

Agency

Overviews:

DOA; DMVA;

DNR

HFIN

FILE

HOUSE FINANCE COMMITTEE
JANUARY 21, 1997
1:45 P.M.

TAPE HFC 97 - 3, Side 1, #000 - end.
TAPE HFC 97 - 3, Side 2, #000 - end.
TAPE HFC 97 - 4, Side 1, #000 - #670.

CALL TO ORDER

Co-Chair Mark Hanley called the House Finance Committee meeting to order at 1:45.

PRESENT

Co-Chair Hanley	Representative Grussendorf
Co-Chair Therriault	Representative Kolring
Representative Davies	Representative Martin
Representative Davis	Representative Mulder
Representative Foster	

Representatives Moses and Kelly were not present for the meeting.

ALSO PRESENT

Mark Boyer, Commissioner, Department of Administration; Sharon Barton, Director, Division of Administrative Services, Department of Administration; Alison Elgee, Deputy Commissioner, Department of Administration; MG Jake Lestenkof, Adjutant General/Commissioner, Department of Military and Veterans Affairs; Carol Carroll, Director, Division of Administrative Services, Department of Military and Veterans Affairs; John Shively, Commissioner, Department of Natural Resources; Nico Bus, Chief, Financial Services, Department of Natural Resources; Frank Rue, Commissioner, Department of Fish and Game; Kevin Brooks, Director, Division of Administrative Services, Department of Fish and Game.

SUMMARY

AGENCY OVERVIEWS:

Department of Administration
Department of Military and Veterans Affairs
Department of Natural Resources
Department of Fish and Game

(Copies of log notes, meeting tapes and handouts will be on file with the House Finance Committee Secretaries until after the 20th Legislative Session. Contact #465-6814 or #465-2378. After the 20th Legislative Session, log notes, meeting tapes and handouts will be located at the Legislative Library, #465-3808.)

**Department of
Administration**

Serving Alaskans



FY 98 BUDGET OVERVIEW



Tony Knowles, Governor
Mark Boyer, Commissioner

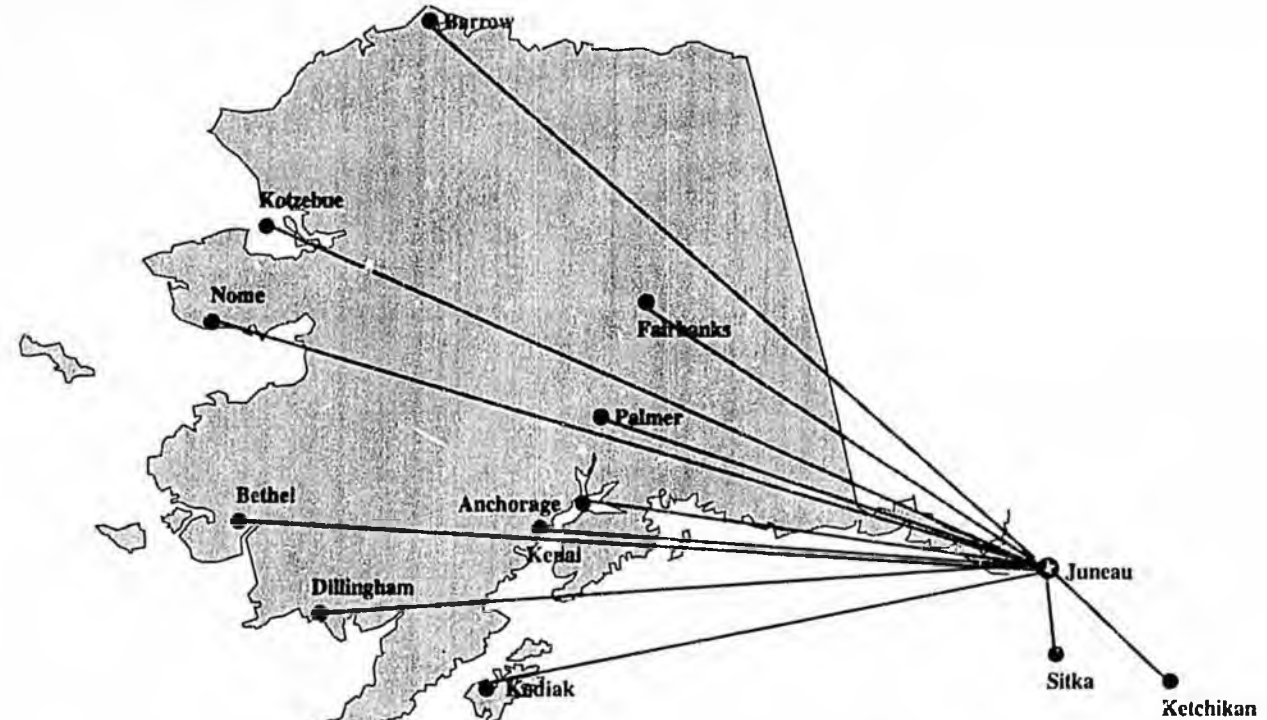
Internet HomePage: <http://www.state.ak.us/local/akpages/ADMIN/home.htm>

Copies of this document are available from the Department of Administration, Division of Administrative Services, 10th Floor, State Office Building, Juneau, Alaska (907) 465-2277.

TABLE OF CONTENTS

	Page
ORGANIZATION CHART	1
FUNCTIONAL ORGANIZATION	2
PROGRAM CONTACTS	4
FY 98 OPERATING BUDGET CHARTS	
FY 98 General Fund Operating Budget Comparison	6
FY 98 Operating Budget by Service Category—GF	7
FY 98 Operating Budget Comparison by Program—All Funds	8
FY 97-98 Operating Budget Summary	9
FY 98 MAJOR ISSUES	10
DIVISION OVERVIEWS	
Office of the Commissioner	14
Office of Tax Appeals	16
Administrative Services	18
Personnel	20
Finance	22
General Services	24
Retirement and Benefits	30
Risk Management	32
Information Services	34
Public Communications Services	36
Senior Services	40
Alaska Longevity Programs	44
Public Defender Agency	46
Office of Public Advocacy	50
Alaska Public Offices Commission	52
Alaska Oil and Gas Conservation Commission	54
APPENDICES	
1 Five-Year Comparison—Total Funds	56
2 FY 97 Authorized/FY 98 Governor's Request	57
3 Public Communications	62
4 Labor Contract Summary	63
5 Information Services Fund Update	68
6 Fee Schedule	70
STAFFING CHARTS	72

State of Alaska Department of Administration Office Locations



Divisions

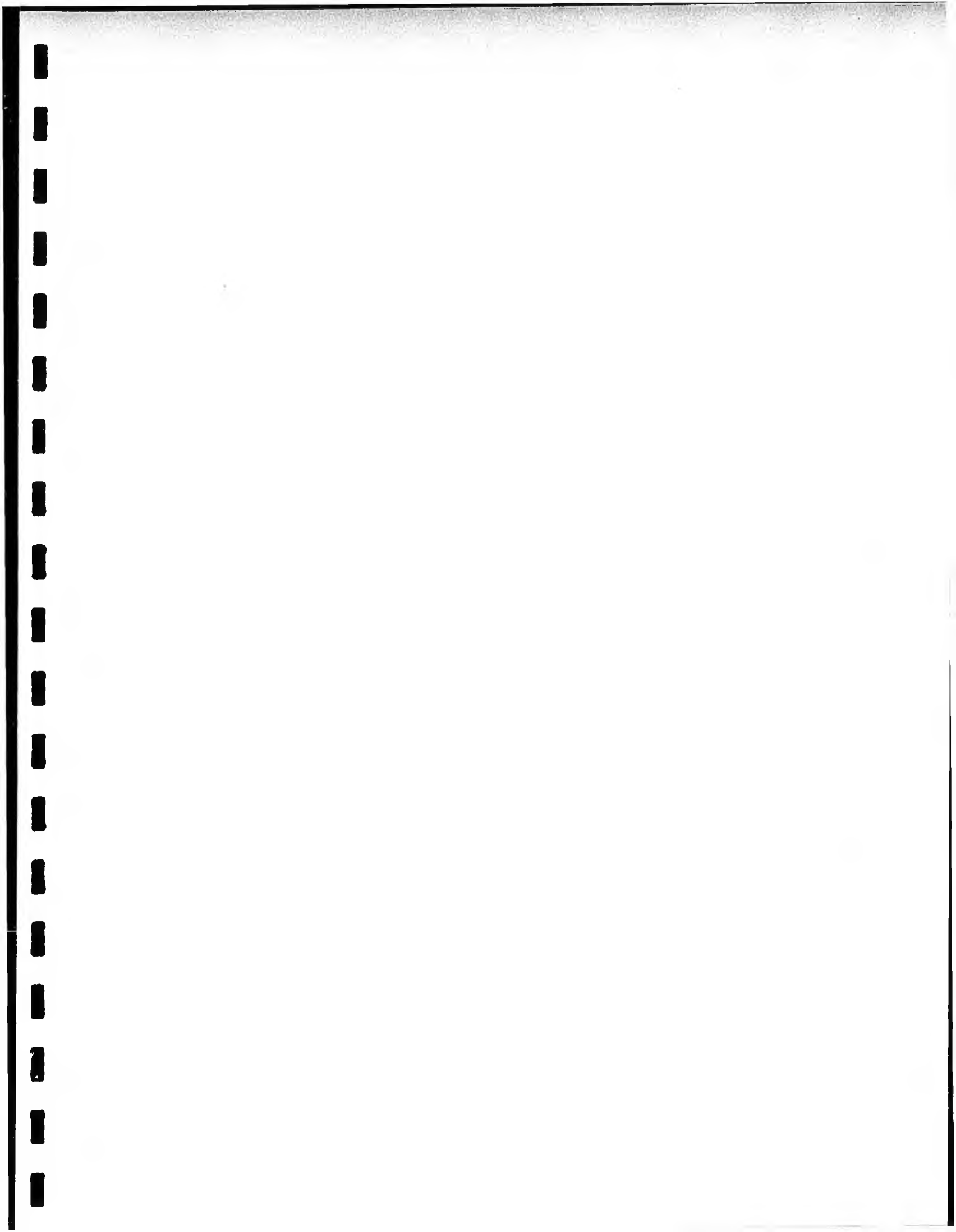
Administrative Services
Alaska Public Offices Commission
Finance
General Services
Information Services
Office of Public Advocacy
Personnel
Public Defender Agency

Retirement and Benefits
Risk Management
Senior Services
Alaska Longevity Programs

Office of Tax Appeals
Alaska Oil and Gas Conservation
Commission

Location

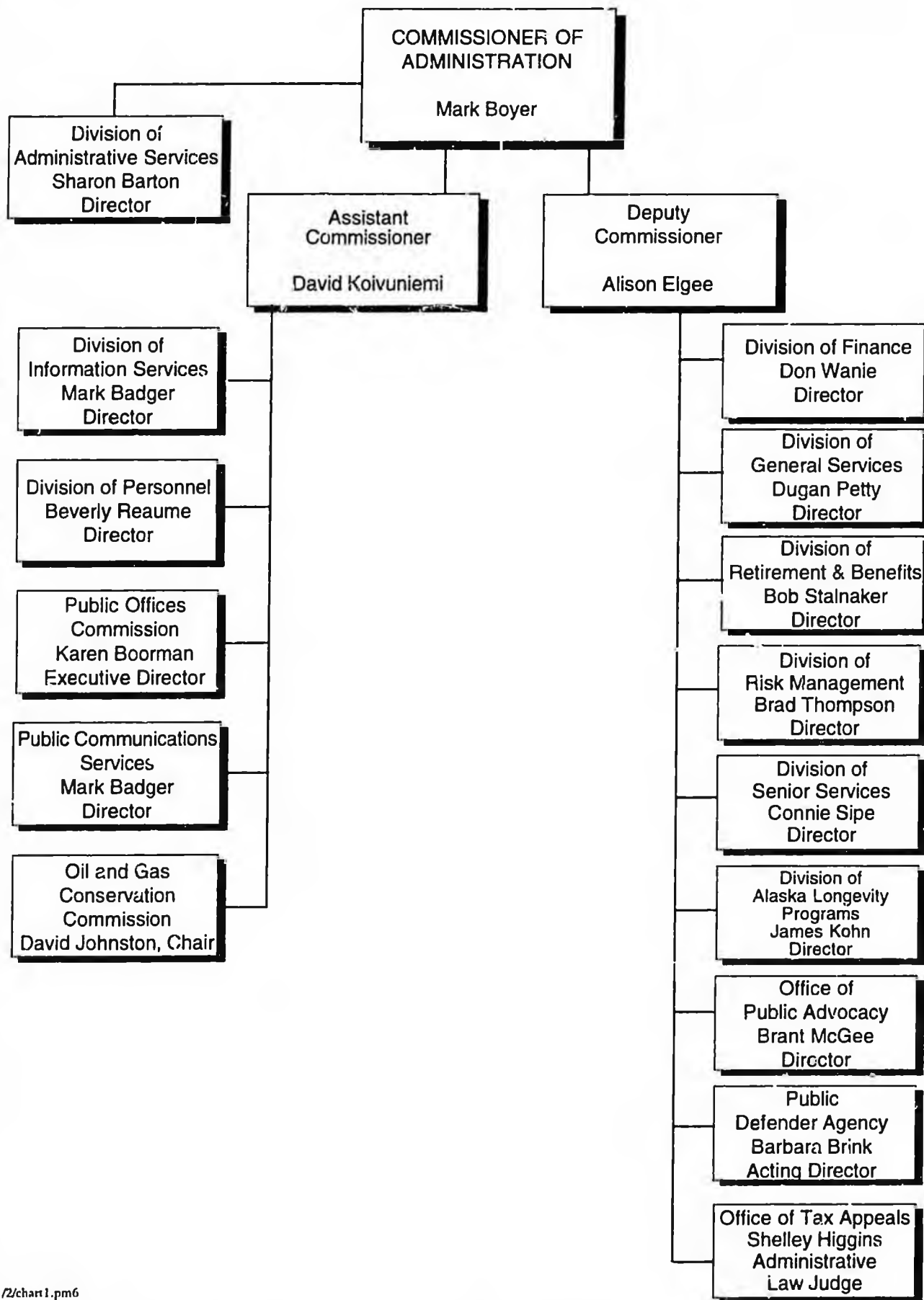
Juneau
Anchorage, Juneau
Juneau
Anchorage, Juneau
Anchorage, Fairbanks, Juneau
Anchorage, Fairbanks, Juneau
Anchorage, Juneau
Anchorage, Barrow, Bethel, Dillingham,
Fairbanks, Juneau, Kenai, Ketchikan,
Kodiak, Kotzebue, Nome, Palmer, Sitka
Anchorage, Juneau
Juneau
Juneau
Anchorage, Fairbanks, Juneau,
Ketchikan, Palmer, Sitka
Juneau
Anchorage



INTRODUCTION

	Page
ORGANIZATION CHART	1
FUNCTIONAL ORGANIZATION	2
PROGRAM CONTACTS	4
FY 98 OPERATING BUDGET CHARTS	
FY 98 General Fund Operating Budget Comparison	6
FY 98 Operating Budget by Service Category—GF	7
FY 98 Operating Budget Comparison by Program—All Funds	8
FY 97-98 Operating Budget Summary	9
FY 98 MAJOR ISSUES	10

DEPARTMENT OF ADMINISTRATION



1/2/chart1.pm6
Rev: 12/18/96

DEPARTMENT OF ADMINISTRATION Functional Organization

Division Director and Phone #	Services to State Agencies	Services to the Public	Services Internal to the Department
Commissioner's Office Mark Boyer 465-2200	Budget Review Committee State Bond Committee Student Loan Corp. Correctional Industries Telecom. Info. Council	Public Information Older Alaskan Commission/ Grants	Department Management
Administrative Services Sharon Barton 465-2277		Municipal Grants Procurement/Longevity Bonus Appeals	Departmental Personnel, Fiscal, Payroll, Property, Procurement, HomePages
Personnel Beverly Reaume 465-4433	Eligible Hire Lists Classification and Pay EEOC Complaint Investigations Alaska Prof. Dev. Institute (APDI) Personnel Board Contract Administration Grievance Arbitration Contract Negotiations Investigations and Training	Recruitment	
Finance Don Wanie 465-2240	Payroll Accounting Systems Management	Annual Financial Report 1099s, W-2s	
General Services Dugan Petty 465-5685	Purchasing Property Control Leasing and Facilities Central Duplication Central Mailroom Services	Surplus Property Sales Vendor Lists Bid Offerings Surplus Fed. Property Distribution	Mail Delivery and Pickup
Retirement and Benefits Robert F. Stalnaker 465-4470	Employee Health Insurance Retirement Programs SBS Benefits Group Health Insurance Deferred Compensation PERS/TRS Boards Supplemental Annuity Plan	Employee Health Insurance Retirement Programs SBS Benefits Group Health Insurance Deferred Compensation PERS/TRS Boards Supplemental Annuity Plan	
Risk Management J. Brad Thompson 465-5723	Property Insurance Workers' Compensation Tort Liability Protection	Claims Administration Negotiate Insurance terms in all state contracts/agreements	
Information Services Mark Badger 465-5766	Customer Services Computer Services Telecommunication Services	Public Communications Services	
Public Broadcasting Commission Mark Badger 465-5766		Grants and Technical Assistance to Public Radio/TV Grantees	
Alaska Longevity Programs James Kohn 465-4400		Pioneers' Homes Longevity Bonus	
Senior Services Connie Sipe 465-4791 563-5654	Manage long-term care functions for the Division of Medical Assistance	Grants to Senior Services Providers LTC Ombudsman Adult Protective Services Assisted Living Licensing CHOICE Home Care Waiver Personal Care Attendant Long-Term Care Unit	
Public Defender Barbara Brink 264-4400		Legal Representation for Indigents	
Office of Public Advocacy Brant McGee 274-1684		Guardians Ad Litem Guardianship Services Defense for Indigents	

DEPARTMENT OF ADMINISTRATION Functional Organization

Division Director and Phone #	Services to State Agencies	Services to the Public	Services Internal to the Department
Public Offices Commission Karen Boorman 276-4176		Regulation of Campaign Finance Conflict of Interest Lobbying Legislative Financial Disclosure	
Oil and Gas Conservation Commission David Johnston 279-1433		Promoting the conservation and efficient production of oil and natural gas	
Tax Appeals Shelley Higgins 688-9754		Administrative hearings Oil tax appeals	

DEPARTMENT OF ADMINISTRATION

Program Contacts*

Administrative Services

Budget - Eric Swanson (5654)
Fiscal - Tom Cherian (5653)
Hearing Officer - Keith Gilmore (5667)
Human Resources - Mary Wanie (5658)
Municipal Grants - Lena Simmons (5647)
Payroll - Judy Elphic (5661)
Property - Staci Augustus (5656)
Procurement - Staci Augustus (5656)

Commissioner's Office

Budget Review Committee - Mark Boyer (2200),
Alison Elgee (2200)
Correctional Industries - Mark Boyer (2200)
Department Management - Mark Boyer (2200),
Alison Elgee (2200)
Public Information - Mark Boyer (2200),
Alison Elgee (2200)
State Bond Committee - Mark Boyer (2200)
Student Loan Corporation - Mark Boyer (2200)
Telecom. Info. Council - Mark Boyer (2200)

Finance

Accounting - Weldon Blackwell (5614)
Payroll - Mark Minthorn (5599)
Annual Financial Report - Joe Thomas (5616)
Systems and Programming Mgt. - David Essary (5615)
System Administration and Security - Debbie Bump (5603)
W-2s/1099s - Jim Barnes (5590)

General Services

Central Duplication - Charlie Wolfe (2282)
Leasing and Facilities - Keith Gerken (5683)
Purchasing - Vern Jones (5684)
Property Control - Diane Kochendorfer (279-0596)
Surplus Property - Diane Kochendorfer (279-0596)
Vendor Lists - Vern Jones (5684)
Central Mail - John Schauwecker (2259)

Information Services

Public Communications Services - Mark Badger (2220)
Customer Services - Karen Morgan (5794)
Computer Services - Ron Hensley (5789)
Telecommunication Services - John Murrone (269-5744)

Retirement and Benefits

Deferred Compensation - Anselm Staack (5703)
Group Health and Life Insurance - Janet Parker (4473)
Supplemental Annuity Plan - Anselm Staack (5703)
PERS/TRS Boards - Robert Stalnaker (4470)
Retirement Programs - Bill Church (5706),
SBS Benefits - Lisa Tourtellot (4475)

Oil and Gas Conservation Commission

General Information - David Johnston (279-1433)

Office of Public Advocacy

General Information - Brant McGee (274-1684)

Office of Tax Appeals

General Information - Shelley Higgins (688-9754)

Personnel

Beverly Reaume (4433)
Employee Acquisition - Elaine Williams (4054)
Classification - Patty Judson (4425)
Information Technology - Judy Stefanc (3567)
Labor Relations - Kent Durand (4098)
EEO Investigations - Phyllis Schmidt (563-0226)
ADA, FMLA, FLSA - Mike McMullen (4431)

Public Communications Services

General Information - Mark Badger (2220)

Public Defender Agency

General Information - Barbara Brink (264-4400)

Public Offices Commission

Campaign Finance - Greg Grarquist (276-4176),
Conflict of Interest - Nancy Freeman (276-4176)
Lobbying - Brooke Miles (4864)
Legislative Financial Disclosure - Nancy Freeman (276-4176)

Risk Management

Property and Marine Insurance - Lou Edwards (2183)
Claims Administration and General Insurance
Issues - Ted Lehrbach (5724)
Workers' Compensation and General
Liability - Bill Chisham (2184)
Legal Defense and Self-Insurance - Brad Thompson (5723)

Senior Services

Adult Protective Services - Connie Sipe (563-5654)
Assisted Living Homes Licensing - Connie Sipe (563-5654)
CHOICE Medicaid Home Care - Kay Burrows (563-5654)
Grants and Technical Assistance
to Senior Services Providers - Jane Demmert (4879)
Long-Term Care Ombudsman - Jane Demmert (4879)
Long-Term Care Services Unit - Kay Burrows (563-5654)
Personal Care Grants Administration -
Kay Burrows (563-5654)

Alaska Longevity Programs

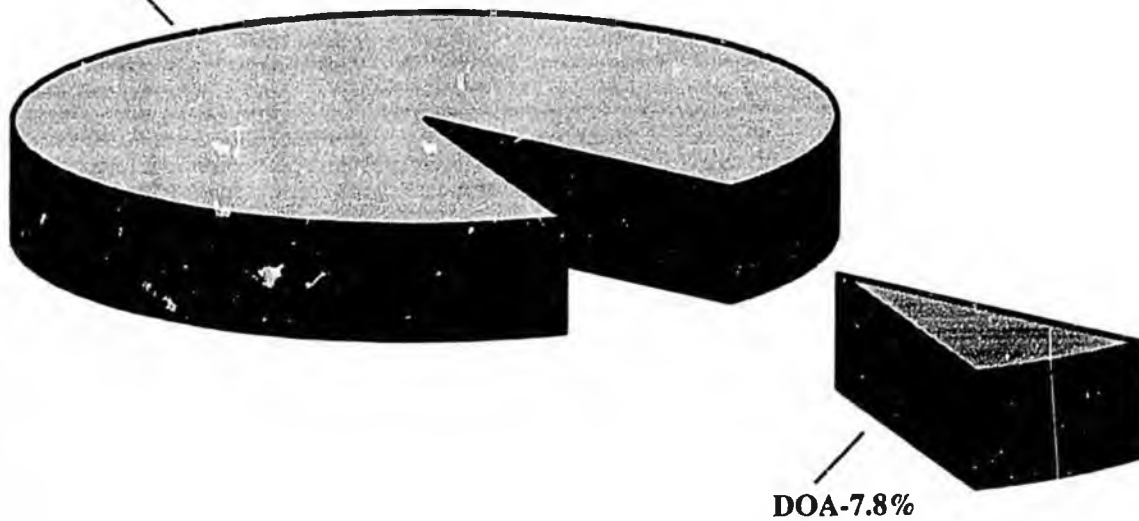
Longevity Bonus - James Kohn (4400)
Pioneers' Homes - James Kohn (4400)

* All telephone numbers are 465 prefixes unless specified

Department of Administration

FY 98 General Fund Operating Budget Comparison

All Other State Agencies - 92.2%

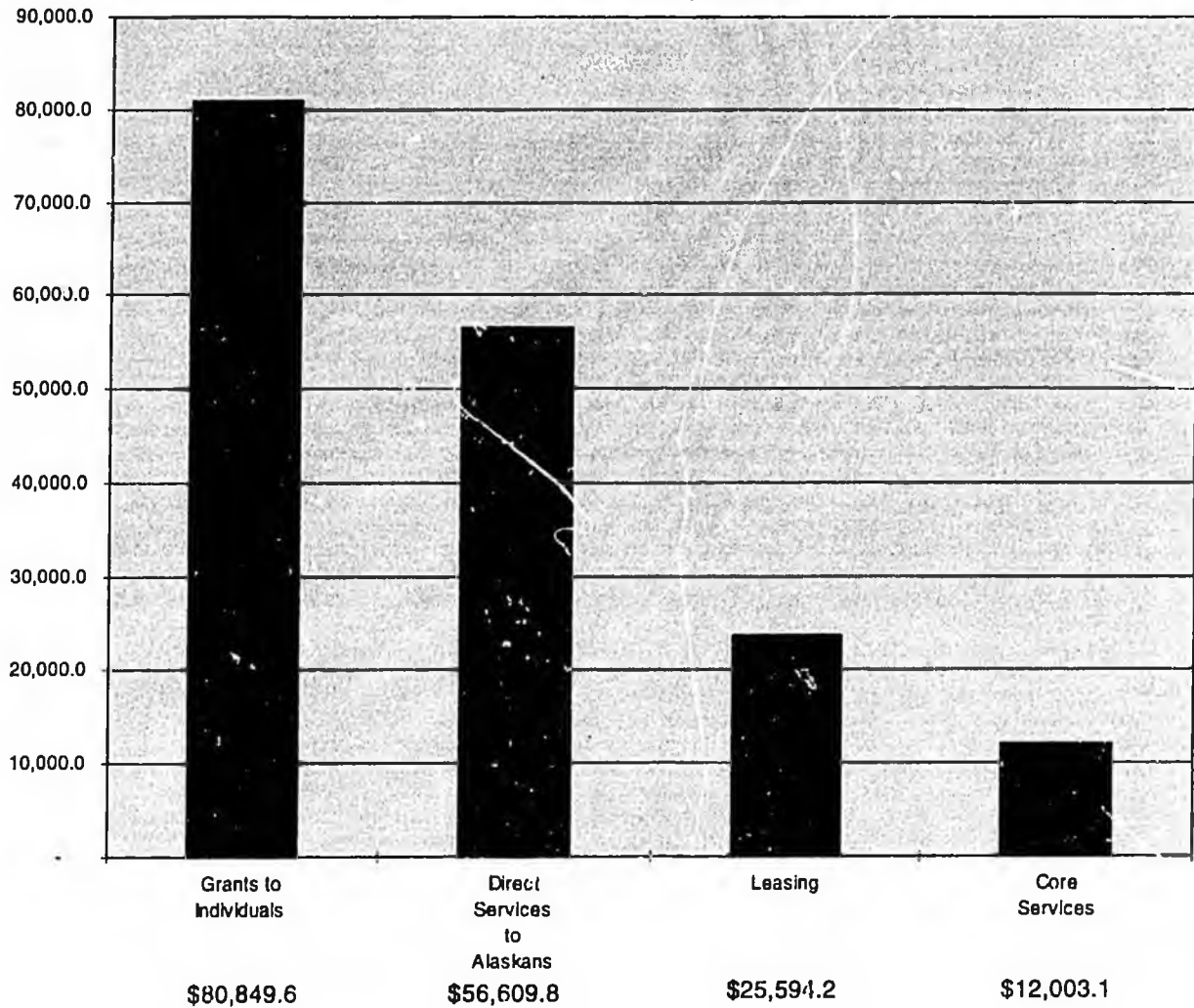


All Other State Agencies	\$2,034,625.3
DOA	\$ 173,161.7
Total State Operating Budget	\$2,207,787.0

Department of Administration

FY 98 General Fund Operating Budget by Service Category

Total \$173,056.7



Grants to Individuals

Commission on Aging
Longevity Bonus
Public Communications

Direct Services to Alaskans

Pioneers' Homes
Protection, Community Services,
and Administration
Public Defender
Citizens Foster Care Review
Office of Public Advocacy
Alaska Public Offices Commission
Public Communications Administration
EPORS
ARCS
AOGCC
Tax Appeals

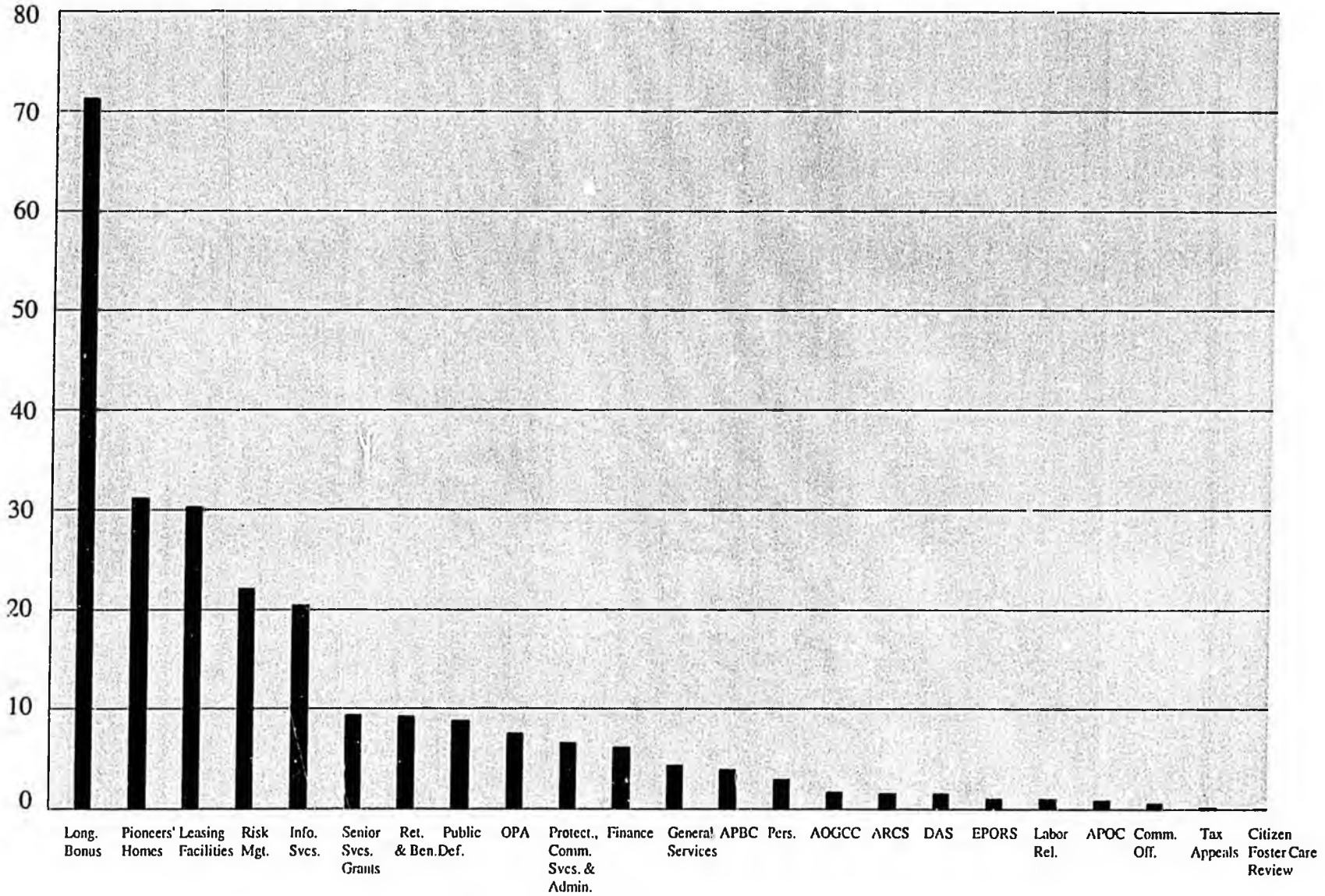
Leasing

Core Services

Office of the Commissioner
Administrative Services
Personnel
Labor Relations
Finance
General Services

DEPARTMENT OF ADMINISTRATION

FY 98 Operating Budget Comparison by Program—All Funds
(Millions)



**DEPARTMENT OF ADMINISTRATION
FY 97-98 Operating Budget Summary**

(For additional budget summaries, see Appendices 1 and 2, pages 56 and 57 through 60)

<u>Component</u>	<u>FY 97 Authorized</u>		<u>FY 95 Governor</u>		<u>Variance</u>	
	<u>GF</u>	<u>Total</u>	<u>GF</u>	<u>Total</u>	<u>GF</u>	<u>Total</u>
Longevity Bonus Grants	74,062.6	74,062.6	71,198.9	71,198.9	(2,863.7)	(2,863.7)
Pioneers' Homes	30,859.3	30,859.3	31,062.6	31,062.6	203.3	203.3
Protection, Community Services, and Administration	2,021.5	3,929.1	4,041.3	6,529.5	2,019.8	2,600.4
Nutrition, Transportation & Supplies	1,646.1	5,505.1	1,655.3	5,514.3	9.2	9.2
Senior Employment	198.3	1,752.3	198.3	1,752.3	0.0	0.0
Home & Community Based	2,982.2	2,982.2	2,973.0	3,380.2	(9.2)	398.0
Senior Residential	1,015.0	1,015.0	1,015.0	1,015.0	0.0	0.0
Public Defender	8,707.4	8,707.4	8,823.1	8,823.1	115.7	115.7
Public Advocacy	7,369.1	7,439.5	7,406.8	7,478.3	37.7	38.8
Commissioner's Office	381.8	496.7	387.4	503.0	5.6	6.3
Foster Care Review	136.6	136.6	139.9	139.9	3.3	3.3
Administrative Services	758.2	1,485.3	766.7	1,501.8	8.5	16.5
Personnel	2,874.8	3,877.7	2,872.9	3,874.6	(1.9)	(3.1)
Finance	5,683.1	6,098.8	5,729.8	6,145.5	46.7	46.7
General Services	2,075.2	4,345.7	2,098.6	4,303.6	23.4	(42.1)
Retirement and Benefits	0.0	6,970.7	0.0	9,186.2	0.0	215.5
EPORS	891.1	891.1	1,033.8	1,033.8	142.7	142.7
Tax Appeals	188.4	108.4	160.4	160.4	(28.0)	(28.0)
AOGCC	1,619.2	1,719.1	1,586.8	1,688.4	(32.4)	(30.7)
APOC	687.5	687.5	778.2	778.2	90.7	90.7
Risk Management	0.0	21,965.3	0.0	21,967.2	0.0	1.9
Information Services	0.0	20,301.8	0.0	20,358.9	0.0	57.1
ARCS	754.3	910.0	754.3	1,578.0	0.0	668.0
Public Communications Services	4,153.4	4,153.4	3,858.0	3,868.0	(285.4)	(285.4)
Leases	23,570.6	29,940.2	23,594.2	30,273.6	23.6	333.4
Total	172,635.7	242,420.8	172,145.3	244,115.3	(490.4)	1,694.5

Major Issues

◆ **Better Statewide Business Practices**

During FY 97 and 98, the Department of Administration will focus on reengineering state business practices and processes to achieve dramatic performance gains and to create more responsive, efficient government services. Priorities for change include personnel hiring and classification; procurement delegations/training to departments, purchasing cards, and enhanced electronic commerce; payroll; central duplication copy on demand services; Alaska Public Offices Commission on-line reporting; and Division of Motor Vehicles paper and workflow processes.

◆ **Personnel Reengineering**

During 1996, the Division of Personnel began the process of reengineering the state's personnel system in an effort deliver human resources services in the most efficient, cost-effective manner. Preliminary research was conducted to determine how other states had successfully reengineered personnel processes, staff were trained in process change, meetings were held with state hiring managers to identify needed change in the Alaska personnel system, and reengineering/design teams were established to develop new and improved personnel processes.

At this time, a reengineered employee acquisition system has been proposed which includes recruitment for individual vacancies; streamlined examining and selection processes; an on-line, user-friendly application process available on the Internet; and other process changes expected to provide managers and applicants a fast and easy method for recruiting, hiring, and applying for jobs. These process changes will be piloted in the Departments of Environmental Conservation and Education in February with statewide implementation beginning as early as July 1997.

In late 1997, classification and pay will also undergo reengineering to simplify and improve the state's classification and pay systems.

In order to fully intergrate state human resources management services, the Labor Relations Office was merged into the Division of Personnel from its previous location in the Commissioner's Office.

◆ **Procurement Streamlining**

During the past year, the Procurement Advisory Council (PAC) developed revisions to statute that streamline and simplify state procurement. Regulations have been reviewed and revised to clarify and implement changes made in statute. Subcommittees are working to bring about additional efficiencies through the use of electronic commerce and revisions to standard terms and conditions. The PAC also is identifying nonresponsive procurement practices to eliminate inefficiencies. Administrative manuals will be rewritten to support reengineered practices and revisions in regulation and statute.

◆ **Electronic Commerce**

Initiatives involving the Divisions of Finance and General Services are being designed to move the State into electronic commerce as a means of conducting routine business transactions when appropriate to reduce operating costs. Examples include electronic catalogs, electronic ordering applications, simplified and streamlined payments of travel card and purchasing card invoices through electronic funds transfer, and the use of web sites to provide notice of potential business opportunities and procurement actions.

◆ **Central Duplication**

Central Duplication will shift from offset print operations that require agencies to print and store large quantities of documents to meet long-term needs, to a copy on demand strategy aimed at furnishing quick copy needs to agencies as they need it. Replacement of current aging offset and xerographic copiers with new copy on demand digital equipment will increase productivity and enable this fee for service program to better meet the basic copying needs of state agencies.

◆ **Alaska Public Offices Commission On-Line Reporting**

The Commission is in the process of expanding Internet capabilities including interactive filing capabilities to streamline the reporting process for campaign finance and legislative financial disclosure.

◆ **Division of Motor Vehicles Processes**

The Division of Motor Vehicles (DMV) processes will be reengineered to provide the public with additional avenues for procuring and renewing drivers licenses and vehicle registrations through partnerships with private vendors and increased use of electronic tools, substantially reducing or eliminating the long customer lines at DMV offices in urban areas of the state.

◆ **Long-Term Care Strategy**

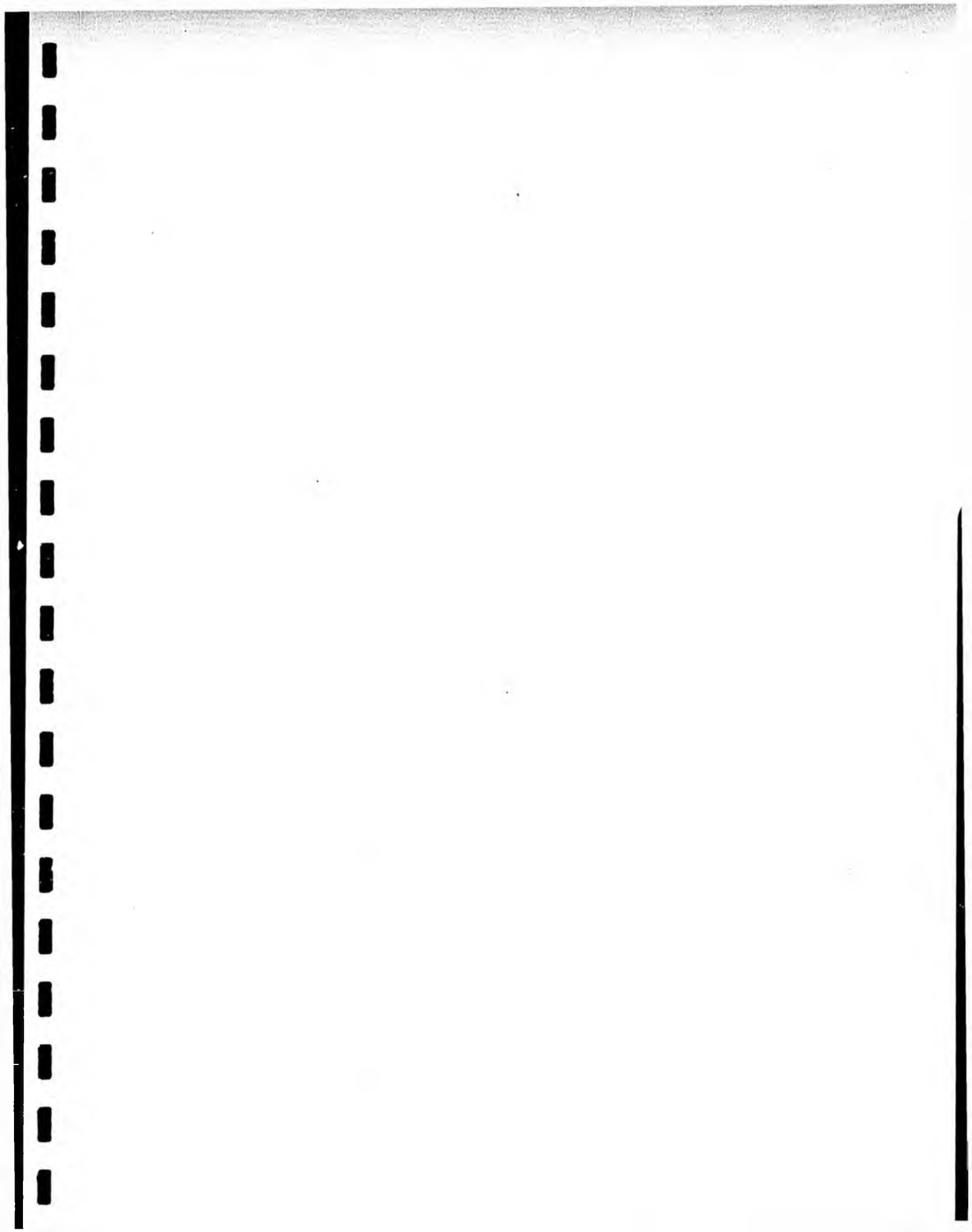
As part of the work being done by an interdepartmental team reviewing Alaska's long-term care system, the Home Health Services/Personal Care Attendant and the Medicaid Home Care programs are being transferred in the FY 98 budget from the Department of Health and Social Services to the Department of Administration, Division of Senior Services. These transfers are part of the state's efforts to provide a "one-stop shopping" system for long-term care services.

◆ **Alaska Longevity Bonus Income Cap**

During the 1997 legislative session, the Governor will introduce legislation to place an "income maximum" for recipients in the Longevity Bonus program. This change will produce significant cost-savings. Income caps are proposed at \$60,000 per individual and \$80,000 per couple assuring that those seniors most in need will continue to receive the bonus payment.

◆ **Health Benefits**

Major restructuring of employee health plans has been achieved through negotiation and cooperation with employees through their unions. Beginning July 1, 1997, the state will implement a fully flexible health benefit plan for supervisory employees covered by the Commissioner of Administration plan, including those who are not covered by collective bargaining and judicial and legislative employees. This structure will provide the state with more stability in employee health insurance costs and provide state employees more flexibility in directing the use of their health insurance dollars. In addition, the state will convert health insurance plans to fully self-insured status effective July 1, 1997. Recent changes in the health insurance market have provided the state an opportunity to gain more efficiencies at lower cost by establishing a fully self-insured status.



DIVISION OVERVIEWS

	Page
Office of the Commissioner	14
Office of Tax Appeals	16
Division of Administrative Services	18
Division of Personnel	20
Division of Finance	22
Division of General Services	24
Division of Retirement and Benefits	28
Division of Risk Management	30
Division of Information Services	32
Public Communications Services	34
Division of Senior Services	38
Division of Alaska Longevity Programs	42
Public Defender Agency	44
Office of Public Advocacy	48
Alaska Public Offices Commission	50
Alaska Oil and Gas Conservation Commission	52

Department of Administration

OFFICE OF THE COMMISSIONER

Mark Boyer Commissioner

Telephone: (907) 465-2200
FAX: (907) 465-2135
E-Mail: Mark_Boyer@admin.state.ak.us

Mission

To provide management oversight and policy direction to departmental programs, and to interface with the judicial, legislative, and executive branches of government to assure the effective, efficient, and economical delivery of public services to Alaskans.

Primary Services

- Provide policy direction and leadership for departmental programs
- Provide inter/intra-agency coordination as necessary
- Facilitate better business practices throughout state government

Customers

- The public
- The Governor
- The Legislature
- State agencies
- Departmental programs

FY 98 Initiatives

- Reengineering of state business practices, see major issues pages 10 through 12

Funding Summary

➤ Commissioner's Office Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	381.8	387.4
I/A Receipts	114.9	115.6
Total Funds	496.7	503.0
PFT Positions	5.0	5.0

FY 98 Update

➤ Structural Changes

Three organizational changes were made in the Commissioner's Office in FY 97: the Labor Relations unit was transferred to the Division of Personnel; the Citizens' Foster Care Review program was transferred to the Division of Senior Services; and the Office of Tax Appeals was established.

Department of Administration

Shelley Higgins
Hearing Officer

OFFICE OF TAX APPEALS

Telephone: (907) 688-9754
FAX: (907)
E-Mail: Shelley_Higgins@admin.state.ak.us

Mission

To provide fair and impartial hearing of all tax appeals brought to the department.

Primary Services

- Conduct hearings for oil, severance, corporate income, and all fisheries tax appeals

Customers

- Tax payers
- The public

FY 98 Initiatives

- Adopt new tax appeal regulations under AS 43.05.400 and draft new litigation forms to simplify and expedite the appeal process for the small business tax payer.

Funding Summary

	FY 97 Authorized	FY 98 Governor's Request
General Fund	188.4	
Total Funds	188.4	50.4
PFT Positions	1.0	1.0

Department of Administration

DIVISION OF ADMINISTRATIVE SERVICES



**Sharon Barton
Director**

Telephone: (907) 465-5655
FAX: (907) 465-2135
E-Mail: Sharon_Barton@admin.state.ak.us

Mission

To facilitate delivery of all DOA programs by providing efficient and cost-effective business management support, to effectively administer state municipal grants programs, and to provide fair and impartial adjudication of appeals and claims against the state as provided by law.

Primary Services

- Provide training to department administrative staff
- Develop and implement the department budget
- Provide personnel and payroll management support
- Oversee departmental procurement
- Administer Municipal and Matching Grants
- Analyze and make recommendations on administrative appeals
- Provide department-wide publications and HomePages services

Customers

- Department of Administration program managers and employees
- Private sector vendors
- Office of Management and Budget
- The Legislature
- Incorporated municipalities and organized boroughs (Municipal and Capital Matching Grants)

FY 98 Initiatives

- Support statewide better business practices initiatives and continuously seek opportunities for improving internal business processes
- Train and equip department administrative staff to work effectively in an environment of continuous change
- Support initiatives to improve Division of Motor Vehicles services to the public by providing strong business management services
- Foster improved communications and flow of information within the department through standardization and further networking of computer tools

Funding Summary

➤ Administrative Services Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	758.2	766.7
I/A Receipts	727.1	735.1
Total Funds	1,485.3	1,501.8
PFT Positions	21.0	22.0

Department of Administration

DIVISION OF PERSONNEL



**Beverly Reaume
Director**

Telephone: (907) 465-4433

FAX: (907) 465-2576

E-Mail: Beverly_Reaume@admin.state.ak.us

Mission

Work in partnership with state agencies to hire, retain, and promote a highly qualified and productive workforce for the citizens of Alaska by providing customers with leadership and a quality array of human resource services in compliance with laws and merit principles.

Primary Services

- Develop policies to ensure compliance with all relevant statute and regulation requirements
- Protect and promote diversification of the state workforce
- Fairly, efficiently, and cost effectively provide a pool of qualified applicants to the executive branch departments
- Develop policies and provide training and consultant services to increase employee productivity and foster employee growth
- Maintain the state classification and pay structure
- Represent the administration in contract negotiations
- Respond to grievances and complaints on behalf of the Commissioner of the Department of Administration
- Represent the State of Alaska in arbitration, mediation, and other dispute resolution procedures
- Represent the State of Alaska at Alaska Labor Relations Agency hearings regarding unfair labor practices, unit clarification, and other matters
- Establish and administer labor management committees

Customers

- Executive branch departments
- Employees
- Applicants for state positions (all working-age residents are potential applicants)
- Human resources personnel
- Supervisors and managers

FY 98 Initiatives

- Reengineer the hiring system to increase efficiency and responsiveness to departments' needs
- Reengineer the classification and pay systems to increase efficiency and responsiveness to departments' needs
- Implement the imaging of state applications
- Implement approved collective bargaining agreements
- Establish effective Labor Management Committee procedures
- Increase efficiency of the dispute resolution and grievance-arbitration processes
- Develop new and revised materials for supervisory training

Funding Summary

- **Personnel Components**
(Personnel, Labor Relations, and Alaska Professional Development Institute)

	FY 97 Authorized	FY 98 Governor's Request
General Fund	2,874.8	2,872.9
I/A Receipts	780.2	779.0
GF Designated		
Prog. Receipts	147.7	147.7
CIP	75.0	75.0
Total Funds	3,877.7	3,874.6
PFT Positions	45.0	44.0

FY 98 Update

- **Program Changes**
The division is in the midst of a major reengineering effort and will pilot a new hiring process in February 1997 with the Departments of Education and Environmental Conservation. Between July 1997 and January 1998, the division will implement the new hiring process. The new simplified process will eliminate the current register process and backlogs in application examining. The process will be more "user friendly" to the public, employees, and hiring managers.

The division anticipates pilot projects in classification in mid-FY 98.

- **Structural Change**
In order to fully integrate state human resources management services, the Labor Relations Office was merged into the Division of Personnel from its previous location in the Commissioner's Office.
- **Bargaining Unit Summary of Negotiations**
See Appendix 5 page 68.

Department of Administration

DIVISION OF FINANCE



Don Wanie
Director

Telephone: (907) 465-2240

FAX: (907) 465-2189

E-Mail: Don_Wanie@admin.state.ak.us

Mission

To uphold the public's trust in the safety, soundness, integrity, and stability of the state's financial systems through effective and efficient policies and through compliance with statutory/regulatory fiscal procedures and generally-accepted accounting principles.

Primary Services

- Centralized statewide accounting
- Centralized statewide payroll to all branches of government
- Financial systems security
- Financial policy and procedures development
- Travel policy and procedures development
- Accounting and payroll training

Customers

- State agencies; all three branches of government
- Employees and former employees
- Vendors

FY 98 Initiatives

- Complete the update and distribute the AKSAS section of the Administrative (policy) Manual and AKSAS User (procedure) manual
- Update the statewide training program
- Implement the statewide purchasing card program for small purchases
- Expand the state's use of electronic commerce including payment transactions
- Install new releases for payroll and financial reporting software packages
- Release the Comprehensive Annual Financial Report concurrent with the Legislative Auditor's Opinion and apply for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting

Funding Summary

► Finance Component

	FY 97 Authorized	FY 98 Governor's Request
I/A Receipts	415.7	415.7
General Fund	5,683.1	5,729.8
Total Funds	6,098.8	6,145.5
PFT Positions	45.0	47.0

FY 98 Update

State of Alaska Payroll, Accounting, and Financial Reporting at a Glance

► Payroll (AKPAY)

Authorized users	840
Current employee payroll	15,200
Seasonal variation	13,000 to 16,000 employees
W-2s forms issued annually	20,099
Payrolls processed:	
Semimonthly	24
Biweekly AMHS	26
Paychecks issued annually	438,150
Electronic deposit participants	10,528
Total CY 96 payroll (including benefits)	\$895,779,667*

► Accounting (AKSAS)

Authorized AKSAS users	3,154
Number of vendors	55,475
Number of vendor payments	465,058
1099s issued	5,465
Other warrants processed (PFD, Longevity Bonus, etc.)	1,193,311

*Does not include University of Alaska, the Alaska Railroad, or Alaska Housing Finance Corporation.

Department of Administration

DIVISION OF GENERAL SERVICES



Dugan Petty
Director

Telephone: (907) 465-5685

FAX: (907) 465-2189

E-Mail: Dugan_Petty@admin.state.ak.us

Mission

To provide expert procurement, property management, duplicating, office leasing, and mail handling services that add value and help state agencies accomplish their public missions.

Primary Services

- Provide procurement leadership through training, consultation, and guidance to customer agencies
- Provide policies and procedures that foster a competitive acquisition process and guide efficient property management
- Acquire supplies, services, and leased office space that meet statewide procurement needs
- Manage and dispose of state property
- Facilitate statewide reutilization of surplus federal property
- Provide duplicating and quick copy services to state agencies in Anchorage and Juneau
- Provide central mail processing and distribution in Juneau
- Provide AKSAS, AKPAY, and Permanent Fund warrant processing
- Manage leased facilities statewide

Customers

- State agencies
- Alaskan vendors
- Political subdivisions
- Commercial property owners
- Nonprofit organizations qualified to receive surplus federal property
- Minority businesses qualified to receive surplus federal property
- Food banks
- Citizens of the state

FY 98 Initiatives

- Streamline and reengineer procurement practices in conjunction with the Procurement Advisory Council
- Reduce office lease expenses through consolidation, building purchases, and more efficient use of space
- Replace expiring leases with best-value RFP procurements when appropriate, in cooperation with customer agencies
- Empower agency procurement staff through effective training and direct policy guidance, consultation, and oversight
- Begin a digital copy on demand strategy to meet agency needs
- Tailor central mail services to effectively provide customer driven fee-based services

Funding Summary

- **General Services Components**
(Purchasing, Central Duplicating and Mail, Property Management)

	FY 97 Authorized	FY 98 Governor's Request
GF Program Receipt	582.9	585.9
General Fund	1,492.3	1,512.7
I/A Receipts	1,956.8	1,887.2
Surplus Property	313.7	317.8
Total Funds	4,345.7	4,303.6
PFT Positions	51.0	45.0

- **Leasing Component**

	FY 97 Authorized	FY 98 Governor's Request
General Fund	23,570.6	23,594.2
I/A Receipts	6,369.6	6,679.4
Total Funds	29,940.2	30,273.6

FY 98 Update

- With the conversion of the Central Mailroom budget from General Fund to IA funding, the mailroom developed service level agreements customer agencies in which the cost of service and the customer's needs are clearly identified, allowing Central Mail Services to tailor its services to the individual agency customer. All agencies receive some base line services such as AKPAY and AKSAS warrant processing, and mail delivery services. Agencies have the option to receive additional services from the mailroom when cost-effective for their programs.
- Efforts continue to implement changes brought about in statute during the 19th legislature to streamline state purchasing practices. One example of the improved efficiency made possible through the streamlining is a typical \$35,000 transaction.

	Transaction Cost	Actual Hours	Hand Offs	Process Time
Prior Implementation	\$1,281	41	21	79 days
Post	\$914	31	11	26 days
Implementation Savings	\$367	10	10	53 days
Savings as Percent	28%	24%	48%	67%

Department of Administration

DIVISION OF RETIREMENT AND BENEFITS

Robert Stalnaker
Director

Telephone: (907) 465-4471
FAX: (907) 465-3086
E-Mail: Robert_Stalnaker@admin.state.ak.us

Mission

To develop, manage, and administer benefit programs to attract and retain qualified state employees and to extend those services to certain political subdivisions in an effective, efficient, and secure manner.

Primary Services

- ▶ Administer the comprehensive public employee benefit components of the state's personnel system and member political subdivisions
- ▶ Provide record keeping services for member accounts
- ▶ Counsel members to better understand and use the retirement and benefit plans
- ▶ Make timely and accurate payment of benefits to eligible individuals

Customers

- ▶ Persons who are retired from the Public Employees', Teachers', Judicial, Elected Public Officers, and National Guard and Naval Militia Retirement Systems
- ▶ Two hundred and fourteen employer members in the Public Employees', Teachers', Judicial, Elected Public Officers, and National Guard and Naval Militia Retirement Systems
- ▶ Persons employed by the 214-member employers in the Public Employees', Teachers', Judicial, Elected Public Officers, and National Guard and Naval Militia Retirement Systems and their beneficiaries
- ▶ Employees of the State of Alaska and 36 political subdivisions participating in the Group Health and Life Insurance Plan
- ▶ Employees of the State of Alaska and 13 political subdivisions participating in the Supplemental Annuity Plan and Supplemental Benefits System

FY 98 Initiatives

- ▶ Develop flexibility in the state benefits plans; develop an environment for more employee participation and involvement in the benefits they receive
- ▶ Implement the new retirement information processing systems
- ▶ Expand the content of communication materials to both employers and employees about issues related to planning for retirement

Funding Summary

➤ Retirement and Benefits Component

	FY 97 Authorized	FY 98 Governor's Request
FICA Administrative Fund	91.6	92.8
Benefits System Receipts	3,782.5	4,004.6
Public Employees' Retirement	2,832.6	2,836.3
Teachers' Retirement	2,191.1	2,178.9
Judicial Retirement	39.5	39.9
National Guard Retirement	33.4	33.7
Total Funds	8,970.7	9,186.2
PFT Positions	79.0	80.0

➤ Elected Public Officials Retirement System Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	891.1	1,033.8
Total Funds	891.1	1,033.8

FY 98 Update

➤ Combined Retirement Computer System

After many years of planning, the division is implementing the Combined Retirement System, a new computer database including participants of all state-sponsored retirement plans. Fiscal year 1997 is the first full year of operation.

➤ Retirement Incentive Program

Two programs were authorized by the 1996 Legislature, Chapter 65, SLA 1996 (CSHB 354 [FIN]) and CH 4, FSSLA 1996 (CSSB 1003 FIN [am]) which enable members of the Public Employees' and Teachers' Retirement Systems to retire early. The division is providing assistance to individuals and employers on all aspects of these new programs.

➤ Group Health Insurance Plan

Two contracts are being procured in late FY 97--health claims processing for state employees and retirees (the State will self-insure these plans), and health insurance for certain political subdivision employers.

Plan coverage for some State of Alaska employees will change on July 1, 1997. The new coverage will allow Supervisory members, several small bargaining units, and employees who are not covered by collective bargaining, increased flexibility in determining the level and types of coverage that best serve their needs.

Department of Administration

J. Brad Thompson
Director

DIVISION OF RISK MANAGEMENT

Telephone: (907) 465-5723
FAX: (907) 465-3690
E-Mail: Brad_Thompson@admin.state.ak.us

Mission

To effectively mitigate the state's risk of financial loss by educating, insuring, and defending state department operations, assets, and employees from accidental loss and injury.

Primary Services

- Using contract independent claims adjusters and in-house defense counsel (RSA funding the Department of Law - Tort Section), Risk Management operates a comprehensive self-insurance program that promptly resolves the state's property and casualty claims more cost effectively than through conventional commercial insurance programs.

Customers

- State departments whose operations are protected from fiscal impact in the event of physical damage to buildings or equipment
- State employees who may be injured during state employment; medical expenses and disability benefits are paid
- Alaskans who contract with state departments or who claim the state is liable for their damages or injuries

FY 98 Initiatives

- Reduce workers' compensation claim costs and injured employees time loss through increased training and assistance with reasonable worksite modification to enable early return to modified work
- Strengthen agency worksite safety programs by providing customized management reports highlighting high frequency claims categories or new loss trend developments. Ultimate claims costs will be compared to prior years claims experience to measure program effectiveness
- Aggressively pursue full recovery of state claims expenses and defense costs from legally liable parties and responsible insurance carriers

Funding Summary

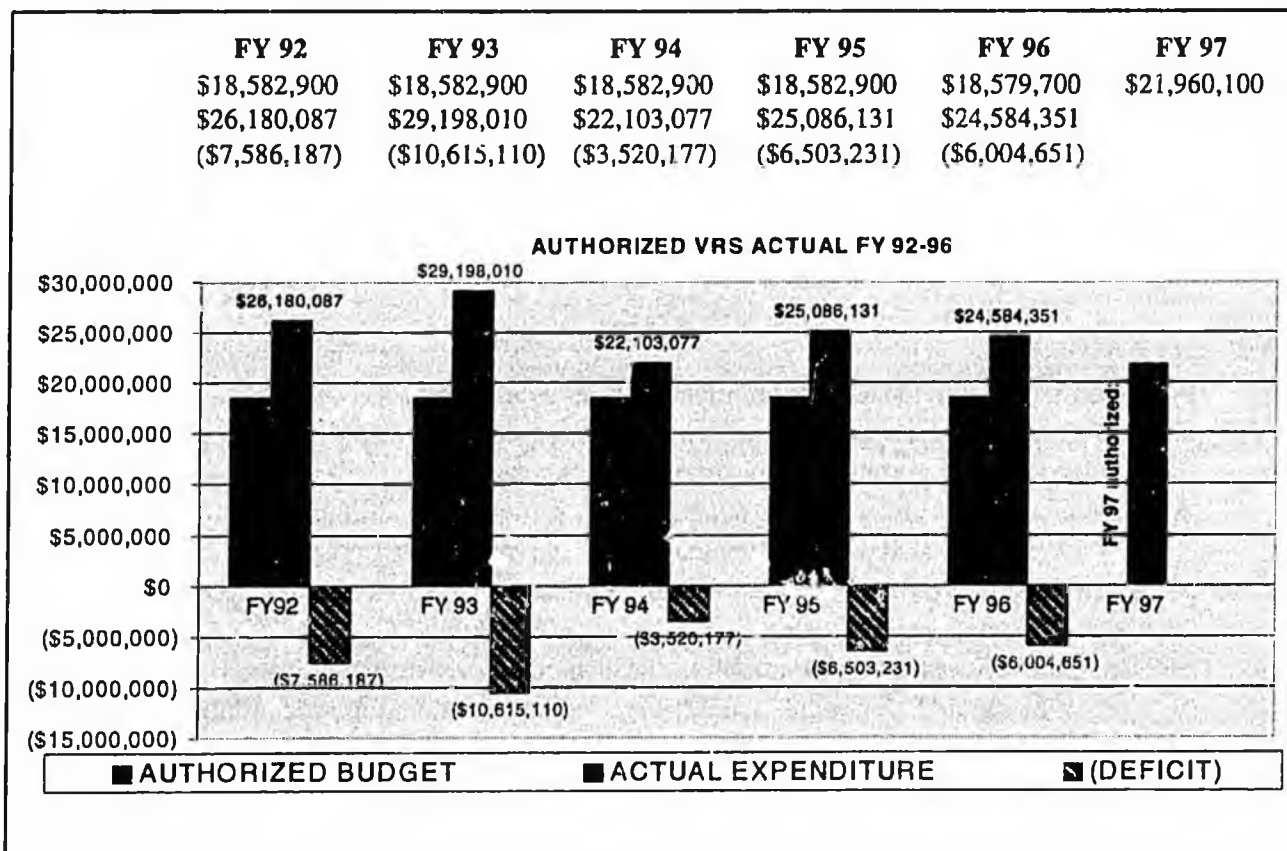
➤ Risk Management Component

	FY 97 Authorized	FY 98 Governor's Request
I/A Receipts	21,965.3	21,967.2
Total Funds	21,965.3	21,967.2
PFT Positions	7.0	7.0

FY 98 Update

- Even after the substantial benefit adjustment made in FY 97, Risk Management (RM) continues to rely on the State Catastrophe Insurance Reserve Fund (Cat Fund) (AS 37.05.289) to fund claims and judgments after regular appropriations are exhausted. Continued full funding of this reserve account (maximum limit of \$5 million) is vital for the state to be able to pay its self insured property and casualty claim obligations as they come due.

The "Cat Fund" is funded first by any lapsing RM program funds, third party and excess insurance recovery, then by any other lapsing general fund appropriations. Should the availability of other lapsing general fund obligations decrease to a level below that required to refill the Cat Fund, then a request for supplemental appropriation or a request for funding an individual civil judgment under AS 09.50.270 will be required.



Department of Administration

DIVISION OF INFORMATION SERVICES



Mark Badger, Ph.D
Director

Telephone: (907) 465-5766
FAX: (907) 465-3450
E-Mail: Mark_Badger@admin.state.ak.us

Mission

To provide the state with the planning, operation, and management of communication technologies which will promote the interchange of information between state government and the citizens of Alaska and to work with state agencies to provide reliable and cost-effective oversight of this valuable state resource.

Primary Services

- Information Services—telecommunications and computing services

Customers

- Primarily other state agencies, including the executive, legislative, and judicial branches of state government
- Rural communities through the Alaska Rural Communications Services (ARCS)
- Indirectly, other governmental entities; local governments, the federal government, local schools, libraries, nonprofit entities, and individual citizens who rely on communication infrastructure or information provided through computing facilities

FY 98 Initiatives

- Advance statewide telecommunication policy initiatives
- Work with telecommunication providers to deploy technological enhancements that will optimize the state's telecommunications systems
- Restructure services to ensure the state's information resources serve the best interest of the public based upon determinations made through aggressive self-evaluation
- Continue deployment of client server technologies to satisfy state's application development projects
- Support efforts to enhance public access to electronic information
- Provide reliable, dependable, cost-effective operation and management of the centralized telecommunication/computing systems necessary to ensure all citizens are provided essential state services
- Ensure the state is positioned to take advantage of the continuing revolution in information technology and remain cognizant of dynamic trends and cutting edge technologies

Funding Summary

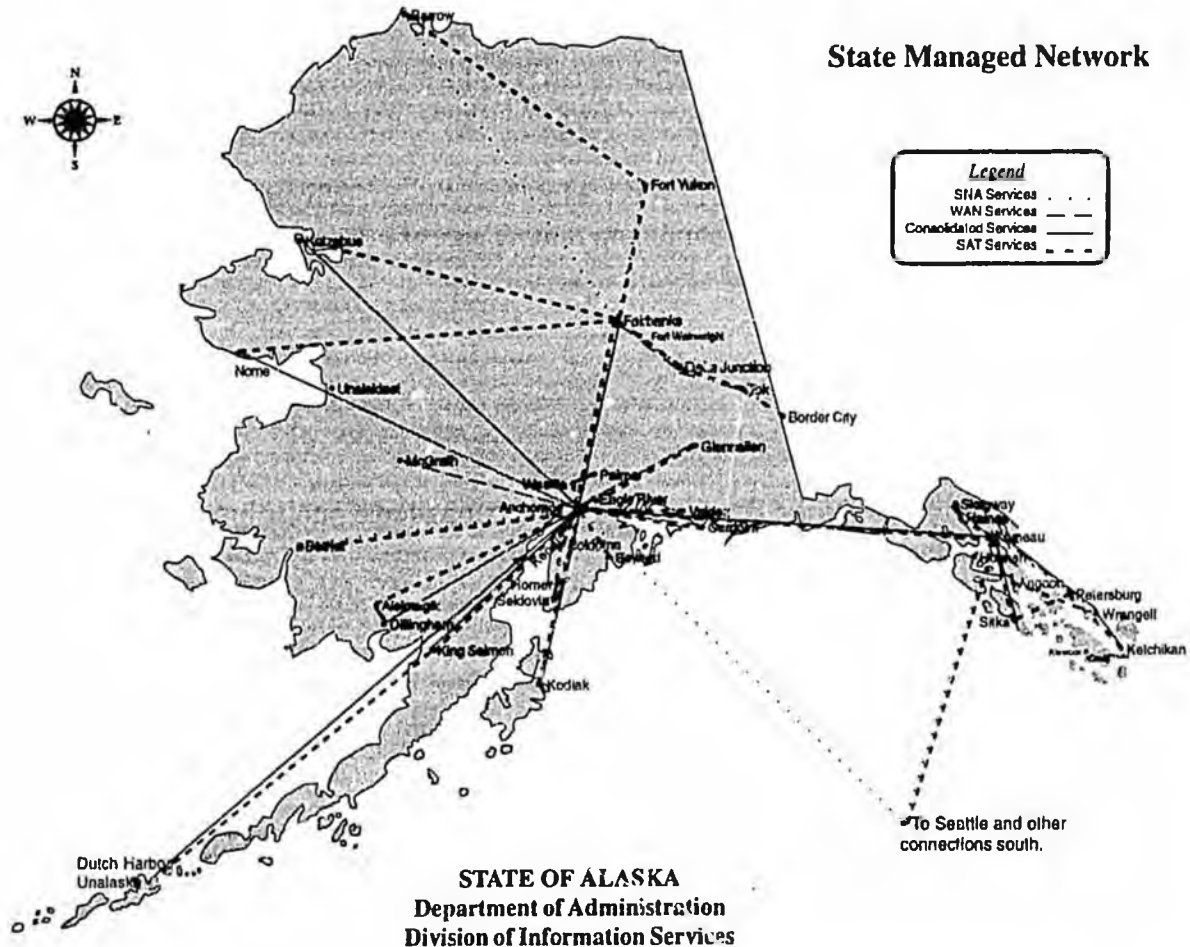
➤ Information Services Component

	FY 97 Authorized	FY 98 Governor's Request
Information Services Fund	20,301.8	20,358.9
Total Funds	20,301.8	20,358.9
PFT Positions	141.0	141.0

FY 98 Update

➤ Structural Changes

FY 98 budget is the second year computer services and telecommunications have been combined into one component with project budgeting being used to summarize costs and revenues associated with particular services. Project budgeting was implemented to increase management participation in the decision-making process and improve budget presentation. Based on FY 97 experience, this structure is ideal for the component as it ties rates charged to customers to the budget. Both rates and the budget are important factors that influence the results presented on the financial statements for the Information Services Fund. (See Appendix 5, page 68.)



Department of Administration

PUBLIC COMMUNICATIONS SERVICES



Mark Badger, Ph.D
Director

Telephone: (907) 465-5766
FAX: (907) 465-3450
E-Mail: Mark_Badger@admin.state.ak.us

Mission

Public Communications Services integrates the reengineered Public Broadcasting Services and the Alaska Rural Communications Services (ARCS), which succeeded the Rural Alaska Television Network (RATNet), to provide for the most efficient and effective use of new digital satellite signaling technology. Public Communications Services delivers and ensures maximum coordination of state-supported broadcast telecommunications services.

Primary Services

- Create links between the Alaska Public Broadcasting Commission (APBC), the ARCS, state agencies, schools, local communities, citizens, and public broadcasting services
- Allocate appropriated funds to public radio and television facilities ensuring public broadcasting services are delivered to all Alaskans in the most efficient and cost-effective manner
- Provide a telecommunications service for rural Alaska, delivering public, educational, and other television programming to remote areas of the state

Customers

- People of Alaska
- Alaska's educators
- Alaska's children
- Corporation for Public Broadcasting and other national public broadcasting agencies and organizations
- Communities and municipalities
- The Governor and his administration
- The Legislature

FY 98 Initiatives

- Reduce the reliance on state general funds
- Assure the survival of public radio and television stations which provide the sole broadcast service to one or more communities
- Reduce state funding by capitalizing on digital technology
- Continue providing broadcast telecommunication services to rural areas which are not served by commercial facilities
- Continue reengineering efforts which result in coordinated regional, statewide, and public/private partnerships for the delivery of telecommunications services
- Fully implement of integrated public telecommunication infrastructure employing digital compression technology and establishment of a governance structure

Funding Summary

➤ Public Communications Administration Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	59.0	58.9
Total Funds	59.0	58.9
PFT Positions	1.0	1.0

➤ Public Broadcasting Radio Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	2,810.0	2,613.9
Total Funds	2,810.0	2,613.9

➤ Public Broadcasting TV Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	1,284.4	1,195.2
Total Funds	1,284.4	1,195.2

➤ Alaska Rural Communication Service Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	754.3	754.3
GF Program Receipts	15.0	763.7
Gifts/Grants	140.7	60.0
Total Funds	910.0	1,578.0

FY 98 Update

- Public Communications Services integrates the Alaska Rural Communications Services (ARCS) and Public Broadcasting to ensure the most efficient and effective use of Alaska's satellite-based infrastructure. This new structure reflects the technical interdependence of these digital, satellite-based systems created by the use of new cost-saving technologies and the need for a single umbrella organization to coordinate them.

- The Alaska Rural Communications Services replaces the Rural Alaska Television Network (RATNet) and embodies a new approach to providing services to rural Alaskans. Programming for distribution on ARCS originates from public television station KYUK, located in Bethel. KYUK assembles a unique blend of programming for distribution on ARCS, with a major focus on Alaskan programming. ARCS also carries educational, PBS, syndicated, and commercial programming. With the delivery of telecourses on ARCS, it is possible to obtain college credit, and even complete an Associate of Arts degree.

- The reengineering of public broadcasting ensures that broadcast services to rural Alaskans will continue, and even improve, with services including:
 - ◆ *Regional radio networks* - regionally interconnected radio stations will share programming allowing individual stations to use their resources to address community needs.

 - ◆ *Alaska One* - provides a common public television program stream to Bethel, Fairbanks, and Juneau. With full implementation of digital satellite signaling, Alaska One is available to many other communities willing to invest in reasonably-priced receiving and retransmission equipment.

 - ◆ *Alaska Two* - provides C-span-type television coverage of the Alaska Legislature through collaborative efforts of public broadcasters and Alaska's cable industry.

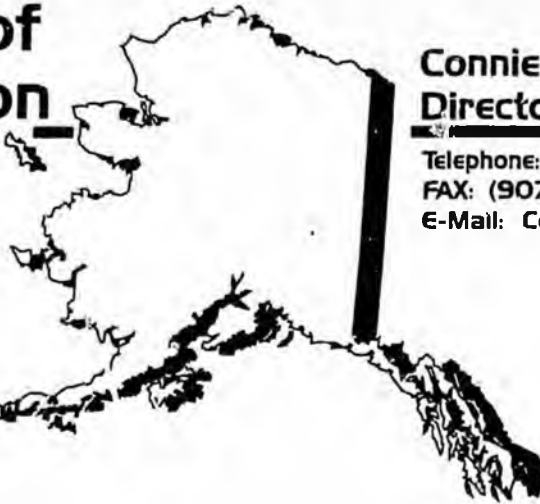
 - ◆ *Alaska Three* - the distance learning channel, will be operating statewide by the start of the 97-98 academic year.

 - ◆ *Alaska Four* - delivers public, educational, and other television programming to remote areas of the state. Alaska Four is the programming service delivered on ARCS.

With this restructuring, the Public Communications Services is a model of how increased efficiency is possible with the implementation of new technology and the careful coordination of its use. (See Appendix 4, page 63.)

Department of Administration

DIVISION OF SENIOR SERVICES



Connie Sipe
Director

Telephone: (907) 563-5654

FAX: (907) 562-3040

E-Mail: Connie_Sipe@admin.state.ak.us

Mission

To ensure the dignity, security, and independence of Alaska seniors by providing direct financial payments, coordinating a full continuum of services ranging from home and community-based care to assisted living and protecting vulnerable adults who may be subject to abuse or who are consumers of assisted living and nursing home services.

Primary Services

- Development of an aging services network for present and future generations of seniors' home and community-care service plans as alternatives to institutional care
- Grants administration, monitoring, and services development
- Protective services for vulnerable adults
- Licensing of assisted living homes for seniors

Customers

- Alaska seniors and their families
- Representatives of Alaska seniors, including the Legislature and Governor
- Communities in which senior services are provided
- Senior organizations
- Senior service provider agencies
- State medical assistance agency

FY 98 Initiatives

- Implement statewide computer software system which will record senior grants services and allow service data and in-home client assessment data to be electronically transmitted to the division and among care provider agencies
- Complete the integration and transformation of several home and community care service programs transferred to Senior Services in FY 97: personal care grants, Medicaid Home Care Waiver for Adults with Physical Disabilities, and Medicaid long-term care authorization functions
- Continue licensing assisted living homes in the private sector under the Assisted Living regulations; continue training for facility operators on the regulations and on maintaining quality of care in Assisted Living homes

- Take the CHOICE Medicaid home care project to full capacity, serving 400 seniors statewide with community care alternatives to nursing home placement
- Continue cross-training of division staff from the protective services unit with local community providers on topics of mutual concern
- Increase availability of care coordination/case management and brokered services in the Kenai Peninsula, Mat-Su Valley, Southeast, and Anchorage areas

Funding Summary

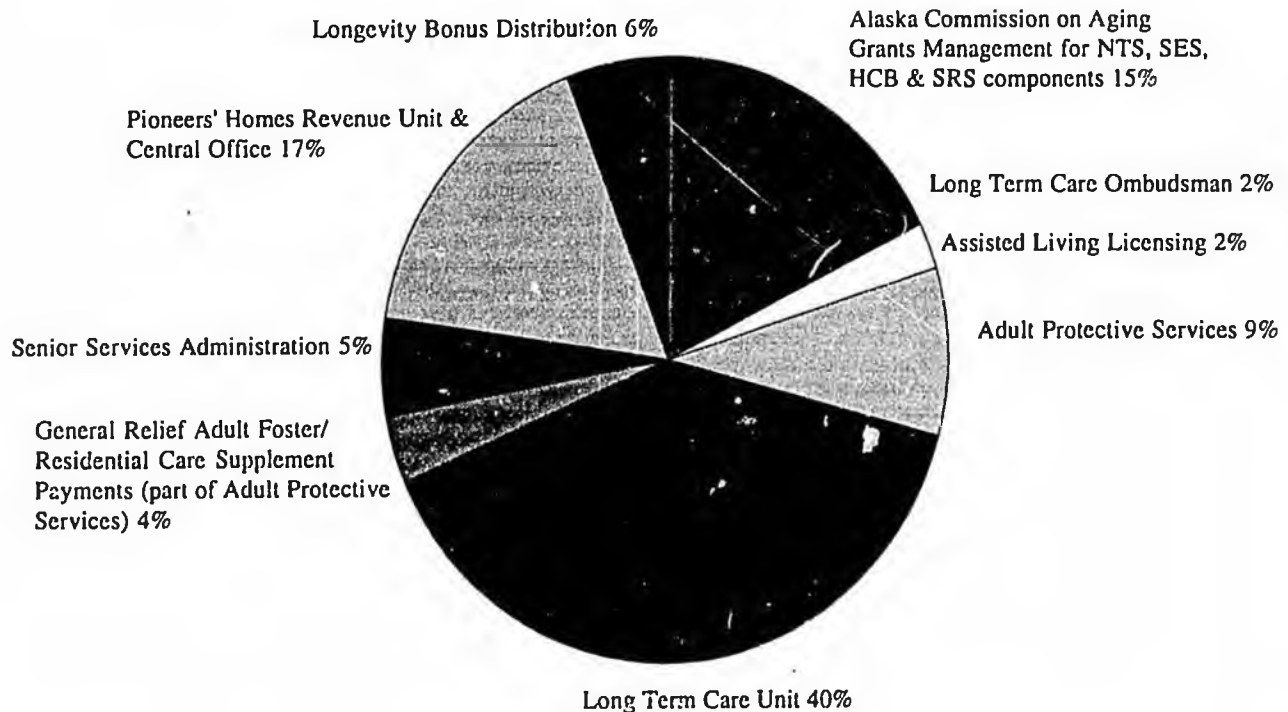
- **Protection, Community Services, and Administration Component**

	FY 97 Authorized	FY 98 Governor's Request
CIP Receipts	53.6	54.5
GF Match	145.8	324.3
General Fund	1,656.0	3,531.4
GF/MHTIA	209.3	175.2
I/A Receipts	536.6	1,105.6
Federal Receipts	1,317.4	1,328.1
GF Program Receipts	10.4	10.4
Total Funds	3,929.1	6,529.5
PFT Positions	46.0	54.0

FY 98 Update

- **Protection, Community Services, and Administration**

Funding Allocation



Funding Summary

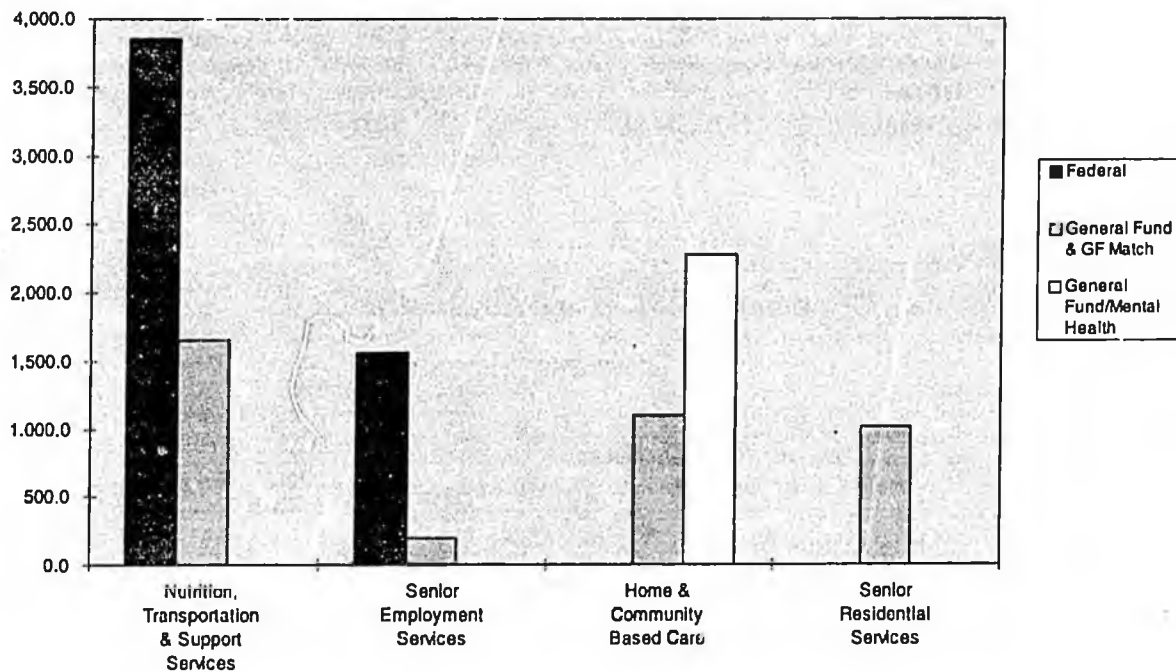
➤ Senior Services Grants Component

(Nutrition, Transportation and Support; Senior Employment Services; Home and Community Based Care; Senior Residential Services)

	FY 97 Authorized	FY 98 Governor's Request
GF Match	842.7	842.7
General Fund	3,127.3	3,127.3
Federal Receipts	5,413.0	5,413.0
GF/MH	1,871.6	1,871.6
MHTAAR	0.0	407.2
Total Funds	11,254.6	11,661.8

FY 98 Update

➤ Grants Components Funding Sources



Funding Summary

➤ Citizens' Foster Care Review Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	137.3	139.9
Total Funds	137.3	139.9
PFT Positions	3.0	3.0

FY 98 Update

➤ Foster Care Review

The Foster Care Review Program (formerly the Citizen's Review Panel for Permanency Planning) is charged with ensuring that children do not remain in out-of-home placement longer than necessary, and that reunification with the child's family or placement in a secure, permanent home takes place as expeditiously as possible. The program is based on research from other states which shows that reviews external to the child placement agency result in shorter out-of-home placements. The program uses volunteer review panels to examine cases and make recommendations. Currently, the program operates only in the Anchorage area.

During FY 94 and FY 95, 263 cases of individual children were reviewed by volunteer panels for appropriateness of foster care placement.

During FY 97 and FY 98, 370 cases will be reviewed.

Department of Administration

James Kohn
Director

DIVISION OF ALASKA LONGEVITY PROGRAMS

Telephone: (907) 465-2159
FAX: (907) 465-4716
E-Mail: James_Kohn@admin.state.ak.us

Mission

To provide cash payments to Alaskan seniors as authorized by the Alaska Longevity Bonus program; and to provide assisted living support for Pioneers' Homes residents.

Primary Services

- Cash bonus program for Alaskan seniors
- Long-term institutional care, with special capacities for Alaskan seniors with Alzheimer's Disease and Related Dementias (ARD)

Customers

- Alaskan seniors and their families
- Representatives of Alaskan seniors, including the Legislature and Governor
- Communities in which senior services are provided
- Senior organizations
- Senior service provider agencies

FY 98 Initiatives

- Continue development of Alzheimer's Disease and Related Dementias (ARD) programs at all Pioneers' Homes
- Maintain 80 percent training level for Pioneers' Home staff in both *Mandt Behavior Management* and *The Essentials of Caring for People with Dementia* curricula
- Increase efficiencies by reducing costs of overhead expenses such as Workers' Compensation, revenue collection, supply purchase, staff scheduling and facility energy consumption
- Transfer savings from increased efficiencies to support direct care staff as resident's needs related to ARD increase

Funding Summary

➤ Pioneers' Homes Component

	FY 97 Authorized	FY 98 Governor's Request
GF Mental Health	417.7	461.1
General Fund	22,455.2	20,674.8
GF Program Receipts	7,986.4	9,926.7
Total Funds	30,859.3	31,062.6
PFT Positions	477.0	475.0
PPT Positions	82.0	82.0
Nonperm Positions	66.0	66.0

FY 98 Update

➤ Rate Increase

Institute the second phase of Pioneers' Homes rate increases designed to arrive at the full cost of resident care at each level by FY 2003

➤ Program

Transition coordinated services beds (formerly "residential") to higher levels of care to provide for the safety and daily living needs of residents with increasing cognitive impairments

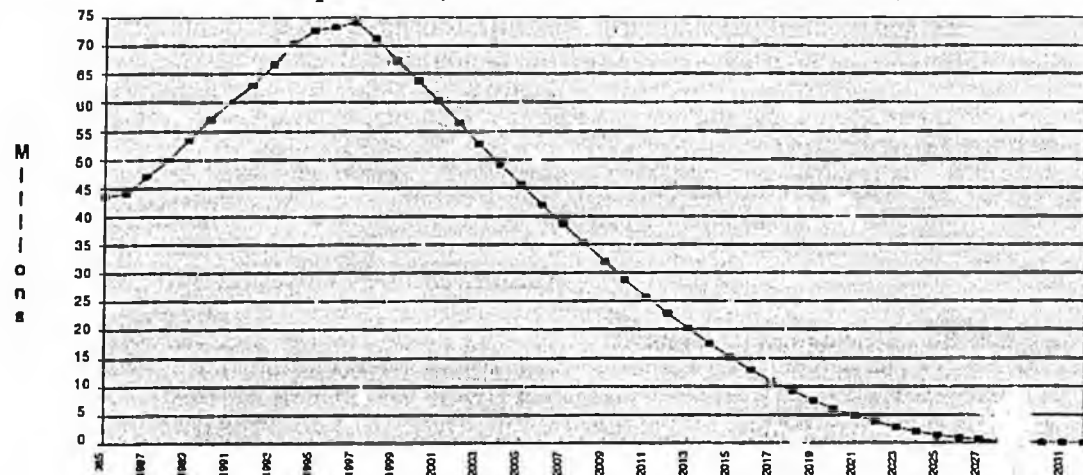
Funding Summary

➤ Longevity Bonus Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	74,062.6	71,198.9
Total Funds	74,062.6	71,198.9

FY 98 Update

Longevity Bonus Program Phase-out
(amounts from FY 85 - FY 96 are actual expenditures; amounts from FY 97 on are estimates)



Department of Administration

PUBLIC DEFENDER AGENCY



Barbara Brink
Acting Director

Telephone: (907) 264-4412
FAX: (907) 269-5476
E-Mail: Barbara_Brink@admin.state.ak.us

Mission

To provide quality legal service, consistent with constitutional guarantees, to indigent persons who are parties in certain kinds of state court litigation.

Primary Services

Provide legal representation to financially disadvantaged people who are engaged in certain types of state court litigation

Customers

- Individuals accused of crimes
- Parents whose children have been taken into custody of the state
- Juveniles who are facing petitions of delinquency
- Individuals who have mental illnesses and who are being held against their will in state mental facilities
- Individuals who face contempt proceedings for violating court orders

FY 98 Initiatives

- Enhance utilization of computer network and caseload management system as a means of realizing staff efficiencies and enhancing administrative capacity
- Establish caseload standards for staff attorneys and a method for "referring out" cases when caseloads exceed acceptable levels

Funding Summary

- **Public Defender Agency Component**

	FY 97 Authorized	FY 98 Governor's Request
GF Program Receipts	192.1	195.4
General Fund	8,515.3	8,627.7
Total Funds	8,707.4	8,823.1
PFT Positions	105.0	108.0

FY 98 Update

➤ **Funding and Position Increase**

Funding in FY 97 was increased by \$343.2, the total of the fiscal note appropriations for HB 38, HB 75, SB 289, and SB 320. As a result, two full-time and one part-time positions were added. An additional part-time position was changed to full-time by revised program.

➤ **Underfunding**

The Public Defender Agency anticipates a personal services shortfall of 443.3 and a contractual services shortfall of 103.3.

The Public Defender Agency has been chronically under funded in its personal services line. This is due, in a large part, to the inability of the PD to maintain the required vacancy factor mandated in its budget. The Alaska Public Defender Agency processes over 17,000 cases a year statewide, yet has only 64 attorneys in its 13 offices. Based on national caseload standards the PD operates 7 attorneys below the minimum required given the size of its caseload. Maintaining a vacancy factor by leaving additional positions open for any period of time just does not work. Specific factors which require full staffing involve the following:

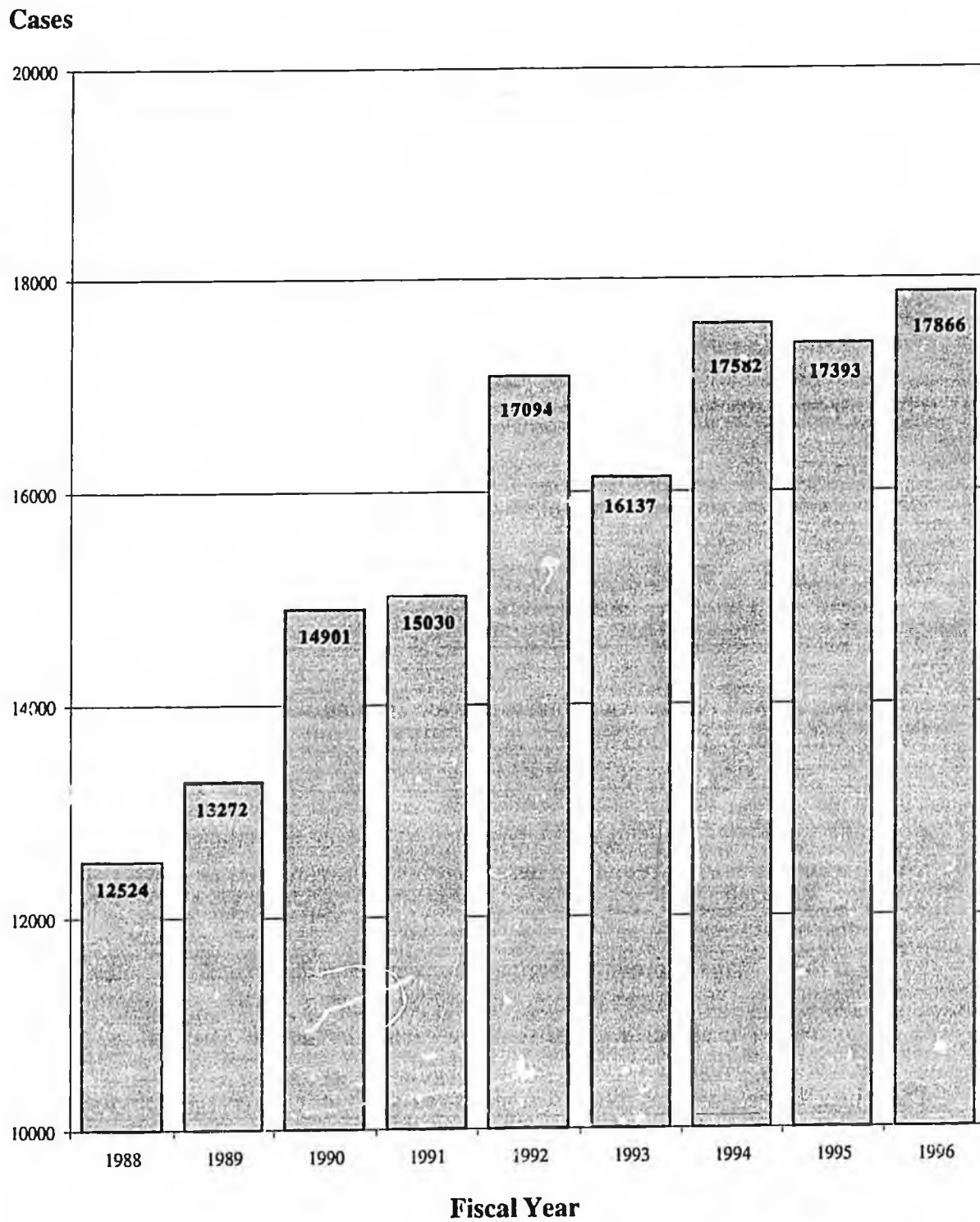
1. The PD cannot tailor its workload. All cases are assigned it by the court. The Agency does not have the authority to refuse these assignments.
2. The legal services provided by the PD are constitutionally required. In each case, staff attorneys must provide a level of legal representation consistent with standards developed by the federal and state courts.
3. Virtually all PD cases are time sensitive. They must be processed consistent with a client's speedy trial rights. Simply put, a client has the right to have his/her case tried within 120 days.
4. Many of the PD clients are incarcerated. This fact, in conjunction with the speedy trial issue, requires that staff attorneys immediately be replaced once a vacancy occurs. Failure to do so leaves clients unrepresented.
5. If the PD fails to provide adequate representation due to lack of staff, the agency and individual attorneys are subject to contempt proceedings by the court and to administrative disciplinary action by the Bar Association.

The increased caseload has resulted in increased case costs. Expert witness fees, medical records, discovery costs have all increased. These costs reflect both the increased case load and rising costs for these services.

Failure to adequately fund the agency results in delays which are disruptive to the entire criminal justice system. Witnesses, victims, defendants, and staff all deserve timely, professional resolution to criminal cases.

Alaska Public Defender Agency

Caseload Trends



Department of Administration

OFFICE OF PUBLIC ADVOCACY



Brant McGee
Director

Telephone: (907) 274-1684

FAX: (907) 274-8816

E-Mail: Brant_McGee@admin.state.ak.us

Mission

To protect the rights of vulnerable Alaskans by providing excellent, cost-effective legal and guardian representation to abused and neglected children, incapacitated adults, and others.

Primary Services

- Legal and guardian representation to some 11,877 clients throughout the state when appointed by the courts

Customers

- Abused and neglected children involved in legal proceedings
- Incapacitated adults who need assistance in protecting their social, financial, and medical interests
- Indigent criminal defendants when the Public Defender Agency has a conflict of interest

FY 98 Initiatives

- Expand the volunteer children's advocate program to the Kenai and Palmer areas
- Complete implementation of the public guardian cost recoupment program
- Maintain and improve cost containment measures through the new case management system

Funding Summary

► Office of Public Advocacy Component

	FY 97 Authorized	FY 98 Governor's Request
GF Program Receipts	95.2	95.2
General Fund	6,659.9	6,688.0
Federal Receipts	15.2	15.3
I/A Receipts	55.2	56.2
GF/MH	614.0	623.6
Total Funds	7,439.5	7,478.3
PFT Positions	35.0	38.0

FY 98 Update

- Office of Public Advocacy (OPA) anticipates a shortfall in contractual services in FY 98 of \$719.4. This projection is based on both caseload and cost increases. OPA projects a 6.3 percent increase in overall caseload from FY 96 to FY 98. This estimate is a straight-line projection and, therefore, very conservative. Other data and factors suggest that the caseload increase could be substantially higher. By December 1996, Anchorage had added more than 80 new police officers. As a result, arrest rates will skyrocket and OPA, like other criminal justice agencies and the Alaska Court System, will be severely impacted. Changes in the focus of criminal prosecutions to crimes involving more than one person, like drug distribution rings, will create more conflict of interest cases in which OPA must undertake representation.

All OPA services are provided pursuant to court orders of appointment. OPA has no control over the number of such appointments which are mandated by Alaska Statutes and Rules of Court. There is little OPA can do to influence caseload growth or case complexity under current law. It must direct its management efforts towards reducing the costs associated with such cases. The agency's success is reflected in its significant decrease of the average cost per case from 1985 to 1995. In FY 84, the last year the Alaska Court System was responsible for administration of guardian ad litem representation and criminal defense functions now performed by OPA, the court system expended \$2,085.7 to provide representation in 2,793 cases. The average cost per case was \$696.85. In FY 96, the Office of Public Advocacy expended \$6,695.2 (total budget less public guardian costs), to provide representation in 11,031 cases, for an average cost per case \$606.94. The actual cost per case for the Alaska Court System cases in FY 84, as expressed in 1996 dollars is \$956.78.

Thus, the Office of Public Advocacy has reduced the average cost per case of cases within its statutory mandate by 36.5 percent; OPA has consistently improved cost effectiveness while absorbing enormous caseload increases.

Department of Administration

ALASKA PUBLIC OFFICES COMMISSION

Karen Boorman
Director

Telephone: (907) 276-4176

FAX: (907) 276-7018

E-Mail: Karen_Boorman@admin.state.ak.us

Mission

Promote fairness and openness in elections, minimize the effect of undisclosed influences on public decision-making, and encourage participation in the process of representative democracy so the public may have confidence in the election process and in their elected and appointed officials.

Primary Services

- Inform the electorate by providing disclosed information
- Ensure that disclosed information is accurate and complete
- Facilitate citizen participation in government
- Investigate and adjudicate complaints of reporting and conduct violations

Customers

- Individual members of the public
- Public and private interest groups
- Elected and appointed officials
- Political action committees, political parties, and large contributors
- Lobbyists and employers of lobbyists
- News media
- Other state and federal agencies

FY 98 Initiatives

- Implement provisions of new campaign finance reform law
- Prepare for filing of campaign disclosure reports on-line in 1998 election
- Improve quality of and access to disclosed information
- Emphasize compliance assistance to filers

Funding Summary

➤ Alaska Public Offices Commission Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	633.6	723.4
GF Program Receipts	53.9	54.8
Total Funds	687.5	778.2
PFT Positions	9.0	11.0

Department of Administration

ALASKA OIL AND GAS CONSERVATION COMMISSION



David Johnston
Commissioner/Chair

Telephone: (907) 279-1433

FAX: (907) 276-2542

E-Mail: David_Johnston@admin.state.ak.us

Mission

An independent, quasi-judicial agency of the state, working to promote the conservation and efficient production of Alaska's oil and natural gas while protecting health, safety, and environment.

Primary Services

- Inspect oil field drilling, production, and metering activities
- Approve drilling and workover operations
- Approve oil pool development rules
- Adjudicate disputes between owners
- Administer Alaska's Underground Injection Control program for oil and gas wells
- Maintain state production records
- Maintain well history files and well log records

Constituents

- Oil and gas industry
- Concerned citizens and organizations
- Alaska Department of Natural Resources
- Alaska Department of Revenue
- United States Department of the Interior
- United States Environmental Protection Agency

FY 98 Initiatives

- Continue streamlining Commission functions in response to continuing budget reductions. Ensure that oil and gas development continues unabated while taking steps to protect the environment, prevent waste, protect correlative rights and ensure a greater ultimate recovery of oil and gas
- Foster the Governor's initiative that Alaska is open for business by working closely with industry and the public to ensure appropriate regulation of oil and gas development in the state. Work toward preserving a viable, independent regulatory commission
- Work with the Bureau of Land Management toward possible assumption of its inspection and enforcement activities on federal land.

Funding Summary

➤ Oil and Gas Conservation Commission Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	1,619.2	1,586.8
Federal Receipt	99.9	101.6
Total Funds	1,719.1	1,688.4
PFT Positions	20.0	20.0

FY 98 Update

- The commission is negotiating a new Memorandum of Agreement governing the Underground Injection Control (UIC) program in Alaska with the U.S. Environmental Protection Agency so that certain RCRA exempt waste may be disposed by underground injection.
- The commission plans to implement new regulations governing oil and gas drilling and development in Alaska after signing by the Lt. Governor.
- The commission will continue working with industry to resolve the miscible injectant (injection)/natural gas liquid (MI/NGL) debate at Prudhoe Bay. Our goal is to seek an appropriate balance between NGL recovery and MI manufacture in order to maximize production and recovery from the Prudhoe Bay field. This will likely require an expansion of the central gas facility capacity at Prudhoe Bay to manufacture at least 600 million cubic feet of gas daily (gas measurement) of MI by 1999.

APPENDICES

	Page
1 Five-Year Comparison— Total Funds	56
2 FY 97 Authorized/FY 98 Governor's Request.....	57
3 Public Communications	62
4 Labor Contract Summary	63
5 Information Services Fund Update.....	68
6 Fee Schedule.....	70

Appendix I

DEPARTMENT OF ADMINISTRATION

Five-Year Comparison--Total Funds

1997 Dollars

	FY 94	FY 95	FY 96	FY 97	FY 98
Longevity Bonus	76,851.3	79,386.2	75,824.6	75,855.8	71,198.9
Pioneers' Homes	33,119.5	32,484.8	31,361.0	31,606.5	31,062.6
Protection, Community Svcs. & Admin.	3,049.3	3,676.6	3,751.6	4,024.2	6,529.5
Senior Services Grants	12,326.9	11,889.7	11,564.7	11,527.1	9,383.0
Public Defender	8,279.3	8,668.4	8,673.1	8,918.2	8,823.1
Office of Public Advocacy	7,143.6	7,726.1	7,608.0	7,619.6	7,478.3
Commissioner's Office	593.2	640.4	518.6	508.7	503.0
Citizens' Foster Care Review	138.1	183.1	142.9	140.6	139.9
Office of Labor Relations	0.0	0.0	0.0	949.6	927.2
Administrative Services	1,505.1	1,513.4	1,617.8	1,521.3	1,501.8
Personnel	5,087.6	5,345.9	4,412.2	3,021.9	2,947.4
Finance	7,401.6	6,903.7	6,708.9	6,246.5	6,145.5
General Services	4,409.8	4,596.9	4,786.5	4,450.9	4,303.6
Retirement And Benefits	8,538.3	8,697.9	8,547.9	9,187.9	9,186.2
EPORS	987.3	959.6	936.5	912.7	1,033.8
Tax Appeals	0.0	0.0	0.0	193.0	160.4
AOGCC	2,202.8	1,892.1	1,848.2	1,760.7	1,688.4
Alaska Public Offices Commission	735.7	700.5	666.1	704.1	778.2
Risk Management	20,523.6	20,092.3	19,525.3	22,497.1	21,967.2
Information Services	25,186.2	23,251.9	22,685.1	20,793.4	20,358.9
RATNet	1,325.8	1,414.5	1,002.2	932.0	1,578.0
Alaska Public Broadcasting Commission	6,761.1	6,349.2	4,662.3	4,254.0	3,868.0
Leasing and Facilities	32,398.2	32,133.4	29,742.4	30,665.1	30,273.6
TOTALS	258,564.3	258,506.6	246,585.8	248,290.9	241,836.5

DEPARTMENT OF ADMINISTRATION

FY 97 Authorized / FY 98 Governor's Request

COMPONENT		FY 97 AUTHORIZED	FY 98 REQUEST	VARIANCE
Longevity Bonus Grants	General Fund	74,062.6	71,198.9	(2,863.7)
	Total	74,062.6	71,198.9	(2,863.7)
Pioneers' Homes	GF Mental Health	417.7	461.1	43.4
	GF Program Receipts	7,986.4	9,926.7	1,940.3
	General Fund	22,455.2	20,674.8	(1,780.4)
	Total	30,859.3	31,062.6	203.3
	Permanent FT	477.0	475.0	(2.0)
	Permanent PT	82.0	82.0	0.0
Protection, Community Services and Administration	Federal Receipts	1,317.4	1,328.1	10.7
	General Fund Match	145.8	324.3	178.5
	General Fund	1,656.0	3,531.4	1,875.4
	GF/Prog. Receipts	10.4	10.4	0.0
	I/A	536.6	1,105.6	569.0
	GF/MH	209.3	175.2	(34.1)
	CIP	53.6	54.5	0.9
	Total	3,929.1	6,529.5	2,600.4
	Permanent FT	46.0	54.0	8.0
	Permanent PT	1.0	1.0	0.0
Nutr., Trans & Supp	Federal Receipts	3,859.0	3,859.0	0.0
	General Fund Match	644.4	644.4	0.0
	General Fund	1,001.7	1,010.9	9.2
	Total	5,505.1	5,514.3	9.2
Senior Employment	Federal Receipts	1,554.0	1,554.0	0.0
	General Fund Match	198.3	198.3	0.0
	Total	1,752.3	1,752.3	0.0
Home & Comm. Based	General Fund	1,110.6	1,101.4	(9.2)
	GF/MH	1,871.6	1,871.6	0.0
	MHTAAR		407.2	407.2
	Total	2,982.2	3,380.2	398.0
Senior Residential	General Fund	1,015.0	1,015.0	0.0
	Total	1,015.0	1,015.0	0.0

Appendix 2 (Cont'd)

COMPONENT		FY 97 AUTHORIZED	FY 98 REQUEST	VARIANCE
Public Defender	General Fund	8,515.3	8,627.7	112.4
	GF/Prog. Receipts	192.1	195.4	3.3
	Total	8,707.4	8,823.1	115.7
	Permanent FT	105.0	108.0	3.0
	Permanent PT	4.0	4.0	0.0
Public Advocacy	Federal Receipts	15.2	15.3	0.1
	General Fund	6,659.9	6,688.0	28.1
	GF/Prog. Receipts	95.2	95.2	0.0
	I/A	55.2	56.2	1.0
	GF/MH	614.0	623.6	9.6
	Total	7,439.5	7,478.3	38.8
	Permanent FT	35.0	38.0	3.0
Permanent PT	4.0	1.0	(3.0)	
Commissioner's Office	General Fund	381.8	387.4	5.6
	I/A	114.9	115.6	0.7
	Total	496.7	503.0	6.3
	Permanent FT	5.0	5.0	0.0
	Permanent PT	2.0	2.0	0.0
Citizens Foster Care Review	General Fund	137.3	139.9	2.6
	Total	137.3	139.9	2.6
	Permanent FT	3.0	3.0	0.0
	Permanent PT	0.0	0.0	0.0
Labor Relations	General Fund	927.2	927.2	0.0
	Permanent FT	9.0	11.0	2.0
	Permanent PT	0.0	1.0	1.0
Administrative Services	General Fund	758.2	766.7	8.5
	I/A	727.1	735.1	8.0
	Total	1,485.3	1,501.8	16.5
	Permanent FT	21.0	22.0	1.0
	Permanent PT	1.0	1.0	0.0
Personnel	General Fund	1,947.6	1,945.7	(1.9)
	I/A	220.0	220.0	0.0
	CIP	75.0	75.0	0.0
	Total	2,242.6	2,240.7	(1.9)
	Permanent FT	32.0	29.0	(3.0)
	Permanent PT	2.0	4.0	2.0

COMPONENT		FY 97' AUTHORIZED	FY 98 REQUEST	VARIANCE
Alaska Professional Development Institute	GF Designated	147.7	147.7	0.0
	I/A	550.2	559.0	(1.2)
	Total	707.9	706.7	(1.2)
	Permanent FT	4.0	4.0	0.0
	Permanent PT	2.0	2.0	0.0
Finance	General Fund	5,683.1	5,729.8	46.7
	I/A	415.7	415.7	0.0
	Total	6,098.8	6,145.5	46.7
	Permanent FT	45.0	47.0	2.0
	Permanent PT	0.0	0.0	0.0
Purchasing	General Fund	1,448.5	1,469.6	21.1
	I/A	41.6	42.4	0.8
	Total	1,490.1	1,512.0	21.9
	Permanent FT	21.0	20.0	(1.0)
	Permanent PT	0.0	0.0	0.0
Property Management	General Fund	43.8	43.1	(0.7)
	GF/Prog Receipts	582.9	585.9	3.0
	Surplus Property	313.7	317.8	4.1
	Total	940.4	946.8	6.4
	Permanent FT	8.0	9.0	1.0
	Permanent PT	1.0	0.0	(1.0)
Central Duplication and Mailroom	I/A	1,915.2	1,844.8	(70.4)
	Total	1,915.2	1,844.8	(70.4)
	Permanent FT	22.0	16.0	(6.0)
	Permanent PT	1.0	1.0	0.0
Retirement & Benefits	Ben. Sys. Receipts	3,782.5	4,004.6	222.1
	PERS	2,832.6	2,836.3	3.7
	TERS	2,191.1	2,178.9	(12.2)
	Judicial Ret. Sys.	39.5	39.9	0.4
	Nat. Guard Ret. Sys.	33.4	33.7	0.3
	FICA Admin. Fund	91.6	92.8	1.2
	Total	8,970.7	9,186.2	215.5
	Permanent FT	79.0	80.0	1.0
	Permanent PT	0.0	0.0	0.0
EPORS	General Fund	891.1	1,033.8	142.7
	Total	891.1	1,033.8	142.7

Appendix 2 (Cont'd)

COMPONENT		FY 97 AUTHORIZED	FY 98 REQUEST	VARIANCE
AOGCC	Federal Receipts	99.9	101.6	1.7
	General Fund	1,619.2	1,586.8	(32.4)
	Total	1,719.1	1,688.4	(30.7)
	Permanent FT	20.0	20.0	0.0
	Permanent PT	0.0	0.0	0.0
APOC	General Fund	633.6	723.4	89.8
	GF/Prog. Receipts	53.9	54.8	0.9
	Total	687.5	778.2	90.7
	Permanent FT	9.0	11.0	2.0
	Permanent PT	1.0	1.0	0.0
Risk Management	I/A	21,965.3	21,967.2	1.9
	Total	21,965.3	21,967.2	1.9
	Permanent FT	7.0	7.0	0.0
	Permanent PT	0.0	0.0	0.0
Information Services	ISF Fund	20,301.8	20,358.9	57.1
	Total	20,301.8	20,358.9	57.1
	Permanent FT	141.0	141.0	0.0
	Permanent PT	0.0	0.0	0.0
Alaska Rural Communications Services	General Fund	754.3	754.3	0.0
	IFC Gifts/Grants/Requests	140.7	60.0	(80.7)
	GF Designated	15.0	763.7	748.7
	Total	910.0	1,578.0	668.0
APBC	General Fund	59.0	58.9	(0.1)
	Total	59.0	58.9	(0.1)
	Permanent FT	1.0	1.0	0.0
	Permanent PT	0.0	0.0	0.0
Public Broadcasting - Radio	General Fund	2,810.0	2,613.9	(196.1)
	Total	2,810.0	2,613.9	(196.1)
	Permanent FT	0.0	0.0	0.0
	Permanent PT	0.0	0.0	0.0
Public Broadcasting - TV	General Fund	1,284.4	1,195.2	(89.2)
	Total	1,284.4	1,195.2	(89.2)
	Permanent FT	0.0	0.0	0.0
	Permanent PT	0.0	0.0	0.0

Appendix 2 (Cont'd)

COMPONENT		FY 97 AUTHORIZED	FY 98 REQUEST	VARIANCE
Tax Appeals	General Fund	188.4	160.4	(28.0)
	Total	188.4	160.4	(28.0)
	Permanent FT	1.0	1.0	0.0
	Permanent PT	1.0	1.0	0.0
Leases	General Fund	23,570.6	23,594.2	23.6
	I/A	6,369.6	6,679.4	309.8
	Total	29,940.2	30,273.6	333.4
Information Services Fund Front Section	General Fund	0.0	0.0	0.0
	GF Prog. Receipts	0.0	0.0	0.0
	I/A	21,456.0	0.0	(21,456.0)
	IAR/Oil & Haz Waste	150.5	0.0	(150.5)
	GF - Designated	55.0	55.0	0.0
	Total	21,661.5	55.0	(21,606.5)
	Federal Receipts	6,845.5	6,858.0	12.5
	General Fund	159,614.4	156,978.4	(2,636.0)
	General Fund Match	988.5	1,167.0	178.5
	GF/Program Receipts	8,920.9	10,868.4	1,947.5
I/A	54,377.4	33,741.0	(20,636.4)	
CIP	128.6	129.5	0.9	
Surplus Property	313.7	317.8	4.1	
Ben. Sys. Receipts	3,782.5	4,004.6	222.1	
PERS	2,832.6	2,836.3	3.7	
TRS	2,191.1	2,178.9	(12.2)	
Judicial Ret. Sys.	39.5	39.9	0.4	
Nat. Guard Ret. Sys.	33.4	33.7	0.3	
FICA Admin. Fund	91.6	92.8	1.2	
Internal Service Fund	20,301.8	20,358.9	57.1	
IFC Gifts/Grants/Bequests	140.7	60.0	(80.7)	
General Funds Designated	217.7	966.4	748.7	
MHTAAR	0.0	407.2	407.2	
GF/MH	3,112.6	3,131.5	18.9	
IA/Oil Haz	150.5	0.0	(150.5)	
Total All Funds		264,083.0	244,170.3	(19,912.7)

DEPARTMENT OF ADMINISTRATION**Public Communications**

An active, vibrant, representative democracy rests upon a foundation of open, accessible, and informed communication among its peoples. Alaska, with its tremendous cultural diversity, its great distances, and its geographically isolated communities, relies more than other states on a robust system of communications technology to unify its citizens and ensure their access to essential information. The state and federal governments have provided significant support for the development of a variety of public telecommunications networks in Alaska, including operating and capital funding for public television, public radio, and the Alaska Rural Communications Service (ARCS). As they have evolved over the years, these public communications byways have become increasingly two-way, bringing the voices of more and more Alaskans into the public discourse and decision-making. Because of its size and sparse population, Alaska cannot rely wholly on private investment to support the continued, necessary development of the state's communications infrastructure, particularly in the rural areas which comprise most of Alaska.

With state and federal operating support diminishing in recent years, a partnership of private citizens, public broadcasters, and state agencies has sought cost-benefits for state-supported telecommunications through creative planning and the use of emerging technology. One outcome of the planning was the state and federal funding of a capital project for satellite interconnection. The project is integrating, through digital compression, the satellite delivery of public television, public radio, and the Alaska Rural Communications Service.

Besides the significant reductions in operating costs brought by the project, Alaskans are receiving improved program schedules and communications offerings. There are other positive developments. ARCS operates out of Bethel's KYUK, placing the operation of this rural service in the hands of rural Alaskans. The public television network, "Alaska One," provides a common schedule to audiences in Fairbanks, Juneau, and Bethel, reducing overhead in those sites. "Alaska Two" provides coverage of the Legislature and other government functions this session out of KTOO, Juneau. Public radio audiences benefit as well, with regional networks of stations in 28 localities making cost-beneficial use of satellite interconnection and reducing some administration overhead. The hardware necessary to retrofit equipment in hundreds of communities is in place and operational.

This budget reflects the new interrelatedness of statewide public communications budget components, anticipating future needs while addressing present realities. It thus ensures the continued effectiveness and cost-efficiencies of public communications to Alaskans while fostering public/private partnerships and support.

DEPARTMENT OF ADMINISTRATION

LABOR RELATIONS

Bargaining Unit Summary of Negotiations

Unit	Expires	Status
1. General Government (GGU)	6/30/99	<p>Current agreement effective July 1, 1996, through June 30, 1999. Effective July 1, 1996, the salary schedules were increased by 1.4%. The salary schedules will be adjusted by one half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5%, in 1997 and 1998. The State's monthly health insurance contribution may increase up to \$50 for each eligible employee per month, with future increases matched by employee payroll deduction. Martin Luther King, Jr. Day will be observed by Class One employees. January 1, 1997, the employee's birthday will no longer be observed. February 1999, Lincoln's Birthday will no longer be observed. Effective July 1, 1996, Correctional Officers converted to a system of personal leave, with a 60% conversion of sick leave hours to personal leave. Overtime after 37.5 hours of work in a workweek, versus 37.5 in pay status.</p>
2. Labor, Trades and Crafts (LTC)	6/30/99	<p>Current agreement effective July 1, 1996, through June 30, 1999. The wage schedule was increased by 1.4% on July 1, 1996. The salary schedules will be adjusted by one-half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5%, in 1997 and 1998; a 4.5% increase is guaranteed if the CPI should exceed 9% over the term of the agreement. Tool allowance will increase by ten dollars (\$10) per month. The State's monthly contribution to the Public Employees Local 71 Health and Welfare Trust may increase by up to \$26. Any increase in state contribution will be matched by payroll deduction from employees. Employees in the bargaining unit during the pay period July 1 through July 15, 1996, received a one-time addition of two days of leave to their personal leave accounts. Holidays proclaimed by the president of the United States will no longer be recognized.</p>

Note: Negotiations generally commence 90-120 days prior to contract expiration and may extend beyond termination date. Interest arbitration is possible in all units with Class 1 employees: GGU, SU, PSEA, LTC, CEA.

Appendix 4 (Cont'd)

	Unit	Expires	Status
3.	Supervisory (SU)	06/30/99	Current agreement effective July 1, 1996, through June 30, 1999. Includes salary schedule adjustment for overtime eligible employees of 1.4% on July 1, 1996. The salary schedules will be adjusted by one-half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5%, in 1997 and 1998; a 4.5% increase is guaranteed if the CPI should exceed 9% over the term of the agreement. The salary schedule for overtime ineligible bargaining unit members was increased by 1.5% on July 1, 1996, and will increase by 1.5% each year of the agreement. \$50,000 will be allocated for supervisory training each year of the agreement. The standby rate of pay for overtime ineligible employees is increased from .75 hours pay per standby day to 1.25.
4.	Inlandboatmen (IBU)	5/31/99	Current agreement effective June 9, 1996, through May 31, 1999. The salary schedule was increased by 1.4% on July 1, 1996. The salary schedules will be adjusted by one half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5%, in 1997 and 1998; a 4.5% increase is guaranteed if the CPI should exceed 9% over the term of the agreement.
5.	Marine Engineers (MEBA)	10/31/96	Most recent agreement effective November 1, 1993, to October 31, 1996. Maintenance and Cure covered by Jones Act rate of \$45.00 per day; employer's health insurance plan with option to go to union provided health insurance trust \$450 per month; uniform allowances increased by \$100 per year and \$200 for dress uniforms. Negotiations for successor agreement have begun.
6.	Masters, Mates & Pilots (MM&P)	5/31/99	Current agreement effective June 1, 1996, through May 31, 1999. The wage schedule was increased by 1.4% on July 1, 1996. The salary schedules will be adjusted by one-half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5%, in 1997 and 1998; a 4.5% increase is guaranteed if the CPI should exceed 9% over the term of the agreement. Southwest Deck Officers shall be paid for the 31st day of the month if worked. Lincoln's birthday shall be treated as a floating holiday.
7.	Public Safety (PSEA)	12/31/98	Current agreement effective January 1, 1996, to December 31, 1998. The salary schedule was increased by 1.5% on July 1, 1996, and will be increased by 1.5% each year of the agreement. Effective July 1, 1996, the State's health insurance contribution was increased to \$495. Effective July 1, 1997, the State's health insurance contribution will increase to \$520.

Note: Negotiations generally commence 90-120 days prior to contract expiration and may extend beyond termination date. Interest arbitration is possible in all units with Class 1 employees: GGU, SU, PSEA, LTC, CEA.

Unit	Expires	Status
8. Correspondence Teachers	6/30/99	Current agreement effective July 1, 1996, through June 30, 1999. Effective July 1, 1996, the salary schedule was increased by 1.4%. The salary schedule will be adjusted by one half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5%, in 1997 and 1998. The state's monthly health insurance contribution may increase up to \$25 per month for each eligible employee with future increases matched by employee payroll deduction.
9. Alaska Vocational Technical Center (AVTEC)	06/30/99	Current agreement effective July 1, 1996, through June 30, 1999. The salary schedule will be adjusted by one half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5%, on July 1, 1997, and 1998. The state's monthly health insurance contribution shall increase to \$450 per month for each eligible employee should the employer provided health plan be changed to a flexible benefits plan.
10. Confidential (K)	06/30/97	Current agreement effective July 1, 1996, through June 30, 1997. No change in salary schedules during the term of the agreement. All full-time employees will be salaried. Negotiation of successor agreement expected to begin in January.

Note: Negotiations generally commence 90-120 days prior to contract expiration and may extend beyond termination date. Interest arbitration is possible in all units with Class I employees: GGU, SU, PSEA, LTC, CEA.

DEPARTMENT OF ADMINISTRATION
Funded and Projected Salary Cumulative Increases Compared to Increases in the Anchorage CPI-U

% CPI Change	Cumulative Change	Year	CPI-U	Negotiated Wage Incr GGU 2&3	Negotiated Wage Incr GGU 1	Negotiated Wage Incr SU	Negotiated Wage Incr LTC	Negotiated Wage Incr CEA	Negotiated Wage Incr PSEA	Negotiated Wage Incr IBU	Negotiated Wage Incr MM&P	Negotiated Wage Incr MEBA
0.00%	0.00%	1984	103.25							3.0		
2.43%	2.43%	1985	105.76	5.0	5.0	3.5	5.0	5.0	5.0	2.0	2.0	2.0
1.96%	4.44%	1986	107.83									
0.38%	4.84%	1987	108.24									
0.33%	5.19%	1988	108.60							2.1		
2.85%	8.19%	1989	111.70									
6.18%	14.88%	1990	118.60	3.3	4.25	3.3	3.3	3.3	3.3	3.3	3.3	3.3
4.55%	20.11%	1991	124.00	5.0	5.0	5.0	4.5	5.0	5.0	5.0	5.6	5.51
3.39%	24.18%	1992	128.20	3.6	3.6	3.6	3.6	3.6		3.6	3.6	3.6
3.12%	28.05%	1993	132.20									
2.12%	30.76%	1994	135.00						3.6			3.1
2.37%	33.96%	1995	138.20					2.5				
* 3.26%	38.22%	1996	142.70	1.4	1.4	1.4	1.4			1.4	1.4	
* 3.15%	42.58%	1997	147.20	1.5	1.5	1.5	1.5		1.5	1.5	1.5	
* 3.06%	46.94%	1998	151.70	1.5	1.5	1.5	1.5		1.5	1.5	1.5	
* 2.97%	51.30%	1999	156.20									
Total thru 96		19.6	20.7	17.9	19.1	20.9	23.4	18.7	16.9	18.8		
Projected to 99			23.3	24.4	21.5	22.7	20.9	27.1	22.3	20.4	18.8	

Notes: GGU, SU, LTC, IBU, and MM&P have negotiated 1/2 of the CPI cost of living increases capped at 1.5% Negotiations/Discussions to begin Winter 95/96 for Statutory EE's, CEA, and PSEA.
 Negotiations ongoing with Court System Employees.

* Projection

DEPARTMENT OF ADMINISTRATION
Funded and Projected Salary Increases Compared to Increases in the Anchorage CPI-U

	% CPI Change CPI	Wage Increase GGU 2&3	Wage Increase GGU 1	Wage Increase SU	Wage Increase LTC	Wage Increase CEA	Wage Increase PSEA	Wage Increase IBU	Wage Increase MM&P	Wage Increase MEBA
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1985	2.4	5.0	5.0	3.5	5.0	5.0	3.0	2.0	2.0	2.0
1986	4.4	5.0	5.0	3.5	5.0	5.0	8.2	2.0	2.0	2.0
1987	4.8	5.0	5.0	3.5	5.0	5.0	8.2	2.0	2.0	2.0
1988	5.2	5.0	5.0	3.5	5.0	5.0	8.2	4.1	2.0	2.0
1989	8.2	5.0	5.0	3.5	5.0	5.0	8.2	4.1	2.0	2.0
1990	14.8	8.5	9.5	6.9	8.5	8.5	11.7	7.6	5.4	5.4
1991	20.1	13.9	14.9	12.3	13.4	13.9	17.3	13.0	11.3	11.2
1992	27.2	18.0	19.1	16.3	17.4	18.0	17.3	17.0	15.3	15.2
1993	28.1	18.0	19.1	16.3	17.4	18.0	17.3	17.0	15.3	15.2
1994	30.8	18.0	19.1	16.3	17.4	18.0	21.5	17.0	15.3	18.8
1995	33.9	18.0	19.1	16.3	17.4	20.9	21.5	17.0	15.3	18.8
1996	38.2	19.6	20.7	17.9	19.1	20.9	23.4	19.9	16.9	19.8
1997	42.6	21.4	22.6	19.7	20.9	20.9	25.2	20.5	18.6	18.8
1998	46.9	23.3	24.4	21.5	22.7	20.9	27.1	22.3	20.9	18.8
1999	51.3	23.3	24.4	21.5	22.7	20.9	27.1	22.3	20.4	18.8

DEPARTMENT OF ADMINISTRATION**Information Services Fund Update****Current Situation**

FY 98 rates have been developed in accordance with generally-accepted accounting principles (GAAP), and stringent federal guidelines which require that an internal service fund has no long-term profit or loss.

The department received a number of capital appropriations in FY 96 and has requested additional capital appropriations in FY 97 and FY 98 to be funded from the Information Services Fund. These requests are funded primarily through the depreciation component included in the rates. Once cash accumulates sufficiently to fund the capital appropriations, expenditures will be made.

Federal guidelines require that there be an explanation of how variances between revenues and expenses will be handled. OMB recommended in their April 1995 audit that over- or under-recoveries in the ISF in any particular year be rolled prospectively into rate development in future years. FY 98 rates were based on FY 96 actual costs, adjusted for planned changes in operations for FY 98. In general, the department over-recovered for some services in FY 96 and under-recovered in other services. One-third of the variance was factored into FY 98 rates, one-third of the variance will be factored into FY 99 rates, and one-third of the variance will be factored into FY 00 rates. Handling over- or under-recoveries over a three-year period helps prevent wide rate fluctuations from year-to-year and assists agencies with budget planning. Adjustment of future rates to compensate for past over- or under-recoveries has the effect of maintaining a fund balance with no long-term profit or loss. This method is in compliance with GAAP and satisfies federal guidelines for explanations of how variances will be handled.

**DEPARTMENT OF ADMINISTRATION
Fee Schedule**

<u>Component</u>	<u>Service Provided</u>	<u>FY 96 Fee</u>	<u>FY 97 Fee</u>	<u>Proposed FY 98 Fee</u>	<u>FY 98 Budget Increase from Fee Change</u>	<u>Regulation #</u>	<u>Statute #</u>
Pioneers' Homes	Coordinated Services	\$735/Mo	\$935/Mo	\$1135/Mo	\$387,900.00	2AAC 41.015	AS 47.55
Pioneers' Homes	Basic Assisted Living Care	\$860/Mo	\$1289/Mo	\$1718/Mo	\$387,900.00	2AAC 41.015	AS 47.55
Pioneers' Homes	Enhanced Assisted Living Care	\$965/Mo	\$1553/Mo	\$2140/Mo	\$387,900.00	2AAC 41.015	AS 47.55
Pioneers' Homes	ADRD Care	n/a	\$1579/Mo	\$2103/Mo	\$387,900.00	2AAC 41.015	AS 47.55
Pioneers' Homes	Comprehensive Services	\$1100/Mo	\$1264/Mo	\$2628/Mo	\$387,900.00	2AAC 41.015	AS 47.55
Senior Services Administration	Assisted Living licensing applications	\$25/bed every 2 years	\$25/bed every 2 years	\$25/bed every 2 years	None	2AAC 42.010	AS 44.33.910
Longevity Bonus	Computer Disk with names and addresses of recipients by zip code	\$10/disk/Zip Code \$20/disk/Anch \$30/disk/Statewide	\$10/disk/Zip Code \$20/disk/Anch \$30/disk/Statewide	\$10/disk/Zip Code \$20/disk/Anch \$30/disk/Statewide	None		AS 09.25.110
AOGCC	Drilling Permits	\$100 per application	\$100 per application	\$100 per application	None		AS 31.05.090
AOGCC	Well File Copies	\$.25 per page	\$.25 per page	\$.25 per page	None	6AAC 95.130(a)	
AOGCC	Statistical Report	\$.25 per page	\$.25 per page	\$.25 per page	None	6AAC 95.130(a)	
Telecom Services	Kenai Peninsula Microwave System	\$19,998 per channel	\$19,998 per channel	\$19,998 per channel	None		AS 44.21.045
Telecom Services	Honey Ridge Site Lease	n/a	n/a	\$8,231 annually	None		AS 44.21.045
ARCS	Repair of Earth Station	\$70.00 per hour	\$62.00 per hour	\$60.07 per hour	None		AS 44.21.045
Computer Services	US Gov't Marine Fisheries/ Political Subdivisions	Annual Charge based on computer svc usage	Annual Charge based on computer svc usage	Annual Charge based on computer svc usage	None		AS 44.21.045
Retirement and Benefits	Social Security Contribution Compliance	.00006% of their annual payroll (\$25.00 minimum)	Same as FY 96	Same as FY 96	None	n/a	AS 39.30.050
OPA	Public Guardian Services for approx. 500 persons	\$40.0/Mo	\$40.0/Mo	\$40.0/Mo	None	2AAC60.07J-12	AS 13.26.4.10 AS 44.21.410
APOC	Photo Copies	\$0.20/copy except Anchorage \$0.25/copy no charge if less than 11 copies. Personnel costs are charged if work from single requester exceeds 5 hr./mo.	Same as FY 96	Same as FY 96	None	2AAC 50.910	AS 15.13.030(3) AS 15.13.030(5) AS 39.50.050(d) AS 24.45.101 AS 09.25.110 AS 09.25.115

<u>Component</u>	<u>Service Provided</u>	<u>FY 96 Fee</u>	<u>FY 97 Fee</u>	<u>Proposed FY 98 Fee</u>	<u>FY 98 Budget Increase from Fee Change</u>	<u>Regulation #</u>	<u>Statute #</u>
APOC	Lobbyist Directory Lobbying Activity All Others	\$2.00 each \$5.00 each \$2.00 each	\$2.00 each \$5.00 each \$2.00 each	\$2.00 each \$5.00 each \$2.00 each	None	Same as above	Same as above
APOC	Computer Reports	\$0.30/sheet; no charge if less than 11 sheets. Personnel costs are charged if work from a single requester exceeds 5 hrs./mo.	Same as FY 96	Same as FY 96	None	Same as above	Same as above
APOC	Computer Diskette; copy of existing public document (no editing)	\$5.00/3.5" disk. \$2.00/5.25" disk. Personnel costs are charged if work from a single requester exceeds 5 hrs./mo.	Same as FY 96	Same as FY 96	None	Same as above	Same as above
APOC	Computer Diskette; custom computer reports requiring editing or staff time to set up or produce	\$17.00/disk. if work from a single requester exceeds 5 hrs./month \$13/disk plus personnel costs.	Same as FY 96	Same as FY 96	None	Same as above	Same as above
APOC	User Manuals	First copy free, additional; \$10.00 Campaign Disclosure	Same as FY 96	Same as FY 96	None	Same as above	Same as above
APOC	Audio Cassettes	\$7.50/tape Personnel costs are charged if work from a single requester exceeds 5 hrs./mo	Same as FY 96	Same as FY 96	None	Same as above	Same as above
APOC	Video Cassettes	\$5.00/tape	Same as FY 96	Same as FY 96	None	Same as above	Same as above
APOC	Lobbyist Registration	\$100.00	Same as FY 96	Same as FY 96	None	Same as above	Same as above
	Alaska Professional Training Tuition Development Institute (APDI)						
	1/2 day	\$50.00	\$55.00	\$55.00	None		AS 39.25.050
	1 day	\$95.00	\$105.00	\$105.00	None		AS 39.25.051
	2 days	\$180.00	\$195.00	\$195.00	None		AS 39.25.052
	3 days	\$260.00	n/a	n/a	None		AS 39.25.053
	5 days	\$360.00	\$396.00	\$397.00	None		AS 39.25.054
APDI	Computer Training: 1 day	\$135.00	varies	varies	None		AS 39.25.050
APDI	In-House Consulting						
	Hourly Fee	\$90.00	\$90.00	\$90.00	None		AS 39.25.050
	Daily Fee	\$1,000.00	\$1,000.00	\$1,000.00	None		AS 39.25.050
Property Management	State Surplus Equipment Disposal	Amount of Sale	Amount of Sale	Amount of Sale	None		AS 44.68.110
Property Management	Federal Surplus Property Handling	% of acquisition cost	% of acquisition cost	% of acquisition cost	None		AS 44.68.120

STAFFING
CHARTS

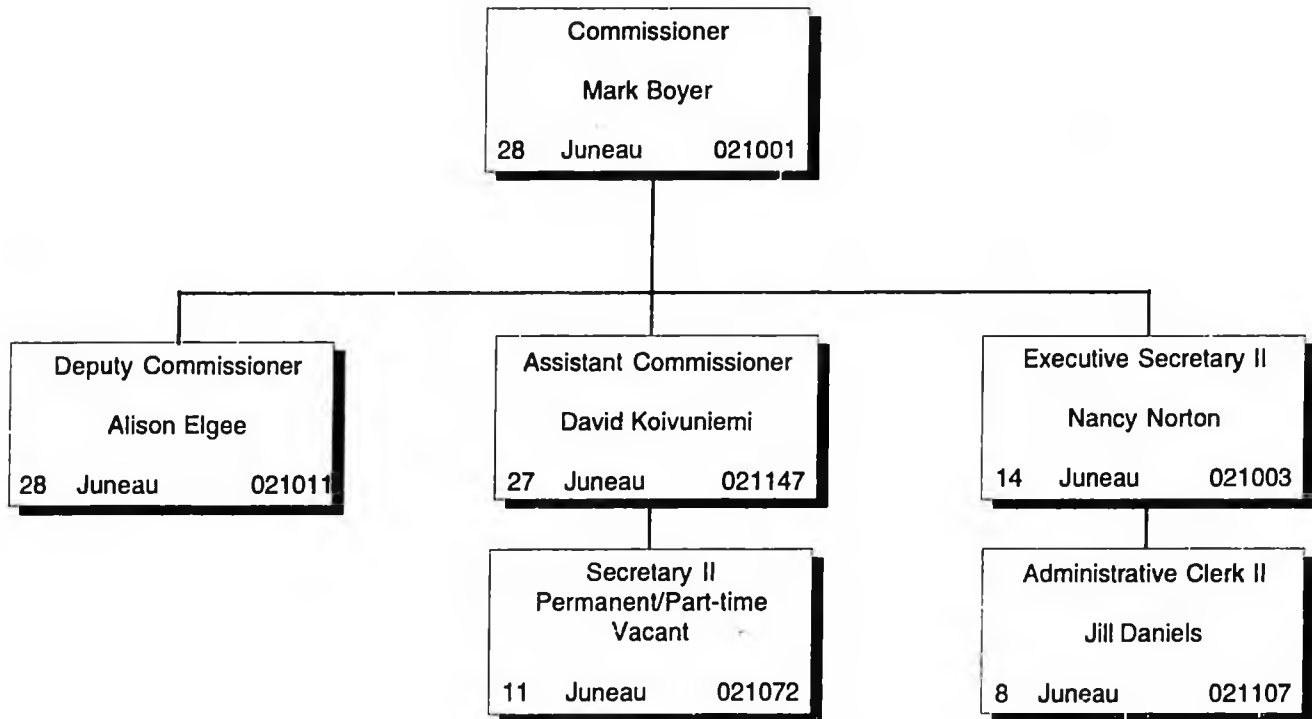


STAFFING CHARTS

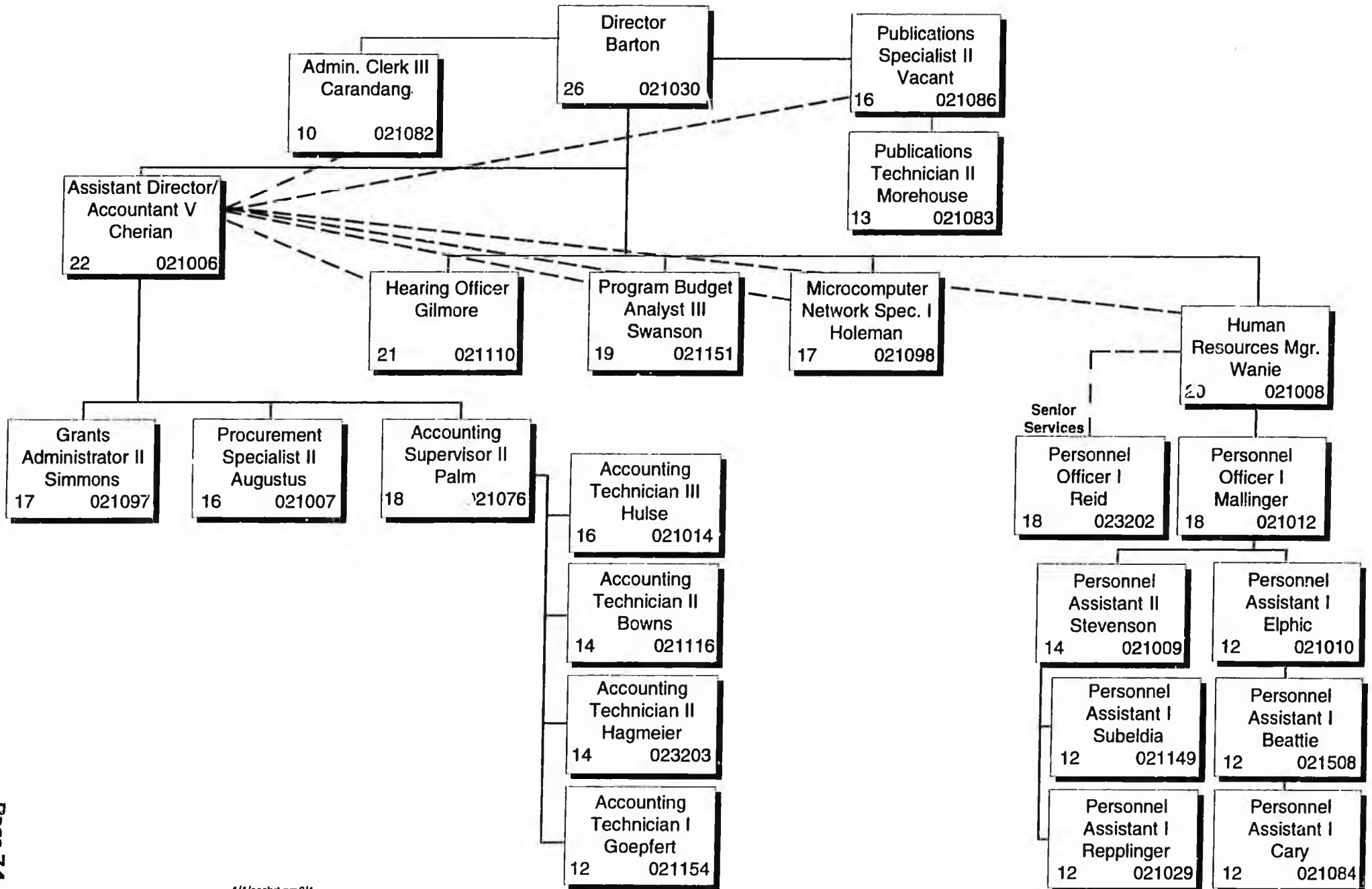
	Page
Office of the Commissioner	73
Division of Administrative Services	74
Division of Personnel	75
Division of Finance.....	76
Division of General Services	77
Division of Retirement and Benefits	78
Division of Risk Management	79
Division of Information Services	80
Division of Senior Services	84
Division of Alaska Longevity Programs	91
Public Defender Agency.....	92
Office of Public Advocacy.....	94
Alaska Public Offices Commission	95
Alaska Oil and Gas Conservation Commission	96

The Staffing Charts which appear in this section are working documents and are for illustrative purposes only. They reflect FY 97 staffing levels at the time they were prepared. Please see Division Overview pages and Appendix 2 for FY 98 Governor's staffing numbers.

**DEPARTMENT OF ADMINISTRATION
COMMISSIONER'S OFFICE**



**DEPARTMENT OF ADMINISTRATION
DIVISION OF ADMINISTRATIVE SERVICES**



Department of Administration
Division of Personnel

Human Resources Managers
(15 Departments)

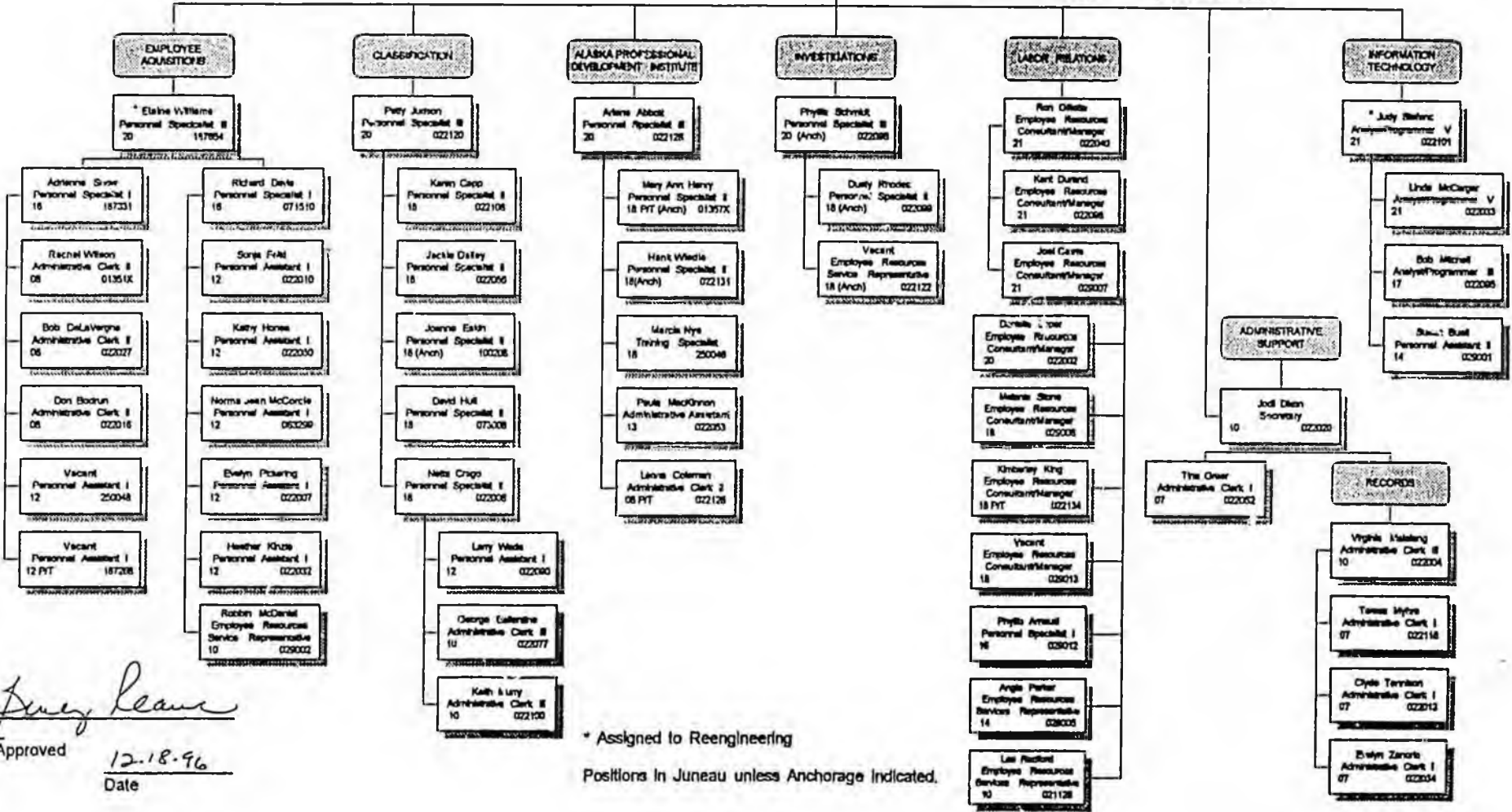
Beverly Reams
Director
26 022001

Personnel Board

REGULATIONS / BCT
ADA / FLSA
SPECIAL PROJECTS

* Linda Lowe
Personnel Specialist II
20 041142

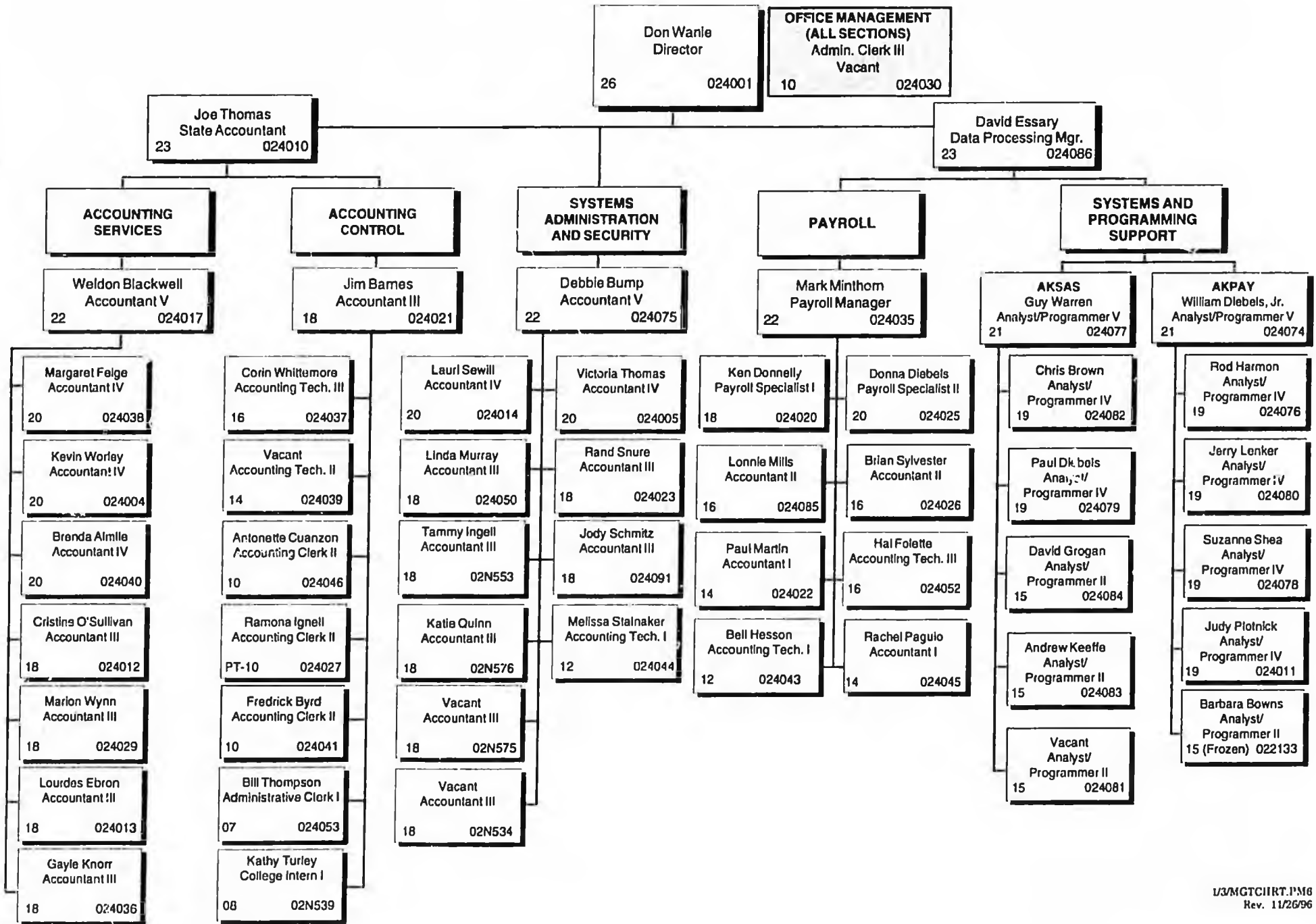
Michael McKeen
Personnel Manager
23 022005



Beverly Reams
Approved
Date 12-18-96

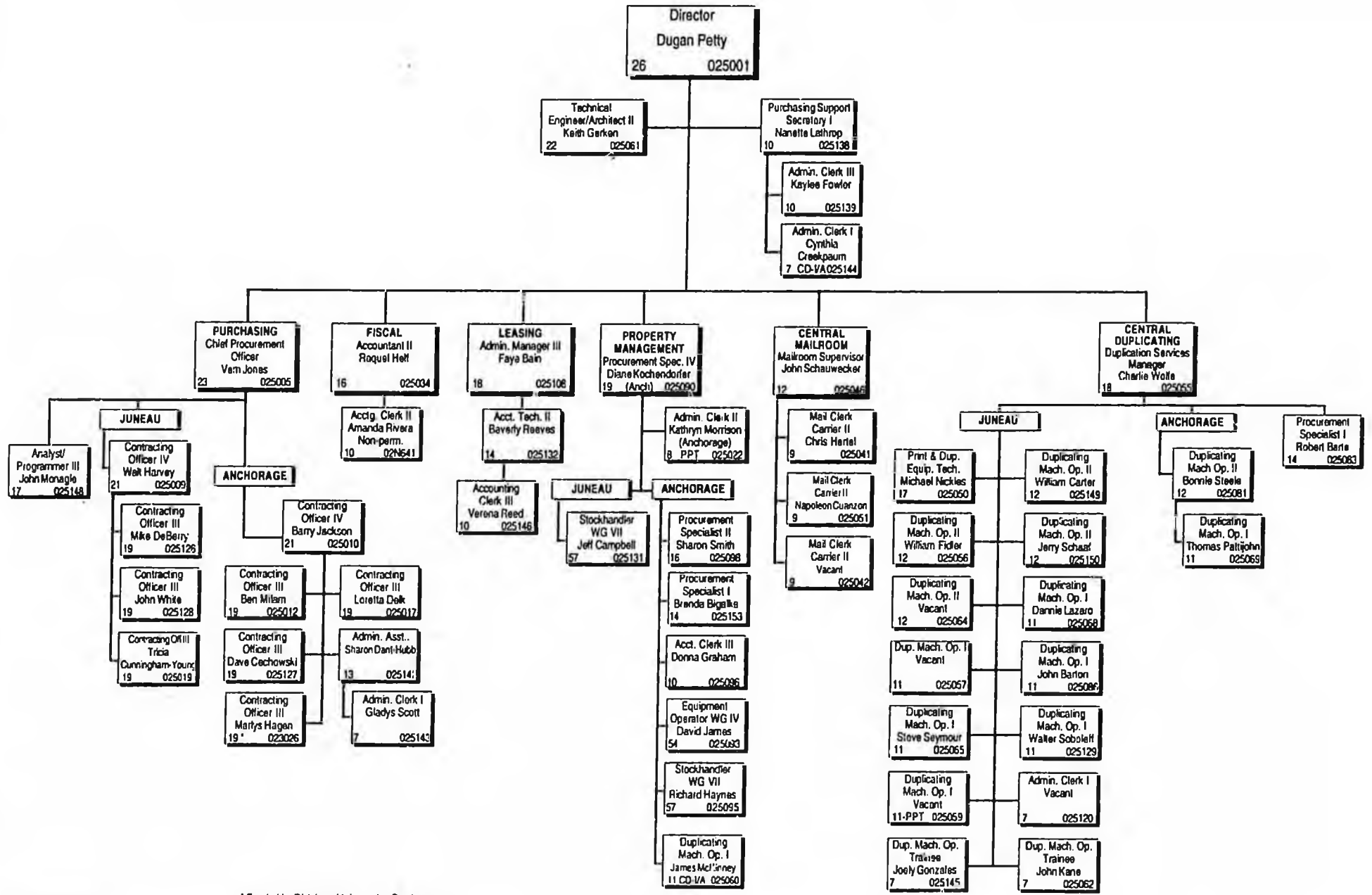
* Assigned to Reengineering
Positions in Juneau unless Anchorage Indicated.

**DEPARTMENT OF ADMINISTRATION
DIVISION OF FINANCE**



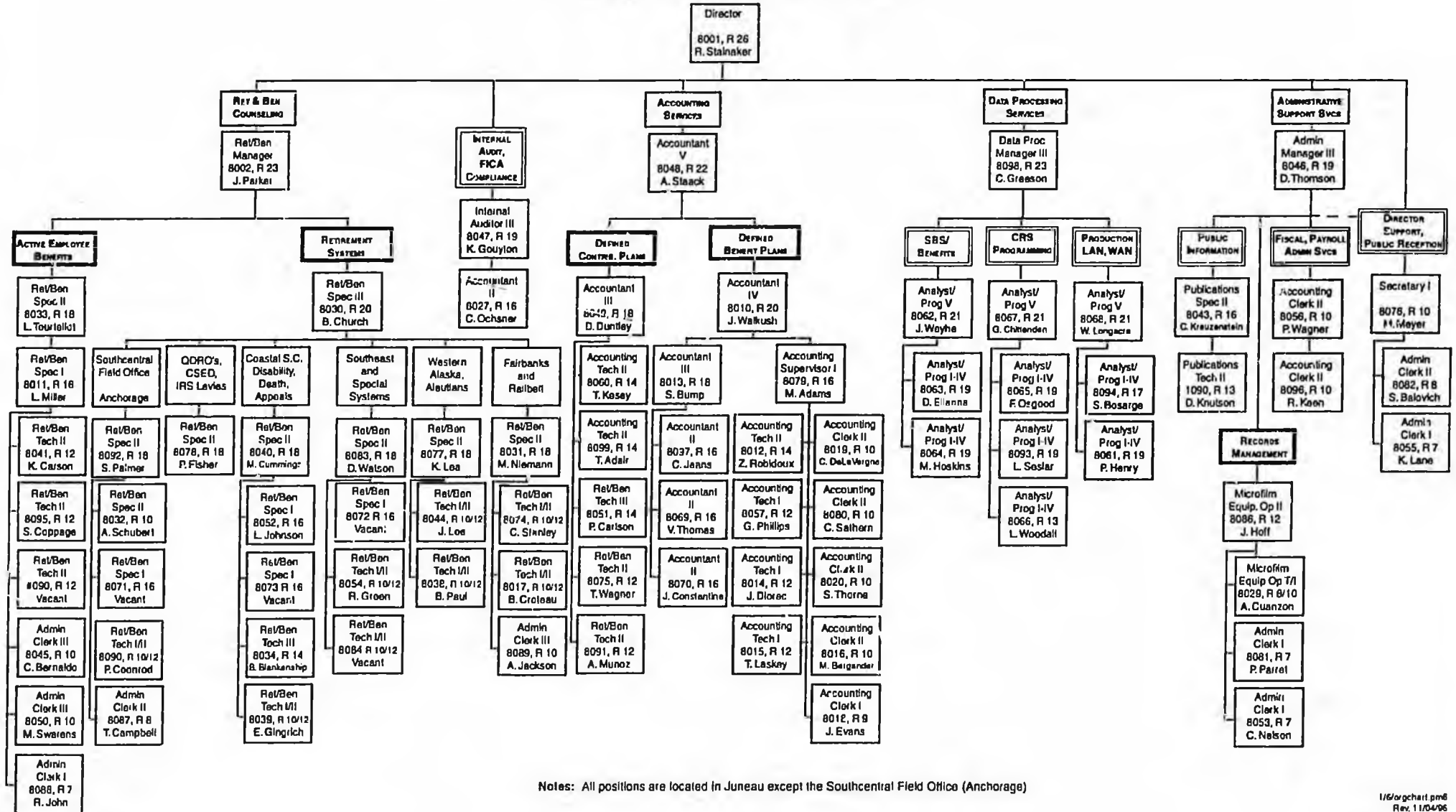
**DEPARTMENT OF ADMINISTRATION
DIVISION OF GENERAL SERVICES**

As of October 3, 1996



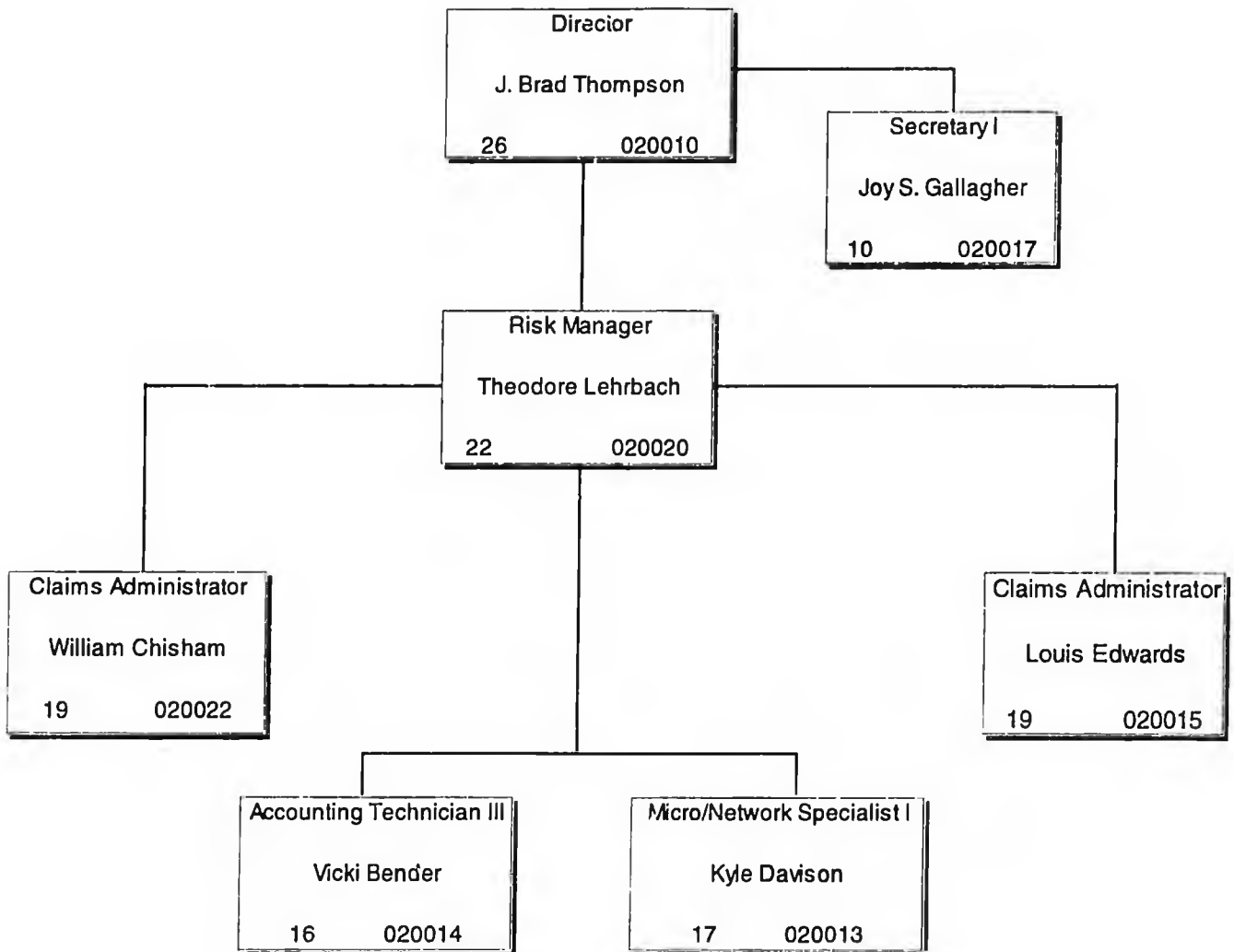
* Funded by Division of Information Services

**DEPARTMENT OF ADMINISTRATION
DIVISION OF RETIREMENT AND BENEFITS**

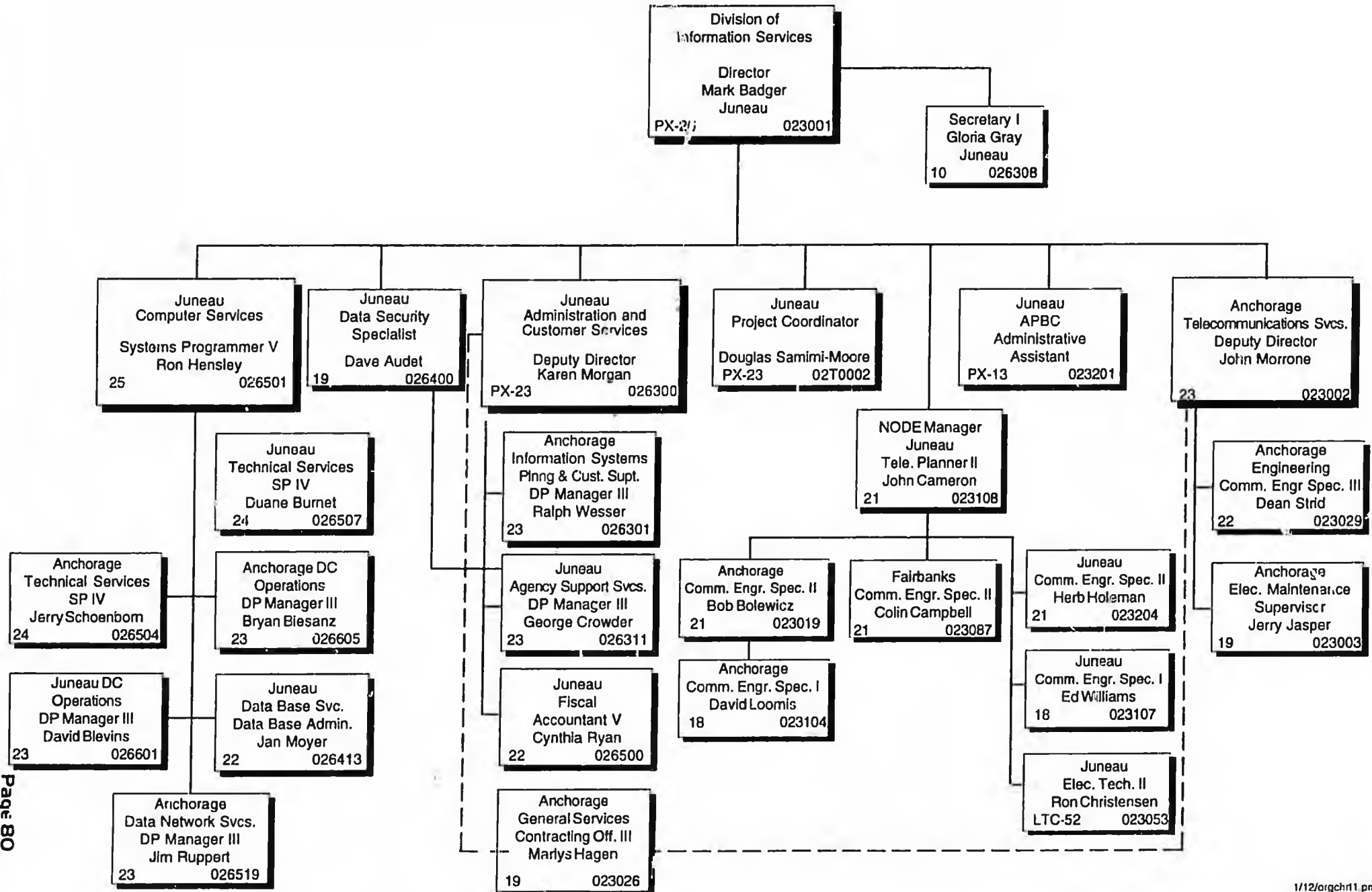


Notes: All positions are located in Juneau except the Southcentral Field Office (Anchorage)

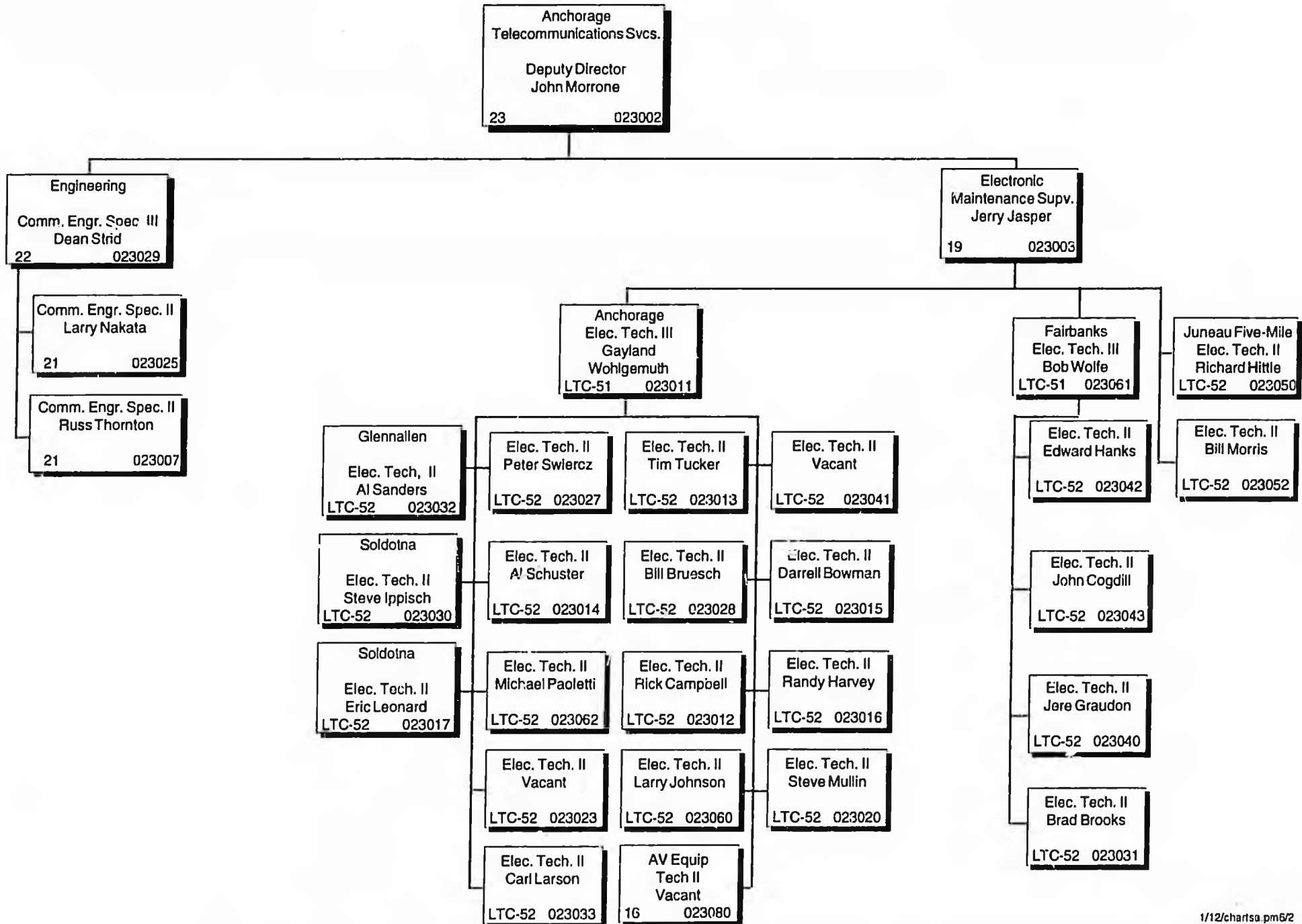
DEPARTMENT OF ADMINISTRATION
Division of Risk Management



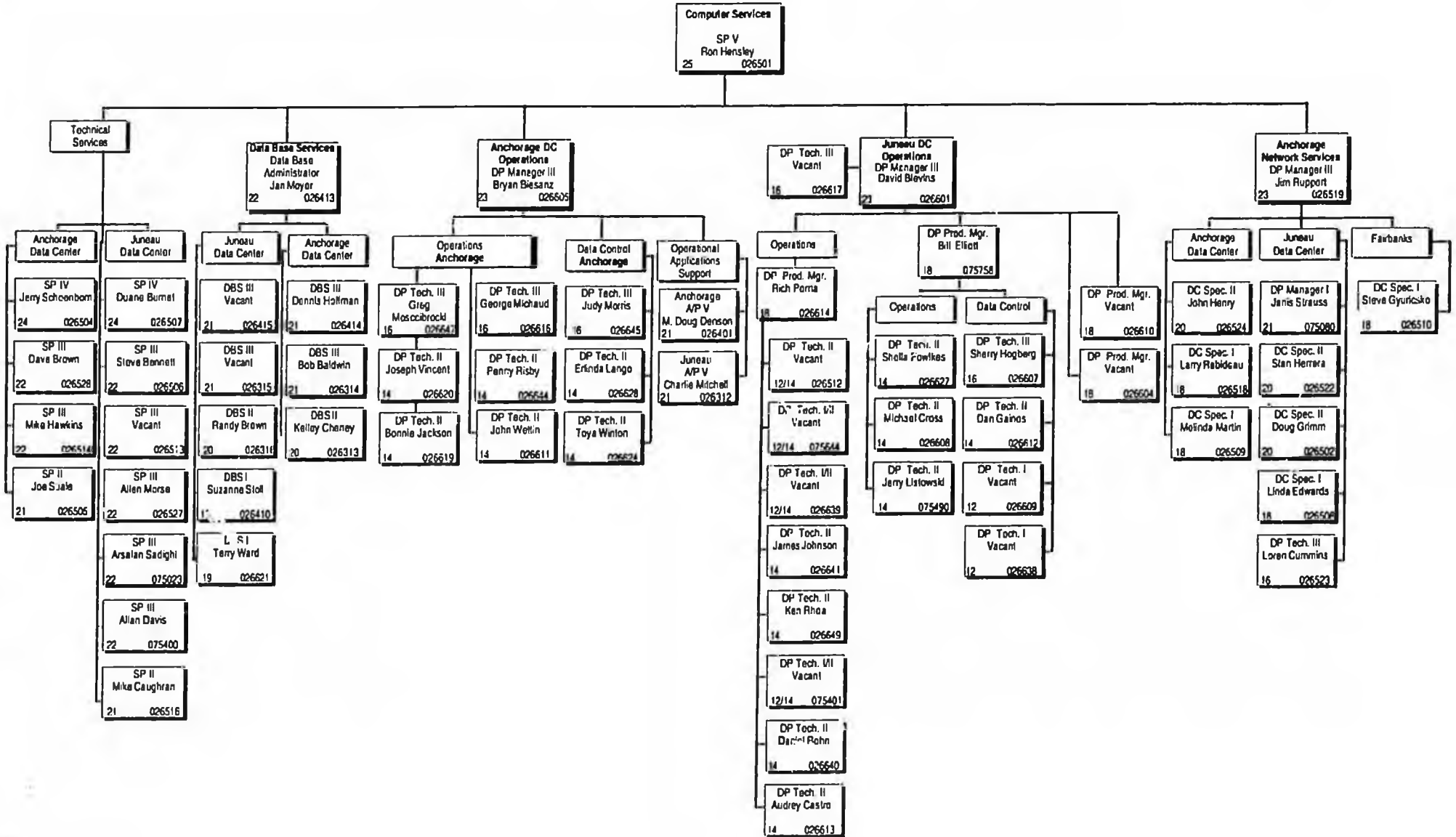
**DEPARTMENT OF ADMINISTRATION
DIVISION OF INFORMATION SERVICES**



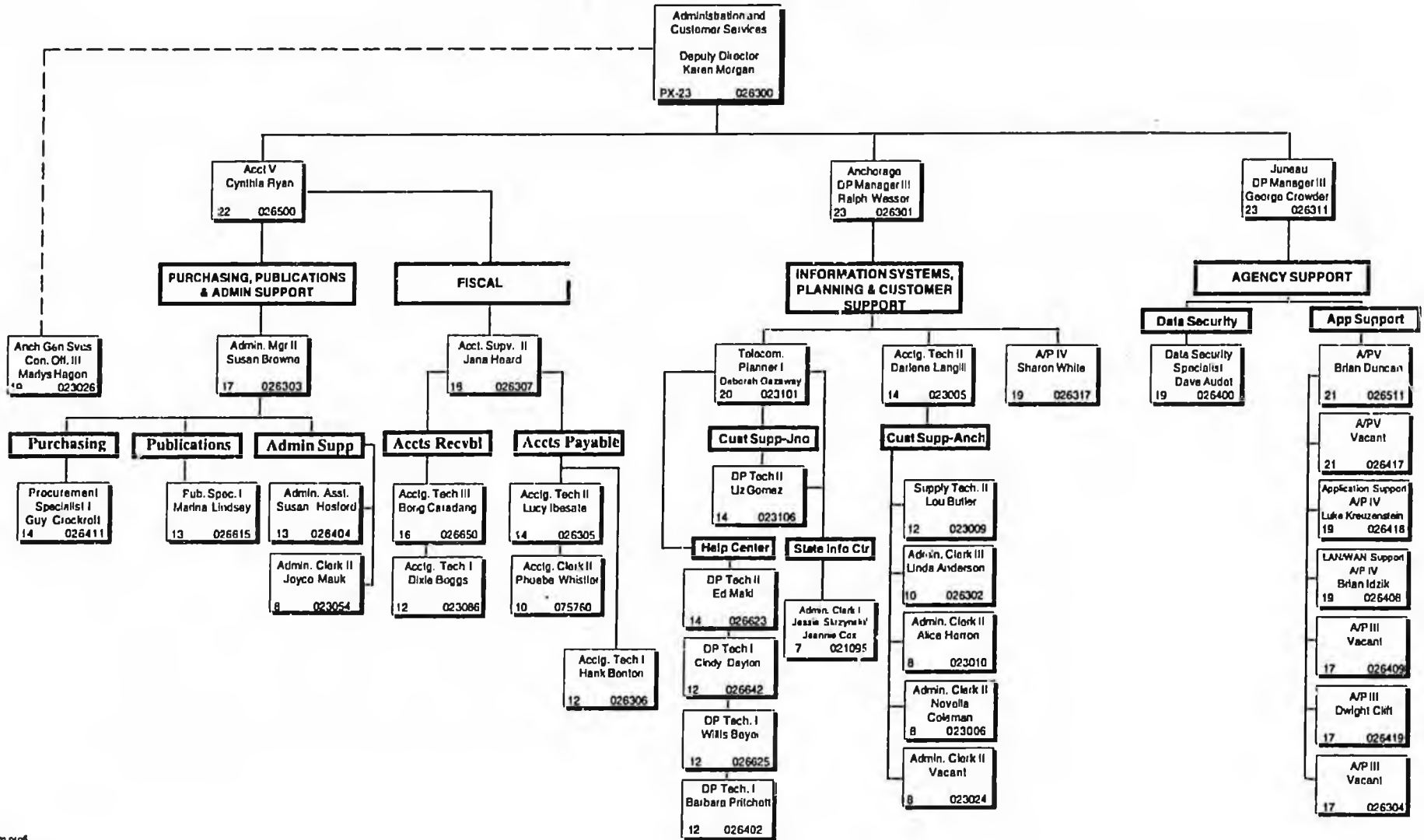
**DEPARTMENT OF ADMINISTRATION
DIVISION OF INFORMATION SERVICES**



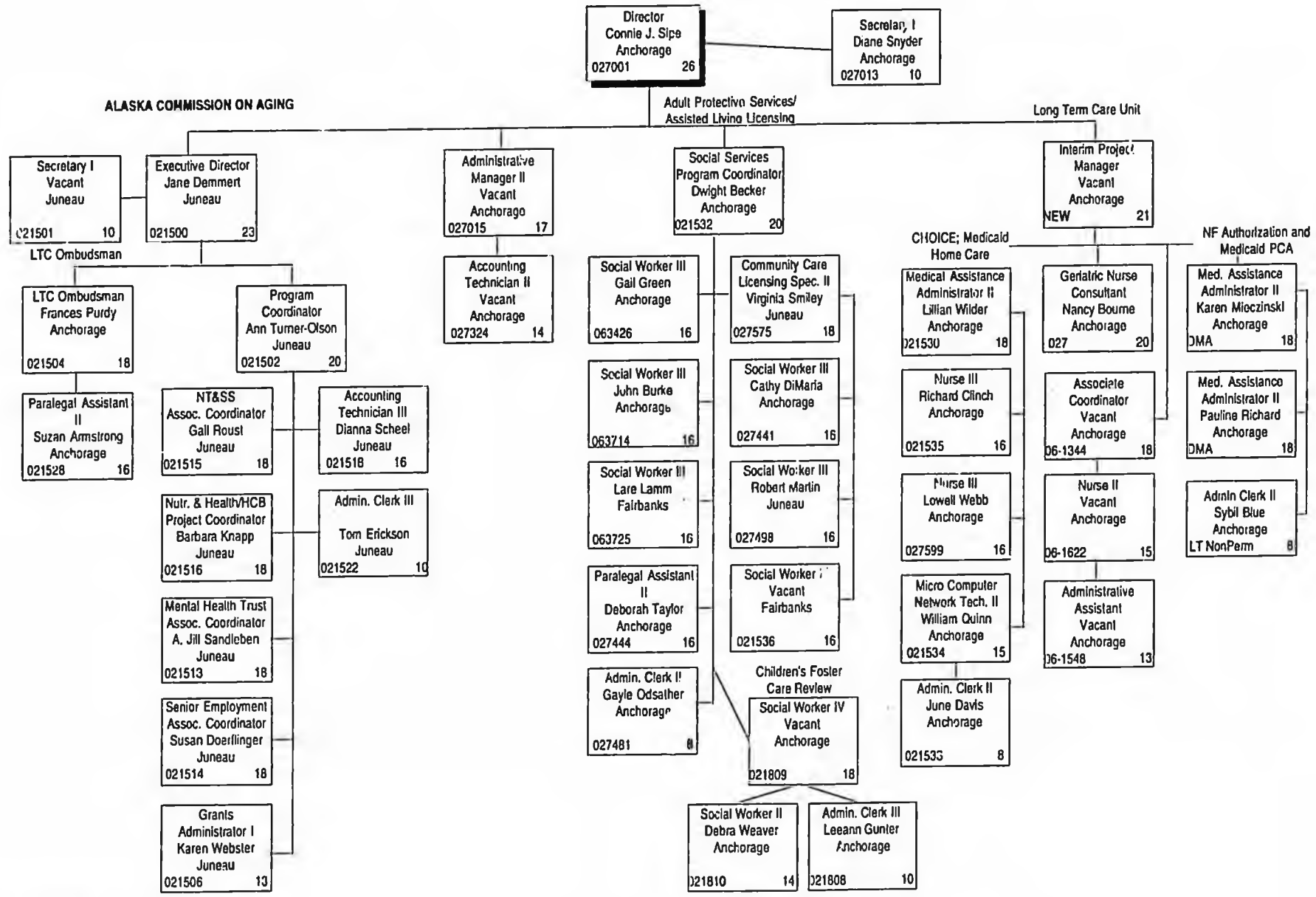
DEPARTMENT OF ADMINISTRATION DIVISION OF INFORMATION SERVICES



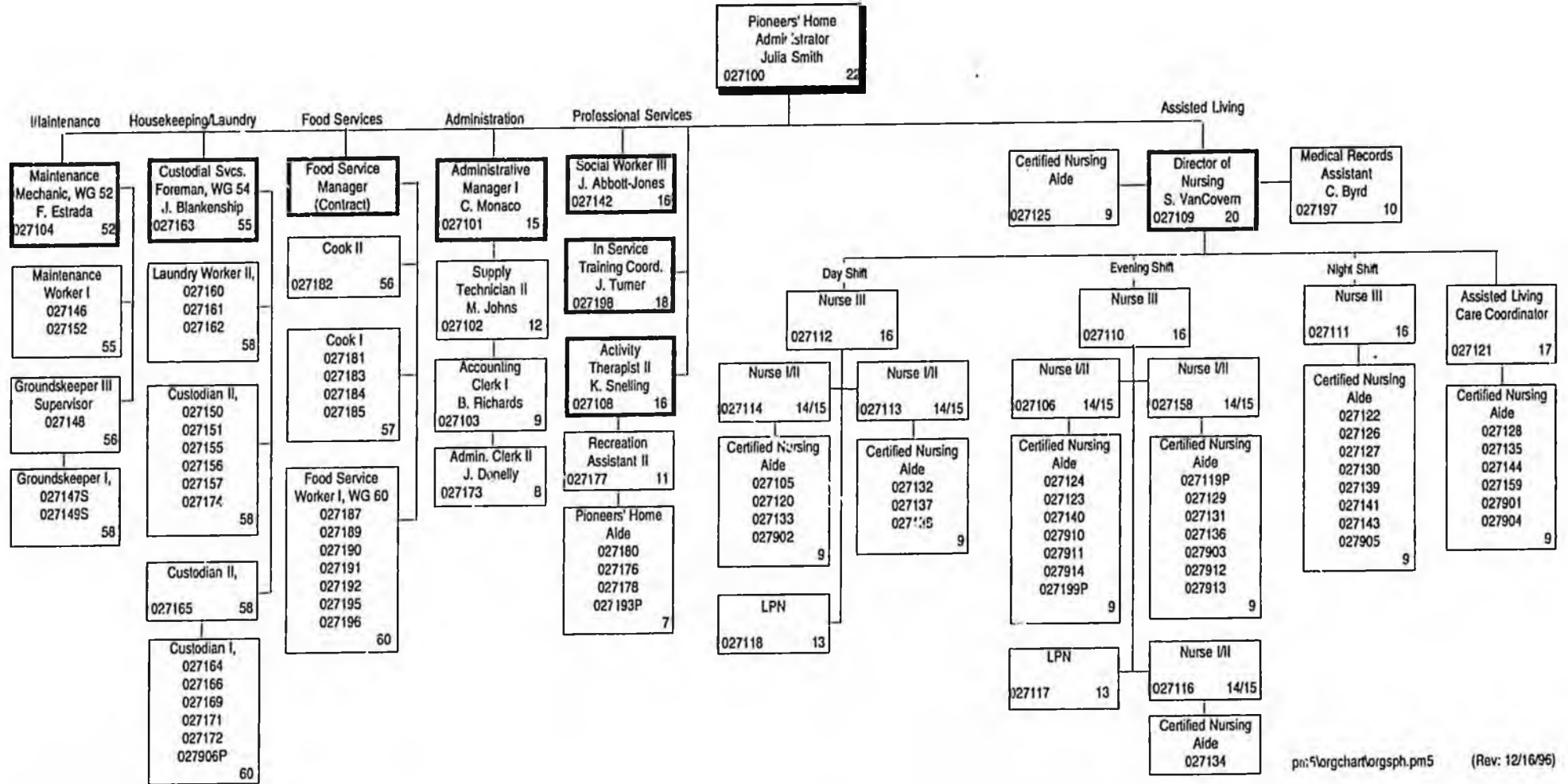
**DEPARTMENT OF ADMINISTRATION
DIVISION OF INFORMATION SERVICES**



**Department of Administration
Division of Senior Services
Protection, Community Services & Administration**

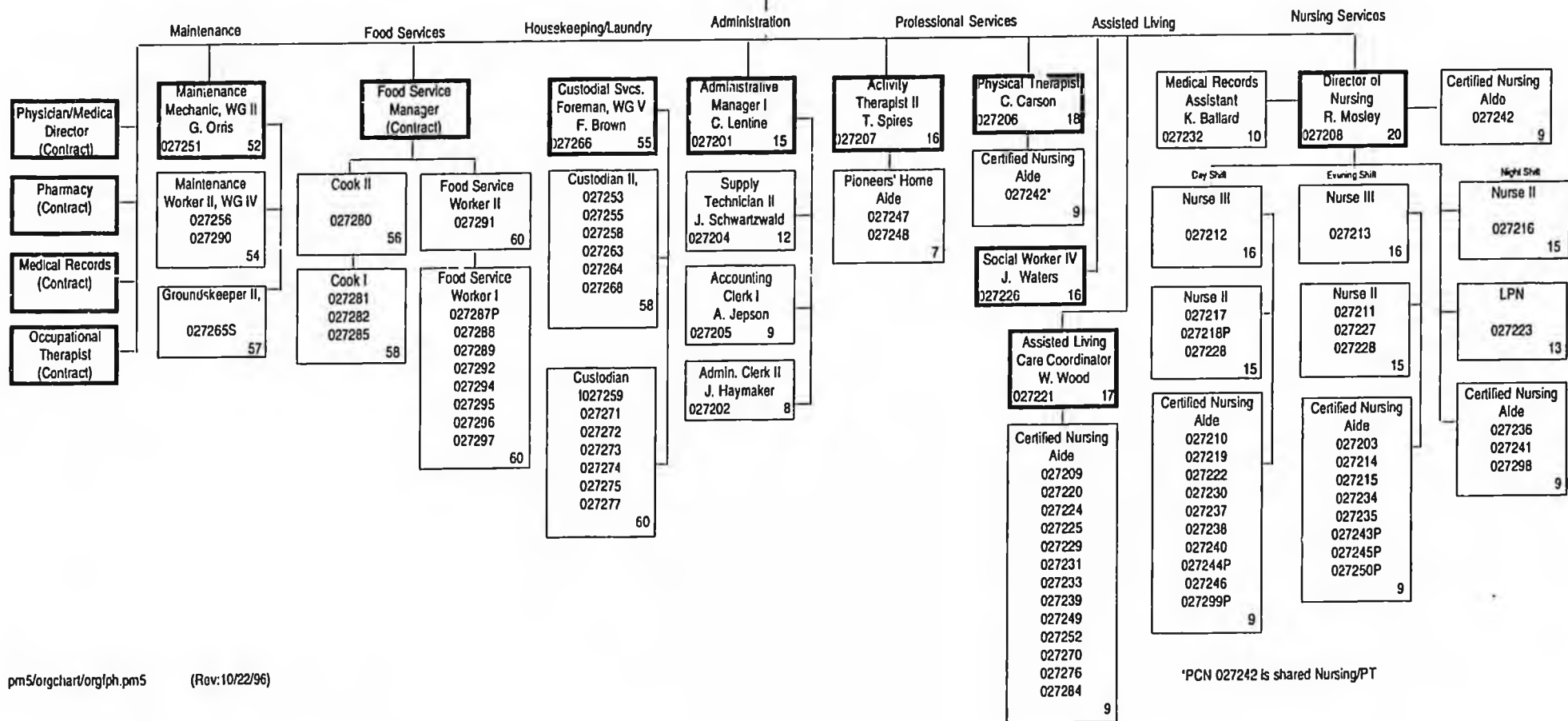


**Department of Administration
Division of Senior Services
Sitka Pioneers' Home**

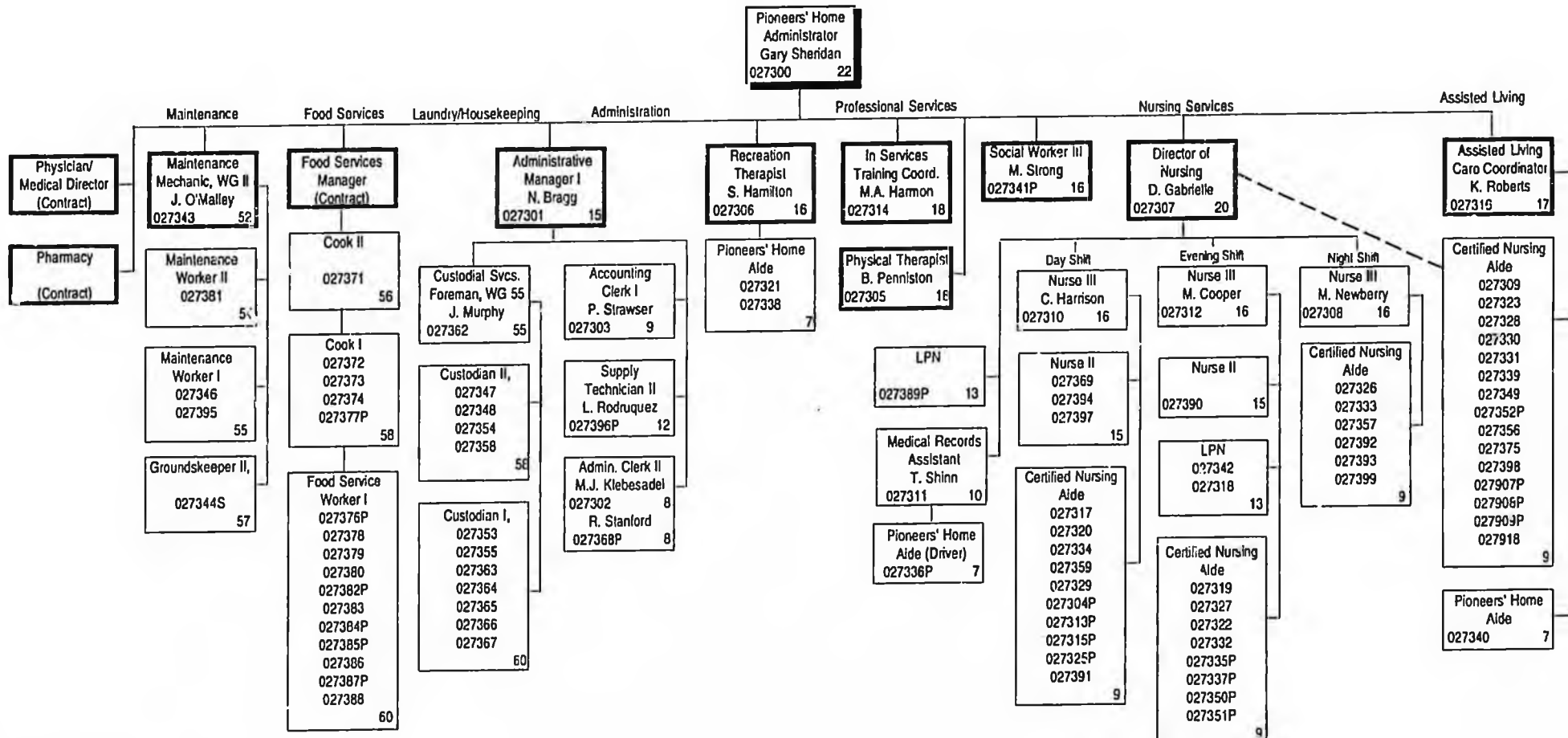


**Department of Administration
Division of Senior Services
Fairbanks Pioneers' Home**

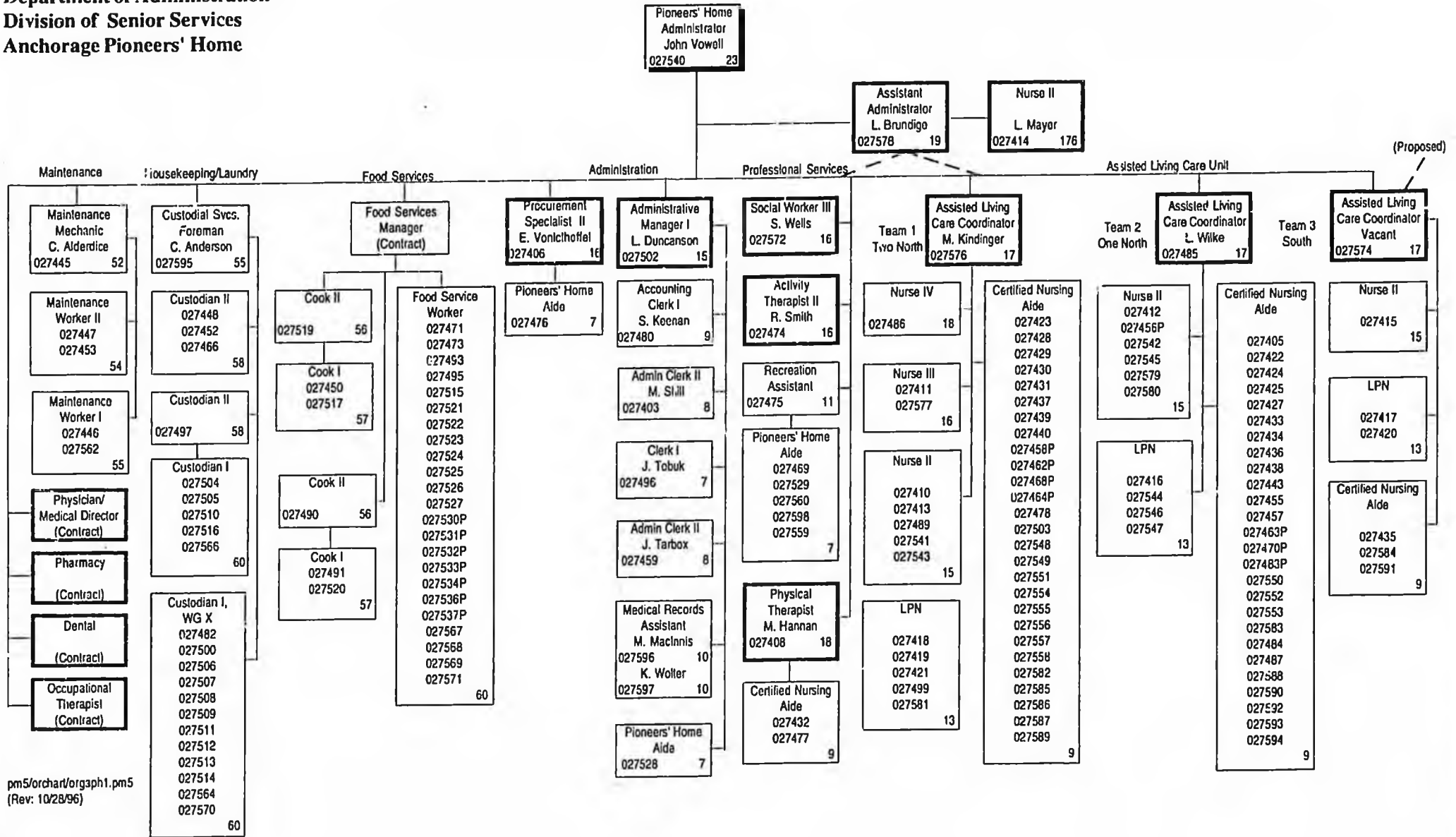
Pioneers' Home
Administrator
Eileen Montano
027200 22



**Department of Administration
Division of Senior Services
Palmer Pioneers' Home**

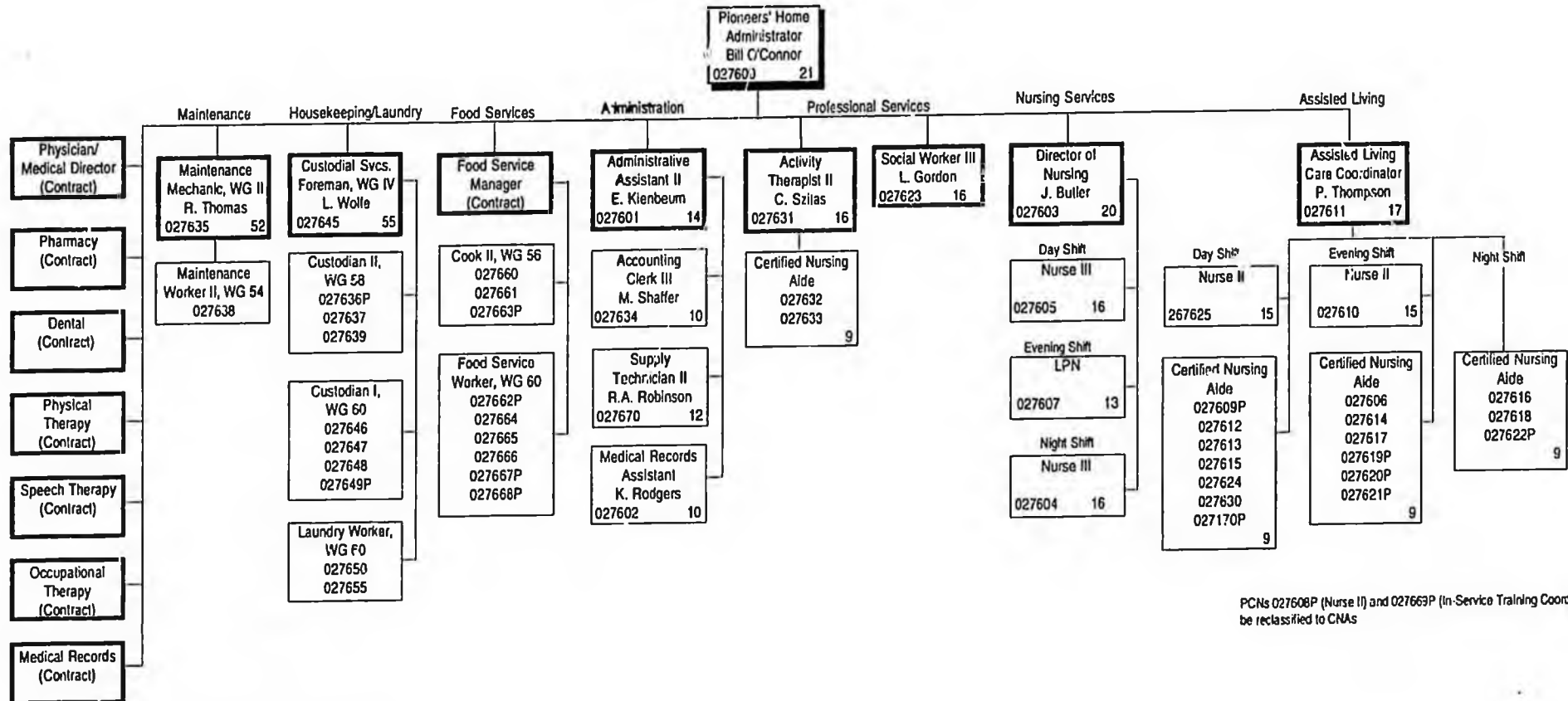


**Department of Administration
Division of Senior Services
Anchorage Pioneers' Home**



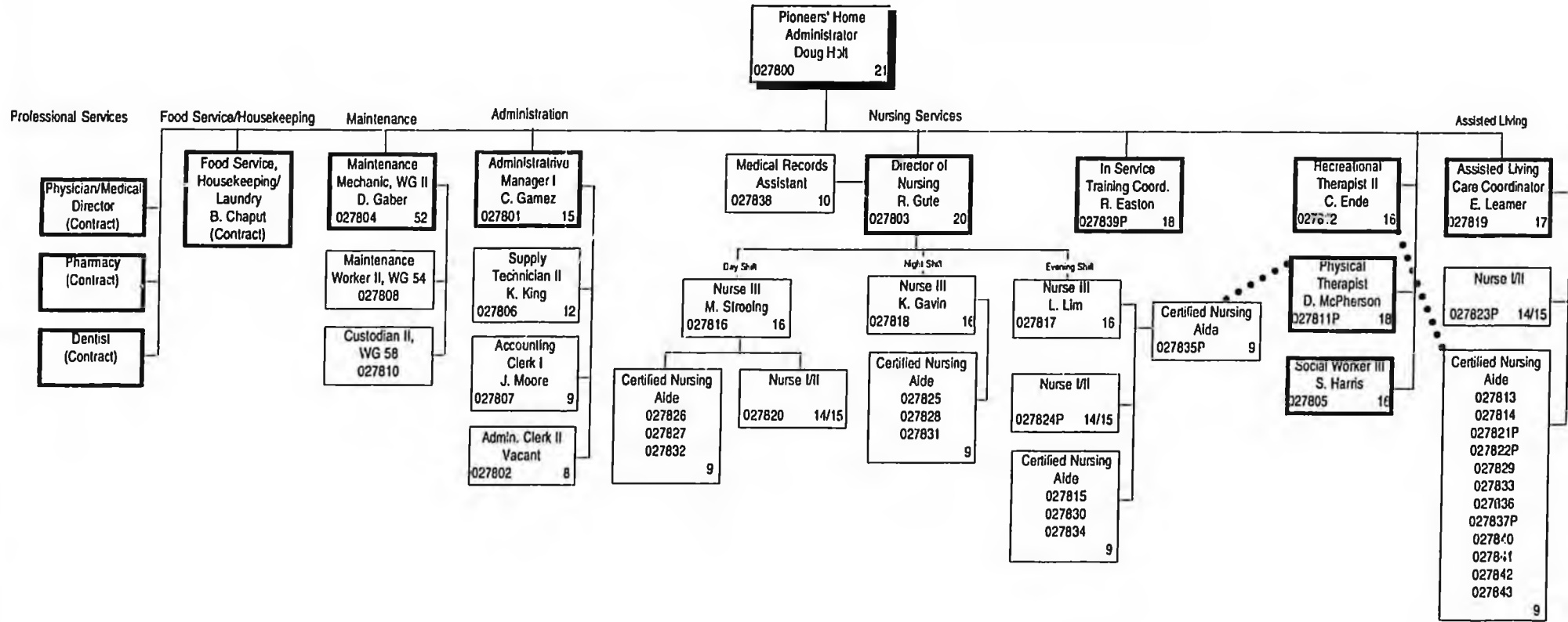
pm5/orchart/orgaph1.pm5
(Rev: 10/28/96)

**Department of Administration
Division of Senior Services
Ketchikan Pioneers' Home**



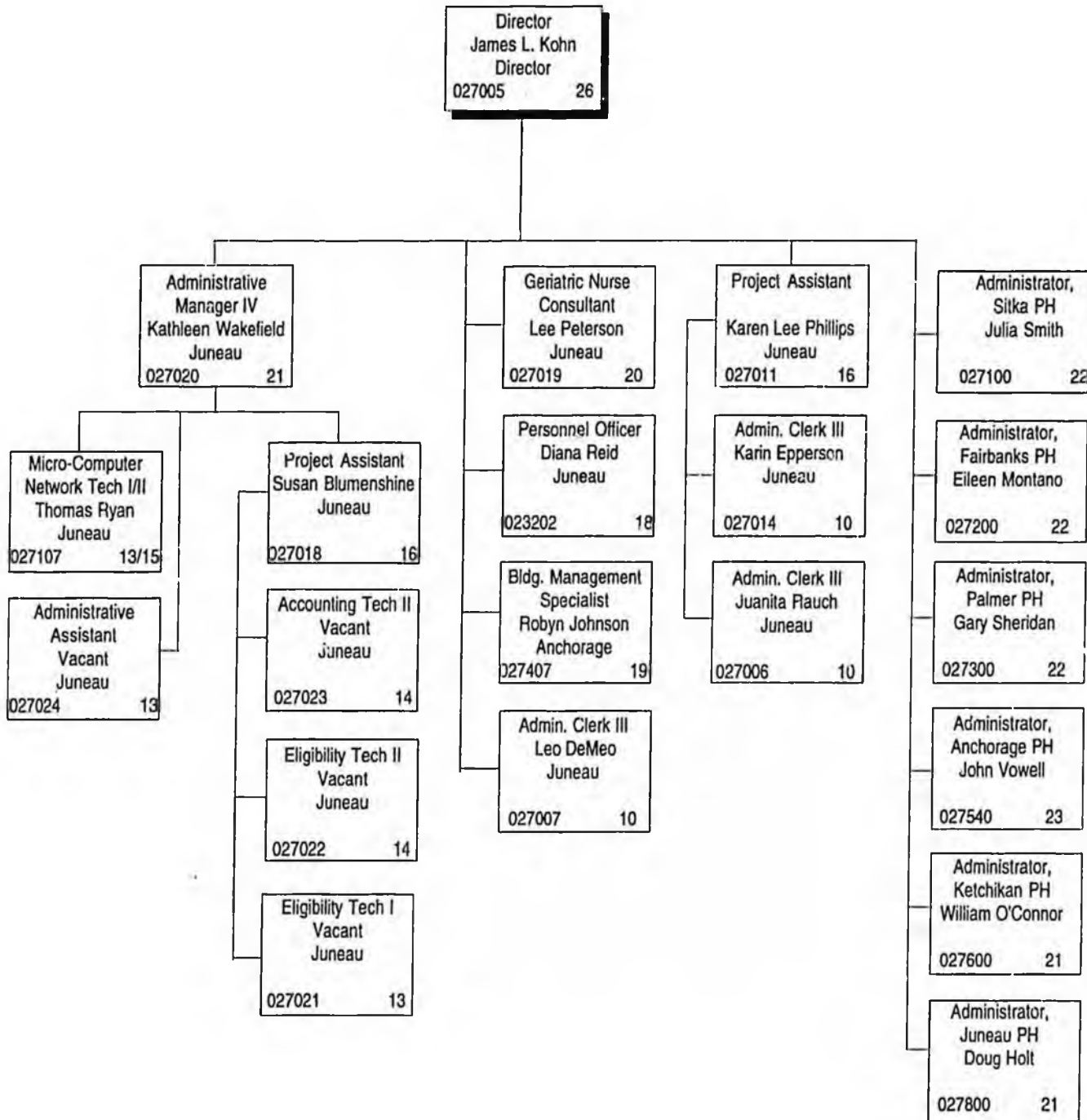
PCNs 027608P (Nurse II) and 027669P (In-Service Training Coord.) to be reclassified to CNAs

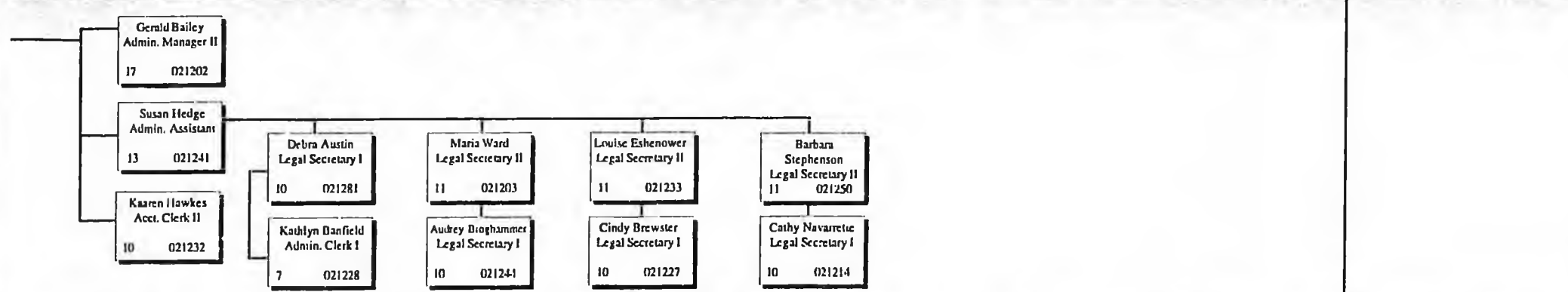
**Department of Administration
Division of Senior Services
Juneau Pioneers' Home**



..... Position shared by both departments

Department of Administration Division of Alaska Longevity Programs





Juneau

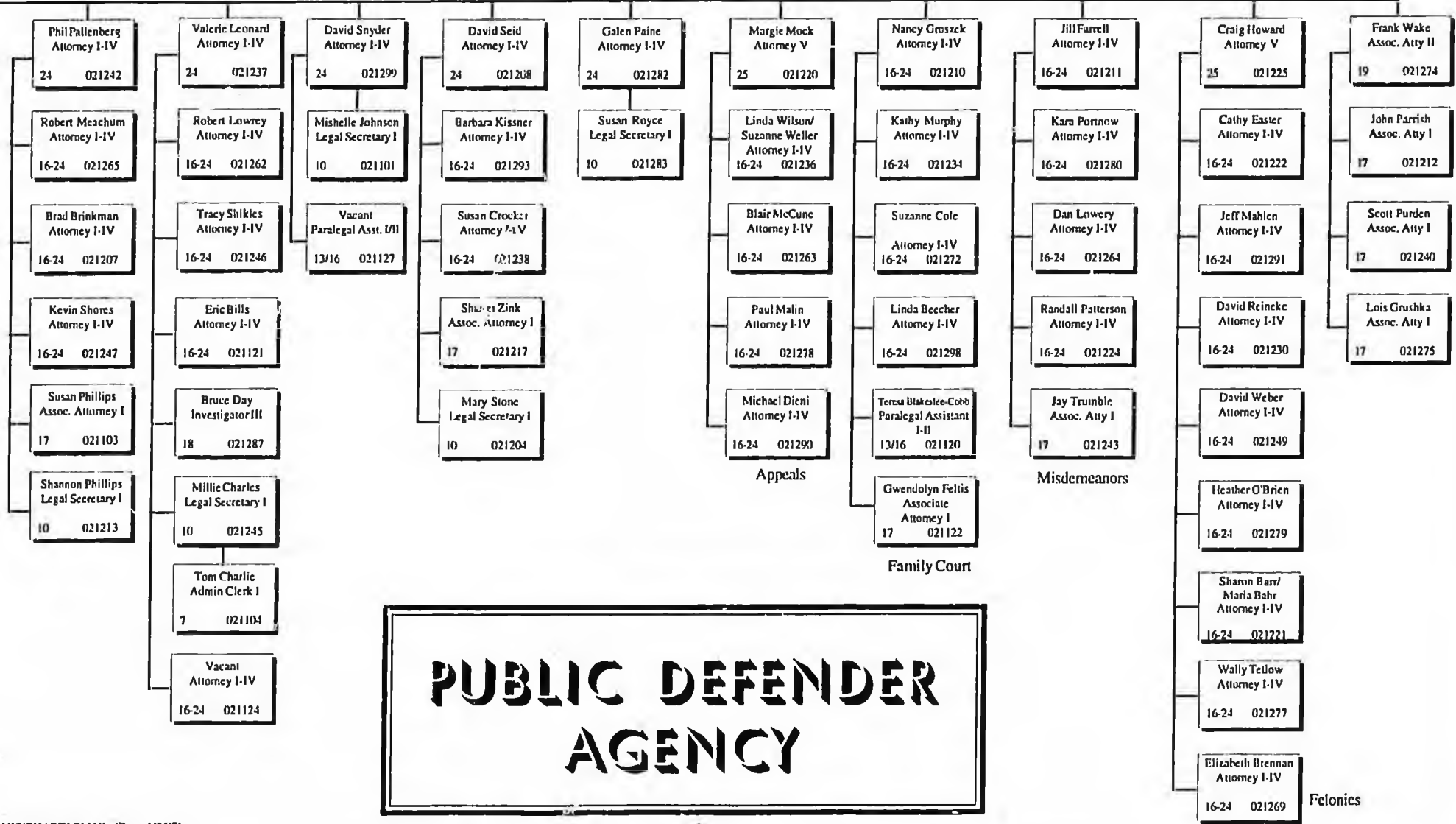
Bethel

Dillingham

Ketchikan

Sitka

Anchorage

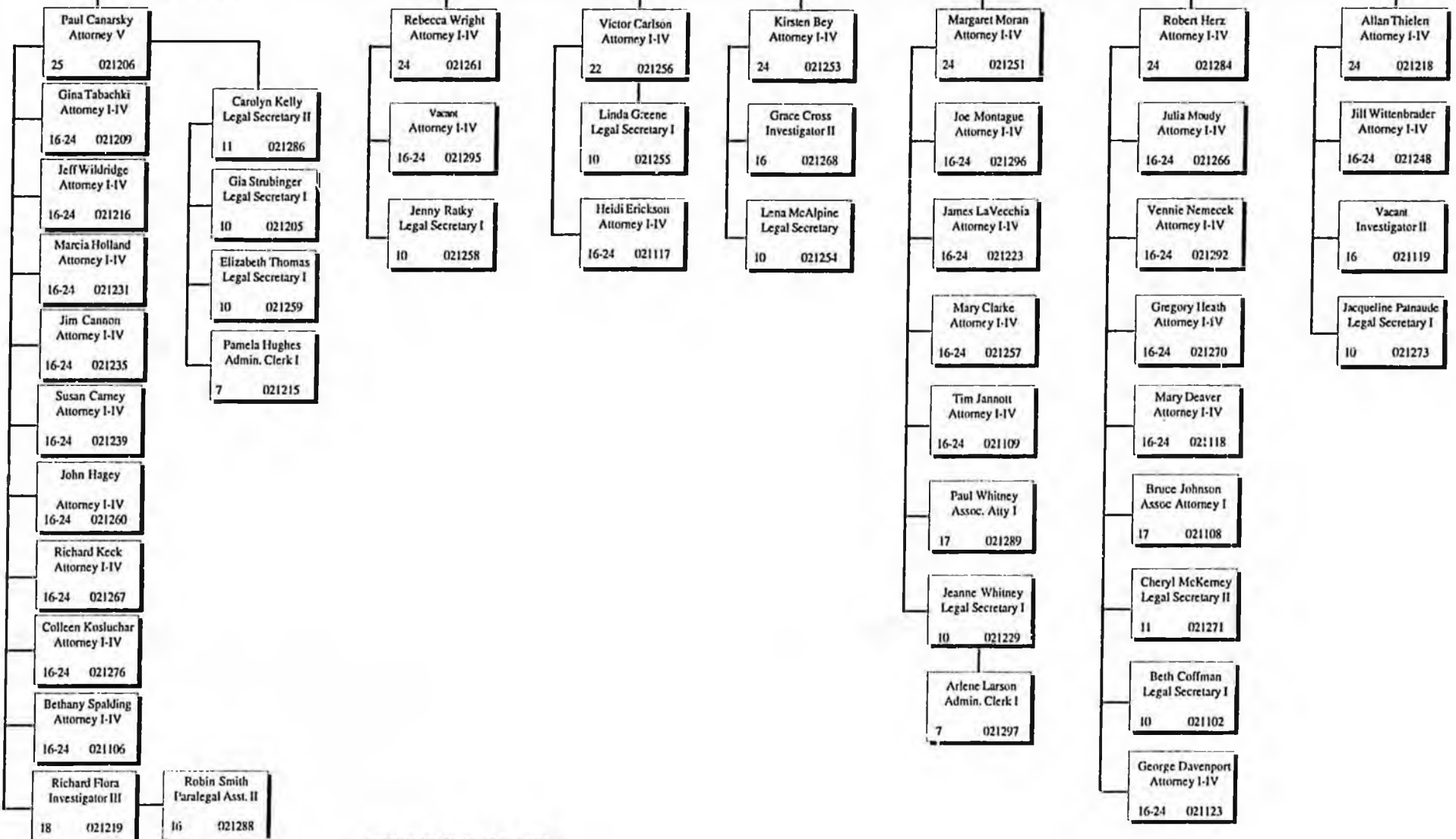


PUBLIC DEFENDER AGENCY

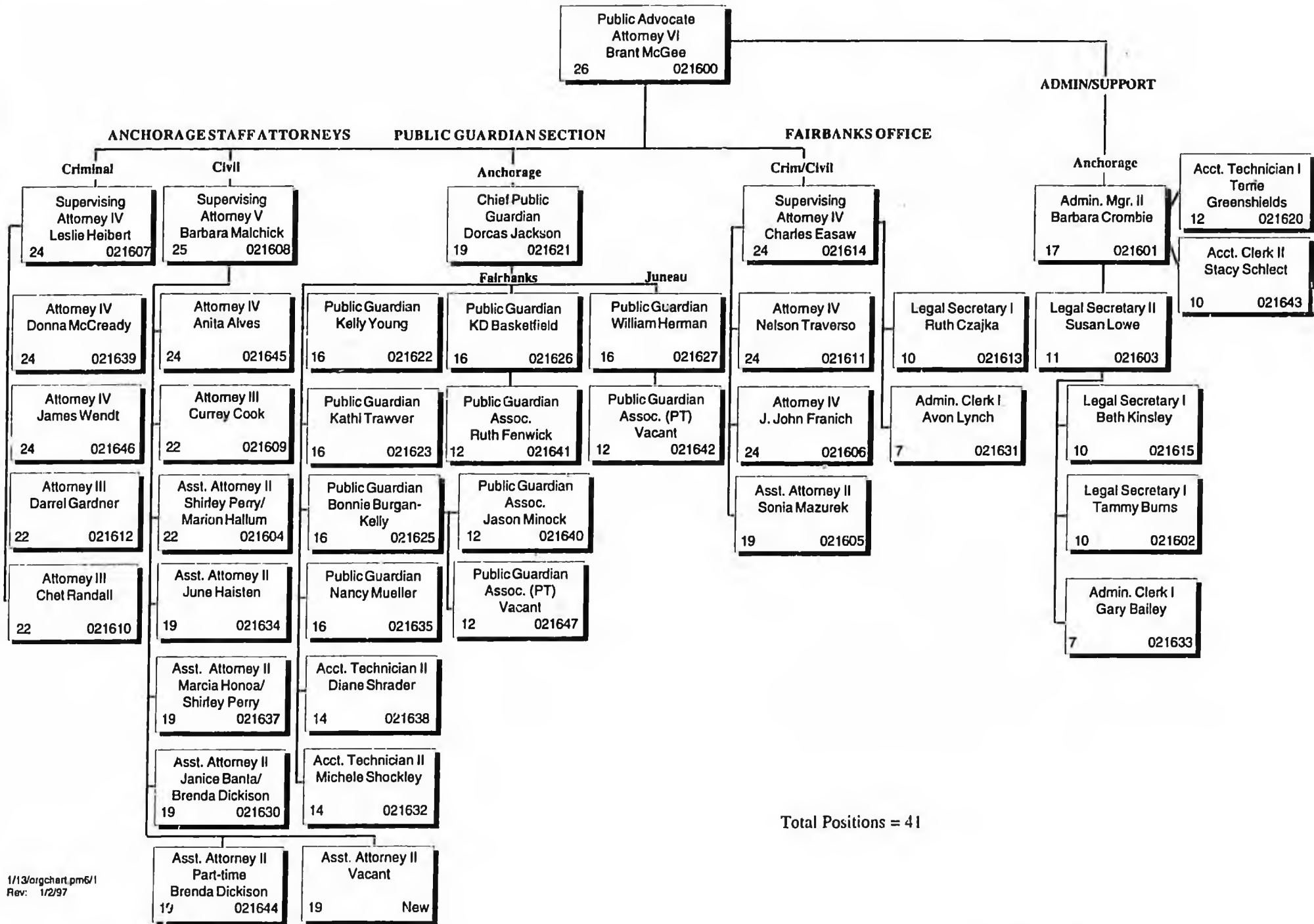
Vacant Director
26 021201

Barbara Brink
Acting Director
25 021226

Fairbanks Barrow Kotzebue Nome Kenai Palmer Kodiak

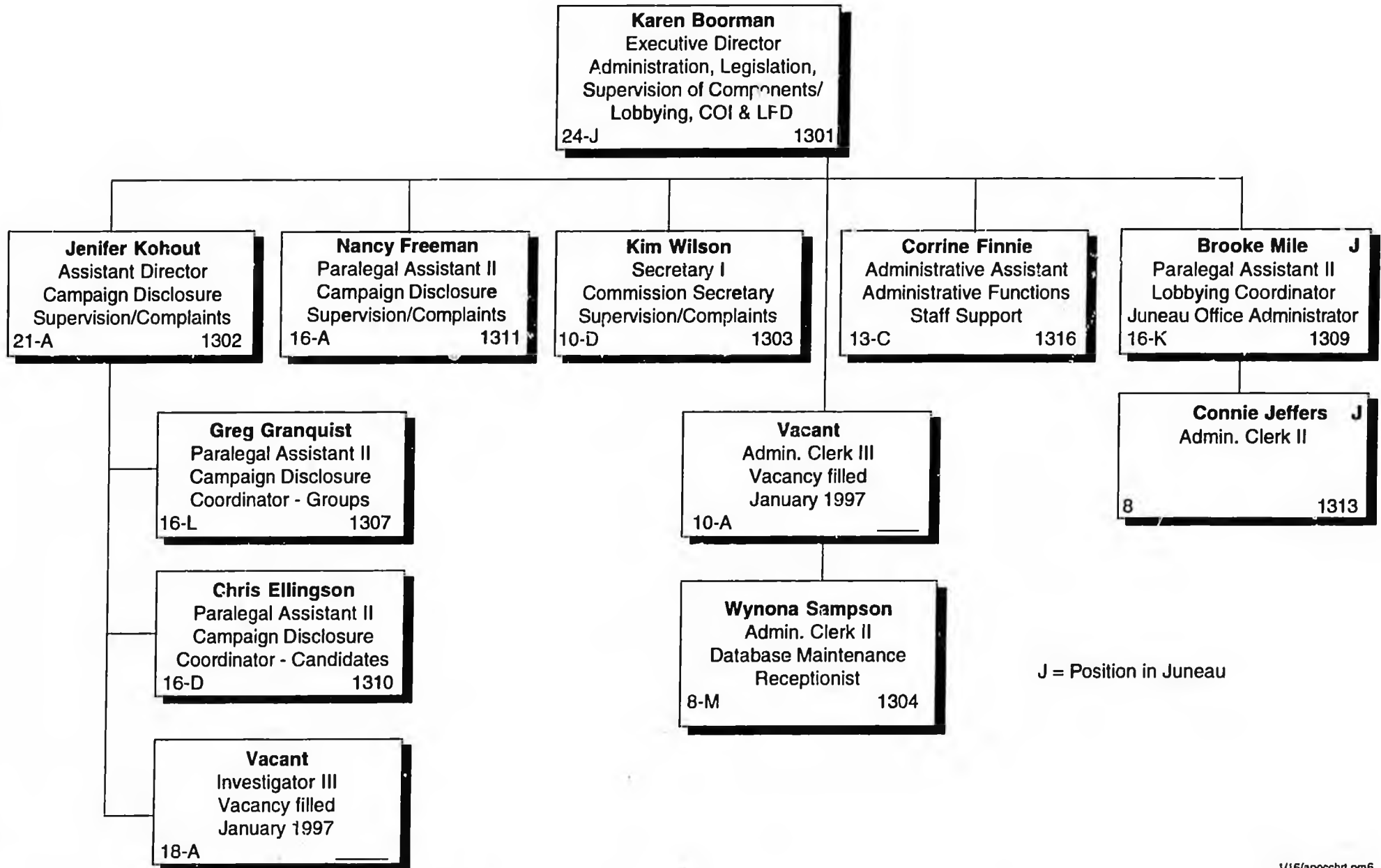


**DEPARTMENT OF ADMINISTRATION
OFFICE OF PUBLIC ADVOCACY**



Total Positions = 41

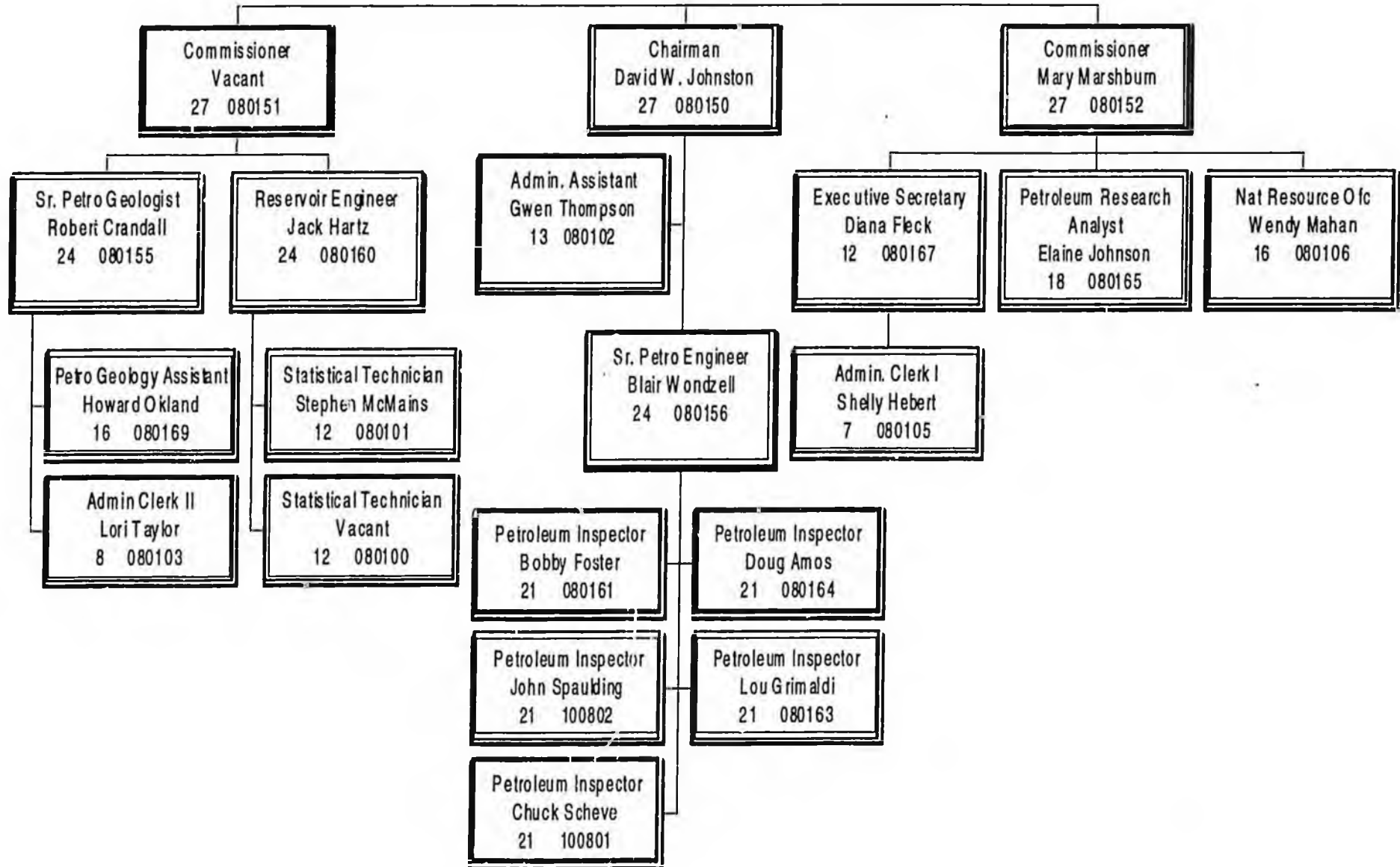
**DEPARTMENT OF ADMINISTRATION
ALASKA PUBLIC OFFICES COMMISSION**

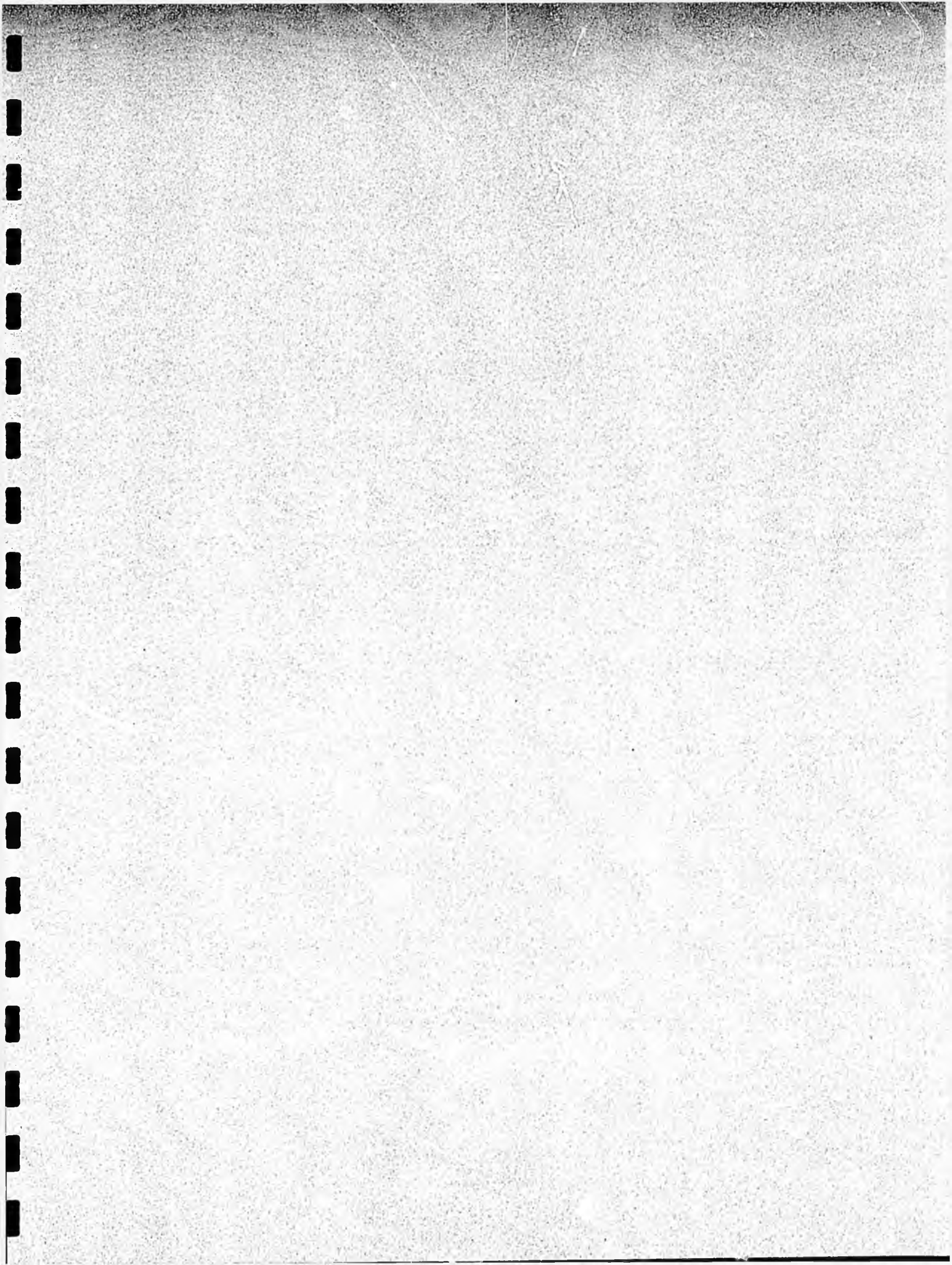


J = Position in Juneau

**Department of Administration
Alaska Oil and Gas Conservation Commission**

As of January 1, 1997





49/12/1, Jospay

②

*Military and Affairs
-- A Part of Alaska --*

House and Senate Committees

Commissioner Jake Lestenkof

The Adjutant General

January 1997

Objectives

- Adding Value to Alaska
- A Partnership for Alaska
- DMVA, Inc.
- Key Concerns
 - Alaska Youth Corps ChalleNGe Program
 - Alaska Army National Guard Director



DMVA Highlights

- ***DMVA is the largest state department -- over 4,500 military members, employees & volunteers***
 - Located in 76 communities across the state
 - Major locations -- Anchorage, Wasilla, Bethel, Nome, Fairbanks, and Juneau
 - About 34% of Army Guard is Native Alaskan
 - About 22% of Air Guard is female
- ***DMVA is an important Basic Industry, leveraging over \$150 Million annually from the federal government***
 - The Guard is an Investment Center, generating hundreds of millions of dollars, providing an important stabilizing infusion of funds to communities throughout Alaska.
 - Federal funds = \$153.9 Million
 - State funds = \$ 7.4 Million

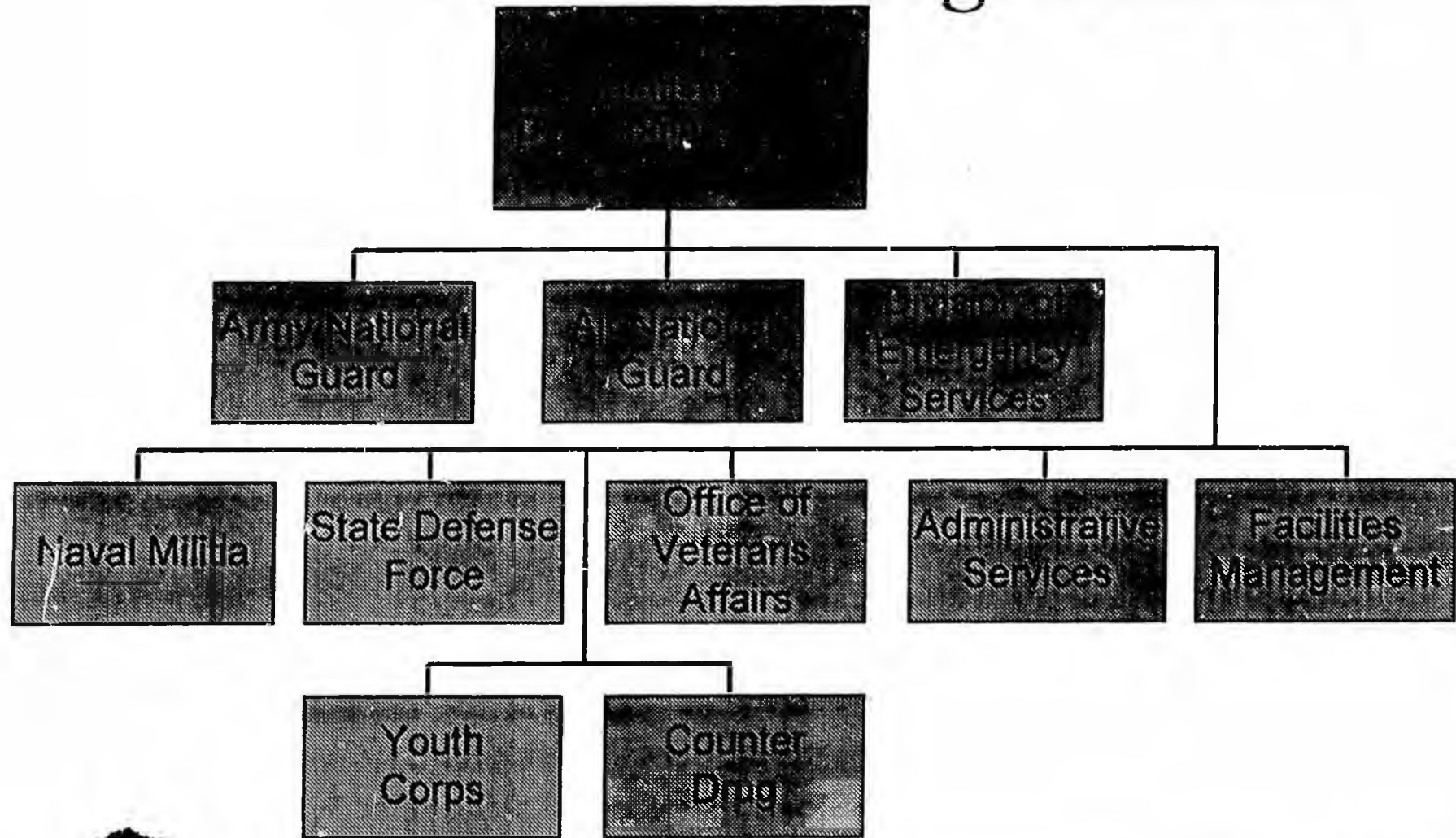


DMVA Highlights

- ***DMVA adds significant value to the nation, state, our communities and the Alaskan people***
 - The Army and Air Guard perform vital, real-world operational missions as an integral part of our national military defense forces
 - The Division of Emergency Services provides an essential system for disaster planning, recovery, mitigation and prevention
 - The Guard is one of Alaska's premier leadership, professional, technical and vocational training institutions, improving the career and job skills for both urban and rural Alaskans.
 - The Youth Corps ChalleNGe Program is the center-piece of the Governor's Children and Youth Task Force solutions for at-risk youth.
 - Army and Air Guard rescue units saved 110 civilians during 1996 while training for their wartime missions.
 - Guard armories continue to serve as multi-purpose community facilities.
 - The Guard continues to carry on a proud tradition of service to Alaskans that dates to World War II and the Eskimo Scouts.



DMVA Organization





DMVA Organization

Army National Guard

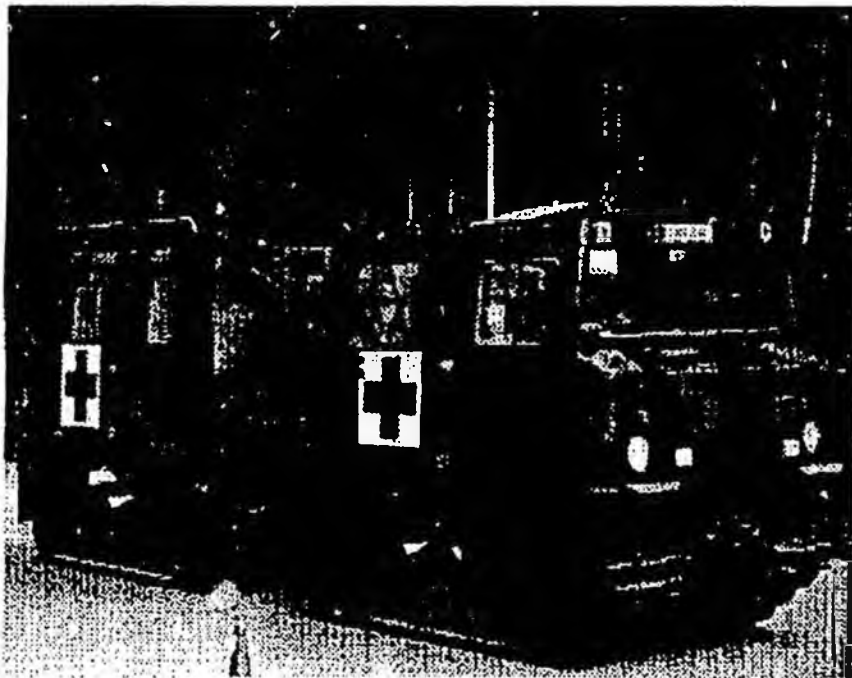
2219 members

Vision

**...ready, competent, caring, and committed to:
 serve in time of need, protect life and property
 provide opportunity and challenge
 and enhance quality of life**

Mission

**...equip and train quality units to conduct tactical and
 stability support operations in support of the US Army
 worldwide and State of Alaska emergency requirements**



DMVA 6 



DMVA Organization

Air National Guard

1853 members

Vision

**...forward thinking, proud,
assisting and protecting our families,
communities state and nation.**

Mission

**....provide top quality units and
people who excel in the timely
performance of their duties.**

DMVA 7 



DMVA Organization

Division of Emergency Services 34 employees



Vision

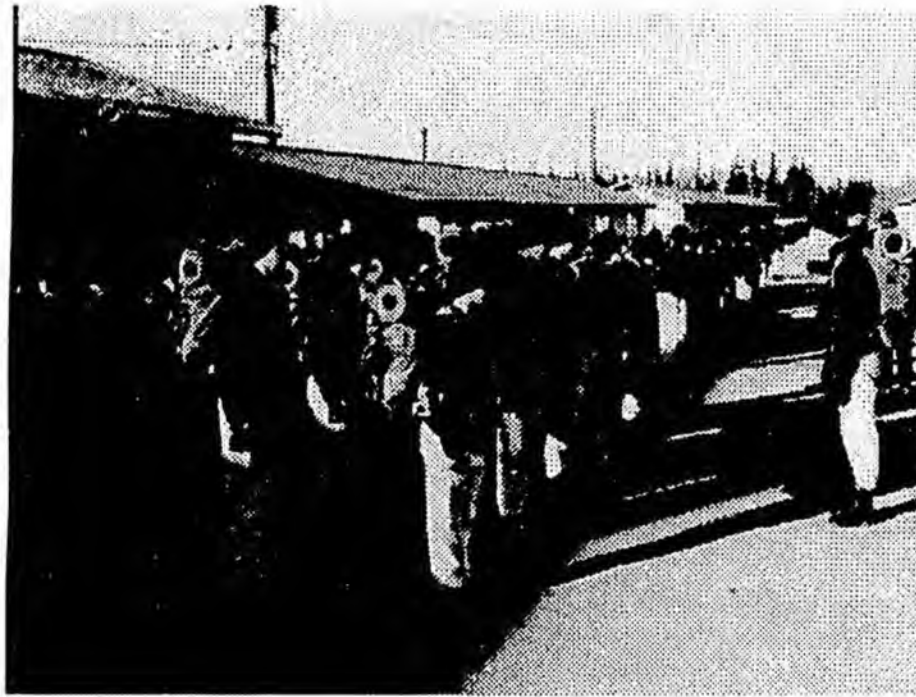
**...through partnerships, leading the way in
emergency management.**

Mission

**...to minimize loss of life and property and reduce
suffering in time of disaster.**



DMVA Organization **Alaska Youth Challenge**



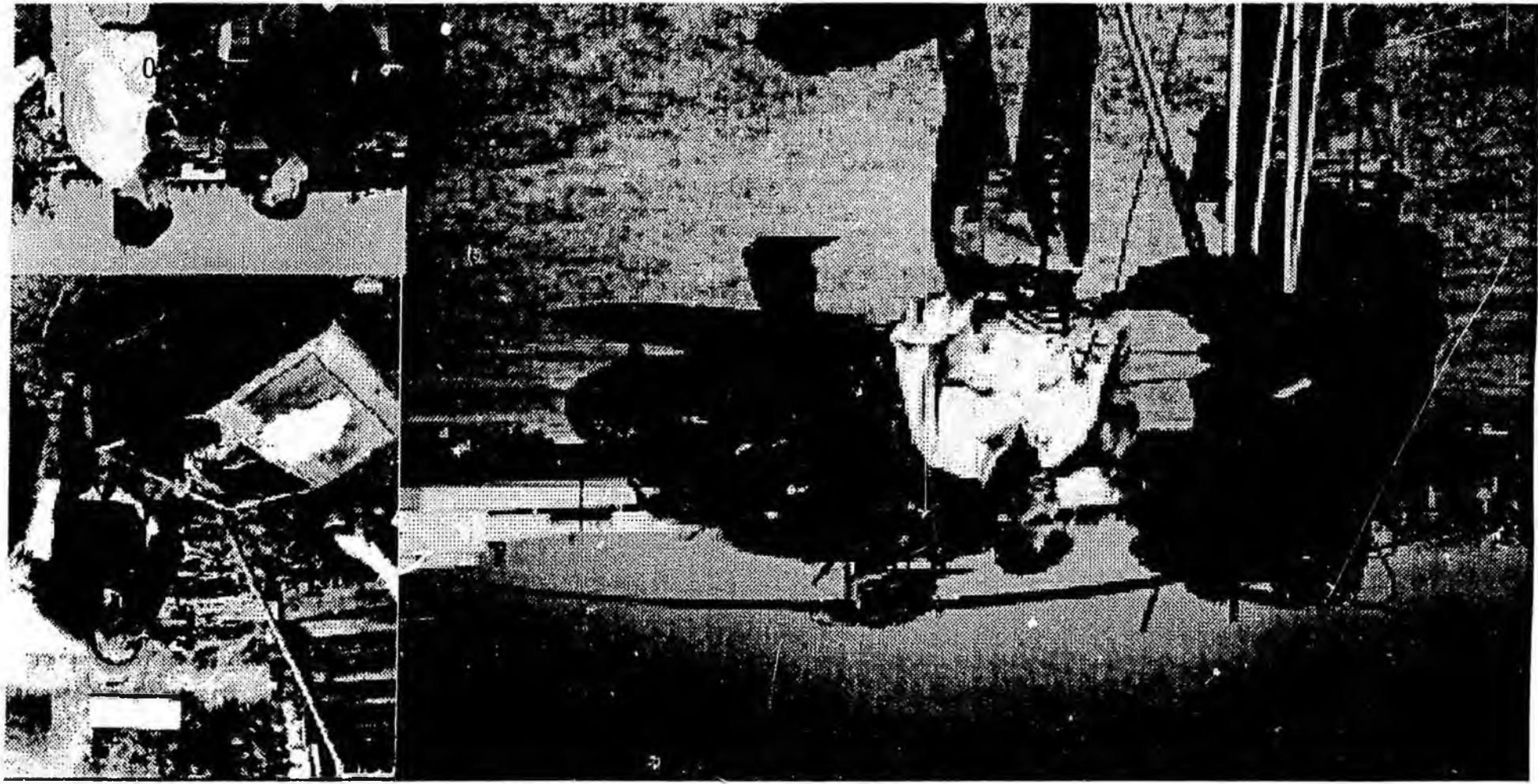
Vision

**...to have significant, positive impact upon
the future of 'at-risk' youth in Alaska.**

Mission

**...to use proven United States military methodology
and techniques to motivate young men and woman
to become successful citizens.**



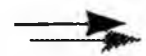


All DMVA/Guard resources available to the Governor

A Partnership for Alaska

Significant Accomplishments during 1996

- Helped our communities during disasters and emergencies
 - Miller's Reach Fire, South Central Floods,
 - Akutan Volcano and dozens of other events
 - Search & Rescues
- Supported our communities with health, education and training initiatives
 - Emergency & Disaster Training
 - Rural Medical & Engineer Projects
 - Wonderland Park Construction
 - Use of Armories
 - Operation Santa Claus
 - Annual Independence Day Events



Guard Payroll Impact

Army Guard

Full Time	Part Time
\$26.472M	\$6.1M

Air Guard

Full Time	Part Time
\$42.2M	\$7.18M

X 2.27)
(*gross economic multiplier*)

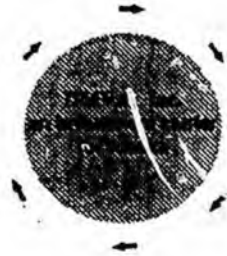
\$186.03 Million



A Partnership for Alaska



A Partnership for Alaska



Federal Missions

Air Guard

- Rescue/Airlift/Air Refueling
- Army Guard
- Combat Troops/Combat Support
- Joint Operations with Active Duty

State Missions

Army and Air Guard

- Training, Rescue, Emergency support
- Emergency Services
- disaster planning and relief

The Alaskan People

- 4,200 employees
- Communities across Alaska
- Hundreds of employers
- Students / Youth
- Active Military
- Suppliers / Contractors

State Support

About \$7 million/year

- Facility maintenance/ Key Personnel
- State Advocacy for our programs



A Partnership for Alaska



Benefits to Alaska

\$160 million budget

- gross economic multiplier = 2.27
- \$363.2 million to the economy
- 4,200 person payroll
- 1.8 to 2.0 employment multiplier creates more Alaskan jobs
- Important stabilizer for economy
- Significant contribution to rural Alaska
- Federal Retirement Annuities
- Reclaiming at-risk youth

Benefits to Nation

Combat Ready Forces
Strong National Defense

Federal Support

About \$153 million/yr. (*New Money*)
- Includes about \$10 million/yr. for construction
Congressional Advocacy supports our programs



A Partnership for Alaska

- DMVA programs and values directly support the Governor's Priorities:
 - *for jobs*
 - *for economic development*
 - *for children and education*
 - *for healthy, safe communities*
 - *for Budget discipline*



DMVA: a basic sector industry

- Basic industries are vital to Alaskan Economy
 - Products are produced for export
 - Revenue received is new money to the state
- Examples:
 - Oil & Gas Industry/Commercial Fishing/Mining/Timber
- DMVA (through Air & Army Guard) Qualifies
 - 97% of funding is federal (*New Money*)
 - The Guard exports defense
- Basic industries make non-basic industries possible
- The state should do everything it can to support appropriate basic industries



DMVA: a basic sector industry

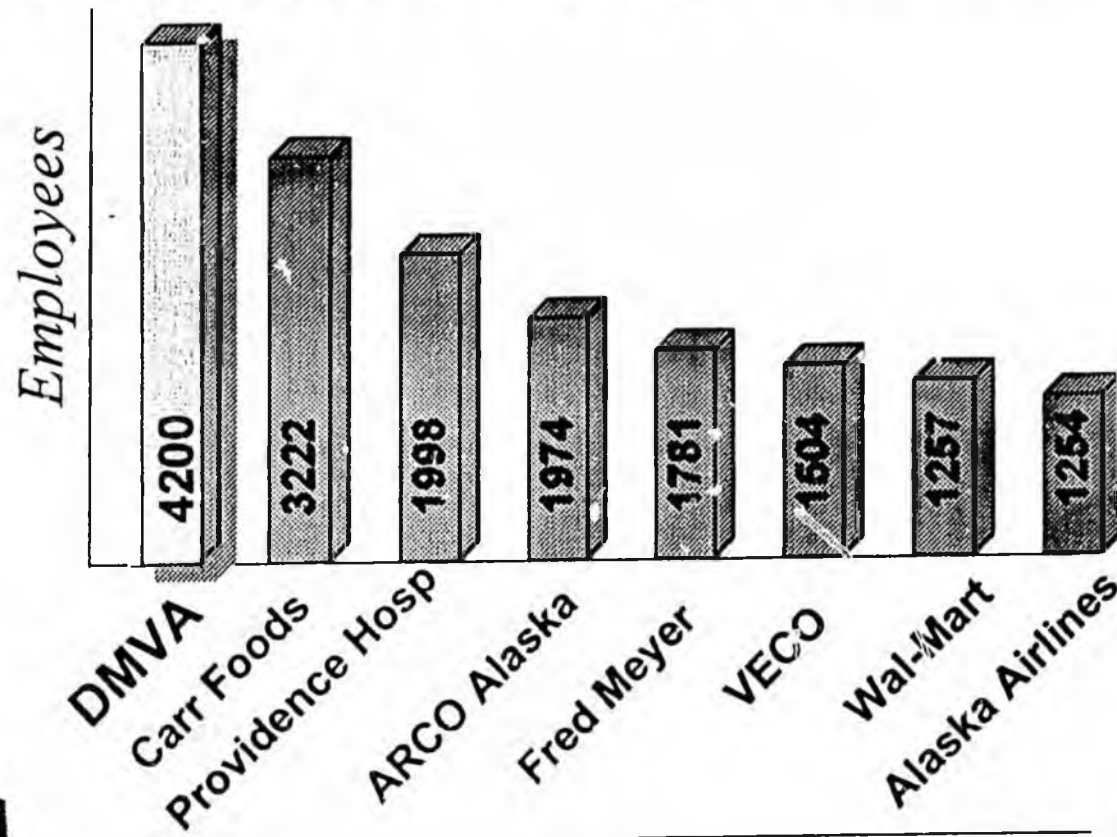
Military Money is worth more to the state, because it comes from outside. It's bringing new cash, new economic activity into the economy. The rest of America is paying us to help defend them, in a sense and we're profiting from that. We're an exporter of defense.... we don't make stuff like tanks, we export protection.

-- Neal Fried, Alaska Dept. of Labor



DMVA, Inc. is a Basic Industry

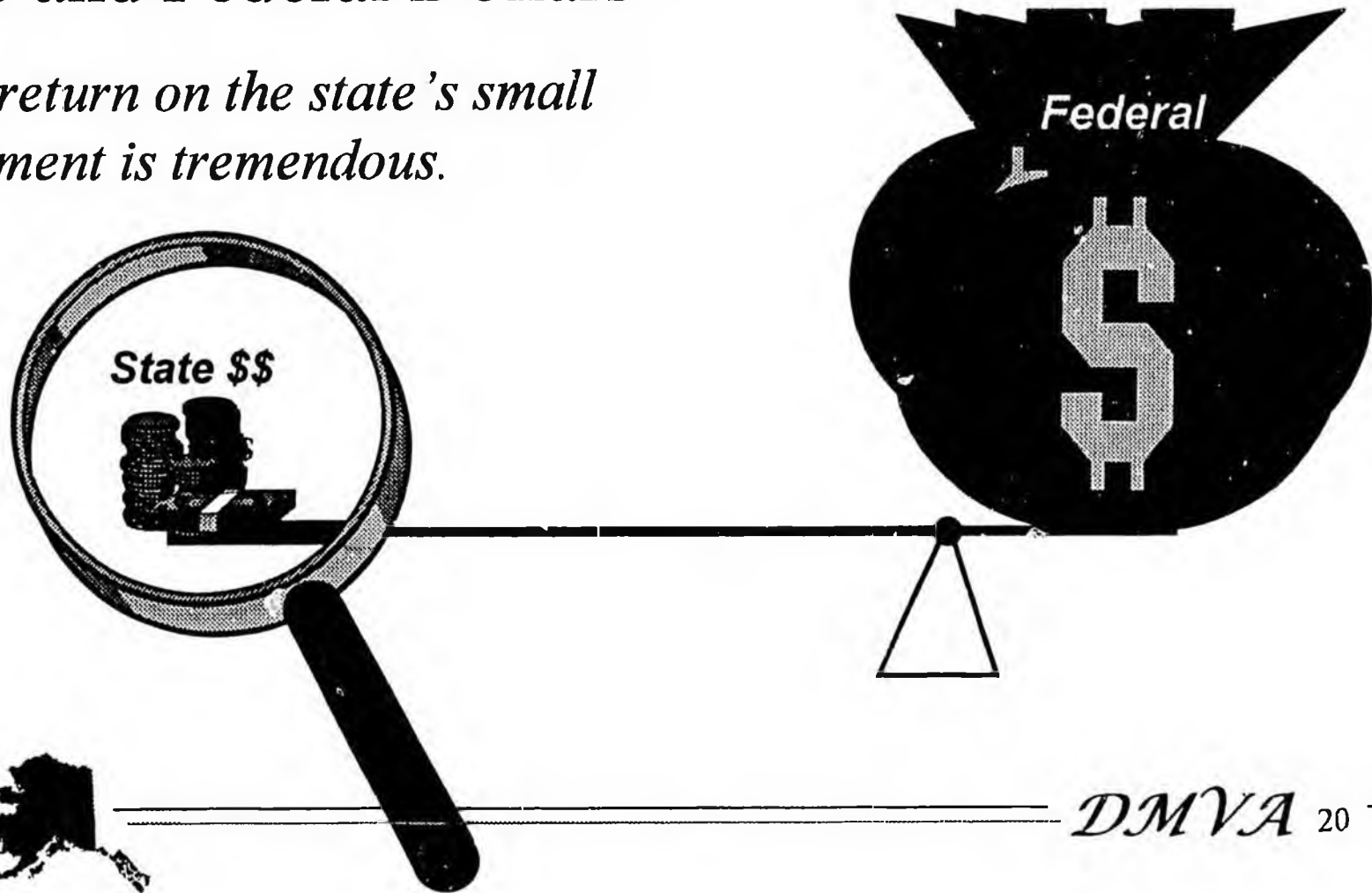
DMVA & Alaska's Largest Private Employers



A Critical Balance

State and Federal Dollars

The return on the state's small investment is tremendous.



DMVA Leverages Federal Dollars

- State Contribution

- Federal Leverage




– \$900,000 to Air Guard – \$91 Million

– \$2.5 Million to Army Guard – \$43.6 Million

– \$480,000 (Office of Veterans Administration) – \$35 Million

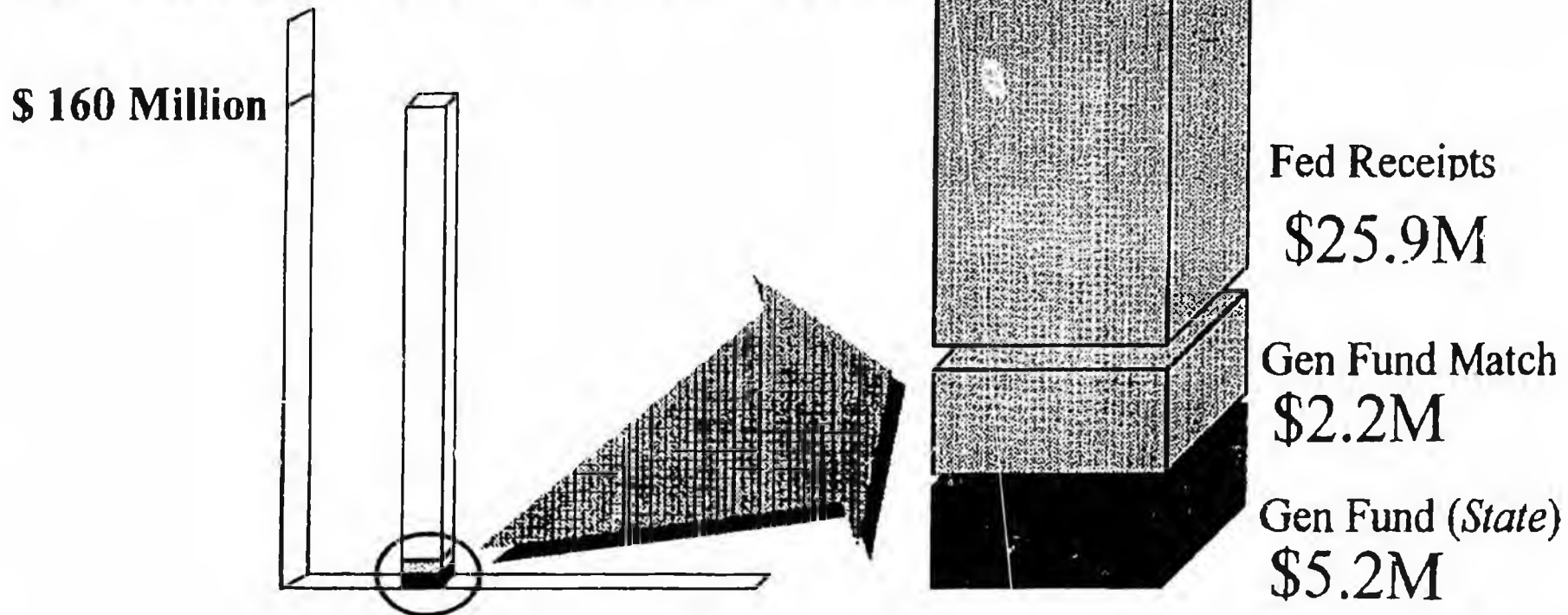
– \$550,000 to DES – \$1.3 Million



-  Federal Dollars
-  Federal Match
-  State Dollars

A Critical Balance

STATE AND FEDERAL DOLLARS



**DMVA
Budget**

DMVA 22 →

The Importance of State Support

- State support needed for key positions, special programs and operations/maintenance of federally provided facilities.
- Army and Air Guard missions are neither permanent nor tenured
 - Our Units work hard to maintain combat readiness and to remain relevant in a changing world.
 - Those states which strongly support their Guard Units through advocacy, support and adequate funding have a much better likelihood of surviving military national drawdowns and realignments.

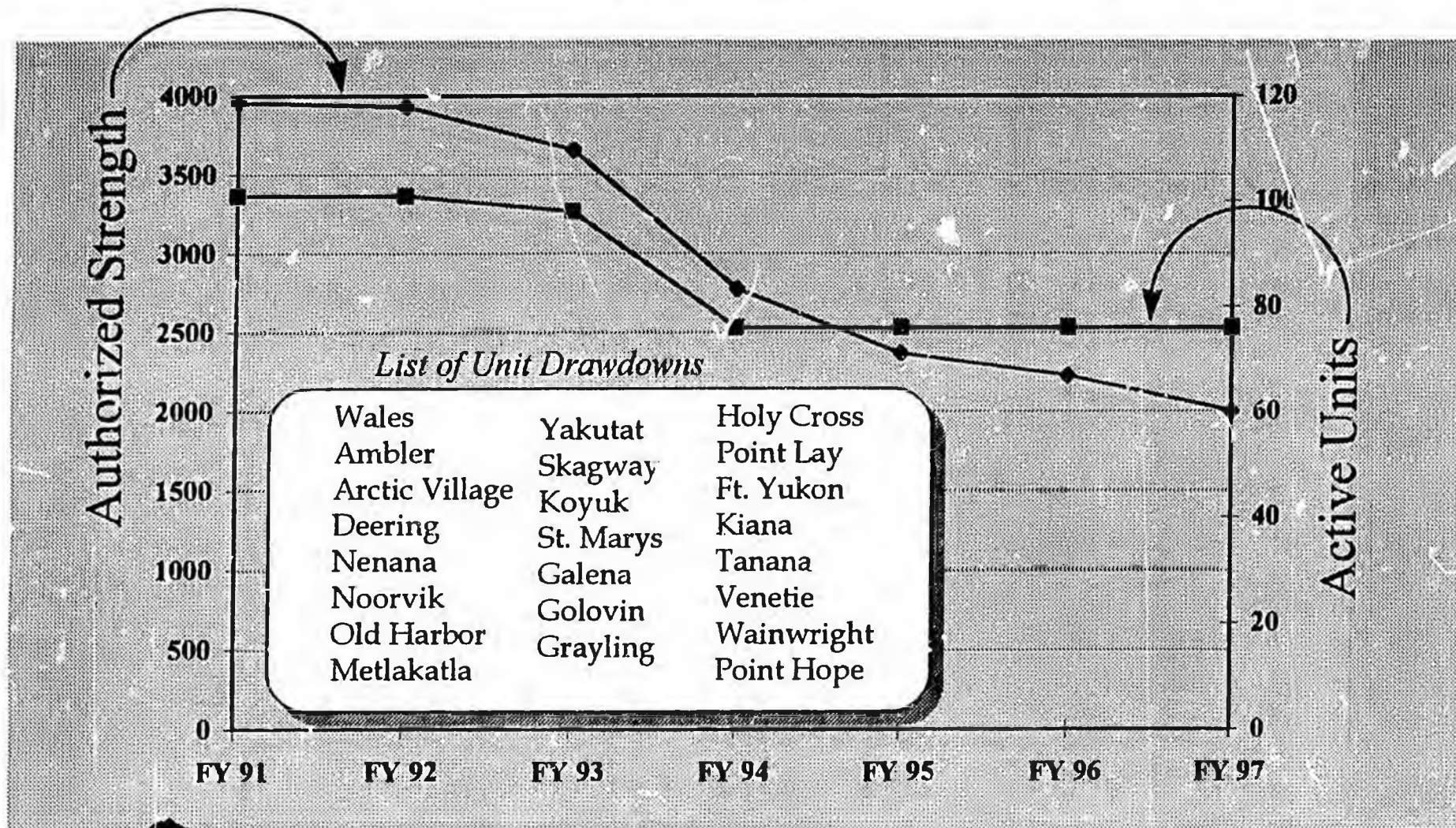


Base Realignment and Closure (BRAC)

- Significantly impacts local communities
- Disrupts local and regional economies
- Loss of federal dollars, jobs, contracts, infrastructure
- Conversion to non-military uses is difficult
- Alaska is vulnerable
- Ft Richardson considered for closure in 1995
- Adak and Ft Greely are closing
- More national defense cuts expected
- Rural Alaska has suffered a "BRAC" event



"BRAC" impacts in rural Alaska



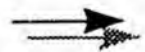
Payroll Impact

- 25 Units deactivated
 - Avg. income \$3000.00 X (10 soldiers)=\$30,000.00
 - \$30,000.00 X 25 Units = \$750,000.00 income lost
 - Gross Economic Multiplier of 2.27 for military dollars
 - \$750,000.00 X [2.27] = \$1.7 Million dollars lost to Alaska economy annually.
- Additionally
 - 122 Full Time employees with an income of \$7 Million.
 - Economic Multiplier of 2.27 = \$15.89 Million.
 - *Total loss of income to Alaskan Economy of about \$17.59 Million from Army National Guard Reductions alone.*



Key Concerns

- **Army National Guard Director Position**
 - Lack of Division Chief causes the TAG to be overly involved in ARNG issues
 - Most Departments of State Government could not run a division of 2000 without a Director.
 - Since the fall of the Berlin wall, the Army has been changing, and this continues today with the Quadrennial Defense Review (QDR)
 - The QDR will affect how the National Guard and the Alaska Army National Guard is organized for many years to come
 - For long term viability, the Alaska Army national Guard needs a full time Division Director who can steer the organization through this very important time



Key Concerns

- Children are our highest priority. Prepare learners for citizenship & life-long learning.
 - National Guard's Youth ChalleNGe program

The Alaska National Guard's Youth Corps ChalleNGe program has helped nearly 300 at-risk 16-18 year olds with leadership and life skills training.



Alaska Youth ChalleNGe

- **Mission:** *to use proven United States military methodology and techniques to motivate young men and women to become successful citizens.*
- **Objective:** *to turn young Alaskans, headed for a possible dismal future, into confident and contributing citizens of their state and local communities.*
- **Vision:** *To have a significant positive impact upon the future of the 'at-risk' youth of Alaska.*



Alaska Youth ChalleNGe



Why we're here

- Welfare reform
- Basic work skills
- Alternative secondary education



Alaska Youth ChalleNGe

- The need is real
 - **82%** of long term prison inmates have not completed a high school education
 - **80%** of dropouts report using illegal drugs regularly
 - **88%** of female dropouts under age 30 who are head of household live in poverty
 - Dropouts are increasing;
 - **In 1992-93 there were 1802, for 1996-97 the number will be over 3000**
 - Dropouts require **35%** more social services than high school graduates
 - Unemployment rates for high school dropouts are more than twice those for high school grads
 - The lifetime lost earnings from Alaska's 1991-92 dropouts is over **\$500 million**



Alaska Youth ChalleNGe

- **Who we serve**
 - 16-18 year old Alaskans who have not completed a secondary education and are statistically headed for a bleak future



Alaska Youth ChalleNGe

- What we do
 - a 17 1/2 month intervention/prevention program in two phases
 - 22 week residential military school
 - Basic academic skills, job skills, health, personal finance, communications skills, teamwork & leadership through service to others
 - All students are enrolled as Army JR. ROTC cadets with strict adherence to rules, order & discipline
 - No alcohol, tobacco or illicit drugs are tolerated.
 - Life's distractions are eliminated.
 - 12 month after-care phase



Alaska Youth ChalleNGe

- Benefits to Alaska
 - Future cost avoidance
 - Juvenile & adult crime is reduced
 - Adult corrections costs are reduced
 - \$35K-\$55K per year per inmate
 - Youth corrections costs are reduced
 - \$62K average cost per resident
 - Social services costs (Welfare) are reduced



Alaska Youth ChalleNGe

- Success
 - 85% of youth corps graduates are either employed or enrolled in training
 - Have graduated 275
 - 55% working
 - 30% either returned to school or college
 - 15% other
 - 75% in program have obtained their GED
 - (if not going back to school)



Alaska Youth ChalleNGe

- Cost
 - Approximately \$17,500 per student, including a \$2,200, post-residential stipend for continuing education
- The Future
 - Fully federally funded to this point
 - 10% of the existing program year funding was withdrawn to support other DOD programs
 - Pilot status authority and federal funding expire on 30 Sep 1997





DMVA 37 

Alaska National Guard Youth Corps
Student Profiles

From Partying Dropout To Success

Bill, 17, from Anchorage.

Bill moved to Alaska three years ago. He has lived in Anchorage with his mother since. He was not doing well in school. "My grades were really slipping," he says. "My friends, hanging out, girls. All that was more important than school. And, it's easy to do. No one could really do anything to me if I didn't go." Bill had been suspended for fighting and smoking on campus and, he says, was out of school and going nowhere. Bill, like so many others was statistically headed down the wrong road.

Bill heard about the Youth Corps ChalleNGe Program from relatives. Last summer he decided to give the Youth Corps a shot to see if it could help him get back on track. At this time, just 18 weeks after being accepted and entering the ChalleNGe Program, Bill has completed all five GED exams and is on a delayed-enlistment program with one of the U.S. Armed Forces. This one-time dropout now plans a career in the military and has set his sights on a high-tech field. Bill says the Youth Corps gave him the chance to change.

From Full-Time Party Girl To Success

Liz, 16, from The Matanuska Valley.

Liz had lived in Alaska for about four years. She and her family lived on a small farm. She was attending a local high school, when she went. Liz had been in-and-out of school for more than a year. She had even tried an alternative school setting, but nothing seemed to be working. She was bored with classes, but really wanted an education. She says she just didn't have the discipline to keep going to school. Other things kept getting in her way. "I was headed somewhere, but it wasn't where I always wanted to be," she says. "My friends and 'partying' were the only important things in my life. They were my only real interest."

Liz joined the Youth Corps in September of 1996 as a member of ChalleNGe Program Class 96-2. Now, Liz says, because she could focus on herself and learning, she's found direction. She has successfully completed all five GED exams while in the program, and has a plan for her future. That plan includes a full-time career in emergency medical services and a part-time career as a member of the Alaska Air National Guard. Liz says her life has changed at the Youth Corps.

From A Life Of Drugs And Risky Sex To Success

Bonnie, 17, from Anchorage.

Bonnie had been in-and-out of shelters and the DFYS-run McLaughlin Youth Center for more than a year. Every time she would return to her home, she would seek out her "old friends" and join in illegal drug parties which could last for several days. Bonnie's mother was fed up and eventually kicked her out of her home. Bonnie was having sexual relations with different partners, often strangers she was "getting high" with, several times a week. Bonnie was well on her way to a dangerous life on the streets of Anchorage when a DFYS counselor told her about the Youth Corps. The day she arrived for in-processing at the Challenge Program, Bonnie was vomiting into a paper bag in the front seat of her mother's truck. She was withdrawing from two straight days of drug and alcohol abuse.

While enrolled in the Challenge Program, Bonnie successfully completed her GED examination series and enrolled in her first semester at UAA. She completed a semester in the UAA pre-nursing program, then moved out of state. She has completed her certification as a nursing assistant and while continuing studies is managing a lodge on Cape Cod in Massachusetts. According to Bonnie, coming to the Youth Corps saved her life.

From Lonely Unwed Mother To Success

Sally, 18, from Kotzebuc.

Sally is an Alaska Native. She is pretty, shy and quiet. Prior to coming to the Youth Corps Challenge Program, she had alienated herself from her family, become pregnant, and dropped out of high school. She was on her way to becoming another statistic on the pages of life's failures. Her aunt offered to keep her child if Sally would give the Youth Corps a try.

Sally completed the Challenge Program and earned her GED. She worked part-time and rebuilt her relationship with her family during the six months following her graduation. Sally is now a cadet at the U.S. Air Force Academy Preparatory School. She credits the Youth Corps for giving her the chance to succeed.

From Trouble With The Law To Success

John, 17, from Southeast Alaska.

John was a "troubled" teen. He was defiant, failing in school, getting into low-level criminal activity. DFYS had assigned a probation officer to him to monitor his activities. His teachers had given up on him. His parents were at their wits end. His family called the Youth Corps Recruiting Office.

John successfully completed the GED examination series while at the Youth Corp. When he returned home, he entered the local UA campus and completed 15 credit hours through examination and normal class attendance. John is now in the U.S. Marine Corps where he has completed basic training and is now at the top of his class in advanced training. His plan is to be the youngest Command Sergeant Major of the Marine Corps in history. John, like the others, credits the Youth Corps Challenge Program for being the key to his success.

NOTE: The names of the cadets used here and some elements of their stories which might identify them have been changed to preserve confidentiality. The facts of the cases were not altered.

Contact: Edward Wicher (SSG)
Public Information/Recruiting Officer
Alaska National Guard Youth Corps
(907) 384-6015/6120 Toll Free: 800-797-2267

handout ③
4/21/97

**Alaska Department of Natural Resources
FY98 Budget Overview**



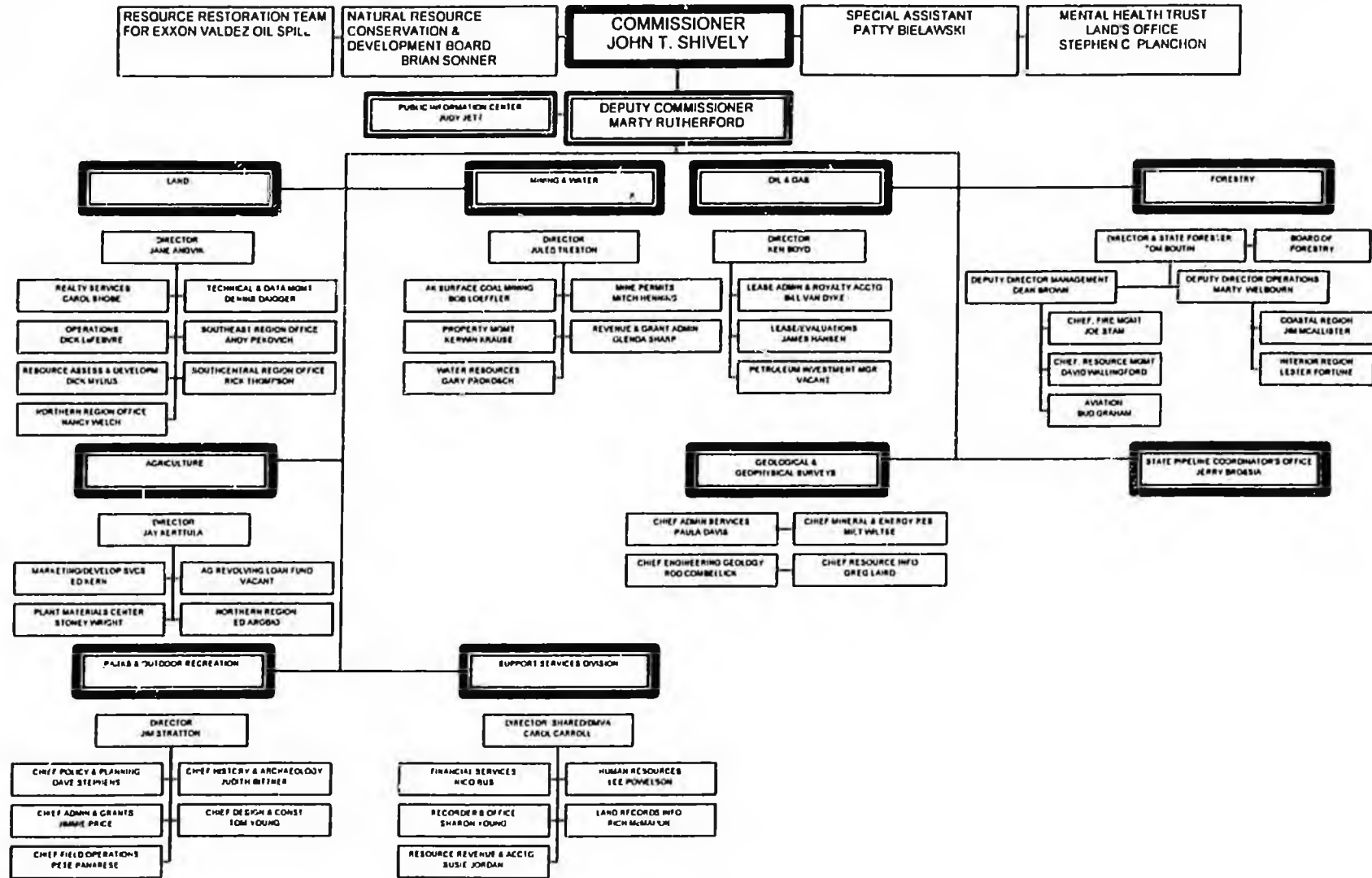
STATE OF ALASKA
Tony Knowles, Governor

DEPARTMENT OF NATURAL RESOURCES
John Shively, Commissioner

JANUARY 1997

Copies of this document are available from DNR Commissioner's Office, Attn: Nico Bus 465-2406

ALASKA DEPARTMENT OF NATURAL RESOURCES



DEPARTMENT OF NATURAL RESOURCES

MISSION

Develop, conserve, and enhance natural resources for present and future Alaskans.

Major Goals and Strategies

1 Encourage resource development that creates Alaska jobs and ensures economic growth in all regions of the state.

- Offer 3.5 million acres of state land for oil and gas leasing in three sales.
- Expand the physical recovery and economic value of hydrocarbons through unitization operations.
- Offer 18.6 million boardfeet of forest products to industry and the public.
- Increase revenues generated from Alaska Mental Health Trust Lands to \$2.5 million.
- Increase revenues generated by park user fees to \$2.2 million.
- Increase farm production by 7% (\$2 million).
- Complete and publish the Kenai Area Plan.
- Complete 10 site-specific land use plans to facilitate land classification for development projects.
- Acquire title to 245,000 acres under the Statehood Act from the federal government.
- The Priority Mineral and Energy Resource Development Project will expand the online state geological database of mineral, energy and construction material resources state wide.

2 Ensure resource development planning, management, and new project approvals are based on sound science and protection of public health, air and water quality, and fish and wildlife habitat.

- Plant 1,496 acres of forest land, survey 650 acres for regeneration, and review 1800 acres of private land for successful regeneration.
- Supervise the safety inspection of approximately 20 dams and test emergency action plans for 2 high-risk dams.

- Complete a master plan for Afognak Island State Park.
- Complete and publish the revised Kenai River Management Plan.
- The Statewide Mineral Resource Appraisal Project will update and prioritize critical new geological surveys to sustain mineral industry investments.
- The Statewide Energy Resource Assessment Project will produce oil, gas, and coal resource information to identify new areas capable of resource discovery (e.g., viable local sources of alternative energy near rural communities).
- Conduct over 3,000 produce inspections, field inspections for seed certification and disease control, and issue certificates for export products.
- Successfully contain 500-600 wildfires to 10 acres or less.

3 Ensure resource sustainability and multiple use, including recreational enjoyment of the resource base.

- Implement an area-wide leasing program on the North Slope in 1998.
- Provide an expanded agriculture base by preparing 25 new land disposal packages and 12 lease opportunities on grass land areas.
- Implement the Asset Management Plan for Alaska Mental Health Trust Lands with emphasis on timber, minerals, and real estate.
- Develop a new Statewide Comprehensive Outdoor Recreation Plan.
- Develop 10 five year harvest schedules and 41 forest land use plans.

4 Streamline natural resource leasing, sales, and permitting processes.

- Synchronize and integrate the processes for permits, leases, rights-of-way, and other authorizations from the Department of Natural

Resources, Environmental Conservation, Fish & Game and the Division of Governmental Coordination.

- Manage Mental Health Trust Lands through the processing of new applications and resolve 75% of outstanding issues related to existing leases, contracts, rights-of-way, etc.
- Create 300 townships in automated format on the state's land ownership information system and convert 420 townships to present GIS format.

5 Ensure meaningful public participation on resource management issues.

- Conduct public meetings and publish preliminary and final best Interest Findings and coastal management consistency findings for oil and gas lease sales.
- Conduct public outreach meetings about parks and the state park system to interest groups and citizen forums and facilitate meetings of 13 Parks Citizen Advisory Committees.
- Conduct and/or attend at least 10 public meetings concerning oil and gas lease sales, and prepare informational materials for use at these meetings.

KEY PERFORMANCE MEASURES

- Offer another 3.5 million acres of state land for oil & gas leasing in three lease sales.
- Administer and facilitate the issuance of 31,000 mining claim permits.
- Maintain and operate 127 state park units to accommodate 6 million visits.
- Maintain the state's land data base through the notation of 10,000 state resource transactions, affecting 12,000 townships, and make this information available to the public.
- Generate \$1.3 million from sale of forest products and offer 49.3 million board feet for the forest industry.
- As part of it's responsibility and process review, the department is in the process of redefining corresponding outcome-based performance measures. This process should be completed by February 1997.

Major Changes and Key Issues

Responsibility Review

DNR continues the comprehensive review of the agency's responsibilities, with the goal of concentrating on the "vital few".

Process review

Review all of our processes, particularly in the permitting arena and in relation to other departments, to eliminate unnecessary steps and avoid duplication of effort.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Funds - Designated for specific purposes	\$ 554.9	\$ 2,976.6	\$ 3,384.2
General Funds - All others	56,010.6	42,556.7	40,648.2
Federal Funds	17,238.5	16,083.0	10,907.3
Other Funds - Interagency receipts, EVOS, etc.	10,098.9	9,987.9	11,707.8
TOTAL BUDGET	\$ 83,902.9	\$ 71,604.2	\$ 66,647.5
Positions - Full-time	595	569	567
Part-time and Seasonal	235	231	230
KEY PROGRAM AREAS (Total Funds)			
Oil and Gas Development	\$ 4,118.7	\$ 4,283.8	\$ 4,360.7
Resource Development and Administration	34,677.5	35,721.3	36,156.4
Parks Management	7,155.0	6,824.5	7,540.3
Recorder's Office	2,307.2	2,265.9	2,305.1
Historic Preservation	1,288.2	1,261.5	1,276.4
Agricultural Development	2,316.6	2,796.1	2,828.9

DRAFT

DRAFT

DRAFT

	FUNDING SOURCE												TOTAL
	FED 1002	GFM 1003	GF 1004	GF/PR 1005	GF/DPR 1091	I/A 1007	CIP 1061	ARLF 1021	Oil/Haz 1055	MHTAAR 1092	EVOS 1018	GFT/GR 1007	
FY97 Conf Committee	10,725.6	408.8	31,747.0	7,627.6	1,004.4	2,325.2	2,466.2	2,090.6	138.8	697.5	1,973.8	1,540.0	62,745.5
Fiscal Notes/Other Approps			442.7				250.0					431.1	1,123.8
Fire Suppression Approps	5,341.2		2,162.0										7,503.2
FY97 Net Salary Adjustment	16.2	2.5	140.0	26.1		14.9	20.9	9.4		0.6		1.1	231.7
FY97 Authorized	16,083.0	411.3	34,491.7	7,653.7	1,004.4	2,340.1	2,737.1	2,100.0	138.8	698.1	1,973.8	1,972.2	71,604.2
FY98 Salary Adjustment	20.9	4.5	331.4	83.2	7.8	20.2	29.2	17.2		4.6	4.6	4.5	528.1
FY98 Health Premium Adj	6.9	1.5	113.4	33.6	2.8	7.0	10.8	6.4		1.8	1.3	1.7	187.2
Better Business Reductions			(45.2)	(1.8)									(47.0)
Remove One-time FN			(31.0)										(31.0)
Remove One-time Fire Suppr.	(5,341.2)		(2,162.0)										(7,503.2)
Key Charges	137.7		(336.1)	100.0	630.8	32.5	308.2	(106.9)		39.0	1,344.0	(240.0)	1,909.2
FY98 Governor	10,907.3	417.3	32,362.2	7,868.7	1,645.8	2,399.8	3,085.3	2,016.7	138.8	743.5	3,323.7	1,738.4	66,647.5

SUMMARY OF DNR's FY98 GOVERNOR'S REQUEST BUDGET FROM FY97 CONF COMM

DNR FIN SVCS 9897COMP.XLS

Updated: 1/21/97 6:40 AM

DRAFT

DRAFT

DRAFT

Key Changes in FY98 Gov	FUNDING SOURCE												TOTAL
	FED 1002	GFM 1003	GF 1004	GF/PR 1005	GF/DPR 1091	I/A 1007	CIP 1061	ARLF 1021	Oil/Haz 1055	MHTAAR 1092	EVOS 1018	GFT/GR 1007	
Admin Svcs													0.0
IA indirect cost recovery						68.0							68.0
Commissions													0.0
Eliminate funding CACFA			(91.1)										(91.1)
Info Res Mgmt													0.0
Reduce CIP receipt projects							(47.5)						(47.5)
New Federal project	50.0												50.0
Trustees Council													0.0
EVOS funding increases											1,344.0		1,344.0
Land													0.0
Reduce land assertions			(205.0)										(205.0)
Reduce anticipated IA						(237.6)							(237.6)
Oil & Gas													0.0
IA for MHTLU support						10.0							10.0
IA for Reg. Ind. Monitoring Plan						7.5							7.5
SPCO													0.0
Reduce Badami Project												(240.0)	(240.0)
Increase Alpine Project					353.3								353.3
Increase Sadlerochit Proj.					152.5								152.5
Increase DEC Liaison					125.0								125.0
Oil & Haz Waste Spill Resp													0.0
Increase SERC activities						10.0							10.0
MHTLU													0.0
Fund Source Switch							(18.6)			18.6			0.0
Increase MHTAAR per plan										20.4			20.4
Parks Mgmt													0.0
IA for Little Su management						52.6							52.6
IA Statewide Outdoor Plan						22.9							22.9
Rec Access Opportunities				100.0									100.0
Parks Access													0.0
Reduce Fed trails project	(19.2)												(19.2)
Increase CIP Parks Facilities							332.5						332.5
Increase CIP Marine Rec							41.8						41.8
IA for Mining Reclamation						73.0							73.0
IA support to Trails program						26.1							26.1

DRAFT

DRAFT

DRAFT

Key Changes in FY98 Gov	FUNDING SOURCE												
	FED 1002	GFM 1003	GF 1004	GF/PR 1005	GF/DPR 1091	I/A 1007	CIP 1061	ARLF 1021	Oil/Haz 1055	MHTAAR 1092	EVOS 1018	GFT/GR 1007	TOTAL
Agriculture													0.0
Eliminate Vir Free Seed Potato								(100.0)					(100.0)
Fund Source Switch	6.9							(6.9)					0.0
Increase Fed Army contract	100.0												100.0
State Fairs													0.0
Eliminate Funding			(40.0)										(40.0)
TOTAL Key Changes	137.7	0.0	(336.1)	100.0	630.8	32.5	308.2	(106.9)	0.0	39.0	1,344.0	(240.0)	1,909.2

APPENDIX A - Staffing

Alaska Department of Natural Resources

Historical Staffing Summary

Component	FY91			FY92			FY93			FY94			FY95			FY96			FY97			FY98 GOV		
	PFT	PPT	Months	PFT	PPT	Months	PFT	PPT	Months	PFT	PPT	Months	PFT	PPT	Months	PFT	PPT	Months	PFT	PPT	Months	PFT	PPT	Months
Management & Administration BRU																								
Commissioners Office	12		144.0	11		132.0	8		168.0	7		87.5	7		84.0	7		84.0	7		84.0	7		84.0
Administrative Services	49	3	608.0	50	5	636.0	53	5	675.0	44	1	540.0	45	2	525.0	42	1	490.5	38	3	471.0	37	4	471.0
Recorder's Office	53		636.0	45	2	552.0	37	7	540.8	42	6	553.8	43	5	570.2	44	5	571.2	44	5	570.2	43	5	558.2
Commissions	2		24.0	2		24.0	1		12.0	1		11.1	1		11.1	1		11.1	1		11.1	0		0.0
Information Resource Mgt	41	3	518.4	44	3	493.5	59		764.0	54		694.8	58		624.0	46		540.0	36		456.0	35		420.0
EVOS Trustees										5		60.0	4		48.0	4		48.0	4		48.0	4		48.0
BRU Subtotal	157	6	1,930.4	152	10	1,837.5	158	12	2,159.8	153	7	1,947.2	158	7	1,862.3	144	6	1,744.8	130	8	1,640.3	126	9	1,581.2
Resource Development BRU																								
Land Development	190	24	2,412.0	195	13	2,399.0	178	14	2,340.2	158	6	2,055.8	170	3	1,794.7	134	2	1,682.5	129	1	1,536.0	122	1	1,471.0
Forest Mgmt & Dev	93	138	1,989.0	88	127	1,862.0	78	125	1,710.6	69	113	1,558.0	67	121	1,570.0	67	121	1,558.0	66	117	1,486.0	63	117	1,491.0
Oil & Gas Development	55		672.0	53		652.0	52		624.0	51		650.0	53		662.0	53		648.0	54		657.6	54		660.0
Mining Development	24	2	305.0	25	1	293.0	25	1	296.8	25	1	297.0	23	2	277.0	23	1	295.0	24	1	295.0	24	1	288.0
Geological Development	12	54	593.5	49	6	576.7	34	4	492.2	31	3	451.7	32	2	325.7	30		322.5	25	2	310.5	25	1	318.0
Water Development							27	1	302.0	20		309.0	25	1	267.0	21	1	231.0	17	1	209.0	17		209.0
Pipeline Coordinator	3		36.0	14		168.0	14		168.0	14		168.0	20		192.0	18		226.0	19		228.0	21		252.0
Mental Health Trust Unil										3	1	45.6	3	1	56.0	3	1	56.0	5		74.0	7		100.0
BRU Subtotal	377	218	6,007.5	424	147	5,950.7	408	145	5,933.8	368	123	5,489.5	393	130	5,134.0	349	126	5,019.0	339	122	4,796.1	333	120	4,789.0
Parks & Recreation Management BRU																								
SHPP	6	10	124.2	6	9	115.5	6	9	117.5	6	9	116.4	5	11	127.8	13	3	143.3	13	3	150.8	13	3	157.2
Parks Management	39	83	1,171.9	36	84	1,025.9	34	86	1,016.6	37	70	1,080.1	37	70	1,121.0	47	61	1,144.9	56	53	1,182.0	34	48	898.7
Parks Access																						30	5	386.6
BRU Subtotal	45	93	1,296.1	42	93	1,141.4	40	95	1,134.1	43	79	1,196.5	42	81	1,248.8	60	64	1,288.2	69	56	1,332.8	77	56	1,442.5
Agricultural Development BRU																								
Agricultural Development	28	10	405.0	23	13	362.0	21	10	315.0	28	9	393.0	28	10	409.0	28	10	402.0	25	11	390.0	25	11	390.0
Statewide Fire Suppression Program BRU																								
Fire Suppression	1		12.0	2	3	52.0	2	3	52.0	6	16	164.0	6	17	238.0	6	34	238.0	6	34	238.0	6	34	238.0
DNR TOTAL	608	327	9,651.0	643	266	9,343.6	629	265	9,594.7	598	234	9,190.2	627	245	8,892.1	587	240	8,692.0	569	231	8,397.2	567	230	8,440.7
PPT + PFT Total	935			909			894			832			872			827			800			797		

Millers Reach facts for FY98 DNR budget briefing:

-Fire Started: June 2, 1996 at 1616 hours
 -Fire Cause: Fireworks, reasonably certain (arson not proved)
 -Fire Size at Report: 7 acres
 Fire was initial attacked by Forestry engine crews, EFF and AFS smokejumpers

-Fire Blow-up: June 3, 1996 at 1920 hours caused by unforecasted dry cold front passage marked by extremely high winds and low RH's

-Final Fire Size: 37,335.8 acres with 14.8% federal responsibility and 85.2 % state responsibility

-Property Lost/Damaged: 433 structures were either lost or damaged at a cost of approximately \$10 million

-Property Saved: 1,079 structures were saved/spared with a value of approximately \$60 million

-Miles of Fireline: 60 miles of fireline were constructed
 -Number of Apparatus: Fire departments used 81 pieces of apparatus
 -Number of Fire Depts: 16 structure fire departments were on scene
 -Number of Personnel: 1,542 personnel were assigned to the fire
 -Suppression Cost: \$15.5 million estimate

Fire support was received from BLM, USFS, Yukon Territory, several lower 48 states, the National Guard, Alaska State Troopers, ADES and FEMA.

Concurrent with the Miller's Reach fire were 4 other extremely large fires, one of them, the Crooked Creek fire near Ninilchik could also have turned into a disaster fire like Miller's Reach if the wind had shifted.

Miller Reach - Expenditures:

Ownership -->	=14.8%	-----85.2%-----		
	BLM	State	FEMA	Total
Suppression	\$ 1,787.1	\$3,086.2	\$7,201.4	\$ 12,074.7
		30%	70%	
Mop-up	\$ 512.8	\$ 738.1	\$2,214.2	\$ 3,465.1
		25%	75%	
Totals:	\$2,299.9	\$3,824.3	\$9,415.6	\$ 15,539.8

DRAFT

handout 1/21/97

⑤

**FISH AND WILDLIFE REVENUES AND EXPENDITURES OF
STATE GOVERNMENT IN FISCAL YEAR 1995**



Alaska Department of Fish and Game
Geron Bruce and Tuula Marquardt

December 15, 1996

Fish and Wildlife Revenues and Expenditures

For the third year the Department of Fish and Game has conducted an analysis of state revenues and expenditures associated with the management, protection, regulation, and use of Alaska's fish and wildlife resources. This study estimates revenue received by state government from Alaska's fish and wildlife resources during the 1995 fiscal year (FY95). It compares this revenue to the expenditures of state government during FY95 associated with the management, use and protection of these resources.

This analysis can be updated annually with little research necessary outside of the Department of Fish and Game. Much of the information is available from the Alaska Statewide Accounting System. Expenditures requiring specific program knowledge are obtained from respective department personnel who are familiar with the fish and wildlife related programs and budgets of their departments. Because of the subjective nature of some expenditure estimates, they should be viewed strictly as estimates.

Funding for state fish and wildlife programs comes primarily from three sources: the state's general fund, from the federal government, and from the fish and game fund, which is one of the few dedicated funds in the state treasury. The Alaska Legislature has wide discretion in the spending of the state's general fund. Moneys spent from federal sources and from the fish and game fund are limited to specific programs and purposes.

We have listed below some of the key assumptions used in this analysis of which the reader should be aware.

1. All operating expenditures in the Department of Fish and Game were attributed to either fish or wildlife, except for 4%, or \$103.1, of the Division of Subsistence's budget.
2. Some expenditures from eight other state departments and the governor's office are included in the analysis of expenditures. These expenditures range from approximately one-half million dollars each in the Department of Revenue and the Office of the Governor to \$22 million and \$15.8 million for the Department of Commerce and Economic Development and the Department of Public Safety.
3. Capital expenditures in the Department of Fish and Game and the Department of Public Safety were included in this analysis.
4. Approximately half of the Fisheries Business Tax is distributed in accordance with state statute to the local governments in which the processing occurred. For the purposes of this analysis, these distributions are considered a form of state revenue sharing. They are not considered state fish and wildlife expenditures.

The distribution to local governments of a share of the fish tax moneys is an example of the state sharing its larger revenue base with local governments. There are no restrictions on the purposes for which local governments may spend their portion of the shared fisheries business tax. Local governments use this shared revenue in any manner they choose.

5. Revenue sources that are generated in the course of management, regulation, and development of fish and wildlife are identified in this

analysis. These include matching expenditures identified in departments other than the Department of Fish and Game with revenues accruing to those programs. An example of this is the federal funding received by the Alaska Seafood Marketing Institute to promote Alaskan seafood. Civil fines and criminal penalties collected as a result of law enforcement are other examples. A third example is interest revenue paid by participants in the commercial fishing loan programs. This revenue is transferred from the loan fund to the general fund and appropriated by the Legislature to cover the cost of administering the fishing loan programs.

6. Corporate income taxes accruing to the state treasury related to fish and wildlife related business cannot be segregated. Therefore these revenues are excluded from the analysis.

Results of FY95 Analysis:

	Fish	Wildlife
Revenues:	\$112.6 million	\$18.5 million
Expenditures:	\$108.1 million	\$28.4 million

The FY95 study showed, as did the earlier studies, that the revenues accruing to state government associated with Alaska's fish and wildlife resources are nearly equivalent to the state expenditures associated with these resources. Total revenue from all sources related to fish and wildlife in fiscal year 1995 was \$131 million. Out of that, approximately \$32 million was received from the federal government; \$79 million was from the state general fund; \$17 million came from the fish and game fund; and \$3 million from other sources. This compares to \$136.5 million in FY95 expenditures identified in this report related to fish and wildlife. The difference of \$4.5 million is made up of revenue from other sources, such as oil taxes.

This is not to say that, for example, the taxes paid by the seafood industry are the exact source of funds that pay for management of the commercial fisheries in the state. This would grossly oversimplify the complex state budget. What the analysis does attempt to convey is the size and variety of revenues flowing into the state treasury associated with the use of fish and wildlife resources and the corresponding variety and size of state expenditures related to fish and wildlife programs.

Fisheries revenues increased significantly from FY94 to FY95. The reasons for the growth in revenues are: 1) Fisheries Business Tax collections were up about \$5 million over the prior year; 2) the first full year of collections under the new Fisheries Landing Tax -assessed on offshore fisheries products landed in Alaska- accrued to the state treasury; 3) collections under the salmon marketing tax were slightly higher than in the prior year; 4) increased sales of sport fishing licenses and king salmon stamps.

Revenues associated with wildlife also increased significantly in FY95. These included an increase in revenue from the sale of hunting licenses and tags and an increase in funding provided to the state by the federal government for wildlife management.

Fisheries expenditures declined a little less than \$1 million in FY95 and wildlife expenditures increased by about the same amount as revenues.

ANNUAL REPORT TO THE ALASKA LEGISLATURE ON THE REVENUE PERFORMANCE OF THE DEPARTMENT OF FISH AND GAME

REVENUE SOURCE	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	TOTALS
Seafood Marketing Assessment		\$3,242.0		\$3,242.0
Salmon Marketing Tax		\$4,710.6		\$4,710.6
Salmon Enhancement Tax		\$5,689.5		\$5,689.5
Marine Fuel Tax	\$1,833.5	\$3,896.2		\$5,729.7
Fisheries Business Tax		\$39,034.2		\$39,034.2
Fisheries Landing Tax		\$7,302.0		\$7,302.0
Fines and Forfeitures	\$59.1	\$1,315.0	\$141.6	\$1,515.7
Test Fish Sales		\$1,968.2		\$1,968.2
Other Sales	\$4.7		\$92.7	\$97.4
Limited Entry Permit Renewal Fees		\$4,739.7		\$4,739.7
Commercial Crew Member Licenses		\$1,330.7		\$1,330.7
Interest from Commercial Fishing Loans		\$2,322.8		\$2,322.8
Sport Fishing License Fees	\$7,685.7			\$7,685.7
King Salmon Tag Fees	\$2,473.9			\$2,473.9
Hunting Licenses and Tag Fees			\$7,297.8	\$7,297.8
Other Fees	\$35.4	\$53.5	\$700.5	\$789.4
Federal Revenues	\$9,825.1	\$12,747.7	\$9,363.8	\$31,936.6
Big Game Guide License Fees			\$358.9	\$358.9
Program Receipts	\$271.5	\$1,290.8	\$365.9	\$1,928.2
Interagency Receipts	\$195.6	\$568.2	\$187.2	\$951.0
TOTAL	\$22,384.5	\$90,211.1	\$18,508.4	\$131,104.0

FISCAL YEAR 1996 STATE FISH AND WILDLIFE EXPENDITURES FROM ALL FUNDING SOURCES

DEPARTMENT	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	TOTALS
Governor	\$90.7	\$416.7	\$16.1	\$523.5
CED		\$22,311.9	\$249.2	\$22,561.1
CRA		\$1,884.3	\$336.0	\$2,220.3
DEC		\$2,071.8		\$2,071.8
Fish and Game	\$24,593.9	\$44,008.2	\$19,899.4	\$88,501.5
Labor		\$766.2	\$42.2	\$808.4
Law	\$464.3	\$1,104.6	\$723.3	\$2,292.2
Natural Resources	\$191.0	\$584.8	\$444.1	\$1,219.9
Public Safety	\$3,001.9	\$6,095.1	\$6,706.6	\$15,803.6
Revenue		\$489.6		\$489.6
Total	\$28,341.8	\$79,733.2	\$28,416.9	\$136,491.9

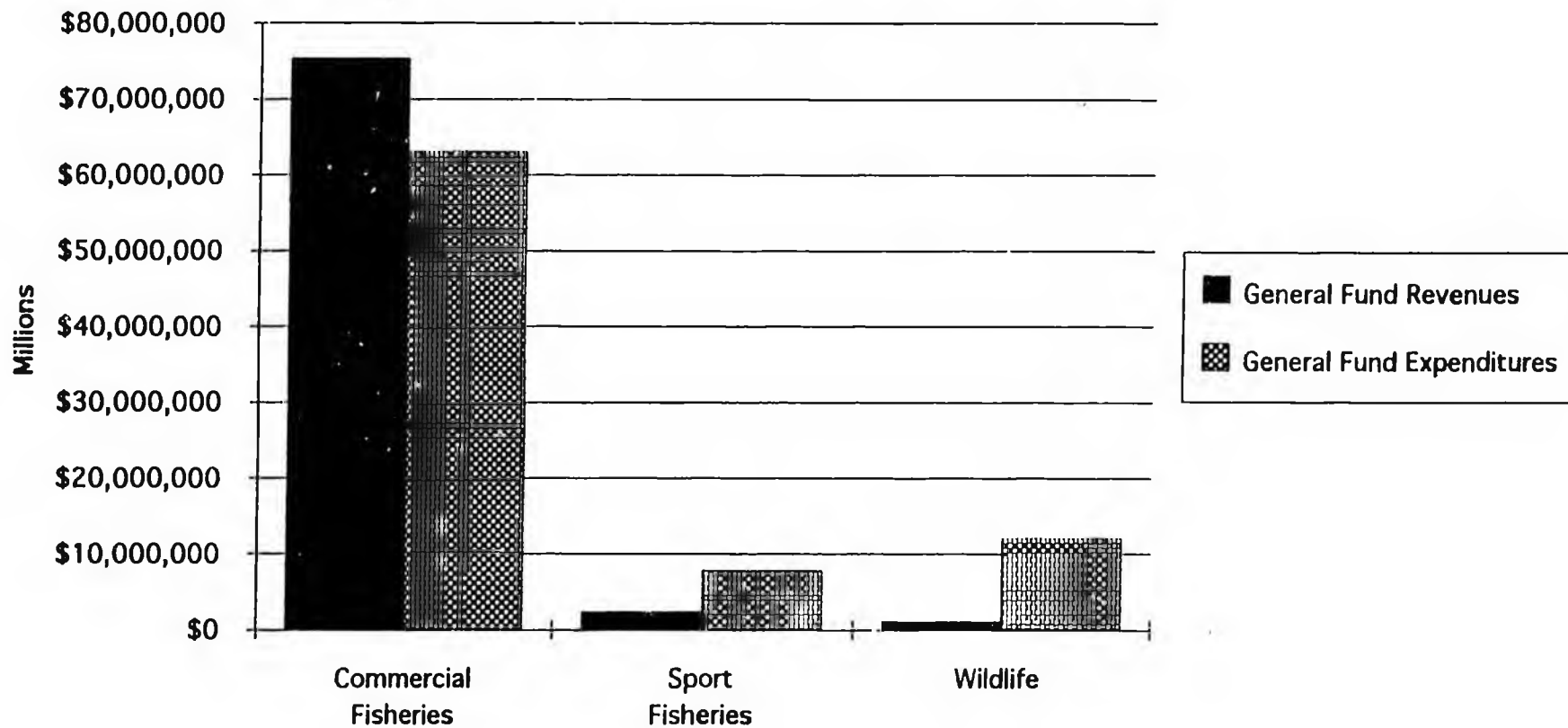
FISCAL YEAR 1996 FISH AND WILDLIFE REVENUES DEPOSITED IN THE GENERAL FUND

REVENUE SOURCE	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	TOTALS
Seafood Marketing Assessment		\$3,242.0		\$3,242.0
Salmon Marketing Tax		\$4,710.6		\$4,710.6
Salmon Enhancement Tax		\$5,689.5		\$5,689.5
Marine Fuel Tax	\$1,833.5	\$3,896.2		\$5,729.7
Fisheries Business Tax		\$39,034.2		\$39,034.2
Fisheries Landing Tax		\$7,302.0		\$7,302.0
Fines and Forfeitures	\$59.1	\$624.7	\$141.6	\$825.4
Test Fish Sales		\$1,968.2		\$1,968.2
Other Sales			\$53.8	\$53.8
Limited Entry Permit Renewal Fees		\$4,314.8		\$4,314.8
Commercial Crew Member Licenses		\$334.8		\$334.8
Interest from Commercial Fishing Loans		\$2,322.8		\$2,322.8
Special Licenses			\$20.9	\$20.9
Big Game Guide License Fees			\$358.9	\$358.9
Other Fees	\$35.4	\$53.5	\$74.0	\$162.9
Program Receipts	\$271.5	\$1,290.8	\$365.9	\$1,928.2
Interagency Receipts	\$195.6	\$568.2	\$187.7	\$951.5
TOTAL	\$2,395.1	\$75,352.3	\$1,202.8	\$78,950.2

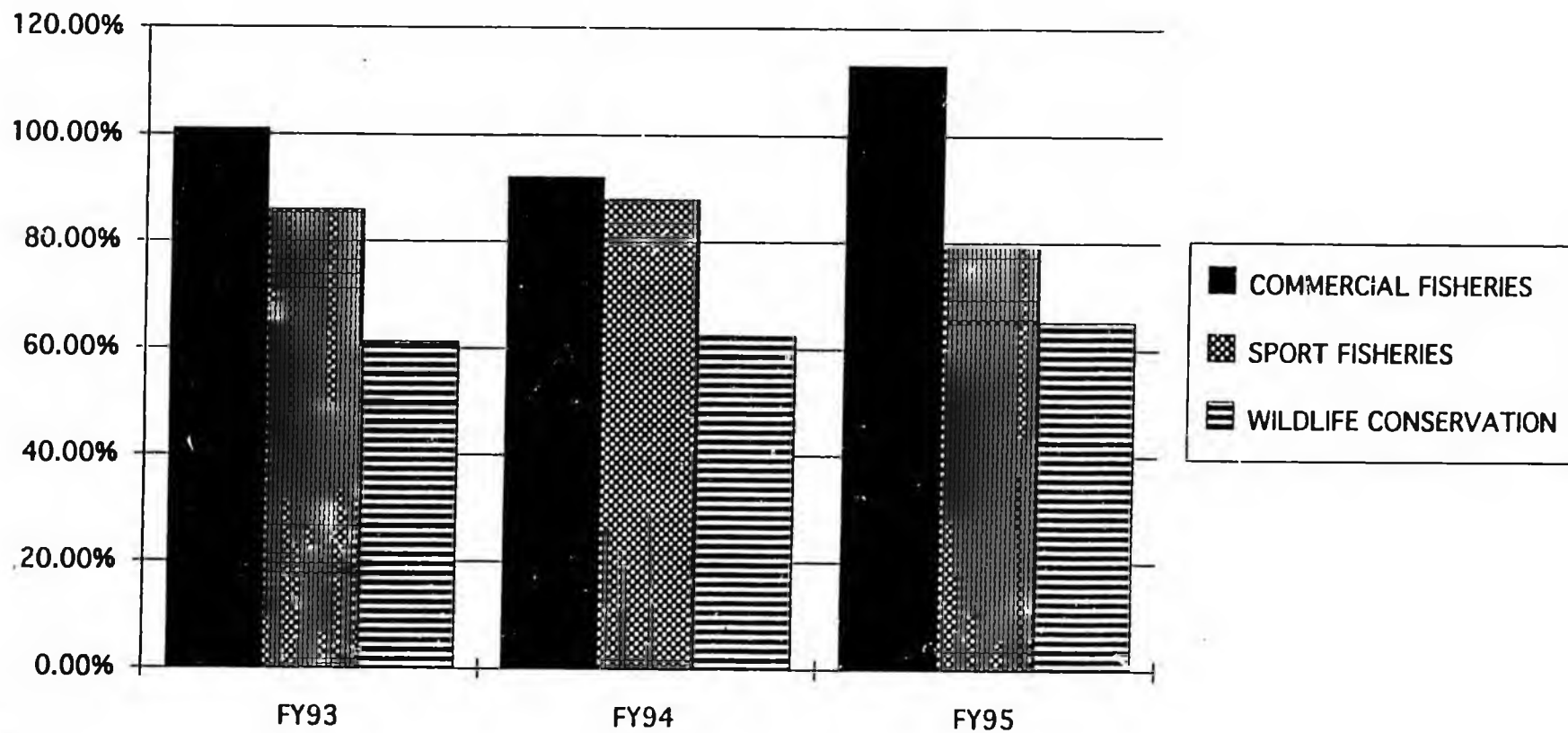
FISCAL YEAR 1995 FISH AND WILDLIFE EXPENDITURES FROM THE STATE GENERAL FUND
 (in thousands of dollars)

DEPARTMENT	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	TOTALS
Governor	\$51.0	\$287.1	\$16.1	\$354.2
CED		\$16,405.0	\$249.2	\$16,654.2
CRA		\$997.3	\$139.6	\$1,136.9
DEC		\$1,570.8		\$1,570.8
Fish and Game	\$4,284.8	\$35,923.4	\$3,964.7	\$44,172.9
Labor		\$144.2	\$42.2	\$186.4
Law	\$414.6	\$1,005.1	\$673.6	\$2,093.3
Natural Resources	\$100.5	\$194.5	\$307.5	\$602.5
Public Safety	\$3,001.9	\$6,095.1	\$6,706.6	\$15,803.6
Revenue		\$489.6		\$489.6
Total	\$7,852.8	\$63,112.1	\$12,099.5	\$83,064.4

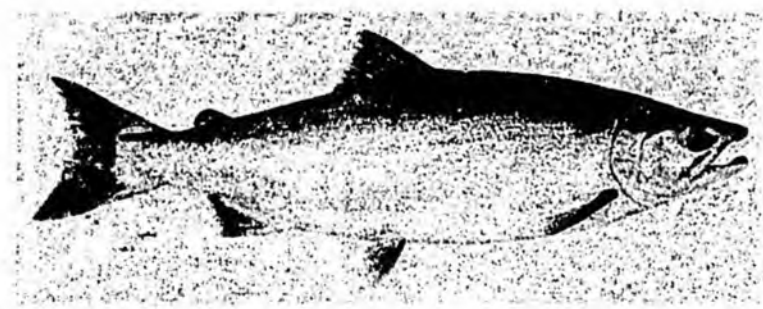
GENERAL FUND REVENUES AND EXPENDITURES RELATED TO STATE FISH AND WILDLIFE PROGRAMS IN FISCAL YEAR 1995



FISH AND WILDLIFE REVENUES AS A PERCENTAGE OF FISH AND WILDLIFE EXPENDITURES IN FISCAL YEARS 1993-1995



Alaska Department of Fish and Game



FY98

Budget and Program Overview

January 1997

Frank Rue, Commissioner

BUDGET OVERVIEW

TABLE OF CONTENTS

SECTION I

Department Overview	2
---------------------------	---

SECTION II-DIVISION SUMMARIES

Office of the Commissioner	14
Boards Support	22
Administrative Services	26
Commercial Fisheries Management and Development	30
Habitat and Restoration	36
Sport Fish	40
Subsistence.....	46
Wildlife Conservation	52

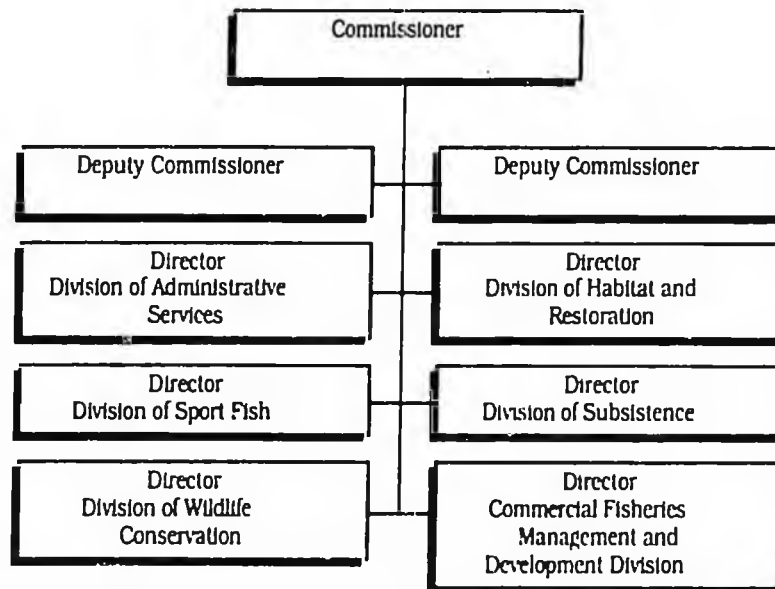
SECTION III

Commercial Fisheries Entry Commission.....	58
--	----

DEPARTMENT OF FISH AND GAME

MISSION STATEMENT

The Alaska Department of Fish and Game's mission is to manage, protect, maintain, and improve the fish, game, and aquatic plant resources of Alaska. The primary goals are to ensure that Alaska's renewable fish and wildlife resources and their habitats are conserved and managed on the sustained yield principle, and the use and development of these resources are in the best interest of the economy and well-being of the people of the state.



DEPARTMENT OF FISH AND GAME

OVERVIEW

The Department of Fish and Game provides a core function of state government. Article 8 of the constitution requires that the agency provide for the maximum public use of our state's fish and wildlife resources, and manage those resources on the sustained yield principle. Fish and Game is responsible for managing, conserving, protecting, restoring and extending Alaska's fish, wildlife, and aquatic plant resources.

The department provides a foundation for our state's largest private sector employer, commercial fishing, as well as one of the fastest growing segments of our economy, tourism. Over a half million sport anglers and over 100,000 hunters use fish and wildlife resources each year. In FY97, a record number of Alaskans as well as visitors viewed fish and wildlife resources at state game sanctuaries, preserves and critical habitat areas, or simply by looking out a window.

ISSUES

Dual Subsistence Management. Expanding federal subsistence management of wildlife, anticipation of federal regulations for management of fisheries in Alaska, and department interaction with the federal subsistence board process will continue to be challenging and time-consuming aspects of the department's subsistence program through FY98.

Increasing Demands On Resources. All divisions within the department face increasing demand for fish and wildlife uses. The department will continue to encourage the creation of new opportunities for a variety of user groups. Such efforts include enhancing hunter education and hunter services programs, developing new commercial fisheries, sport fish stocking programs, supporting watchable wildlife programs such as Creamer's Refuge, McNeil River State Game Sanctuary, and Potter's Marsh, and continuing to work cooperatively with private industry to protect fish and wildlife resources.

Salmon Market Problems. Increases in international farmed salmon production have contributed to oversupply of salmon on the global market substantially reducing the market value of Alaska's salmon. Alaska's coastal communities have taken a severe economic hit. The department is working with industry during this time of uncertain markets on management issues that will enhance the competitiveness of the Alaskan salmon industry.

RESPONSIBILITIES

- Manage
- Conserve
- Protect
- Restore
- Provide for Public Use

ISSUES

- Dual Subsistence Mgmt.
- Increasing Demands on Resources
- Demand for Watchable Wildlife Programs
- Salmon Market Problems
- Resource Allocation
- US/Canada Fisheries Disputes
- General Fund Decline
- Other Restricted Funds Increased
- Users Pay
- Quality Management

GOALS

- Progress Toward Regaining State Mgmt.
- Cooperative Management of Fish and Wildlife
- Meet Increasing Demands without Harming Resources
- Timely Permit Approvals
- Industry Partnerships

SHARE OF FY98 STATE OPERATING BUDGET

General Funds
<2%



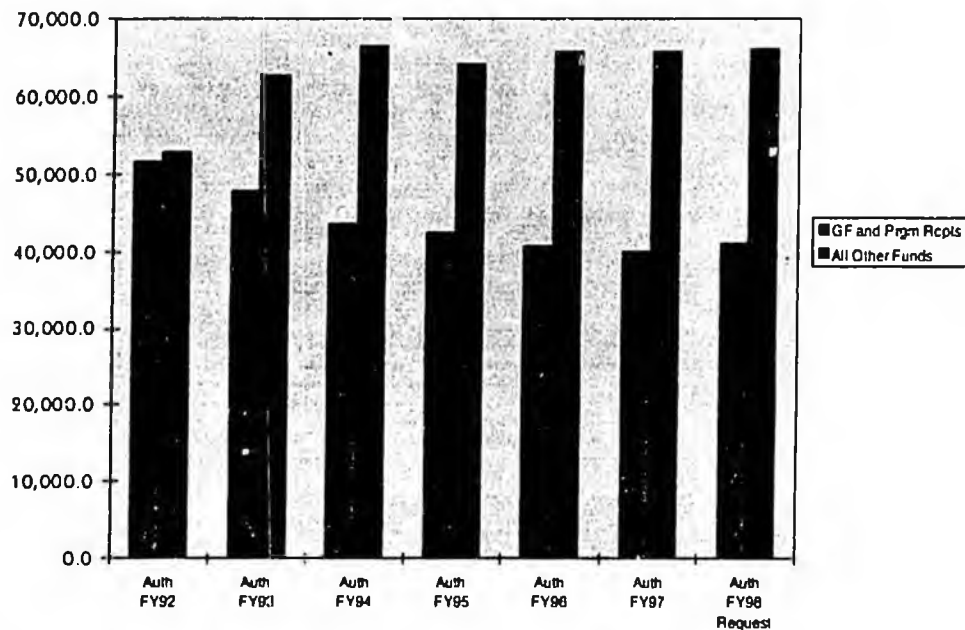
ISSUES (CONT.)

Allocation Disputes. Allocation of limited fish and wildlife resources continues to be contentious and litigious. Allocation disputes will continue to preoccupy the Boards of Fisheries and Game and impact the department's ability to effectively manage these resources.

US/Canada Fisheries Disputes. Decades of disputes over Pacific Northwest salmon allocations will continue in FY98. In 1996, the department made progress in reaching long-term harvest and conservation agreements with the Pacific Northwest states and treaty tribes. However, agreement between Canada and the U.S. remains elusive.

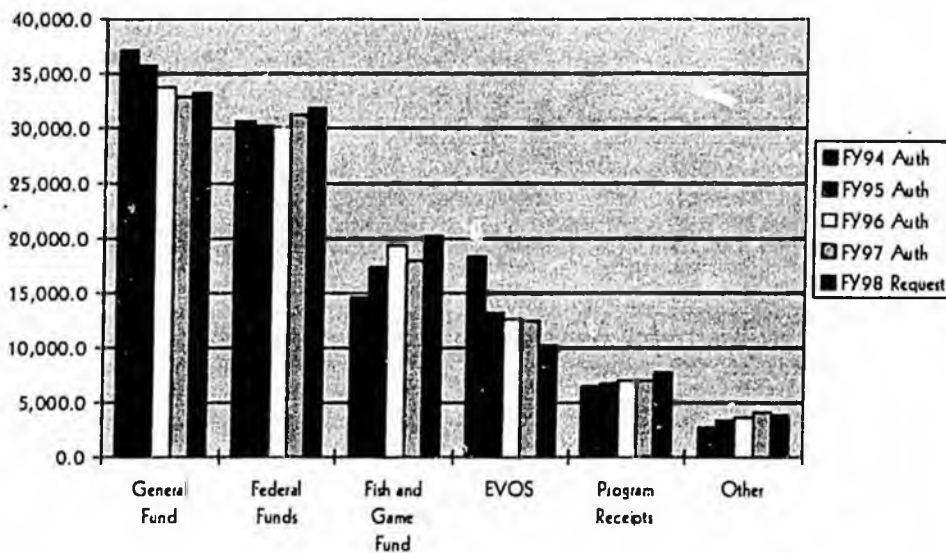
General Funds Declining, Other Sources Up. As general funds have steadily decreased during the 1990's, other sources, such as federal funds and fish and game fund and program receipts, have increased. But broad restrictions apply to the spending of money from these other funding sources. The result is that two divisions, Sport Fish and Wildlife Conservation, have maintained a stable and growing revenue base while the other general fund divisions have been substantially reduced. What happens next is like the domino principle: the inability of one division to do its job may have consequences for the ability of another to maintain healthy resources.

Fish and Game Funding History GF vs. Other Sources



ISSUES (CONT.)

Five-Year Funding History by Source



Users Pay for Resource Management. The business of fish and game is an engine that drives Alaska's economy. Users are willing to pay for the management of fish and wildlife resources through licenses, tags, and permit fees, as well as taxes on the commercial fishing industry. This income pays for state fish and wildlife management. However, while population and tourism have increased, general fund appropriations have decreased over 15 percent in the last five years. In fact, the Department of Fish and Game now receives fewer general fund dollars than in FY79 when adjusted for inflation, the year before oil money flooded the state's treasury. This increased demand coupled with a decline in general fund dollars makes it more difficult for the department to manage our fish and wildlife resources on the sustained yield principle.

Quality Management. The department's general fund appropriation, including program receipts, is about two percent of the state's general fund operating budget. Alaska enjoys some of the most reputable, high quality fish and wildlife management in the world. While other states, particularly in the Pacific Northwest, are struggling to revive species, the vast majority of fish and wildlife stocks and populations managed by the Alaska Department of Fish and Game are healthy and/or increasing. Moreover, department research was instrumental in avoiding several listings under the federal Endangered Species Act, thus preserving economic opportunities for Alaskans.

USERS PAY

State Revenues (FY 95)

Fish \$ 112.6 million
Wildlife \$ 18.5 million

State Expenditures (FY95)

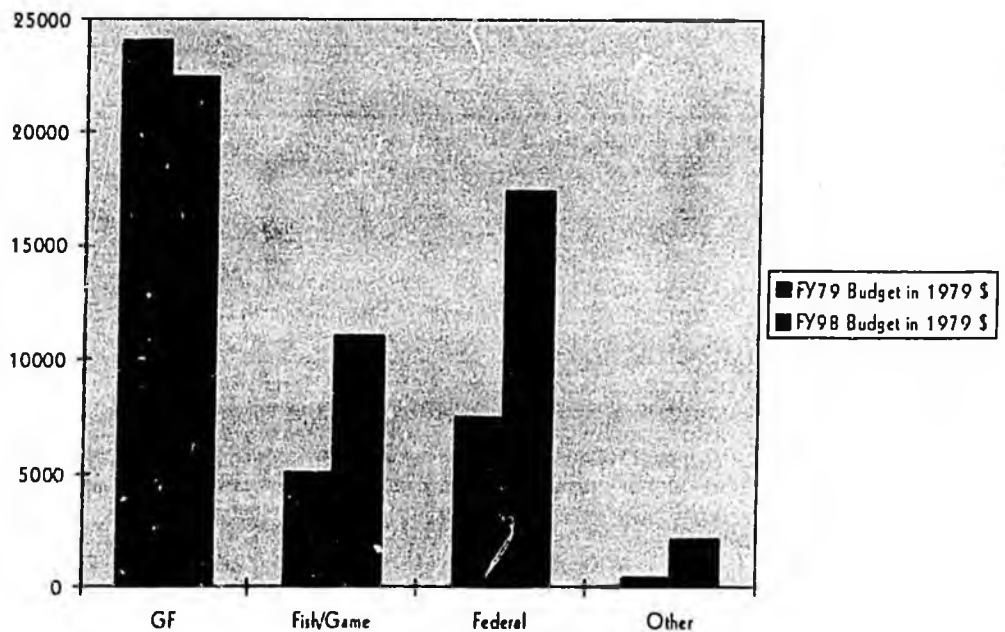
Fish \$108.1 million
Wildlife \$ 28.4 million

Fish and Wildlife Users Pay
for the Programs of the
Department of
Fish and Game

At the Same Time, Fish and
Game Resources Make Major
Contributions to Coastal
Communities by
Providing Local
Employment and
Tax Receipts to
Local Governments

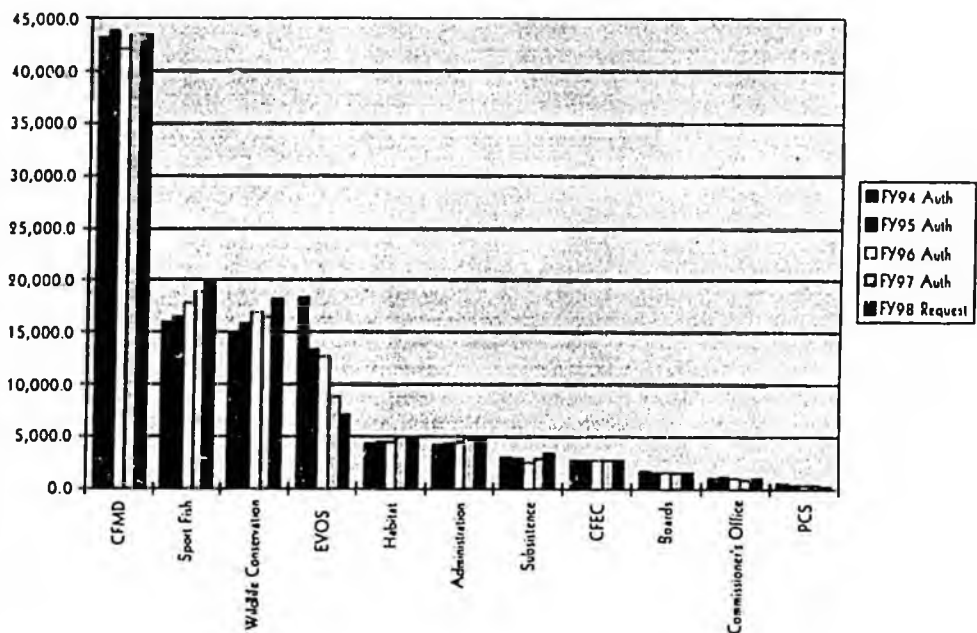
The Department of Fish and Game Now Receives Less Relative Spending Power than in FY79, the Year Before Oil Money Flooded the State's Treasury

ADF&G Funding Sources Adjusted for Inflation (constant 1979 dollars)

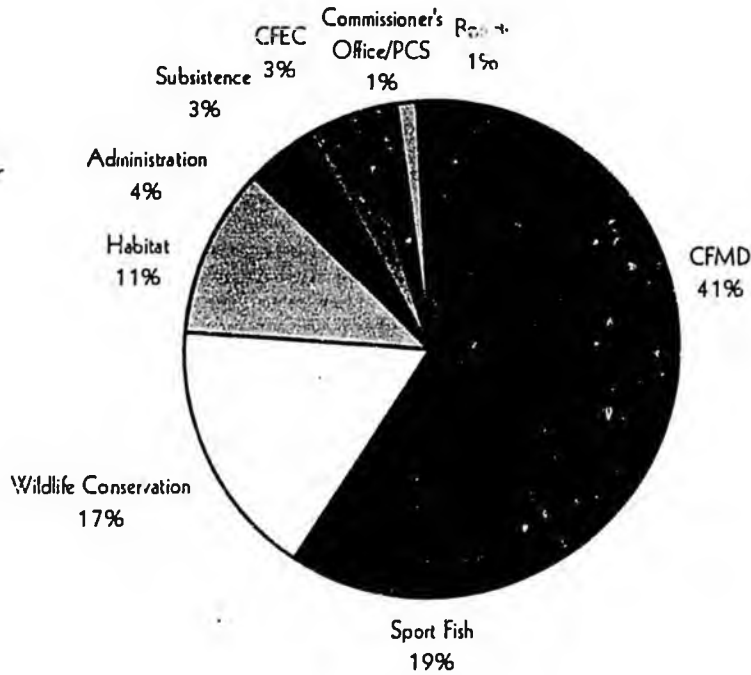


Funding for Sport Fish and Wildlife Conservation is Growing While Funding for the Other Divisions Remains Flat or is Declining

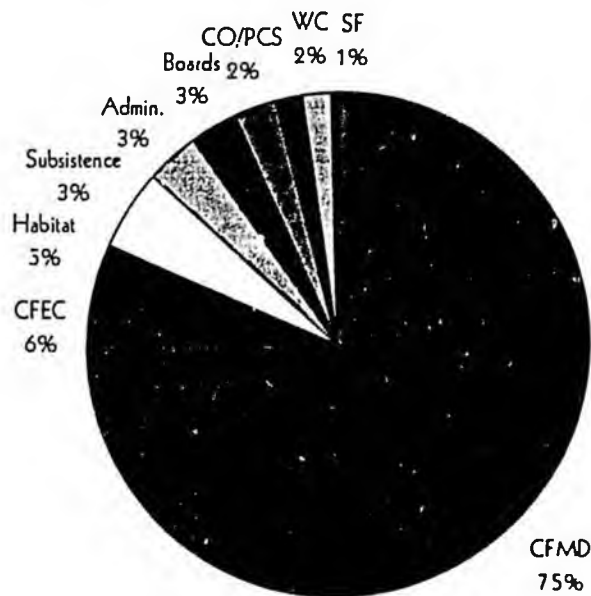
Divisions Funding History Five-Year Summary



FY98 Budget Request All Funds



FY98 Budget Request General Funds Only



HOW USERS PAY

Fisheries Business Tax
\$ 39 million

Federal Funds
\$ 31.9 million

Sport Fish License Fees
\$ 7.7 million

Hunting Licenses/Tag Fees
\$ 7.3 million

King Salmon Stamps
\$ 2.5 million

Fisheries Landing Tax
\$ 7.3 million

Marine Fuel Tax
\$ 5.7 million

Limited Entry Fees
\$ 4.7 million

(FY95 Revenues)



FY98 BUDGET REQUEST

The Department of Fish and Game's FY98 budget request represents an increase of \$1.488 million from all funding sources over FY97 authorized. These increases are due to negotiated labor contract salary increases, test fish and other program receipts as well as anticipated increases in federal revenues for sport fish and wildlife restoration and increased license revenue.

In an effort to streamline administrative processes, the department is identifying recurring non-permanent positions and reclassifying them to permanent seasonal status. Permanent full-time positions counts have also been adjusted in several divisions.

Revenue from the Exxon Valdez Oil Spill Settlement is declining. This year, anticipated revenues are down by \$2.3 million. These funds may be used only for the restoration of Prince William Sound and other oil spill affected areas.

	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	68,283.6	66,717.0	66,286.0	65,423.0	67,866.0
Travel	4,662.4	4,266.7	4,120.2	3,683.1	3,722.6
Contractual	29,346.3	28,525.1	29,213.7	29,680.0	28,747.9
Supplies	5,658.9	5,489.1	5,174.2	5,197.9	5,160.5
Equipment	1,886.6	1,543.1	1,544.4	1,537.8	1,538.2
Grants	50.0	37.5	25.0	25.0	0.0
TOTAL	109,887.8	106,578.5	106,363.5	105,546.8	107,035.2
Funding:					
1002 Fed Receipts	30,568.2	30,219.3	30,141.6	31,163.3	31,794.1
1003 GF Match	775.9	729.4	809.5	609.3	618.6
1004 GF	36,331.9	34,961.9	32,863.0	32,207.3	32,568.2
1005 GF/PR	6,425.4	6,730.7	6,988.6	2,948.7	3,024.4
1007 I/A Receipts	1,875.9	2,114.7	2,530.4	3,161.6	2,966.7
1018 EVOS	18,349.3	13,244.5	12,613.5	12,500.3	10,185.1
1024 F&G Funds	14,661.8	17,308.3	19,326.6	17,948.0	20,188.6
1055 IA/Oil Haz	190.7	6.5	137.5	189.5	189.5
1061 CIP Receipts	708.7	1,263.2	952.8	720.0	757.0
1091 GF/Desg Rcpts.	0.0	0.0	0.0	4,098.8	4,743.0
Positions:					
PFT	803.0	750.0	732.0	757.0	786.0
PPT	809.0	791.0	813.0	838.0	872.0
Temp	125.0	73.0	64.0	95.0	84.0

BUDGET HIGHLIGHTS

- Overall Budget Increase Over FY97 \$1,488.4 (1.4%)
- F&G Fund \$2,240.6
- Prgm. Rcpts. \$719.9
- Federal Funds \$630.8
- General Fund \$370.2
- EVOS Decrement (\$2,315.2)

SOURCES OF FISH AND GAME REVENUE

General Funds
31% of Total Budget
Request

Federal Funds
30% of Total Budget
Request

Fish and Game Funds
19% of Total Budget
Request

EVOS
10% of Total Budget
Request

GF/Program Receipts
7% of Total

Miscellaneous
3% of Total Budget Request

COMMUNITIES SERVED

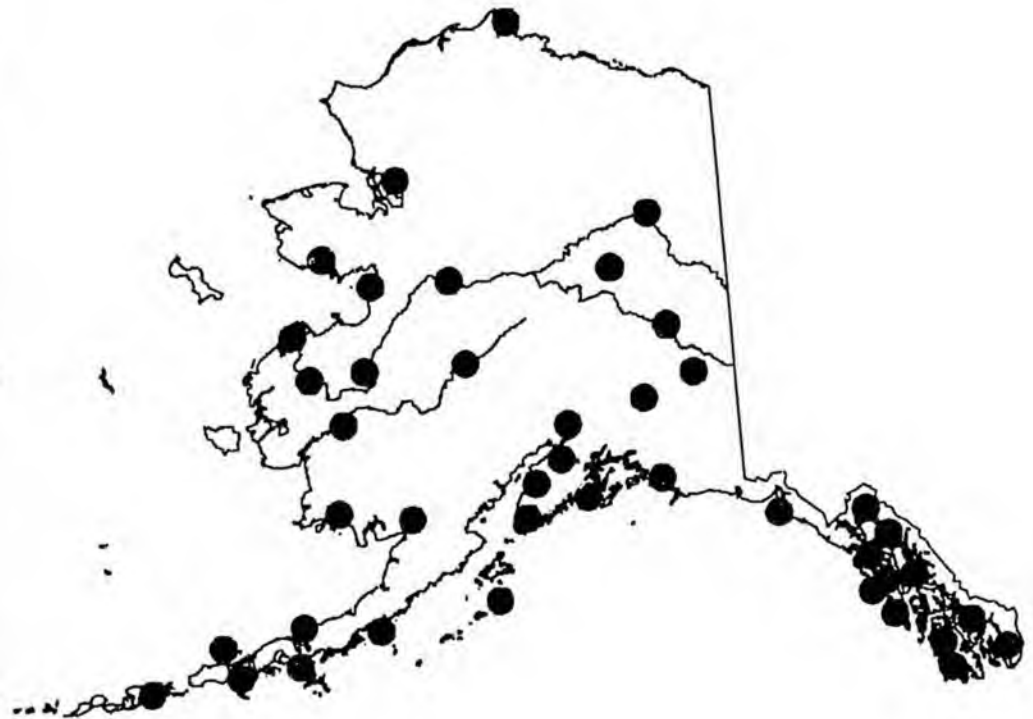
Anchorage
Angoon
Anvik
Barrow
Bear River
Bethel
Chignik
Cold Bay
Cooper Landing
Cordova
Craig
Crystal Lake
Delta Junction
Dillingham
Dutch Harbor
Elfin Cove
Emmonak
Fairbanks
Galena
Glennallen
Haines
Homer
Hoonah
Hyder
Juneau
Ketchikan
Klawock
King Salmon
Kodiak
Kotzebue
Manley Hot Springs
McGrath
Ninilchik
Nome
Palmer
Pelican
Petersburg
Port Alexander
Port Moller
Saint Mary's
Sand Point
Seward
Sitka
Soldotna
Tok
Unalakleet
Valdez
Wrangell
Yakutat

LOCATIONS AND STAFFING

The Department of Fish and Game is requesting 786 permanent full-time and 872 permanent part-time/seasonal employees for FY98 representing an increase over FY97. The department employs a highly seasonal workforce with the number of employees more than doubling during the months of May through September. The table on the following page lists the number of permanent full-time and seasonal employees by division and location.

The Value of the Area Office Network. Fish and Game is one of the few departments with a presence throughout the state. To better serve Alaskans, our employees are located in over 40 communities across Alaska. This enables Fish and Game staff to have personal contact with users of fish and wildlife resources, providing the department with additional first-hand information needed to manage fish and wildlife or conduct research.

FISH AND GAME OFFICES



LOCATIONS AND STAFFING

	CO	ADM	BDS	CFEC	CFMD	H&R	SF	SUB	WC
Anchorage		8	1		91	50	70	12	64
Angoon								1	
Anvik					6				
Barrow									1
Bear River					1				
Bethel			2		25			3	2
Chignik					8				
Cold Bay					4				
Cooper Landing							1		
Cordova					44				2
Craig					3		1		
Crystal Lake							7		
Delta Junction							5		2
Dillingham			1		31		9	3	1
Dutch Harbor					15				
Elfin Cove					1				
Emmonak					11				
Fairbanks		4	1		24	10	36	6	48
Galena									1
Glennallen							16		3
Haines					13		8		
Homer					22		7		2
Hoonah					1				
Hyder					2				
Juneau	13	59	7	37	182	13	52	12	31
Ketchikan					38	3	15		2
King Salmon					34				2
Klawock					1	3	1		
Kodiak					104		7	1	2
Kotzebue			1		11				3
Manley Hot Springs					1				
McGrath									1
Ninilchik							2		
Nome					24		1	2	4
Palmer							34		7
Pelican					1				
Petersburg					27	1	4		2
Port Alexander					1				
Port Moller					9				
Saint Mary's					7				
Sand Point					3				
Sitka					24	2	6		2
Soldotna					51	1	40		7
Tok									3
Unalakleet					2				
Valdez							1		
Wrangell					4		1		
Yakutat					9		3		

SUCCESSFUL MANAGEMENT OF FISH AND WILDLIFE REQUIRES:

- Good Science
- Good on-the-Ground, Real-time Management
- Habitat Protection
- Public Involvement in the Management and Allocation Process

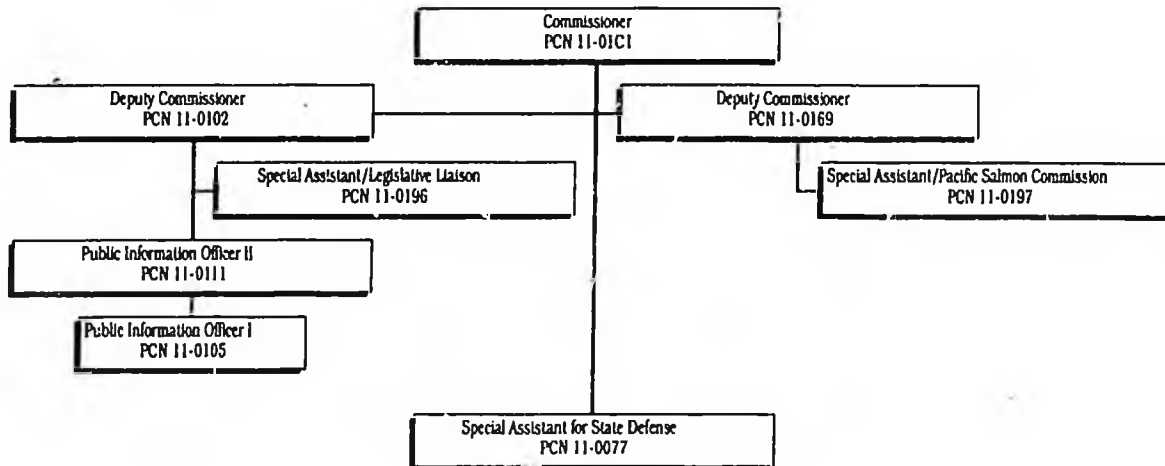


SECTION II

DEPARTMENT OF FISH AND GAME DIVISION SUMMARIES

FY98 BUDGET REQUEST
JANUARY 1997

OFFICE OF THE COMMISSIONER



OFFICE OF THE COMMISSIONER

OVERVIEW

The Office of the Commissioner has full responsibility for the department's mission of managing Alaska's fish, wildlife, and aquatic plant resources. It coordinates budgeting and planning for the department. The commissioner is an ex officio member of the Alaska Board of Fisheries and the Alaska Board of Game.

The Commissioner's Office defends Alaska's interests in regional, national and international forums, including the Pacific States Marine Fisheries Commission, the Exxon Valdez Oil Spill Trustee Council, and the North Pacific Fishery Management Council. The office supports a CIP position, which provides staff support for the Citizen's Advisory Committee and coordinates Alaska's participation and advocates Alaska's interest in federal and/or interjurisdictional forums including regional and international sustainable fishery initiatives, federal litigation, congressional fish and wildlife legislation, and Pacific Northwest endangered salmon issues.

The Boards Support Section provides administrative support for the Boards of Fisheries and Game (see end of this section for detail).

The Public Communications Section (PCS) coordinates the dissemination of department information to the general public, writes and distributes news releases, and responds to requests for information from the public and news media.

ISSUES

Impacts of Federal Involvement in Subsistence Management. Since the federal takeover of subsistence wildlife management on federal lands, the department's expenditure of staff time on this issue has increased significantly. During the last year the federal government has also begun drafting regulations to manage Alaska's subsistence fisheries. Several lawsuits that could further restrict the state's authority to manage fish and wildlife may be decided in FY98. An interdivisional policy group has been formed to add emphasis and focus to the department's subsistence policy development. The department will continue to strive toward an Alaskan solution to the dispute over subsistence and regaining state management of Alaska's fish and wildlife.

Salmon Industry Response Cabinet. The commissioner of Fish and Game sits on this mini-cabinet, and the Commissioner's Office has provided staff support to this ongoing effort to improve salmon markets. The department is also working directly with industry on management issues that will assist the competitiveness of the Alaska salmon industry.

RESPONSIBILITIES

- Oversee Department
- Direct Policy
- Coordination with Legislature
- Manage Budget
- International Fisheries
- Federal Litigation
- Federal Legislation
- Boards Support
- Public Communications

ISSUES

- Dual Subsistence Management
- Population Growth
- Salmon Markets
- Unmarketable Hatchery Salmon
- Allocation Issues
- U.S./Canada Fisheries Disputes
- Implementing Magnuson-Stevens Act
- Federal Litigation
- North Pacific Fishery Management Council
- U.S./Russia Boundary Issues
- Teaming with Wildlife
- Sustainable Fisheries

ISSUES (CONT.)

Hatchery - Food Bank Summit. The department has brought together hatchery operators and charitable organizations to encourage development of alternative uses for unmarketable hatchery salmon. These efforts will continue through FY98.

Resolving Cook Inlet Salmon and Allocation Issues. Plans by the Board of Fisheries to revisit and possibly rewrite the Upper Cook Inlet Salmon Management Plan, an umbrella plan for many other "step down" management plans, will continue to result in an increased workload in FY98. In the face of reduced general fund budgets, the department will continue to work toward achieving the level of precision in management needed to meet the allocation goals set by the Boards of Fisheries and Game.

U.S./Canada Salmon Agreements. The department will continue efforts to work out allocation difficulties with the Pacific Northwest states, treaty tribes and Canada. One deputy commissioner currently chairs the Pacific Salmon Commission and is lead negotiator for this international process.

Implementation of the Magnuson-Stevens Fisheries Act. Now that the act has passed, the department must ensure regulations reflect the intent of the legislation and protect Alaska's interest. Important provisions on bycatch limits, waste, fish habitat protection, conservation and management must be properly implemented in order that Alaska benefit from the intent of the legislation. The measure also requires establishment of community development quota (CDQ) programs, which will increase fishery development in coastal communities. CDQs already exist for pollock and halibut/sablefish. The North Pacific Fishery Management Council has authorized, and the state is developing regulations for a Bering Sea crab CDQ program.

Federal Litigation. The department is currently working with the Department of Law to defend Alaska's interest in several federal lawsuits. In *U.S. v Washington*, the department is countering a legal effort by Washington state tribal interests to extend the *Boldt* decision to Alaska. This could limit Alaska's salmon allocation and result in additional harvest reductions of chinook and sockeye for recreational and commercial fishermen in Southeast Alaska. Although we are not actively involved in one Endangered Species Act lawsuit at the moment, the potential is high for several others. Although the Queen Charlotte goshawk and the Alexander Archipelago wolf have not yet been listed as threatened or endangered, a final decision is expected this year. Alaska has been required to restrict the harvest of chinook salmon in Southeast Alaska for the last three years because of the classification of some Columbia River chinook salmon stocks as endangered, and now an effort is underway to list additional Columbia River salmon stocks. In order to speed recovery of Pacific Northwest salmon stocks, Alaska has joined litigation under the ESA to reform federal management of the Columbia River hydrosystem.

ISSUES (CONT.)

North Pacific Fishery Management Council Action. In Alaskan waters, NPFMC is the implementing body for the Magnuson-Stevens Fisheries Act. A deputy commissioner of the department serves as the state's representative on this Council.

U.S.-Russian Boundary Issues. Negotiations between the U.S. and Russia are ongoing to resolve a dispute over management of Bering Sea fish and crab stocks that span the boundary between the two countries. Through the Commissioner's Office, Alaska plays a key role in these negotiations.

Teaming with Wildlife. Since the Federal Aid in Wildlife Restoration program was established in 1937, Alaska has received more than \$127 million in revenue. The Commissioner's Office and the Division of Wildlife Conservation are promoting a new federal initiative that would parallel federal excise taxes on hunting equipment. The new program would establish a user fee on outdoor equipment and items used by wildlife viewers, such as guide books, bird seed, and camping gear. Revenue would be channeled back to states to pay for wildlife education, recreation, and conservation programs.

Sustainable Fisheries: As concerns for the health of the world's fisheries have increased, the department has become more active in national efforts to establish principles that will guide fisheries management on a sustainable basis. Alaska's salmon management program serves as one of the premier examples of sustainable fisheries management in the world.



FY98 BUDGET REQUEST

The Commissioner's Office is proposing a status quo budget for FY98. CIP receipts have been included to extend a Special Assistant for State Defense position. This has been an active CIP during FY93-FY96. The position was maintained in FY97 through a carry forward balance from the FY96 CIP.

In FY98 the Commissioner's office will delete PCN 11-0076, a temporary, exempt secretary that previously worked on this CIP project.

The Commissioner's Office is also seeking a line item transfer of general funds from Grants to Personal Services. The transfer will lower the vacancy factor of this component to a manageable level.

	FY94	FY95	FY96	FY97	FY98
	Auth	Auth	Auth	Auth	Request
Personal Services	726.4	826.9	771.0	656.8	783.4
Travel	118.9	118.9	96.0	84.1	81.8
Contractual	132.4	109.5	104.3	89.3	81.9
Supplies	5.0	5.0	5.0	5.0	5.0
Equipment	0.0	0.0	0.0	0.0	0.0
Grants	50.0	37.5	25.0	25.0	0.0
TOTAL	1,032.7	1,097.8	1,001.3	860.2	952.1
Funding:					
1002 Federal Receipts	114.2	114.6	114.6	129.3	131.0
1004 General Fund	892.9	857.8	730.4	730.9	736.0
1005 GF/Program Receipts	10.6	10.3	0.0	0.0	0.0
1007 I/A Receipts	15.0	15.0	15.0	0.0	0.0
1061 CIP Receipts	0.0	100.1	141.3	0.0	85.1
Positions:					
PFT	10.0	11.0	12.0	9.0	10.0
PPT	0.0	0.0	0.0	0.0	0.0
Temp	1.0	1.0	1.0	1.0	0.0

BUDGET HIGHLIGHTS

- Status Quo Budget
- Extend CIP Funding for Special Assistant for State Defense Position
- Eliminate Temporary Secretary PCN
- Lower Vacancy Factor



PUBLIC COMMUNICATIONS SECTION

OVERVIEW

The Public Communications Section provides information to the public relating to fish and wildlife resources and programs. The section is responsible for providing accurate and timely information to the fish and wildlife user public to further their understanding of the purposes of regulations, policies, activities and the numerous high profile issues of the department.

ISSUES

Internet Website. The Fish and Game site on the World Wide Web was the first to go online of all the State of Alaska internet sites. Since its inception, the internet site has grown in popularity. Public demand for more information and new applications is very high. PCS now oversees webmasters from each division in order to keep up with the increasing demand for electronic communication.

Funding. The main issues for this section include funding, which is entirely from interagency receipts since FY95, and the timely and accurate dissemination of information vital to fish and wildlife resource management given these budgetary constraints.

	FY94	FY95	FY96	FY97	FY98
	Auth	Auth	Auth	Auth	Request
Personal Services	361.1	135.5	135.5	116.8	103.6
Travel	1.0	1.0	1.0	1.0	3.0
Contractual	46.9	182.5	182.5	201.2	64.3
Supplies	10.0	10.0	10.0	10.0	10.0
TOTAL	419.0	329.0	329.0	329.0	180.9
Funding:					
1004 General Fund	193.8	0.0	0.0	0.0	0.0
1005 GF/Prgm. Rcpts	17.4	0.0	0.0	0.0	0.0
1007 I/A Receipts	207.8	329.0	329.0	329.0	180.9
Positions:					
PFT	6.0	4.0	1.0	2.0	2.0
PPT	2.0	2.0	2.0	1.0	1.0
Temp	1.0	1.0	0.0	0.0	0.0

RESPONSIBILITIES

- News Releases
- Internet Website
- Publications/Brochures
- Public Service Announcements
- Video Production
- Media Relations

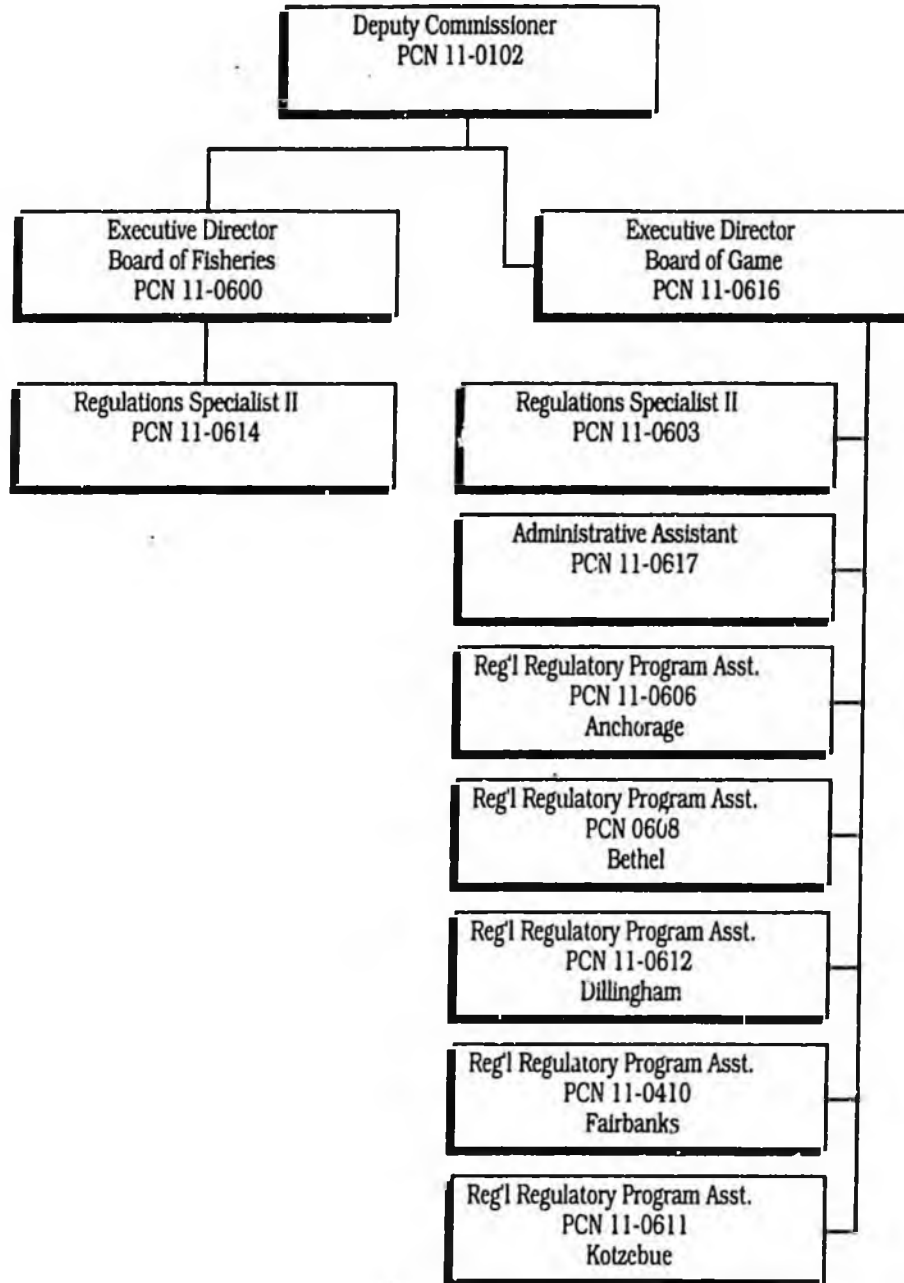
ISSUES

- Internet
- Efficient Use of Available Funding

GOALS

- Improve Public Communications on Issues
- Meet Public Demand for Internet Services
- Improve Internal Communications

BOARDS SUPPORT SECTION



BOARDS SUPPORT SECTION

OVERVIEW

The Alaska Boards of Fisheries and Game promulgate regulations for the conservation, development, and utilization of Alaska's fish and wildlife resources. The Boards Support Section's primary responsibility is to provide staff support for this public process. The Boards Support Section ensures that the state's regulatory system relating to fish and wildlife resources is efficient, legal, timely, and effective.

ISSUES

Resource Allocation. Allocation of limited resources among conflicting user groups continues to be controversial and litigious. Court rulings, actions of the federal subsistence board, or significant legislative action on fish and wildlife issues can have a significant impact on the workload of the section.

Public Participation. At least three times annually the boards publish a Call for Proposed Changes to the Regulations. Over 1000 proposals are received, typed, printed, and distributed to the advisory committees and hundreds of interested individuals and groups. The 80 fish and game local advisory committees conduct public meetings to gather community comment on the proposed changes and distill local opinion into their formal comments before the boards. This highly democratic process is both expensive and time-consuming, and the envy of many states and countries that rely on government to make allocations.

RESPONSIBILITIES

- Administrative Support to both Boards
- 80 Local Advisory Committees

ISSUES

- Dual Management
- Resource Allocation
- Public Participation



FY98 BUDGET REQUEST

The 1996 legislature directed the Division of Wildlife Conservation to fund its watchable wildlife program from either the general fund or a new outside funding source. The division has been working at the national level on the "Teaming with Wildlife" initiative to establish a new funding source. Since a new funding source has not yet been established, this is not an option for FY98.

The continuation of a basic watchable wildlife program has been identified as an agency priority for FY98. With the Governor's commitment to responsibly reduce state general fund spending, an increment for these funds is not possible. Therefore, a redistribution of general funds within the department's base budget is proposed.

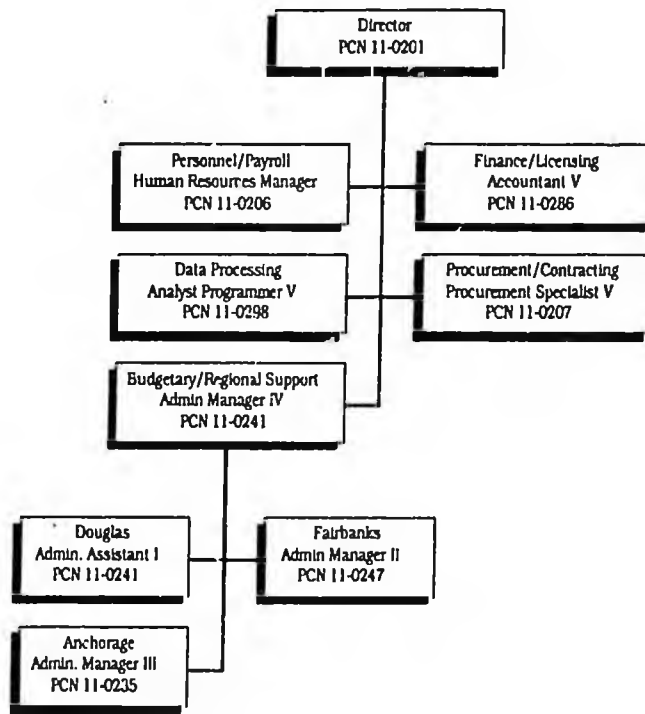
The Boards Support Section will transfer general funds to the Division of Wildlife Conservation. There will be no loss of services in the Boards Section as Wildlife Conservation will transfer an equivalent amount of fish and game funds for support of Board of Game activities.

	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	745.2	609.8	616.2	678.0	697.1
Travel	562.6	456.3	445.3	416.3	394.7
Contractual	323.9	445.3	449.9	390.6	378.0
Supplies	37.2	37.2	37.2	37.2	48.5
TOTAL	1,668.9	1,548.6	1,548.6	1,522.1	1,518.3
Funding:					
1002 Federal Receipts	100.0	0.0	0.0	0.0	0.0
1004 General Fund	1,568.9	1,548.6	1,548.6	1,522.1	1,198.8
1024 Fish and Game Fund	0.0	0.0	0.0	0.0	319.5
Positions:					
PFT	10.0	6.0	6.0	5.0	5.0
PPT	4.0	4.0	4.0	8.0	8.0
Temp	2.0	1.0	1.0	1.0	0.0

BUDGET HIGHLIGHTS

- Transfer GF to Division of Wildlife Conservation for Watchable Wildlife Programs
- Replace with Fish and Game Funds for Board of Game Activities

ADMINISTRATIVE SERVICES



ADMINISTRATIVE SERVICES

OVERVIEW

The Division of Administrative Services provides centralized administrative support services to the full range of programs and projects conducted by the Department of Fish and Game. The division is also responsible for the administration of the fish and game licensing program and provides direct administrative support to the other components in the Administration and Support BRU.

ISSUES

Delegation/Legal Requirements. The Division of Administrative Services has continued to shift funding where appropriate from general funds to federal and fish and game funds. A continuing decline in general fund availability is occurring at a time when we are facing increased pressure in facilities management and deferred maintenance; increased delegations in the areas of labor relations, personnel, and procurement; and federal requirements related to funding, as well as ADA and EEO compliance.

Deferred Maintenance. Deferred maintenance on state-owned facilities has continued as a major priority for the division. The department has numerous facilities throughout the state ranging from offices and laboratories to warehouses and bunkhouses. Many of these facilities are old and in need of repair and/or modification to make them structurally sound, ADA accessible, and bring them up to code. Total deferred maintenance on department facilities is approximately \$2.7 million and is reflected in the department's six-year capital projects plan. A portion of this amount is included in our FY98 CIP budget.

RESPONSIBILITIES

- Accounting
- Fiscal Management
- Payroll
- Personnel
- Procurement
- Property Control
- Contract Administration
- Budget Services
- Data Processing
- Americans with Disabilities (ADA) Compliance
- Facility Maintenance and Repair
- Office Space Planning
- Fish and Game Licensing

ISSUES

- Decline in GF
- Deferred Maintenance
- Increased Labor Relations
- ADA
- EEO



FY98 BUDGET REQUEST

The FY98 budget for the division totals \$4,747.5 (\$989.3 GF) with no significant changes from the current year. Fish and Game funds are used to run the licensing program and pay vendor compensation. Federal funds are derived as an indirect assessment on the department's federal contracts. I/A receipts are derived from the department's EVOS projects.

	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	3,094.1	3,109.5	3,109.5	3,469.8	3,513.9
Travel	37.0	37.0	37.0	37.1	36.4
Contractual	1,029.6	1,053.1	1,159.7	1,111.5	1,116.9
Supplies	68.0	68.0	68.0	75.0	75.0
Equipment	5.3	5.3	5.3	5.3	5.3
TOTAL	4,234.0	4,272.9	4,379.5	4,698.7	4,747.5
Funding:					
1002 Federal Receipts	1,390.1	1,398.3	1,478.3	1,672.3	1,695.3
1004 General Fund	1,362.9	1,322.8	990.9	983.2	989.3
1005 GF/Program Receipts	175.4	171.0	171.0	169.5	171.9
1007 I/A Receipts	0.0	0.0	330.5	425.1	430.3
1024 Fish and Game Fund	1,195.2	1,269.7	1,297.7	1,336.1	1,346.2
1061 CIP Receipts	110.4	111.1	111.1	112.5	114.5
Positions:					
PFT	60.0	60.0	60.0	61.0	61.0
PPT	3.0	3.0	10.0	9.0	9.0
Temp	15.0	13.0	3.0	3.0	4.0

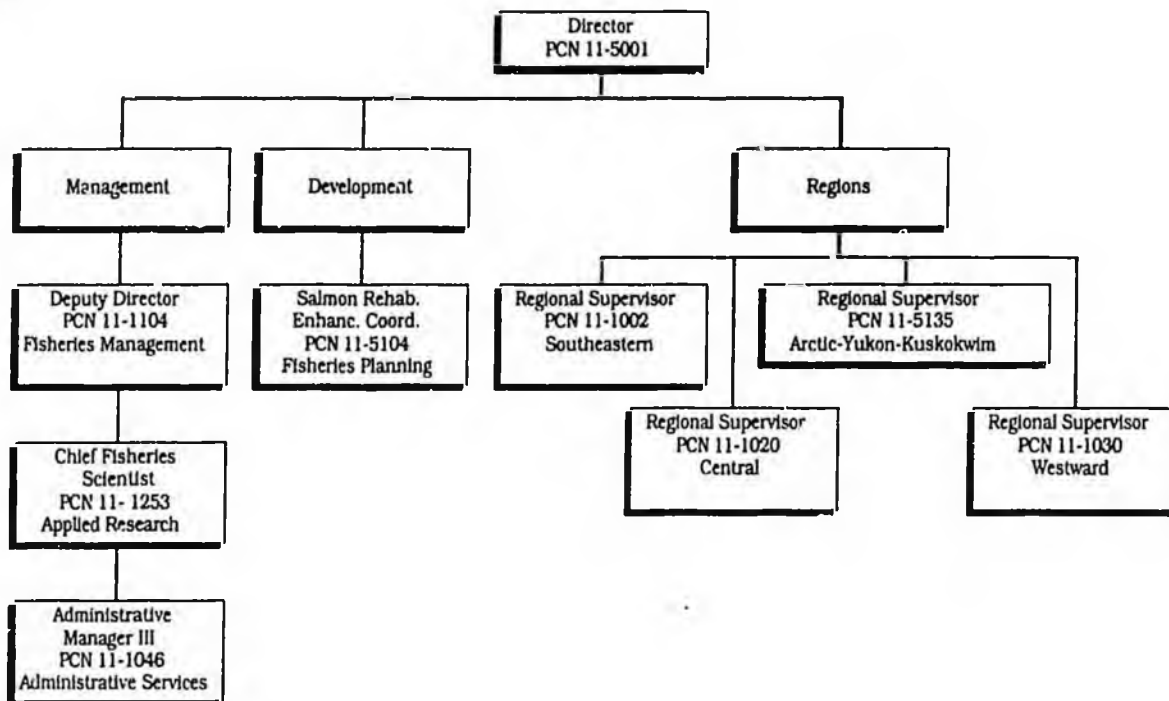
BUDGET HIGHLIGHTS

- No Significant Changes from FY97
- Vendor Compensation for F&G Licensing Totals \$750.0 in Contractual Line Item
- CIP Request for Deferred Maintenance on Facilities

GOALS

- Maintain Vendor Payments within 30 Days
- No Financial Audit Exceptions
- Avoid Retroactive Payroll Adjustments
- Timely License Vendor Financial Reporting
- Elimination of Unaccounted License Stock

DIVISION OF COMMERCIAL FISHERIES MANAGEMENT AND DEVELOPMENT



DIVISION OF COMMERCIAL FISHERIES MANAGEMENT AND DEVELOPMENT

OVERVIEW

The mission of the Division of Commercial Fisheries Management and Development is to manage, protect, rehabilitate, enhance, and develop fisheries and aquatic plant resources in the interest of the economy and general well-being of the state, consistent with the sustained yield principle and subject to allocations established through public regulatory processes.

ISSUES

Salmon Market. The increase in worldwide production of salmon has resulted in a significant decrease in the value of Alaskan salmon at the exvessel and wholesale levels. Low salmon prices are causing severe economic impacts on coastal and river residents, local governments, and the state. The division has been working with the State Industry Response Cabinet to develop and implement projects that will improve market conditions. We have been and will continue to work with fishermen and processors at the local and regional level to develop management strategies that will improve quality, while not changing current allocations. Through the Hatchery Forum process, we are working with industry to identify problems associated with salmon hatchery production and financing and find solutions to those problems. The department is working with salmon hatchery operators, fishermen, processors, as well as food banks, to develop strategies that ensure the full utilization of hatchery produced salmon. The industry and the state are also working closely on identifying actions that can be taken to improve the market situation.

State Waters Groundfish Fishery. Since the passage of the Magnuson Fishery Conservation and Management Act, which provided for federal fisheries management in the 3 to 200 mile Exclusive Economic Zone (EEZ), the state has, for the most part, managed groundfish in the zero to three mile territorial sea in concert with federal groundfish management actions. The state has taken this management approach because the federal government assesses the stocks in the zero to 200 mile zone and then sets the harvest for each stock based on that assessment. The state does not have the capability of performing independent assessments, nor does it have the funds to manage for a specific allocation of the harvest calculated by NMFS. The recent establishment of IFQs for sablefish has prompted

RESPONSIBILITIES

- Commercial Fisheries
- Subsistence Fisheries
- Personal Use Fisheries
- Fish Hatcheries
- Fishery Rehabilitation
- Fishery Enhancement
- Develop New Fisheries
- Support Mariculture
- 200-mile Zone
- Treaty Negotiations

ISSUES

- Salmon Market
- State Waters Groundfish Fishery
- Developing Fisheries
- Fisheries Allocations
- State/Federal Relationships
- Vessels and Aircraft Maintenance

GOALS

- Optimize and Sustain the Yield of Resources Important for Subsistence, Commercial, and Personal Use
- Create Opportunities for Alaskans to Participate in New and Developing Fisheries
- Work with the Industry to Improve the Value and Quality of Commercial Harvests

ISSUES (CONT.)

the department to reevaluate its management role, and in concert with local communities, the industry, and the Board of Fisheries, develop some small, slower paced fisheries that would benefit Alaska coastal communities. The estimated value of Pacific cod and sablefish harvested from the territorial sea in 1995 was about \$8 million. It is believed that estimate is a minimum; catches and values could increase significantly under state management.

The public, Board of Fisheries, and department have spent the last year working toward development of state waters managed groundfish fisheries that were specifically designed to direct the benefits to local residents. In November 1996, the board established a number of Pacific cod fisheries in the central and western Gulf of Alaska, as well as a small pollock fishery near Prince William Sound. The department will continue to manage sablefish in state waters. The North Pacific Fishery Management Council is considering delegating authority to the state to independently manage some species of rockfish in state and federal waters. The division will be evaluating its programs to determine how it might manage these fisheries.

Developing Fisheries. In recent years there has been a growth in the exploitation of previously underutilized species, such as sea cucumbers, sea urchins, and clams. These growing industries, however, are exploiting stocks not normally assessed or managed by the division. In order to take advantage of these development opportunities, more assessment and management planning will be required. The division, in cooperation with industry, the Board of Fisheries and the Legislature, is exploring methods of funding these fisheries with program receipts through the sale of fish taken during resource assessment surveys conducted cooperatively with the private sector. The industry, in close cooperation with the department, developed a management plan for a sea urchin fishery in southern Southeast Alaska during the past year. That plan included financial support for management and stock assessment by the industry and local governments. Unrealized opportunities exist in these and other developing fisheries.

Fisheries Allocations. The allocation of fisheries resources among various users has been and will continue to be one of the most significant issues facing state policy makers and natural resource managers. In order for the policy makers to make informed decisions, the managers must gather and analyze biological, economic, social, and cultural information and prepare reports on those analyses. Once the policy makers have decided an issue and adopted a management plan, the managers must implement it. The number of allocation issues is increasing. They are complex, as are their solutions. The division does not have the funding to gather and analyze the data needed by the policy makers, nor does it have the programs and staff needed to carry out new, complex, allocative management decisions. This situation increases conflict between users, and leads to sense of unfair sharing of the benefits of the state's fish resources.

ISSUES (CONT.)

State/Federal Relationships. The division is becoming increasingly involved with federal agencies in management of Alaskan fisheries. These include Southeast Alaska salmon under the Pacific Salmon Treaty, groundfish in the Gulf of Alaska and Bering Sea, and Bering Sea king and Tanner crab with the North Pacific Fishery Management Council and the National Marine Fisheries Service. The Federal Subsistence Board will begin more active management of subsistence fisheries on nonnavigable waters on federal lands for the 1997 season. It is likely they will try to expand their activities to some navigable waters for the 1998 season. To ensure that the state's resources are protected, as well as protecting the economic and social interests of the state, the division will need to involve itself with the federal subsistence program. Considerable uncompensated staff time is already being expended in the PSC, NPFMC, and other national and international processes to protect the state's interests. The addition of federal management of subsistence fisheries will considerably increase the number of management issues and problems that will have to be addressed. The division does not have staff available to take on this extra responsibility.

Vessels and Aircraft Maintenance. The division has five large research and support vessels and four small aircraft, with a total replacement value in excess of \$12 million. These vessels and aircraft require regular maintenance and periodic overhaul. They are integral to our finfish, shellfish, and groundfish stock assessment programs, and also provide platforms for inseason management of several fisheries. Maintenance must be provided to protect this capital investment, to ensure efficient operations, and meet department and federal safety requirements. A request for funds for major maintenance work is contained in the CIP request.

VALUE OF ALASKA'S COMMERCIAL FISHERIES

Alaska's Largest Private
Sector Employer

Only Major Source of
Employment in Some
Regions of State

Fisheries Taxes Provide the
Second Largest Contribution
to General Fund

More than One
Billion Dollars Annual Earnings
to Fishermen

Undeveloped Fishery
Resources Offer Potential for
New Economic Activity



FY98 BUDGET REQUEST

The division faces an overall challenge during this period of declining revenues to not only maintain, but improve our ability to ensure sustained yield of the state's fish resources, as well as address increasing demands by the public for expanded services and improved management precision. Efforts are being made to promote efficiencies, such as centralized services and use of attrition to reprogram resources towards the highest priority issues.

The division made no substantive changes between the way the FY97 budget was authorized and the way it is being spent. The division's FY97 budget was reduced by \$500 thousand below the FY96 authorized. The FY98 Governor's budget request of \$43,498.8 should allow the division to continue the level of services it provided in FY97. Those programs and projects that are being operated during FY97 will be operated again in FY98.

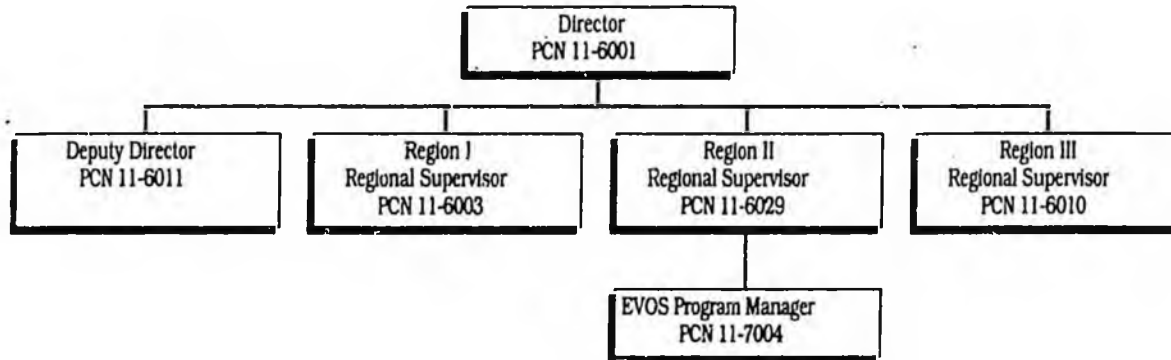
	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	28,187.9	28,632.2	27,966.1	27,766.7	28,160.3
Travel	1,907.4	1,452.3	1,293.7	1,275.7	1,230.1
Contractual	9,052.8	10,169.2	9,958.4	11,329.2	11,081.3
Commodities	2,955.3	2,740.4	2,305.0	2,376.4	2,374.8
Equipment	1,029.9	824.2	594.8	686.2	652.3
TOTAL	43,133.3	43,818.3	42,118.0	43,434.2	43,498.8
Funding:					
1002 Federal Receipts	10,856.4	10,901.4	9,587.8	9,122.8	9,133.0
1003 General Fund Match	587.5	541.0	546.6	373.5	379.6
1004 General Fund	26,891.8	26,476.7	26,508.5	26,200.5	26,521.0
1005 GF/Prgm. Rcpts	2,833.7	3,149.8	3,321.3	18.9	52.0
1007 I/A Receipts	791.1	994.1	994.1	996.5	1001.8
1018 EVOS	0.0	0.0	0.0	2,739.9	2,042.1
1024 Fish and Game Fund	1,143.9	1,145.4	605.4	491.4	492.7
1061 CIP Receipts	28.9	609.9	554.3	96.9	98.7
1091 G/F Designated Rec	0.0	0.0	0.0	3,393.8	3,777.9
Positions:					
PFT	314.0	317.0	298.0	292.0	297.0
PPT	547.0	546.0	537.0	550.0	528.0
Temp	16.0	16.0	18.0	40.0	38.0

BUDGET HIGHLIGHTS

Status Quo Budget

- Program Receipts Increment for Employee Housing (\$33.1) and Test Fisheries (\$384.1)
- EVOS Decrement-\$697.8

HABITAT AND RESTORATION DIVISION



HABITAT AND RESTORATION DIVISION

OVERVIEW

The goal of the Habitat and Restoration Division is to protect fish and wildlife habitat and to protect the public use of fish and wildlife resources that depend on this habitat. We do this by reviewing applications and issuing permits for activities affecting fish-bearing waters, state game refuges, critical habitat areas, and sanctuaries, as well as participating in other land management agencies' permitting and planning activities to ensure that fish and wildlife needs are addressed as required by law. The division also develops, conducts, or administers a wide variety of injury assessment and restoration projects funded with Exxon Valdez oil spill settlement funds.

The Division complements the efforts of other ADF&G divisions that primarily engage in fish and wildlife population management, research, and enhancement activities. We also work with the natural resource development community to make sure that fish and wildlife populations remain healthy as Alaska develops its mining, oil & gas, forest products, transportation and community-based resources. The size of the division is relatively small—approximately 5% of the overall ADF&G budget.

ISSUES

Habitat Permitting/Title 16. Kenai River property improvements, mining, forestry and transportation activities all contributed to a rise in the number of fish habitat permits issued in FY97. Permit streamlining for state agencies and simplifying the regulatory maze for multi-permit large projects will dominate the policy agenda in FY98. We expect the number of permit applications to continue to rise.

Habitat. Oil and gas leasing, oil spill contingency planning and forest practices are covered by the Habitat component of the budget. Forest Practices and Resources Act (FPA) activity is funded through non-general fund grants and centers on field inspections, review and development of fish and wildlife protection measures for state and federal timber sales, and review and inspection of private timber operations. Focus in FY97 included a cooperative review of fish and wildlife habitat protection under the FPA. This was done through our participation on the Science/Technical Committee that was created in response to a request from the Board of Forestry; fishing and timber industry, and agency scien-

RESPONSIBILITIES

Four Components of BRU:

Habitat Permitting/Title 16

- Primary Tool for Protecting Salmon Habitat
- Supports Other Fish Habitat and Refuge Permitting as Secondary Priority

Habitat

- Forest Practices, Land Management, and Coastal Zone Project Review

Special Projects

- Cooperative Projects with Limited Scope and Duration

Restoration

- Supports the Work of the EVOS Trustee Council

ISSUES

- Increasing Permit Applications
- FPA Review of Habitat Protection
- Governor's FPA Task Force
- Large Mine Projects
- Oil Field Development
- Kenai River Salmon Habitat
- Mendenhall River Watershed
- Stikine Area Fish Habitat
- Declining EVOS Funds

QUALITY CONTROL ON PERMITTING

Fish Habitat Permits Issued
FY96-1,666
FY95-1,479

Special Area Permits Issued
FY96-104
FY95-114

Total Title 16 Permits Issued
FY96-1,770
FY95-1,593

Average Review Time Days
FY96-16
FY95-15

Number of T16 Appeals
FY96 and FY95-None

ISSUES (CONT.)

tists all contributed to the S/TC effort. The Governor appointed a task force composed of state agency officials to review and improve the state's performance under the FPA.

Special Projects. Protecting public access to Alaska's sportfishing and hunting resources remains a top priority. Large mine projects, oil field development (including proposed development in the NPRA), Kenai River salmon habitat, Mendenhall River Watershed planning, and a Stikine Area fish habitat will dominate the FY98 workload.

Restoration. Created in response to the EVOS spill, this gradually shrinking program continues to be managed in accordance with the Consent Decree and Memorandum of Agreement with the federal government, as well as applicable state and federal laws. From FY96 to FY97, this program decreased in size as a result of declining settlement revenues.

FY98 BUDGET REQUEST

Habitat and Restoration Division is requesting level funding for FY98. The division has made no request for increments or decrements to the FY97 base.

The number of permit applications reviewed by the division is steadily increasing, while staff resources have been reduced through budget cuts. We have maintained our program by computerizing our data, issuing general permits for projects where our experience shows that this makes sense, and maintaining skilled and experienced staff who can most expeditiously and cost-effectively deliver ADF&G's permit program services to the public

FY98 BUDGET REQUEST (CONT.)

HABITAT

	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	3,388.0	3,639.3	3,396.3	4,027.0	3,995.3
Travel	176.4	193.6	214.3	273.0	251.4
Contractual	750.5	572.7	779.9	559.8	532.2
Commodities	50.8	52.9	52.6	90.3	85.6
Equipment	3.0	0.0	0.0	0.0	0.0
TOTAL	4,368.7	4,458.5	4,443.1	4,950.1	4,864.5

Funding:

1002 Federal Rcpts.	299.8	820.1	912.1	1,053.5	1,001.8
1003 GF Match	188.4	188.4	262.9	235.8	239.0
1004 General Fund	2,480.9	2,403.5	1,620.0	1,545.6	1,565.3
1005 GF/Prgm. Rcpts.	221.9	179.0	283.8	0.0	0.0
1007 I/A Receipts	812.0	686.0	801.8	964.6	982.5
1024 F&G Fund	175.0	175.0	425.0	556.6	476.8
1055 I/A Oil Haz	190.7	6.5	137.5	189.5	189.5
1061 CIP Receipts	0.0	0.0	0.0	139.8	142.3
1091 G/F Desg. Rcpts.	0.0	0.0	0.0	264.7	267.3

Positions:

PFT	56.0	56.0	49.0	47.0	57.0
PPT	8.0	9.0	9.0	10.0	7.0
Temp	0.0	0.0	0.0	0.0	4.0

RESTORATION

	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	7,930.0	4,993.7	4,231.9	1,538.8	1,815.8
Travel	546.2	574.7	251.9	129.1	152.0
Contractual	8,932.4	7,195.6	7,601.4	7,080.9	5,076.3
Commodities	654.5	385.7	430.9	44.7	41.7
Equipment	286.2	94.8	97.4	14.9	20.9
TOTAL	18,349.3	13,244.5	12,613.5	8,808.4	7,106.7

Funding:

1018 EVOS	18,349.3	13,244.5	12,613.5	8,808.4	7,106.7
-----------	----------	----------	----------	---------	---------

Positions:

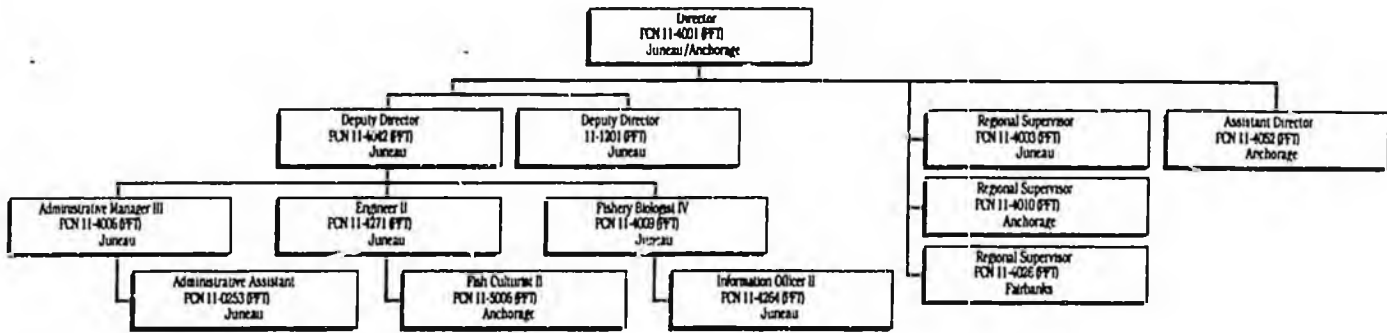
PFT	54.0	61.0	45.0	23.0	25.0
PPT	37.0	34.0	11.0	5.0	3.0
Temp	44.0	48.0	0.0	0.0	0.0

BUDGET HIGHLIGHTS

- No Significant Changes from FY97
- EVOS Decrement \$1,701.7

- EVOS Funding Continues Steady Decline \$1,701.7 Decrement
- Commercial Fisheries Management and Development, Wildlife Conservation, Subsistence also have Budgeted EVOS Funds for Projects

DIVISION OF SPORT FISH



DIVISION OF SPORT FISH

OVERVIEW

The Division of Sport Fish is responsible for the conservation of populations of naturally reproducing fish important to recreational anglers; management activities associated with marine and freshwater sport fisheries; and hatchery production and release of salmon, trout, grayling, and char to enhance selected sport fisheries.

ISSUES

Fish Allocation Disputes. The Board of Fisheries allocation of chinook, coho, and sockeye salmon between various resource users across the state has required increasingly intensive stock assessment and harvest monitoring of recreational fisheries. The associated conflict between users has required additional resources to provide increasingly more precise information to department managers and the Board of Fisheries.

Growth. The biggest challenge facing Sport Fish Division is how to keep up with dramatic growth of participation in Alaska's sport fisheries. Two questions that arise from this complex issue are how to:

- ensure continued health of the resource.
- maintain diverse character and quality of sport fisheries.

Since 1984 the number of anglers fishing in Alaska has increased 37%, almost 4% per year. Over this time resident angler participation has increased 2% while nonresident participation has increased 123%. A record 2.79 million angler days were fished in Alaska in 1995.

Lacking a large number of tools to deal with increased participation, it may no longer be possible to maintain wilderness settings, low crowding, high catch rates, and large fish in all fisheries. However, achieving a reasonable mix may be possible.

Funding Source Limitations. The Sport Fish Division is fully funded by its users. These funds are derived from federal excise taxes on sporting goods and fuels (Dingell-Johnson/Wallop-Breaux funds), sale of state fishing licenses and king salmon tags (fish and game fund). Expenditures from federal aid and the fish and game fund are statutorily limited to projects that directly benefit sport fisheries (AS 16.05.130). Though considerably more is spent on king salmon management and enhancement than is generated from sale of the king salmon tag, revenue from tag sales initiated in FY94 has enabled the division to expand management programs and enhancement for this popular sport fish.

RESPONSIBILITIES

- Conservation
- Recreational Fisheries
- Operate Hatcheries

ISSUES

- Increased Participation
- Fish Allocation Disputes
- Funding Limitations
- Hatcheries
- Access

GOALS

- Conserve Naturally Reproducing Populations of Sport Fish Species
- Provide a Diverse Mix of Sport Fishing Opportunities
- Optimize the Social and Economic Benefits of Alaska's Recreational Fisheries

HOW NONRESIDENTS PAY

Higher License Fees
Taxes paid by Outsiders on
Angling Equipment and
Marine Fuel

IMPORTANCE OF NONRESIDENTS

After the Wallop-Breaux
Amendment to the
Federal Aid Act Passed
Congress in 1985, the
Amount of Federal Aid
Dollars Received by
Alaska's Sport Fish Division
Doubled, from about \$5
Million to \$10 Million

The King Salmon Stamp
Adds about \$2.7 Million
Dollars Per Year to the State
Fish and Game Fund

ISSUES (CONT.)

Nonresidents Make Important Contribution. Nonresidents pay for 85% of the funding for Sport Fish Division. However, nonresidents take home an average of just two salmon per angler. This is roughly equivalent to one-half of one percent of the entire harvest of salmon in Alaska. These funds not only pay for sport fishing opportunities, but also for management, stock assessment, habitat protection, education and fisheries enhancement across the state.

	Residents	Nonresidents
Licenses Sold	43%	57%
Anglers*	51%	49%
Angler Days	65%	35%

*Under 16 and over 65 don't need a license.

Hatcheries. Fish are produced at three hatcheries operated by the division as well as other facilities in the state with which we contract to produce fish intended to benefit sport fisheries. To gain efficiency, a fourth hatchery located at Clear Air Force Base and operated by the division will be closed in FY98. Divisional personnel both manage the harvest of these fish and evaluate the effectiveness of enhancement. Programs and hatchery practices are continually modified to optimize the success and efficiency of this work. The plan is open annually for public comment.

Access. A provision of the Federal Aid in Sport Fish Restoration Program (Wallop-Breaux) requires that a minimum of 12.5% of the state's apportioned funds must be used to improve recreational boating access and facilities. This is an integral part of the division's program and is included each year in the department's capital budget request.

FY98 BUDGET REQUEST

The FY98 request for the Division of Sport Fish totals just over \$19.8 million, an increase of nearly one million dollars from the FY97 budget. Preliminary projections for the federal aid and fish and game fund monies that provide funding for the sport fish program indicate that the amount available in both revenue sources will increase in FY98. The incremental increase requested will allow the division to take full advantage of these user fees.

The sport fish program envisioned for FY98 is designed to keep pace with the steady growth in the state's sport fisheries with emphasis on those fisheries and issues of critical importance. The FY98 request does not include funding for the hatchery at Clear Air Force Base. The hatchery will be closed at the end of FY97, and production transferred to the division's hatchery at Fort Richardson. Interior Alaska will experience no loss of stocked fish, and this closure will result in making \$250,000 available annually to provide additional benefits to sport fishermen.

The division has worked to identify recurring non-permanent positions and accurately reflect them in the budget as permanent seasonal positions.

	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	10,172.8	10,523.8	11,284.2	12,426.2	12,866.5
Travel	395.8	386.4	423.6	456.2	465.1
Contractual	3,916.1	3,926.2	4,276.8	4,291.3	4,687.1
Commodities	1,103.9	1,199.3	1,263.9	1,319.6	1,300.1
Equipment	384.1	395.0	572.3	397.5	514.2
TOTAL	15,972.7	16,430.7	17,820.8	18,890.8	19,833.0
Funding:					
1002 Federal Receipts	8,131.2	6,853.8	7,745.8	8,528.2	8,965.4
1004 General Fund	0.0	0.0	175.0	0.0	0.0
1005 GF/Prgm. Rcpts	36.0	36.0	71.9	71.5	72.8
1007 I/A Receipts	0.0	0.0	20.0	20.0	20.2
1024 F&G Fund	7,306.4	9,250.3	9,808.1	9,913.5	10,353.4
1061 CIP Receipts	499.1	290.6	0.0	217.6	221.2
1091 G/F Desg Rcpts.	0.0	0.0	0.0	140.0	200.0
Positions:					
PFT	104.0	105.0	110.0	123.0	128.0
PPT	156.0	172.0	192.0	193.0	246.0
Temp	46.0	35.0	36.0	36.0	16.0

BUDGET HIGHLIGHTS

- License Sales Increase
- Federal Aid Funds Increase
- Large Chinook Program
- New Rockfish Studies
- Boating Access Projects
- Area Office Network
- Closing Clear Hatchery

FY98 PROGRAMS

The Division of Sport Fish will continue to field an extensive and comprehensive chinook salmon program statewide, consisting of management, stock assessment, habitat assessment and hatchery production. In Southcentral Alaska, the division will be expanding projects assessing coho salmon and initiating new studies on the freshwater resident fish populations and rockfish in the nearshore marine waters. Production of hatchery fish will increase at the division's Fort Richardson Hatchery.

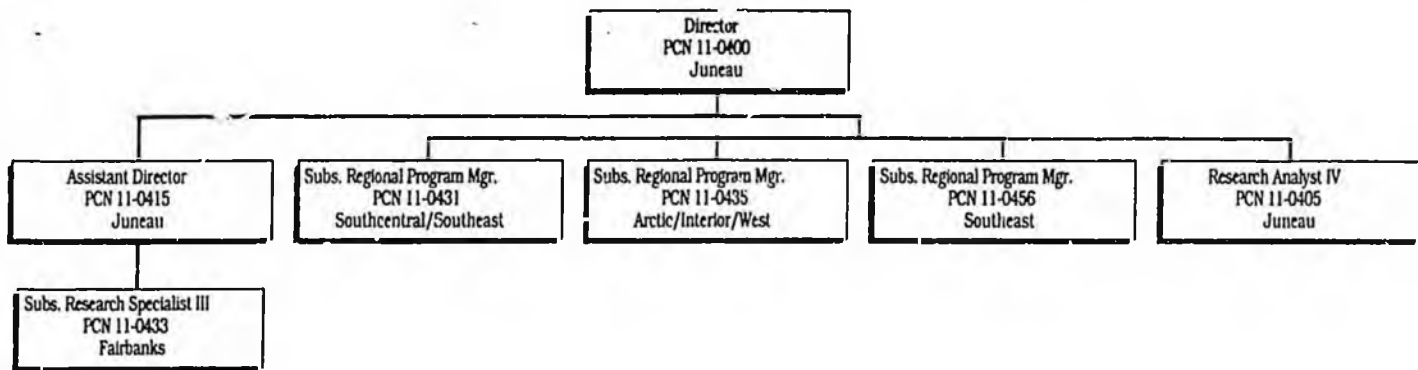
Supporting the state's efforts to negotiate an acceptable agreement with the Pacific Northwest states, treaty tribes, and Canada and conducting the stock assessment on chinook salmon of Alaskan origin in an effort to secure terminal exclusions on these stocks provide the focus of the sport fish program in Southeast Alaska. In the Juneau area, a new project aimed at assessing the local stocks of king crab is requested in the increment.

Continuing to provide for the sustained yield of the many stocks of salmon and freshwater fish across the immense geography of the Arctic, Yukon and Kuskokwim areas will drive the sport fish program in Interior Alaska. New studies will include assessments of Unalakleet River king salmon and Kobuk River sheefish.

Also in FY98, the Division of Sport Fish proposes to fund a cooperative project with the Department of Public Safety, Division of Fish and Wildlife Protection, to increase public awareness of sport fishing regulations and reducing sport fish violations on the Kenai Peninsula.



DIVISION OF SUBSISTENCE



DIVISION OF SUBSISTENCE

OVERVIEW

Subsistence hunting and fishing are economically and culturally important for many Alaskan families and communities. The division's main responsibilities are to conduct research to document subsistence uses, estimate subsistence harvest levels, and evaluate potential impacts to subsistence users from other uses. Research findings are compiled and analyzed to address fish and wildlife management and regulatory issues and to provide information for state and federal land use planning.

ISSUES

Dual Subsistence Management. Although both the Alaska National Interest Lands Conservation Act (ANILCA) and the State of Alaska subsistence law recognize subsistence uses, dual management has increasingly led to different regulatory situations on state and federal land. In FY97 the division assumed lead department coordination and liaison functions with the Federal Subsistence Management program. This work entails tracking the federal board process to comment on proposals, filing requests for reconsideration when federal decisions are counter to factual analysis; or protection of the state's subsistence uses and ensuring sustained yield; and providing departmental information throughout the process, including litigation.

Subsistence Resolution. Resolution of the dual management situation and resumption of state management of fish and wildlife on federal lands are certain to be important issues in FY98. Efforts by the administration or the legislature to regain state management, and/or potential legal decisions would likely change the present management landscape. Private sector groups, such as chambers of commerce and fishing groups have also expressed interest in providing forums for discussion of the issue. Division data and expertise will be called upon to provide the factual basis and the necessary analysis that may contribute to a lasting resolution of the present management impasse.

State Subsistence Law Implementation. The present state subsistence law may be examined in the coming legislative session. The Legislature will rely on the Division of Subsistence to provide a factual basis and analysis of fishing and hunting patterns to support legislative action on this law. Implementing the present law requires major work in two main areas: determining customary and traditional uses and providing reasonable opportunity for subsistence harvests, and, secondly, developing and administering Tier II hunting procedures.

RESPONSIBILITIES

- Subsistence Fisheries
- Subsistence Hunts
- Conduct Subsistence Research
- Identify Subsistence Uses
- Estimate Harvest Levels
- Advise Department and Boards
- Evaluate Impacts on Subsistence
- Liaison to Federal Managers

ISSUES

- Dual Subsistence Management
- Subsistence Resolution
- State Subsistence Law Implementation
- Resource Allocation
- Developing Fisheries
- Hunting Opportunities
- Land and Resource Development
- State/Federal Relationships
- Emerging Cooperative Management Relationships

GOALS

- Update Subsistence Information
- Provide Reliable Data
- Provide Technical Assistance to Local Entities

ISSUES (CONT.)

Resource Allocation. Allocation disputes between different user groups continue. Division data provide the basis for Boards of Fisheries and Game customary and traditional use determinations and for the promulgation of subsistence regulations.

SCHEDULED FY98 RESEARCH

Harvest Monitoring and Species-Specific Studies. A number of division projects in FY98 will document levels of subsistence salmon harvest in fisheries where accurate yearly harvest data are essential for management. Assessment projects are planned in Northwest Alaska, the Kuskokwim River drainage, Bristol Bay, the Chignik area, Cook Inlet, and Copper River. Research in Southeast Alaska will examine harvest and use of king and coho salmon in the area's smaller communities. Research on subsistence fisheries along the Aniak, Kisaralik and Kwethluk rivers, and further monitoring of Nelson Island herring harvests are also scheduled. The division will update data on subsistence use of deer in Southeast Alaska, and examine moose hunting practices in Yukon River drainage communities. Several proposed projects in the Interior and northern Alaska as well as one completed in the Bristol Bay region will develop models for harvest assessment of large game through partnership with regional Native organizations.

Community Profiles. Subsistence harvest survey data, maintained in the Community Profile Database, provide the quantitative factual basis for regulatory decisions on subsistence issues as well as provide information for land use planning. In FY98 the division will continue to update community profiles by conducting household surveys in northern Southeast and Interior communities. Available data for these regions has become dated. Other regions of the state will be resurveyed in subsequent years, following a five-year research cycle.

Collaborative Research. The efficient collection of accurate subsistence harvest and use data in small communities in Alaska increasingly requires the active participation of local communities in this work. The division will continue its practice of working closely with local communities in field research projects. Many research projects will take place through cooperative agreements with community and regional organizations.

Marine Mammal Studies. Certain marine mammal species are being evaluated for possible Endangered Species Act protection; final decisions have yet to be made. The division has undertaken studies of subsistence use of harbor seals and sea lions under contract with NMFS. These studies have documented the importance of subsistence harvests and demonstrated that these harvests are not the cause of declines of marine mammal populations.

FY98 BUDGET REQUEST

The Division of Subsistence is requesting a FY98 general fund budget of \$1,238.3, including authorization to receive \$269.7 in interagency receipts, and \$1,318.7 in special project funding. This budget reflects a continuation of FY97 GF funding and an increase of \$294.6 in Special Project funding authorization. This increase includes projects approved by the Legislative Budget and Audit Committee (LBA) in FY97 that are projected to continue in FY98. It also is an additional \$94.5 in federal receipts (Pittman-Robertson funds).

	FY94	FY95	FY96	FY97	FY98
	Auth	Auth	Auth	Auth	Request
Personal Services	2,097.3	2,161.8	1,884.5	2,036.0	2,276.5
Travel	227.9	253.3	182.7	186.2	201.8
Contractual	635.9	372.1	356.5	576.8	865.2
Supplies	49.2	50.7	45.8	44.2	52.0
Equipment	22.6	22.6	5.5	5.6	5.6
TOTAL	3,032.9	2,860.5	2,475.0	2,848.8	3,401.1
Funding:					
1002 Federal Receipts	1,268.2	966.8	1,040.3	976.1	1,084.2
1004 General Fund	1,686.2	1,684.6	1,289.6	1,225.0	1,238.3
1005 GF/Program Receipts	78.5	169.1	105.1	7.5	0.0
1007 I/A Receipts	0.0	40.0	40.0	305.5	311.0
1018 EVOS	0.0	0.0	0.0	334.7	574.4
1091 G/F Designated Rec	0.0	0.0	0.0	0.0	193.2
Positions:					
PFT	26.0	27.0	27.0	23.0	26.0
PPT	14.0	14.0	14.0	10.0	12.0
Temp	0.0	0.0	0.0	0.0	0.0

VALUE OF ALASKA SUBSISTENCE

- 45 Million Pounds of Food Annually to Alaskan Families
- Major Source of Employment in Rural Alaska
- Economic Base in Small Communities
- Cultural Dependency on Fish and Game

BUDGET HIGHLIGHTS

- \$1,238.3 General Fund (level)
- \$269.7 I/A Receipts
- \$1,318.7 Special Projects (Increase)
- Projected Increase in Pittman-Robertson (Federal Funds)

FY98 BUDGET REQUEST (CONT.)

Operational Funding. The division will continue its core statutory responsibilities: to document and monitor subsistence uses of fish and wildlife, to present subsistence information to fish and game regulatory boards and for land management decisions, and facilitate implementation of state and federal subsistence law.

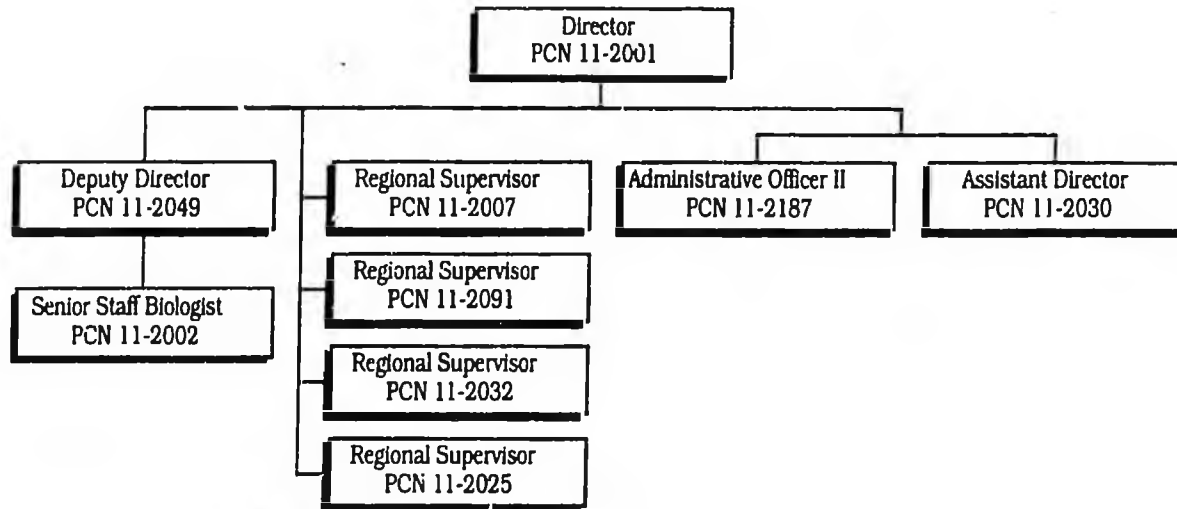
Special Project Funding. Special project funds, from federal agencies, state agencies, universities, and other sources, provide support for research and planning activities that are of interest to the state but not funded by general funds. Research on the subsistence use of marine mammals and migratory waterfowl, studies of the impact of the Exxon Valdez oil spill, rural opinion surveys of predator control, documentation of subsistence trapping, subsistence salmon harvest assessment, and baseline descriptions of subsistence use on federal lands are examples of such projects undertaken in recent years. These funds are received on a contract-specific basis and are restricted in use. Reductions in federal funding are likely, as are further staff reductions from the Special Projects budget component.

Efficiencies, Cost Control Measures. Since FY92 the division's general fund budget has been reduced 35 percent. This reduction, coupled with the loss of federal ANILCA funding after 1990, has reduced funding for the division's core program to less than 50 percent of what it was in FY92 without considering inflation. From FY92 through FY97, seven positions were eliminated and a field office was closed. Since FY96 two full-time research positions have not been filled. Additional full-time and permanent seasonal staff were transferred to special projects or assigned to work on projects funded by reimbursable services agreements.

Because of the cumulative effect of prior years reductions, the division's core research program has had to undergo rigorous prioritization in an attempt to fulfill its statutory responsibilities to document and monitor subsistence uses throughout the state. Divisional services to parts of the state are essentially non-existent unless crises develop. The division has reduced its presence at Board of Fisheries and Board of Game meetings, as well as its input to state and federal land use planning. This cumulative reduction in service will increasingly limit the department's ability to manage subsistence uses on state lands and waters and will reduce the state's ability to influence federal management of subsistence on federal lands and waters.



DIVISION OF WILDLIFE CONSERVATION



DIVISION OF WILDLIFE CONSERVATION

OVERVIEW

The Division of Wildlife Conservation is responsible for the management of Alaska's wildlife resources. The primary goals of the division are to protect, maintain, and enhance the wildlife resources of Alaska; and provide for their greatest use by the people, consistent with the sustained yield principle, for the well-being of the people and the economy of the state.

ISSUES

Increased Hunting Demand. One of the biggest challenges facing the Division of Wildlife Conservation is how to meet an increased demand for hunting opportunities. We believe the primary reasons for growth in this area are increases in Alaska's population and tourism. Balancing this demand against managing for sustained yield is complicated by reduction of habitat in populated areas and indirect adverse impacts to wildlife populations.

Increased Demand for Conservation Education, Wildlife Viewing, and Management of Endangered Species. The division has also experienced increased demands for other uses of wildlife. Wildlife information and education programs increase public understanding of requirements for healthy, productive wildlife populations, and help ensure public support for and voluntary compliance with wildlife conservation regulations. Division information programs are necessary to reduce public confusion regarding complex regulations resulting from "dual" management of Alaska's wildlife resources by state and federal authorities and to promote higher levels of voluntary compliance with regulations.

Subsistence. The division also is facing the question of how to deal with increased costs and complexities of managing for a state subsistence preference and all other uses, while addressing Alaskan concerns arising from federal subsistence management of resident wildlife on federal lands. The change in the state's subsistence law resulting from *McDowell v. State of Alaska* and the subsequent federal "takeover" of traditional state management authorities has had major impacts on the division and the future management and use of wildlife in Alaska. Solutions need to be developed to address these resource management and allocation conflicts to provide Alaskans with sound and rational management of their wildlife resources.

RESPONSIBILITIES

- Manage All Wildlife Species
- Regulate Hunting
- Enhance Wildlife Populations

ISSUES

- Increased Hunting Demand
- Increased Demand for Conservation Education, Wildlife Viewing, and Management of Endangered Species
- Dual State and Federal Subsistence Management

GOALS

- Conserve and Enhance Alaska's Wildlife
- Provide for a Wide Range of Wildlife Uses



FY98 BUDGET REQUEST

Revenue from the sale of hunting licenses and tag fees continues to increase, and federal aid receipts are stable. The FY98 budget request is for the same amount the legislature appropriated in FY97. We have requested that the operational programs funded via the CIP budget in FY97 be returned to the operating budget in FY 98. The division received no general funds in FY97. We have requested \$319.5 in general funds to pay for our programs in nongame management, endangered species research, and watchable wildlife (Creamer's Field, Potter's Marsh, and Pack Creek Refuges).

Programs that will receive additional funding in FY98 include intensive management in Interior Alaska, big game population surveys and censuses, wildlife planning in the Anchorage bowl, and the hunter education/hunter services program.

	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	9,432.7	9,881.0	10,569.2	10,463.1	11,368.2
Travel	608.8	727.8	752.2	765.7	849.6
Contractual	4,036.8	4,081.9	4,358.4	3,669.0	4,485.1
Commodities	698.3	913.2	961.6	1,168.8	1,141.1
Equipment	152.5	198.2	277.7	425.3	336.9
TOTAL	14,929.1	15,802.1	16,919.1	16,491.9	18,180.9
Funding:					
1002 Federal Receipts	8,300.0	9,055.6	9,154.0	9,572.2	9,673.8
1004 General Fund	1,254.5	667.9	0.0	0.0	319.5
1005 GF/Program Receipts	113.0	408.6	428.6	77.6	85.9
1007 I/A Receipts	50.0	50.6	0.0	120.9	40.0
1018 EVOS	0.0	0.0	0.0	617.3	461.9
1024 F&G Fund	4,841.3	5,467.9	7,190.4	5,650.4	7,200.0
1061 CIP Receipts	70.3	151.5	146.1	153.2	95.2
1091 G/F Designated Rec	0.0	0.0	0.0	300.3	304.6
Positions:					
PFT	130.0	132.0	137.0	137.0	143.0
PPT	34.0	36.0	40.0	44.0	53.0
Temp	0.0	3.0	3.0	11.0	20.0

BUDGET HIGHLIGHTS

- GF for Creamer's and Potter's Marsh Refuge
- Fish and Game Funds for Hunter Education/Hunter Services
- Fish and Game Funds for Intensive Management Survey and Inventory

MANAGEMENT ACTIVITIES

- Big Game
- Small Game
- Furbearer
- Waterfowl
- Nongame Species
- Manage General Hunts
- Manage Permit Hunts
- Provide Opportunities to View and Enjoy Wildlife
- Hunter Education
- Wildlife Education

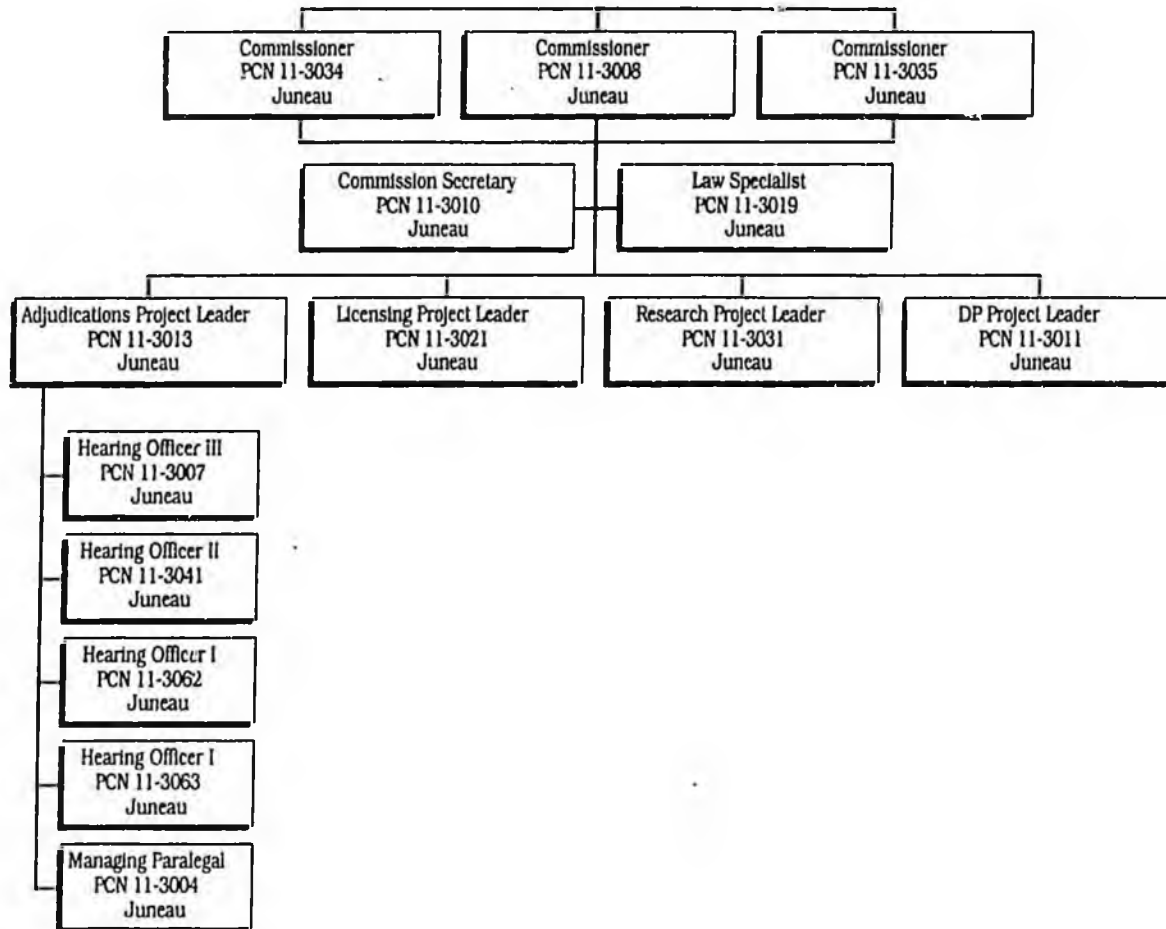


SECTION III

COMMERCIAL FISHERIES ENTRY COMMISSION

FY98 BUDGET REQUEST JANUARY 1997

COMMERCIAL FISHERIES ENTRY COMMISSION



COMMERCIAL FISHERIES ENTRY COMMISSION

OVERVIEW

Alaskans amended the state constitution in 1972 to provide the legislature the authority to establish a commercial fishery license limitation system. Subsequent to the approval of the constitutional amendment, the legislature created the Commercial Fisheries Entry Commission. The commission is an exempt, independent and quasi-judicial agency. Its purpose is to limit the number of participants in selected commercial fisheries to promote sustained yield and economically viable fisheries.

CFEC has become an essential management component of Alaska's billion dollar fishing industry. The commission has the statutory duty to promote the conservation and sustained yield management of Alaska's fishery resources and the economic health and stability of the industry by regulating entry into Alaskan commercial fisheries in the public interest.

ISSUES

Adjudication. A primary function of the agency is adjudicating disputes affecting permit applications, transfer requests and fee arrearage cases as well as revocation and suspension actions. Concentrated efforts have been made to resolve first the *Wassilie* cases followed by others in chronological order.

Statutory Changes. The Commission is constantly seeking to streamline the limited entry system for the public benefit. Two challenges facing CFEC are developing functional fleet reduction opportunities and restructuring existing moratorium statutes.

Public Demands. CFEC receives many petitions for fishery limitations each year from individual fishermen, private fishery organizations, and government fishery managers. Currently pending before the Commission are 24 such petitions. Extensive research is required before a final Commission decision can be made to limit a fishery. It is not a process to be taken lightly, and is often expensive and lengthy to implement because of stringent legal requirements.

Legal Challenges. *Carlson v. CFEC* This lawsuit by out-of-state fishermen challenges CFEC's annual entry permit renewal fees, which by statute (AS 16.43.160)

RESPONSIBILITIES

- Promote Conservation
- Promote Sustained Yield
- Promote Economically Stable Fishing Industry
- Regulate Entry into Commercial Fisheries
- Issue Permits
- Adjudication
- Conduct Research

ISSUES

- Limitation of Entry
- Adjudication
- Statutory Changes
- Public Demands
- Legal Challenges

HIGHLIGHTS

- 77% of all Limited Entry Permits are Held by Alaskans
- 57 Fisheries Now Under Limitation
- 24 Pending Petitions Requesting Limitation

ISSUES (CONT.)

requires a 3-to-1 differential in favor of residents. The case is now under consideration to be heard by the U.S. Supreme Court.

Internal Revenue Service v. Alaska Permit Holders For more than 10 years, the Commission has worked to protect Alaskans from the loss of access to their fisheries due to IRS seizures and forced sales of limited entry permits. In many areas the loss of an entry permit would result in the loss of a primary source of cash to a family and community. CFEC is continuing to work directly with the IRS as well as a collaborative statewide network including several municipalities, the University, the Commercial Fishing and Agriculture Bank, Alaska Federation of Natives, Native corporations and associations, Division of Investment, Department of Commerce, the Alaska Business Development Center, and others to help individual fishermen respond to financial crises, protect their fishing privileges and achieve voluntary federal tax compliance.

FY98 BUDGET REQUEST

After twenty years of operation, CFEC remains a small but efficient agency with a frugal budget. In fact, the CFEC FY98 budget request approximates that of 15 years ago in FY83. However, the burden to protect access has grown substantially. Budget restrictions have required the Commission to do more with less. Since 1986, nine positions have been eliminated and, at various times, CFEC has imposed salary freezes and pay cuts, requested employees to take leave without pay, and downgraded positions to meet budget demands. At the same time, from the fees charged to fishermen, the Commission generates nearly twice its budget in revenues to the general fund.

	FY94	FY95	FY96	FY97	FY98
	Auth	Auth	Auth	Auth	Request
Personal Services	2,148.1	2,203.5	2,218.3	2,243.8	2,285.4
Travel	80.4	65.4	65.4	58.7	56.7
Contractual	489.0	417.0	402.2	380.4	379.6
Supplies	26.7	26.7	26.7	26.7	26.7
Equipment	3.0	3.0	3.0	3.0	3.0
TOTAL	2,747.2	2,715.6	2,715.6	2,712.6	2,751.4
Funding:					
1002 Federal Receipts	108.3	108.7	108.7	108.9	109.6
1005 GF/Prgm. Rcpts	2,638.9	2,606.9	2,606.9	2,603.7	2,641.8
Positions:					
PFT	33.0	32.0	32.0	32.0	32.0
PPT	4.0	5.0	5.0	5.0	5.0
Temp	2.0	2.0	2.0	2.0	2.0

BUDGET HIGHLIGHTS

- CFEC Generates Twice its Budget in Revenues to General Fund
- Since 1986, Nine Positions (29% of agency staff) Eliminated due to Budget Constraints
- FY98 Budget Request Approximates that of FY83 when Agency Revenues were Half What They are Today