0
Explanation of Impact	<ul style="list-style-type: none"> <li>The reduction of funding in the Commissioner's Office component for the Children's Cabinet position is an error. This position is currently funded through an RSA between the Division of Public Health, Maternal, Child and Family Health and the Department of Community and Regional Affairs from a federal grant. In FY98, partial funding for this position is budgeted in the Children's Trust Program BRU using Children's Trust Fund Earnings funds, <u>not in the Commissioner's Office.</u></li> </ul>		

DH&SS FY98 Impact of House Finance Subcommittee Recommendations

BRU	Departmentwide		
Component	Various		
Reduction Description	General travel reductions		
Funding (Reduction Amount)	Total funding loss	Total	(130.0)
		General Fund	(130.0)
	NOTE: Matching federal amounts will also be lost where relevant.	Federal	
		Other	
Explanation of impact	<ul style="list-style-type: none"> <li>• Much of the department's travel is entirely or partially paid out of non-GF dollars; therefore it is difficult to determine an immediate distribution of this cut. Needless to say, much of the impact will most likely be in general and central program administrative units.</li> <li>• This cut adds to the general cuts attributable to improvements in efficiency provided in the Governor's Request. While the cuts are designated as reductions to travel, most programs will view them as increased challenges for further improvement in efficiency of operations.</li> </ul>		

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## Agency Totals - FY98 Operating Budget

Agency: Department of Labor

	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<b>Totals for Agency</b>	<b>54,952.0</b>	<b>60,128.1</b>	<b>59,134.9</b>	<b>58,934.9</b>	<b>-200.0</b>	<b>-0.3%</b>
<u>Objects of Expenditure:</u>						
Personal Services	34,490.0	37,760.0	37,350.4	37,323.1	-27.3	-0.1%
Travel	906.3	1,147.8	1,173.4	1,173.4	0.0	0.0%
Contractual	14,607.1	14,918.1	14,343.5	14,228.0	-115.5	-0.8%
Commodities	748.1	815.2	837.5	837.5	0.0	0.0%
Equipment	520.5	640.4	631.3	631.3	0.0	0.0%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	3,680.0	4,846.6	4,798.8	4,798.8	0.0	0.0%
Miscellaneous	0.0	0.0	0.0	-57.2	-57.2	0.0%
<u>Funding Sources:</u>						
1002 Fed Rcpts	31,226.2	35,023.8	34,244.8	34,244.8	-0.0	-0.0%
1003 G/F Match	1,686.4	1,997.1	1,918.9	1,818.9	-95.0	-5.0%
1004 Gen Fund	6,545.0	5,945.9	6,011.7	5,906.7	-105.0	-1.7%
1005 GF/Prgm	827.0	761.7	771.0	771.0	0.0	0.0%
1007 I/A Rcpts	7,636.9	7,445.2	7,123.9	7,123.9	-0.0	-0.0%
1031 Sec Injury	2,512.4	2,851.9	2,854.9	2,854.9	0.0	0.0%
1032 Dis Fisher	477.3	1,301.4	1,304.2	1,304.2	0.0	0.0%
1049 Trng/Bldg	355.2	581.0	592.4	592.4	0.0	0.0%
1054 Empl Trng	3,604.0	3,946.2	4,046.1	4,046.1	0.0	0.0%
1055 IA/OIL HAZ	2.3				0.0	0.0%
1061 CIP Rcpts	79.3	79.3	74.6	74.6	0.0	0.0%
1091 GF/Desig		196.6	197.4	197.4	-0.0	-0.0%
<u>Positions:</u>						
Perm Full Time	669.0	645.0	596.0	594.0	-2.0	-0.3%
Perm Part Time	46.0	52.0	77.0	79.0	2.0	2.6%
Non-Perm	0.0	0.0	0.0	0.0	0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Labor

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Employment Security</b>							
1	Employment/Unemployment Svs	29,861.9	32,046.3	30,667.5	30,667.5	0.0	0.0%
2	Alaska Work Programs	1,577.7	1,984.9	1,913.0	1,913.0	0.0	0.0%
3	Governor's Committee on Employ	30.3	42.5	42.5	42.5	0.0	0.0%
4	State Training Employment Prog	3,604.0	3,946.2	4,046.1	4,046.1	0.0	0.0%
	* BRU Total	35,073.9	38,019.9	36,669.1	36,669.1	0.0	0.0%
<b>Data Processing</b>							
5	Data Processing	2,453.7	2,915.5	2,888.8	2,888.8	0.0	0.0%
	* BRU Total	2,453.7	2,915.5	2,888.8	2,888.8	0.0	0.0%
<b>Administrative Services</b>							
6	Management Services	2,225.8	2,489.8	2,585.5	2,565.5	-20.0	-0.8%
7	Labor Market Information	2,628.4	2,805.6	2,847.8	2,847.8	-0.0	-0.0%
	* BRU Total	4,854.2	5,295.6	5,433.3	5,413.3	-20.0	-0.4%
<b>Office of the Commissioner</b>							
8	Commissioner's Office	474.9	479.3	489.9	489.9	-0.0	-0.0%
9	Alaska Labor Relations Agency	325.8	327.3	331.6	331.6	0.0	0.0%
	* BRU Total	800.7	806.6	821.5	821.5	-0.0	-0.0%
<b>Fishermens Fund</b>							
10	Fishermens Fund	477.3	1,301.4	1,304.2	1,304.2	0.0	0.0%
	* BRU Total	477.3	1,301.4	1,304.2	1,304.2	0.0	0.0%
<b>Workers' Compensation</b>							
11	Workers' Compensation	5,098.1	5,423.8	5,461.8	5,414.0	-47.8	-0.9%
	* BRU Total	5,098.1	5,423.8	5,461.8	5,414.0	-47.8	-0.9%
<b>Labor Standards and Safety</b>							
12	Wage and Hour Administration	1,556.4	1,558.6	1,503.8	1,446.6	-57.2	-3.8%
13	Mechanical Inspection	1,755.7	1,698.2	1,905.5	1,905.5	0.0	0.0%
14	Occupational Safety and Health	2,803.9	3,001.6	3,039.7	2,964.7	-75.0	-2.5%

## Component Summary - FY98 Operating Budget

Agency: Department of Labor

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	<b>Labor Standards and Safety</b>						
15	Alaska Safety Advisory Council	78.1	106.9	107.2	107.2	-0.0	-0.0%
	* BRU Total	6,194.1	6,365.3	6,556.2	6,424.0	-132.2	-2.0%
	<b>*** Total Agency Expenditure</b>	<b>54,952.0</b>	<b>60,128.1</b>	<b>59,134.9</b>	<b>58,934.9</b>	<b>-200.0</b>	<b>-0.3%</b>
	Federal Funds	31,226.2	35,023.8	34,244.8	34,244.8	0.0	0.0%
	General Funds	9,058.4	8,901.3	8,894.0	8,694.0	-200.0	-2.2%
	Other Funds	14,667.4	16,203.0	15,996.1	15,996.1	0.0	0.0%

## Component Summary - FY98 Operating Budget

### General Funds and CBR

Agency: Department of Labor

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Employment Security</b>							
1	Employment/Unemployment Svs	45.9	66.9	59.1	59.1	-0.0	-0.0%
2	Alaska Work Programs	401.8	400.6	306.3	306.3	-0.0	-0.0%
3	Governor's Committee on Employ	28.9	42.5	42.5	42.5	0.0	0.0%
	* BRU Total	476.6	510.0	407.9	407.9	-0.0	-0.0%
<b>Administrative Services</b>							
6	Management Services	328.0	306.9	306.1	286.1	-20.0	-6.5%
7	Labor Market Information	515.6	505.9	512.6	512.6	0.0	0.0%
	* BRU Total	843.6	812.8	818.7	798.7	-20.0	-2.4%
<b>Office of the Commissioner</b>							
8	Commissioner's Office	472.6	475.3	480.3	480.3	0.0	0.0%
9	Alaska Labor Relations Agency	325.8	327.3	331.6	331.6	0.0	0.0%
	* BRU Total	798.4	802.6	811.9	811.9	0.0	0.0%
<b>Workers' Compensation</b>							
11	Workers' Compensation	2,575.4	2,552.4	2,587.1	2,539.3	-47.8	-1.8%
	* BRU Total	2,575.4	2,552.4	2,587.1	2,539.3	-47.8	-1.8%
<b>Labor Standards and Safety</b>							
12	Wage and Hour Administration	1,452.9	1,452.9	1,471.4	1,414.2	-57.2	-3.9%
13	Mechanical Inspection	1,502.9	1,358.2	1,460.0	1,460.0	0.0	0.0%
14	Occupational Safety and Health	1,330.5	1,305.5	1,229.8	1,154.8	-75.0	-6.1%
15	Alaska Safety Advisory Council	78.1	106.9	107.2	107.2	0.0	0.0%
	* BRU Total	4,364.4	4,223.5	4,268.4	4,136.2	-132.2	-3.1%
	<b>*** Total Agency Expenditure</b>	<b>9,058.4</b>	<b>8,901.3</b>	<b>8,894.0</b>	<b>8,694.0</b>	<b>-200.0</b>	<b>-2.2%</b>

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Labor

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Administrative Services</b>													
<b>Management Services</b>													
Reduce GFM, increase in-kind match for lease costs	Dec	-20.0	0.0	0.0	-20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 G/F Match		-20.0											
		-20.0	0.0	0.0	-20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-20.0	0.0	0.0	-20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Workers' Compensation</b>													
<b>Workers' Compensation</b>													
Accept dec to grants, deny increment to Pers Svcs & Contract	Dec	-47.8	-27.3	0.0	-20.5	0.0	0.0	0.0	0.0	0.0	-2.0	2.0	0.0
1004 Gen Fund		-47.8											
		-47.8	-27.3	0.0	-20.5	0.0	0.0	0.0	0.0	0.0	-2.0	2.0	0.0
*** BRU Total ***		-47.8	-27.3	0.0	-20.5	0.0	0.0	0.0	0.0	0.0	-2.0	2.0	0.0
<b>Labor Standards and Safety</b>													
<b>Wage and Hour Administration</b>													
Unallocated reduction	MisAdj	-57.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-57.2	0.0	0.0	0.0
1004 Gen Fund		-57.2											
		-57.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-57.2	0.0	0.0	0.0
<b>Occupational Safety and Health</b>													
Reduce GFM, increase in-kind match from admin for lease cost	Dec	-75.0	0.0	0.0	-75.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 G/F Match		-75.0											
		-75.0	0.0	0.0	-75.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-132.2	0.0	0.0	-75.0	0.0	0.0	0.0	0.0	-57.2	0.0	0.0	0.0
***** Agency Total *****		-200.0	-27.3	0.0	-115.5	0.0	0.0	0.0	0.0	-57.2	-2.0	2.0	0.0

# Alaska State Legislature

REPRESENTATIVE  
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## House Of Representatives

While in Session  
State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-4797  
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House District 33

Department of Labor  
House Finance Budget subcommittee close-out

Subcommittee recommendations from Governor's amended budget:

1. Administrative Services:

Reduce General Fund Match by 20.0 in Management Services component. Department to increase in-kind match for lease costs.

2. Workers' Compensation:

Partially deny transfer by accepting decrement to Grants for 47.8, and denying increments to personal services and contractual.

3. Labor Standards and Safety:

Unallocated reduction of 57.2 to Wage and Hour Administration

4. Reduce General Fund Match by 75.0 in Occupational Safety and Health component. Department to increase in-kind match for lease costs.

TOTAL recommended General Fund reductions: 200.0

# RECEIVED OF ALASKA

MAR 20 1997

## DEPARTMENT OF LABOR

ADMINISTRATIVE SERVICES DIVISION

TONY KNOWLES, GOVERNOR

P.O. BOX 21149  
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PHONE: (907) 465-2720  
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To: Annalee McConnell  
Director, OMB

Date: March 20, 1997

Thru: <sup>AS</sup> Tom Cashen / *Tom Cashen*  
Commissioner

Phone: 465-5981

From: *Arbe Williams*  
Arbe Williams  
Director, ASD

Subject: House Finance  
Reductions/Impact

The Department of Labor supports the Governor's budget proposed for FY 98. The \$200.0 reduction, allocated to a number of components, which was recommended by the House Finance Labor Subcommittee would undermine the department's ability to fulfill the department's obligation to Alaska's workers.

The Department of Labor's general funds have been cut \$2.2 million since 1990. That cut represents a 19% reduction to the department's general funded operating budget. Only programs and support services critical to the health and welfare of Alaskans remain. The operating budget proposed by the Governor for FY 98 funds department operations at a maintenance level and should not be reduced.

### Worker's Compensation

The proposed reduction to the Worker's Compensation component is \$47.8. The transfer from the grants line to personal services and contractual services was denied and the grants line was reduced. These reductions would prevent the component from efficiently processing re-employment benefits and the adjudication of claims for workers' compensation. The reduction would curtail the investigation of uninsured employers and would also prevent the division from funding efforts to investigate fraudulent claims in coordination with the Division of Insurance.

The reduction to personal services would result in a reduction of staff in Juneau, Anchorage or Fairbanks. One of the following actions would occur: one clerical position would be eliminated, two clerical positions would be reduced to part time, a part time professional position would be eliminated, or a full time professional position would be reduced to part time. While any one of these actions would not eliminate any particular service, it would slow the delivery of those services.

A reduction in clerical staff would require the professional staff to assume those duties which is neither efficient nor an effective use of the professionals' time. Prehearings, compromise & release finalizations, hearings, decisions and orders, or any other service provided would be delayed or reduced in number. A reduction in professional level staff would also serve to reduce the level of services provided. In some instances, statutory mandated time lines may not be met, inviting the possibility of law suits. The division was sued in the past for not issuing decisions and orders timely and paid over a half million dollars in fines.

The reduction to contractual services would impact the component's ability to increase the investigation and prosecution of uninsured employers, especially for cases where employees were injured and not properly compensated. The division would not be able to augment efforts made in coordination with the Division of Insurance and the Department of Law to increase fraud investigation and prosecution.

#### Wage and Hour

The proposed reduction to the Wage & Hour component is \$57.2. This reduction would eliminate a Wage & Hour Technician in Juneau, Anchorage or Fairbanks. The elimination of a position would result in the elimination, in that location, of the auditing functions related to the state's prevailing wage and employment preference laws. The enforcement of the payment of prevailing wages and the employment of Alaskan residents on public works projects, in that region, would be complaint driven since we would not be able to closely monitor compliance through the certified payroll audits.

Reduced enforcement and collection efforts may be as high as 50 - 75 percent, which would directly impact the \$400.0 anticipated to be collected for Alaska residents on public works projects during FY 98. It can also be expected that the number of resident workers displaced by non-residents on public works projects would increase.

#### Occupational Safety and Health

The proposed reduction to the Occupational Safety & Health component is \$75.0. As the program is already below the federal benchmark required by the state plan for Industrial Hygiene positions, a safety enforcement position would be eliminated. As southcentral Alaska is the only region staffed by more than one enforcement officer, a position would be eliminated in either Anchorage or Kenai.

Enforcement staff in Southcentral would be reduced by one-fourth and would mean a loss of eighty to ninety-five enforcement inspections per year. Those inspections include investigations of fatalities, investigations of complaints, referral inspections, scheduled inspections and follow-up inspections to ensure compliance with federal and state laws, regulations and codes related to work place safety.

### Administrative Services

The proposed reduction to the Management Services component is \$20.0. Federal regulation, OMB A87, provides that federal programs bear their fair share of the cost of administrative services support. The proposed reduction would not affect the component's ability to receive federal funds, however, a reduction in funding would adversely impact the ability to provide efficient administrative services support to the department's programs. Budget and fiscal operations would be affected; a position would be reduced.

A priority for FY 98 is to establish a process to monitor and report on program activity as it relates to the budget. That process becomes critical with the uncertainty of program requirements and funding of the department's federal grants. Inaccurate and untimely information would affect our ability to maximize federal revenues to the State and to make supportable decisions related to the operation of our unemployment insurance program and our 19 employment service offices.

Since FY 96, costs to the department's programs for administrative services have been reduced more than \$500.0. Increased costs associated with an internal reallocation of lease costs and DP operations and support for publications have been absorbed; personnel, budget and office services staff were reduced; and program costs were identified and allocated directly to certain federal grants. Necessary centralized support services have been identified and are provided to the department's programs for less.

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### Agency Totals - FY98 Operating Budget

Agency: Department of Law

	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Totals for Agency</b>	<b>54,862.6</b>	<b>49,100.9</b>	<b>47,239.6</b>	<b>45,022.3</b>	<b>-2,217.3</b>	<b>-4.7%</b>
<u>Objects of Expenditure:</u>						
Personal Services	28,680.4	30,117.5	30,613.2	31,424.6	811.4	2.7%
Travel	1,099.9	1,211.1	1,197.3	1,197.3	0.0	0.0%
Contractual	23,824.5	16,945.1	14,641.7	11,613.0	-3,028.7	-20.7%
Commodities	630.8	792.2	780.9	780.9	-0.0	-0.0%
Equipment	627.0	28.0	6.5	6.5	0.0	0.0%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0%
Miscellaneous	0.0	7.0	0.0	0.0	0.0	0.0%
<u>Funding Sources:</u>						
1001 CBR Fund	15,939.6				0.0	0.0%
1002 Fed Rcpts	347.2	419.8	425.1	425.1	0.0	0.0%
1003 G/F Match	91.2	97.9	140.6	140.6	-0.0	-0.0%
1004 Gen Fund	19,039.8	32,169.1	30,210.5	27,828.6	-2,381.9	-7.9%
1005 GF/Prgm	546.0	599.1	566.2	566.2	0.0	0.0%
1006 GF/MHTIA	66.2				0.0	0.0%
1007 I/A Rcpts	15,540.7	14,116.1	14,825.8	14,990.4	164.6	1.1%
1022 Corp Rcpts	2,160.0	1,254.4	493.5	-0.0	-493.5	-100.0%
1024 Fish/Game			132.1	132.1	0.0	0.0%
1037 GF/MH		66.6	67.9	67.9	0.0	0.0%
1055 IA/OIL HAZ	378.8	377.9	377.9	377.9	0.0	0.0%
1061 CIP Rcpts	748.1				0.0	0.0%
1105 PFund Rcpt				493.5	493.5	%
<u>Positions:</u>						
Perm Full Time	442.0	446.0	443.0	440.0	0.0	0.0%
Perm Part Time	6.0	7.0	7.0	7.0	0.0	0.0%
Non-Perm	0.0	0.0	0.0	0.0	0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Law

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Criminal Division</b>							
1	Criminal Division		12,904.9	13,188.5	12,971.2	-217.3	-1.6%
	* BRU Total	0.0	12,904.9	13,188.5	12,971.2	-217.3	-1.6%
<b>Civil Division</b>							
2	General Legal Services		14,960.5	16,693.7	15,665.0	-1,028.7	-6.2%
	Statehood Defense				1,028.7	1,028.7	%
3	Mental Health Lands		454.5	411.5	411.5	-0.0	-0.0%
4	Medicaid Provider Fraud		558.7	565.7	565.7	0.0	0.0%
5	Administration & Support		1,035.3	1,112.3	1,112.3	-0.0	-0.0%
6	Oil and Gas and Mining		3,941.6	4,000.7	4,000.7	0.0	0.0%
7	Environmental Law		1,399.2	1,417.2	1,417.2	-0.0	-0.0%
	* BRU Total	0.0	22,349.8	24,201.1	24,201.1	-0.0	-0.0%
<b>Statehood Defense</b>							
8	Statehood Defense		1,906.4	0.0	0.0	0.0	0.0%
	* BRU Total	0.0	1,906.4	0.0	0.0	0.0	0.0%
<b>Oil and Gas Litigation</b>							
9	Oil and Gas Litigation	18,099.6	11,939.8	9,850.0	7,850.0	-2,000.0	-20.3%
	* BRU Total	18,099.6	11,939.8	9,850.0	7,850.0	-2,000.0	-20.3%
<b>Prosecution</b>							
10	First Judicial District	1,218.5				0.0	0.0%
11	Second Judicial District	705.8				0.0	0.0%
12	Third Judicial District	5,983.9				0.0	0.0%
13	Fourth Judicial District	1,897.6				0.0	0.0%
14	Criminal Justice Litigation	1,197.5				0.0	0.0%
15	Criminal Appeals/Spec Pros	1,294.0				0.0	0.0%
	* BRU Total	12,297.3	0.0	0.0	0.0	0.0	0.0%
<b>Legal Services</b>							
16	Operations	16,889.4				0.0	0.0%
17	Administration and Support	1,016.7				0.0	0.0%
18	Medicaid Provider Fraud Unit	465.8				0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Law

Page	Budget Component	FY96 Act	FY97 Auth	Gov Amd	House	Gov Amd to House	
	<b>Legal Services</b>						
19	Mental Health Lands	329.4				0.0	0.0%
20	Fair Business Practices	254.1				0.0	0.0%
	* BRU Total	18,955.4	0.0	0.0	0.0	0.0	0.0%
	<b>Environmental Law</b>						
21	Environmental Compliance	854.1				0.0	0.0%
	* BRU Total	854.1	0.0	0.0	0.0	0.0	0.0%
	<b>Oil and Gas Special Projects</b>						
22	Oil and Gas Operations	4,289.8				0.0	0.0%
	* BRU Total	4,289.8	0.0	0.0	0.0	0.0	0.0%
	<b>Exxon Valdez Litigation</b>						
23	Exxon Valdez Litigation	366.4				0.0	0.0%
	* BRU Total	366.4	0.0	0.0	0.0	0.0	0.0%
	<b>*** Total Agency Expenditure</b>	<b>54,862.6</b>	<b>49,100.9</b>	<b>47,239.6</b>	<b>45,022.3</b>	<b>-2,217.3</b>	<b>-4.7%</b>
	<b>Federal Funds</b>	<b>347.2</b>	<b>419.8</b>	<b>425.1</b>	<b>425.1</b>	<b>0.0</b>	<b>0.0%</b>
	General Funds	19,742.2	32,932.7	30,985.2	28,603.3	-2,381.9	-7.7%
	Other Funds	34,773.2	15,748.4	15,829.3	15,993.9	164.6	1.0%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

Agency: Department of Law

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	<b>Criminal Division</b>						
1	Criminal Division		12,369.6	12,512.3	12,295.0	-217.3	-1.7%
	* BRU Total	0.0	12,369.6	12,512.3	12,295.0	-217.3	-1.7%
	<b>Civil Division</b>						
2	General Legal Services		5,897.5	7,098.4	6,069.7	-1,028.7	-14.5%
	Statehood Defense				1,028.7	1,028.7	%
3	Mental Health Lands		454.5	411.5	246.9	-164.6	-40.0%
4	Medicaid Provider Fraud		138.9	140.6	140.6	0.0	0.0%
5	Administration & Support		641.8	610.0	610.0	0.0	0.0%
7	Environmental Law		845.0	855.9	855.9	0.0	0.0%
	* BRU Total	0.0	7,977.7	9,116.4	8,951.8	-164.6	-1.8%
	<b>Statehood Defense</b>						
8	Statehood Defense		1,900.0	0.0	0.0	-0.0	0.0%
	* BRU Total	0.0	1,900.0	0.0	0.0	-0.0	0.0%
	<b>Oil and Gas Litigation</b>						
9	Oil and Gas Litigation	15,939.6	10,685.4	9,356.5	7,356.5	-2,000.0	-21.4%
	* BRU Total	15,939.6	10,685.4	9,356.5	7,356.5	-2,000.0	-21.4%
	<b>Prosecution</b>						
10	First Judicial District	1,218.5				0.0	0.0%
11	Second Judicial District	705.8				0.0	0.0%
12	Third Judicial District	5,625.2				0.0	0.0%
13	Fourth Judicial District	1,897.6				0.0	0.0%
14	Criminal Justice Litigation	1,148.2				0.0	0.0%
15	Criminal Appeals/Spec Pros	1,191.8				0.0	0.0%
	* BRU Total	11,787.1	0.0	0.0	0.0	0.0	0.0%
	<b>Legal Services</b>						
16	Operations	5,895.6				0.0	0.0%
17	Administration and Support	628.1				0.0	0.0%
18	Medicaid Provider Fraud Unit	118.6				0.0	0.0%
19	Mental Health Lands	329.4				0.0	0.0%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

**Agency: Department of Law**

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97 Auth</u>	<u>Gov Arnd</u>	<u>House</u>	<u>Gov Arnd to House</u>	
	<b>Legal Services</b>						
20	Fair Business Practices	254.1				0.0	0.0%
	* BRU Total	7,225.8	0.0	0.0	0.0	0.0	0.0%
	<b>Environmental Law</b>						
21	Environmental Compliance	411.7				0.0	0.0%
	* BRU Total	411.7	0.0	0.0	0.0	0.0	0.0%
	<b>Exxon Valdez Litigation</b>						
23	Exxon Valdez Litigation	317.6				0.0	0.0%
	* BRU Total	317.6	0.0	0.0	0.0	0.0	0.0%
	<b>*** Total Agency Expenditure</b>	<b>35,681.8</b>	<b>32,932.7</b>	<b>30,985.2</b>	<b>28,603.3</b>	<b>-2,381.9</b>	<b>-7.7%</b>

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Law

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Criminal Division</b>												
<b>Criminal Division</b>												
Prosecution												
1004 Gun Fund	-217.3											
Doc	-217.3	-217.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	-217.3	-217.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***	-217.3	-217.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Civil Division</b>												
<b>General Legal Services</b>												
General Legal Services												
1004 Gen Fund	-1,028.7											
Doc	-1,028.7	0.0	0.0	-1,028.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	-1,028.7	0.0	0.0	-1,028.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statehood Defense												
1004 Gen Fund	1,028.7											
Inc	1,028.7	1,028.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1,028.7	1,028.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mental Health Lands												
1004 Gen Fund	-164.6											
1007 VA Rcpts	164.6											
FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***	0.0	1,028.7	0.0	-1,028.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Oil and Gas Litigation</b>												
<b>Oil and Gas Litigation</b>												
Convert to Agency-Specific Corp Receipts												
1022 Corp Rcpts	-493.5											
1105 PFund Rcpt	493.5											
Oil and Gas Litigation												
1004 Gen Fund	-2,000.0											
FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Doc	-2,000.0	0.0	0.0	-2,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	-2,000.0	0.0	0.0	-2,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***	-2,000.0	0.0	0.0	-2,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
***** Agency Total *****	-2,217.3	811.4	0.0	-3,028.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



Official Business

# Alaska State Legislature

## Finance

State Capitol  
Juneau, AK 99801-1182

### Memorandum

TO: <sup>Mark</sup> Rep. Mark Hanley, Co-Chair  
Rep. Gene Therriault, Co-Chair  
House Finance Committee

FROM: Rep. Terry <sup>HM</sup> Martin, Chair  
House Finance Subcommittee, Dept. of Law

DATE: March 18, 1996

RE: LAW subcommittee recommendations

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Attached you will find the recommendations set out by the Finance subcommittee for the Department of Law. The LAW subcommittee held 6 meetings.

The subcommittee members, Rep. Ben Grussendorf, Rep. Tom Brice, Rep. Brian Porter, Rep. Jeannette James, and Rep. Jerry Sanders were all very helpful in closing out the Department of Law's budget. If you have any additional questions, please feel free to call or stop by anytime.

## Department of Law

Authorized Agency for FY 97	48,600.9
Governors Budget for FY 98	47,239.6
House Subcommittee recs.	<u>45,022.3</u>
<i>difference</i>	3,578.6

### *Budget Narrative*

Criminal Division                      13,188.5              FY98 funding level

This legislature has set strong precedent in funding safer street programs. Cuts to the Criminal Division could result in less prosecutors for increased case loads in Alaska. However, some state funded prosecutors are being pushed to a maximum workload. The two prosecutors for the Kenai Borough are tops in the state, with over 4000 cases per attorney. The state should consider pushing the funding responsibility on to local municipalities and boroughs. Prior to the late 1970's local governments paid for their own district attorneys.

Secondly, in FY96 the department of Law purposely held numerous vacant positions open in the Criminal Division creating a windfall of \$400.0. The \$400.0 saved in personal services was then used by the Department of Law to purchase computer equipment and install data lines.

#### *Recommendations:*

Eliminate two vacant positions in Fairbanks

- PCN 031012 Attorney IV                      GF savings of \$77,050
- PCN 031021 Legal Secretary I              GF savings of \$48,854

Eliminate one vacant position in Anchorage

- PCN 031109 Attorney III                      GF savings of \$91,350

*Note: Elimination of the three positions in Anchorage and Fairbanks will not affect the vacancy factor.*

Civil Division                              16,693.7              FY98 funding level

The Civil Division's increase from FY97 to FY98, an increase of 1,733.2 is primarily due to the inclusion of Statehood Defense. However, many have expressed that the Statehood Defense division should remain a separate funding category from the Civil Division Legal Services.

As a part of the Mental Health Lands component, the Department of Law supplies the Mental Health Trust Authority with legal services pertaining to contracts and leases associated with land management. While these services are not outlined in the Mental Health Component, the Mental Health Trust Authority should pay for the legal services they receive with regards to land management. However, the Department of Law also supplies the Mental Health Trust Authority with legal services pertaining to implementation, regulation and litigation of the mental health settlement. Those services must be provided by the state as part of the 1994 Mental Health settlement.

Assumingly, the House Law Subcommittee is suggesting that 40% of the Mental Health Component is spent on land management issues. Thus the Mental Health Trust Authority should RSA 164.6 to the Department of Law.

***Recommendations:***

Keep Statehood Defense in the Civil Division, however, make sure it is a separate component to be monitored by the legislature if necessary. As a separate component within the Civil Division, Current FY 98 estimates for funding of Statehood Defense would be \$1,028,685

Change funding for 40% of Mental Health Lands to I/A receipts  
GF decrement \$164,600

**Oil and Gas Litigation** 9,850.0

Over the last few years this funding category has been decreasing substantially. However, even with reductions in Oil and Gas litigation, the Dept. of Law does not spend all of the appropriation nor do they allow all of the money to lapse. In fact, at the end of each fiscal year the department has been encumbering huge amounts of money which then isn't spent until the next fiscal year. This encumbrance of money from one year to the next has created a slew of fiscal concerns and legal opinions. From FY96 to FY97 the Department encumbered over \$7.1 million.

***Recommendations:***

Oil and Gas litigation should be reduced from the Governor's proposed 9,850.0. This decrement will allow the legislature to get a better grasp of the actual amount of money needed for each fiscal year. If Oil and Gas needs additional money for FY98, which is unclear at this time, the department has the ability to ask the legislature in January for a supplemental.

Oil and Gas litigation reduce amount to \$7,850.0  
GF decrement of \$2 million

**Total GF reduction \$2,381,854**

HOUSE FINANCE SUBCOMMITTEE  
DEPARTMENT OF LAW  
FINAL CLOSE-OUT AMENDMENTS  
FY98 OPERATING BUDGET

TO: HB 75  
Amendment  
#

GF            FED            Other            TOTAL

page 28, line 19

1. CRIMINAL DIVISION

~~Delete 3 vacant positions~~

~~-217.5~~

~~-217.5~~

Elimination of the three GF positions should will not affect the vacancy factor in the FY98 Governor's budget. three vacant positions will be eliminated from Fairbanks and Anchorage respectively.

In Favor: 3  
Opposed: 1

2. CIVIL DIVISION, page, 28, line 21

A. *Legal Services Component*

~~Decrease Legal Services Component~~

~~-1028.7~~

~~-1028.7~~

Fund separate component for Statehood Defense

1028.7

1028.7

In the FY98 Gov's budget, Statehood Defense was placed into the General Legal Services Component. The Department of Law is expecting to spend 1028.7 for Statehood Defense in FY98. Placing those funds in a separate component within the Civil Division ensures that those funds can be monitored.

In favor: 3  
Opposed: 1

TO: HB 75 page 28, line 20	GF	FED	Other	TOTAL
B. <i>Mental Health Lands</i>				
<del>Decrease 40% of GR funding</del>	<del>-164.6</del>			<del>-164.6</del>
Mental Health Land Trust Funds			164.6	164.6

While defense of the 1994 Mental Health Settlement must be incurred by the State, legal services provided to to the Mental Health Trust Authority for Land Management should be billed by the Department of Law and paid for by the MHTA through RSAs.

In favor: 3  
Opposed: 1

3. Oil & Gas Litigation, page 28, line 27

Decrease funding	-2,000.0		-2,000.0
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The subcommittee is recommending a \$2 million decrement to ensure that the department discontinues the practice of large encumbrances at the end of each fiscal year. This encumbrance of money from one year to the next has created a slew of fiscal concerns and legal opinions. From FY96 to FY97 the department encumbered over \$7.1 million.

In favor: 3  
Opposed: 1

Agency Totals	2,381.9		2,217.3
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# MEMORANDUM

State of Alaska  
Department of Law

TO: Annalee McConnell, Director  
Office of Management and Budget

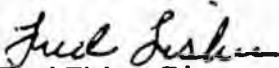
DATE: March 20, 1997

**RECEIVED**  
MAR 20 1997

FILE NO.:

TEL. NO.: 465-3600

SUBJECT: Impacts of House Finance  
Subcommittee Budget Recommendation

FROM:   
Fred Fisher, Director  
Administrative Services Division

The House Finance Subcommittee on the Department of Law budget met on Monday, March 17 to adopt its recommendation to the House Finance Committee on the department's FY98 operating budget. The subcommittee recommends general fund cuts of \$2,381,900, a 7.7% reduction from the Governor's FY98 request and \$881,900 more than the \$1.5 million reduction needed to meet the department's cap. The details of the recommendation and its impacts on the department are described below:

## 1. Criminal Division BRU

The subcommittee recommendation calls for the elimination of two assistant district attorney positions and one legal secretary position. The recommendation was made on the assumption that the elimination of these positions would not affect the "vacancy factor" or the number of filled positions in the Criminal Division. This is not an accurate assumption. The \$217,300 reduction in the Criminal Division budget will result in layoffs in FY98 and an attendant reduction in prosecutorial efforts.

## 2. Civil Division BRU, Mental Health Lands Component

The subcommittee recommendation calls for a net-zero fund source change in the Mental Health Lands component of \$164,600 from general funds to mental health trust authorized receipts. Our discussions with the staff of the Mental Health Trust Authority (MHTA) lead us to believe that MHTA funding is not available to the department. As a result, the subcommittee recommendation constitutes a 40% reduction to the Mental Health Lands component budget. This proposed reduction would require the elimination of one attorney position and one support staff position. Elimination of these positions would leave the department with inadequate resources to support the state's obligations under the *Weiss* settlement, which include legal support for the implementation of the settlement as well as defense against any challenges to the settlement.

Annalee McConnell

March 20, 1997

Page 2

### **3. Oil and Gas Litigation BRU**

The subcommittee recommendation calls for a \$2 million reduction to the \$9.85 million requested for continuation of the department's ongoing oil and gas litigation efforts. A cut of this magnitude, in addition to the substantial reduction already incorporated in the FY98 budget request for this BRU, would require reassessment and curtailment of some of the department's efforts to pursue the state's financial interests in oil and gas tax, royalty, and tariff matters. It is our assumption that the Legislature does not intend that these efforts be curtailed and that supplemental funding will be made available for their continuation. We are also concerned about the effect that the proposed \$2 million cut may have on our ability to satisfy our financial obligations in a commercially reasonable and lawful manner during the course of FY98 prior to the enactment of a supplemental.

Please contact me should you have questions or require additional information.

LEGISLATURE

LEGISLATURE

COMPONENT SUMMARY - FY97 OPERATING BUDGET

Agency: Legislature

**General Funds Only**

<u>Budget Component</u>	<u>FY95 Actual</u>	<u>FY96 Actual</u>	<u>FY97 CC</u>	<u>FY97 Authorized</u>	<u>FY98 Agency Request</u>	<u>House</u>	<u>FY97 Auth to House</u>	
<b>Budget and Audit Committee</b>								
Legislative Audit	2,666.4	2,483.0	2,599.7	2,628.4	2,756.3	2,706.3	77.9	3.0%
Legislative Finance								
<i>Fiscal Office</i>	1,133.3	969.6	1,023.5	1,035.2	1,144.9	1,064.0	28.8	2.8%
<i>House Finance Committee</i>	1,196.5	1,108.0	1,194.0	1,208.6	1,223.2	1,223.2	14.6	1.2%
<i>Senate Finance Committee</i>	573.2	551.6	654.4	662.1	669.8	669.8	7.7	1.2%
Committee Expenses	102.5	91.5	185.0	187.1	187.1	187.1	-	0.0%
<b>*BRU Total</b>	<b>5,671.9</b>	<b>5,203.7</b>	<b>5,656.6</b>	<b>5,721.4</b>	<b>5,981.3</b>	<b>5,850.4</b>	<b>129.0</b>	<b>2.3%</b>
<b>Legislative Council</b>								
Salaries and Allowances	3,728.9	3,647.6	3,729.3	4,154.6	4,217.1	4,217.1	62.5	1.5%
LAA Admin Services	7,449.7	6,545.0	7,006.0	7,041.1	6,956.9	6,921.8	(119.3)	-1.7%
Session Expenses	6,381.2	5,787.4	6,060.7	5,591.3	6,086.8	6,026.2	434.9	7.8%
Council and Subcommittees	674.7	342.7	427.1	1,168.4	610.1	603.9	(564.5)	-48.3%
Legal and Research Services	2,546.1	1,983.5	2,076.8	2,099.8	2,136.2	2,116.9	17.1	0.8%
<b>*BRU Total</b>	<b>20,780.6</b>	<b>18,308.2</b>	<b>19,299.9</b>	<b>20,055.2</b>	<b>20,007.1</b>	<b>19,885.9</b>	<b>(169.3)</b>	<b>-0.8%</b>
<b>Legislative Operating Budget</b>								
Legislative Operating Budget	6,452.1	5,105.7	5,179.0	5,129.1	5,870.9	5,454.0	324.9	6.3%
<b>*BRU Total</b>	<b>6,452.1</b>	<b>5,105.7</b>	<b>5,179.0</b>	<b>5,129.1</b>	<b>5,870.9</b>	<b>5,454.0</b>	<b>324.9</b>	<b>6.3%</b>
<b>Ombudaman</b>								
Ombudsman	1,041.8	699.2	700.0	707.7	737.6	730.8	23.1	3.3%
<b>*BRU Total</b>	<b>1,041.8</b>	<b>699.2</b>	<b>700.0</b>	<b>707.7</b>	<b>737.6</b>	<b>730.8</b>	<b>23.1</b>	<b>3.3%</b>
<b>*** General Fund Totals</b>	<b>33,946.4</b>	<b>29,314.8</b>	<b>30,835.5</b>	<b>31,613.4</b>	<b>32,596.9</b>	<b>31,921.1</b>	<b>307.7</b>	<b>1.0%</b>

## Agency Totals - FY98 Operating Budget

Agency: Legislature

	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Agy Req</u>	<u>House</u>	<u>FY97Auth to House</u>	
<b>Totals for Agency</b>	<b>29,436.7</b>	<b>31,747.6</b>	<b>32,680.2</b>	<b>32,004.4</b>	<b>256.8</b>	<b>0.8%</b>
<u>Objects of Expenditure:</u>						
Personal Services	21,541.3	22,688.3	23,900.6	23,224.8	536.5	2.4%
Travel	2,409.7	2,485.0	2,457.2	2,457.2	-27.8	-1.1%
Contractual	4,193.6	5,552.7	5,341.8	5,341.8	-210.9	-3.8%
Commodities	525.6	628.0	658.0	658.0	30.0	4.8%
Equipment	766.5	393.6	322.6	322.6	-71.0	-18.0%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0%
Miscellaneous	0.0	-0.0	0.0	-0.0	-0.0	0.0%
<u>Funding Sources:</u>						
1004 Gen Fund	29,158.0	31,486.9	32,480.1	31,804.3	317.4	1.0%
1005 GF/Prgm	156.8	126.5	116.8	116.8	-9.7	-7.7%
1007 I/A Rcpts	121.9	134.2	83.3	83.3	-50.9	-37.9%
<u>Positions:</u>						
Perm Full Time	224.0	220.0	223.0	219.0	-1.0	-0.5%
Perm Part Time	277.0	282.0	275.0	279.0	-3.0	-1.1%
Non-Perm	2.0	0.0	0.0	0.0	0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Legislature

Page	Budget Component	FY96 Act	FY97Auth	Agy Req	House	FY97Auth to House	
<b>Budget and Audit Committee</b>							
1	Legislative Audit	2,483.0	2,628.4	2,756.3	2,706.3	77.9	3.0%
2	Legislative Finance	2,629.2	2,905.9	3,037.9	2,957.0	51.1	1.8%
3	Committee Expenses	91.5	187.1	187.1	187.1	0.0	0.0%
	* BRU Total	5,203.7	5,721.4	5,981.3	5,850.4	129.0	2.3%
<b>Legislative Council</b>							
4	Salaries and Allowances	3,647.6	4,154.6	4,217.1	4,217.1	62.5	1.5%
5	Administrative Services	6,614.3	7,096.1	7,006.9	6,971.8	-124.3	-1.8%
6	Session Expenses	5,840.0	5,670.5	6,120.1	6,059.5	389.0	6.9%
7	Council and Subcommittees	342.7	1,168.4	610.1	603.9	-564.5	-48.3%
8	Legal and Research Services	1,983.5	2,099.8	2,136.2	2,116.9	17.1	0.8%
	* BRU Total	18,428.1	20,189.4	20,090.4	19,969.2	-220.2	-1.1%
<b>Legislative Operating Budget</b>							
9	Legislative Operating Budget	5,105.7	5,129.1	5,870.9	5,454.0	324.9	6.3%
	* BRU Total	5,105.7	5,129.1	5,870.9	5,454.0	324.9	6.3%
<b>Ombudsman</b>							
10	Ombudsman	699.2	707.7	737.6	730.8	23.1	3.3%
	* BRU Total	699.2	707.7	737.6	730.8	23.1	3.3%
	<b>*** Total Agency Expenditure</b>	<b>29,436.7</b>	<b>31,747.6</b>	<b>32,680.2</b>	<b>32,004.4</b>	<b>256.8</b>	<b>0.8%</b>
<b>Federal Funds</b>						0.0	0.0%
	General Funds	29,314.8	31,613.4	32,596.9	31,921.1	307.7	1.0%
	Other Funds	121.9	134.2	83.3	83.3	-50.9	-37.9%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

Agency: Legislature

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Agy Req</u>	<u>House</u>	<u>FY97Auth to House</u>	
<b>Budget and Audit Committee</b>							
1	Legislative Audit	2,483.0	2,628.4	2,756.3	2,706.3	77.9	3.0%
2	Legislative Finance	2,629.2	2,905.9	3,037.9	2,957.0	51.1	1.8%
3	Committee Expenses	91.5	187.1	187.1	187.1	0.0	0.0%
	* BRU Total	5,203.7	5,721.4	5,981.3	5,850.4	129.0	2.3%
<b>Legislative Council</b>							
4	Salaries and Allowances	3,647.6	4,154.6	4,217.1	4,217.1	62.5	1.5%
5	Administrative Services	6,545.0	7,041.1	6,956.9	6,921.8	-119.3	-1.7%
6	Session Expenses	5,787.4	5,591.3	6,086.8	6,026.2	434.9	7.8%
7	Council and Subcommittees	342.7	1,168.4	610.1	603.9	-564.5	-48.3%
8	Legal and Research Services	1,983.5	2,099.8	2,136.2	2,116.9	17.1	0.8%
	* BRU Total	18,306.2	20,055.2	20,007.1	19,885.9	-169.3	-0.8%
<b>Legislative Operating Budget</b>							
9	Legislative Operating Budget	5,105.7	5,129.1	5,870.9	5,454.0	324.9	6.3%
	* BRU Total	5,105.7	5,129.1	5,870.9	5,454.0	324.9	6.3%
<b>Ombudsman</b>							
10	Ombudsman	699.2	707.7	737.6	730.8	23.1	3.3%
	* BRU Total	699.2	707.7	737.6	730.8	23.1	3.3%
	<b>*** Total Agency Expenditure</b>	<b>29,314.8</b>	<b>31,613.4</b>	<b>32,596.9</b>	<b>31,921.1</b>	<b>307.7</b>	<b>1.0%</b>

# One Way Comparison - FY98 Operating Budget

from FY97Auth to House

Agency: Legislature

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Budget and Audit Committee</b>												
<b>Legislative Audit</b>												
FY98 Salary Adjustment	27.9	27.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	27.9											
Reduce Forced Vacancy Factor	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	100.0											
Decrease Reduced Forced Vacancy Factor Increment	-50.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-50.0											
	77.9	77.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Legislative Finance</b>												
FY98 Salary Adjustment-HFC	14.6	14.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	14.6											
FY98 Salary Adjustment-SFC	7.7	7.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	7.7											
FY98 Salary Adjustment-Fiscal Office	13.8	13.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	13.8											
Fiscal Office-Reduce Vacancy Factor	31.7	31.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	31.7											
Fiscal Office-Restore Data Spec/Increase Programmer Asst	33.1	33.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	-2.0	0.0
1004 Gen Fund	33.1											
Fiscal Office-Restore Finance Comm Sec'y's to Full-time	31.1	31.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	-2.0	0.0
1004 Gen Fund	31.1											
Decrease Fiscal Office Reduced Vacancy Factor Increment	-16.7	-16.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-16.7											
Deny Fiscal Office DP Spec/Programmer Asst Increment	-33.1	-33.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	2.0	0.0
1004 Gen Fund	-33.1											
Deny Fiscal Office Restore Finance Sec'y's to F/T Increment	-31.1	-31.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	2.0	0.0
1004 Gen Fund	-31.1											
	61.1	51.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***	129.0	129.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Legislative Council</b>												
<b>Salaries and Allowances</b>												
Benefit Decrease	-24.9	-24.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-24.9											
Increase Per Diem	87.4	0.0	87.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	87.4											

# One Way Comparison - FY98 Operating Budget

from FY97Auth to House

Agency: Legislature

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Legislative Council</b>												
<b>Salaries and Allowances</b>												
	62.6	-24.9	87.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Administrative Services</b>												
FY98 Salary Adjustment	60.6	60.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	60.6											
Staffing Restructure	-178.6	-178.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	1.0	0.0
1004 Gen Fund	-168.5											
1005 GF/Prgm	-5.0											
1007 VA Rcpts	-5.0											
Longevity Increases	36.1	35.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	35.1											
Non-personal services reductions	-6.4	0.0	0.0	-2.9	-1.5	-2.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-6.4											
Deny Longevity Increases Increment	-36.1	-35.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-35.1											
	-124.3	-117.9	0.0	-2.9	-1.5	-2.0	0.0	0.0	0.0	-2.0	1.0	0.0
<b>Session Expenses</b>												
FY98 Salary Adjustment	62.1	62.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	62.1											
Longevity Increases	60.6	60.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	60.6											
Senate/House Staffing Additions/Position Count Adjustment	112.3	112.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.0	0.0
1004 Gen Fund	112.3											
Increase Prof Svcs/Furnishings & Equipment	214.6	0.0	0.0	174.6	0.0	40.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	214.6											
Funding Adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	50.6											
1005 GF/Prgm	-4.7											
1007 VA Rcpts	-45.9											
Deny Longevity Increases Increment	-60.6	-60.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-60.6											
	389.0	174.4	0.0	174.6	0.0	40.0	0.0	0.0	0.0	0.0	-3.0	0.0
<b>Council and Subcommittees</b>												
Delete Public Inebriate Task Force Fiscal Note	-15.0	-10.0	0.0	-5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-15.0											

# One Way Comparison - FY98 Operating Budget

from FY97Auth to House

Agency: Legislature

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Legislative Council</b>												
<b>Council and Subcommittees</b>												
Delete Reappropriations: Video-teleconf Equip/Space Consolid	OTI	-224.0	-35.0	-10.0	-20.0	-5.0	-154.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-224.0										
Delete Venetie Case/State Advocacy	OTI	-500.0	0.0	0.0	-500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-500.0										
FY98 Salary Adjustment	SalAdj	1.6	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		1.6										
Longevity Increases	Inc	6.2	6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		6.2										
Reduce Travel & Equipment	Dec	-10.2	0.0	-5.2	0.0	0.0	-5.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-10.2										
Incr Admin Reg Review & Council Contractual	Inc	163.1	0.0	0.0	153.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		153.1										
Increase for Flag Pins	Inc	30.0	0.0	0.0	0.0	30.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		30.0										
Deny Longevity Increases Increment	Dec	-6.2	-6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-6.2										
		<b>-664.6</b>	<b>-43.4</b>	<b>-15.2</b>	<b>-371.9</b>	<b>25.0</b>	<b>-159.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Legal and Research Services</b>												
FY98 Salary Adjustment	SalAdj	28.0	28.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		28.0										
Longevity Increases	Inc	19.3	19.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		19.3										
Staffing Changes	Dec	17.0	-17.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-17.0										
Microfiche/Archiving Services	Inc	6.1	0.0	0.0	6.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		6.1										
Deny Longevity Increases Increment	Dec	-19.3	-19.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-19.3										
		<b>17.1</b>	<b>11.0</b>	<b>0.0</b>	<b>6.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>-220.2</b>	<b>-0.8</b>	<b>72.2</b>	<b>-194.1</b>	<b>23.5</b>	<b>-121.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.0</b>	<b>-2.0</b>	<b>0.0</b>
<b>Legislative Operating Budget</b>												
Legislative Operating Budget												
FY98 Salary Adjustment	SalAdj	55.9	55.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		55.9										
Longevity Increases	Inc	416.9	416.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		416.9										

# One Way Comparison - FY98 Operating Budget

from FY97 Auth to House

Agency: Legislature

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Legislative Operating Budget</b>													
<b>Legislative Operating Budget</b>													
Additional Staff	Inc	329.3	329.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		329.3											
Reduce Travel & Contractual	Dec	-116.8	0.0	-100.0	-16.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-116.8											
Increase Supplies & Equipment	Inc	66.6	0.0	0.0	0.0	6.5	50.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		55.5											
Deny Longevity Increases Increment	Dec	-416.9	-416.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-416.9											
		<b>324.9</b>	<b>385.2</b>	<b>-100.0</b>	<b>-16.8</b>	<b>6.5</b>	<b>50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>324.9</b>	<b>385.2</b>	<b>-100.0</b>	<b>-16.8</b>	<b>6.5</b>	<b>50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Ombudsman</b>													
<b>Ombudsman</b>													
Line item transfer for position change to full-time	LIT	0.0	7.8	0.0	-7.8	0.0	0.0	0.0	0.0	0.0	1.0	-1.0	0.0
FY98 Salary & Benefits Adjustment	SalAdj	16.3	15.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		15.3											
Merit Increase Funding	Inc	6.8	6.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		6.8											
Restore contractual to FY97 Authorized level	Inc	7.8	0.0	0.0	7.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		7.8											
Deny Merit Increase Funding Increment	Dec	-6.8	-6.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-6.8											
		<b>23.1</b>	<b>23.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>-1.0</b>	<b>0.0</b>
*** BRU Total ***		<b>23.1</b>	<b>23.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>-1.0</b>	<b>0.0</b>
***** Agency Total *****		<b>266.8</b>	<b>536.5</b>	<b>-27.8</b>	<b>-210.9</b>	<b>30.0</b>	<b>-71.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.0</b>	<b>-3.0</b>	<b>0.0</b>

Alaska State Legislature  
House Finance Committee

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**MEMORANDUM**

DATE: March 19, 1997

TO: House Finance Committee Members

FROM: Rep. Mark Hanley, Co-Chair *MH*  
House Finance Committee

SUBJ: Legislature Operating Budget

The subcommittee on the Legislative operating budget held two public hearings and approved the attached budget.

The Subcommittee reduced the Legislative Council request by \$675.8 in general funds. The Subcommittee did not allow the full amount requested by the Division of Legislative Audit or the Division Legislative Finance to reduce vacancy factors, nor did it fund any of the merit/longevity increases requested throughout this budget. The net general fund increase is \$307.7 above FY97 authorized. The amount of general fund salary increases within this budget is \$287.5. Attached is a spreadsheet which depicts the Legislative budget in general funds back to FY95 actuals.

attachments

MILITARY +  
VETERANS  
AFFAIRS

## Agency Totals - FY98 Operating Budget

Agency: Department of Military and Veterans Affairs

	<u>FY96 Act</u>	<u>FY97 Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<b>Totals for Agency</b>	<b>44,574.8</b>	<b>35,320.3</b>	<b>35,942.1</b>	<b>35,792.1</b>	<b>-150.0</b>	<b>-0.4%</b>
<u>Objects of Expenditure:</u>						
Personal Services	19,690.2	10,438.5	11,161.3	11,161.3	0.0	0.0%
Travel	607.5	429.3	443.8	443.8	0.0	0.0%
Contractual	6,252.6	11,168.5	11,164.1	11,355.2	191.1	1.7%
Commodities	979.6	1,341.4	1,325.4	1,325.4	0.0	0.0%
Equipment	520.3	26.2	246.2	246.2	0.0	0.0%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	1,867.3	2,916.4	2,601.3	2,601.3	0.0	0.0%
Miscellaneous	14,657.3	9,000.0	9,000.0	8,658.9	-341.1	-3.8%
<u>Funding Sources:</u>						
1002 Fed Rcpts	21,263.1	25,597.7	25,905.0	25,905.0	0.0	0.0%
1003 G/F Match	1,848.5	1,773.9	2,156.5	2,156.5	0.0	0.0%
1004 Gen Fund	18,685.0	5,282.6	5,190.6	5,040.6	-150.0	-2.9%
1005 GF/Prgm	28.4	28.4	28.4	28.4	0.0	0.0%
1007 I/A Rcpts	1,621.6	1,324.4	1,607.5	1,607.5	0.0	0.0%
1055 W/OIL HAZ	1,061.3	1,236.9	976.4	976.4	0.0	0.0%
1061 CIP Rcpts	66.9	76.4	77.7	77.7	0.0	0.0%
<u>Positions:</u>						
Perm Full Time	162.0	160.0	162.0	162.0	0.0	0.0%
Perm Part Time	0.0	0.0	1.0	1.0	0.0	0.0%
Non-Perm	45.0	45.0	46.0	46.0	0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Military and Veterans Affairs

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Disaster Planning &amp; Control</b>							
1	Disaster Planning & Control	3,077.2	3,177.1	3,377.5	3,377.5	0.0	0.0%
	* BRU Total	3,077.2	3,177.1	3,377.5	3,377.5	0.0	0.0%
<b>Alaska National Guard</b>							
2	Office of the Commissioner	1,701.8	1,639.6	1,628.3	1,628.3	-0.0	-0.0%
3	National Guard Military Hdqtrs			190.4	190.4	0.0	0.0%
4	Army Guard Facilities Maint.	7,872.1	11,736.1	11,791.0	11,791.0	-0.0	-0.0%
5	Air Guard Facilities Maint.	4,281.0	4,603.6	4,552.3	4,552.3	0.0	0.0%
6	State Active Duty	616.7	100.0	100.0	100.0	0.0	0.0%
7	Youth Corps	2,755.8	3,120.5	3,359.2	3,359.2	0.0	0.0%
	Unallocated Reduction				-341.1	-341.1	0.0%
	Alaska National Guard Benefits				1,654.5	1,654.5	%
	* BRU Total	17,227.4	21,199.8	21,621.2	22,934.6	1,313.4	6.1%
<b>Alaska National Guard Benefits</b>							
8	Educational Benefits	28.5	28.5	28.5	0.0	-28.5	-100.0%
9	Retirement Benefits	9,104.4	1,434.9	1,434.9	0.0	-1,434.9	-100.0%
	* BRU Total	9,132.9	1,463.4	1,463.4	0.0	-1,463.4	-100.0%
<b>Veterans' Affairs</b>							
10	Veterans' Services	480.0	480.0	480.0	480.0	0.0	0.0%
	* BRU Total	480.0	480.0	480.0	480.0	0.0	0.0%
<b>Front Section Appropriation</b>							
11	Disaster Relief Fund	14,657.3	9,000.0	9,000.0	9,000.0	0.0	0.0%
	* BRU Total	14,657.3	9,000.0	9,000.0	9,000.0	0.0	0.0%
	<b>*** Total Agency Expenditure</b>	<b>44,574.8</b>	<b>35,320.3</b>	<b>35,942.1</b>	<b>35,792.1</b>	<b>-150.0</b>	<b>-0.4%</b>
	Federal Funds	21,263.1	25,597.7	25,905.0	25,905.0	0.0	0.0%
	General Funds	20,561.9	7,084.9	7,375.5	7,225.5	-150.0	-2.0%
	Other Funds	2,749.8	2,637.7	2,661.6	2,661.6	0.0	0.0%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

Agency: Department of Military and Veterans Affairs

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
	<b>Disaster Planning &amp; Control</b>						
1	Disaster Planning & Control	617.6	542.9	548.0	548.0	0.0	0.0%
	* BRU Total	617.6	542.9	548.0	548.0	0.0	0.0%
	<b>Alaska National Guard</b>						
2	Office of the Commissioner	1,298.2	1,238.0	1,250.0	1,250.0	0.0	0.0%
3	National Guard Military Hdqtrs			95.5	95.5	0.0	0.0%
4	Army Guard Facilities Maint.	2,461.9	2,473.3	2,488.4	2,488.4	0.0	0.0%
5	Air Guard Facilities Maint.	914.0	887.3	800.2	800.2	0.0	0.0%
7	Youth Corps			250.0	250.0	0.0	0.0%
	Unallocated Reduction				-341.1	-341.1	0.0%
	Alaska National Guard Benefits				1,654.5	1,654.5	%
	* BRU Total	4,674.1	4,598.6	4,884.1	6,197.5	1,313.4	26.9%
	<b>Alaska National Guard Benefits</b>						
8	Educational Benefits	28.5	28.5	28.5	0.0	-28.5	-100.0%
9	Retirement Benefits	9,104.4	1,434.9	1,434.9	0.0	-1,434.9	-100.0%
	* BRU Total	9,132.9	1,463.4	1,463.4	0.0	-1,463.4	-100.0%
	<b>Veterans' Affairs</b>						
10	Veterans' Services	480.0	480.0	480.0	480.0	0.0	0.0%
	* BRU Total	480.0	480.0	480.0	480.0	0.0	0.0%
	<b>Front Section Appropriation</b>						
11	Disaster Relief Fund	5,657.3				0.0	0.0%
	* BRU Total	5,657.3	0.0	0.0	0.0	0.0	0.0%
	<b>*** Total Agency Expenditure</b>	<b>20,561.9</b>	<b>7,084.9</b>	<b>7,375.5</b>	<b>7,225.5</b>	<b>-150.0</b>	<b>-2.0%</b>

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Military and Veterans Affairs

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Alaska National Guard</b>												
<b>Unallocated Reduction</b>												
Unallocated Reduction												
1004 Gen Fund	-341.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-341.1	0.0	0.0	0.0
	-341.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-341.1	0.0	0.0	0.0
<b>Alaska National Guard Benefits</b>												
Retirement Benefits												
1004 Gen Fund	1,434.9	0.0	0.0	1,434.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retirement Benefits												
1004 Gen Fund	191.1	0.0	0.0	191.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Educational Benefits												
1004 Gen Fund	28.6	0.0	0.0	0.0	0.0	0.0	0.0	28.5	0.0	0.0	0.0	0.0
	1,664.6	0.0	0.0	1,626.0	0.0	0.0	0.0	28.5	0.0	0.0	0.0	0.0
*** BRU Total ***	1,313.4	0.0	0.0	1,626.0	0.0	0.0	0.0	28.5	-341.1	0.0	0.0	0.0
<b>Alaska National Guard Benefits</b>												
<b>Educational Benefits</b>												
Educational Benefits												
1004 Gen Fund	-28.5	0.0	0.0	0.0	0.0	0.0	0.0	-28.5	0.0	0.0	0.0	0.0
	-28.6	0.0	0.0	0.0	0.0	0.0	0.0	-28.5	0.0	0.0	0.0	0.0
<b>Retirement Benefits</b>												
Retirement Benefits												
1004 Gen Fund	-1,434.9	0.0	0.0	-1,434.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	-1,434.9	0.0	0.0	-1,434.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***	-1,463.4	0.0	0.0	-1,434.9	0.0	0.0	0.0	-28.5	0.0	0.0	0.0	0.0
**** Agency Total ****	-160.0	0.0	0.0	191.1	0.0	0.0	0.0	0.0	-341.1	0.0	0.0	0.0

# Alaska House of Representatives



## MEMORANDUM Majority Whip

To: Mark Hanley, Co-chair  
House Finance Committee Members

From: Rep. Richard Foster

Re: Department of Military & Veteran Affairs Budget

Date: March 20, 1997

The House DMVA Finance Subcommittee and Senate DMVA Finance Subcommittee met jointly with Department Personnel for a budget overview at 8:00 a.m. on March 6th.

Close-out was scheduled for March 13th. An amendment was received from Rep. Masak to increase the funding of the veteran outreach program by \$30.0.

Rep. Kott requested \$590,000.0 for a veteran's Home as a part of the Kott Old Age Insurance Program. There were no other suggested amendments.

The subcommittee chair announced that he was not ready to finalize the budget yet and that he would be meeting with committee members on a final close-out recommendation.

On Monday March 17th the subcommittee chair met individually with all committee members and outlined the proposal that is being submitted to the House Finance Committee

A serious problem was found to exist in the Governor's proposed FY98 Budget. The Alaska National Guard Benefits Budget Request

Unit (BRU) requests 1,434.9 for contractual (retirement benefits) all of which is from General fund. (see page 9 of short form)

The Division of Retirement calculated that the correct amount for FY98 should be \$1,626,000. The Office of Budget and Management request was \$191,100 below that amount.

The Office of Management and Budget indicated that the line item was underfunded because the \$8.0 million lump sum placed in the National Guard Retirement System by the legislature last year exceeded of the amount needed for their planned restoration of the fund and thus the full actuarial amount did not need to be fully funded this year.

It is my feeling that this action balances the Departmental budget by reducing the funding ratio which will only increase the future liability.

The Subcommittee chair is recommending:

TECHNICAL AMENDMENT

Alaska National Guard Benefits BRU and the Alaska National Guard BRU be combined into the same BRU and appropriation.

ADD

Department of Military and Veteran Affairs  
Alaska National Guard Retirement Benefits BRU  
Contractual 191.1 general fund

DELETE

Department of Military and Veteran Affairs  
Alaska National Guard BRU  
Unallocated 341.1 general fund

NATURAL RESOURCES

# NATURAL RESOURCES

## Agency Totals - FY98 Operating Budget

Agency: Department of Natural Resources

	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<b>Totals for Agency</b>	<b>83,902.9</b>	<b>71,604.2</b>	<b>66,852.3</b>	<b>65,031.9</b>	<b>-1,820.4</b>	<b>-2.7%</b>
<u>Objects of Expenditure:</u>						
Personal Services	47,766.4	46,509.4	42,800.7	42,023.1	-777.6	-1.8%
Travel	1,179.7	1,458.7	1,276.6	1,181.5	-95.1	-7.4%
Contractual	27,198.7	19,256.6	19,709.9	19,014.0	-695.9	-3.5%
Commodities	4,346.1	3,720.7	2,574.1	2,387.8	-186.3	-7.2%
Equipment	2,571.0	243.1	200.4	184.9	-15.5	-7.7%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	241.0	415.7	290.6	290.6	0.0	0.0%
Miscellaneous	0.0	0.0	0.0	-50.0	-50.0	0.0%
<u>Funding Sources:</u>						
1002 Fed Rcpts	17,238.5	16,083.0	10,907.3	10,907.3	-0.0	-0.0%
1003 G/F Match	394.6	411.3	417.3	327.3	-94.0	-22.5%
1004 Gen Fund	46,523.1	34,491.7	32,693.0	31,949.6	-743.4	-2.3%
1005 GF/Prgm	9,092.9	7,653.7	7,868.7	7,624.8	-243.9	-3.1%
1007 I/A Rcpts	3,636.2	2,340.1	2,399.8	2,399.8	-0.0	-0.0%
1018 EVCSS	1,636.4	1,973.8	3,323.7	3,323.7	0.0	0.0%
1021 Agric Loan	1,138.0	2,100.0	2,016.7	1,151.6	-865.1	-42.9%
1055 IA/OIL HAZ	138.8	138.8	138.8	138.8	0.0	0.0%
1061 CIP Rcpts	3,549.5	2,737.1	3,085.3	3,085.3	0.0	0.0%
1077 Gifts/Grnt	554.9	1,972.2	1,738.4	1,738.4	-0.0	-0.0%
1091 GF/Desig		1,004.4	1,493.3	1,645.8	152.5	10.2%
1092 MHTAAR		698.1	770.0	743.5	-26.5	-3.4%
<u>Positions:</u>						
Perm Full Time	595.0	569.0	567.0	562.0	-5.0	-0.9%
Perm Part Time	235.0	231.0	230.0	230.0	0.0	0.0%
Non-Perm	820.0	824.0	816.0	816.0	0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Natural Resources

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Management and Administration</b>							
1	Commissioner's Office	584.0	592.2	597.8	590.4	-7.4	-1.2%
2	Administrative Services	2,236.7	2,125.7	2,219.2	2,129.7	-89.5	-4.0%
3	Recorder's Office/UCC	2,307.2	2,265.9	2,305.1	2,345.1	40.0	1.7%
4	Commissions	88.3	89.7	0.0	0.0	0.0	0.0%
5	Information Resource Mgmt.	2,652.7	2,436.8	2,477.1	2,478.8	1.7	0.1%
6	Interdept. DP Chargeback	474.0	360.2	360.2	360.2	0.0	0.0%
7	Fbks. Office Bldg. Chargeback	103.6	103.6	103.6	103.6	0.0	0.0%
8	Trustee Council Projects	1,636.4	1,973.8	3,323.7	3,323.7	-0.0	-0.0%
	* BRU Total	10,082.9	9,947.9	11,386.7	11,331.5	-55.2	-0.5%
<b>Resource Development</b>							
9	Land Development	9,071.8	8,469.7	8,149.6	7,931.7	-217.9	-2.7%
10	Forest Management & Develop	9,546.8	9,081.4	9,174.4	9,004.0	-170.4	-1.9%
11	Oil & Gas Development	4,118.7	4,283.8	4,541.5	4,310.7	-230.8	-5.1%
12	Mining Development	3,244.3	3,940.5	3,966.0	3,955.4	-10.6	-0.3%
13	Geological Development	2,365.6	2,620.7	2,650.8	2,725.8	75.0	2.8%
14	Water Development	1,336.3	1,257.3	1,275.6	1,225.6	-50.0	-3.9%
15	Pipeline Coordinator	2,049.7	3,118.5	3,377.8	3,530.3	152.5	4.5%
16	Oil & Hazardous Waste Spill Rs	146.8	148.3	158.3	158.3	0.0	0.0%
17	Mental Health Lands Admin	568.0	716.4	770.0	743.5	-26.5	-3.4%
18	Development - Special Projects	297.2	500.0	500.0	600.0	100.0	20.0%
19	EFF Non-Emergency Projects		250.0	250.0	250.0	0.0	0.0%
	* BRU Total	32,745.2	34,386.6	34,814.0	34,435.3	-378.7	-1.1%
<b>Parks and Recreation Management</b>							
20	State Historic Preservation	1,288.2	1,261.5	1,276.4	1,182.4	-94.0	-7.4%
21	Parks Management	7,155.0	6,824.5	5,677.2	5,493.3	-183.9	-3.2%
22	Parks Access			1,863.1	1,863.1	0.0	0.0%
	* BRU Total	8,443.2	8,086.0	8,816.7	8,538.8	-277.9	-3.2%
<b>Agricultural Development</b>							
23	Agricultural Development	2,316.6	2,796.1	2,828.9	1,623.8	-1,205.1	-42.6%
24	State Fairs		40.0	0.0	0.0	0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Natural Resources

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
	<b>Agricultural Development</b>						
	* BRU Total	2,316.6	2,836.1	2,828.9	1,523.8	-1,205.1	-42.6%
	<b>Agr Revolving Loan Pgm Admin</b>						
	Agr Revolving Loan Pgm Admin				290.0	290.0	%
	* BRU Total	0.0	0.0	0.0	290.0	290.0	%
	<b>Statewide Fire Suppression</b>						
25	Fire Suppression	30,315.0	16,347.6	8,856.0	8,812.5	-43.5	-0.5%
	* BRU Total	30,315.0	16,347.6	8,856.0	8,812.5	-43.5	-0.5%
	<b>Non-performing Land Contracts-Frt Section</b>						
	Non-perf Land Contract-Frt Sec			150.0	0.0	-150.0	-100.0%
	* BRU Total	0.0	0.0	150.0	0.0	-150.0	-100.0%
	<b>*** Total Agency Expenditure</b>	<b>83,902.9</b>	<b>71,604.2</b>	<b>66,852.3</b>	<b>65,031.9</b>	<b>-1,820.4</b>	<b>-2.7%</b>
	Federal Funds	17,238.5	16,083.0	10,907.3	10,907.3	0.0	0.0%
	General Funds	56,010.6	43,561.1	42,472.3	41,543.5	-928.8	-2.2%
	Other Funds	10,653.8	11,960.1	13,472.7	12,581.1	-891.6	-6.6%

## Component Summary - FY98 Operating Budget

### General Funds and CBR

Agency: Department of Natural Resources

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Management and Administration</b>							
1	Commissioner's Office	576.0	592.2	597.8	590.4	-7.4	-1.2%
2	Administrative Services	1,699.4	1,631.4	1,651.5	1,562.0	-89.5	-5.4%
3	Recorder's Office/UCC	2,257.2	2,265.9	2,305.1	2,345.1	40.0	1.7%
4	Commissions	88.3	89.7	0.0	0.0	-0.0	0.0%
5	Information Resource Mgmt.	1,778.6	1,802.1	1,829.2	1,830.9	1.7	0.1%
6	Interdept. DP Chargeback	474.0	360.2	360.2	360.2	0.0	0.0%
7	Fbks. Office Bldg. Chargeback	103.6	103.6	103.6	103.6	0.0	0.0%
	* BRU Total	7,027.1	6,845.1	6,847.4	6,792.2	-55.2	-0.8%
<b>Resource Development</b>							
9	Land Development	7,915.3	7,682.5	7,590.4	7,372.5	-217.9	-2.9%
10	Forest Management & Develop	7,632.8	7,365.7	7,445.2	7,274.8	-170.4	-2.3%
11	Oil & Gas Development	4,099.4	4,184.6	4,423.5	4,192.7	-230.8	-5.2%
12	Mining Development	1,231.6	1,249.9	1,266.9	1,256.3	-10.6	-0.8%
13	Geological Development	2,011.9	2,063.2	2,090.4	2,165.4	75.0	3.6%
14	Water Development	1,184.1	1,054.3	1,070.3	1,020.3	-50.0	-4.7%
15	Pipeline Coordinator	1,681.7	1,422.8	1,915.9	2,068.4	152.5	8.0%
18	Development - Special Projects				100.0	100.0	%
	* BRU Total	25,756.8	25,023.0	25,802.6	25,450.4	-352.2	-1.4%
<b>Parks and Recreation Management</b>							
20	State Historic Preservation	280.2	287.0	291.5	197.5	-94.0	-32.2%
21	Parks Management	5,330.0	5,403.7	5,564.7	5,380.8	-183.9	-3.3%
	* BRU Total	5,610.2	5,690.7	5,856.2	5,578.3	-277.9	-4.7%
<b>Agricultural Development</b>							
23	Agricultural Development	1,024.1	284.7	288.9	238.9	-50.0	-17.3%
24	State Fairs		40.0	0.0	0.0	0.0	0.0%
	* BRU Total	1,024.1	324.7	288.9	238.9	-50.0	-17.3%
<b>Statewide Fire Suppression</b>							
25	Fire Suppression	16,592.4	5,677.6	3,527.2	3,483.7	-43.5	-1.2%
	* BRU Total	16,592.4	5,677.6	3,527.2	3,483.7	-43.5	-1.2%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

**Agency: Department of Natural Resources**

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	<b>Non-performing Land Contracts-Frt Section</b>						
	Non-perf Land Contract-Frt Sec			150.0	0.0	-150.0	-100.0%
	* BRU Total	0.0	0.0	150.0	0.0	-150.0	-100.0%
	<b>*** Total Agency Expenditure</b>	<b>56,010.6</b>	<b>43,561.1</b>	<b>42,472.3</b>	<b>41,543.5</b>	<b>-928.8</b>	<b>-2.2%</b>

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Natural Resources

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Management and Administration</b>													
<b>Commissioner's Office</b>													
Travel increment for Oil/Gas sale	Inc	6.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		5.0											
Reduce contractual	Dec	-12.4	0.0	0.0	-12.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-12.4											
		-7.4	0.0	5.0	-12.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Administrative Services</b>													
Reduce line items	Dec	-89.6	-59.8	-1.3	-25.0	-3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-89.5											
		-89.6	-59.8	-1.3	-25.0	-3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Recorder's Office/Uniform Commercial Code</b>													
Increase line items	Inc	40.0	25.0	5.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Prgm		40.0											
		40.0	25.0	5.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Information Resource Management</b>													
Add personal svcs for RS2477	Inc	15.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		15.0											
Reduce line items	Dec	-13.3	0.0	-1.0	-12.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-13.3											
		1.7	15.0	-1.0	-12.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-66.2	-19.8	7.7	-49.7	-3.4	10.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Resource Development</b>													
<b>Land Development</b>													
Reduce line items	Dec	-217.9	-142.2	-9.1	-53.4	13.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-217.9											
		-217.9	-142.2	-9.1	-53.4	-13.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Forest Management and Development</b>													
Reduce line items	Dec	-170.4	-100.0	-16.0	0.0	-54.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-170.4											
		-170.4	-100.0	-16.0	0.0	-54.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Oil &amp; Gas Development</b>													
Reduce line items	Dec	-60.0	-20.0	0.0	-30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-50.0											

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Natural Resources

Resource Development	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Trp
<b>Oil &amp; Gas Development</b>													
Amendment not considered	Dec	-180.8	-0.0	-30.3	-150.5	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1004 Gen Fund -180.8													
		<b>-230.8</b>	<b>20.0</b>	<b>-30.3</b>	<b>-180.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Mining Development</b>													
Reduce travel	Dec	-10.6	0.0	-10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund -10.6													
		<b>-10.6</b>	<b>0.0</b>	<b>-10.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Geological Development</b>													
Add Geologist IV	Inc	75.0	75.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
1004 Gen Fund 75.0													
		<b>75.0</b>	<b>75.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Water Development</b>													
Reduce line items	Dec	-50.0	-25.0	-2.0	-20.0	-3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Prgm -50.0													
		<b>-50.0</b>	<b>-25.0</b>	<b>-2.0</b>	<b>-20.0</b>	<b>-3.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Pipeline Coordinator</b>													
Amendment not considered	Inc	152.5	-0.0	2.5	150.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1091 GF/Desig 152.5													
		<b>152.5</b>	<b>0.0</b>	<b>2.5</b>	<b>150.0</b>	<b>-0.0</b>	<b>-0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Mental Health Trust Lands Administration</b>													
Amendment not considered	Dec	-26.5	-0.0	-0.0	-0.0	-0.0	-26.5	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1092 MHTAAR -26.5													
		<b>-26.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-26.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Development - Special Projects</b>													
Add Virus Free Seed Potato Pjt	Inc	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund 100.0													
		<b>100.0</b>	<b>0.0</b>	<b>0.0</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>-378.7</b>	<b>-212.2</b>	<b>-65.5</b>	<b>-3.9</b>	<b>-70.6</b>	<b>-26.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Parks and Recreation Management</b>													
<b>State Historic Preservation Program</b>													
Reduce line items	Dec	-94.0	-71.1	-8.9	-10.5	-3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 G/F Match -94.0													

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Natural Resources

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b><u>Parks and Recreation Management</u></b>													
<b>State Historic Preservation Program</b>													
		-94.0	-71.1	-8.9	-10.5	-3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Parks Management</b>													
Reduce line items	Dec	-183.9	-91.6	-6.5	-57.6	-28.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Prgm		-183.9											
		-183.9	-91.6	-6.5	-57.6	-28.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-277.9	-162.7	-15.4	-68.1	-31.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b><u>Agricultural Development</u></b>													
<b>Agricultural Development</b>													
Reduce GF/Prgm Receipts	Dec	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-50.0	0.0	0.0	0.0
1005 GF/Prgm		-50.0											
Dec Ag Revolving Loan Fund Admin	Dec	-856.1	-332.9	-38.6	-439.2	-44.4	0.0	0.0	0.0	0.0	-6.0	0.0	0.0
1021 Agric Loan		-855.1											
Reduce ARLF costs	Dec	-300.0	-300.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4.0	0.0	0.0
1021 Agric Loan		-300.0											
		-1,206.1	-632.9	-38.6	-439.2	-44.4	0.0	0.0	0.0	-50.0	-10.0	0.0	0.0
*** BRU Total ***		-1,206.1	-632.9	-38.6	-439.2	-44.4	0.0	0.0	0.0	-50.0	-10.0	0.0	0.0
<b><u>Ag Revolving Loan Prgm Admin</u></b>													
<b>Agriculture Revolving Loan Program Administration</b>													
Add ARLF administration	Inc	290.0	250.0	18.5	15.0	5.5	1.0	0.0	0.0	0.0	4.0	0.0	0.0
1021 Agric Loan		290.0											
		290.0	250.0	18.5	15.0	5.5	1.0	0.0	0.0	0.0	4.0	0.0	0.0
*** BRU Total ***		290.0	250.0	18.5	15.0	5.5	1.0	0.0	0.0	0.0	4.0	0.0	0.0
<b><u>Statewide Fire Suppression</u></b>													
<b>Fire Suppression</b>													
Reduce line items	Dec	-43.6	0.0	-1.8	0.0	-41.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-43.5											
		-43.6	0.0	-1.8	0.0	-41.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-43.6	0.0	-1.8	0.0	-41.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b><u>Non-performing Land Contracts-Frt Section</u></b>													
<b>Non-performing land contracts-Front Section</b>													
Amendment not considered	Dec	-160.0	-0.0	-0.0	-150.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1004 Gen Fund		-150.0											

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Natural Resources

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tnp
<u>Non-performing Land Contracts-Frt Section</u>												
Non-performing land contracts-Front Section												
	-150.0	0.0	0.0	-150.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***	-150.0	0.0	0.0	-150.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
***** Agency Total *****	-1,820.4	-777.6	-95.1	-695.9	-186.3	-15.5	0.0	0.0	-50.0	-5.0	0.0	0.0

**STATEMENT OF THE HOUSE FINANCE SUBCOMMITTEE CHAIR  
NATURAL RESOURCES REP. PETE KELLY**

The budget of the Department of Natural Resources was approached as the primary source of revenue generation and job growth potential within Alaska. Therefore, to make reduction is necessarily to endanger revenue, jobs, or both.

This budget falls neatly into four clearly definable areas:

- \*overhead - the costs of doing business
- \* recreation - those divisions that support recreational activity
- \* designated programs - divisions that each exist for a single purpose, which may extend to infinity, or may have a fixed timeline
- \* natural resource development - divisions involved in developing some aspect of natural resources

Cuts were initially made against Overhead, "normalizing" salaries to 1997 funding plus 1.8% across the board, and rolling back overly exuberant growths in travel, commodities, contractual, and/or equipment. A small increment to Information Resources will improve the mapping of RS2477s.

Parks (recreation) divided itself in two, and in the process, managed to grow inordinately in total Personal Services as well as total positions.

After extensive discussion, aggressive reductions to one designated program (fire suppression) was rolled back to a relatively small reduction. Records received a small increment to aid with recording of RS2477s.

Within the natural resources area, the largest single problem lay in the division of Agriculture, which was inappropriately funded from the Agricultural Revolving Loan Fund (ARLF) and which would be exhausting that fund within 2 to 3 years. Steps were taken to assure a much longer life, by creating a separate Appropriation, reducing the funding for costs of administration of the ARLF, and disallowing a large chunk of charges to the ARLF from the Ag division. More work will be needed in the future.

There were other decrements, in Forestry, Water, and Oil & Gas and a small increment in Minerals and in Geologic. Land Development took the largest decrement, and was pulled back from larger cuts through last-minute amendments involving the other natural resources units.

SUMMARY RECOMMENDATIONS - HOUSE SUBCOMMITTEE ON DNR							
PAGE #	UNIT	FY 97 ATRZD	GOV RQ	RECOMMND	DIFF	TOT GEN FND	CUT GEN FND
OVERHEAD COMPNT							
3	CMMSNR OFC	\$592.20	\$597.80	\$590.40	<\$7.4>	\$597.80	\$7.40
4	ADMIN SVCS	\$2,125.70	\$2,219.20	\$2,129.68	<\$89.52>	\$1,651.50	\$89.52
5	INFO RESOURCES	\$2,436.80	\$2,477.10	\$2,478.80	\$1.70	\$1,829.20	<\$1.7>
2	FAIRBANKS BLDG	\$103.60	\$103.60	\$103.60	0	\$103.60	0
2	I/A DATA PROCC CH	\$360.20	\$360.20	\$360.20	0	\$360.20	0
2	OIL/HAZ RESP PRG	\$148.30	\$158	\$158	0	0	0
<b>Overhead Subtotal</b>		<b>\$5,766.80</b>	<b>\$6,918.20</b>	<b>\$5,820.68</b>	<b>&lt;\$96.22&gt;</b>	<b>4542.3</b>	<b>195.22</b>
RECREATIONAL							
6	PARKS MGMNT	\$6,824.50	\$5,677.20	\$5,493.35	<\$183.85>	\$5,564.70	\$183.85
7	PARKS ACCESS	0	\$1,863.10	\$1,863.10	\$0.00		
8	HISTORIC PRESV	\$1,261.50	\$1,278.40	1,182.40	<\$94.0>	\$291.50	\$94.00
<b>Recreat'l Cmpnent</b>		<b>\$8,086.00</b>	<b>\$8,816.70</b>	<b>\$8,538.90</b>	<b>&lt;\$277.9&gt;</b>	<b>5856.2</b>	<b>\$277.90</b>
DESIGNATED SVCS							
10	FIRE SUPPRESN	\$16,347.60	\$8,856.00	\$8,812.55	<\$43.5>	\$3,527.20	\$43.50
12	MNTL HEA LNDS	\$716.40	\$743.50	\$743.50	0	0	\$0.00
11	PIPELINE CORDN	\$3,118.50	\$3,530.30	\$3,530.30	0	\$2,068.40	0
9	RECORDER'S OFC	\$2,265.90	\$2,305.10	\$2,345.10	\$40.00	\$2,305.10	<\$40.0
21	STATE FAIR	\$40.00	0	\$0.00	\$0.00	0	0
13	TRUSTEES COUNCL	\$1,973.80	\$3,323.70	\$3,323.70	0	0	0
2	OTHER FIRE	\$250.00	\$250.00	\$250.00	0	0	0
FEDERAL AREAS		\$89.70	\$0.00	\$0.00	\$0.00	\$0	0
<b>Designated Services:</b>		<b>\$24,712.20</b>	<b>\$19,008.60</b>	<b>\$19,005.15</b>	<b>\$3.50</b>	<b>\$7,900.70</b>	<b>\$3.50</b>
NATURAL RESOURCE DEVELOPMENT							
20	LAND DEV	\$8,484.70	\$8,149.60	\$7,734.71	<\$217.5>	\$7,550.40	\$217.50
18	OIL & GAS DEV	\$4,283.80	\$4,360.70	\$4,310.70	<\$50.0>	\$4,242.70	\$50.00
17	MINING DEV	\$3,940.50	\$3,966.00	\$3,965.40	<\$10.6>	\$1,266.90	\$10.60
15	WATER DEV	\$1,257.30	\$1,275.60	\$1,225.60	<\$50.0>	\$1,070.30	\$50.00
14	AGRICULTURAL DV	\$1,973.80	\$2,828.90	\$1,623.80	<\$1,205.1>	\$50.00	\$50.00
ARLF		\$0.00	\$0.00	\$290.00	\$290.00	\$0.00	\$0.00
19	FORESTRY DEV	\$9,081.40	\$9,174.40	\$9,004.00	<\$170.4>	\$7,445.20	\$170.40
16	GEOLOGIC DEV	\$2,620.70	\$2,650.80	\$2,725.80	\$75.00	\$2,090.40	<\$75.0>
2	RES DEV SP PROJ	\$500.00	\$500.00	\$600.00	\$100.00	0	<\$100.0>
<b>Natural Resource Dev</b>		<b>\$32,142.20</b>	<b>\$32,906.00</b>	<b>\$31,470.01</b>	<b>&lt;\$1,238.6&gt;</b>	<b>23756.9</b>	<b>\$3,350</b>
Component Subtotals							
Overhead		\$5,856.50	\$5,916.20	\$5,820.68	<\$95.22>	\$4,542.30	\$95.20
Recreational		\$8,086.00	\$8,816.70	\$8,538.85	<\$277.9>	\$5,856.20	\$277.90
Designated Svcs		\$24,712.20	\$19,008.60	\$19,005.15	<\$3.5>	\$7,900.70	\$3.50
Natural Resource Dev		\$32,988.00	\$32,906.00	\$32,470.01	<\$1,238.6>	\$23,756.90	\$373.50
<b>GRAND TOTALS</b>		<b>\$71,642.70</b>	<b>\$66,647.50</b>	<b>\$65,924.65</b>	<b>&lt;\$1,337.32</b>	<b>\$42,056.10</b>	<b>\$750.10</b>
*5-Mar 10:39 AM							

DNR - FY 98 HOUSE FINANCE SUBCOMMITTEE RECOMMENDATIONS				
COMPONENT	CHANGE	GOV FY 98	GOV-HUS	FY 98 HOUSE
<b>APPROPRIATION: OVERHEAD</b>		<b>\$5,916.20</b>	<b>&lt;\$95.22&gt;</b>	<b>\$5,820.98</b>
Commissioner's Ofc	travel, ADD for Oil/Gas sale	\$51.00	\$5.00	\$56.00
	roll back contractual	\$61.30	<\$12.4>	\$48.90
Administrative Svcs	normalize Pers Svc to be the same as other divisions =			
	FY97 + 1.8%	\$2,043.90	<\$59.82>	\$1,984.08
	roll back travel	\$13.50	<\$1.3>	\$12.20
	roll back contractual	\$127.80	<\$25.0>	\$102.80
	roll back commodities	\$34.00	<\$3.4>	\$30.60
Information Res Mgmt	increment for RS2477	\$2,131.50	\$15.00	\$2,146.50
	roll back travel	\$10.20	<1.0>	\$9.20
	restore sum of contr, commo, equip to FY 96	\$335.60	<\$12.3>	\$323.10
Fairbanks Bldg	no change	\$103.60	0	\$103.60
Data processing	no change	\$360.20	0	\$360.20
Oil Hzrd Resp Prog.	no change	\$158.30	0	\$158.30
<b>APPROPRIATION: RECREATION</b>		<b>\$8,816.70</b>	<b>&lt;\$277.9&gt;</b>	<b>\$8,538.85</b>
Parks Mgmt	normalize Pers Svc to other			
	units '97 + 1.8% + small restore	\$3,752.80	<\$91.61>	\$3,661.19
	travel rollback 8%	\$80.50	<\$6.44>	\$74.06
	contractual rollback 8 %	\$1,455.30	<\$57.6>	\$1,397.70
	commodities rollback 8 %	\$353.00	<\$28.2>	\$324.80
Parks Access	normalize Pers Svc to other			
	units to '97 + 1.8% not avail	\$1,811.50	0	\$1,811.50
	roll back travel	\$3.90	0	\$3.90
	roll back contractual	\$19.10	0	\$19.10
	roll back commodities	\$28.60	0	\$28.60
Historic Presv. Prog	normalize Pers Svc to other			
	units '97 + 1.8%	\$881.10	<\$71.1>	\$810.00
	roll back travel	\$88.50	<\$8.9>	\$79.60
	roll back contractual	\$271.50	<\$10.5>	\$261.00
	roll back commodities	\$35.30	<\$3.5>	\$31.80

<b>APPROPRIATION: DESIGNATED PROGRAM</b>				
<b>RECORDER'S OFFICE</b>		<b>\$2,305.10</b>	<b>\$40.00</b>	<b>\$2,345.10</b>
Recorder's Office	Increment Pers Svcs for			
	RS2477 recordings	\$2,003.90	\$25.00	\$2,028.90
	Increment to Equipment - amnt			
	inadequate relative to critical			
	nature of records	\$30.00	\$10.00	\$40.00
	Increment to travel to allow for			
	staff substitution	\$11.80	\$5.00	\$16.80
<b>APPROPRIATION: DESIGNATED PROGRAM</b>				
<b>MENTAL HEALTH TRUST LANDS</b>		<b>\$743.50</b>	<b>0</b>	<b>\$743.50</b>
Mental Health TLands: no changes		\$743.50	0	\$743.50
<b>APPROPRIATION: DESIGNATED PROGRAM PIPELINE</b>				
<b>COORDINATOR</b>		<b>\$3,530.30</b>	<b>0</b>	<b>\$3,530.30</b>
Pipeline Coordinator no changes		\$3,530.30	0	\$3,530.30
<b>APPROPRIATION: DESIGNATED PROGRAM FIRE</b>				
<b>SUPPRESSION</b>		<b>\$8,856.00</b>	<b>&lt;\$43.5&gt;</b>	<b>\$8,812.55</b>
Fire Suppression	Pers Svc 10% rollback	\$2,932.90	0	\$2,932.90
	travel 5% rollback	\$36.60	<\$1.8>	\$34.80
	contractural 10% rollback	\$5,034.00	0	\$5,034.00
	commodities-5% rollback	\$832.50	\$41.7>	\$790.85
<b>APPROPRIATION: DESIGNATED PROGRAM STATE</b>				
<b>FAIR</b>		<b>\$0</b>	<b>\$0.00</b>	<b>\$0.00</b>
State Fair	Increment	\$0	\$0.00	\$0.00
<b>APPROPRIATION: DESIGNATED PROGRAM TRUSTEE</b>				
<b>COUNCIL</b>		<b>\$3,323.70</b>	<b>0</b>	<b>\$3,323.70</b>
Trustees Council	no change	\$3,323.70	0	\$3,323.70
<b>APPROPRIATION: DESIGNATED PROGRAM OTHER</b>				
<b>FIRE</b>		<b>\$250.00</b>	<b>0</b>	<b>\$250.00</b>
Emergency Fire	no change	\$250.00	0	\$250.00
<b>APPROPRIATION: FEDERAL AREAS COMMSSN</b>				
<b>FEDERAL AREAS CMMS</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
Federal Areas Cmms	Pers Svcs		\$0.00	\$0.00
	travel		\$0.00	\$0.00
	contractural		\$0.00	\$0.00
	commodities		\$0.00	\$0.00
	equipment		\$0.00	\$0.00

<b>APPROPRIATION: LAND DEVELOPMENT</b>		<b>\$8,149.60</b>	<b>&lt;\$217.5&gt;</b>	<b>\$7,734.71</b>
Land Development	normalize Pers Svc to other divisions '97 + 1.8%	\$7,382.10	<\$100.0>	\$7,195.20
	travel rollback 10%	\$91.20	<\$9.1>	\$82.10
	contractural 20% rollback	\$534.50	<\$53.4>	\$481.10
	commodities 10% rollback	\$131.80	<\$13.2>	\$118.60
	delete funding vacant PCNs	\$486.90	<\$41.8>	\$214.57
<b>APPROPRIATION: OIL &amp; GAS DEVELOPMENT</b>		<b>\$4,360.70</b>	<b>&lt;\$53.0</b>	<b>\$4,310.70</b>
Oil & Gas Development	normalize Pers Svc	\$3,958.00	<\$20.00>	\$3,938.00
	contractural rollback	\$256.50	<\$30.00>	\$226.50
<b>APPROPRIATION: MINING &amp; WATER DEVELOPMENT</b>		<b>\$5,241.60</b>	<b>&lt;\$60.5&gt;</b>	<b>\$5,181.10</b>
Mining Development	travel rollback 10%	\$107.60	<\$10.6>	\$97.00
Water Development	normalize Pers Svc	\$1,117.20	\$25.0>	\$1,102.80
	contractural rollback	\$110.90	<\$20.0>	\$90.90
	travel rollback	\$19.70	<\$2.0>	\$17.70
	commodities rollback	\$25.80	<\$3.0>	\$25.80
<b>APPROPRIATION: AGRICULTURAL DEVELOPMENT</b>		<b>\$2,828.90</b>	<b>&lt;\$1,205.1&gt;</b>	<b>\$1,623.80</b>
Gov request		\$2,828.90		
less ARLF loan costs	<\$855.1>	\$2,828.90	<855.1>	\$1,973.80
Ag Division unchanged		\$1,973.80		
	move to Land Devel.		<\$50.0	
	delete Asst to Cr mstr, 2 Dev			
	Spec, Nat Res Ofrc	\$300.00	<\$300.0>	\$0.00
<b>APPROPRIATION: FORESTRY DEVELOPMENT</b>		<b>\$9,174.40</b>	<b>&lt;\$170.4&gt;</b>	<b>\$9,004.00</b>
Forestry Dev	Pers Svc rollback	\$6,756.60	<\$100.0>	\$6,656.60
	travel rollback for mmsrshp trvl	\$248.30	<\$16.0>	\$232.30
	commodities rollback	\$575.20	<\$54.4>	\$530.80

<b>APPROPRIATION: GEOLOGIC DEVELOPMENT</b>		<b>\$2,650.80</b>	<b>\$75.00</b>	<b>\$2,725.80</b>
Geologic Developmnt add 1 PCN Geologist IV				
		\$2,650.80	\$75.00	\$2,725.80
<b>APPROPRIATION: RESOURCE DEVELOPMENT</b>				
<b>SPECIAL PROJECTS</b>		<b>\$500.00</b>	<b>\$100.00</b>	<b>\$600.00</b>
Resource Dev Sp Prj no changes				
		\$500.00	0	\$500.00
		\$500.00	0	\$500.00
Seed Potato	ADD; div Ag to provide labor	0	\$100.00	\$100.00
<b>APPROPRIATION: AGRICULTURAL REVOLVING</b>				
<b>LOAN FUND</b>		<b>note #1</b>		<b>\$290.00</b>
ARLF Pers Svcs. 4 PCN				
				\$250.00
				\$18.50
				\$15.00
				\$5.50
				\$1.00
<b>DEPARTMENT OF</b>				
<b>NATURAL RESOURCES</b>				
		<b>\$66,647.50</b>	<b>\$1,337.32</b>	<b>\$65,924.69</b>
Note #1: Funding request of \$855.1 shows in Governor's Request under Div of Agri.				
This amount is deleted, above, restored to the ARLF, and available to be wholly or				
partially appropriated to run the administration of ARLF. \$290.0 needed for that purpose.				
The balance of \$565.1 remains within the cash liquidity of the loan fund.				
3/16/97 10:33				

**MEMORANDUM**  
DEPARTMENT OF NATURAL RESOURCES

**State of Alaska**  
COMMISSIONER'S OFFICE

**TO:** Annalee McConnell  
Director, OMB

**DATE:** March 20, 1997

**FILE NO:** 98impacts.doc

**TELEPHONE NO.:** 465-2400

**FROM:** John F. Shively  
Commissioner

**SUBJECT:** Impact Statements  
House Finance  
Subcommittee

Attached are impact statements for the Department of Natural Resources as a result of the House Finance Subcommittee close-out of our FY96 operating budget.

Please call if you have any questions or need further clarification on any items.

Attachment

cc: DNR Division Directors

## FY 98 HFSC - DNR BUDGET CLOSE-OUT IMPACT STATEMENT

### Land Development Component - (\$217.9) GF

*The Division of Land is the critical path through which almost all resource actions must pass!*

A reduction of \$217.9 in the Land Development Component for the Division of Land has drastic and wide ranging impacts not only to the public served, but to the services and revenue generating ability of other DNR Divisions, departments, as well as local governments.

The reduction of \$217.9 will become even more dramatic when considering a \$388.0 vacancy factor in personal services coupled with the \$399.0 cost of implementing the RIP program - items which were taken into consideration in the FY98 Governor's budget. The Division of Land anticipated that additional reductions in services to the public would result when the FY98 budget is implemented, even without additional legislative reductions. The division took advantage of the RIP program to allow more costly personnel to be replaced by cheaper personnel, to give the division a chance to restructure, and to streamline its operations in an effort to reduce processing delays. The combined impact of the HFSC reduction, and the vacancy factor and RIP liability included in the Governor's budget, results in a reduction to the division in excess of \$1,000.0. This translates into a reduction of 15-20 employees added to the more than 70 positions the division has lost since 1992. There will be general and specific impacts as a result:

### **GENERAL IMPACTS**

The largest impacts will be to the oil and gas industry, mining industry, the sagging timber industry, and general public including recreation and tourism. Small and large projects, both public and private, will be stalled. The result will be to delay job creation and commercial projects if DNR Division of Land personnel do not exist and the time delays are significantly longer than the present processing schedule.

The unauthorized use of uplands and tidelands will multiply since the division cannot respond in a timely manner to granting authorizations. The revenue losses from leases, permits, and material sales processing delays will be significant, especially when considering the reoccurring annual fees.

In addition to the general impacts outlined above, a reduction in force will require us to consider the implementation of one or several of the following options:

### **IMPACT TO SERVICES**

1. Elimination of the Northern Region Office located in Fairbanks. The Office will be reduced to an application intake office with limited capability to address land and resources management responsibilities and issues unique to northern operations. Other services will be

curtailed or centralized to Anchorage. Leases, permits, rights-of-way, and material sales applications will be forwarded to Anchorage for processing.

***Direct impacts to Northern Region***

- Delays in or failure to issue leases/permits for guides and commercial ventures on state land. This will increase unauthorized use on state land and potentially lead to damage of the state's natural resources. Revenues generated by these authorizations would be lost.
- Delays in or failure to issue surface leases/rights-of-way/permits for oil and gas exploration and development. Developments such as Alpine, Badami, and North Star require permits from the Division of Land. Failure to authorize these uses could lead to costly delays in this major Alaskan industry and revenue generator.
- The positions associated with Northern Region tasks have gained years of experience in dealing with the Arctic environment, as well as developed a cooperative working relationship with industry permitting and environmental staff. This experience would be lost through elimination of most of the positions or by loss of individuals choosing not to relocate to Anchorage.
- Lease administration and monitoring and compliance functions would suffer from the loss of expertise. Discontinuity in management of these leases would be harmful to the environment, as well as in the loss of a good working relationship between the division's staff and the lessees. Such discontinuity in the past has led to major and costly (million dollar) contamination cleanups being required, such as the Forward and Child's pads cleanups.
- Cross-country travel permits would be delayed or unauthorized. This increases the potential for damage to Alaska's resources and would delay mineral exploration, oil and gas exploration, and the use of state lands by other developers.
- Material sales would not be issued in a timely manner or would fail to meet deadlines of contractors/industry. Of special merit are million cubic yard sales that would not be conducted for north slope oil and gas development of new fields or expansion of existing ones.
- RS 2477 Project Support and Continued Research would not occur. The Northern Region has housed the research program for the last four years. This staff is junior to other resource officers and would be laid off as a result of a major office reduction. This expertise would be difficult to replace and its loss would seriously hamper the state's ability to assert its rights.
- Field personnel with long-term knowledge of the region would be lost.

- Golden Valley Intertie right-of-way would not be issued timely. This multi-million dollar construction/operation is expected to start construction in 1998. This would be delayed.
- MFS Fiber Optics Right-of-Way from Valdez to Prudhoe Bay would not be issued timely. Delay of this major communications project would be detrimental to the pipeline communication upgrade, as well as potential ripple effects to communities that may be able to tie into this new communication system.
- Delay in authorizing material sales and rights-of-way for DOT/PF construction projects slated for this summer. Several authorizations are pending, including the Dalton Highway upgrades, Elliott Highway upgrades, and associated waysides for travelers.
- Cooperative efforts between the state, federal government, municipalities, and local interests groups would suffer. The region is involved in several programs that are responding to public access needs; of special note are:
  - Nenana River Canyon public access and TRAAK proposals
  - Denali North Access feasibility study
  - Dalton Highway coordination group (a group of citizens, municipal leaders, and agencies)
  - Alaska Trails System participation
  - Other cooperative land use management programs are:
    - Reindeer permits on the Seward Peninsula
    - Alaska Guard training site on the Seward Peninsula.

These cooperative efforts would be hindered without participation of the Division.

2. Elimination of the Southeast Regional Office located in Juneau. The office will be reduced to an intake office with limited capability to address land and resource management responsibilities and issues unique to the Southeast Region. Other services will be curtailed or centralized to Anchorage. Leases, permits, rights-of-way, and material sales applications will be forwarded to Anchorage for processing.

***Direct impact to Southeast Region***

- Extended delays or no leases/permits issued for the timber industry (private and US Forest Service). Failure to provide timber for the sawmills and creating value added jobs to replace the 500 jobs lost in Ketchikan due to the pulp mill closure. Congress and the USFS have agreed to provide enough timber from federal lands to keep the sawmills operating for the next three years, which retains the 500 remaining jobs after mill closure. The division's reduction will have a negative impact on this situation by being unable to authorize the multiple requests by the USFS.

- Upland lodge operators in the Yakataga area, who have clients booked from the US and Europe for the 1997 summer season, will operate in trespass without any revenue return to the state.
- Material contracts to the City of Petersburg could not be issued for the road construction leading to the Cabin Creek Reservoir. This multi-million dollar city project is essential to meet the high water demands of the fish processing plants during the peak summer season.
- City of Skagway is in immediate need of a landfill site which could be accomplished through a municipal land entitlement. A city RFP is presently being advertised to create an incinerator building on state land. Existing landfill capacity will be reached in 1997 and an approved site is critical by this fall.
- Lack of a tideland authorization to the City and Borough of Sitka for a facility to export water to Korea could result in a multi-million dollar loss of annual revenue to the city.
- Delay of authorization for the proposed Tongass Coast Aquarium in Ketchikan will result in the loss of jobs to help replace those caused by the mill closure.
- No authorizations could be issued to DOT/PF, Alaska Marine Highways, for the Auke Bay ferry terminal expansion, and the nearby 1.5 mile road bypass, both to be out to bid this spring.
- The Goose Creek Phase II Subdivision at Thome Bay would be delayed or shelved. The city is fronting the survey money because DNR's Phase I did not fulfill the demand for commercial land. DNR could be faced with repayment of survey costs to the city. KPC mill closure has added increased interest in additional land to diversify the economy.

3. Elimination or reduction of **Central Office and Southcentral Region** programs.

***Central Office***

- Eliminate appraisal assistance to other divisions and departments including EVOS work in support of on-going projects.
- Eliminate lease reappraisals. As leases require reappraisal, rentals will remain the same as no reappraisals necessary to establish the fair market rent will be completed.
- Eliminate survey assistance provided in support of activities of other divisions and departments.
- Eliminate all title analysis work done in support of departmental activities.

- Reduce intake and review activities necessary for the state to receive its land entitlement from federal government.
- Reduce support to Attorney General's Office on state's rights issues.
- Eliminate graphics support services, including maintenance and preparation of easement atlases which identify access on state owned lands.
- Eliminate processing of interagency land management transfers to other state agencies, such as DOT/PF.

***Impact to Southcentral Region***

- Eliminate shorefishery and mariculture/aquatic farming programs.
- Reduce land use permitting activities.
- Reduce land leasing program activities.

***Impacts to Alaska Mental Health Trust Lands Management***

- Alaska Mental Health Trust (AMHT) lands are managed by the Alaska Department of Natural Resources (DNR) on behalf of the Alaska Mental Health Trust Authority. The Trust Land Office (TLO) within DNR is responsible for all aspects of AMHT land management unless the TLO delegates responsibility to other DNR divisions pursuant to a written agreement.
- Accordingly, the TLO has contracted with the Division of Land (DOL) for assistance in protecting Trust Land values and generating revenues from the Trust surface estate. The DOL currently assists the TLO in the following areas of AMHT land management:
  - Application receipt and adjudication
  - Lease and contract administration
  - Title research and maintenance
  - Field inspections
  - Decision document preparation
  - Public notice
  - regulatory enforcement
  - Entitlement acquisition

Budget reductions projected for the Division of Land for FY 98 will undoubtedly have an impact on TLO management of AMHT lands. Impacts will likely include:

1. Increased costs due to contracting with third parties
2. Reduction in response time to applications
3. Less field presence
4. Postponement of entitlement acquisition

- Additionally, the TLO, like the private sector, relies on the DOL for certain regulatory actions. The effects of a DOL operational fund shortfall will affect the TLO as it will affect the private sector - if the DOL is unable to respond to regulatory actions as before, projects will be delayed.

4. **Public customers** will experience prolonged delays for land authorizations and even greater delays for activities requiring field work, surveys, appraisals, and title work.
5. **Services provided to other state agencies** will be reduced causing delays to resource use such as oil and gas leasing, DOT/PPF road construction, large mining development projects evaluation and authorization, receiving title to state land from the federal government, assistance with timber sales, agriculture contracts, and mental health lands application adjudication.

#### ***Impact to Division of Oil and Gas***

- The Area-Wide leasing program was established through legislation passed last session. This program accelerates the leasing program and when fully implemented in 1999 it will mean that virtually all available state land on the North Slope, in the Beaufort Sea, and in Cook Inlet will be available for lease on a yearly basis. This program helps Alaska to remain competitive in the international marketplace. The Division of Land does much of the title work for these lands. Since drilling cannot commence until clear title is established, it makes little sense to create a bottleneck in an otherwise very streamlined program.
- If the Special Masters' decision is upheld by the Supreme Court (decision expected this summer), Alaska will come into possession of the lagoonal areas around ANWR. Naturally, we would like to get these lands into our Area-Wide leasing program as soon as possible. First the lands have to be surveyed. Budget cuts contemplated by the House Budget Subcommittee will delay this work.

#### ***Impacts to Division of Mining and the Mining Industry***

- Conveyances for Potential Large Mines will be delayed a few years. DMWM works with national mining firms to accelerate conveyance to land with significant industry activity. Our goal is to allow large mines to come into production on state, not federal land. These conveyances are dependent on the Title Section within Division of Land. If conveyances slow down, we can expect that land title for some important mineral prospects will be set back by two or more years. This could delay future production where important mineral properties await state conveyance.

- Conveyances for Alaskan Placer Miners delay causes some placer miners to go bankrupt. BLM's recently proposed regulations will require placer miners on federal land to put up a large cash bond. If enacted, the regulations will eliminate the ability for most placer miners to operate on federal land. We expect these miners to quickly plead for state to accelerate Tentative Approval (TA), which would allow them to operate on state rather than federal mining claims. The conveyance work for the many small placer claims requires significant work by the Title Section within Division of Land. This will almost certainly not be possible in light of the proposed cuts.
- Assertion of RS2477: Some of Alaska will Become Off-limits to Development. We assume that budget cuts of this magnitude will slow or stop Division of Land from asserting state management of RS 2477 access routes. These routes can be critical for access to some state and private land. Without them, the land becomes essentially inaccessible for development.
- Material Sales: Delay. To the extent that the proposed cuts delay material sales by Division of Land, the cuts may also delay mining operations that are dependent on the sales for building roads or other facilities. Off-site material sales occur for a number of the larger mines. Both Fort Knox and Usibelli Coal Mines have used state material sites for their development.
- Land Classification: Delay. Large mining projects frequently require off-lease development. Where a land-use plan has not been completed, state law requires a site-specific plan to proceed land classification before the lease can be issued. Lack of staff can delay these activities.
- Mineral Opening Orders: Delay. We expect that the few mineral opening orders that the state processes each year will be significantly delayed.

#### ***Impacts to Division of Forestry***

- The Division of Land supports the Division of Forestry and the forest industry by providing surveys, title searches, site-specific plans, and rights-of-way for timber sales and permits and leases for log transfer facilities and other development sites. This year for example, sorely needed timber sales to local operations on Wrangell Island would have been delayed without planning support from the Division of Land. Division staff also provided surveys for spruce bark beetle timber salvage sales on the Kenai Peninsula, and work with Forestry staff on access authorizations on a regular basis.

## FY 98 HFSC - DNR BUDGET CLOSE-OUT IMPACT STATEMENT

### Parks Management Component - (\$183.9) GF Program Receipts

Parks has a highly seasonal operation. Most of its operating budget is devoted to serving the millions of visits to state parks that are concentrated in the summer months. A budget cut of this magnitude will inevitably compromise public access during Alaska's short, intense outdoor recreation season. Staffing will be significantly reduced. Remaining staff will be re-deployed to the most important parks to provide a minimal service level. This will leave some parks with no staff and they will be closed. These closures and staffing reductions will reduce the amount of user fees being collected. Since these fees are returned to the park system to support maintenance and operations, their loss will trigger further staff reductions and park closures, for a total budget reduction of \$315.9 rather than the Finance sub-committee's proposed \$183.9 cut. In addition, the \$100.0 Parks had anticipated returning to the general fund over and above the Governor's requested program receipts authorization will not be generated. When the dust finally settles, a total of 15 staff will be lost, along with 18 units of the state park system.

This proposed reduction will cause Parks to terminate 25% of its summer seasonal work force of "Alaska Conservation Corps" (ACC) employees. ACCers are temporary, non-permanent employees who perform a variety of important jobs: staffing fee collection booths, answering questions, maintaining trails, collecting garbage, cleaning latrines. The impact of this action will be felt by the public through dirty facilities, deferred maintenance, less public information. 14 positions will be eliminated. In selecting ACC positions to cut, an emphasis was placed on retaining those necessary to collect and account for program receipts.

The over-riding goal in focusing staff cuts on temporary employees is to retain the permanent, professional staff. These highly trained park rangers perform law enforcement, supervise volunteers, manage commercial activities, lead naturalist programs, and provide a variety of other demanding services. The state has a considerable investment in their training and retention, which must be protected. Even so, one permanent park ranger position will be eliminated, from a current staffing level of 39. A summary of permanent staff reductions and redeployment (by park unit) is attached.

Under normal circumstances, temporary ACC staff are paired with permanent ranger staff. Once the ACC staff are gone, however, rangers from lower priority park units will be re-assigned to assist the reduced staff at higher priority parks. Lower priority parks will be closed, and public access barred. Some parks will be "passively managed", meaning access will be allowed but there will be no refuse service, restrooms will be closed, and park staff will not visit. The four state parks in Sitka are candidates for transfer to local government. A list of parks to be closed, passively managed, and transferred is attached.

The loss of staff and resulting facility closures actually increases the proposed budget reduction to Parks Management from \$183.9 to \$315.9.

Proposed Finance Sub-committee reduction	\$183.9
Lost fee revenues from closed facilities	132.0
<b>Resulting reduction to Park Management Component</b>	<b>\$315.9</b>

One casualty of these cuts will be the popular annual camping pass. The state cannot responsibly sell annual camping passes and then close parks and drastically reduce services. These passes have been on sale for several months. All purchasers will be contacted and given a full refund. The administrative cost of this refund will alone run several thousand dollars.

The administration's FY98 budget submission included funds to operate 14 newly constructed latrines located along popular highways and travel routes. Ten of these will not be opened. Their doors will be secured shut, and public access will be prevented. A partial list of mothballed sites includes the Kenai River (Pillars), Cooper Landing, Chena River, Seward Highway, and Chilkat Bald Eagle Preserve. In addition, five new facilities will not be opened because of lack of support for operations and volunteers - Kenai River (Pillars), Cooper Landing, Chilkat Bald Eagle Preserve, Aleknagik, and Denali Viewpoint North.

What other impacts will Alaskans and visitors see? Many will find their favorite state parks closed and inaccessible. Facility maintenance will be further deferred. Ranger patrols will be more infrequent. Litter will accumulate. Brochures will be out of print. Naturalist programs will be discontinued. Road maintenance will cease. The predictable response from the public will be resistance to any user fees, increased vandalism, and an overall dissatisfaction with the degraded services.

Looking to future years, additional budget reductions of this magnitude will result in the suspension of the Parks capital improvement program, which is primarily supported by federal grant funds and other, non-general fund sources. Projects currently in development that may not be built include Gulkana River access facilities, South Denali visitor facilities, Eagle Beach access facilities, and Bird Point scenic overlook and access.

Alaskans consistently indicate that outdoor recreation is an extremely important part of their lifestyle. State parks, by making the outdoors accessible, contribute directly to Alaskans' quality of life. The other constituent group of state parks is tourists. Tourists are often lured to Alaska by beautiful photos of its national parks, but they gravitate to its state parks because state parks are road accessible, facility-rich, and user friendly. The long term financial damage to Alaska's tourism industry from this ill-advised budget cut cannot be calculated.

## Attachment

### FY98 Proposed Park Closures

The 18 state park units listed below will be closed, passively managed or proposed for transfer to other management as a result of the general fund budget reductions in FY'98. To close a unit means to cancel refuse removal service, board up the restrooms, eliminate park staff patrols of the facilities, and to close and lock gates where they exist. Passive management means park access will be allowed but there will be no refuse service, restrooms will be closed and park staff will not patrol the area. Some units will be proposed for transfer to local jurisdictions or managed on a limited basis by non-profit organizations.

#### Northern Area

Lower Chatanika SRS  
Upper Chatanika SRS  
Chena River SRS

#### Management Status

Close campground, passively manage day use  
Close campground  
Close campground, possible contract option

#### Mat-Su Area

Big Lake North SRS  
Big Lake South SRS  
Hatcher Pass/Independence Mine  
Kepler-Bradley SRA  
King Mountain SRS  
Long Lake SRS  
Matanuska Glacier SRS  
Rocky Lake SRS  
Wolf Lake SRS

Close campground and boat launch  
Close campground and boat launch  
Passive and transfer of Visitor Center  
Close day use area  
Close campground  
Passive  
Passive  
Close campground  
Close campground

#### Kenai Area

Anchor River SRA  
Stariski SRS

Close campgrounds, passively manage day use  
Close campground

#### Southeast

Sitka State Park Units (4)

Transfer to City of Sitka

#### **New park units that will not open:**

The Pillars (Kenai River)  
Cooper Landing Boat Launch (Sterling Highway)  
Alaska Chilkat Bald Eagle Preserve viewing platform/nature trail/parking lot  
Lake Aleknagik Boat Launch (Wood-Tikchik State Park)  
Denali View North (Parks Highway)

**Summary of Permanent Staff Reductions  
Proposed House Finance Subcommittee Cuts (\$185.0)**

FY98 Operating Budget

The following summary identifies the changes that will occur in permanent position allocations as a result of proposed budget reductions:

	Status	Location	Component	Positions Lost/Transfer	
				PERM.	TEMP.
1	<b>Impact on Summer Hire Program</b>				
	ACC Summer Hire Program	Statewide	Park Management	0	-14
2	<b>Elimination of Staff will Occur at the Following Locations</b>				
	Anchor River SRS	Kenai Area	Park Management	-1	
	Hatcher Pass	Mat-Su Area	Park Management	-1	
	ChenaSRS/Chatanikas	Northern Area	Park Management	-1	
	Sitka	Southeast Area	Park Management	-1	
				-4	
3	<b>Reduction of Staff in the Following Locations</b>				
	Haines	Southeast Area	Park Management	-1	
4	<b>Redeployed Staff - To Compensate for loss of ACC Program</b>				
	Chena River SRA	Northern Area	Park Management	1	
	Nancy Lake/Willow	Mat-Su Area	Park Management	1	
	Haines	Southeast Area	Park Management	1	
	Deep Creek/Ninilchik	Kenai Area	Park Management	1	
				4	
	<b>Net Reductions</b>			-1	-14

**FY 98 HFSC - DNR BUDGET CLOSE-OUT**  
**IMPACT STATEMENT**

**Forest Management and Development Component - (\$170.4) GF**

**Forest Practices -- (150.0) personnel 100.0, travel 16.0, contractual 34.0**

- Cut two positions in the Coastal Region, associated travel, and nearly all FPA contractual funding.
- This will eliminate over 40% of the forest practices inspections in the Coastal Region (80-90 inspections/year), including southeast Alaska and the Kenai-Kodiak Area. It will also increase the likelihood of significant problems going undetected in advance and damaging water quality and fish habitat.
- Weakening FPA implementation and enforcement increases the chance that the EPA will not certify the FPA as meeting Clean Water Act standards under section 6217. Without this approval, private timber owners will have to deal with federal standards and federal agency staff on Clean Water Act compliance. The EPA is already reviewing the FPA for compliance with federal standards.
- DOF will not be able to meet statutory deadline for reviewing detailed plans of operation and will cause delays to private timber owners and operators.
- FPA staff also assist in timber sale layout and administration, especially in southeast Alaska. Cutting these positions will decrease the amount of timber we can offer by about 375 MBF, which will reduce revenue to the GF by about \$110.0.

**Resource Management -- (20.4) commodities**

- Decrease the amount of timber harvested and land reforested in Interior Alaska by 400 MBF/year. This would decrease the amount of revenue to the General Fund by about 26.0 and eliminate 2-4 jobs in the private sector. (Scientific equipment, flagging, fuel, advertising, public comment, printing, cone collection and processing)

## FY 98 HFSC - DNR BUDGET CLOSE-OUT IMPACT STATEMENT

### State Historic Preservation Program Component - (\$94.0) GF Match

1. A \$94.0 GFM cut to the State Historic Preservation Program component means a loss of \$141.2 CIP federal Historic Preservation Fund matching money. **The total reduction is \$235.2 to the State Historic Preservation Program.**
2. Although the Governor's budget for the State Historic Preservation Program component shows \$1276.4 in the budget document, all but \$291.5 is **authorization to receive non-state funds (primarily federal and interagency receipts).**
3. **Personnel, programs, and services will be eliminated or significantly reduced.** Three positions will be lost. Each position is responsible for several programs, all highly leveraged through partnerships and non-state money. The citizen's board, the Alaska Historical Commission, will not be able to meet. The budget document shows 13 full-time and 3 part-time positions for the OHA. Only 7 full-time positions are supported from the general fund match, and each only at 40% or less.
4. At a time when federal programs are delegating increased authority to states, the OHA will not be able to minimally meet its required tasks and personnel requirements and **will jeopardize its eligibility to receiving matching federal funds.** The state might lose its delegated authority if it cannot perform services and administer the legislated programs. If that happens, Alaskans will have to work with federal agencies in Denver, Colorado or Washington, D.C. and state will lose federal grant of over \$400.0.
5. **The development industry will suffer.** Developers using federal land, funds, or permits, will incur increased costs to research and evaluate historic and archaeological sites prior to submitting a project for review as required by federal law. Project reviews will take longer, or even worse, some reviews will not get done. This will increase the frequency of costly shut downs of projects when historic sites and burials are found. There were 2354 projects reviewed last year.
6. **Federal projects might be delayed or canceled** because agencies must comply with federal laws concerning historic and archaeological resources which require OHA review. These include millions of dollars invested in highway and airport improvements, hazardous and toxic waste clean-ups, HUD housing, village water and sewer improvements, timber sales, major mineral developments, and oil and gas leasing. There were over 2250 federal agency projects last year.
7. **New information will not be entered on the state database of historic and archaeological sites** consulted by developers, local governments, and federal agencies. Again, this will increase the frequency of discovery of unknown sites which will cause costly shut downs. The efficiency of having a centralized inventory serving all state

users will be lost. Annual database updates are provided to 18 federal agencies, 7 local governments, 3 native corporations, 4 oil companies, and 4 state agencies.

8. **The proposed cut will force implementation of high fees for services** including review of development sites for the presence of historic properties and obtaining archaeological permits.
9. **Assistance to local government programs will diminish.** Thirteen local governments have benefited from federal funds made available by the state's participation in the historic preservation program. Successful initiatives accomplished through state-community partnerships will be lost. \$430,140 in grants have been awarded local governments since 1987.
10. **Litigation, to which the state will likely be a party, will likely increase.** Law enforcement, judicial officials, and private citizens will have less access to technical assistance from OHA professionals who have experience dealing with ancient human burials and discoveries of heritage sites. If OHA staff are unavailable to negotiate resolutions, litigation will increase.
11. **Access to historic preservation economic programs will be more difficult.** The accustomed vehicles of communication--a newsletter, telephone consultation, and workshops--will no longer make information available. Qualifying for the Investment Tax Incentive and other federal preservation programs through listing of properties in the National Register of Historic Places will be delayed.
12. **Successful partnerships will be lost.** Among these are Alaska Project Archaeology, a teacher training and curriculum development program; the Gold Rush Centennial Task Force; heritage surveys on federal lands by state personnel; and an effective statewide preservation planning program.
13. **Ability to respond to emergencies will be compromised.** Oil spills, floods, and other disasters impact cultural resources and, even during emergencies, there must be compliance with federal and state preservation laws. Without the involvement of OHA staff knowledgeable of the laws and having scientific expertise, increased litigation could result and historic resources be negatively impacted.
14. **Students will not have the opportunity to get on-the-job exposure to public history and cultural resources management.** The OHA has helped a number of Alaskans get training and experience that has been helpful when applying for graduate schools and in obtaining jobs in cultural resources management. An average of 11 students and 15 volunteers participate each year.
15. **The state geographic names program will be discontinued.** The public will not have a place in the state to go for information on how to name a geographic feature. The Alaska Historical Commission will not be able to meet to review proposals. Working solely with the federal Board of Geographic Names will delay the process and reduce opportunities for careful public review.

## FY 98 HFSC - DNR BUDGET CLOSE-OUT IMPACT STATEMENT

### Oil & Gas Development Component - (\$50.0) GF

Although our budget reduction is small compared to some others it still results in a large impact to the oil and gas program.

Protecting the state's interest is an essential part of our mission. We use our contractual money to hire experts to help us with (for example) complex unitization agreements. Our "competition" (the industry) has a huge STAFF of experts, yet they still hire more consultants and lawyers to argue their side of the issue. The industry's competitive advantage widens since this budget cut of 12% in contractual services (\$30.0) reduces our ability to hire experts to protect the State's interests. As an example of these needs, four new programs where we will need to utilize outside expertise are:

**Alpine Unit.** The division will be negotiating with Arco, Anadarko, Union Texas Petroleum and ASRC regarding the terms for the formation of this new unit. Part of this process involves the allocation of oil to the individual leases within the proposed unit. We rely, in part, on outside engineering help to be sure the state's allocation is proper.

**Lifting the Export Ban.** With the ban on exporting Alaska's oil finally lifted we now must determine the effect of this action on the oil royalty formulas developed as part of the overall royalty settlements. The State must decide whether to "reopen" these agreements, and be prepared to defend itself if one (or several) of the producers choose to reopen. We must also begin to consider the effect of lifting the ban on the State's in-kind oil sales. These are exceedingly complex issues with the potential for large financial impacts to the State. We will be seeking outside expertise for both these issues.

**Royalty Valuation.** The state spent millions of dollars on experts to assist it in valuing North Slope oil. We are now valuing Cook Inlet oil. Although we certainly do not expect to spend millions, we will need outside help.

**Gasline Issues.** If a restructuring of the state's royalty terms is considered as part of a financial strategy for future gas sales we will certainly need expert help.

The programs noted above are in addition to consulting needs for our existing leasing, units, royalty and other programs. We will be forced to reduce the level of review and analysis performed by our consultants on one or more of these vital programs which directly impacts the state's financial status.

The (\$20.0) cut to our personal services funding will mean a needless reduction of student intern time to enter royalty data into our OGRA (oil and gas royalty accounting) system. Reducing this cost-effective means of data entry simply means the "real" accountants will spend more time on data entry. Backlogs will inevitably develop. This small cut just throws sand into the gears of our royalty accounting system.

**FY 98 HFSC - DNR BUDGET CLOSE-OUT**  
**IMPACT STATEMENT**

**Water Development Component - (\$50.0) GF Program Receipts**

1. Eliminate one part-time hydrologist position in Fairbanks. Position PCN 2052, Juneau has just become vacant due to the resignation of the only ground water hydrologist technical expert in state government. Not filling this position will leave the state vulnerable to litigation on controversial mining or other development projects where ground water is an important element of the government decision on that project. Accordingly, the ground water skill needs to be maintained. The part-time hydrologist position in Fairbanks (PCN 2174) will be eliminated since it is partially covered by skills of a more experienced hydrologist in Anchorage. The net result will be slower service to miners using the Fairbanks office and the loss of the skills associated with EPA decisions about sediment loading from watershed disturbance. It should also be noted that there is no other hydrologist working in State government. The loss of the part-time hydrologist will impact access to hydrologic data used by the public, local governments, and other state agencies. New data collected as part of on going hydrologic projects, water right adjudication process and other sources of data from state, and local governments will not be added to the existing databases and will not be available for use in future development decision making processes as a result of picking up the work of the deleted Fairbanks position by an Anchorage hydrologist.
  
2. The reduction of \$20.0 in contractual leaves \$6.3 for the entire water development component after DOA is reimbursed for space and telecommunications services. It is likely that we will have to eliminate the Water portion of funding for the 50% shared Water/Land position in Palmer to assure that there are adequate funds to pay for long distance telephone, postage, electricity, repairs, training, and professional publications. This will make the Palmer office an intake only office for Water.

**FY 98 HFSC - DNR BUDGET CLOSE-OUT**  
**IMPACT STATEMENT**

**Agricultural Development Component - (\$865.1) ARLF, (\$50.0) GFPR**

**Reduction of \$565.1 in ARLF management operations.** A separate appropriation for ARLF is not objectionable - however we must assure that the function is adequately funded in order to protect the state's best interest and assure protection of collateral. If we were to simply deal with the administration of \$20 million worth of loans a year the \$290.0 proposed funding may be adequate. However, we have a significant portfolio and variety of loans to administer in addition to our ministerial functions of land management and protection of collateral. In addition we still have work to be done in the legal arena in terms of collecting on our old non-performing loans.

ARLF program activities currently include the following as of 2-28-97:

154	Loans
13	Contracts
9	Notes
15	ARLF Judgments
1	Delta Clearing Loan
6	Pt. MacKenzie Clearing Loans
2	General Fund Judgments
28	Property Leases
5	Short Term Building Rentals

- 1) In addition to handling 150 or more active loans, there is asset management requirement on 28 leases including major infrastructure, facilities like meat and dairy processing, fertilizer and grain storage and numerous producing farms. Personal service requirements will exceed the recommended funding of \$250.0.
- 2) Travel requirement for at least 10 monthly meeting of the 7 member loan board plus loan officer visits to clients spread from Fairbanks to Umnak Island will likely exceed the \$18.5 recommendation.
- 3) Contractual services for asset insurance and taxes alone will exceed the \$15.0 recommendation. In addition we have vehicle costs of \$7.0, Department of Law legal services at \$175.0, plus all the postage, phone, computer data and office machine costs to handle.
- 4) The key unknown in contractual services is repair and maintenance of asset facilities which is mostly weather and vandal related.
- 5) Supply cost for paper, loan document forms, sale brochures, computer disc etc. have historically exceeded \$5.5 recommendation.

Any problems that occur with asset facilities may require a supplemental budget request. The timing may be critical in terms of protection of assets, and the opportunity for approval of supplemental funding only occurs once a year.

**Reduction of \$300.0 for general Agriculture activities funded with ARLF.** Four positions will be deleted. Reduced industry services include: marketing services; meat grading, produce and grain grading; management assistance to Soil and Water Conservation programs; land management services and disposal programs; asset management of ARLF facilities such as the Meat Plant and Mat Maid facilities; market news information and liaison with institutional purchasing and export marketing contracts.

**Reduction of \$50.0 program receipts.** Loss will delay hire of Local-71 labor when needed as Plant Material Center project agreements with private entities are entered into, due to the delay in obtaining authorization for these projects on an individual basis from LB&A.

**FY 98 HFSC - DNR BUDGET CLOSE-OUT**  
**IMPACT STATEMENT**

**Fire Suppression Component - (\$43.5) GF**

**Fire Suppression – travel (1.8), commodities (1.7)**

**Fire suppression fixed costs are reduced resulting in increased suppression operational costs because of degraded capability. Budgeted fixed costs for FY98 are anticipated to be approximately \$4.6 million. With a normal appropriation level of \$3.6 million, disaster declaration early in the fiscal year with subsequent supplemental funding request will continue to be the norm as in the past 10 years.**

- **Fixed costs in travel for pilot training will be cut resulting in reducing the types of aircraft pilots can fly thereby increasing the cost of suppression because availability of lead planes to direct retardant aircraft will be reduced.**
- **Commodities will be reduced by cutting back on bulk fuel for remote fuel caches. This will slow response for helicopters and fixed wing aircraft to fire suppression operations because longer flights for refueling will be necessary. Thus increasing the cost of fire suppression operations.**

**FY 98 HFSC - DNR BUDGET CLOSE-OUT**  
**IMPACT STATEMENT**

**Administrative Service Component - (\$89.5) GF**

The Administrative Services group has been reduced to the point where they do not have any other option than to charge the programs delivering services to the public.

A Shared Services Agreement with DMVA was started in FY97 to gain efficiencies at the top after deletion of the Lead Revenue Accountant and Assistant Director position in previous years.

In FY98 an increment was requested of \$68.0 in I/ A receipts (see page 000086) for personal services to pay for the existing staff from federal funding for support of lower 48 fires. DOA is delegating more of their core services to the agencies and this group has to maintain the personnel files, issues paychecks, pay the vendors, and bill and collect the agencies revenues. Reducing staff and support cost is not an option.

If this reduction remains in effect we will have to allocate it to the operating divisions who in turn will reduce delivery of services to the public.

***Technical issue:***

***Rep. Kelly's staff did not take in consideration that the increase in personal services is a result of I/A receipts. If they did choose to reduce this increase they should reduce \$59.8 in I/A receipts.***

**FY 98 HFSC - DNR BUDGET CLOSE-OUT**  
**IMPACT STATEMENT**

**Mining Development Component - (\$10.6) GF**

First priority for travel in the mining development component is to assure that mining operations are being conducted in a manner consistent with the approved plan of operations, approved reclamation plan, and for technical assistance to small miners. In-state travel associated with mining development generally involves charter aircraft and these costs are increasing. We anticipate the overall travel in this activity to increase in direct relation to the increase in mining activity throughout Alaska. Travel to international and national meetings by technical experts in permitting and location/leasing requirements that assist in marketing the mineral potentials on state and native lands will be deleted.

**FY 98 HFSC - DNR BUDGET CLOSE-OUT**  
**IMPACT STATEMENT**

**Commissioner's Office Component - (\$7.4) GF**

The Commissioner's Office contractual services have been underfunded when compared to FY96 actuals. This budget is managed very prudently but with the broad responsibilities and variety of issues facing this agency additional expenditures at times are needed, if the funding in this budget is insufficient the divisions will have to assist in paying the bills.

***Note:***

***An additional financial impact to all of DNR's divisions is likely to result if there is a reduction in the Department of Administration's budget for "core services". We cannot quantify the dollar amount or the programmatic impacts at this time, but any reduction taken in DOA core services will more than likely be allocated out to other state agencies. This will result in further reductions in our operating programs.***

PUBLIC  
SAFETY

## Agency Totals - FY98 Operating Budget

Agency: Department of Public Safety

	<u>FY96 Act</u>	<u>FY97 Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<b>Totals for Agency</b>	<b>95,147.5</b>	<b>96,593.3</b>	<b>93,244.0</b>	<b>92,175.9</b>	<b>-1,068.1</b>	<b>-1.1%</b>
<u>Objects of Expenditure:</u>						
Personal Services	58,353.3	60,380.5	54,564.8	54,564.8	0.0	0.0%
Travel	3,231.8	3,581.2	3,713.2	3,713.2	0.0	0.0%
Contractual	18,976.9	20,759.0	20,722.2	20,532.2	-190.0	-0.9%
Commodities	3,374.0	2,604.0	2,600.2	2,600.2	0.0	0.0%
Equipment	2,479.4	366.9	465.1	465.1	0.0	0.0%
Lands/Buildings	17.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	8,721.1	8,846.7	11,178.5	11,118.5	-60.0	-0.5%
Miscellaneous	0.0	55.0	0.0	-818.1	-818.1	0.0%
<u>Funding Sources:</u>						
1002 Fed Rcpts	4,829.7	5,736.5	9,043.6	9,043.6	0.0	0.0%
1003 G/F Match	898.9	646.6	554.0	554.0	0.0	0.0%
1004 Gen Fund	77,035.2	78,354.4	76,123.9	75,285.6	-838.3	-1.1%
1005 GF/Prgm	6,406.0	6,036.8	921.2	921.2	-0.0	-0.0%
1007 I/A Rcpts	3,542.9	2,811.7	2,508.1	2,508.1	-0.0	-0.0%
1024 Fish/Game		325.0	885.0	885.0	0.0	0.0%
1050 PFD Fund	1,973.7	1,634.9	2,126.5	2,126.5	0.0	0.0%
1091 GF/Desig	461.1	1,047.4	1,081.7	851.9	-229.8	-21.2%
<u>Positions:</u>						
Perm Full Time	871.0	869.0	733.0	733.0	0.0	0.0%
Perm Part Time	49.0	46.0	32.0	32.0	0.0	0.0%
Non-Perm	2.0	1.0	1.0	1.0	0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Public Safety

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Fish and Wildlife Protection</b>							
1	Enforcement/Investigative Svcs	10,560.0	10,888.6	11,254.7	11,254.7	-0.0	-0.0%
2	Director's Office	239.8	229.0	245.6	245.6	-0.0	-0.0%
3	Aircraft Section	1,917.9	1,427.0	1,645.4	1,645.4	0.0	0.0%
4	Marine Enforcement	2,537.1	2,544.9	2,735.4	2,735.4	0.0	0.0%
	Dalton Highway Protection				92.8	92.8	%
	* BRU Total	15,254.8	15,089.5	15,881.1	15,973.9	92.8	0.6%
<b>Dalton Highway Protection</b>							
5	Dalton Highway Protection	90.0	91.3	92.8	0.0	-92.8	-100.0%
	* BRU Total	90.0	91.3	92.8	0.0	-92.8	-100.0%
<b>Fire Prevention</b>							
6	Fire Prevention Operations	1,514.3	1,453.4	1,475.3	1,475.3	0.0	0.0%
7	Fire Service Training	629.2	475.1	510.7	410.7	-100.0	-19.6%
	* BRU Total	2,143.5	1,928.5	1,986.0	1,886.0	-100.0	-5.0%
<b>Highway Safety Planning Agency</b>							
8	Hwy Safety Planning Operations	189.4	229.1	197.9	197.9	-0.0	-0.0%
9	Federal Grants	1,628.4	832.8	1,128.8	1,128.8	-0.0	-0.0%
	* BRU Total	1,817.8	1,061.9	1,326.7	1,326.7	-0.0	-0.0%
<b>Motor Vehicles</b>							
10	Driver Services	1,306.5	1,460.2	0.0	-0.0	-0.0	0.0%
11	Field Services	6,335.4	6,156.6	-0.0	0.0	0.0	0.0%
12	Administration	789.3	940.9	-0.0	-0.0	-0.0	0.0%
	* BRU Total	8,431.2	8,557.7	-0.0	0.0	0.0	0.0%
<b>Alaska State Troopers</b>							
13	Director's Office	651.2	632.8	659.5	659.5	-0.0	-0.0%
14	Prisoner Transportation	1,291.8	1,293.5	1,226.7	1,226.7	0.0	0.0%
15	Search and Rescue	280.7	283.1	283.1	283.1	0.0	0.0%
16	Rural Trooper Housing	402.2	409.6	418.2	418.2	0.0	0.0%
17	Narcotics Task Force	2,252.6	2,518.9	3,036.2	3,036.2	-0.0	-0.0%
18	Detachments	31,584.8	31,581.6	32,160.4	32,160.4	-0.0	-0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Public Safety

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Alaska State Troopers</b>							
19	Criminal Investigations Bureau	3,404.8	3,491.9	3,422.1	3,422.1	0.0	0.0%
20	Judicial Services-Anchorage	1,756.6	1,939.8	1,987.3	1,987.3	0.0	0.0%
21	Special Projects	496.8	815.9	1,077.1	1,077.1	0.0	0.0%
22	Commercial Vehicle Enforcement	473.0	497.5	131.6	131.6	0.0	0.0%
	* BRU Total	42,594.5	43,464.6	44,402.2	44,402.2	-0.0	-0.0%
<b>Village Public Safety Officer Program</b>							
23	Contracts	4,965.5	4,965.5	5,265.5	5,015.5	-250.0	-4.7%
24	Support	1,649.7	1,716.8	1,736.5	1,736.5	0.0	0.0%
25	Administration	255.0	273.9	278.3	278.3	0.0	0.0%
	* BRU Total	6,870.2	6,956.2	7,260.3	7,030.3	-250.0	-3.4%
<b>Alaska Police Standards Council</b>							
26	Alaska Police Standards Council	241.6	744.4	748.9	619.1	-129.8	-17.3%
	* BRU Total	241.6	744.4	748.9	619.1	-129.8	-17.3%
<b>Violent Crimes Compensation Board</b>							
27	Violent Crimes Comp Board	956.4	1,182.5	1,320.8	1,152.5	-168.3	-12.7%
	* BRU Total	956.4	1,182.5	1,320.8	1,152.5	-168.3	-12.7%
<b>Council on Domestic Violence and Sexual Assault</b>							
28	Domestic Viol/Sexual Assault Batterers Intervention Program	6,650.2	7,413.0	9,344.6	8,964.6 60.0	-380.0 60.0	-4.1% %
	* BRU Total	6,650.2	7,413.0	9,344.6	9,024.6	-320.0	-3.4%
<b>Statewide Support</b>							
29	Commissioner's Office	675.2	690.3	700.5	700.5	0.0	0.0%
30	Training Academy	1,252.9	1,309.5	1,320.4	1,220.4	-100.0	-7.6%
31	Administrative Services	1,818.8	1,834.9	1,809.4	1,809.4	-0.0	-0.0%
32	Civil Air Patrol	503.1	503.1	503.1	503.1	0.0	0.0%
33	Laboratory Services	1,996.2	2,020.4	2,089.2	2,089.2	0.0	0.0%
34	APSIN	2,377.6	1,895.4	1,886.7	1,886.7	-0.0	-0.0%
35	Alaska Criminal Records and ID	1,473.5	1,850.1	2,551.3	2,551.3	-0.0	-0.0%
	* BRU Total	10,097.3	10,103.7	10,860.6	10,760.6	-100.0	-0.9%

## Component Summary - FY98 Operating Budget

Agency: Department of Public Safety

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	<b>*** Total Agency Expenditure</b>	<b>95,147.5</b>	<b>96,593.3</b>	<b>93,244.0</b>	<b>92,175.9</b>	<b>-1,068.1</b>	<b>-1.1%</b>
	Federal Funds	4,829.7	5,736.5	9,043.6	9,043.6	-0.0	-0.0%
	General Funds	84,801.2	86,085.2	78,680.8	77,612.7	-1,068.1	-1.4%
	Other Funds	5,516.6	4,771.6	5,519.6	5,519.6	0.0	0.0%

## Component Summary - FY98 Operating Budget

### General Funds and CBR

Agency: Department of Public Safety

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Fish and Wildlife Protection</b>							
1	Enforcement/Investigative Svcs	10,500.9	10,568.1	10,593.9	10,593.9	0.0	0.0%
2	Director's Office	239.8	229.0	245.6	245.6	0.0	0.0%
3	Aircraft Section	1,436.5	1,362.0	1,443.0	1,443.0	0.0	0.0%
4	Marine Enforcement	2,537.1	2,544.9	2,584.3	2,584.3	0.0	0.0%
	Dalton Highway Protection				92.8	92.8	%
	* BRU Total	14,714.3	14,704.0	14,866.8	14,959.6	92.8	0.6%
<b>Dalton Highway Protection</b>							
5	Dalton Highway Protection	90.0	91.3	92.8	0.0	-92.8	-100.0%
	* BRU Total	90.0	91.3	92.8	0.0	-92.8	-100.0%
<b>Fire Prevention</b>							
6	Fire Prevention Operations	1,467.3	1,423.4	1,445.3	1,445.3	-0.0	-0.0%
7	Fire Service Training	496.9	448.4	483.6	383.6	-100.0	-20.7%
	* BRU Total	1,964.2	1,871.8	1,928.9	1,828.9	-100.0	-5.2%
<b>Highway Safety Planning Agency</b>							
8	Hwy Safety Planning Operations	75.0	75.6	77.0	77.0	-0.0	-0.0%
	* BRU Total	75.0	75.6	77.0	77.0	-0.0	-0.0%
<b>Motor Vehicles</b>							
10	Driver Services	1,283.1	1,352.2	0.0	0.0	0.0	0.0%
11	Field Services	6,185.4	5,947.8	0.0	0.0	0.0	0.0%
12	Administration	785.5	940.9	-0.0	0.0	0.0	0.0%
	* BRU Total	8,254.0	8,240.9	0.0	0.0	0.0	0.0%
<b>Alaska State Troopers</b>							
13	Director's Office	651.2	632.8	659.5	659.5	0.0	0.0%
14	Prisoner Transportation	1,291.8	1,293.5	1,226.7	1,226.7	0.0	0.0%
15	Search and Rescue	280.7	283.1	283.1	283.1	0.0	0.0%
16	Rural Trooper Housing	394.7	402.4	403.6	403.6	-0.0	-0.0%
17	Narcotics Task Force	728.7	443.1	447.1	447.1	0.0	0.0%
18	Detachments	31,235.5	31,531.8	31,990.3	31,990.3	0.0	0.0%
19	Criminal Investigations Bureau	3,314.8	3,385.4	3,313.9	3,313.9	0.0	0.0%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

Agency: Department of Public Safety

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Alaska State Troopers</b>							
20	Judicial Services-Anchorage	1,708.8	1,870.8	1,916.8	1,916.8	0.0	0.0%
22	Commercial Vehicle Enforcement	151.5	155.6	0.0	0.0	-0.0	0.0%
	* BRU Total	39,757.7	39,998.5	40,241.0	40,241.0	0.0	0.0%
<b>Village Public Safety Officer Program</b>							
23	Contracts	4,965.5	4,965.5	5,265.5	5,015.5	-250.0	-4.7%
24	Support	1,649.7	1,716.8	1,736.5	1,736.5	0.0	0.0%
25	Administration	255.0	273.9	278.3	278.3	0.0	0.0%
	* BRU Total	6,870.2	6,956.2	7,280.3	7,030.3	-250.0	-3.4%
<b>Alaska Police Standards Council</b>							
26	Ak Police Standards Council	241.6	744.4	748.9	619.1	-129.8	-17.3%
	* BRU Total	241.6	744.4	748.9	619.1	-129.8	-17.3%
<b>Violent Crimes Compensation Board</b>							
27	Violent Crimes Comp Board	92.1	380.1	380.1	211.8	-168.3	-44.3%
	* BRU Total	92.1	380.1	380.1	211.8	-168.3	-44.3%
<b>Council on Domestic Violence and Sexual Assault</b>							
28	Domestic Viol/Sexual Assault Batters Intervention Program	4,586.3	4,752.3	4,932.1	4,552.1	-380.0	-7.7%
	* BRU Total	4,586.3	4,752.3	4,932.1	4,612.1	-320.0	-6.5%
<b>Statewide Support</b>							
29	Commissioner's Office	675.2	690.3	700.5	700.5	0.0	0.0%
30	Training Academy	868.7	885.1	895.4	795.4	-100.0	-11.2%
31	Administrative Services	1,818.8	1,780.9	1,707.8	1,707.8	0.0	0.0%
32	Civil Air Patrol	503.1	503.1	503.1	503.1	0.0	0.0%
33	Laboratory Services	1,971.7	1,984.3	2,013.0	2,013.0	0.0	0.0%
34	APSIN	1,054.5	1,130.7	997.5	997.5	0.0	0.0%
35	Alaska Criminal Records and ID	1,263.8	1,295.7	1,315.6	1,315.6	-0.0	-0.0%
	* BRU Total	8,155.8	8,270.1	8,132.9	8,032.9	-100.0	-1.2%
	<b>*** Total Agency Expenditure</b>	<b>84,801.2</b>	<b>86,085.2</b>	<b>78,680.8</b>	<b>77,612.7</b>	<b>-1,068.1</b>	<b>-1.4%</b>

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Public Safety

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b><u>Fish and Wildlife Protection</u></b>												
<b><u>Dalton Highway Protection</u></b>												
Dalton Highway Protection	Inc	92.8	92.8	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
1004 Gen Fund		92.8										
		92.8	92.8	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
*** BRU Total ***		92.8	92.8	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
<b><u>Dalton Highway Protection</u></b>												
<b><u>Dalton Highway Protection</u></b>												
Dalton Highway Protection	Dec	-92.8	-92.8	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-92.8										
		-92.8	-92.8	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
*** BRU Total ***		-92.8	-92.8	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
<b><u>Fire Prevention</u></b>												
<b><u>Fire Service Training</u></b>												
Fire Service Training	Dec	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	-100.0	0.0	0.0	0.0
1091 GF/Desig		-100.0										
		-100.0	0.0	0.0	0.0	0.0	0.0	0.0	-100.0	0.0	0.0	0.0
*** BRU Total ***		-100.0	0.0	0.0	0.0	0.0	0.0	0.0	-100.0	0.0	0.0	0.0
<b><u>Village Public Safety Officer Program</u></b>												
<b><u>Contracts</u></b>												
Reduce Increment	Dec	-250.0	0.0	0.0	-250.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-250.0										
		-250.0	0.0	0.0	-250.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-250.0	0.0	0.0	-250.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b><u>Alaska Police Standards Council</u></b>												
<b><u>Alaska Police Standards Council</u></b>												
Reduce general fund/designated	Dec	-129.8	0.0	0.0	0.0	0.0	0.0	0.0	-129.8	0.0	0.0	0.0
1091 GF/Desig		-129.8										
		-129.8	0.0	0.0	0.0	0.0	0.0	0.0	-129.8	0.0	0.0	0.0
*** BRU Total ***		-129.8	0.0	0.0	0.0	0.0	0.0	0.0	-129.8	0.0	0.0	0.0

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Public Safety

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b><u>Violent Crimes Compensation Board</u></b>													
<b>Violent Crimes Compensation Board</b>													
Reduce GF for Felon PFDs	Dec	-168.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-168.3	0.0	0.0	0.0
1004 Gen Fund		-168.3											
		-168.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-168.3	0.0	0.0	0.0
*** BRU Total ***		-168.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-168.3	0.0	0.0	0.0
<b><u>Council on Domestic Violence and Sexual Assault</u></b>													
<b>Council on Domestic Violence and Sexual Assault</b>													
Reduce GF for Felon PFD	Dec	-320.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-320.0	0.0	0.0	0.0
1004 Gen Fund		-320.0											
Batterers Intervention Program	TrOut	-60.0	0.0	0.0	0.0	0.0	0.0	0.0	-60.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-60.0											
		-380.0	0.0	0.0	0.0	0.0	0.0	0.0	-60.0	-320.0	0.0	0.0	0.0
<b>Batterers Intervention Program</b>													
Batterers Intervention Program	TrIn	60.0	0.0	0.0	60.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		60.0											
		60.0	0.0	0.0	60.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-320.0	0.0	0.0	60.0	0.0	0.0	0.0	-60.0	-320.0	0.0	0.0	0.0
<b><u>Statewide Support</u></b>													
<b>Training Academy</b>													
GF Reduction	Dec	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-100.0	0.0	0.0	0.0
1004 Gen Fund		-100.0											
		-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-100.0	0.0	0.0	0.0
*** BRU Total ***		-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-100.0	0.0	0.0	0.0
***** Agency Total *****		-1,068.1	0.0	0.0	-190.0	0.0	0.0	0.0	-60.0	-818.1	0.0	0.0	0.0

# Alaska State Legislature

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## Representative Gary L. Davis

Department of Public Safety  
House Finance Budget subcommittee close-out

.....

The Governor's FY98 GF request for the Department of Public Safety was \$79,087,400. This figure does not include the Division of Motor Vehicles which was transferred from the Department of Public Safety to the Department of Administration by Executive Order 99. The subcommittee is recommending a GF budget of \$78,019,300 for a reduction from the Governor's request of \$1,068,100.

Subcommittee recommendations from requested FY98 budget:

1. Fish & Wildlife Protection  
Move the Dalton Highway Protection BRU into a component within Fish & Wildlife Protection.
2. Fire Prevention  
Reduce Fire Training by 100.0 GF.
3. Alaska State Troopers  
Transfer Commercial Vehicle Enforcement to Department of Transportation (Executive Order 98).
4. Village Public Safety Officer Program  
Allow 50.0 increment.
5. Alaska Police Standards Council  
Reduce GF Designated by 129.8.
6. Violent Crimes Compensation Board  
Reduce GF by 168.3 and replace with PFD monies in the same amount.
7. Council on Domestic Violence and Sexual Assault  
Reduce GF by 320.0 and replace with PFD monies in the same amount. Add a new "Batterers Intervention Program" and fund with 60.0 from CDVSA.
8. Statewide Support  
Reduce the Training Academy GF by 100.0.
9. Motor Vehicles was transferred to the Department of Administration by EO 99.

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

**Intent Language**

The subcommittee has not made these recommendations without concern for the impacts they will have on the public's safety. Subcommittee members specifically addressed concern for the regional assignment of the Fish and Wildlife Enforcement Officers in Bristol Bay.

It is the intent of this subcommittee to recommend the department review options to look at the Bristol Bay fishery and the problems associated with fishing activity and understaffed enforcement.

<b>Public Safety FY98 Operating Budget</b>				
<b>FINAL</b>				
Wed. 3/19/97 1:49 PM				
	<b>FY97 Auth</b>	<b>Gov</b>	<b>House</b>	<b>Savings</b>
<b>Fish &amp; Wildlife Protection</b>				
Enforcement/Invest. Svcs	10,568.1	10,593.9	10,593.9	-
Director's Office	229.0	245.6	245.6	-
Aircraft Section	1,362.0	1,443.0	1,443.0	-
Dalton Highway Protection	91.3	92.8	92.8	-
Marine Enforcement	2,544.9	2,584.3	2,584.3	-
*BRU Total	14,795.3	14,959.6	14,959.6	-
<b>Fire Prevention</b>				
Fire Prevention Operations	1,423.4	1,445.3	1,445.3	-
Fire Service Training	448.4	483.6	383.6	100.0
*BRU Total	1,871.8	1,928.9	1,828.9	100.0
<b>Highway Safety Plan Agency</b>				
Hwy Safety Planning Operations	75.6	77.0	77.0	-
*BRU Total	75.6	77.0	77.0	-
<b>Alaska State Troopers</b>				
Director's Office	632.8	659.5	659.5	-
Prison Transport	1,293.5	1,226.7	1,226.7	-
Search. & Rescue	283.1	283.1	283.1	-
Rural Trooper Housing	402.4	403.6	403.6	-
Narcotics Task Force	443.1	447.1	447.1	-
Detachments	31,531.8	31,997.9	31,997.9	-
Criminal Investigations Bureau	3,385.4	3,313.9	3,313.9	-
Judicial Svcs-Anchorage	1,870.8	1,916.8	1,916.8	-
Commercial Vehicle Enforcement	155.6	157.7	157.7	-
*BRU Total	39,998.5	40,406.3	40,406.3	-
<b>VPSO Program</b>				
Contracts	4,965.5	5,265.5	5,015.5	250.0
Support	1,716.8	1,736.5	1,736.5	-
Administration	273.9	278.3	278.3	-
*BRU Totals	6,956.2	7,280.3	7,030.3	250.0
<b>AK Police Standards Council</b>				
AK Police Standards Council	744.4	748.9	619.1	129.8
*BRU Total	744.4	748.9	619.1	129.8
<b>Violent Crimes Compen. Bd</b>				
Violent Crimes Comp Board	380.1	380.1	211.8	168.3
*BRU Total	380.1	380.1	211.8	168.3
<b>CDVSA</b>				
Domestic Viol/Sexual Assault	4,752.3	4,932.1	4,552.1	380.0

Batterers Intervention Programs			60.0	(60.0)
*BRU Total	4,752.3	4,932.1	4,612.1	320.0
<b>Statewide Support</b>				
Commissioner's Office	690.3	700.5	700.5	-
Training Academy	885.1	895.4	795.4	100.0
Administrative Services	1,780.9	1,803.1	1,803.1	-
Civil Air Patrol	503.1	503.1	503.1	-
Laboratory Services	1,984.3	2,013.0	2,013.0	-
APSN	1,130.7	1,143.5	1,143.5	-
AK Criminal Records & ID	1,295.7	1,315.6	1,315.6	-
*BRU Total	8,270.1	8,374.2	8,274.2	100.0
<b>***Total Agency Expenditure</b>				
	<b>77,844.3</b>	<b>79,087.4</b>	<b>78,019.3</b>	<b>1,068.1</b>
<b>Gov - House</b>	<b>1,068.1</b>			

**Department of Public Safety  
House Subcommittee  
Close-out Summary**

**Division of Fish and Wildlife Protection** - Made the Dalton Highway Protection BRU a component within the FWP BRU, no impact.

**Fire Prevention/Fire Service Training** - Cut \$100.0 in designated program receipts. This action leaves \$47.2 in interagency and GF/PGM to provide limited training. If demand for training continues, an FY 98 revised program may be considered.

**Village Public Safety Officer/Contracts** - Cut \$250.0 of \$300.0 GF increment. Remaining \$50.0 will permit the filling of one or two vacant VPSO positions depending upon date of hire.

**Alaska Police Standards Council** - Cut \$129.8 in designated program receipts. If revenues exceed authorization and critical training needs remain, the council may need to consider a revised program in FY 98.

**Violent Crimes Compensation Board** - Cut \$168.3 in General Funds on the basis of offsetting the Governor's PFD based budget amendment in a like amount. Effect is to hold the Council at FY 97 funding level.

**Council on Domestic Violence and Sexual Assault** - Cut \$320.0 in GF on the basis of offsetting the Governor's PFD based budget amendment in a like amount.

Reallocated \$60.0 in GF to a new "Batterers Intervention Program" component within CDVSA BRU to ensure continuation of these programs.

**Statewide Support BRU/Public Safety Academy** - Cut \$100.0 in GF. Impact will mean the loss of funding for one Academy instructor. To the extent required, and to avoid additional overtime, AST and FWP will assign personnel to provide instruction deleted by this cut.

REVENUE

REVENUE

Revenue

## Agency Totals - FY98 Operating Budget

Agency: Department of Revenue

	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<b>Totals for Agency</b>	<b>107,944.2</b>	<b>117,578.3</b>	<b>131,027.8</b>	<b>129,030.5</b>	<b>-1,997.3</b>	<b>-1.5%</b>

Objects of Expenditure:

Personal Services	42,711.2	44,789.5	46,648.9	45,286.8	-1,362.1	-2.9%
Travel	1,332.4	1,893.0	1,844.8	1,943.6	98.8	5.4%
Contractual	59,396.7	67,436.2	79,246.2	78,601.2	-645.0	-0.8%
Commodities	1,714.7	1,568.9	1,742.2	1,728.1	-14.1	-0.8%
Equipment	1,500.2	958.7	930.7	855.8	-74.9	-8.0%
Lands/Buildings	753.6	232.0	0.0	0.0	0.0	0.0%
Grants, Claims	535.4	700.0	615.0	615.0	0.0	0.0%
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0%

Funding Sources:

1001 CBR Fund	378.2			500.0	500.0	%
1002 Fed Rcpts	24,994.8	27,872.7	28,742.2	28,033.5	-708.7	-2.5%
1003 G/F Match	1,860.7	2,043.1	1,963.4	1,818.0	-145.4	-7.4%
1004 Gen Fund	8,396.4	8,417.5	8,523.2	7,689.0	-834.2	-9.8%
1005 GF/Prgm	1,769.1	1,702.2	1,792.9	1,292.9	-500.0	-27.9%
1007 I/A Rcpts	2,660.4	2,791.9	2,837.9	2,937.9	100.0	3.5%
1011 Educ Trust	12.9	16.6	17.6	17.6	0.0	0.0%
1016 Fed Incent	2,917.3	3,182.8	3,571.7	3,571.7	0.0	0.0%
1017 Ben Sys	97.4	75.4	3,205.3	3,205.3	0.0	0.0%
1022 Corp Rcpts	40,860.5	41,639.8	43,286.1	-0.0	-43,286.1	-100.0%
1027 Int Airprt		24.6	31.2	31.2	0.0	0.0%
1029 P/E Retire	10,906.2	14,241.3	19,219.4	19,219.4	0.0	0.0%
1034 Teach Ret	6,583.6	8,228.0	10,423.5	10,423.5	0.0	0.0%
1042 Jud Retire	77.9	103.4	156.2	156.2	0.0	0.0%
1045 Nat Guard	21.4	16.4	44.0	44.0	0.0	0.0%
1046 Stdnt Loan		20.9	22.4	22.4	0.0	0.0%
1048 Univ Rcpt	43.9	30.2	35.0	-0.0	-35.0	-100.0%
1050 PFD Fund	4,490.9	4,931.4	4,873.9	4,780.9	-93.0	-1.9%
1053 Invst Loss	12.7	16.4	17.5	17.5	-0.0	-0.0%
1061 CIP Rcpts	1,027.9	1,274.2	1,259.2	1,259.2	0.0	0.0%
1066 Pub School	86.2	56.7	78.5	78.5	0.0	0.0%
1092 MHTAAR	745.8				0.0	0.0%
1094 MHT Admin		892.8	892.8	841.8	-51.0	-5.7%
1098 ChildTrErn			33.9	33.9	0.0	0.0%
1103 AHFC Rcpts				12,820.0	12,820.0	%
1104 MBB Rcpts				464.9	464.9	%
1105 PFund Rcpt				29,771.2	29,771.2	%

### Agency Totals - FY96 Operating Budget

Agency: Department of Revenue

	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<b>Positions:</b>						
Perm Full Time	776.0	791.0	793.0	775.0	-18.0	-2.3%
Perm Part Time	42.0	34.0	38.0	32.0	-6.0	-15.8%
Non-Perm	71.0	75.0	71.0	71.0	0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Revenue

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Child Support Enforcement</b>							
1	Child Support Enforcement	14,272.3	15,661.0	16,440.1	15,818.0	-622.1	-3.8%
	* BRU Total	14,272.3	15,661.0	16,440.1	15,818.0	-622.1	-3.8%
<b>Alcohol Beverage Control Board</b>							
2	Alcohol Beverage Control Board	678.1	644.4	653.5	653.5	-0.0	-0.0%
	* BRU Total	678.1	644.4	653.5	653.5	-0.0	-0.0%
<b>Municipal Bond Bank Authority</b>							
3	Municipal Bond Bank Authority	398.7	561.3	563.9	464.9	-99.0	-17.6%
	* BRU Total	398.7	561.3	563.9	464.9	-99.0	-17.6%
<b>Permanent Fund Corporation</b>							
4	Permanent Fund Corporation	28,837.1	29,108.7	29,902.2	29,771.2	-131.0	-0.4%
	* BRU Total	28,837.1	29,108.7	29,902.2	29,771.2	-131.0	-0.4%
<b>Alaska Housing Finance Corporation</b>							
5	Operations	11,527.1	11,691.1	12,208.1	12,208.1	-0.0	-0.0%
6	Rural Housing	2,386.5	2,827.8	3,220.2	3,220.2	0.0	0.0%
7	Public Housing	14,242.7	16,298.6	16,652.1	16,420.1	-232.0	-1.4%
	* BRU Total	28,156.3	30,817.5	32,080.4	31,848.4	-232.0	-0.7%
<b>Alaska Mental Health Trust Authority</b>							
8	Mental Health Trust Authority	745.8	892.8	892.8	841.8	-51.0	-5.7%
	* BRU Total	745.8	892.8	892.8	841.8	-51.0	-5.7%
<b>Revenue Operations</b>							
9	Income and Excise Audit	3,501.7	3,447.7	3,499.6	3,463.6	-36.0	-1.0%
10	Oil and Gas Audit	3,360.1	3,090.4	3,016.6	2,818.4	-198.2	-6.6%
11	Treasury Management	2,726.3	2,772.3	3,040.2	3,005.2	-35.0	-1.2%
12	Gaming	1,002.4	899.9	913.3	413.3	-500.0	-54.7%
13	Alaska State Pension Investment Bd	17,686.5	22,664.5	33,048.4	33,048.4	-0.0	-0.0%
	* BRU Total	28,277.0	32,874.8	43,518.1	42,748.9	-769.2	-1.8%
<b>Administration and Support</b>							
14	Commissioner's Office	906.0	874.3	883.5	883.5	-0.0	-0.0%

**Component Summary - FY98 Operating Budget**

Agency: Department of Revenue

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	<b>Administration and Support</b>						
15	Administrative Services	1,098.6	1,170.3	1,183.3	1,183.3	0.0	0.0%
	* BRU Total	2,004.6	2,044.6	2,066.8	2,066.8	0.0	0.0%
	<b>Permanent Fund Dividend</b>						
16	Permanent Fund Dividend	4,574.3	4,973.2	4,910.0	4,817.0	-93.0	-1.9%
	* BRU Total	4,574.3	4,973.2	4,910.0	4,817.0	-93.0	-1.9%
	<b>*** Total Agency Expenditure</b>	<b>107,944.2</b>	<b>117,578.3</b>	<b>131,027.8</b>	<b>129,030.5</b>	<b>-1,997.3</b>	<b>-1.5%</b>
	Federal Funds	24,994.8	27,872.7	28,742.2	28,033.5	-708.7	-2.5%
	General Funds	12,026.2	12,162.8	12,279.5	10,799.5	-1,479.6	-12.0%
	Other Funds	70,923.2	77,542.8	90,006.1	90,197.1	191.0	0.2%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

Agency: Department of Revenue

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Child Support Enforcement</b>							
1	Child Support Enforcement	1,900.4	2,083.1	2,069.2	1,923.8	-145.4	-7.0%
	* BRU Total	1,900.4	2,083.1	2,069.2	1,923.8	-145.4	-7.0%
<b>Alcohol Beverage Control Board</b>							
2	Alcohol Beverage Control Board	643.4	644.4	653.5	653.5	0.0	0.0%
	* BRU Total	643.4	644.4	653.5	653.5	0.0	0.0%
<b>Revenue Operations</b>							
9	Income and Excise Audit	3,501.7	3,447.7	3,499.6	3,463.6	-36.0	-1.0%
10	Oil and Gas Audit	3,360.1	3,090.4	3,016.6	2,818.4	-198.2	-6.6%
11	Treasury Management	1,142.6	1,116.2	1,241.3	1,241.3	0.0	0.0%
12	Gaming	1,002.4	899.9	913.3	413.3	-500.0	-54.7%
	* BRU Total	9,006.8	8,554.2	8,670.8	7,936.6	-734.2	-8.5%
<b>Administration and Support</b>							
14	Commissioner's Office	481.9	424.3	425.3	425.3	-0.0	-0.0%
15	Administrative Services	371.9	456.8	460.7	360.7	-100.0	-21.7%
	* BRU Total	853.8	881.1	886.0	786.0	-100.0	-11.3%
	<b>*** Total Agency Expenditure</b>	<b>12,404.4</b>	<b>12,162.8</b>	<b>12,279.5</b>	<b>11,299.9</b>	<b>-979.6</b>	<b>-8.0%</b>

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Revenue

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFF	PPT	Tmp
<b>Child Support Enforcement</b>												
<b>Child Support Enforcement</b>												
Eliminate vacant positions	Dec	-324.1	-324.1	0.0	0.0	0.0	0.0	0.0	0.0	-7.0	0.0	0.0
1002 Fed Rcpts		-278.7										
1003 G/F Match		-45.4										
Reduce costs through business efficiencies	Dec	-298.0	0.0	0.0	-298.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		-193.0										
1003 G/F Match		-100.0										
		<b>-622.1</b>	<b>-324.1</b>	<b>0.0</b>	<b>-298.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-7.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>-622.1</b>	<b>-324.1</b>	<b>0.0</b>	<b>-298.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-7.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Municipal Bond Bank Authority</b>												
<b>Municipal Bond Bank Authority</b>												
Convert to agency-specific corp receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1022 Corp Rcpts		-563.9										
1104 MBB Rcpts		563.9										
Delete Executive Director position	Dec	-99.0	-99.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1104 MBB Rcpts		-99.0										
		<b>-99.0</b>	<b>-99.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>-99.0</b>	<b>-99.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Permanent Fund Corporation</b>												
<b>Permanent Fund Corporation</b>												
Convert to agency-specific corp receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1022 Corp Rcpts		-29,902.2										
1105 PFund Rcpt		29,902.2										
Deny Assistant Position	Dec	-45.0	-45.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1105 PFund Rcpt		-45.0										
Deny Travel Increment	Dec	-15.0	0.0	-15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1105 PFund Rcpt		-15.0										
Deny Equipment Increment	Dec	-71.0	0.0	0.0	0.0	-71.0	0.0	0.0	0.0	0.0	0.0	0.0
1105 PFund Rcpt		-71.0										
		<b>-131.0</b>	<b>-45.0</b>	<b>-15.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-71.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>-131.0</b>	<b>-45.0</b>	<b>-15.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-71.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Alaska Housing Finance Corporation</b>												
<b>Alaska Housing Finance Corporation Operations</b>												
Convert to agency-specific corp receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1022 Corp Rcpts		-10,415.4										
1103 AHFC Rcpts		10,415.4										

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Revenue

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Alaska Housing Finance Corporation</b>													
<b>Alaska Housing Finance Corporation Operations</b>													
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Rural Housing</b>													
Convert to agency-specific corp receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1022 Corp Rcpts		-2,166.0											
1103 AHFC Rcpts		2,166.0											
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Public Housing</b>													
Convert to agency-specific corp receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1022 Corp Rcpts		-238.6											
1103 AHFC Rcpts		238.6											
Disallow Line Item Transfer of \$232.0	Dec	-232.0	-92.8	123.8	-257.0	-6.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Lands/Build													
1002 Fed Rcpts		-232.0											
		-232.0	-92.8	123.8	-257.0	-6.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-232.0	-92.8	123.8	-257.0	-6.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Alaska Mental Health Trust Authority</b>													
<b>Alaska Mental Health Trust Authority</b>													
Deny increments (LIT)	Dec	-51.0	-41.0	0.0	-5.0	-5.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1094 MHT Admin		-51.0											
		-51.0	-41.0	0.0	-5.0	-5.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
*** BRU Total ***		-51.0	-41.0	0.0	-5.0	-5.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
<b>Revenue Operations</b>													
<b>Income and Excise Audit</b>													
Refill APV at APIII level and eliminate	Dec	-36.0	-36.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0
PPT position in acct													
1004 Gen Fund		-36.0											
		-36.0	-36.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0
<b>Oil and Gas Audit</b>													
Delete five PPT positions that are	Dec	-198.2	-198.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-5.0	0.0
scheduled to RIP													
1004 Gen Fund		-198.2											
		-198.2	-198.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-5.0	0.0

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Revenue

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Revenue Operations</b>													
<b>Treasury Management</b>													
Transfer CBRF Management Fees to CBRFund	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1001 CBR Fund		500.0											
1004 Gen Fund		-500.0											
University Lands Trust	ATrOut	-35.0	0.0	0.0	-35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1048 Univ Rcpl		-35.0											
		<b>-35.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-35.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Gaming</b>													
Decrease in GF/Program Receipts	Dec	-500.0	-433.0	-10.0	-50.0	-3.0	-4.0	0.0	0.0	0.0	-6.0	0.0	0.0
1005 GF/Prgm		-500.0											
		<b>-500.0</b>	<b>-433.0</b>	<b>-10.0</b>	<b>-50.0</b>	<b>-3.0</b>	<b>-4.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-6.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>-769.2</b>	<b>-667.2</b>	<b>-10.0</b>	<b>-85.0</b>	<b>-3.0</b>	<b>-4.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-6.0</b>	<b>-6.0</b>	<b>0.0</b>
<b>Administration and Support</b>													
<b>Administrative Services</b>													
Decrease from GF for Cost Study Chargeback	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-100.0											
1007 I/A Rcpts		100.0											
		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Permanent Fund Dividend</b>													
Delete two PFD Spec I positions	Dec	-93.0	-93.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
1050 PFD Fund		-93.0											
		<b>-93.0</b>	<b>-93.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>-93.0</b>	<b>-93.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.0</b>	<b>0.0</b>	<b>0.0</b>
***** Agency Total *****		<b>-1,997.3</b>	<b>-1,362.1</b>	<b>98.8</b>	<b>-645.0</b>	<b>-14.1</b>	<b>-74.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-18.0</b>	<b>-6.0</b>	<b>0.0</b>

REPRESENTATIVE  
**TERRY MARTIN**  
VICE-CHAIRMAN  
BUDGET & AUDIT COMMITTEE  
MEMBER  
HOUSE FINANCE COMMITTEE

# Alaska State Legislature



MAY 15 - JAN 15 258-8169  
716 W. 4TH, SUITE 650  
ANCHORAGE, AK 99504

JAN 15 - MAY 15 465-3783  
STATE CAPITOL  
JUNEAU, AK 99801-1182

March 14, 1997

TO: Rep. Mark Hanley, Co-Chair  
House Finance Committee

FROM: Rep. Terry Martin, Chair  
Department of Revenue Sub-Committee

RE: Final Budget Closeouts

Attached are the House Finance Sub-Committee final recommendations for the Department of Revenue.

The amendments were voted upon at our close-out meeting, held on Thursday, March 13, taking into consideration the allocation caps set by the House Finance Committee. The Sub-Committee members consisted of Rep. Ethan Berkowitz, Rep. Ben Grussendorf, Rep. Pete Kott, and Rep. Al Vezey.

cc: Sen. Bert Sharp, Chair, Senate DOR Sub-Committee  
Laurie Perkins, Admin. Services Director, DOR



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March 17, 1997

TO: Rep. Mark Hanley, Co-Chair  
House Finance Committee

FROM: Rep. Terry Martin, Chair *DM*  
Department of Revenue Sub-Committee

RE: Revisions to Closeout Memorandum

The following summary of Department of Revenue Final Closeout Amendments includes some minor revisions. The revisions clarify that, in cases of funding sources changes for the Treasury and Admin. Services divisions, the reduction in General Funds results in an increase in "other" funds. The line illustrating total agency reductions now reflects the Federal and other fund figures, as well as General Funds and the total.

Also attached are tables outlining those positions in CSED and Oil and Gas Audit which sub-committee amendments propose to delete. It should be noted that, in the case of CSED, another scenario, suggested by the Division, would decrease a larger amount of General Funding; however, the scenario suggested by the division director would eliminate services provided by customer service, and positions which are not currently vacant.



**HOUSE FINANCE SUB COMMITTEE  
DEPARTMENT OF REVENUE  
FINAL CLOSEOUT AMENDMENTS  
FY 98 BUDGET  
(REVISED 3/17/97)**

*(Numbers reflect thousands decreased)*

	GF	Fed	Other	TOTAL
1. <b>Child Support Enforcement</b> (pg 31, line 32)				

<b>Eliminate positions</b>	45.4	278.7		324.1
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*The 1998 Capital request of \$1.2 million for Automated Work flow is intended to free more time for improved customer service. Several of the positions have been vacant for a number of months, and two for a year. \*Note: Additional GF funds can be eliminated by following CSED director-suggested scenario, for \$99.9 GF/\$193.8 Fed*

IN FAVOR: 3	OPPOSED: 2
<b>APPROVED</b>	

<b>Reduce costs through budget efficiencies</b>	100.0	198.0		298.0
---	-------	-------	--	-------

*Whereas case load over the past ten years has nearly doubled, size of staff has risen more than 200%, and budget expenditures have grown by 400%. The Sub Committee requests that the division bring spending in line with staff and case load through more efficiency. In addition, the division is requested to seek further federal incentives by increased efficiencies .*

IN FAVOR: 3	OPPOSED: 2
<b>APPROVED</b>	

2. Municipal Bond Bank Authority (pg 31. line 34)

a. Delete Executive Director position.			99.0	99.0
--	--	--	------	------

*The position has been vacant for several months with no effect on division.*

IN FAVOR: 3      OPPOSED: 2  
**APPROVED**

3. Permanent Fund Corporation (pg. 31, line 35)

a. Deny Increment for Assistant Position			45.0	
b. Deny Travel increment			15.0	
c. Deny Equipment increment			71.0	131.0

*The Sub Committee intends for spending to remain more level and in line with other state organizations.*

IN FAVOR: 3      OPPOSED: 2  
**APPROVED**

4. Alaska Housing Finance -- Operations (pg. 31, line 38)

GF Fed Other TOTAL

a.	Bring personal services to 7% vacancy factor.	47.8	217.9	0
<i>The Sub Committee wishes to implement more level spending practices</i>				
IN FAVOR: 2    OPPOSED: 3				
<b>DISAPPROVED</b>				

b.	Deny partial increment for Fixed Costs		165.8	0
<i>This portion of the fixed costs increment was for personal services and travel, which should not be considered fixed costs.</i>				
IN FAVOR: 2    OPPOSED: 3				
<b>DISAPPROVED</b>				

Alaska Housing Finance -- Public Housing (pg. 32, line 5)

GF Fed Other TOTAL

c.	Disallow line item transfer of Lands/Building	232.0		232.0
<i>These monies were left from the ASHA merger and are intened for land and building improvments, such as are include in the 1988 Capital Request.</i>				
IN FAVOR: 3    OPPOSED: 2				
<b>APPROVED</b>				
<b>TOTAL</b>				<u>232.0</u>

5. Alaska Mental Health Trust Authority (HB76, page 6, line 17)

	GF	Fed	Other	TOTAL
a. Deny increment for Admin. position			51.0	51.0

*The Sub Committee proposes that position duties be absorbed by greater efficiencies.*

IN FAVOR: 3      OPPOSED: 2  
**APPROVED**

6. Income and Excise Audit (pg 32, line 7)

a. Refill APV position at APIV level and eliminate RRT position in accounting		36.0		36.0
--	--	------	--	------

*These changes made per suggestion from division; duties will still be performed.*

IN FAVOR: 3      OPPOSED: 2  
**APPROVED**

7. Oil and Gas Audit (page 32, line 8)

Delete by 7/1 five RRT positions scheduled to RTR		198.2		198.2
---	--	-------	--	-------

*Figures take into consideration the employer costs and 1% administrative costs.*

IN FAVOR: 3      OPPOSED: 2  
**APPROVED**

GF Fed Other TOTAL

8. Treasury Management (page 32, line 9)

a. Transfer management fees to CBRF	500.0	+500.0	0.0
<i>Funding change to properly allocate cost of investing CBRF.</i>			
<b>APPROVED BY UNANIMOUS CONSENT</b>			

b. Transfer of Hwy. Lands to UA		35.0	35.0
<i>Predicated on passage of SB84, which transfers land management to UA budget</i>			
<b>APPROVED BY UNANIMOUS CONSENT</b>			

9. Charitable Gaming (page 32, line 10)

a. Decrease GF/Program Receipts	500.0		500.0
<i>Predicated on passage of HB84, which changes formula to gross rather than net receipts. This legislation will substantially decrease the workload of the division.</i>			
IN FAVOR: 3      OPPOSED: 2			
<b>APPROVED</b>			

GF      Fed   Other   TOTAL

10. Administrative Services (Page 32, line 15)

a. <b>Change funding from GF to IA</b>	100.0	+100.0	0.0
<i>This creates accounting for cost allocation study chargebacks to other divisions.</i>			
IN FAVOR: 3      OPPOSED: 2			
<b>APPROVED</b>			

11. Permanent Fund Dividend (Page 32, line 16)

a. <b>Delete two PFD Spec I positions</b>	93.0	93.0
<i>With the passage of HB32 during the 19th Alaska State Legislature, fewer appeals will be made to the division, resulting in the need for fewer specialists.</i>		
IN FAVOR: 3      OPPOSED: 2		
<b>APPROVED</b>		

GF      Fed      Other      TOTAL

<b>AGENCY TOTALS</b>	1,479.6	708.7	(191.0)	1,997.3
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AGENCY POSITIONS	FY97 AUTH	GOV	SUB COM	REDUCED
Perm Full-Time	791.0	793.0	781.0	(12)
Perm Part Time	34.0	38.0	32.0	(6)
Non-Perm	75.0	71.0	71.0	0

## Position Reduction Scenario

### Child Support Enforcement Division

Position vacancies as of 3/13/97 and possible vacancy reduction scenario

Vacancy Date	PCN	Position Title	Range/Step	Total Costs	GF Amount
10/16/96	7015	Child Supt Enforcement Officer I	13/BC	\$44,791	\$6,270.0
2/10/97	7056	Child Supt Enforcement Officer I	13/CD	\$46,842	\$6,557.0
12/27/96	7068	Administrative Clerk II	8/CD	\$35,779	\$5,009.0
9/4/96	7097	Analyst Programmer IV	19/BC	\$65,111	\$9,115.0
6/26/95	7115	Administrative Clerk III	10/BC	\$38,200	\$5,348.0
2/1/97	7132	Child Supt Enforcement Officer I	13/BC	\$45,478	\$6,366.0
2/3/97	7143	Child Supt Enforcement Officer I	13/BC	\$47,069	\$6,589.0
2/10/97	7162	Child Supt Enforcement Officer I	13/DE	\$47,413	\$6,637.0
2/10/97	7174	Child Supt Enforcement Officer I	13/CD	\$46,842	\$6,557.0
			<b>TOTAL</b>	<b>\$417,525</b>	<b>\$58,448</b>
		<b>Cost reduction projection</b>	<b>TOTAL</b>	<b>\$324,067</b>	<b>\$45,366</b>

Cost reduction based on the four positions that have been vacant for an extended period of time plus an average cost for three of the other vacancies

### Oil and Gas Audit Division

Possible vacancy reduction scenario with the implementation of RIP effective July 1, 1997

PCN	Position Title	Range/Step	Total Costs GF Amount	R&B Calc. Employer Cost +1%	DOR Estimated Employer Cost
3013	Revenue Auditor III	18/J - 8 mos	\$47,392	-\$36,023	-\$45,000
3074	Revenue Auditor IV	20/J - 8 mos	\$53,633	-\$41,381	-\$45,000
8034	Opr Research Analyst I	21/K - 8 mos	\$59,129	-\$43,850	-\$45,000
8035	Revenue Auditor IV	20/E - 8 mos	\$52,103	-\$27,560	-\$45,000
8046	Revenue Auditor V	22/J - 8 mos	\$60,972	-\$40,522	-\$45,000
		<b>TOTAL</b>	<b>\$273,229</b>	<b>-\$189,336</b>	<b>-\$225,000</b>
		Employer Cost Contribution can be paid over a three year period.	<b>\$273,229</b>	<b>-\$63,112</b>	<b>-\$75,000</b>
		<b>Estimated savings from RIP 7/1/97</b>	<b>TOTAL</b>	<b>\$210,117</b>	<b>\$198,229</b>

REPRESENTATIVE  
**TERRY MARTIN**  
VICE-CHAIRMAN  
BUDGET & AUDIT COMMITTEE  
MEMBER  
HOUSE FINANCE COMMITTEE

# Alaska State Legislature

MAY 15 - JAN 15 258-8169  
716 W. 11TH, SUITE 650  
ANCHORAGE, AK 99504

JAN 15 - MAY 15 465-3783  
STATE CAPITOL  
JUNEAU, AK 99801-1182



March 19, 1997

TO: Rep. Mark Hanley, Co-Chair  
House Finance Committee

FROM: Rep. Terry Martin, Chair *T.M.M.*  
Department of Revenue Sub-Committee

RE: Intent Language for Agency

The following is intent language approved by the Department of Revenue Sub-Committee at our final budget closeout meeting.

I. Child Support Enforcement Division

It is the intent of the Sub-Committee that the Child Support Enforcement Division (CSED) pursue contracting out certain legal services, namely the investigation into criminal child support evasion, to the private sector.

It is the feeling of the Sub-Committee that such cases may be more aggressively pursued by private attorneys, and thus achieve more fruitful results on behalf of custodial parents, children and the State. The cost of the private attorneys should then be charged to the evader (obligor), along with the support owed.

The Sub-Committee further intends that such allocating of costs necessary to obtain delinquent support payments may lead the way toward a plan to include some or all of other administrative costs in support payment amounts.



II. Alaska Housing Finance Corp.

It is the intent of the Sub-Committee that future operating budgets of the Alaska Housing and Finance Corporation be more reflective of internal accounting practices. We understand that the three component budget resulted from the merger of several agencies in 1992, and does not, in some cases, allow for the accurate expression of cost allocation occurring between the components. For example, when costs are shared between Operations and another program, this is not clearly reflected in the three component budget.

It is the desire of the Sub-Committee that methods be suggested whereby the State's form of budget reporting and AHFC's accounting practices may be more easily reconciled.

III. Pending Legislation -- HB 72

The Sub-Committee intends that the Agency look for potential efficiencies created with the possible passing of HB 72, which would repeal the need for out of state corporations to file bond reports. It is foreseen that the passage of the legislation would yield substantial savings in either the Treasury or Income and Excise Audit divisions.

# MEMORANDUM

STATE OF ALASKA  
DEPARTMENT OF REVENUE  
OFFICE OF THE COMMISSIONER

TO: Annalee McConnell  
Director  
Office of Management & Budget

DATE: March 19, 1997

FILE:

FROM: Wilson Gordon  
Commissioner

TELEPHONE: (907) 465-2300

SUBJECT: Subcommittee's proposed budget  
reductions

The following is our response to the House Finance Subcommittee's proposed budget reductions in the Department of Revenue. In general, we want to emphasize that most of the proposed cuts will have a debilitating effect on our ability to collect revenue. It takes people to collect revenues for the State; when funding for those people is cut, a corresponding cut in revenues is a natural consequence. **For every \$100,000 cut in our tax or child support enforcement divisions, the State can expect to lose \$500,000 in revenues which we will no longer have the resources to collect.**

We are responding to the proposed cuts for our line agencies. We are also attaching a response from the Alaska Mental Health Trust Authority; agency responses from the Alaska Permanent Fund Corporation and the Alaska Housing Finance Corporation will be provided directly to your office.

## **Child Support Enforcement - \$622.1 \$145.4 GF; \$476.7 Fed**

The most important point to be made about CSED's proposed budget reduction is that by reducing general funding by \$145,400, we will **not** receive \$476,700 to which we are entitled through matching federal funds. Another important point is that by reducing general fund appropriations by \$145,400, we are also **reducing revenue** which would be returned to the general fund by an amount far greater than \$145,400, because we will not have the resources required to make those collections.

Representative Martin presented a report which noted nine vacant positions in CSED. The subcommittee voted to eliminate seven of the nine positions. However, if this reduction is upheld, we will eliminate other positions in the customer service section rather than those proposed by the subcommittee because the positions proposed cut by the subcommittee are critical to CSED's mission - collecting child support obligations. While elimination of seven positions in customer service may not directly affect collections, it will adversely affect our ability to obtain information in a timely manner and to meet federal requirements. This inability to meet federal requirements could jeopardize federal funding for both the child support program and the Temporary Assistance to Needy Families program.

At least one of the vacancies noted in Representative Martin's report occurred because of the division's vacancy factor. As part of the budget calculations, CSED has included a vacancy factor of 5.25% in its budget projection. This means that, at any one time, CSED must have approximately eleven vacant positions in order to stay within its budget.

Of the vacancies noted in Rep. Martin's report, five of the nine positions were vacant less than 45 days, the average time required to hire for a position. Of the remaining four positions, three have been vacant less than six months. Pending offers have been made on several of these positions. The analyst programmer vacancy resulted from the selected person backing out two days prior to the promised starting date. The entire hiring process had to be repeated. So, although the positions were indeed vacant on the day of the subcommittee meeting, the positions are vital to the mission of CSED, and most will be filled imminently.

If the House Finance Subcommittee recommendation is upheld, we will eliminate seven of our twelve customer service positions. People calling in to our office will no longer speak directly to a person; they will get a recorded message. The 800 phone number will be eliminated, requiring long distance callers to pay long distance fees and reach a recorded message. This has resulted in customer complaints in the past which will undoubtedly recur when the 800 number is discontinued.

The subcommittee cited a 400% budget growth as a reason to reduce CSED's budget. While budget expenditures have grown 400% over the last ten years, the general fund expenditures have increased less than 100%. This indicates that CSED has funded these increases through additional federal incentives earned. In addition, AFDC reimbursements collected by CSED have increased approximately 170%. Total collections have increased approximately 145%. As child support law and regulations have become more complex, the costs of providing these services have also increased. For example, our RSA with the Department of Law has increased approximately \$900,000 in the last five years. The mandated requirements to correspond with our clients have increased postage and phone expenses by \$800,000 per year. The increased computer processing required to meet federal time frames has increased the RSA with Department of Administration by \$300,000 per year.

During the last ten years, the child support enforcement requirements mandated by the federal government have increased dramatically. Congress views child support enforcement as the critical corollary to reducing welfare programs. There have been three significant new federal laws passed in the last ten years: the 1988 Family Support Act, the 1993 Omnibus Budget Reconciliation Act, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. These new laws have placed increased requirements on the states to provide timely child support services or to suffer the loss of federal funding. In order to do this, people have been hired and budget increases have been required. We have also spent funds trying to address better customer relations, in part at the prompting of the Alaska Legislature.

**Income and Excise Audit** -\$36.0 GF

Cutting this division's budget by \$36,000 delays reporting and analyzing the results from quarterly and annual tax filings. **This will be detrimental to our ability to collect revenues timely.**

**Oil and Gas Audit** -\$198.2 GF

The subcommittee accelerated the retirement deadline date in the Department of Revenue's RIP plan from March 1, 1998 to July 1, 1997. The employees scheduled to RIP have been told that they will RIP sometime around the end of 1997; by accelerating the schedule, several employees may opt not to RIP at all.

The workload of the division is such that a December/January RIP is the optimum time to schedule the departure of these employees. An earlier departure may result in **not being able to collect revenues** which we would have otherwise collected.

**Treasury Management** -\$35.0 GF

SB 84, which moves the management of the University of Alaska Trust Fund from Revenue to the University, passed the Senate with accompanying fiscal notes. It was moved out of the House Finance Committee with the same fiscal notes. The fiscal note from Treasury already reflects a reduction in the University of Alaska receipts in the amount of \$35,000. The proposed direct reduction would, in effect, double up the fiscal impact.

**Gaming** -\$500.0 GF

Since the proposed budget reduction in Gaming is based on reduced work requirements resulting from legislation changes, that legislation should address the anticipated budget reductions in Gaming through a fiscal note. Representative Martin's proposed legislation would result in a fiscal note reflecting budget reductions much less than \$500,000, particularly during the first year of implementation when new systems and operating procedures will be developed and implemented. This budget cut is more than half of the division's entire budget; if it is made without an accompanying legislation change, this division will not be able to carry out its current statutory mandate.

**Administration and Support** -\$100.0 GF; +\$100.0 Interagency Receipts

The subcommittee recommended reallocating costs of the Administrative Services Division to user divisions by reducing general funds \$100,000 and increasing interagency funds \$100,000. We are currently completing a cost allocation study which indicates that non-GF agencies in the Department of Revenue have already been charged more than they should have been charged for the Administrative Services Division's allocated costs.

The subcommittee's recommendation to arbitrarily increase the charges to those agencies is counterproductive and certainly contradicts the preliminary findings of the study. Instead of trying to fairly allocate the costs of this component (which is the purpose of the current study) we will be doing just the opposite.

The agencies which will receive those additional charges (Alaska Housing Finance Corporation, Alaska Permanent Fund Corporation, Child Support Enforcement Division, and Permanent Fund Dividend Division) have received substantial proposed cuts by the subcommittee; this additional "hit" to their budgets will deepen the impacts stated in this memo.

**Permanent Fund Dividend Division - \$93.0 (Program Receipts)**

The subcommittee recommended that two PFD specialist positions be deleted from the budget. The rationale for the reduction was that HB 32, which was passed by the 19th Legislature, reduces the number of appeals coming into the division because people are deterred by the \$25 appeal fee. While the number of appeals may decrease somewhat as a result of the legislation, we have no evidence yet that it will do so, since the 1997 dividend is the first to which it applies. However, we do know that HB 32 set strict time limits for how rapidly the division must review appeals. The temporary employees added to the appeals section to reduce the backlog in appeals are deleted in the FY98 budget. The division has worked very, very hard to reduce that backlog, and has done so. The department believes that the current staffing level of six appeals officers is the correct level for the caseload and the additional time requirements.

**Alaska Mental Health  
Trust Authority**

*final*  
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Frontier Building  
Anchorage, AK 99503  
Phone: (907) 269-7960  
FAX: (907) 269-7966

**MEMORANDUM****DATE:** March 17, 1997**TO:** Wilson Condon, Commissioner  
Department of Revenue**FROM:** Jeff Jessee, Executive Director  
Alaska Mental Health Trust Authority**SUBJECT:** Impact of Proposed Budget Cut to the Alaska Mental Health Trust  
Authority's Administrative Budget (DOR)

On 3/13/97, the House Finance Revenue Sub-Committee reduced the Alaska Mental Health Trust Authority (AMHTA) Administrative Budget for Personal Services, \$41.0, Contractual Services, \$5.0 and Commodities, \$5.0, for a total reduction to the Alaska Mental Health Trust Authority's Administrative Budget of \$51.0.

First of all, it should be noted that our initial changes to the FY98 Adjusted Base for the Trust Authority's Administrative Budget were transfers within the Adjusted Base to absorb the added personnel costs and that, in addition, we reduced our overall budget with a decrement to contractual services for \$6.7 from the FY98 Adjusted Base. Secondly, AMHTA currently has 5 professional staff positions to administer and monitor over \$10,000,000 of Mental Health Trust Authority Authorized Receipts (MHTAAR) projects funded each fiscal year. The staff also must assist with the recommendations and maintenance of over \$115,000,000 General Fund/Mental Health program funding, as well as monitor the management of the \$240 million Trust Fund managed by the Alaska Permanent Fund Corporation and one million acres of land managed by the Department of Natural Resources.

**Personal Services**

The Alaska Mental Health Trust Authority, during FY97, had a Nonpermanent Long-term Normal Administrative Clerk III position. In FY98, AMHTA requested that the position become a Full-time Permanent Administrative Clerk III. AMHTA is not requesting any additional incremental funding for the position but requesting a transfer of funds within the adjusted base, as well as taking a decrement from the submitted OMB FY98 Adjusted Base. Our funding comes directly from the Mental Health Trust Settlement Income Account and any unspent funds are returned to that

3/17/97

fund, which encourages more accurate and frugal budgeting, so we have restructured and streamlined our administrative structure and process with this position.

AMHTA currently has 5 professional staff positions authorized and 7 Governor appointed Trustees. The new position would be responsible for the administrative support staff needs of those positions and Trustees. The Duties of this Full-Time Permanent Administrative Clerk III position would be responsible for the following tasks:

- Greeting Public
- Answering phones
- Processing daily in and out going mail
- Responds to high volume of requests for information from beneficiaries, state agencies and the legislature
- Processing Multi-page faxes utilizing a fax machine and/or computer fax program to large groups on a daily or weekly basis
- Production Typing of Program Reports, Excel/Accounting Spreadsheets, Word Processing on a variety of documents
- Compiling, Copying, and Assembling large mail outs
- Financial coding of invoices for staff approval
- Processing of Travel Authorizations for staff and trustees
- Making Travel Arrangements for staff and trustees
- Scheduling Teleconferences and Meetings for staff and Trustees
- Ordering approved Supplies and Equipment
- Verifying and utilizing AKSAS (State Accounting System) on financial documents
- Compiling, Copying and Assembling Trustee Packets and Meeting materials
- Compiling, organizing and data entry of large mailing lists to be accessible by all staff through the various software programs.

If this position request is denied, the Trust Authority programs would be severely impaired and the Trust Authority would have inadequate administrative support. The direct result of the denial of the position would cause fiscal and programmatic delays to the Comprehensive Integrated Mental Health Programs supported by the Mental Health Trust Settlement Income. The Alaska Mental Health Board, Governor's Council on Disabilities and Special Education, Advisory Board on Alcoholism and Drug Abuse, Alaska Commission on Aging, Department of Health and Social Services, Department of Administration, Department of Corrections, Department of Education, Department of Law, Department of Natural Resources, University of Alaska and Alaska Court System are agencies that would experience a direct impact in the services provided by the Alaska Mental Health Trust Authority without the administrative support. Without the administrative support position all functions of

3/17/97

the Trust Authority would be delayed and the current professional staff would have to carry the administrative support functions for 7 Trustees along with their regular duties. This raises an additional concern related to the ability of these other staff to meet the fiduciary obligations placed on AMHTA.

This position is very critical to assist with the day-to-day operations of the Trust Authority. In addition, it should be noted that Division of Administrative Services, Department of Revenue (DOR), is currently discussing reduction in services to all Divisions and will be assessing the feasibility of cost allocation to each division and/or mandating some fiscal duties to each individual Division. AMHTA will not be able to handle these duties without clerical support and will not be able to assist with any additional funding to cover any increases to the Interagency receipts for these duties.

#### Contractual Services

In FY97, AMHTA will have experienced its first full year of operation and funding. In the FY98 Administrative Budget, AMHTA strives to be very frugal and cost conscious with all line items in the Administrative Budget to achieve the best results for its beneficiaries. In FY98 AMHTA reduced the Contractual Services to absorb the cost of the Administrative Clerk III. The Contractual Services reduction would directly result in reductions to our interagency transfers. However, it should be noted that Division of Administrative Services, DOR, is currently discussing reduction in services to all Divisions and will be assessing the feasibility of cost allocation to each division. AMHTA will not be able to handle any additional funding to cover any increases to the interagency receipts.

#### Commodities

In FY97, AMHTA will have experienced its first full year of operation and funding. FY98 adjustments to commodities were made to reflect our anticipated actual expenditures. In the FY98 Administrative Budget, AMHTA strives to be very frugal and cost conscious with all line items in the Administrative Budget to achieve the best results for its beneficiaries. A reduction to our Commodities line item will result in transfers from other line items to meet our commodity needs.



**Alaska Permanent Fund Corporation**

P.O. Box 25500 Juneau, Alaska 99802-5500

(907) 465-2047

**MEMORANDUM**

**DATE:** March 18, 1997

**TO:** Representative Mark Hanley, Co-Chair  
House Finance Committee

**FROM:** Byron I. Mallott *[Signature]*  
Executive Director

**SUBJECT:** **FY98 Operating Budget  
Subcommittee Recommendations**

The House Finance Subcommittee for the Department of Revenue FY98 operating budget has recommended the following cuts to the APFC request:

1. *Delete one Central Services Assistant position.*

**Impact:** It is not in the best financial interest of the Permanent Fund for investment professionals to have their attention diverted from the increasingly complex task of investing Permanent Fund assets. If the request for a Central Services Assistant is denied, the professional investment/finance staff will be forced to continue performing routine administrative tasks which could be performed more efficiently and cost effectively by a lower level position. These functions include: investment records management and transaction processing, financial report distribution, due diligence travel authorization and associated expense reimbursement, and assistance with special investment research projects. This position was approved by the Board of Trustees and is considered a high priority of the APFC. The position is entirely funded by APFC corporate receipts, not general fund.

2. *Delete travel increment of \$14,900.*

**Impact:** If the travel increment is not approved, the budget will not fully provide for the increased costs associated with board travel due to the

FY98 Budget Subcommittee Recommendations

March 18, 1997

Page 2

increase in the number/length of meetings, or meet the increase in due diligence required for the real estate portfolio due to the movement toward increased 100% ownership of properties as authorized by the 1994 legislature. APFC travel is funded entirely by APFC corporate receipts, not general fund.

3. *Delete equipment increment of \$70,800.*

**Impact:** The FY98 operating budget request for equipment includes costs associated with furniture and seating for the new videoconferencing center and board room that was approved by the 1996 Legislature, equipment for the Central Services Assistant position, and replacement of computer equipment that cannot support current investment technology (also recommended by the State TAC). Without this funding, the APFC will not be able to furnish the board room, provide basic equipment for the new position, and keep pace with improvements to its investment software. Timely, accurate financial information is absolutely critical to maintain the competitive position of the Permanent Fund in world investment markets. If it cannot stay current with investment technology, the APFC will fall behind the level of investment management information required for the continued, profitable management of Alaska's multi-billion investment fund. APFC equipment is funded entirely by APFC corporate receipts, not general fund.

**Overall investment program impact**

The APFC continues to undertake a disciplined budget development process that has been responsive to the fiscal circumstance of the State of Alaska as witnessed by the fact that both the FY97 and proposed FY98 operating budget totals are below the FY96 operating budget level authorized by the Legislature. The APFC's internal strategic plan also mandates that the FY99 operating budget not exceed the FY96 authorization. Therefore the APFC operating budget as proposed by the Corporation has been very carefully and responsibly developed to meet the almost exponentially increasing investment management needs of a rapidly growing asset base that now exceeds \$20 billion.

The operating budget eliminations proposed above by the House Finance Revenue Subcommittee will negatively impact the ability of the APFC to maintain the excellent investment program that becomes increasingly more sophisticated and management intensive. The APFC makes every effort to respond to and add value from a worldwide investment marketplace that does not reward institutions whose

FY98 Budget Subcommittee Recommendations  
March 18, 1997  
Page 3

stewards do not have the foresight to responsibly provide the resources required to remain competitive.

These are not mere words; the costs associated with not maintaining appropriate technology, human resource capability and investment sophistication in a rapidly evolving global market place can and will be counted in the tens if not hundreds of millions of dollars with a portfolio this size.

Mr. Chairman, I obviously am not suggesting that the APFC budget be treated differently and of course, we respect as well as expect your thorough review and ultimate judgment. I am sincerely requesting the opportunity to more fully explain and discuss the near and longer term consequences to the Fund of any such budget eliminations.

cc: APFC Trustees



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Anchorage, AK 99503-4199  
(907) 561-1900

P.O. Box 101020  
Anchorage, AK 99510-1020

## MEMORANDUM

March 18, 1997

**TO:** Annalee McConnell, Director  
Office of Management & Budget

**FROM:** Daniel R. Fauske, CEO/Executive Director  
Alaska Housing Finance Corporation

**SUBJECT:** Impacts of House Operating Budget Cuts

The House Finance Subcommittee proposes to cut \$232,000 in federal funding for the Alaska Housing Finance Corporation FY98 operating budget. All of these cuts are proposed for AHFC's Public Housing Division, which serves approximately 4,450 families, senior citizens and disabled citizens throughout the state.

These cuts are somewhat confusing to explain since the subcommittee adopted this reduction by disallowing a line-item adjustment that was done as part of the calculation of the FY98 Adjusted Base level. During FY98 budget preparations, AHFC adjusted budget line-items to more accurately reflect the true costs under each line. This adjustment was a net zero (shown below), and did not change the total federal funding budgeted by the corporation.

Total Net Expenditures	Personal Services	Travel	Contractual	Commodities	Equipment	Land/Build	Grants	Misc
0.0	92.8	(123.8)	257.0	6.1	(0.1)	(232.0)	0.0	0.0

The House Subcommittee allowed the reduction for Land/Buildings, and then disallowed all other line item changes -- resulting in a net reduction of \$232,000 in federal receipt authority.

This reduction will negatively impact AHFC's ability to obtain federal funding that is available and necessary for public housing responsibilities of the corporation. During the upcoming fiscal year, AHFC will assume responsibility for new operating costs of public housing units coming on-line:

- The Cedar Park project in Juneau consists of 50 units under the Low Rent Program that will re-open in October. Utility costs for this project are funded from the contractual services line-item, as well as other contractual maintenance costs such as minor repairs, janitorial services, and snow removal.
- The Adelaide project in Anchorage is providing 70 units under the Section 8 Single Room Occupancy Program. Personal service costs will be incurred in administering the Section 8 certificates for HUD.

"Housing For All Alaskans"

- Under the Section 8 Opt-Out Program, 120 certificates in Juneau for private sector housing units are scheduled to be available. These certificates will come from two private sector projects that are opting out of a direct contract with HUD. AHFC will keep these certificates in Juneau by administering these certificates. Additional personal services costs will be incurred in keeping HUD from potentially withdrawing these certificates from Juneau.

In order for AHFC to capitalize on all available federal funding for these costs, I would like to request consideration for adopting this zero-net change line-item adjustment. This will assist the corporation in more accurately reflecting operating costs, and allow us to appropriately use federal money provided for these functions.

Alaska Housing Finance Corporation receives federal funds from contractual obligations to the U.S. Department of Housing and Urban Development (HUD) to provide for the administration, operations, and maintenance of federal housing programs. For example, AHFC collects 30% of a tenant's income as rent under HUD's Conventional Low Rent Program. While HUD requires these rents to be applied back towards the cost of the program, these rents do not provide sufficient revenues to fully operate the Low Rent Program. Therefore, HUD provides additional funds based on an Allowable Expense Level (AEL) minus the tenant rents and any other miscellaneous income related to this program.

Because of reduced federal funding, HUD's level of subsidy has declined. The current FY97 fiscal year is funded at 89%, down from the FY96 level of 96%. Any funds not used by a state housing authority would be pooled and redistributed until 100% is reached nationwide or until the unused funds are diminished.

In terms of AHFC's ability to effectively and efficiently manage these programs, HUD has rated the corporation with a perfect score of 100%. This rating was accomplished under HUD's Public Housing Management Assessment Program (PHMAP), and placed AHFC in the top 1% of all state housing authorities. This rating shows marked improvements from the low ratings from HUD five years ago, and is reflective of determined efforts by AHFC employees. Maintaining these high marks from HUD is a top priority for the corporation in its efforts to work cooperatively with federal agencies and to effectively manage public housing programs.

Again, in order to maintain our high ratings with HUD and to be able to maximize federal dollars available for these programs, it is my hope that this net-zero line-item adjustment will be approved as it was originally submitted.

TRANSPORTATION

# TRANSPORTATION

## Agency Totals - FY98 Operating Budget

Agency: Department of Transportation/Public Facilities

	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<b>Totals for Agency</b>	<b>333,508.2</b>	<b>339,612.0</b>	<b>343,997.9</b>	<b>339,916.6</b>	<b>-4,081.3</b>	<b>-1.2%</b>

Objects of Expenditure:

Personal Services	207,297.7	207,003.3	213,874.6	211,339.8	-2,534.8	-1.2%
Travel	2,704.2	2,690.7	2,892.1	2,726.7	-165.4	-5.7%
Contractual	61,175.4	66,999.5	64,436.5	64,165.1	-271.4	-0.4%
Commodities	31,941.7	33,851.4	33,582.3	33,556.2	-26.1	-0.1%
Equipment	2,120.0	633.9	588.3	570.0	-18.3	-3.1%
Lands/Buildings	6.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0%
Miscellaneous	28,263.2	28,433.2	28,624.1	27,558.8	-1,065.3	-3.7%

Funding Sources:

1002 Fed Rcpts	628.1	940.1	1,340.7	1,296.6	-44.1	-3.3%
1003 G/F Match	74.5	75.2	180.6	180.6	0.0	0.0%
1004 Gen Fund	126,354.5	124,445.6	126,210.5	123,967.4	-2,243.1	-1.8%
1005 GF/Prgm	3,358.1	3,114.4	1,671.3	356.8	-1,314.5	-78.7%
1007 I/A Rcpts	17,486.1	4,514.8	4,764.0	4,764.0	0.0	0.0%
1026 Hwy Capitt	20,693.4	22,547.3	22,749.8	22,749.8	0.0	0.0%
1027 Int Airprt	36,823.1	39,402.2	40,542.8	40,542.8	-0.0	-0.0%
1061 CIP Rcpts	59,267.8	65,205.9	66,281.8	66,281.8	0.0	0.0%
1076 Marine Hwy	68,822.6	78,822.7	76,378.6	75,938.3	-440.3	-0.6%
1091 GF/Desig		543.8	3,877.8	3,838.5	-39.3	-1.0%

Positions:

Perm Full Time	2,691.0	2,704.0	2,766.0	2,721.0	-45.0	-1.6%
Perm Part Time	773.0	702.0	695.0	688.0	-7.0	-1.0%
Non-Perm	0.0	0.0	3.0	3.0	0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Transportation/Public Facilities

Page	Budget Component	FY96 Act	FY97 Auth	Gov Amd	House	Gov Amd to House	
<b>Statewide Programs</b>							
1	Commissioner's Office	808.1	803.5	801.6	616.9	-184.7	-23.0%
2	Unallocated Reduction			-100.0	-100.0	0.0	0.0%
	* BRU Total	808.1	803.5	701.6	516.9	-184.7	-26.3%
<b>DBE/External Equal Employment</b>							
3	Disadvantaged Business En/EEO	606.0	691.1	702.4	702.4	-0.0	-0.0%
4	DBE Payroll Suspense	556.8				0.0	0.0%
	* BRU Total	1,162.8	691.1	702.4	702.4	-0.0	-0.0%
<b>Statewide Internal Review</b>							
5	Statewide Internal Review	699.5	791.5	802.1	802.1	0.0	0.0%
6	Internal Review Payroll Suspen	644.8				0.0	0.0%
	* BRU Total	1,344.3	791.5	802.1	802.1	0.0	0.0%
<b>Statewide Administrative Services</b>							
7	Statewide Admin Services	1,970.6	2,087.7	2,114.7	2,114.7	-0.0	-0.0%
8	Statewide Information Systems	1,784.0	1,838.7	1,912.2	1,912.2	-0.0	-0.0%
9	Statewide State Equipmnt Fleet	1,003.8	928.6	942.7	942.7	0.0	0.0%
	* BRU Total	4,758.4	4,855.0	4,969.6	4,969.6	-0.0	-0.0%
<b>Statewide Planning</b>							
10	Statewide Planning	1,949.0	2,105.6	2,390.6	2,390.6	0.0	0.0%
11	Planning Payroll Suspense	1,750.8				0.0	0.0%
	* BRU Total	3,699.8	2,105.6	2,390.6	2,390.6	0.0	0.0%
<b>State Aviation, Leasing and Airport Administration</b>							
12	Statewide Aviation	609.7	674.0	683.2	683.2	0.0	0.0%
13	Aviation Planning Payroll Susp	293.2				0.0	0.0%
	* BRU Total	902.9	674.0	683.2	683.2	0.0	0.0%
<b>Technology Transfer Program</b>							
14	Technology Transfer Program	226.2	231.5	0.0	-0.0	-0.0	0.0%
15	Tech Transfer Payroll Suspense	216.4				0.0	0.0%
	* BRU Total	442.6	231.5	0.0	-0.0	-0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Transportation/Public Facilities

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Engineering and Operations</b>							
16	Engineering and Operations	2,041.1	2,111.4	2,007.4	2,007.4	0.0	0.0%
17	Engineering Payroll Suspense	790.0				0.0	0.0%
18	CIP Program	3,218.2	3,755.9	4,137.7	4,137.7	-0.0	-0.0%
	* BRU Total	6,049.3	5,867.3	6,145.1	6,145.1	-0.0	-0.0%
<b>Weights and Measures</b>							
	Weights and Measures			3,520.2	504.2	-3,016.0	-85.7%
	* BRU Total	0.0	0.0	3,520.2	504.2	-3,016.0	-85.7%
<b>Central Region Administrative Services</b>							
19	Central Region Admin Services	1,819.5		1,821.7	1,821.7	0.0	0.0%
20	Central Region Admin & Leasing		2,301.5	-0.0	0.0	0.0	0.0%
	* BRU Total	1,819.5	2,301.5	1,821.7	1,821.7	0.0	0.0%
<b>Central Region Planning</b>							
21	Central Region Planning	1,214.7	1,246.4	1,274.3	1,274.3	0.0	0.0%
22	Planning Payroll Suspense	1,152.8				0.0	0.0%
	* BRU Total	2,367.5	1,246.4	1,274.3	1,274.3	0.0	0.0%
<b>Central Region Design and Construction</b>							
23	Central Reg Engineering Mgmt	3,878.3	4,157.8	4,159.7	4,159.7	-0.0	-0.0%
24	Design & Const Payroll Suspense	2,064.3				0.0	0.0%
25	Central Region CIP Program	18,558.5	21,015.1	21,114.0	21,114.0	0.0	0.0%
	* BRU Total	24,501.1	25,172.9	25,273.7	25,273.7	-0.0	-0.0%
<b>Northern Region Administrative Services</b>							
26	Northern Region Admin Services	2,035.4		2,085.3	2,085.3	0.0	0.0%
27	Northern Reg'n Admin & Leasing		2,496.2	0.0	0.0	-0.0	0.0%
	* BRU Total	2,035.4	2,496.2	2,085.3	2,085.3	-0.0	-0.0%
<b>Northern Region Planning</b>							
28	Northern Region Planning	1,072.1	1,123.4	1,183.4	1,183.4	0.0	0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Transportation/Public Facilities

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House
<b>Northern Region Planning</b>						
29	Planning Payroll Suspense	992.2				0.0 0.0%
	* BRU Total	2,064.3	1,123.4	1,183.4	1,183.4	0.0 0.0%
<b>Northern Region Design and Construction</b>						
30	Northern Reg Engineering Mgmt	2,908.7	3,008.5	3,057.8	3,057.8	-0.0 -0.0%
31	Design & Const Payroll Suspense	1,267.8				0.0 0.0%
32	Northern Region CIP Program	17,006.3	18,115.6	18,427.1	18,427.1	0.0 0.0%
	* BRU Total	21,182.8	21,124.1	21,484.9	21,484.9	-0.0 -0.0%
<b>Southeast Region Administrative Services</b>						
33	Southeast Region Admin Service	1,130.8	1,143.2	1,167.8	1,167.8	0.0 0.0%
	* BRU Total	1,130.8	1,143.2	1,167.8	1,167.8	0.0 0.0%
<b>Southeast Region Planning</b>						
34	Southeast Region Planning	524.1	539.0	566.0	566.0	0.0 0.0%
35	Planning Payroll Suspense	280.3				0.0 0.0%
	* BRU Total	804.4	539.0	566.0	566.0	0.0 0.0%
<b>Southeast Region Design and Construction</b>						
36	Southeast Reg Engineering Mgmt	2,120.1	2,055.9	2,098.8	2,098.8	0.0 0.0%
37	Design & Const Payroll Suspense	1,335.1				0.0 0.0%
38	Southeast Region CIP Program	6,794.7	7,176.4	7,293.6	7,293.6	0.0 0.0%
	* BRU Total	10,249.9	9,232.3	9,392.4	9,392.4	0.0 0.0%
<b>Statewide Maintenance and Operations</b>						
39	Statewide Highways & Aviation	75,352.4				0.0 0.0%
40	Central Highways and Aviation		27,166.5	27,699.5	27,699.5	0.0 0.0%
41	Traffic Signal Management	1,271.6	1,271.6	1,203.0	1,203.0	0.0 0.0%
42	Northern Highways & Aviation		36,698.4	36,831.4	36,831.4	-0.0 -0.0%
43	Southeast Highways & Aviation		9,144.2	9,163.6	9,163.6	0.0 0.0%
44	Statewide Facilities M & O	14,917.0				0.0 0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Transportation/Public Facilities

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House
<b>Statewide Maintenance and Operations</b>						
45	Central Region Facilities		3,607.9	3,478.9	3,478.9	-0.0 -0.0%
46	Northern Region Facilities		7,454.0	7,480.0	7,480.0	-0.0 -0.0%
47	Southeast Region Facilities		4,011.2	3,968.4	3,968.4	0.0 0.0%
48	Central Leasing & Property Mgt	534.0		623.6	623.6	0.0 0.0%
49	North. Leasing & Property Mgt	468.8		567.4	567.4	0.0 0.0%
50	Maintenance Administration	985.6				0.0 0.0%
51	Central Region M & O Admin		459.5	386.0	386.0	0.0 0.0%
52	Northern Region M & O Admin		599.2	607.7	607.7	0.0 0.0%
53	State Equipment Fleet M & O	19,717.2				0.0 0.0%
54	M&O Unallocated Reduction		0.0	0.0	-0.0	-0.0 0.0%
	* BRU Total	113,246.6	90,412.5	92,009.5	92,009.5	-0.0 -0.0%
<b>Statewide State Equipment Fleet</b>						
55	Central State Equipment Fleet		8,370.5	8,447.9	8,447.9	-0.0 -0.0%
56	Northern State Equipment Fleet		11,412.7	11,508.5	11,508.5	0.0 0.0%
57	Southeast State Equipmnt Fleet		2,005.7	2,022.1	2,022.1	0.0 0.0%
	* BRU Total	0.0	21,798.0	21,978.5	21,978.5	-0.0 -0.0%
<b>International Airports</b>						
58	International Airport Systems	413.7	474.0	401.9	401.9	0.0 0.0%
	* BRU Total	413.7	474.0	401.9	401.9	0.0 0.0%
<b>Anchorage International Airport</b>						
59	AIA Field Maintenance	4,594.0	4,855.7	5,172.4	5,172.4	0.0 0.0%
60	AIA Building Maintenance	5,727.3	5,840.8	5,869.5	5,869.5	-0.0 -0.0%
61	AIA Safety	5,526.8	6,110.1	6,310.3	6,310.3	0.0 0.0%
62	AIA Operations	1,789.5	2,090.4	2,330.1	2,338.0	0.0 0.0%
63	AIA Custodial	3,465.5	3,584.2	3,631.1	3,631.1	0.0 0.0%
64	AIA Equipment Maintenance	1,542.1	1,796.3	1,812.7	1,812.7	0.0 0.0%
65	AIA Administration	4,187.5	4,585.1	4,742.0	4,742.0	0.0 0.0%
	* BRU Total	26,832.7	28,862.6	29,876.0	29,876.0	0.0 0.0%
<b>Fairbanks International Airport</b>						
66	FIA Field Maintenance	2,235.9	2,519.8	2,547.8	2,547.8	0.0 0.0%
67	FIA Building Maintenance	1,252.0	1,382.3	1,390.6	1,390.6	0.0 0.0%

## Component Summary - FY98 Operating Budget

Agency: Department of Transportation/Public Facilities

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Fairbanks International Airport</b>							
68	FIA Safety	2,367.2	2,358.8	2,396.1	2,396.1	0.0	0.0%
69	FIA Operations	821.6	713.9	799.7	799.7	-0.0	-0.0%
70	FIA Custodial	695.4	744.6	755.5	755.5	0.0	0.0%
71	FIA Administration	1,207.9	1,353.4	1,369.0	1,369.0	0.0	0.0%
	* BRU Total	8,580.0	9,072.8	9,258.7	9,258.7	0.0	0.0%
<b>Alaska Marine Highway System</b>							
72	Administration	141.3	300.9	305.6	305.6	0.0	0.0%
	* BRU Total	141.3	300.9	305.6	305.6	0.0	0.0%
<b>Marine Management</b>							
73	Support Services	2,234.9	2,832.5	2,816.4	2,376.1	-440.3	-15.6%
	* BRU Total	2,234.9	2,832.5	2,816.4	2,376.1	-440.3	-15.6%
<b>Marine Engineering</b>							
74	Engineering Management	628.7	729.3	737.9	737.9	0.0	0.0%
75	CIP Program	869.5	1,295.1	1,262.0	1,262.9	0.0	0.0%
76	Overhaul	1,785.4	4,857.4	1,857.4	1,857.4	0.0	0.0%
	* BRU Total	3,283.6	6,881.8	3,858.2	3,858.2	0.0	0.0%
<b>Marine Operations</b>							
77	Vessel Operations Management	1,385.4	1,071.9	924.0	924.0	0.0	0.0%
78	Vessel Operations Payroll Susp	32.0				0.0	0.0%
79	Reservations and Marketing	2,291.4	2,146.0	2,167.5	2,167.5	0.0	0.0%
80	Southeast Shore Operations	3,020.4	2,981.4	3,043.2	3,043.2	-0.0	-0.0%
81	Southeast Vessel Operations	49,221.4	53,031.2	53,556.3	53,556.3	0.0	0.0%
82	Southwest Shore Operations	696.1	890.8	864.1	864.1	0.0	0.0%
83	Southwest Vessel Operations	8,541.6	10,023.9	10,149.6	10,149.6	0.0	0.0%
	* BRU Total	65,188.3	70,145.2	70,704.7	70,704.7	-0.0	-0.0%
<b>Front Section</b>							
84	Marine Highway Stabilization	28,263.2	28,433.2	28,624.1	28,183.8	-440.3	-1.5%
	* BRU Total	28,263.2	28,433.2	28,624.1	28,183.8	-440.3	-1.5%
	<b>*** Total Agency Expenditure</b>	<b>333,508.2</b>	<b>339,612.0</b>	<b>343,997.9</b>	<b>339,916.6</b>	<b>-4,081.3</b>	<b>-1.2%</b>

**Component Summary - FY98 Operating Budget**

**Agency: Department of Transportation/Public Facilities**

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	Federal Funds	628.1	940.1	1,340.7	1,296.6	-44.1	-3.3%
	General Funds	129,787.1	128,179.0	131,940.2	128,343.3	-3,596.9	-2.7%
	Other Funds	203,093.0	210,492.9	210,717.0	210,276.7	-440.3	-0.2%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

Agency: Department of Transportation/Public Facilities

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Statewide Programs</b>							
1	Commissioner's Office	687.1	679.8	676.0	491.3	-184.7	-27.3%
2	Unallocated Reduction			-100.0	-100.0	0.0	0.0%
	* BRU Total	687.1	679.8	576.0	391.3	-184.7	-32.1%
<b>DBE/External Equal Employment</b>							
3	Dis: tivated Business En/VEEO	381.9	395.9	382.1	382.1	0.0	0.0%
	* BRU Total	381.9	395.9	382.1	382.1	0.0	0.0%
<b>Statewide Internal Review</b>							
5	Statcwide Internal Review	201.6	237.1	237.5	237.5	-0.0	-0.0%
	* BRU Total	201.6	237.1	237.5	237.5	-0.0	-0.0%
<b>Statewide Administrative Services</b>							
7	Statewide Admin Services	1,366.8	1,487.3	1,504.2	1,504.2	0.0	0.0%
8	Statewide Information Systems	1,684.0	1,514.5	1,527.5	1,527.5	0.0	0.0%
	* BRU Total	3,050.8	3,001.8	3,031.7	3,031.7	0.0	0.0%
<b>Statewide Planning</b>							
10	Statewide Planning	151.0	155.7	150.6	150.6	0.0	0.0%
	* BRU Total	151.0	155.7	150.6	150.6	0.0	0.0%
<b>State Aviation, Leasing and Airport Administration</b>							
12	Statewide Aviation	391.7	444.7	449.6	449.6	0.0	0.0%
	* BRU Total	391.7	444.7	449.6	449.6	0.0	0.0%
<b>Technology Transfer Program</b>							
14	Technology Transfer Program	10.8	10.8	-0.0	-0.0	0.0	0.0%
	* BRU Total	10.8	10.8	-0.0	-0.0	0.0	0.0%
<b>Engineering and Operations</b>							
16	Engineering and Operations	957.1	1,006.1	975.2	975.2	0.0	0.0%
	* BRU Total	957.1	1,006.1	975.2	975.2	0.0	0.0%
<b>Weights and Measures</b>							
	Weights and Measures			3,129.6	157.7	-2,971.9	-95.0%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

Agency: Department of Transportation/Public Facilities

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
	<b>Weights and Measures</b>						
	* BRU Total	0.0	0.0	3,129.6	157.7	-2,971.9	-95.0%
	<b>Central Region Administrative Services</b>						
19	Central Region Admin Services	1,407.6		1,440.4	1,440.4	0.0	0.0%
20	Central Region Admin & Leasing		1,909.5	0.0	-0.0	-0.0	0.0%
	* BRU Total	1,407.6	1,909.5	1,440.4	1,440.4	-0.0	-0.0%
	<b>Central Region Planning</b>						
21	Central Region Planning	144.0	145.3	138.9	138.9	0.0	0.0%
	* BRU Total	144.0	145.3	138.9	138.9	0.0	0.0%
	<b>Central Region Design and Construction</b>						
23	Central Reg Engineering Mgmt	950.9	935.4	888.1	888.1	0.0	0.0%
	* BRU Total	950.9	935.4	888.1	888.1	0.0	0.0%
	<b>Northern Region Administrative Services</b>						
26	Northern Region Admin Services	1,461.1		1,463.5	1,463.5	0.0	0.0%
27	Northern Reg'n Admin & Leasing		1,911.3	-0.0	-0.0	-0.0	0.0%
	* BRU Total	1,461.1	1,911.3	1,463.5	1,463.5	-0.0	-0.0%
	<b>Northern Region Planning</b>						
28	Northern Region Planning	101.5	98.7	90.0	90.0	0.0	0.0%
	* BRU Total	101.5	98.7	90.0	90.0	0.0	0.0%
	<b>Northern Region Design and Construction</b>						
30	Northern Reg Engineering Mgmt	800.2	743.6	753.4	753.4	0.0	0.0%
	* BRU Total	800.2	743.6	753.4	753.4	0.0	0.0%
	<b>Southeast Region Administrative Services</b>						
33	Southeast Region Admin Service	886.9	896.7	917.8	917.8	0.0	0.0%
	* BRU Total	886.9	896.7	917.8	917.8	0.0	0.0%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

Agency: Department of Transportation/Public Facilities

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
<b>Southeast Region Planning</b>							
34	Southeast Region Planning	21.7	22.5	22.2	22.2	0.0	0.0%
	* BRU Total	21.7	22.5	22.2	22.2	0.0	0.0%
<b>Southeast Region Design and Construction</b>							
36	Southeast Reg Engineering Mgmt	608.4	520.2	522.5	522.5	0.0	0.0%
	* BRU Total	608.4	520.2	522.5	522.5	0.0	0.0%
<b>Statewide Maintenance and Operations</b>							
39	Statewide Highways & Aviation	72,244.4				0.0	0.0%
40	Central Highways and Aviation		26,741.0	27,190.0	27,190.0	-0.0	-0.0%
41	Traffic Signal Management	1,271.6	1,271.6	1,203.0	1,203.0	0.0	0.0%
42	Northern Highways & Aviation		35,773.8	35,973.2	35,973.2	0.0	0.0%
43	Southeast Highways & Aviation		8,982.5	9,075.1	9,075.1	0.0	0.0%
44	Statewide Facilities M & O	13,040.7				0.0	0.0%
45	Central Region Facilities		2,995.6	2,866.6	2,866.6	0.0	0.0%
46	Northern Region Facilities		6,053.7	6,077.2	6,077.2	-0.0	-0.0%
47	Southeast Region Facilities		3,800.3	3,757.3	3,757.3	-0.0	-0.0%
48	Central Leasing & Property Mgt	532.2		550.0	550.0	0.0	0.0%
49	North. Leasing & Property Mgt	468.8		507.4	507.4	0.0	0.0%
50	Maintenance Administration	939.1				0.0	0.0%
51	Central Region M & O Admin		429.6	356.1	356.1	0.0	0.0%
52	Northern Region M & O Admin		582.6	591.1	591.1	0.0	0.0%
54	M&O Unallocated Reduction		-0.0	0.0	0.0	-0.0	0.0%
	* BRU Total	88,496.8	86,630.7	88,147.0	88,147.0	-0.0	-0.0%
<b>Marine Operations</b>							
81	Southeast Vessel Operations	650.3				0.0	0.0%
83	Southwest Vessel Operations	162.5				0.0	0.0%
	* BRU Total	812.8	0.0	0.0	0.0	0.0	0.0%
<b>Front Section</b>							
84	Marine Highway Stabilization	28,263.2	28,433.2	28,624.1	28,183.8	-440.3	-1.5%
	* BRU Total	28,263.2	28,433.2	28,624.1	28,183.8	-440.3	-1.5%

**Component Summary - FY98 Operating Budget**

**General Funds and CBR**

**Agency: Department of Transportation/Public Facilities**

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
***	Total Agency Expenditure	129,787.1	128,179.0	131,940.2	128,343.3	-3,596.9	-2.7%

# One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Transportation/Public Facilities

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Temp
<b>Statewide Programs</b>													
<b>Commissioner's Office</b>													
Unallocated reduction to Statewide Pgms	Dec	-184.7	00	00	00	00	00	00	00	-184.7	00	00	00
1004 Gen Fund		-184.7											
		-184.7	00	00	00	00	00	00	00	-184.7	00	00	00
*** BRU Total ***		-184.7	00	00	00	00	00	00	00	-184.7	00	00	00
<b>Weights and Measures</b>													
<b>Weights and Measures</b>													
Travel Re Nat Conf of Wts & Measures	Dec	-14.9	-00	-14.9	-00	-00	-00	-00	-00	-00	-00	-00	-00
1091 GF/Desig		-14.9											
Deny Governor's amendment E.O. 98	ATrOut	-3,001.1	-2,534.8	-150.5	-271.4	-26.1	-18.3	00	00	00	-45.0	-7.0	00
Pgm transferred from DCED													
1002 Fed Rcpts		-44.1											
1004 Gen Fund		-1,618.1											
1005 GF/Prgm		-1,314.5											
1091 GF/Desig		-24.4											
		-3,016.0	-2,534.8	-165.4	-271.4	-26.1	-18.3	00	00	00	-45.0	-7.0	00
*** BRU Total ***		-3,016.0	-2,534.8	-165.4	-271.4	-26.1	-18.3	00	00	00	-45.0	-7.0	00
<b>Marine Management</b>													
<b>Support Services</b>													
Unallocated reduction to the Marine Highway System	Dec	-440.3	00	00	00	00	00	00	00	-440.3	00	00	00
1076 Marine Hwy		-440.3											
		-440.3	00	00	00	00	00	00	00	-440.3	00	00	00
*** BRU Total ***		-440.3	00	00	00	00	00	00	00	-440.3	00	00	00
<b>Front Section</b>													
<b>Marine Highway Stabilization</b>													
Unallocated reduction to the Marine Highway System	Dec	-440.3	00	00	00	00	00	00	00	-440.3	00	00	00
1004 Gen Fund		-440.3											
		-440.3	00	00	00	00	00	00	00	-440.3	00	00	00
*** BRU Total ***		-440.3	00	00	00	00	00	00	00	-440.3	00	00	00
***** Agency Total *****		-4,081.3	-2,534.8	-165.4	-271.4	-26.1	-18.3	00	00	-1,065.3	-45.0	-7.0	00

## Component Intent & Notes - FY98 Operating Budget

Agency: Department of Transportation/Public Facilities

Comp: Commissioner's Office

BRU: Statewide Programs

### House

It is the intent of the legislature that the department look carefully at the upper layers of management as a part of its effectiveness review and in its distribution of the unallocated reductions.

Comp: Statewide Highways & Aviation

BRU: Statewide Maint & Operations

### House

It is the intent of the legislature that maintenance be held harmless of any reductions in the highway system and in the rural airports system.

Comp: Vessel Operations Management

BRU: Marine Operations

### House

It is the intent of the legislature that the existing primary service levels in the Marine Highway System be maintained.

Comp: Marine Highway Stabilization

BRU: Front Section

It is the intent of the legislature that an unallocated reduction of general funds be applied to the Marine Highway System for FY98. Therefore, in addition to the GF reduction in the operating budget front section, a corresponding unallocated reduction is being made to the Marine Highway System Fund expenditure authority in the Alaska Marine Highway System operating appropriation.

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# Alaska House of Representatives



Majority Whip

## MEMORANDUM

To: Rep. Mark Hanley  
House Finance Co-chair

From: Rep. Richard Foster *R*  
Department of Transportation & Public Facilities  
Finance Subcommittee

Re: DOT/PF Subcommittee Recommendations

Date: March 20, 1997

The House Department of Transportation and Public Facilities Budget Subcommittee held six joint meetings with the Senate Budget Subcommittee to reduce the amount of departmental travel and time associated with the overviews of each of the major components.

On March 5th the House Subcommittee held another brief meeting to hear individual committee member concerns.

A close-out meeting was schedule for 4:00 p.m. in Room 408 on March 13th. Since no other committee members were present the Subcommittee Chair announced that he would meet with committee members.

On Monday March 17th the subcommittee chair met individually with all committee members or with staff to outline the proposal that is being submitted to the House Finance Committee.

The targeted reduction for DOT/PF is 625.0 below the Governor's purposed FY98 Operating Budget. This is 6.6 above the approved FY97 Operating Budget.

The Committee agreed to submit unallocated cuts and intent language to clarify the committees priorities.

**COMMITTEE RECOMMENDATIONS:**

**ADD:**

Intent Language

It is the Legislature's intent that Maintenance be held harmless of any cuts in the Highway System and in the Rural Airports System and that the existing primary service levels in the Marine Highway System be maintained.

**ADD:**

Intent Language

It is the Legislature's intent that the Department look carefully at the upper layers of management as a part of its effectiveness review and in the distribution of the unallocated cut.

**ADD:**

Technical Amendment

Transfer Measurement Standards BRU from Commerce to Transportation as per the Governor's Executive Order.

**ADOPT:**

Governor's Amended Budget - Executive Order 98 (see attachment 1)

Transfer from Department of Public Safety, Commercial Vehicle Enforcement to:

Department of Transportation  
Measurement Standards BRU

53.6 gf  
104.1 gf match  
346.5 federal

Total 504.2

**ADOPT:**

Representative Cowdery's Amendment (see attachment 2)

Net Budget Impact 0.0

**DELETE:**

Department of Transportation and Public Facilities  
Unallocated Reduction

Marine Highway System	BRU	440.3	general fund
Statewide Programs	BRU	184.7	general fund

**ATTACHMENT 2**

**Representative Cowdery - Amendment**



## Representative John J. Cowdery

Alaska State Legislature . District 17

Interim: 700 W. 4th Ave., Anchorage, AK 99501 (907) 258-8188

Session: State Capital, Juneau, Alaska 99801 (907) 465-3879

### EXPLANATION OF AMENDMENT

A handwritten signature in dark ink, appearing to be "J.J. Cowdery", written over the title "EXPLANATION OF AMENDMENT".

This amendment has zero net impact on DOT/PF's budget. It is a Line Item Redistribution within each Regional Maintenance and Operations budget.

Money is being transferred from the accounts for Personal Services, Travel and Supplies into the Contractual account.

The purpose of these transfers is to require the department to contract with the private sector for sizable, urban jobs that have recently been done by force account, i.e., in-house. For example, in 1996 the department spent \$950,000 doing a chip-seal job on 30 miles of the Seward Highway. They also did a similar \$800,000 job in Fairbanks.

This amendment takes the average expenditures for urban force account projects from the last three years and puts that amount into contractual services. In this way, the department will begin the fiscal year with the money in the right account to contract with the private sector. While it is true that the department may reprogram the money back to other accounts and ignore this amendment, the legislature will consider this in the next budget cycle.

**DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
AMENDMENT  
BY REPRESENTATIVE COWDERY**

**LINE ITEM REDISTRIBUTION**

Department of Transportation and Public Facilities  
Statewide Maintenance and Operations BRU  
Central Highways & Aviation Component

Personal Services	(\$179,520)
Travel	(\$10,560)
Contractual	475,200
Supplies	(\$285,120)

(Project total for Special Services in the Contractual Line is \$528,000)

**LINE ITEM REDISTRIBUTION**

Department of Transportation and Public Facilities  
Statewide Maintenance and Operations BRU  
Northern Highways & Aviation Component

Personal Services	(\$164,560)
Travel	(\$9,680)
Contractual	435,600
Supplies	(\$261,360)

(Project total for Special Services in the Contractual Line is \$484,000)

**LINE ITEM REDISTRIBUTION**

Department of Transportation and Public Facilities  
Statewide Maintenance and Operations BRU  
Southeast Highways & Aviation Component

Personal Services	(\$29,920)
Travel	(\$1,760)
Contractual	79,200
Supplies	(\$47,520)

(Project total for Special Services in the Contractual Line is \$88,000)

Back up documentation to amendment presented for DOT/PF by Representative Cowdrey based on averages of information provided in 3/18/97 memo from DOT/PF to Representative Cowdrey forwarded to Jim Hauck. Averages and assumptions were agreed upon by Ginger Patton, Fiscal Analyst and Marko Pignalberi.

The force account work was divided by rural and urban by Marko. The sum of \$1.1 million was determined for urban work. It is the intent of the Representative to make these funds available to be contracted out by the municipalities instead of using State resources.

Based on the estimated project costs by region for FY96, the same percentages will be applied to the \$1.1 million for the purpose of this amendment.

<b>1996 Actuals</b>	<b>Project Cost</b>	<b>Percentage of Total Cost</b>
Central Region	\$1,288,100	48%
Northern Region	\$1,186,900	44%
Southeast Region	\$ 234,560	8%
<b>Total</b>	<b>\$2,709,560</b>	<b>100%</b>

<b>1998 Amendment</b>	<b>Project Cost</b>	<b>Percentage of Total Cost</b>
Central Region	\$ 528,000	48%
Northern Region	\$ 484,000	44%
Southeast Region	\$ 88,000	8%
<b>Total</b>	<b>\$1,100,000</b>	<b>100%</b>

Based on the line item breakout for the chip seal project provided in a March 6, 1997 memorandum from Summit Paving and Construction to Representative Cowdrey, the same percentages will be applied to the appropriate line items per component to reflect the project work done by a private contractor.

<b>Line Item</b>	<b>Line Item Cost</b>	<b>Percentage of Total Cost</b>
State Personnel	\$327,165	34%
Travel & Per Diem	\$15,299	2%
Contractual & Misc. Costs	\$96,606	10%
Material Costs	\$510,491	54%
<b>Total</b>	<b>\$949,561</b>	<b>100%</b>

<b>Central Region</b>	<b>Line Item Cost</b>	<b>Percentage of Total Cost</b>
State Personnel	\$179,520	34%
Travel & Per Diem	\$10,560	2%
Contractual & Misc. Costs	\$52,800	10%
Material Costs	\$285,120	54%
<b>Total</b>	<b>\$528,000</b>	<b>100%</b>

<b>Northern Region</b>	<b>Line Item Cost</b>	<b>Percentage of Total Cost</b>
State Personnel	\$164,560	34%
Travel & Per Diem	\$9,680	2%
Contractual & Misc. Costs	\$48,400	10%
Material Costs	\$261,360	54%
<b>Total</b>	<b>\$484,000</b>	<b>100%</b>

<b>Southeast Region</b>	<b>Line Item Cost</b>	<b>Percentage of Total Cost</b>
State Personnel	\$29,920	34%
Travel & Per Diem	\$1,760	2%
Contractual & Misc. Costs	\$8,800	10%
Material Costs	\$47,520	54%
<b>Total</b>	<b>\$88,000</b>	<b>100%</b>

# MEMORANDUM

# State of Alaska

Department of Transportation & Public Facilities

TO: Annalee McConnell, Director  
Office of Management and Budget  
Office of the Governor

DATE: March 20, 1997

TEXT NO: (907) 465-3652

FAX NO: (907) 586-8365

TELEPHONE NO: (907) 465-3900

  
FROM: Joseph L. Perkins, P.E.  
Commissioner

SUBJECT: FY98 House Subcommittee  
Proposal

The House Finance subcommittee for the Department of Transportation and Public Facilities reduced our budget by \$625,000 General Funds from the FY98 Governor's budget. This reduction is split between our two appropriations with general funds in the following manner:

Alaska Marine Highway System - \$440,300  
Statewide Programs - \$184,700

The subcommittee has indicated that they do not want any of this reduction to be applied to our maintenance and operation of highways or airports. Therefore, in the calculation of the reduction to be applied to the two above appropriations, they removed the M&O funding from Statewide Programs before applying the ratio of GF to the total reduction amount. In our analysis of the impact of this reduction, we have not assessed any of the cut against service in our maintenance components. The subcommittee further indicated that they did not want the funding reduction to result in primary service reductions in the Marine Highway System.

The following potential actions to apply these reductions have attempted to minimize the impact to public service levels.

### Alaska Marine Highway System

#### Administrative deletions - \$190,300

This reduction would result in deletion of three administrative shoreside positions, potentially in the procurement function, and other administrative efficiencies to be identified in the department review. Response time for procuring routine vessel supplies, small contracts and bids on annual maintenance contracts will be slowed.

Delete assistant second cook position on the M/V Aurora and M/V LeConte - \$100,000  
Reduction in hours of food service

Delete M/V Columbia day seaman - \$100,000

Less efficiency in the vehicle loading and unloading process. This deck position is not required for the safe operation of the vessel.

Combine second steward and storekeeper positions on three mainline vessels in the winter season - \$50,000

Reduction in time for direct supervision of galley staff and inventory control

### Statewide Programs

Commissioner's Office - \$10,000

Reduce contractual services

Internal Review component - \$11,900

Reduce the contractual line for auditors' training

Statewide Administrative Services - \$15,000

Reclassify a Procurement Specialist I, range 14, to Supply Tech II, range 12, through a reassignment of duties

Statewide Information Systems - \$15,000

Reduce the commodities line by renegotiating software licenses

Statewide Planning - \$7,700

Reduce those activities which cannot be charged to Federal Planning funds such as support of the port and harbor capital budget request and responses to public inquiries not related to an on-going federal planning project

Statewide Aviation - \$10,500

Convert a Leasing Officer II, to a seasonal position, which will reduce the ability to respond to public inquiries regarding bankruptcy issues and disputes related to implementation of Title 17 regulations

Central Maintenance and Operations, Highways and Aviation - \$25,000

Convert snow removal equipment at the Aniak airport to wet, nonrental status, requiring us to rely on federal Airport Improvement Program funds for its replacement

Central Maintenance and Operations, Facilities - \$25,000

Reduce janitorial maintenance at the Anchorage Courthouse building

Northern Design and Construction, Engineering Management - \$29,900

Delete the Technical Services Chief position and reorganize this section

**Southeast Maintenance and Operations, Facilities - \$34,700**

Reclassify an Administrative Clerk from full-time to part-time, creating some delays in processing paperwork (\$18,600)

Reclassify Engineer I to a Building Management Specialist after the incumbent retires, to put greater emphasis on environmental and regulatory matters (\$16,100)

In addition to these reductions, the subcommittee did not include the \$3,016,000 budget amendment for the transfer of the Weights and Measurements function from the Department of Commerce. It is our understanding that this will be offered as an amendment to the budget in House Finance committee.

cc: Kurt Parkan, Deputy Commissioner  
Regional/System Directors  
Nancy Slagle, Director, Administrative Services