

**SB**

**83**

**(File 4)**

**HFIN**

**FILE**

**Senate Bill House Bill 113**  
**FY 97 SUPPLEMENTAL APPROPRIATIONS**  
(In Thousands)

DEPT.	Gov's Sec #	BRU/ COMPONENT	DESCRIPTION	Governor's Request		
				GF	Other	Total Funds
DOA	1	(a) Leasing	Leasing and facilities costs	1,018.7		1,018.7
DOA	1	(b) Office of Public Advocacy	Operating costs	317.5		317.5
DOA	1	(c) Public Defender	Operating costs	268.9		268.9
DOA	1	(d) EPORS	New retirees	65.6		65.6
DOA	1	(e) Leasing	ABBA, Inc. v. State (Vintage Park settlement payment)	243.3		243.3
DOA	1	(f) Leasing	Claims relating to the DEC laboratory	104.0		104.0
DOC	2	Office of the Commissioner	<b>Capital project</b> - Partial funding to provide additional women's correctional facilities to satisfy fines from FY95 to FY97 levied by the Superior Court in Cleary, et al v. Smith	2,300.0		2,300.0
DMV	3	Disaster Relief Fund	Provides fund balance for potential disasters for the remainder of the fiscal year.	1,000.0		1,000.0
DOC	4	(a) Fairbanks Correctional Center	<b>Capital project</b> - Replace boiler system	632.0		632.0
HSS	4	(b) Family and Youth Services/ Central Office	<b>Capital project</b> - Improved security at McLaughlin Youth Center and Fairbanks Youth Facility	1,247.4		1,247.4
HSS	4	(c) Community Health/EMS Services	<b>Capital project</b> - Emergency communications equipment	200.0		200.0
DMV	4	(d) Disaster Planning & Control	<b>Capital project</b> - Radio equipment	100.0		100.0
DNR	4	(e) Parks Management	<b>Capital project</b> - Emergency repairs to Perseverance Trail	200.0		200.0
HSS	5	(a) Adult Public Assistance	Estimated FY97 costs	939.0		939.0
HSS	5	(b) Medical Assistance/ Indian Health Services (HIS)	increased HIS Medicaid reimbursement rates		10,000.0	10,000.0

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DEPT.	Gov's Sec #	BRU/ COMPONENT	DESCRIPTION	Governor's Request		
				GF	Other	Total Funds
HSS	5	(c) Family and Youth Services/ Foster Care	Costs for children in state custody	1,000.0		1,000.0
HSS	5	(d) Family and Youth Services/ McLaughlin Youth Center	Increased costs caused by youth facility population increases	685.0		685.0
LAW	6	(a) Oil & Gas Litigation	Section 26(a), ch. 94, SLA 95. Source of funds: \$3,160.0 State Corporate Receipts, \$16,840.0 CBRF. Retroactive to July 1, 1996. Extend lapse to June 30, 1997.			
LAW	6	(b) Legal Services Operations	Judgments and claims	97.1		97.1
LAW	Revised	Legal Services Operations	Judgments and claims - Total \$251.1 GF \$235.1, PERS \$12.8 & TRS \$3.2.	138.0	16.0	154.0
LAW	6	(c) Civil	Advocating the state's legal position on the sovereign powers of Native tribal governments in the state - with a lapse date extension to June 30, 1998.	485.0		485.0
LAW	6	(c) CSSB 74 (Fin) Am II	contains \$1.0 for this purpose	(485.0)		(485.0)
DMV	7	Disaster Planning & Control	Emergency alert system - with a lapse date extension to June 30, 1998.	220.0		220.0
DOA	8	Admin Services	Misc claims, stale date warrants	27.3		27.3
DOA	Revised	Admin Services	Total misc claims is \$33.4	6.1		6.1
DOC	8	Admin Services	Misc claims, stale date warrants	8.3		8.3
DFG	New	Admin Services	Misc claims, stale date warrants	1.3		1.3
HSS	8	Admin Services	Misc claims, stale date warrants	22.2		22.2
LAW	New	Admin Services	Misc claims, stale date warrants	0.5		0.5
DPS	8	Admin Services	Misc claims, stale date warrants	4.3		4.3
DOT	8	Admin Services	Misc claims, stale date warrants	0.9		0.9
DNR	9	(a) Fire Suppression	Funding for fixed costs and fire suppression activities from January - June 1997.	3,788.3		3,788.3

**Senate Bill      House Bill 113**  
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(In Thousands)

DEPT.	Gov's Sec #	BRU/ COMPONENT	DESCRIPTION	Governor's Request		
				GF	Other	Total Funds
DNR	9	(b) Resource Dev/Land Development	Refunds owed by the veterans' land discount program (AS 38.05.940)	300.0		300.0
DNR	9	(c) Resource Dev/Land Development	Removal of existing buildings and other associated facilities at the Old Eagle School site	100.0		100.0
DPS	10	Village Public Safety Officer/Contracts	Section 30, ch. 117, SLA 96, pg 43, ln 32 and allocated on line 34 (VPSO, Contracts \$4,965.5 GF). Extend lapse to June 30, 1998			
DOA	11	Various	Ratify overexpenditures: \$47.8			
DOL	11	Various	Ratify overexpenditures: \$25.2			
DMV	New	Various	Ratify overexpenditures: \$41.9			
HSS	11	Various	Ratify overexpenditures: \$259.4			
DNR	11	Various	Ratify overexpenditures: \$458.3			
DOR	12	(a) Treasury Management	Investment management fees for the CBRF	31.0		31.0
DOR	12	(b) Treasury Management	Purpose of sec (a) is to pay management fees and intent for FY98 to appropriate GF for new asset allocation.			
DOT	13	Alaska Marine Highway Stabilization	Increased fuel costs	391.4		391.4
CTS	14	Trial Courts	State welfare reform legislation	44.5		44.5
CTS	Revised	Trial Courts	State welfare reform legislation \$32.2	(12.3)		(12.3)
DFG	New	Com Fish Mgmt & Dev/Fisheries Mgmt	Sec. 47, ch. 94, SLA 95, pg 31, ln 20. Extend lapse to June 30, 1997.			
CRA	New	Rural Energy Program - Energy Operations/PCE	Power Cost Equalization (PCE) and rural electric capitalization fund (AS 42.45.100)	1,500.0		1,500.0
<b>Totals</b>				<b>16,990.3</b>	<b>10,016.0</b>	<b>27,006.3</b>

**Senate Bill House Bill 113**  
**FY 97 SUPPLEMENTAL APPROPRIATIONS**  
(In Thousands)

DEPT.	Gov's Sec #	BRU/ COMPONENT	DESCRIPTION	Governor's Request		
				GF	Other	Total Funds
AGENCY SUMMARY				GF	Other	Total Funds
DOA		Administration		2,051.4		2,051.4
CRA		Community and Regional Affairs		1,500.0		1,500.0
DOC		Corrections		2,940.3		2,940.3
DFG		Fish and Game		1.3		1.3
HSS		Health and Social Services		4,093.6	10,000.0	14,093.6
LAW		Law		235.6	16.0	251.6
DMV		Military and Veterans Affairs		1,320.0		1,320.0
DNR		Natural Resources		4,388.3		4,388.3
DPS		Public Safety		4.3		4.3
DOR		Revenue		31.0		31.0
DOT		Transportation and Public Facilities		392.3		392.3
CTS		Courts		32.2		32.2
		<b>Total</b>		<u>16,990.3</u>	<u>10,016.0</u>	<u>27,006.3</u>

Sec 1 (a) - (17)

# MEMORANDUM

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

**RECEIVED**

**To:** Annalæe McConnell  
Director  
Office of Management and Budget  
Office of the Governor

**Date:** January 22, 1997 JAN 23 1997

**File No:**

**Phone:** 465-5655

**From:** Sharon Barton *[Signature]*  
Director  
Division of Administrative Services

**Subject:** FY 97 Supplemental Requests

The Department of Administration submits four FY 97 supplemental budget requests as follows:

- Office of Public Advocacy - \$317.5 GF
- Public Defender Agency - \$268.9 GF
- Leasing - \$1,366.0 GF
- EPORS - \$65.6

Although it was generally understood by the legislature as well as the administration that supplementals would be necessary for OPA, PD, and Leasing, the managers of those programs have made every effort to contain or reduce costs.

In the case of EPORS, additional funds are requested for three members who have retired since July 1, 1996, and for increased costs for health insurance which go into effect February 1, 1997.

Additional detail is provided in the attached memos from the program managers. I would be happy to provide any additional information you may need.

**cc:** Mark Boyer  
Alison Elgee  
David Koivuniemi  
Brant McGee  
Barbara Brink  
Dugan Petty  
Robert Stalnaker

# MEMORANDUM

## State of Alaska

Department of Administration  
Division of General Services

To: Sharon Barton  
Director  
Division of Administrative Services

Date: January 15, 1997

Telephone No: 465-5689

From: Dugan Petty *Dugan Petty*  
Director

Subject: FY 97 Supplemental Request

This is the detailed backup information for the FY 97 Supplemental request for the Leases BRU as requested.

### Problem to be Solved

\$1,366.0 in General Funds are requested to provide funding for the Leases BRU obligations.

### Background

The leases BRU was underfunded in the FY 97 cycle. Our request was \$417.7 less than our anticipated obligations. As you will recall, we attempted to "manage down" that amount, but understood if we could not, we would request a supplemental authorization to cover any remaining shortfall. Our FY 97 GF authorization was \$23,570.6. That left us with a new shortage of \$1024.7. In addition, despite some savings, unanticipated funding needs have increased the FY 97 obligation by an estimated \$341.3. (See attached fact sheet.)

Our efforts to reduce costs focused primarily on the negotiated lease purchase of the Frontier building. Our aim was to obtain the building under a lease-purchase scenario that would reduce the ongoing operating costs of the lease.

This building is our largest, single, leased presence. A reduction in these lease costs would result in significant savings to the program. We were not successful in obtaining sufficient savings to warrant the lease-purchase of the building and, as a result, unable to achieve planned savings.

### Alternatives Considered

1. To bill agencies on a prorated basis dependent on their share of the BRU's GF.
2. To request a supplemental authorization.

3. To do nothing, pay the rents until funds run out, deal with the consequences.

The alternative pursued was to continue to reduce costs wherever possible, work with lessors for their ideas for reductions, and request a supplemental authorization.

#### **Consequences of not Funding**

Most savings opportunities have been exhausted. We have gained some cost reductions by re-utilizing vacated, or under utilized space, by new, paying tenants. If the supplemental request is not approved, some lease payments cannot be made.

Lessors whose rent is late, or is not paid, would be within their rights to consider the state in default or breach of contract. At the least, there will likely be monetary penalties, and loss of faith with the vendor community. At worst, there could be claims, eviction and extreme disruption to the state's operations. The curing of any defaults, regardless of whether or not the outcome were litigation, relocation or a need for vendors to increase costs in future, would be more costly than the supplemental requested.

**MEMORANDUM**

**STATE OF ALASKA**  
DEPARTMENT OF ADMINISTRATION  
OFFICE OF PUBLIC ADVOCACY  
PHONE 274-1684 FAX 274-9916

DATE: January 17, 1997

TO: Sharon Barton  
Director  
Division of Administrative Services  
Department of Administration

FROM: Brant McGee *BGM*  
Public Advocate  
Office of Public Advocacy  
Department of Administration

RE: FY 97 supplemental appropriation request status

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The Office of Public Advocacy has recently completed its mid-fiscal year analysis of expenditure and caseload trends. Unfortunately, both the number of new open cases and our monthly expenditures in seven case categories are tracking our FY 97 assumptions.

Our initial projections for FY 97 contractual expenditures were built on caseload and cost per case figures from FY 95 and FY 96. The FY 97 projection took into account the striking reductions we achieved during the previous two years in reducing the average cost per case in seven case categories. The overall cost projection is therefore quite conservative in that it assumes maintenance of all previous cost savings, including restrictions on travel, use of expert witnesses and out-of-town witnesses, and investigation, as well as close scrutiny of professional billings.

The bottom line is that we have no reason to change our current estimated shortfall--and supplemental need--from \$317.5. We will continue to monitor cost and caseload data on a monthly basis and will advise you immediately when we have evidence that the supplemental need estimate requires revision.

BGM/sl

Sec 1(c)

**MEMORANDUM**  
**ALASKA PUBLIC DEFENDER AGENCY**

TO: Sharon Barton, Director, Division of Administrative Services

FROM: Barbara Brink, Acting Director

RE: FY 97 Supplemental Request

DATE: 1-15-97

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**SPECIFIC NEEDS/PROBLEM TO BE SOLVED**

The Public Defender Agency has a projected shortfall of \$207.2 in its personal services line and a shortfall of \$61.8 in Other Services. This is a function of the 4+% vacancy factor built into the PD budget and increased overhead costs for other services. The Public Defender Agency is requesting a supplemental appropriation of \$268.9.

**BACKGROUND**

Because 89% of the PD budget is taken up in the personal services line, a 4+% vacancy factor translates into a large shortfall. This vacancy factor is unrealistic, given the rate of staff turnover, the oppressive workload, and the size of the agency staff.

Maintaining Vacancies:

There has been limited opportunity to achieve the designated vacancy factor to date. Where we have had turnover, the demands of the caseload have precluded maintaining positions vacant for any significant period of time. Nevertheless, when and where possible, vacancies have been maintained. Positions in Barrow, Kodiak, Fairbanks, Anchorage, Dillingham, Beuel, Juneau, and Kenai have all been held vacant for as long as feasible.

Anchorage is the only large office in the agency. Nine of the thirteen PD offices state-wide have four attorneys or less. Six offices are only one or two attorney offices. Maintaining vacancies at these locations is virtually impossible, in that one vacancy reduces staff by between 25% to 100%, depending on the office.

Of the eleven smaller offices, eight have only one clerical/secretarial position. Five of these offices have no investigator position. There are only three paralegal positions in the entire state-wide staff. As such, it is difficult to look to support staff in terms of maintaining vacancies.

Workload:

Statistics from the last three fiscal years show the PD processing over 17,000 cases per year, with only 64 attorneys on staff. This is indicative of a very poor attorney-client ratio, based on national caseload standards promulgated by the federal government. Caseloads remain high in all offices. Felonies, the most difficult and time consuming of Public Defender cases, rose 19% from FY95 to FY96 and we expect this increase to continue.

It is important to note that none of the work of the PD is discretionary. Each case is assigned by the court through court order. Cases can't be refused. There is insufficient money to contract out cases when the caseload reaches crisis levels. Finally, lawyers cannot exercise authority over the progress of individual cases in that it is the client who makes the most meaningful decisions about the course of litigation, and the court sets the deadlines and timelines. This situation makes the vacancy factor that much more problematic.

#### Increased Costs:

Unbudgeted administrative costs passed on to the Public Defender from other state agencies in FY 97 have increased costs by \$50.2. These costs can not be absorbed and still meet basic case costs and operating expenses. Every effort has been and continues to be made to reduce costs and efficiently use resources. However, as long as new cases keep coming in there will be costs associated with them. We can not just stop providing adequate representation to clients.

### **ALTERNATIVES CONSIDERED**

#### Leave without pay for attorneys

This has been discussed with staff. They were unanimous (and very strident) in their strong objection to this proposal. They convincingly argue that the end-product of LWOP is 1) a reduction in pay, 2) no reduction in workload and 3) less time in which to accomplish the same task. They accurately pointed out that the last time we were forced into this situation almost all the lawyers came into work during the time they were supposed to be off. Their bottom line: it isn't fair; to staff, or to the clients. They say it's especially unfair in that most of the attorney staff currently work six day work weeks to keep up with caseload demands as it is.

#### Shut down offices when funds run out

This alternative is the most compelling way to get the message to the policy makers. If the PD shuts down, the criminal and family courts will be profoundly affected, as will the prosecutor, the Dept. of Corrections, and other agencies. This also is more equitable for staff in that the court would not be able to refer cases to the PD during this period. Under this scenario the PD makes up its shortfall and the consequences of inadequate funding is made clear for future reference. This is of course an unrealistic alternative that would only damage the Public Defender Agency in the long run.

#### Delaying cases until the next fiscal year

This also is an unrealistic alternative. The court is not willing to continue case simply because the agency does not have the money to pay for witnesses or other case cost. Clients have a statutory right to a speedy trial which can not be waived because of lack of funds. This does not reduce

expenditures it just pushes them into another fiscal year and results in another request for supplemental funding.

### **CONSEQUENCES OF NOT FUNDING SUPPLEMENTAL NEEDS**

1. Dimunation of quality of services.
2. Morale problems with already overburdened staff.
3. Delays in the processing of cases, leading to frustration of prosecution and police efforts with respect to public safety.
4. Possible increase in ineffective assistance of counsel cases as well as civil suits against PD for malpractice.

### **ADDITIONAL INFORMATION**

PD staff attorneys hold professional licenses and must abide by an ethical code. They face discipline, up to loss of license, if they don't perform competently for their clients. We are obliged to provide working conditions consistent with these ethical requirements.

Related to this, the PD provides a constitutionally-required service. The Alaska Supreme Court has enunciated standards by which lawyers are measured in terms of competent performance in criminal cases. Potential civil liability can attach if the lawyer fails to adequately discharge his/her responsibilities.

Given the constitutional mandate of the PD, our first priority is to manage so as to deliver quality services. Managing "to a number" cannot be substituted for this priority.

# MEMORANDUM


State of Alaska

Department of Administration

To: Sharon Barton  
Director  
Division of Administrative Services

Date: January 16, 1997

Telephone No.: 465-4460

From:  Robert F. Stalnaker  
Director  
Division of Retirement & Benefits

Subject: FY97 Supplemental Budget Request

Please request an additional \$65.6 in state general funds for the EPORS component in FY97.

### EPORS - What is it?

The Elected Public Officers Retirement System (EPORS) became effective with CH 205, SLA 75. It was then submitted by referendum to the voters and rejected. In *State v. Allen*, the supreme court held that all elected officials who were participating in the system at the time of repeal (10/14/76) are entitled to the benefits provided by that system upon retirement. As of January, 1997, this "closed" system has a total of 44 members, 34 are currently eligible or are receiving a monthly benefit. This retirement system is funded on a "pay-as-you-go" basis - a yearly appropriation to pay the liabilities of the retirement system. Funds requested in this component are used to pay the monthly benefits to retired members of the system, their retiree health insurance premium, interest paid to the contribution accounts of active and deferred members, and for administrative expenses associated with serving the EPORS membership.

### Recent Funding History

In October, 1995, the Division prepared an FY97 budget increment for EPORS asking for \$54.6. This increment was not included in the Governor's FY97 budget.

### Recent Developments Affecting Expenses

- Four eligible members will begin receiving their benefit in FY97. The Division projects funding needs for members when they are eligible for *normal* retirement. An EPORS member can receive a normal benefit at age 60. The Division anticipated the normal retirement of Bradner on 3/1/97. Three retirements could not be projected. Two members, Steve Cowper and Nels Anderson, have elected to receive their benefit early, 10/96 and 1/97 respectively. One member, John Sackett, began receiving a disability benefit 6/96. Normal retirement for these three members was set for 1998, 1999, and 2004, respectively.
- Health insurance premiums for persons under the Retiree plan will increase 4.99% on 2/1/97. This has been included in the projection.

- A 1.4% salary increase, effective 7/1/96, increased the monthly benefit for six members who retired under the "salary of office" provision.

**EPORS - Potential Liability**

Two eligible EPORS members have been hired by the Knowles Administration, Jay Kerttula and Thelma Buchholdt. As active employees, their EPORS benefit is suspended. These members can retire at any time and begin receiving a monthly EPORS benefit. The cost of their monthly benefit is **not** included in this supplemental request. Including these members would make the supplemental request total \$96.0.

RFS/DFT

# MEMORANDUM

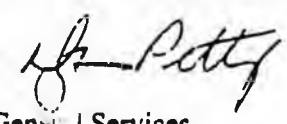
Department of Administration  
Division of General Services

# STATE OF ALASKA

Phone Number: 463-2250  
FAX Number: 465-2189  
TDD Number: 465-2205

**TO:** Sharon Barton  
Director  
Division of Administrative Services

**DATE:** February 5, 1997

**FROM:** Dugan Petty   
Director  
Division of General Services

**SUBJECT:** FY 97 Supplemental Request,  
Additional Information for the  
Legislature

You have requested additional information on behalf of the Office of Management and Budget (OMB) related to our FY 97 Supplement Request for the Leasing BRU, specifically the unanticipated FY 97 costs for the Juneau One-Stop settlement and the DEC Lab Claims defense expenses. We understand that OMB has questioned whether it is appropriate to move these costs to the Department of Law's Settlement Bill.

We have no objection to the transfer of these costs to the Department of Law. However, the Juneau One-Stop settlement expenses have already been paid from FY 97 funds. As such, it might be inappropriate to transfer these costs unless they are included in a DOL "Supplemental" Bill. Funds allocated to the DEC Lab Claims defense have not been paid. It may be more appropriate to include the DEC Lab Claims costs in DOL's Settlement Bill for FY 97. I will address each of these costs separately.

## JUNEAU ONE-STOP

**\$243.3 Total**

These unanticipated costs have already been paid from FY 97 funds.

1. Settlement of Lawsuit (New Lease) **\$150.0**

This amount represents costs to settle the Supreme Court and Superior Court cases filed by ABBA, Inc. ABBA was the unsuccessful bidder that protested the lease award to Vintage Business Park. Even though the State defended the procurement process followed as being legal and proper, we settled out of court with ABBA to prevent any additional costs or further delays in implementation of the Juneau One-Stop facility.

2. Settlement Contract Cost for Back Rent **\$52.3**

The Division of General Services negotiated this back contract cost with Vintage Business Park. It represents back rent charges from October 22 through December 31, 1997, five percent interest on the rent owed, and other miscellaneous expenses incurred by Vintage due to our inability to occupy their space.

# MEMORANDUM

## STATE OF ALASKA

*Department of Law - Criminal Division*

To: Annalee McConnell  
Director  
Office of Management & Budget

Date: February 5, 1997

File No:

Tel. No: 465-3428

Subject: Court fines in  
*Cleary v. Smith*

From: Michael J. Stark *mjs*  
Assistant Attorney General  
Department of Law

I have been requested to let you know the cumulative total of the court fines in the prisoner class action, *Cleary v. Smith*, 3AN-81-5274 Civ. As of January 31, 1997, this amount was \$1,869,300. The fines for the month of December 1996 totaled \$93,600; and for January 1997 totaled \$109,800. Based upon these amounts, as well as the historical trends of the prisoner population, it is estimated that through June 30, 1997 (FY 97), the fines will grow to \$ 2.3 - \$ 2.4 million.

If I can provide any additional information, please let me know.

**MEMORANDUM  
DEPARTMENT OF  
MILITARY & VETERANS AFFAIRS**

**State of Alaska  
ADMINISTRATIVE SERVICES DIVISION**

**RECEIVED**  
JAN 27 1997

Annalee McConnell  
Office of Management & Budget  
Office of the Governor

DATE: January 24, 1997

FILE:

TELEPHONE: 465-4730

FROM: Carol Garrall  
Director

SUBJECT: FY97 Supplemental  
DMVA

The Department of Military & Veterans Affairs requests the following FY97 Supplementals

- 1. Emergency Alert System - \$220,000.
- 2. Disaster Relief Fund - \$1,000,000 for the disasters from January - June 1997.

In addition we are working on our ratification request to cleanup some old accounting record, we will be submitting this ratification request to you in the next couple of weeks.

**Emergency Alert System (EAS)- \$220,000:**

The Emergency Alert System is a federally mandated project to be implemented nationally by January 1, 1997. The concept is co-sponsored by FCC, NWS and FEMA. The system permits an "all hazard" uniform alert and warning system for the entire United States. Equipment is "standard" and all implementation plans must be approved by FCC. This ensures that the system works in every community, county, State, Territory and Protectorate. This system is totally automated. It provides all levels of alert and warning and is engineered to be almost "hands free" once the software and equipment is installed. We have attached some graphics to show the concept, the notification scheme, and a comparison with the National Warning System, as well as a detailed project budget.

***Project Support:***

This project concept was originally submitted for CIP funding in 1993. It was originally titled, "Advanced Tsunami Warning System". The present EAS would have only specified the encoder/decoder equipment. Since this system will be the single Statewide warning system to alert the citizens of every type of hazard, i.e. fires, tsunamis, floods, chemical spills, etc., its local support remains unchallenged.

**Disaster Relief Fund - \$1,000,000:**

The past few years we have been using the balances of previously declared disasters as the funding source for new disasters. Our analysis of the Disaster Relief Fund and its appropriations for previously declared Disasters show that no funding is available, hence our request for \$1.0 million to meet the disasters' funding needs for the balance of FY97.

If you have any questions please contact Nico Bus at 465-2406.

**Attachments**

cc: Roger Schnell, Deputy Commissioner  
Bob Heavilin, Director DES  
Nico Bus



**MEMORANDUM**  
**DEPARTMENT OF NATURAL RESOURCES SUPPORT SERVICES DIVISION**

**State of Alaska**

**TO:** Tom Maher, Aide  
Representative Hanley

**DATE:** 6 February, 1997

**TELEPHONE:** 465-2406

*Nico Bus*  
**FROM:** Nico Bus  
Chief of Financial Operations

**SUBJECT:** Fire Suppression and  
Disaster Relief

Attached is a summary of the Disaster Relief Fund status as of February 1997, and the status of the FY96 Fire Suppression Supplemental Appropriations with the carry forward into FY97.

If you have any questions please call me at 465-2406

**Attachments**

**cc:** Carol Carroll  
Joan Brown  
Jean Davis  
Gretchen Mannix

**DISASTER RELIEF FUND  
FY 97 BALANCE  
AS OF 2/97**

	General Fund	Federal Funds
Unallocated Balance	(573,070)	5,023,500
SCS CSHB 468(FIN) am s Section 9 (b)		
FY96 Fort Yukon Mitigation Supplemental FY96 Supplemental to Disaster Relief Fund Balance	\$557,300 1,000,000	
CCS HB 412 Sec. 10 Federal Authority DRF		\$9,000,000
CSSB 1005(FIN) am Section 7 costs for declared disasters	4,000,000	
SCS CSHB 1001(FIN) Section 3 costs associated with declared disasters	100,000	
Total Appropriated FY 96 & 97	\$5,657,300	\$9,000,000
DRF Appropriations & Beginning Balance:	5,084,230	14,023,500
FY 96 & 97 Allocations:		
96 Galena Flood Disaster	(76,900)	
96 Millers Reach	(3,350,000)	(11,500,000)
89 Cold Weather Mitigation	(19,830)	
Add'l 96 DES Operations	,141,100)	
97 Alaska State Militia	(26,900)	
97 DES Disaster Operations	(275,500)	
Mat-Su Boro Loan Interest	4,850	
Shaker IV Exercise Closeout	66,975	
96 Pelican/Elfin Cove/Juneau Disaster	(630,000)	
FY98 Reserve (DES Disaster Oper)	(585,200)	
Subtotal	(5,033,605)	(11,500,000)
DRF Current Balance as of 2/1/97	50,625	2,523,500

DNR - FIRE SUPPRESSION APPROPRIATIONS

	FY96 Actuals	FY97 Carryfwd	Total Approps
FSSLA96/CH3 & CH5 (GF)	\$7,837,983	\$2,162,017	\$10,000,000
FSSLA96/CH3 & CH5 (FED)	\$4,658,797	\$5,341,203	\$10,000,000

Sec 4 (a)

# Memorandum

State of Alaska  
Department of Corrections  
Division of Administrative Services  
(907) 269-7361 Fax (907) 269-7360  
4500 Diplomacy Drive, Anchorage, Alaska 99508

To: Margaret Pugh, Commissioner  
Department of Corrections

Date: January 28, 1997

Thru: Robert L. Cole, Director *WLC*  
Division of Administrative Services

File:

From: *TRK*  
Ted R. Kinney  
Facilities Manager II  
Facilities Management

Subject: FCC Boiler Replacement Phase II

The Fairbanks Correctional Center (FCC) Boiler System has reached the end of its useful life.

The two oil-fired, steam boilers were originally installed as part of the three-wing dormitory addition in 1983. The old boilers were removed at that time. Each of the two replacement boilers were sized to handle 100 percent of the building heating and process steam requirements. Since that time, each boiler has been repaired several times to fix leaks that chronically occur in the lower corners of these boilers (and others of this model) due to thermal stress. At \$20,000 - \$25,000 per fix, this has been a costly process. On January 18, 1996, the State Boiler Inspector in Fairbanks informed FCC that he would not certify further welding of the existing boiler vessels due to safety concerns.

The boilers provide hot water for food service, showers and laundry as well as heating the facility. During past winters we have had one of the boilers fail, but fortunately have never lost both. One boiler will not heat the building and, with the replacement hot water heaters being installed, provide hot water. This is especially important because we are under Cleary mandate to keep the heat at or above 65 degrees. If both boilers failed simultaneously, FCC and DOC would be facing a disaster. Our only alternative would be to release lower custody prisoners into the community and relocate the remaining prisoners to Anchorage. The financial impact would be immense; worse yet, the impact on the Courts and Fairbanks Police / State Troopers would be even greater. Closing the facility is not an acceptable option. The only other recourse would be to airlift a portable boiler either from Anchorage or Seattle, as we have not found any in the Fairbanks area.

We have initiated an RSA to DOT/PF to install a new boiler in the Old Boiler Room area. This unit will support the domestic hot water heating system. The existing boilers cannot carry the additional heating demand of the new/replacement hot water heaters which are currently being installed.

We request that the Phase II project (\$632,000) request will fund the replacement of the two existing steam boilers be submitted to the Legislature for FY-97 Supplemental Budget funding. The project is mandatory to assure continued occupancy of the Fairbanks Correctional Center.

SEC 4(b)

**McLaughlin Youth Center/Fairbanks Youth Facility  
Emergency Security Situation**

Both the McLaughlin Youth Center and Fairbanks Youth Facility recently experienced security incidents that are very serious and of great concern. As a result the Department of Health and Social Services is requesting a supplemental budget request of \$1,247,400 in general funds. Shown below is a brief discussion of the security situation.

At McLaughlin Youth Center there was a drive by shooting, which was thought to have been fired by a large caliber bullet. Luckily no one was injured. Another incident that occurred at McLaughlin was that a small explosive device was detonated next to a building. No significant damage occurred.

At Fairbanks Youth Facility there was a recent attempt by youth to break into the building to get friends out. Due to the confidential nature of this, the (DHSS) can not specifically mention what happened nor give more details. Luckily the attempt failed.

As a result of the seriousness of the incidents outlined above, the DHSS hired a professional security consultant to do a thorough investigation and analysis of security weak points for both McLaughlin Youth Center and Fairbanks Youth Facility, and make recommendations for corrective action. The security consultant did find a number of security weak points.<sup>1</sup> The DHSS feels that correcting these security weak points is of an urgent nature and they should be corrected as soon as possible. Shown below are the specific security items that need to be undertaken:

<b>McLaughlin Youth Center</b>	<b>Fairbanks Youth Facility</b>
Key Control	Key Control
Secure Perimeter	Secure Perimeter
Chain Link Security Fence	Change Visitor Access
Badge Control System	Chain Link Security Fence
Secure Staff Entrance	Closed Circuit TV System
Closed Circuit TV System	External Building Lighting
Environmental Barriers	Area Parking Lot Lighting High-Mast
Glazing Replacement	Welded Wire Screens
Road/Public Access	New Entrance
Outside Police Control	Security Sallyport
Security Sallyport	

<sup>1</sup> Due to confidential nature of the security reports completed by the consultant some security incidents were not fully discussed. The DHSS would be available to discuss these in detail upon request.

Project Title: Replace/Enhance Emergency Communications Equipment/System  
 Category: Health/Safety  
 Project Type: Equipment

Prog. Priority:  
 Agy Priority: 6

AP/AL: AP

Location: Statewide  
 Election District: 99  
 Completion Date (mmyr): 0605

FUNDING	FY98 Capital Request	Annual State Operating / Maintenance	FY98 New State PFT	CAPITAL REQUESTS					Total Req. FY98-FY03
				FY99	FY00	FY01	FY02	FY03	
1002 Federal Receipts									0.0
1003 General Fund Match									0.0
1004 General Fund	200.0	20.0	0	565.0	565.0	565.0	565.0	565.0	3,025.0
1005 GF Program Receipt									0.0
1037 GF/Mental Health									0.0
									0.0
1092 MHTA Auth Receipts									0.0
<b>TOTAL:</b>	<b>200.0</b>	<b>20.0</b>	<b>0</b>	<b>565.0</b>	<b>565.0</b>	<b>565.0</b>	<b>565.0</b>	<b>565.0</b>	<b>3,025.0</b>

**BRIEF PROJECT SUMMARY:**

Enhance EMS communications systems for volunteer ambulance and first responder services in areas where coverage is inadequate, and replace aging and obsolete equipment, including old two-way radios, in accordance with a comprehensive, statewide EMS communications plan.

**DETAIL PROJECT DESCRIPTION AND JUSTIFICATION:**

EMS ambulance and first responder personnel need adequate, reliable emergency communications systems to provide effective, life-saving services. Along many of Alaska's rural highways, there is no EMS communications coverage what-so-ever. And, in other areas, two-way radio systems are old and breaking down with increasing frequency. This project will target needs for enhanced EMS communications for volunteer ambulance and first responder services in areas with the greatest documented needs, based on a comprehensive statewide EMS communications plan. Improved systems should help improve response times, increase treatment advice to EMS responders from hospitals and physicians, and help EMS responders alert hospitals of the number, condition and estimated arrival time of patients. Ultimately, improved EMS communications systems can help save lives and reduce long term disabilities among Alaskans and visitors by improving emergency medical response capabilities.

Does capital project:	Yes	No
1) Meet state constitutional or statutory responsibility?	x	
2) Address life, health or safety issue?	x	
3) Reduce state operating costs?	x	
4) Leverage private sector or local funds? (volunteer time)	x	
5) Create ongoing private sector jobs?		x
6) Facilitate transfer of responsibility to local or private sector?	x	

**CAPITAL PROJECTS**

**DESCRIPTION**

FORM CP1  
 Revised 7/9/96

Page 1 of 3

Revised Date: 11/10/97

**FY 98 - FY03**

AGENCY Department of Health and Social Services

Emergency Medical Services Communications

Emergency Medical Services (EMS) Communications systems include:

- 1) Citizen Access - including 911 systems and highway emergency call boxes to quickly report medical emergencies.
- 2) Emergency Medical Dispatch - trained dispatchers who can quickly assess the emergency situation, dispatch appropriate response resources, and give pre-arrival treatment advice to callers.
- 3) Coordination with other Public Safety Agencies - EMS responders may need assistance from police, fire, or other EMS agencies, depending on the nature of the emergency.
- 4) Medical Direction - EMS responders often need advice from physicians and hospital emergency departments on triage and treatment decisions, and need to provide timely reports on the numbers, condition, and estimated arrival time of patients so emergency department staff are ready when the patients arrive.

Inadequate or non-existent EMS communications systems can jeopardize lives. In many parts of rural Alaska, especially along some well traveled rural highway areas, there is no two-way EMS communications coverage what-so-ever. In other areas, aging and obsolete communications equipment is breaking down with increasing frequency. Two-thirds of the EMS responders in Alaska are volunteers, and the overwhelming majority of EMS responders in rural areas are volunteers. Most volunteer EMS agencies do not have adequate financial resources to purchase EMS communications systems.

In accordance with a comprehensive, statewide EMS communications plan, developed with guidance from: "Planning Emergency Medical Communications; Volume 1 and 2," which was published in 1996 by the National Highway Traffic Safety Administration, funds will be targeted to areas of highest priority need throughout Alaska. EMS communications equipment will be purchased for volunteer ambulance and first responder services along rural highway systems, with special consideration to volume of traffic, numbers of crashes and other medical emergencies, and availability or lack of availability of existing EMS communications systems.

Areas with significant or increasing volumes of traffic where problems and needs have been identified include parts or all of the: Glenn Highway/Tok Cutoff, Richardson Highway; Alaska Highway (aging equipment); Parks Highway (aging equipment); Steese Highway; Taylor Highway; Elliot Highway; Dalton Highway; Denali Highway; and on the Prince of Wales Island. Many of these roads have increasing traffic and vehicle crashes, especially during

**CAPITAL PROJECTS  
DESCRIPTION**

FORM CP1  
Revised 7/9/96

Page 2 of 3

Revised Date:

**FY 98 - FY03**

the summer. Since not all of these problem areas can be addressed with the amount of funding requested during the first year, priorities will be established based on cost of purchasing new or replacing old equipment, volume of traffic and number of crashes, and volume of EMS activity in each area.

All equipment purchases will be in accordance with planning guidance from the Division of Information Services, Department of Administration, as well as with guidance from the Emergency Communications subcommittee of the State Telecommunications Information Council (TIC). Equipment purchased will include terrestrial two-way radios and repeater/relay systems, cellular phones, or mobile satellite phones, depending on the most cost-effective solution for each priority area. New equipment will meet applicable FCC requirements, including new mandates for "refarming" (migration to narrow band frequencies), but will also require interoperability with existing systems that may have several more years of useful life.

**CAPITAL PROJECTS  
DESCRIPTION**

FORM CP1  
Revised 7/9/96

Page 3 of 3

Revised Date:

**FY 98 - FY03**

**MEMORANDUM**

DEPARTMENT OF MILITARY &amp; VETERANS AFFAIRS

**State of Alaska**

ADMINISTRATIVE SERVICES

**RECEIVED**


SEC 4(d)

TO: Annalee W. Conner  
OMB - Budget Review  
Office of the Governor

DATE: February 6, 1997

FILE NO: dmvasupp.doc

TELEPHONE NO.: 465-4730

FROM:  Carol Caroll  
Director

SUBJECT: Supplemental Request  
DMVA - \$100,000  
Radios

The Department of Military & Veterans Affairs requests \$100,000 in FY97 Supplemental funding for their Emergency Radio Equipment upgrade project. This project is the first installment of a larger project. This request will address the first part of the project that will deal with the issue of emergency communication concerns, i.e., interoperability of dissimilar communications assets during an emergency response.

Part I resolves some of the major short-term issues identified in the '95 South Central Fall Flood and the '96 Miller's Reach Fire emergencies. It is a "Band-Aid" fix to a major emergency response issue. By funding and implementing this supplemental request we are basically "buying some time" while the state and the federal governments are working through the long-term solution for a Statewide Radio Interoperability concept, supported and mandated by new FCC radio standards.

Part II of this funding initiative is the long-term permanent fix to the current interoperability issue. It requires DES to begin to purchase a minimum number of emergency radio units to support the long-range statewide interoperability concerns.

The equipment purchased in Part I of this appropriation will be used in the transition to the long-term fix in Part II.

**PART I:**

This portion of the emergency radio upgrade request would purchase only a minimum number of radio base units to support the interface between local, state and federal emergency support agencies. As an example, in the Miller's Reach Fire, the personnel from the Municipality of Anchorage's Fire Department who responded to this fire could not communicate with their fire dispatch or with the on-scene DNR and BLM fire suppression units because of dissimilarities in:

- (a) frequency allocation;
- (b) unique dissimilar equipment features; and,
- (c) range of coverage of their base dispatch units.

This issue is resolved by simply purchasing one 400 MHz (federal government) and one 800 MHz Municipality of Anchorage (MOA) trunking base station components and

electronically connecting these units with existing DES emergency point-to-point radio equipment via portable dispatch console.

Once implemented, Anchorage-based fire suppression personnel will have the ability to remain in continuous radio contact with their primary Anchorage-based dispatchers. This same concept can be used statewide for other types of emergency response and is not specific geographically or to a type of emergency.

The associated costs for Part I implementation are as follows:

800MHz Trunked Radio System, Portable      \$58,900

One trunked radio system. Has 5 channels and 1 phone line interconnection. Containerized for field deployment.

800MHz portable radio - 2 each      \$2,400

Hand held portable units for DES use when 800MHz trunked radio system is deployed. Also will be programmed with local APD and AFD information for interoperability.

800MHz base station radio -1 each      \$2,600

For permanent fixed connection into the state microwave backbone system through the Central Electronics Bank (CEB) located on Camp Denali. Will provide for interoperability between existing radio channels and the local 800MHz trunked system.

400MHz base station with antenna -1 each      \$3,500

For a permanent fixed connection into the state microwave backbone system through the CEB. Will provide for interoperability between existing radio channels and the local 400MHz trunked system.

VHF narrow-band base station - 1 each      \$2,500

For permanent fixed connection into the state backbone system through the CEB. Will provide for interoperability between existing radio channels and selected VHF narrow-band radio systems.

VHF narrow-band portable radio - 6 each      \$6,400

For DES use in emergencies, provides interoperability to those agencies that already are utilizing LMR narrowband technologies.

Central Electronic Bank (CEB) Cards for Radio Interface - 3 each

\$7,200

The CEB provides a radio interface between a radio, the state microwave backbone system, and the dispatch consoles of the AST, DES, and Rescue Coordination Center (RCC). The cards allow for individual radios to be connected on the CEB. Once a radio is present on the CEB it can be cross patched to other radios providing interoperability between all the agencies connected to the CEB.

CyLink system end-to-end terminals - 1 each      \$16,500

Provides for voice and data exchange between two points. Extends the capabilities of the CEB to remote statewide locations providing on the spot interoperability between emergency response agencies.

Total cost for FY97 Supplemental = \$100,000\*

\* All costs are as of 02/97 and reflect vendors' verbal price quotes.

PART II:

This part of the project will be requested in future CIP budgets and is required to support the state's long-range initiative to purchase a minimum number of interoperability radios that conform to the standards required under the FCC actions as outlined in FCC PR Docket Case 92-235. The implementation action for this portion of the CIP is FCC mandated. It is commonly referred to as "Land Mobil Radio(LMR) Migration" or "Refarming".

This portion of the "permanent statewide fix" to the reoccurring problem can only be resolved when the state and federal governments (and selected local governments) collectively migrate to a statewide interoperable system.

Within the next year, the state should resolve this inoperability issue through two standing committees. The State Emergency Communications Task Group under the TIC is actively addressing this issue. This task group represents the concerns of the state departments affected by Refarming. In addition, the state has partnered with the federal government's LMR Migration Group to facilitate a resolution for interoperability standards that collectively affect all statewide radio users.

The costs to support this long-term fix can not be specifically defined because no specific interoperability standard has been agreed to between the state and federal governments. Dependent upon the LMR standard and vendor-specific equipment costs, the cost to DES may be as high as \$1,105,000 over the next five years. It is estimated that the total cost to the state to migrate to this new mandated standard will be as high as \$35,000,000. (Source: Mr. Larry Nakata, DIS, LMR Executive Group Meeting, Nov. 5, 1996).

If funds are appropriated in excess of those funds required to complete Part I of this project or if costs to DES are less than estimated above, DES will not obligate these funds until an LMR Statewide Standard is identified and can be supported by out-year equipment requirements.

If you have any questions regarding this supplemental request, please contact me or Nico Bus at 465-2406.

cc: Bob Heavilin  
Jim Harpring  
Dianna Alcantra  
Carol Carroll  
*ROGER SCINCELL*

**MEMORANDUM**  
DEPARTMENT OF NATURAL RESOURCES

SEC. 41(e)  
**State of Alaska**  
SUPPORT SERVICES DIVISION

TO: Joan Brown  
OMB - Budget Review  
Office of the Governor

DATE: February 5, 1997

FILE NO: pervsupp.doc

TELEPHONE NO.: 465-2406

FROM: Nico Bus  
Chief, Financial Services

SUBJECT: Supplemental Request  
Perseverance Trail

**PERSEVERANCE TRAIL EMERGENCY REPAIRS**

Emergency repairs to the severely storm damaged Perseverance Trail in Juneau are required to reopen the trail for public use. Though the trail is closed, use continues under extreme hazardous conditions. Ideally work needs to be done before the summer season, to capture this high use period. Delay to the fall will expose workers to dangerous avalanche and weather conditions will increase project costs by limiting time and access.

Segments of the Perseverance Trail in Juneau were damaged or lost during the Fall '96 storm. The trail is unsafe and closed to the public. Prior to the storm the trail received over 35,000 visitors per year. A growing segment of this use has been commercial tours from tour ships and independent tours. This project would repair and reestablish a safe trail from the trailhead to Granite Creek Trail, a distance of two miles. Mudslides would be removed and the trail treadway, drainage, and bridge approaches would be repaired. The trail would be rerouted and notched a full width into rock in several locations along steep slopes where the trail structure failed. The trail beyond Granite Creek was also destroyed. Parks is not planning to repair that trail segment due to high cost. Because this work must be done immediately, there is no option to generate volunteer work or use existing staff over a longer period of time. Echo Bay Mining Company estimated the cost of their volunteer work on the Perseverance Trail in 1989 for similar work at around \$50,000. The work necessary now is of a larger scope, so the estimate for blasting is high considering overhead costs and increased costs of labor, machinery, and materials.

WHY IS THE FUNDING NEEDED? Even though this popular trail is closed it is still being used. This project would repair the trail and eliminate a major safety hazard.

PROJECT SUPPORT: Juneau State Parks Citizens Advisory Board; Trail Mix of Juneau; Juneau Visitors Association; Juneau Chamber of Commerce; City and Borough of Juneau Assembly; Gastineau Guiding Company; all Juneau residents.

PROJECT OPPOSITION: None

**PUBLIC BENEFITS:**

1. This project would reopen the popular trail and access to the sub-alpine valleys, lakes, waterfalls, the Silverbow Basin historic Glory Hole and historic mining ruins.
2. The trail was destroyed in the fall season when use demand was reduced. However, this spring and summer the use demands will be at a peak. Trail users will be upset that it is closed.
3. When complete, a serious safety hazard will be eliminated.
4. The trail is a major attraction used by Alaskans and visitors alike. Closure of the trail in the summer will adversely affect Juneau's economy.
5. Trail repairs will allow all trail users access regardless of their physical abilities.
6. Guided hiking tours can be resumed.

DESCRIPTION OF WORK TO BE DONE:

Clear mudslides, recut ditches and install culverts, reestablish trail width, repair trail surfacing, reroute trail at selected locations and blasting to construct trail width into rock slopes, repair bridge approaches. Because of the nature and extent of the emergency repairs required it would be accomplished by contract.

ESTIMATE:

Clear Mudslides and Debris	\$15,000
Reestablish Ditches	\$9,000
Install Culverts	\$5,000
Haul and Place Trail Borrow	\$18,000
Trail Grading	\$14,000
Blasting	\$120,000
Trail Surfacing	\$11,000
Bridge Approaches	\$8,000
TOTAL	\$200,000

ECONOMIC DEVELOPMENT: Reopening the trail will help the local and state economy as tourism businesses continue to grow. No action will have a negative impact to the visitor industry.

Perseverance Trail Emergency Repairs

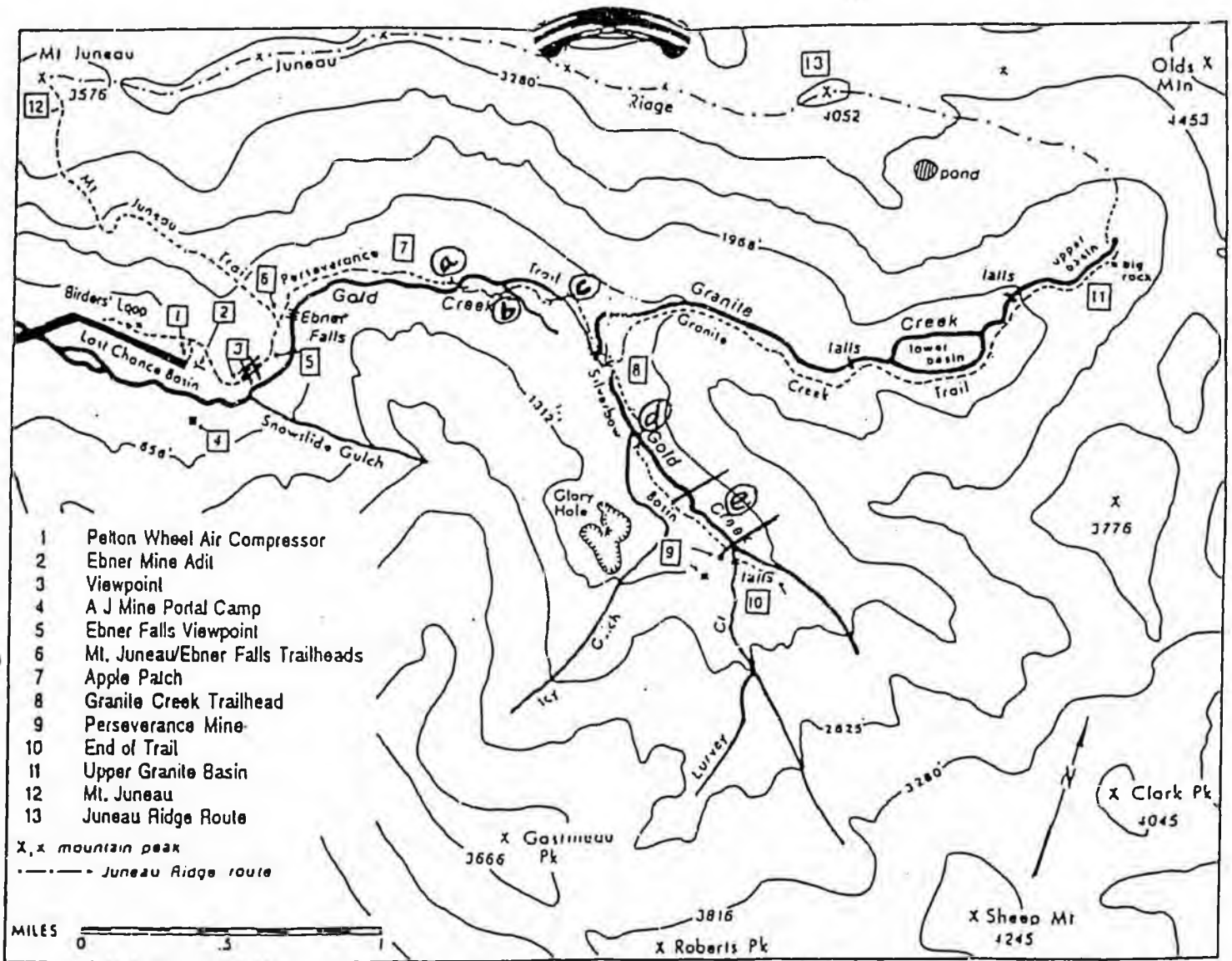
3/5/97  
4E

**A. \$120,000 Blasting Needed Here**

A 1/4 mile section around the "#" contains several rock outcroppings which should be blasted to avoid deteriorating cribbing. Dangerous slide (see photos) at the "#" which closes trail.

**B. \$80,000 Bridge Repair and Tread Work Needed From Beginning of Trail to Last Bridge.**

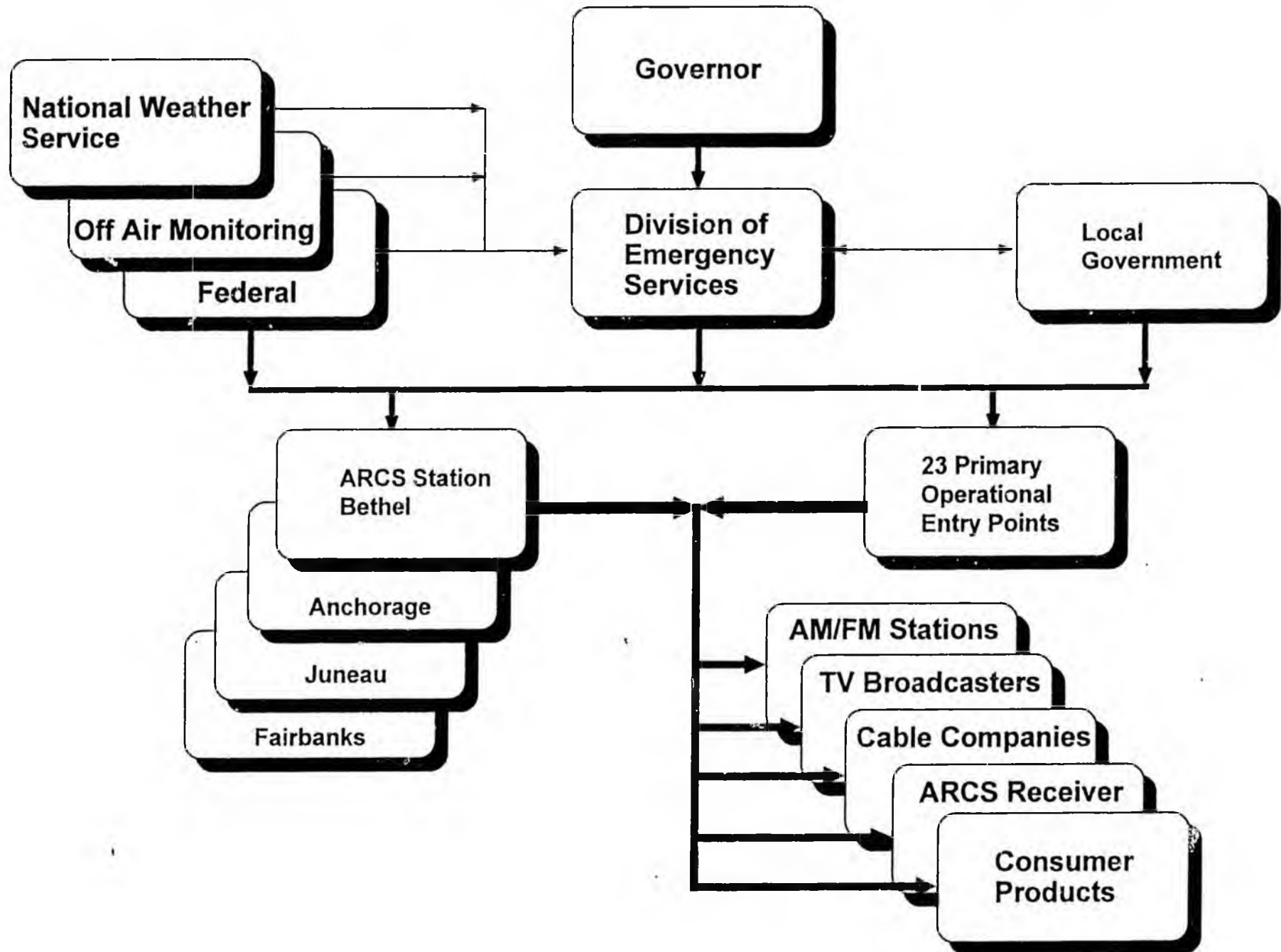
Marked bridges - (a) (b) (c) (d) - need some degree of ramp and abutment repair. Several mud-slides washed over the trail up to the last bridge (d). These need a small excavator to remove, but the slide at "#" prevents access. Area (e) is completely washed out and abandoned.



# PERSERVERANCE TRAIL OCTOBER 1996



# EAS ACTIVATION CONCEPT



# EMERGENCY ALERT SYSTEM NOTIFICATION SCHEME

- — — — — ACTIVATION LINK
- · · · · NOTIFICATION LINK
- · — · — · REMOTE UPLINK



DES TVRO MONITOR

PERSONAL SATELLITE  
TERMINAL (PST)

**DIVISION of  
EMERGENCY  
SERVICES**

284 ARCS SUBSCRIBER  
COMMUNITIES

NWS  
WEATHER RADIO

EAGLE RIVER EARTH STATION

PERSONAL SATELLITE  
TERMINAL (PST)

UPLINK EARTH STATION  
FOR NETWORK TV

BETHEL

FAIRBANKS

JUNEAU

KFQD

PBS RADIO AND TV

NOC ALASCOM

AK TSUNAMI WARNING CENTER

OFFICE OF THE GOVERNOR

NATIONAL WEATHER SERVICE

REMOTE UNIT

# Emergency Alert System

## Remote Satellite Terminal Concept

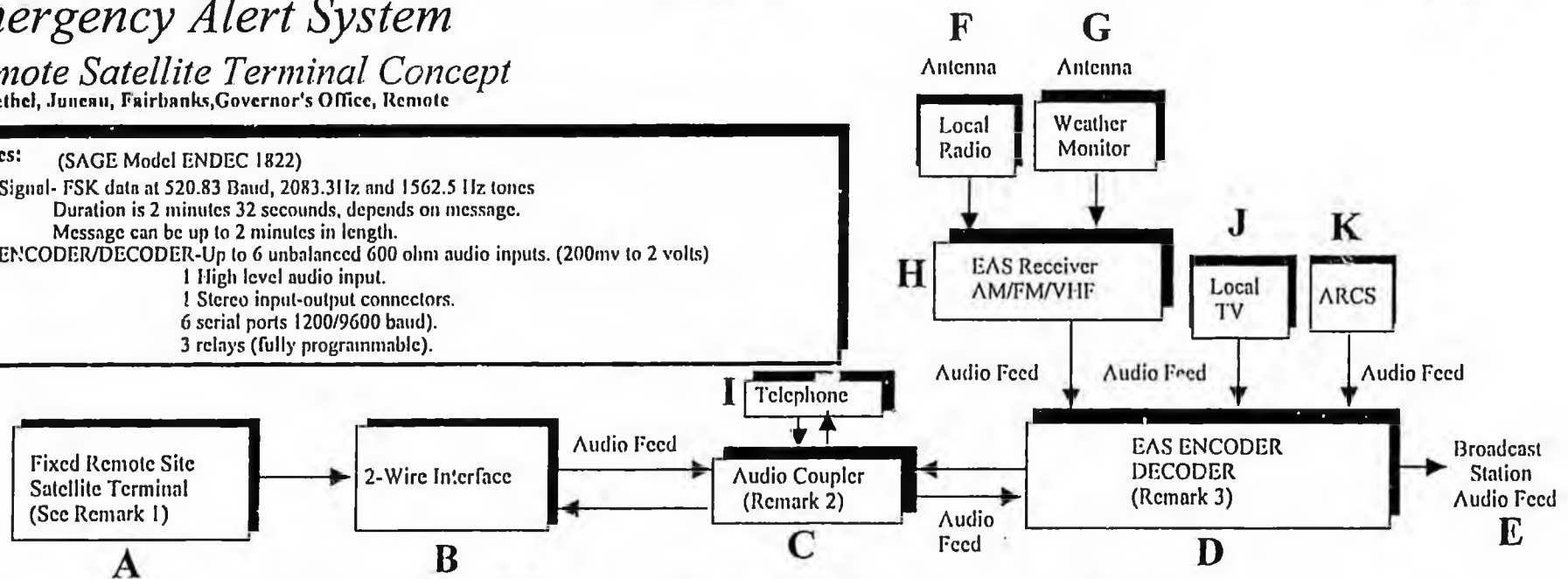
Bethel, Juneau, Fairbanks, Governor's Office, Remote

### Notes: (SAGE Model ENDEC 1822)

EAS Signal- FSK data at 520.83 Baud, 2083.311z and 1562.5 Hz tones  
Duration is 2 minutes 32 seconds, depends on message.  
Message can be up to 2 minutes in length.

EAS ENCODER/DECODER-Up to 6 unbalanced 600 ohm audio inputs. (200mv to 2 volts)

- 1 High level audio input.
- 1 Stereo input-output connectors.
- 6 serial ports 1200/9600 baud).
- 3 relays (fully programmable).



### Components:

- A. Personal satellite terminal technology -Single channel personal satellite telephone system.
- B. 2-Wire Interface Unit- Allows for analog devices (Telephone, FAX and EAS encoder devices) to be connected to a digital satellite terminal.
- C. Audio Coupler- Provides autoanswer and disconnect capabilities for equipment such as the EAS encoder.
- D. EAS Encoder/Decoder- Used to Process EAS signal for transmission or decodes signal during reception.
- E. Audio feed- For retransmission of the EAS signal over a broadcasters station/activation of emergency alert systems.
- F. Antenna- For AM/FM or TV reception. For monitoring of EAS signals from external sources.
- G. Antenna- For National Weather Service reception. For monitoring of EAS signals from external sources.
- H. EAS Receiver- FM/AM/VHF or VHF receivers depending on optional cards installed. For monitoring of EAS signals from external sources.
- I. Telephone- For initiating a call and for general contact.
- J. Television- Audio feed from local TV sources. For monitoring of EAS signals from external sources. (Optional)
- K. ARCS- Alaska Rural Communications Service audio feed. For monitoring of EAS signals from external sources. (Optional)

### Remarks:

- 1. Unit is capable of Auto-answer and disconnect.
- 2) Unit has auto answer and disconnect features. In manual mode the telephone provides for answer and disconnect.
- 3) Unit has programmable relays for activating either radios, local emergency alert systems or other devices.

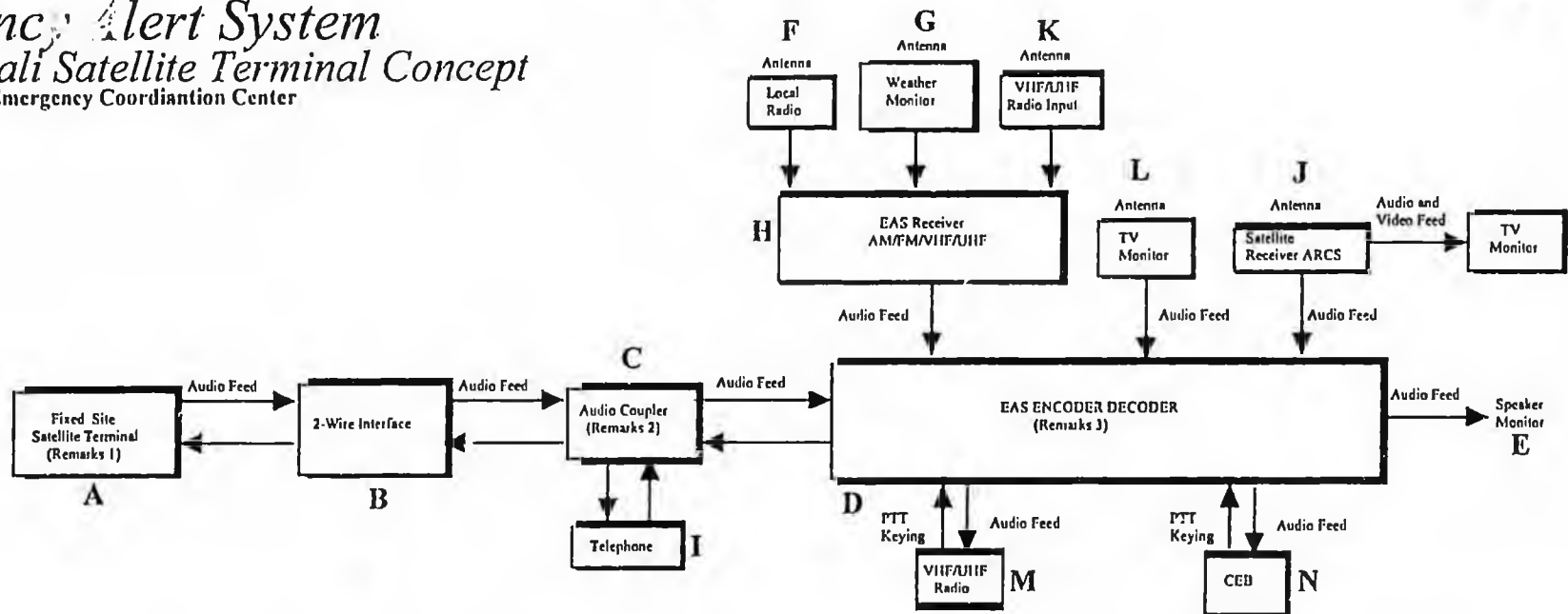
### Functionality:

1. Any telephone or like configured satellite terminal is used to manually place a call to the (A) satellite terminal.
2. The (B) 2-wire interface passes the call to the (C) Audio coupler which answers the call for the (D) EAS Encoder or provides a ring to the telephone, depending on (C) Audio coupler setup. The Audio Coupler provides for auto answer and disconnect of calls.
3. The originator of the call activates the EAS signal.
4. The EAS signal is decoded by the (D) EAS encoder/decoder and a previously stored message is sent to the stations (E) audio feed for broadcast or/and a local alarm is activated.
5. For more indepth and custom messages the (A) satellite terminal functions in a normal manner providing non-Alaska based telecommunications capability.
6. The (D) EAS encoder/decoder is also capable of monitoring the (G) National Weather Service and (F) other broadcast sources through the use of (H) the EAS Receiver.

# Emergency Alert System

## Camp Denali Satellite Terminal Concept

State Emergency Coordination Center



### Components:

- A. Personal satellite terminal technology-Single channel personal satellite telephone system.
- B. 2-Wire Interface Unit- Allows for analog devices (Telephone, FAX and EAS encoder devices) to be connected to a digital satellite terminal.
- C. Audio Coupler- Provides auto answer and disconnect capabilities for equipment such as the EAS encoder.
- D. EAS Encoder/Decoder- Used to Process EAS signal for transmission or decodes signal during reception.
- E. Audio feed- For monitoring of the audio portion of the EAS signal.
- F. Antenna- For AM/FM reception. For monitoring of EAS signals from external sources.
- G. Antenna- For National Weather Service reception. For monitoring of EAS signals from external sources.
- H. EAS Receiver- FM/AM/VHIF or UHF receivers depending on optional cards installed. For monitoring of EAS signals from external sources.
- I. Telephone- For initiating a call and for general contact.
- J. Satellite Receiver- For reception of Alaska Rural Communication Service (ARCS). For monitoring of EAS signals from external sources.
- K. VHF/UHF Receiver- For reception of EAS signal from VHF/UHF radio sources. ( 155.295/453.575)
- L. TV Monitor- For monitoring of EAS messages. Also provides TV audio input into the EAS encoder.
- M. VHF/UHF Radio- For transmission of EAS signal over VHF/UHF radio. ( 155.295/453.575)
- N. CEB- The state microwave backbone, one or more selected radio channels.

### Components:

### Remarks:

1. Unit is capable of auto answer and disconnect.
- 2) Unit has auto answer and disconnect features. In manual mode the telephone provides for answer and disconnect.
- 3) Unit has programmable relays for activating radios, local emergency alert systems or other devices.

### Functionality:

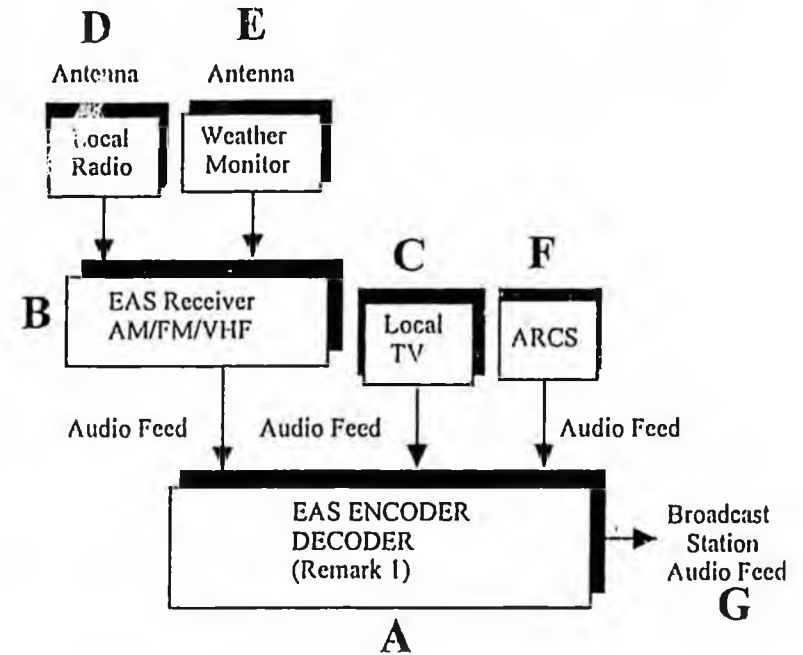
1. A (I) telephone call is placed to one of the remote satellite terminal locations or another EAS encoder that is equipped with a (C) audio coupler.
2. (D) EAS encoder is manually activated. An EAS Signal is simultaneously transmitted over the (M) VHF/UHF radio and (N) state microwave backbone.
3. An EAS Signal may be transmitted over the (M) VHF/UHF and (N) state microwave backbone radio by simply activating the (D) EAS encoder unit.
4. EAS warnings can be received from Satellite terminal, local radio, TV, National Weather Service, ARCS or VHF/UHF radio sources.

# Emergency Alert System

## Remote Radio Terminal Concept

Eagle River Earth Station, Tsunami Warning Center, National Weather Service,  
PBS, KFQD, Alascom NOC

**Notes:** (SAGE Model ENDEC 1822)  
 EAS Signal- FSK data at 520.83 Baud, 2083.31Hz and 1562.5 Hz tones  
 Duration is 2 minutes 32 seconds, depends on message.  
 Message can be up to 2 minutes in length.  
 EAS ENCODER/DECODER-Up to 6 unbalanced 600 ohm audio inputs. (200mv to 2 volts)  
 1 High level audio input.  
 1 Stereo input-output connectors.  
 6 serial ports 1200/9600 baud).  
 3 relays (fully programmable).



### Components:

- A. EAS Encoder/Decoder- Used to Process EAS signal for transmission or decodes signal during reception.
- B. EAS Receiver- FM/AM/VHF or UHF receivers depending on optional cards installed. For monitoring of EAS signals from external sources.
- C. Television- Audio feed from local TV sources. For monitoring of EAS signals from external sources. (Optional)
- D. Antenna- For AM/FM or TV reception. For monitoring of EAS signals from external sources.
- E. Antenna- For National Weather Service reception. For monitoring of EAS signals from external sources.
- F. ARCS- Alaska Rural Communications Service audio feed. For monitoring of EAS signals from external sources. (Optional)
- G. Audio feed- For retransmission of the EAS signal over a broadcasters station/activation of emergency alert systems.

### Remarks:

- 1) Unit has programmable relays for activating either radios, local emergency alert systems or other devices.

### Functionality:

1. The EAS signal is activated and received by one of the sources that are monitored by the (A) EAS Encoder.
2. The EAS signal is decoded by the (A) EAS encoder/decoder and a previously stored message is sent to the stations (E) audio feed for broadcast or/and a local alarm is activated.

# EMERGENCY ALERT SYSTEM BUDGET

Item	DES	AERU	TVC	NWS	B-ARCS	J-ARCS	F-ARCS	PBS	KFQD	GOV	NOC	REM	TOTALS
Eas Encoder/Decoder	\$2,362.00	\$2,362.00	\$2,362.00	\$2,362.00	\$2,362.00	\$2,362.00	\$2,362.00	\$2,362.00	\$2,362.00	\$2,362.00	\$2,362.00	\$2,362.00	\$28,344.00
EAS AM/FM/VHF Receiver	\$1,761.00	\$1,761.00	\$1,761.00	\$1,761.00	\$1,761.00	\$1,761.00	\$1,761.00	\$1,761.00	\$1,761.00	\$1,761.00	\$1,761.00	\$1,761.00	\$21,132.00
Antenna	\$675.00	\$675.00	\$675.00	\$675.00	\$675.00	\$675.00	\$675.00	\$675.00	\$675.00	\$675.00	\$675.00	\$675.00	\$8,100.00
Cables and Installation	\$480.00	\$480.00	\$480.00	\$480.00	\$480.00	\$480.00	\$480.00	\$480.00	\$480.00	\$480.00	\$480.00	\$480.00	\$5,760.00
Personal Satellite Terminal (PST)	\$4,361.00	\$0.00	\$0.00	\$0.00	\$4,361.00	\$4,361.00	\$4,361.00	\$0.00	\$0.00	\$4,361.00	\$0.00	\$4,361.00	\$16,166.00
Remote Option for PST	\$3,900.00	\$0.00	\$0.00	\$0.00	\$3,900.00	\$3,900.00	\$3,900.00	\$0.00	\$0.00	\$3,900.00	\$0.00	\$3,900.00	\$23,400.00
Accessories	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Backup Power (UPS)	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3,000.00
Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000.00	\$3,000.00	\$2,000.00	\$0.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$12,000.00
Personnel	\$5,700.00	\$5,700.00	\$5,700.00	\$5,700.00	\$5,700.00	\$5,700.00	\$5,700.00	\$5,700.00	\$5,700.00	\$5,700.00	\$5,700.00	\$5,700.00	\$68,400.00
Contractual	\$3,538.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,542.00	\$3,538.00	\$0.00	\$0.00	\$3,542.00	\$0.00	\$3,536.00	\$17,698.00
<b>Totals</b>	<b>\$23,527.00</b>	<b>\$11,728.00</b>	<b>\$11,728.00</b>	<b>\$11,728.00</b>	<b>\$23,989.00</b>	<b>\$26,531.00</b>	<b>\$25,527.00</b>	<b>\$11,728.00</b>	<b>\$11,728.00</b>	<b>\$26,531.00</b>	<b>\$11,728.00</b>	<b>\$23,527.00</b>	<b>\$220,000.00</b>

# STATE OF ALASKA

## DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

Sec 5 (a)

TONY KNOWLES, GOVERNOR

P. O. BOX 110640  
JUNEAU, ALASKA 99811-0640  
PHONE: (907) 465-3347

### MEMORANDUM

**DATE:** January 14, 1997

**TO:** Janet Clarke, Director  
Division of Administrative Services

**FROM:** Jim Nordlund, Director  
Division of Public Assistance *Jim Nordlund*

**SUBJECT:** FY97 Add Supplemental

# RECEIVED

JAN 15 REC'D

Div. of Administrative Services  
Budget Section

The Division of Public Assistance requests an FY97 add supplemental of \$ 939.0 general funds to fund Adult Public Assistance (APA) component formula caseload and a shortfall in federal revenue.

**FY97 Add Supplemental**  
Adult Public Assistance (APA) AS 47.25.430, 620, 790

	FY97 APA M III	Actual Expend 12/31/91	Jan-June Projected	FY97 APA Total Projected	FY97 APA Supp Need
TOTAL	43658.2	22170.4	22192.8	44363.2	(939.0)
Federal	934.0	370.1	329.9	700.0	234.0
GF	40080.2	21800.3	19218.9	41019.2	(939.0)
I/A	2644.0		2644.0	2644.0	

### FY97 Supplemental Request

The Adult Public Assistance (APA) component provides a state legislated level of cash assistance to aged, blind, and disabled persons who meet certain income and resource requirements and are categorically eligible to receive federal Supplemental Security Income (SSI).

APA program funding is dependent on the number of eligible cases and the cash assistance amount issued monthly.

APA Formula Caseload before federal SSI Disability Provision changes

The FY97 C.C. authorization for APA included a reduction from the FY97 agency request of \$ 1,300.0 general fund for "less caseload growth". However, the Division has no discretionary control over program service demand or the number of individuals eligible for APA. This supplemental request restores \$805.0 general fund needed for projected FY97 APA formula caseload growth that exceeds the initial authorized level.

The APA average monthly caseload will be approximately 11,619 or 3% higher than the caseload level funded. This FY97 full formula caseload factor would result in projected general fund deficit of \$805.0.

Federal Revenue from Interim Assistance Reimbursement (IAR)

Under existing law Alaska pays state-funded Interim Assistance to Supplemental Security Income (SSI) applicants while the Social Security Administration is processing their applications. Interim Assistance recipients receive \$280 per month. When an Interim Assistance recipient is determined retroactively eligible for SSI, the client is entitled to retroactive maximum SSI benefits of \$483 per month.

FY94 changes in AS 47.25.455 enabled DHSS to recover Interim Assistance benefits from the retroactive SSI benefits of APA applicants who are found eligible for SSI. Effective October 1, 1993, APA applicants were required to agree to have their retroactive SSI benefits paid to DHSS to reimburse the state for the Interim Assistance they received.

The FY97 APA budget included \$934.0 federal funds from projected IAR collections. Based on actual collections year-to-date the FY97 revised IAR amount is projected at \$700.0 federal. This is about the level of IAR federal funds received in FY95 and FY96. An FY97 supplemental of \$234.0 general fund is needed to offset the projected shortfall in restricted federal revenue in the APA component.

Changes in Federal Law will impact FY97 APA

Federal welfare reform provides a number of substantial changes to benefits received by the disabled and elderly. While these new provisions directly impact the federal Supplemental Security Income (SSI) program, they also impact the APA program. The SSI program provides a cash benefit to low-income Alaskans who are blind, severely disabled, chronically ill, or elderly. The APA program is a state funded assistance program designed to supplement benefits provided by SSI. As a supplement to the federal SSI program, the APA program uses the same eligibility criteria as the SSI program. Any changes that affect SSI will also affect the APA program.

The new federal welfare reform legislation reduces SSI assistance for some disabled children and legal aliens. In addition to disabled children and legal aliens, there are changes to SSI and APA benefits for individuals with alcohol or drug addiction as their

primary disability. In March 1996, federal legislation amended the Security Act to exclude these individuals from SSI. Approximately 300 Alaskans with substance abuse disability on SSI may lose program eligibility for SSI and state APA. Loss of SSI for people who experience substance abuse begins to take effect on January 1, 1997. Potential FY97 APA savings from the new SSI disability provision is projected at \$467.0.

FY97 Initial APA supplemental request summary

This initial FY97 supplemental of \$939.0 general fund assumes some, but not all of the projected APA savings from the new SSI law. By the end of March 1997 the actual caseload and financial impact from the federal disability provisions should be substantially known. Based on actual APA expenditure trends through March 1997 the Division will update this supplemental request. If APA expenditures follow the current projected level then this FY97 APA supplemental request amount can be reduced.

FY97 Supplemental Need	
APA Formula Caseload	\$805.0
Federal Revenue Shortfall (IAR)	234.0
New SSI Disability Provision	(100.0)
FY97 APA ADD Supplemental (as of 1/1/97)	\$939.0

APA Payment Levels

Alaska statutory provisions creating the APA financial commitment do not permit the Department to implement a ratable reduction of the APA maximum payment schedule. In order to achieve any required APA program savings in lieu of this supplemental, implementing a ratable reduction would require new legislation that would reduce the payment standards in law.

Date Supplemental is needed

Based on the projected expenditure pattern and assuming a ratable is not imposed, the APA component general fund authorization will be exhausted on or about June 1, 1997.

In order to process and mail all June 1997 monthly APA issuances as scheduled, this supplemental request will have to be approved no later than May 15, 1997.

## FY97 APA CASE and EXPENDITURE Projection

### FY97 APA Caseload Summary

	FY95 Cases Actual	Percent Change FY95 vs. FY96	FY96 Cases Actual	Percent Change FY97 vs. FY96	Before Changes	Federal Law Change	With Changes
					FY97 Projected Actual 12/96		FY97 Projected Actual 12/96
July	10,000	6.3%	10,630	6.6%	11,327		11,327
Aug	10,010	6.9%	10,697	6.3%	11,372		11,372
Sep	10,106	6.3%	10,747	6.2%	11,416		11,416
Oct	10,149	6.1%	10,766	6.7%	11,489		11,489
Nov	10,123	6.5%	10,784	6.7%	11,503		11,503
Dec	10,172	6.0%	10,779	7.2%	11,550		11,550
Jan	10,218	5.8%	10,813	6.9%	11,559	(30)	11,520
Feb	10,225	5.8%	10,818	6.9%	11,584	(200)	11,475
Mar	10,400	6.0%	11,021	6.9%	11,781	(230)	11,592
Apr	10,426	6.7%	11,126	6.9%	11,894	(250)	11,692
May	10,461	6.9%	11,188	6.9%	11,960	(280)	11,691
Jun	10,540	6.7%	11,241	6.9%	12,017	(300)	11,747
<b>FY AVG</b>	<b>10,236</b>	<b>6.3%</b>	<b>10,884</b>	<b>6.8%</b>	<b>11,619</b>	<b>(88)</b>	<b>11,531</b>
<b>Actual AVG July-Dec</b>	<b>10,093</b>	<b>6.3%</b>	<b>10,734</b>	<b>6.6%</b>	<b>11,443</b>		

### FY97 APA Expenditure Summary

	FY95 Expend Actual	Percent Change	FY96 Expend Actual	Percent Change	Before Changes	Federal Law Change	With Changes
					FY97 Projected Actual 12/96		FY97 Projected Actual 12/96
July	\$ 3,230.4	5.6%	\$ 3,412.8	6.1%	\$ 3,622.1		\$ 3,622.1
Aug	3,184.9	8.3%	3,449.8	6.2%	3,664.1		3,664.1
Sep	3,227.9	7.4%	3,467.2	4.9%	3,636.8		3,636.8
Oct	3,265.8	2.5%	3,348.2	11.0%	3,716.8		3,716.8
Nov	3,229.8	7.8%	3,483.3	3.8%	3,617.4		3,617.4
Dec	3,285.6	5.1%	3,454.4	6.9%	3,693.0		3,693.0
Jan	3,255.3	5.3%	3,428.2	6.9%	3,684.7	(10.9)	\$ 3,653.9
Feb	3,268.8	7.7%	3,519.8	6.9%	3,762.7	(72.4)	\$ 3,690.3
Mar	3,378.9	3.3%	3,489.7	6.9%	3,730.5	(83.3)	\$ 3,647.2
Apr	3,274.9	7.5%	3,521.5	6.9%	3,764.5	(90.5)	\$ 3,674.0
May	3,340.4	7.5%	3,590.0	6.9%	3,837.7	(101.4)	\$ 3,736.4
Jun	3,312.5	6.0%	3,510.6	6.9%	3,752.9	(108.6)	\$ 3,644.3
<b>FY \$\$ Tot</b>	<b>\$ 39,253.2</b>	<b>6.2%</b>	<b>\$ 41,675.5</b>	<b>6.7%</b>	<b>\$ 44,483.2</b>	<b>\$ (487.0)</b>	<b>\$ 43,996.2</b>
<b>Actual Expenditure July-Dec</b>	<b>\$ 19,424.4</b>	<b>6.1%</b>	<b>\$ 20,615.7</b>	<b>6.5%</b>	<b>\$ 21,950.2</b>		

Note: FY97 APA projected expenditure range is \$ 44.4 - \$ 43.9 million depending on the actual impact of the Federal law change. Federal legislation passed that amended the Social Security Act to exclude individuals with alcohol or drug abuse as their primary disability. If they are not found disabled under a different condition then they will be denied SSI. Approximately 300 Alaskans with substance abuse disability on SSI may lose program eligibility and cash benefits for SSI and State APA.

## Supplemental Request

### **Assistance Payments**

#### **Adult Public Assistance (APA)**

Review notes from discussion with Randy Moore, Admin Mgr. for Public Assistance

Projections for other programs indicate that transfers to APA are not reasonable at this point in time.

- AFDC is expected to have some lapsing amount but we don't know how much of it will be GF; information concerning CSED receipts indicates a potential shortfall.
- General Relief is showing signs of increased usage and might exceed authorization by a small amount (which would be handled by transfer from another component as needed).
- ALB-Hold Harmless is expected to exceed current authorization and will be handled by a transfer from another component as needed.

APA federal receipts shortfall is the result of several circumstances.

- Receipt authority was increased in conjunction with growth of the program; however, year to date results do not indicate increased receipts.
- Receipts are also expected to be impacted (reduced) by the Welfare Reform changes related to eligibility; no conjecture as of this date on the actual amount.

The supplemental need has only been reduced by \$100.0 for the impact of the federal law change; adjustments in that amount will be made in April when results of the change will be known (A reduction of up to 467.0 could occur but is not expected).

The percentage caseload growth of 6.9% for the remainder of the year is considered a "safe" growth rate considering the variation experienced historically.

Expectations are that this supplemental request will not be increased and likely will be decreased.

# STATE OF ALASKA

## DEPARTMENT OF HEALTH AND SOCIAL SERVICES

### DIVISION OF MEDICAL ASSISTANCE

TONY KNOWLES, GOVERNOR

P.O. BOX 110660  
JUNEAU, ALASKA 99811-0660  
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FAX: (907) 465-2204

## MEMORANDUM

DATE: January 9, 1997

TO: Janet Clarke, Director  
Division of Administrative Services

FROM: *BL* Bob Labbe, Director  
Division of Medical Assistance

SUBJECT: FY97 Supplemental Federal Funds Authority

RECEIVED  
JAN 10 1997

Div. of Administrative Services  
Budget Section

The Indian Health Service (IHS) set new medical reimbursement rates for calendar year 1996 (retroactive to January 1, 1996). The new rates were substantially more than the rates for calendar year 1995. For example the inpatient per diem rate increased from \$570 per day to \$930 per day. Nationally, the IHS has been working to put their facilities on a footing similar to private sector. These efforts have included developing the ability of their facilities to submit cost reports and the billing of third party payors for medical services provided in their facilities. These activities are resulting in the very rapidly increasing IHS expenditures for the foreseeable future.

Based on the rate increases, the Division requested and received an increase to the Governor's FY97 Request for the IHS component. At this time, the revised FY97 IHS authority is \$33,851,200. Through the end of December IHS has been paid \$18,685,600. At this rate of expenditure, there is not adequate appropriated FY97 federal authority in the IHS component to complete the fiscal year. Normally by the end of December of each fiscal year, the IHS component has expended 43% of the total expenditures which will occur by the fiscal year end. Dividing the \$18,685,600 expenditure through December by the average through December projects an FY97 total IHS expenditure of \$43,454,774, or \$9,603,683 greater than authorized. The Division will continue to monitor the IHS expenditures monthly and notify you of any changes in the pattern which we have seen this year to date.

The Governor's FY98 request increases the IHS component's expenditure authority by \$15,603,000 over the FY97 authorized to accommodate this rapidly increasing rate of expenditure.

Please request inclusion in the FY97 Supplemental Bill the Medical Assistance BRU, Other Funds category an increase of \$10,000,000 to the Indian Health Services component.

# STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

TONY KNOWLES, GOVERNOR


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PHONE: (907) 455-3170

DIVISION OF FAMILY AND YOUTH SERVICES

## MEMORANDUM

DATE: January 27, 1997  
TO: Janet Clark, Director  
Division of Administrative Services

FROM: L. Diane Worley, Director



SUBJECT: Supplemental Request for FY97

BRU: Purchased Services AR 22540-97    Component: Foster Care AR 22545-97  
BRU: Youth Facilities AR 22565-97    Component: McLaughlin Youth Center AR 22566-97

**BRU: Purchased Services AR 22540-97**  
**Component: Foster Care AR 22545-97 \$1,000.0**

The Division of Family and Youth Services is requesting a supplemental of \$1,000.0 for FY97 in the Foster Care Component (FC). This supplemental request is necessary due to the increase in service needs of children in the Department's custody who require placement. The projections in support of this request are based on the following assumptions: 1) that AYI costs will be totally expended, 2) that Provider Payments lag one month behind, since the Division does not pay until the service is provided, and 3) other costs for clients lag one month behind. AYI is an RSA with the Division of Mental Health and Developmental Disabilities, the expenses are not showing, but the authorization is obligated. Provider payments is paid according to foster care rates. This is a formula program where the Division has little control over the number of clients who need state protection. Other costs category includes initial clothing allowance, medical care not covered by Medicaid or private insurance, travel for clients and escorts to visit natural parents, and as a means to prevent custody, the Division will pay for Family Centered Services.

In the last two years, the Division has seen an escalation of the number of children who have severe emotional and behavioral needs. These children require a very intensive, high level of services to maintain them either in foster homes, or in many cases, these children require placement in psychiatric hospital settings. When psychiatric hospitalization costs cannot be covered by Medicaid (either the children are ineligible or the children must remain in the hospital longer than is authorized by Medicaid), DFYS must cover the costs of their care.

There are four clients that exemplify these severe needs. Three of these children come from a family where they have experienced severe physical, sexual and emotional abuse. They are so disturbed that they require intensive supervision to avoid harm to themselves or others. Their treatment needs are overwhelming and each must have a

unique plan developed to address their needs. The projected cost for this fiscal year for each of these children is \$300.0. The fourth client is not related but also has extreme emotional and psychological problems resulting from severe emotional, physical and sexual abuse. The Division is working hard to bring down the cost for providing care for these clients through continuing efforts to find safe treatment settings. The costs which will be incurred for these clients is not currently reflected in AKSAS.

For FY97, the Foster Care component expenditures are projected at \$10,821.0, which is \$825.0 more than the current authorization.. Additionally, the FY97 authorizations is \$220.0 less than the Governor's request. The average cost per FTE per month, based on the first 6 months of FY97 is \$800.00. In addition there is the need to cover the extraordinary costs for the fiscal year of those clients mentioned above with severe and extreme problems.

In FY96, the Foster Care Component projected a deficit of \$300.0 due to the high cost of providing for the medical needs of a number of children in state custody. These clients were covered by Medicaid as long as possible, however, when the Medicaid funding ran out, this Division had to cover the expense. The Department was able to handle this deficit internally and no supplemental was requested. For FY97, this funding is not available.

For FY98, the Division is collaborating with the Divisions of Medical Assistance (DMA) Mental Health and Developmental Disabilities (DMHDD), Division of Alcohol and Drug Abuse (DADA), and the Alaska Mental Health Trust Authority (AMHTA) to ensure that the treatment necessary for clients of this Division who fit the profile of Severely Emotionally Disturbed (SED) and clients with severe behavioral and emotional can be covered through other sources not presently being utilized. Consideration is being given to revising regulations for DMA to extend coverage to children with severe behavioral and emotional problems, establishing new programming for increased residential group care, and working to better identify and develop the types of services needed by DFYS clients. The Division is working closely with DMA, DMHDD, DADA and the AMHTA to fund these solutions.

**BRU: Youth Facilities AR 22565-97**

**Component: McLaughlin Youth Center AR 22566-97**

McLaughlin Youth Center Component (MYC) is requesting a supplemental of \$685.0 for FY97. This supplemental request is due to of the overpopulation in MYC. This overpopulation is due to court ordered detention and court ordered treatment. This Division has no control over the population in the youth facilities. All facilities are over capacity. This overpopulation is causing a projected over expenditure in personal services (\$470.0), commodities (\$155.0), and grants (\$60.0).

Personal services line item supplemental for \$470.0 is needed because the Division has an obligation to ensure the safety and security of the residents and staff of the facility. When MYC is not over capacity, some of the posts can be manned during daylight hours and not at night. With the overpopulation, all posts must be manned around the clock for the safety and security of the residents and staff. When permanent full time employees are on leave, on call workers are called in to man the essential posts. MYC has worked to keep costs down by using on call workers instead of overtime, however, the need for a supplemental is still there. As the attached projection shows, higher costs will be incurred during the winter and spring months. Overtime will be higher during the final six months of the fiscal year, due to more holidays, including the Martin Luther King Holiday, which is new for the facilities this fiscal year. Also, the resident population historically has increased in the winter, calling for more staff time then was used during the first six months of FY97.

MYC started out with not being fully funded for FY97. The Governor's budget asked for \$7,449.0 and the amount funded was \$7,348.3, short by \$100.7. In addition, PACS recorded a 2.5% V&T for FY97 for potential savings of \$185.9. The overcrowding and continuous staffing has made this V&T not attainable. The projections, which are attached, shows the projected cost for all personal services for MYC for FY97.

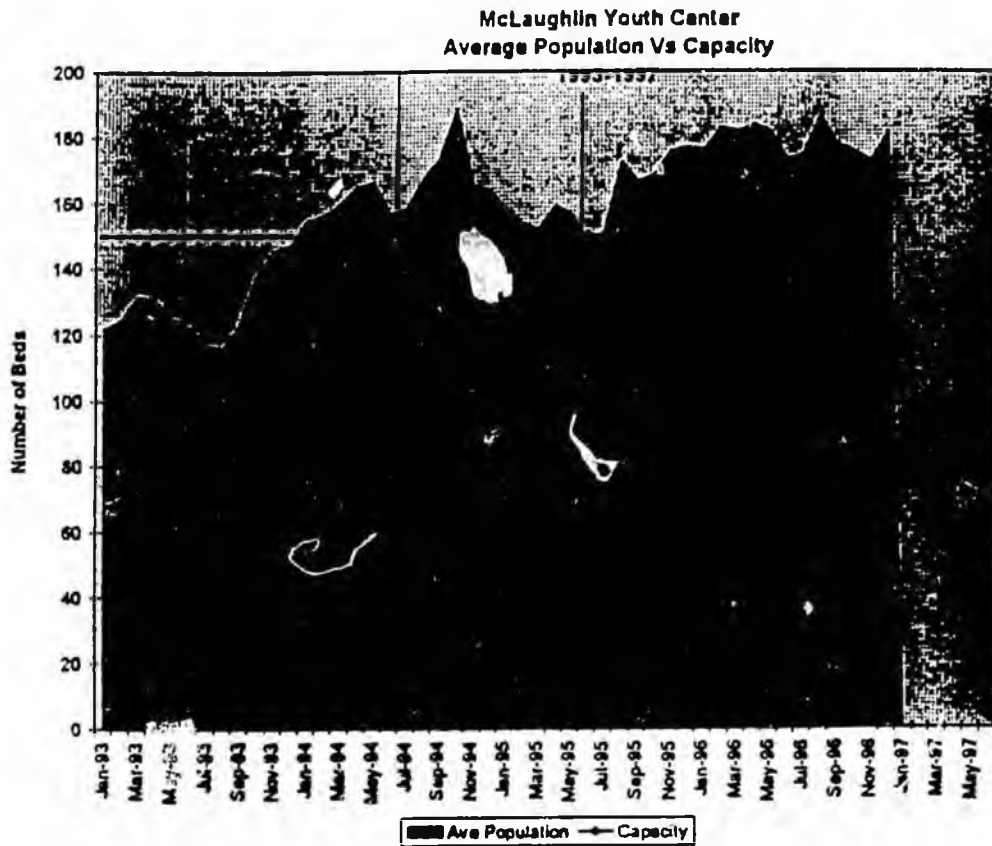
Commodities line item supplemental for \$155.0 is needed to purchase more food for the residents. With the increase in population, food purchases also increases. Commodities line item expenditures for the first 5.5 months

were \$308.2. The projections are based on actual expenditures for six months. This is a straight line projection with a half month lag built in for invoices not received or yet paid through AKSAS. Projected to the end of FY97, total expenditures for commodities will be \$671.0, with a line item budget of \$516.0, this leaves a projected deficit of \$155.0.

Grants line item supplemental for \$60.0 is needed to provide more medical care for the residents. With the increase in population, the medical, dental and vision services, transportation for residents and escorts, and pre-release clothing expenses also increases. Based on the first quarter expenditures for pharmaceuticals in particular, MYC will need \$80.0 for medical supplies alone. Projected to the end of FY97, total expenditures for grants will be \$284.4. With a line item budget of \$224., this leaves a projected deficit of \$60.0.

The Division is planning and has asked for funding to build a treatment unit at Johnson Youth Center (JYC). When this treatment unit is built, the over capacity at the other youth facilities is projected to decrease significantly. An additional planned benefit of the treatment unit at JYC is the reduction in travel costs for youth now being sent to MYC from Southeast Alaska.

The following graph shows the increase in population for MYC from January, 1993 to December, 1996.



Division of Family & Youth Services  
 FY97 Foster Care Projection  
 12/31/96

	Adjusted Authorization	Expenditure To date	Proj Exp Remaining Months	Total FY97 Proj Exp	Balance (Deficit)
Provider Payments/\$6,835,699.					\$0
SCRO	\$3,429,335	\$1,939,815	\$2,780,469	\$4,720,284	(\$1,290,949)
NRO	\$2,372,689	\$700,809	\$1,339,442	\$2,040,251	\$332,438
SERO	\$1,033,675	\$297,078	\$892,698	\$1,189,776	(\$156,101)
Total	\$6,835,699	\$2,937,703	\$5,012,608	\$7,950,311	(\$1,114,612)
Other Costs/\$1,221,872.					\$0
SCRO	\$128,330	\$128,330	\$254,724	\$383,054	(\$254,724)
ANCHORAGE	\$454,288	\$130,793	\$222,117	\$352,910	\$101,378
NRO	\$296,586	\$171,609	\$305,120	\$476,729	(\$180,143)
SERO	\$302,974	\$73,322	\$135,248	\$208,571	\$94,403
Total	\$1,182,178	\$504,054	\$917,210	\$1,421,264	(\$239,086)
AYI/\$876,000.					
SCRO	\$420,000	\$0	\$420,000	\$420,000	\$0
NRO	\$252,000	\$0	\$252,000	\$252,000	\$0
SERO	\$204,000	\$0	\$204,000	\$204,000	\$0
Total	\$876,000	\$0	\$876,000	\$876,000	\$0
Grants/06213656/06213641					
06213603/06213655/6213686	\$308,200	\$20,264	\$20,421	\$40,685	\$267,515
Total	\$9,307,800	\$3,462,021	\$6,826,239	\$10,288,260	(\$980,460)
Contracts/06213654	\$691,800	\$241,538	\$291,246	\$532,784	\$159,016
Total Foster Care	\$9,999,600	\$3,703,560	\$7,117,485	\$10,821,044	(\$821,444)

Mclaughlin Youth Center

	A	F	G	H	I	J	K	L	O	P	Q
1											FILE #: 200.6
2	MCLAUGHLIN YOUTH CENTER										
3	FY 97										
4	RECAP										
6											
8		Link	Link						Link	Link	Link
7						Avg Mo Exp	Avg Mo Exp		Total	Total	
8	BUDGET PROJECTION				On Going	(On Going Exp/	x	Fixed Costs	Projected	Expended +	Projected
8	DEC 96	Adjusted	YTD	Fixed Costs	Expenditures	Lapsed Months)	Mos left in FY	Outstanding	Expenditures	Total	Balance/
10	NOTE: AMTS IN THOUSANDS OF \$	Authorization	Expenditures	Pd To Date	(Variable Costs)	5.5	8.5		for mos left in	Proj Exp	(Deficit)
11	100 Personal Services	\$7,248.3	\$3,436.8						\$4,278.7	\$7,716.6	(\$467.2)
12	200 Travel	\$3.4	\$2.2						\$1.2	\$3.4	(\$0.0)
13	300 Contractual	\$679.4	\$239.2	\$208.1	\$31.1	\$5.7	\$38.8	\$341.7	\$378.5	\$617.7	\$61.7
14	400 Supplies	\$616.0	\$308.2	\$131.4	\$176.8	\$32.1	\$208.9	\$152.9	\$361.8	\$670.0	(\$164.0)
16	500 Equipment	\$0.0	\$0.0		\$0.0				\$0.0	\$0.0	\$0.0
16	700 Grants	\$224.4	\$98.7	\$38.5	\$60.2	\$10.9	\$71.1	\$114.8	\$186.7	\$284.4	(\$60.0)
17	Unallocated Restriction	\$0.0			\$0.0						
18	TOTAL	\$8,671.6	\$4,086.1	\$378.0	\$268.1	\$48.7	\$316.8	\$609.2	\$6,206.9	\$9,291.0	(\$619.6)

(P) 5

## MEMORANDUM

State of Alaska

Department of Law


TO: Annalee McConnell, Director  
Office of Management & Budget

DATE: September 10, 1996

FILE NO.:

TEL. NO.: 465-3600

SUBJECT: Oil and Gas Litigation  
Carry Forward

  
FROM: Bruce M. Botelho  
Attorney General

I am writing to bring you up to date on the status of carry forward funds from the FY96 Oil and Gas Litigation appropriation and to request your assistance in obtaining extended lapse date language during the upcoming legislative session.

In July, we estimated the FY96 carry forward amount at no more than \$8 million. Now that the reappropriation period is ended, we can more accurately predict what the final carry forward amount will be. We believe that most outstanding FY96 bills have been submitted, and have encumbered approximately \$7,158,642 in two contracts representing our major, on-going litigation: \$1.96 million to continue the Imprudent Management tariff case before the FERC, and \$5.2 million to continue prosecution of a major tax case. The department has lapsed \$1 million in FY96 Permanent Fund Corporate Receipts, \$900,413 in FY96 CBR funds, and \$1,016,113 of the \$9.8 million in general funds carried forward from FY95.

Although AS 37.25.020 appears to authorize carry forward of obligated one year appropriations, I appreciate the legislature's concern about the carry forward of prior year funds. Consequently, I am requesting your assistance in asking the legislature to extend the lapse date through FY97 for unspent funds from the FY96 Oil and Gas Litigation appropriation in the same manner that the FY95 appropriation was extended in Sec. 35 of SB 136. This action is necessary to insure that two of the state's major oil and gas efforts will continue without interruption. I do believe that such language will be unnecessary for FY97, because I expect that little, if any unspent funds will remain at the end of the fiscal year given the current litigation schedule.

**OFFICE OF  
MANAGEMENT & BUDGET**

SEP 11 1996

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

602 3/5/97  
TONY KNOWLES, GOVERNOR

P.O. BOX 110020  
JUNEAU, ALASKA 99811-0020  
PHONE: (907) 465-4660  
FAX: (907) 465-3008

March 5, 1997

The Honorable Drue Pearce  
The Honorable Bert Sharp  
The Honorable Mark Hanley  
The Honorable Gene Therriault  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Finance Committee Co-Chairs:

As you continue your review of the Governor's supplemental appropriations bill please consider the following amendments.

Add a new section to read as follows:

Sec. \_\_. DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT The sum of \$60,000 is appropriated from the general fund to the Department of Commerce and Economic Development to implement the coordinated response to the Southeast Alaska pulp mill closure for the fiscal year ending June 30, 1997.

Amend section 6 (DEPARTMENT OF LAW) as follows:

Delete sec. 6(a) and renumber the subsections accordingly. The subsection was originally submitted to inform the legislature that funds from this appropriation had been administratively encumbered. Most of the bills relating to the encumbrances have been paid and the legislature is now aware of the encumbrance, so the language can be deleted.

Add to section 6 the following three subsections:

(c) The amendments in (d) and (e) of this section will reduce general fund program receipts and instead make general fund match available for the Medicaid/Provider Fraud appropriation made in sec. 30, ch. 117, SLA 1996 at page 37, line 56 (Civil Division) and allocated at page 38, line 4.

(d) The funding source for the fiscal year 1997 appropriation to the Department of Law set out in sec. 32, ch. 117, SLA 1996, page 67 at line 8 is amended to read:

March 5, 1997

General Fund Match

[97,500] 126,800

(e) The funding source for the fiscal year 1997 appropriation to the Department of Law set out in sec. 32, ch. 117, SLA 1996, page 67 at line 10 is amended to read:

General Fund Program Receipts

[596,600] 567,300

Sec. 7. (DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS) Make the current appropriation subsection (a) and add a new subsection as follows:

(b) The sum of \$17,200 is appropriated from general fund program receipts to the disaster relief fund (AS 26.23.300) to allow for the receipt of flood insurance premiums from Southcentral flood victims and subsequent payment of those premiums to the federal emergency management agency under the terms of a national flood insurance pilot program authorized specifically for victims of the Southcentral flood.

Sec. 13. (DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES) Make the current appropriation subsection (a) and add a new capital appropriation subsection as follows:

(b) The sum of \$444,500 is appropriated from the general fund to the Department of Transportation and Public Facilities to implement the Copper River Highway Consent Decree (case No. A92-245 CIV (JKS) (Consolidated)).

Sec. 15. Amend the references to CAPITALIZATION OF FUNDS to include the new subsection 7(b) described above.

Sec. 16. Amend the references to CAPITAL PROJECTS to include the new subsection 13(b) described above.

Back-up materials for these amendments are attached. If you have any questions, please call me or our chief budget analyst, Dan Spencer.

Sincerely,



Annalee McConnell  
Director

Attachments

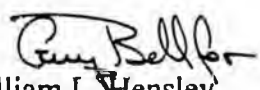
cc: Mike Greany, Legislative Finance

# MEMORANDUM

# State of Alaska

TO: Annalee McConnell, Director  
Office of Management and Budget

DATE: March 5, 1997

  
FROM: William L. Hensley  
Commissioner  
Department of Commerce and  
Economic Development

TELEPHONE NO: 465-2500

SUBJECT: Supplemental Budget  
Request

The Department of Commerce and Economic Development, Office of the Commissioner, requests a supplemental appropriation in the amount of \$60,000 to implement the coordinated response to the Southeast Alaska pulp mill closure during fiscal year 97.

When the closure of the Ketchikan Pulp Mill was announced in October 1996, Governor Knowles took immediate action by establishing a state coordinated response partnership team. The team was charged with developing a comprehensive plan of action to mitigate the impacts of the closure on the affected communities' economies. DCED's special assistant, Veronica Slajer, was assigned to be the coordinator of the State's response.

In November, the department hired a community liaison position on a temporary basis to establish an office and referral point in Ketchikan. This was initially intended to be a three-month temporary position, and was funded with a \$10,000 RSA from the Office of the Governor. Since this position was established, it has become evident that it must be retained for longer than we originally intended. In this supplemental request, we are asking for sufficient funding to cover the cost of this position through the end of this fiscal year.

Other costs to the department of the coordinated response partnership include travel, meeting costs, telephone charges, etc. This supplemental request would provide the department sufficient money to cover these expenses through end of the fiscal year.

Finally, we have included a request for \$15,000 to contract for targeted technical assistance to small timber businesses in the impacted communities. With this contractual funding, the department hopes to jump start their expansion efforts, thereby stimulating job creation.

The Governor's FY 98 capital budget includes a \$120,000 request by the Department of Community and Regional Affairs which complements this supplemental budget request. The Governor is working with the federal government to establish a Community Economic Revitalization Team (CERT), of which the Commissioner of DCED will be a member. The Department of Community and Regional Affairs will be providing the administrative support for the CERT effort once it is established later in this fiscal year, and will use the money in the capital budget to do so. The CERT will be the long term group addressing the Southeast mill closure. Once it is established, the rapid response coordinated response partnership effort will come to closure.

A budget detail page is attached.

---

## Southern Southeast Economic Revitalization Initiative

### Supplemental Budget Request for FY 97

Item	Estimate	
<u>Personnel</u>		
Community Liaison	25.0	Based in the impact area, provide outreach and local-region response support
<u>Travel</u>		
	10.0	Primarily travel among communities southern SE, travel to regional CERT meetings and participate in federal-level activities
<u>Contractual Services</u>		
Economic Development	15.0	Facilitate project development for small timber businesses
Community technical support	2.5	Provide local planning, technical assistance support (e.g. project scoping workshops), and project scoping training
Phone	3.0	Long distance, including teleconf. with the region, video teleconferences
Supplies and other costs	2.0	Public meeting announcements, printing project scoping and preapplications
Equipment	2.5	Printer/fax for Ketchikan Office
Rent and utilities	0.0	In-kind from other state agencies
<b>Total Cost</b>	<b>60.0</b>	

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Sec 13 (b)

MEMORANDUM

State of Alaska

Department of Transportation & Public Facilities  
Administrative Services Division

FEB 5 1997

TO: Annalee McConnell  
Director  
Office of Management and Budget

DATE: February 1, 1997

TEXT NO: (907) 465-3652  
FAX NO: (907) 586-8365  
TELEPHONE NO: (907) 465-3900

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

SUBJECT: Copper River Highway

As was requested during last session, the Department of Transportation and Public Facilities requires additional funding to implement the Copper River Highway Consent Decree (case No. A92-245 CIV (JKS) (Consolidated)). The agreement related to Clean Water Act violations was signed with an effective date of March 27, 1996. This agreement requires the parties to conduct coordination, training, planning and restoration by certain specific dates.

I am requesting the following amounts to meet our legal commitment:

Activity Description	Date Action Needed	Funding Required
Restoration plan development Coordinated planning for historic structures and riverbank protection, structural assessment of existing trestles, and implementation plan to perform reinforcement work on these structures.	4/1/97	\$43,500
Restoration project Riverbank protection and drainage improvements at six sites including culvert installation, removal of trees and woody material from wetland areas, revegetation and placement of boulders for erosion prevention.	End of 1997 construction season	\$170,000
Historic Issues Develop master plan and rehabilitation or stabilization of four line shacks and Uranatina River workshop located on the Copper River Highway.	12/31/99	\$201,000
Training Training of all field maintenance and operations personnel on the requirements of the Clean Water Act, section 404, program, applicable laws and state policies that protect historical and cultural resources.	10/1/97 (annual requirement)	\$30,000

The restoration plans must be completed by April 1, 1997, and a meeting with the Corp of Engineers is required by May 1, 1997. A supplemental appropriation is necessary for this portion.

We would appreciate your approval of this request.



## DEPARTMENT OF HEALTH &amp; HUMAN SERVICES

Office of Inspector General

FEB 22 1996

Washington, D.C. 20201  
AI-15-1-5-AR

Peter Gamache  
Director, Medicaid Fraud Control Unit  
Department of Law  
1031 West 4th Avenue, Suite 200  
Anchorage, Alaska 99501-1994

**RECEIVED**

FEB 26 1996

Department of Law  
Medicaid Provider Fraud

Dear Mr. Gamache:

As part of the annual recertification process, we have reviewed documentation submitted by your office, including the Unit Annual Report, quarterly statistical reports, and the Unit response to our questionnaire. Also reviewed were responses to questionnaires submitted to the Office of Inspector General, San Francisco Field Office, and the Alaska Department of Health and Social Services.

The information provided reflects that the Unit's activities have been directed towards fraud against the Medicaid program. This fulfills the statutory requirements of sections 1903 (a) (6); 1903 (b) (3); and 1903 (1) of the Social Security Act, as amended by the Medicare/Medicaid Anti-fraud and Abuse Amendments (P. L. 94-142) and section 3367 of the Omnibus Budget Reconciliation Act of 1980, P. L. 96-499.

The Alaska Unit is certified as meeting the Federal requirements applicable to the operation of a State Medicaid Fraud Control Unit (42 CFR, Subpart C). Regarding State funding for the Unit, we again maintain that we do not consider the dependence by the Unit on self-generated funding for the required State match as conducive to the proper and professional role of a Federal law enforcement grantee. The State should appropriate adequate matching funds to ensure an effective and efficient Unit.

This certification covers a period of 1-year ending December 31, 1996. For Federal financial participation to continue after that date, application for recertification, including a budget request and annual report, must be made to the State Medicaid Oversight and Policy Staff no later than November 1, 1995.

If you have any questions concerning this certification, please contact John Wright at (202) 619-3557.

Sincerely yours,

Paul F. Conroy  
Assistant Inspector General for  
Investigations Policy and Oversight

Department of Law

HB113

6b

FY97 Judgments - General Funds

Item #	Case Name	Description	Date	Amount	Interest	Total	Cumulative Total
1	Pope & Katcher Cowper v. Knowles	CBRF litigation	9/19/96	\$4,331.25	\$358.78	\$4,690.03	
2	Kenai Peninsula Borough School District v. State of Alaska	Unemployment Insurance eligibility re: former KPFB employee	10/3/96	\$1,230.60	\$96.91	\$1,327.51	
3	Gruenberg & Clover - O Callaghan v. Coghill	Election case concerning form of state primary	5/29/96	\$28,248.66	\$3,271.00	\$31,519.66	
4	Alaska Legal Services Corp. Venetie v. State	Recognition of tribal court adoption decrees	6/6/96	\$11,773.32	\$1,335.80	\$13,109.12	
5	Robinson, Beiswenger, & Ehrhardt Fullen & United Fishermen v. Ulmer & Fairness in Salmon Harvest, Inc.	Challenging the Lt. Gov's certification of the F.I.S.H. Initiative for placement on 11/96 general election ballot	8/26/96	\$1,239.02	\$111.31	\$1,350.33	
6	Valerie Therrien McCosker for T.H. v. State, DOR	Appeal of PFD	10/17/96	\$1,313.43	\$98.07	\$1,411.50	
7	Jermain, Dunnagen & Owens Alaska Public Employees Assoc, Dan Lawn v. State	Re: pipeline oversight position	12/27/96	\$1,000.00	\$53.96	\$1,053.96	
8	Pope & Katcher Capital Info Group v. State	Deliberative Process/Exec Privilege re: certain proposals & memoranda	10/4/96	\$20,000.00	\$1,569.18	\$21,569.18	
9	Chrissitan Bataille, Esq. Arthur Caissie v. State	Age discrimination complaints	12/31/96	\$2,000.00	\$105.58	\$2,105.58	
10	Trust account of Fortier & Mikko, P.C. Eckhart v. CFEC	Eligibility for a commercial fisheries entry permit - attorney's fees	12/6/96	\$3,818.10	\$229.41	\$4,047.51	
11	Kenneth Kirk, Esq. Michael S. Brown v. State	Child support enforcement	10/15/96	\$2,002.55	\$150.69	\$2,153.24	
12	Wayne Anthony Ross Alaska Gun Collectors Assoc v. State	Sale or destruction of firearms by State	8/7/96	\$3,000.00	\$286.13	\$3,286.13	
13	Loren Domke Carlson v. State, CFEC	Non-resident commercial fish fees	6/21/96	\$1,357.67	\$148.10	\$1,505.77	
14	Trust account of Fortier & Mikko, P.C. Eckhart v. CFEC	Eligibility for a commercial fisheries entry permit - cost recovery	12/22/97	\$1,089.65	\$60.39	\$1,150.04	
15	Wevley V. Shea Dansereau v. Ulmer	Alleged irregularities in 94 gubernatorial election	9/4/96	\$22,784.67	\$1,987.04	\$24,771.71	

Department of Law

FY97 Judgments - General Funds

Item #	Case Name	Description	Date	Amount	Interest	Total	Cumulative Total
16	Hedland, Brenna, Heideman Winter Telecom v. Snowden/Alaska Court System	Bid Dispute re: supply and installatin of Nesbett Court House phone system	8/15/96	\$18,186.59	\$1,692.13	\$19,878.72	\$134,929.98

Department of Law

FY97 Judgments - Other Fund Sources

Item #	Case Name	Description	Date	Amount	Interest	Total	Fund Source
1	Don Clocksin Nat'l Education Ass'n -Alaska v. Boyer	Class action against TRS & PERS re medical insurance & COL increases	12/10/96	\$3,000.00 \$4,500.00	\$177.15 \$265.73	\$3,177.15 \$4,765.73	TRS PERS
2	Lee Holen Law Office Eddy v. Admin PERS	Denial of Occupational Benefits	2/3/97	\$8,000.00	\$0.00	\$8,000.00	PERS

Department of Law

FY97 Judgments

Case Name	Description	Date	Amount	Interest	Total	Cumulative Total
Pope & Katcher Cowper v. Knowles	CBRF litigation	9/19/96	\$4,331.25	\$358.78	\$4,690.03	
Kenai Peninsula Borough School District v. State of Alaska	Unemployment Insurance eligibility re: former KFB employee	10/3/96	\$1,230.60	\$96.91	\$1,327.51	
O Callaghan v. Coghill	Election case concerning form of state primary	5/29/96	\$28,248.66	\$3,271.00	\$31,519.66	
Venetie v. State	Recognition of tribal court adoption decrees	6/6/96	\$11,773.32	\$1,335.80	\$13,109.12	
Pullen & United Fishermen v. Ulmer & Fairness in Salmon Harvest, Inc.	Challenging the Lt. Gov's certification of the F.I.S.H. Initiative for placement on 11/996 general election ballot	8/26/96	\$1,239.02	\$111.31	\$1,350.33	
McCosker for T.H. v. State, DOR	Appeal of PFD	10/17/96	\$1,313.43	\$98.07	\$1,411.50	
Alaska Public Employees Assoc, Dan Lawn v. State	Re: pipeline oversight position	12/27/96	\$1,000.00	\$53.96	\$1,053.96	
Nat'l Education Ass'n -Alaska v. Boyer	Class action against TRS & PERS re medical insurance & COL increases	12/10/96	\$7,500.00	\$441.88	\$7,941.88	
Capital Info Group v. State	Deliberative Process/Exec Privilege re: certain proposals & memoranda	10/4/96	\$20,000.00	\$1,569.18	\$21,569.18	
Arthur Caisie v. State	Age discrimination complaints	12/31/96	\$2,000.00	\$105.58	\$2,105.58	
Eckhart v. CFEC	Eligibility for a commercial fisheries entry permit	12/6/96	\$3,818.10	\$229.41	\$4,047.51	
Michael S. Brown v. State	Child support enforcement	10/15/96	\$2,002.55	\$150.69	\$2,153.24	
Wayne Anthony Ross Alaska Gun Collectors Assoc v. State	Sale or destruction of firearms by State	8/7/96	\$3,000.00	\$286.13	\$3,286.13	
Loren Domke Carlson v. State, CFEC	Non-resident commercial fish fees	6/21/96	\$1,357.67	\$148.10	\$1,505.77	\$97,071.4

Department of Law

JUDGMENTS/CLAIMS FOR PAYMENT

1. **Case Name:** Carlson v. State, CFEC
2. **Case Number:** Supreme Court S-6590; AGO File #223-84-0302
3. **Date Judgment entered:** June 21, 1996
4. **Amount to be paid:** \$1,357.67 (\$1,000 in attorney's fees, \$357.67 in court costs).
5. **Interest Rate:** 10.5% **Effective Date:** June 21, 1996 or fees; July 9, 1996 cos
6. **Payable to:** Loren Domke
7. **EIN:** 9200-90-117 or **SSN:**
8. **Send check to:** X above address **Departmental contact:**

**Departmental contact**

Stephen M. White  
**Name**

(907) 465-3600  
**Telephone Number**

**Departmental Approval**

  
**Deputy Attorney General**

8/9/96  
**Date**

**\*\*This form will be used for the purpose of standardizing the submission of claims and will expedite the payments to the claimants, thereby reducing the amount of lost interest to the state. If any of the information changes, please advise the Deputy Director, Administrative Services Division, P.O. Box 110300, Juneau, AK 99811, or call (907) 465-3672 as soon as any changes are known.**

## Judgment Award Questionnaire

The following information needs to be provided on all judgment awards made against the state. This information is used to respond to legislative questions concerning the annual supplemental request. (Use additional pages if necessary)

Case Name: Carlson v. State, CFEC

Case No.: Supreme Court S-6590; AGO File #223-84-0302

1. Describe the circumstances or events resulting in this case and ultimately this judgment against the state. In 1984, nonresident commercial fishers sued State claiming that its 3:1 ratio for nonresident-resident fees violates the U.S. Constitution. The State won twice at the lower court. For the second time, the Alaska Supreme Court remanded the case for a determination of the appropriate fee differential under  
CONTINUED ON SEPARATE SHEET.

2. Describe issues of state policy or law involved in this case, if they are relevant to and resulted in substantial effort and expense for the department to bring or defend this case. At issue is the State's practice of charging nonresidents higher user fees than residents. In this case, appellants challenged the State's 3:1 ratio between nonresident and resident fees for commercial fishing licenses and permits.

3. Did the state prevail on any issues, if so, describe those. The State prevailed on the issue of whether the Commerce Clause of the U.S. Constitution applies to the resident-nonresident fee differential. It does not.

4. Did we challenge plaintiffs' request for costs and fees or in other ways seek to reduce the costs to the state: If so, describe to what extent we were successful.

No

5. Any recommendations concerning cases of this type in the future?

No

Attorney completing form: Stephen M. White DATE: Aug 5, 1996

JUDGMENT AWARD QUESTIONNAIRE

1. Describe the circumstances or events resulting in this case and ultimately this judgment against the state. CONTINUED FROM FIRST PAGE.

the Privileges and Immunities Clause. This award is for appellate fees and costs.

THE SUPREME COURT OF THE STATE OF ALASKA

DONALD H. CARLSON, WARREN. )  
 HART, GERARD HASKINS, )  
 STEPHEN R. LIBBY, EARL WEESE, )  
 and LYLA C. WEESE, Individually and, )  
 as Class Representatives on behalf of )  
 All Persons Similarly Situated, )

Appellants, ) Supreme Court No. S-6590

v. ) Superior Court No.  
 ) 3AN-84-5790 CI

STATE OF ALASKA, COMMERCIAL )  
 FISHERIES ENTRY COMMISSION, )  
 )  
 Appellee. )

VERIFIED BILL OF COSTS

COME NOW Appellants, by and through counsel, pursuant to the Court's Order awarding fees and costs dated June 21, 1996 and in compliance with Appellate Rule 508(d) submit the following bill of costs.

Statement of Costs

Date	Description	Amount
8/26/94	Supreme Court filing fee	\$100.00
1/11/95	Copying charges for 15 copies of Appellants' Brief and 10 copies of Appellants' Excerpt of Record	194.8
4/20/95	Printing charge for Reply Brief of Appellants	56.7
4/21/95	Postage to mail 10 copies of Reply Brief of Appellants to Appellate Court in Anchorage	<u>6.0</u>
TOTAL		\$357.6

LOREN DOMKE, P.C.  
 ATTORNEY AT LAW  
 2301 NORTH JORDAN AVENUE  
 JUNEAU, ALASKA 99801  
 TELEPHONE: (907) 796-1844  
 FAX: (907) 796-1845

103



\*\*\*\*\* O R D E R \*\*\*\*\*

07/09/96

IT IS ORDERED: Under AR 508(a), Appellants are awarded a total of \$397.67 for costs on appeal according to the itemized cost bill submitted on June 27, 1996. By direction of the Appellate Courts Clerk under AR 508(f) on July 9, 1996.

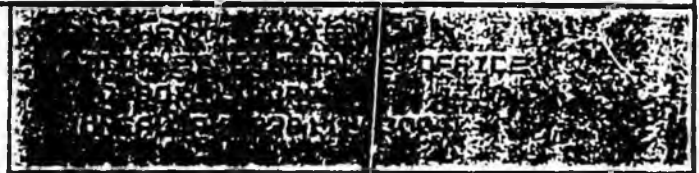
**RECEIVED**

Common Appeals Division JAN-84-57902 ca

JUL 12 1996 Clerk of The Appellate Courts

Attorney General's Office

Juneau



*[Faint, mostly illegible text, possibly a transcript or notes, covering the lower half of the page.]*

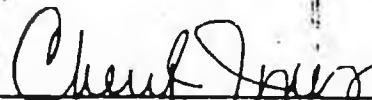
ORDER REGARDING FEES AND COSTS

Carlson, et al v. State, et al  
File No. S-6590

Under Appellate Rules 508(e) and (f)(1), attorney's fees of \$1,000.00 are awarded to the Appellants. On or before July 1, 1996, the Appellants shall serve and file with this court an itemized and verified bill of costs.

Entered at the direction of Justice Compton on June 21, 1996.

CLERK OF THE SUPREME COURT

  
\_\_\_\_\_  
Cheryl Jones, Deputy Clerk

cc: Authoring Justice  
Trial Court Appeals Clerk/Anchorage

TONY KNOWLES  
GOVERNOR

Sec 6 (c)

P.O. BOX 1000  
JUNEAU, ALASKA 99801-1000  
PHONE 907-586-3500  
FAX 907-586-3532STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 29, 1997

The Honorable Mike Miller  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

The Honorable Gail Phillips  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

*Gail*  
Dear President Miller and Speaker Phillips:

I want to thank you for your repeated expressions of support for our efforts to seek Supreme Court review of the Ninth Circuit's decision in the *Venetie* case.

We are making progress on our strategy. John Roberts and his team of appellate lawyers have begun to work on the petition, and we are actively searching for our Indian law specialist. I am including a request for funding for this appeal work in the supplemental bill I will be introducing this week. This bill addresses underfunded items acknowledged in last session's budget process and critically needed items that have since arisen such as the *Venetie* case.

I look forward to continuing to work with you on this vital issue and will keep you informed of all developments.

Sincerely,

*Tony Knowles*  
Tony Knowles  
Governor

**MEMORANDUM  
DEPARTMENT OF  
MILITARY & VETERANS AFFAIRS**

**State of Alaska  
ADMINISTRATIVE SERVICES DIVISION**

**RECEIVED**  
JAN 24 1997

Annalee McInnell  
Office of Management & Budget  
Office of the Governor

DATE: January 24, 1997

FILE:

TELEPHONE: 465-4730

FROM: Carol Carroll  
Director

SUBJECT: FY97 Supplemental  
DMVA

The Department of Military & Veterans Affairs requests the following FY97 Supplementals

1. Emergency Alert System - \$220,000.
2. Disaster Relief Fund - \$1,000,000 for the disasters from January - June 1997.

In addition we are working on our ratification request to cleanup some old accounting record, we will be submitting this ratification request to you in the next couple of weeks.

**Emergency Alert System (EAS)- \$220,000:**

The Emergency Alert System is a federally mandated project to be implemented nationally by January 1, 1997. The concept is co-sponsored by FCC, NWS and FEMA. The system permits an "all hazard" uniform alert and warning system for the entire United States. Equipment is "standard" and all implementation plans must be approved by FCC. This ensures that the system works in every community, county, State, Territory and Protectorate. This system is totally automated. It provides all levels of alert and warning and is engineered to be almost "hands free" once the software and equipment is installed. We have attached some graphics to show the concept, the notification scheme, and a comparison with the National Warning System, as well as a detailed project budget.

***Project Support:***

This project concept was originally submitted for CIP funding in 1993. It was originally titled, "Advanced Tsunami Warning System". The present EAS would have only specified the encoder/decoder equipment. Since this system will be the single Statewide warning system to alert the citizens of every type of hazard, i.e. fires, tsunamis, floods, chemical spills, etc., its local support remains unchallenged.

**Project Opposition:**

Initially some of the TV and radio station owners did not want to purchase the new EAS terminal equipment. However, after FCC basically advised them of the penalties and possible loss of their license to operate, no opposition has been voiced.

**Public Benefits:**

Again, this is the SINGLE all hazard alert and warning system for the State of Alaska and the local communities. Local elected officials can use it in their community to provide alert and warnings and to interrupt station on-air telecast for both alert and warning messages and emergency public information notices. The public benefits are many.

**Alternate Approaches Considered:**

Funding was requested for a similar alerting system in 1993, 1994 and 1995 (Advanced Tsunami Warning System). DMVA intended to purchase and install most of the equipment and then wait until the federal government specified the alerting protocol. Since this is a national system with very detailed software protocol standards, "alternate approaches" are basically non-existent.

**Alternate Financing Considered:**

There are no federal funds available to implement the EAS concept because in all the other states its implementation at the State level was pretty simple. It probably costs most states less than \$5.0 to implement this system. However, in Alaska with its limited telecommunications infrastructure, it is more expensive.

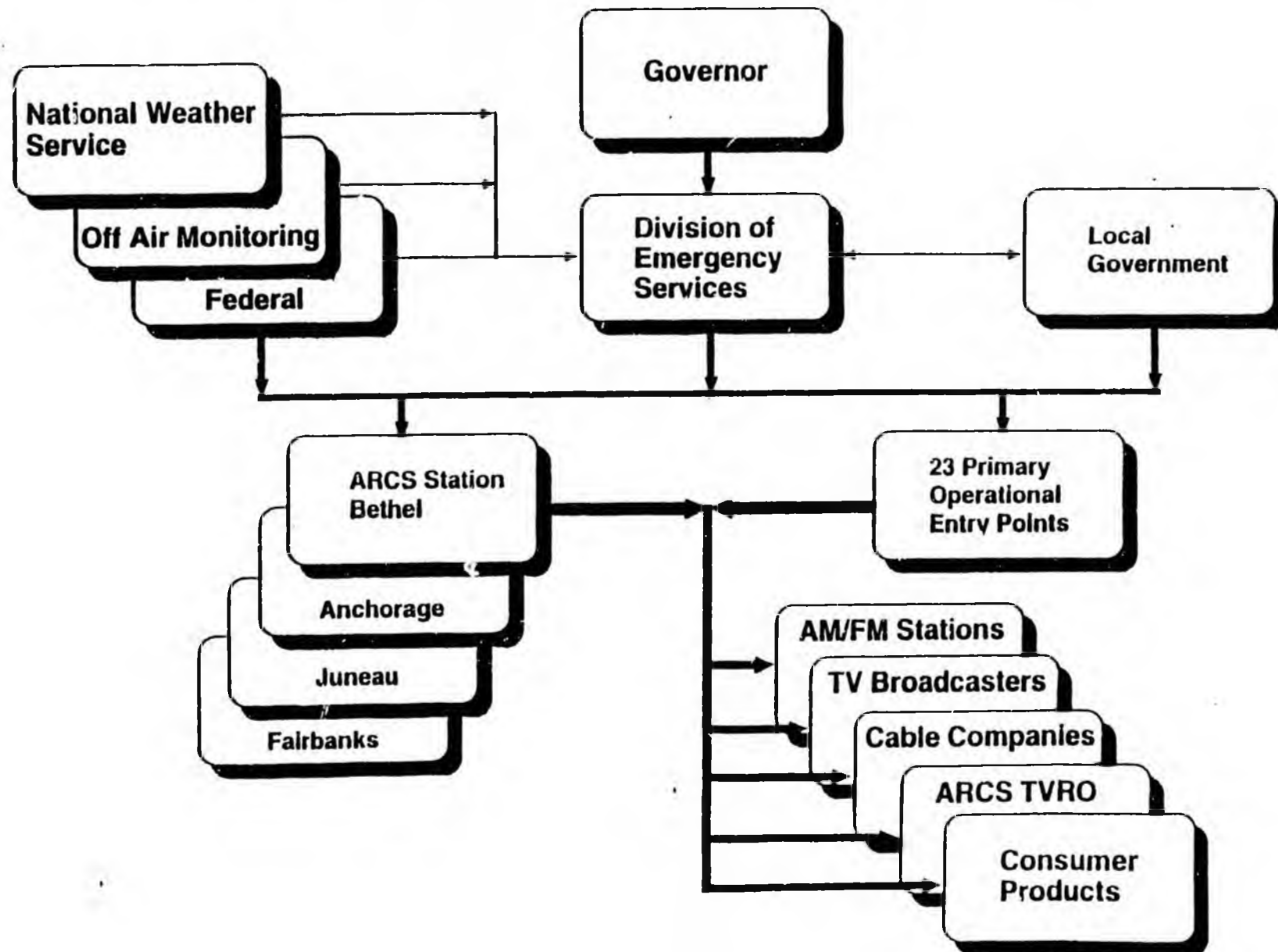
The Oil and Hazardous Spill Release Fund was considered, but the restrictive language for the various uses of this fund prevented funding this project from this source.

The new EAS will replace the original statewide Emergency Broadcast System (EBS). The EBS relied upon a functioning RATNet Tape Delay Center. With the closure of the Tape Delay Center in 1995, the state lost its ability to initiate a statewide EBS warning.

**Description of Work to be Done:**

Purchase and install the equipment as depicted in our attached EAS Project Budget. Author and receive permission from FCC to use the Statewide EAS Plan. The equipment will be programmed and installed by State personnel hired to complete this project. The estimated timeline is roughly one year. Our plan is to hire a project position for this effort. We recommend a lapse date of June 30, 1998, in order for the installation to be completed. Contracting this work out was considered but deemed not feasible.

# EAS ACTIVATION CONCEPT





**NATIONAL WARNING SYSTEM**  
**(NAWAS)**

DIRECT ALERT AND WARNING TO  
EMERGENCY MANAGERS

PROVIDES TWO WAY COMMUNICATIONS

CAN BE ONLY RECEIVED AT 29 SPECIFIC  
LOCATIONS STATEWIDE

INFORMATIONAL TOOL FOR EMERGENCY  
MANAGERS

FEDERAL GOVERNMENT OWNED AND  
CONTROLLED

MONITORED TWENTY FOUR HOURS A DAY  
BY EMERGENCY MANAGERS

**EMERGENCY ALERT SYSTEM**  
**(EAS)**

DIRECT ALERT AND WARNING TO THE  
PUBLIC

IS ONE WAY COMMUNICATION

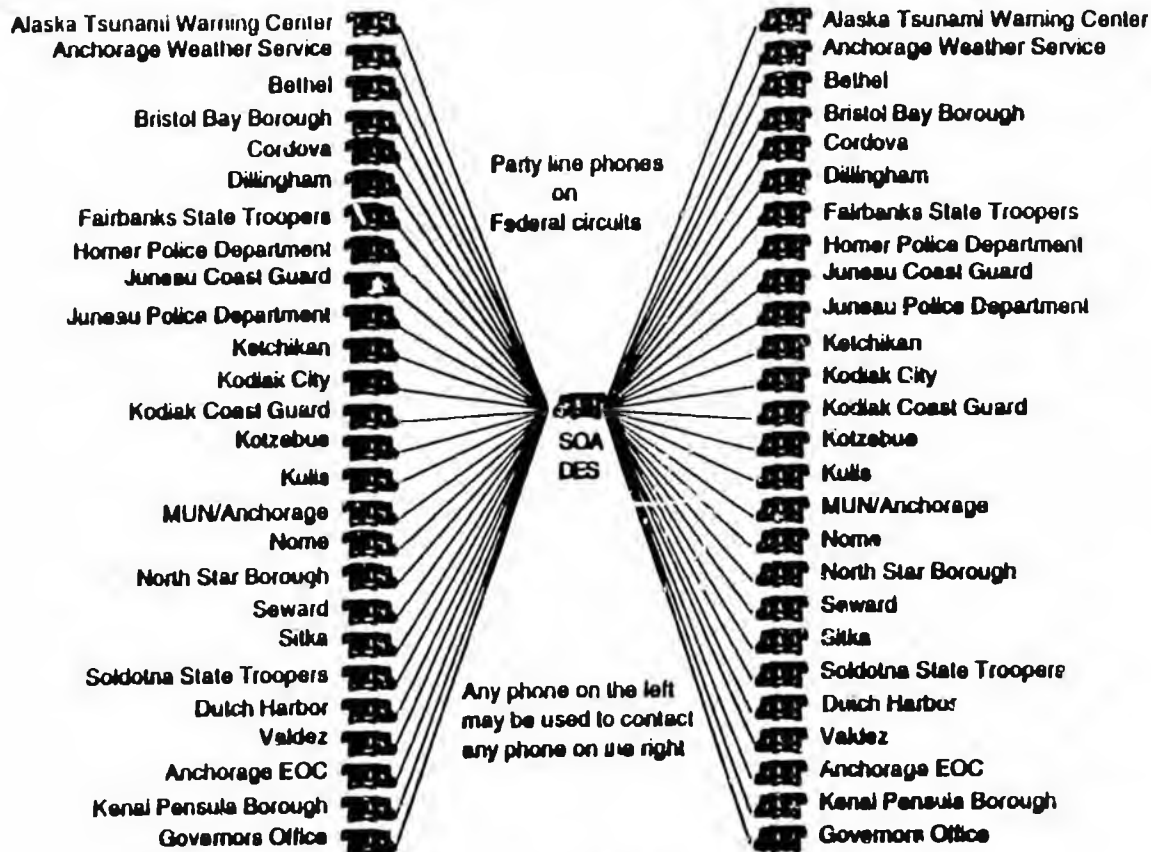
CAN BE RECEIVED BY EVERY TV, RADIO AND  
CABLE PROVIDER AND ULTIMATELY BY ALL  
CITIZENS STATEWIDE

PROVIDES SOME FEEDBACK TO  
EMERGENCY MANAGERS

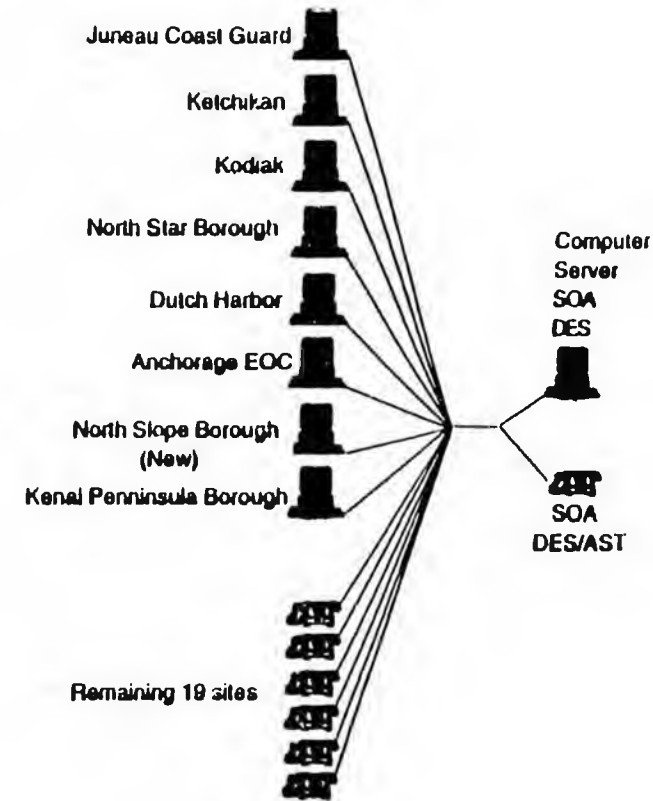
REGULATED BY THE FEDERAL  
GOVERNMENT

MAY BE MONITORED BY THE PUBLIC

## NATIONAL WARNING SYSTEM (NAWAS)



**PRESENT**



**PROPOSED**

**Legend:**



NAWAS Phone



Computer/Server

**Issues**

1. One voice conversation at a time
2. No record of missed warnings
3. Emergency messages may be misunderstood
4. Limited number of users
5. Limited technical use of circuits

**Enhancements**

1. Multiple/simultaneous digital messages and voice conversation
2. Record of missed messages/warnings
3. Emergency messages less likely to be misunderstood
4. Expanded user base
5. Increased use of circuits through technology

Emergency Alert System Project Budget

Item	DES	AERU	TWC	NWS	B-ARCS	J-ARCS	F-ARCS	PBS	KFQD	GOV	NOC	REM	TOTALS
Eas Encoder/Decoder	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$28,344 00
EAS AM/FM/VHF Receiver	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$21,132 00
Antenna	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$8,100 00
Cables and Installation	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$5,760 00
SkyCell	\$4,361 00	\$0 00	\$0 00	\$0 00	\$4,361 00	\$4,361 00	\$4,361 00	\$0 00	\$0 00	\$4,361 00	\$0 00	\$4,361 00	\$26,166 00
SkyCell Remote Option	\$3,900 00	\$0 00	\$0 00	\$0 00	\$3,900 00	\$3,900 00	\$3,900 00	\$0 00	\$0 00	\$3,900 00	\$0 00	\$3,900 00	\$23,400 00
Assessones	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$6,000 00
Backup Power (UPS)	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$3,000 00
Travel	\$0 00	\$0 00	\$0 00	\$0 00	\$4,000 00	\$3,000 00	\$2,000 00	\$0 00	\$0 00	\$3,000 00	\$0 00	\$0 00	\$12,000 00
Personnel	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$68,400 00
Contractual	\$3,538 00	\$0 00	\$0 00	\$0 00	\$0 00	\$3,542 00	\$3,538 00	\$0 00	\$0 00	\$3,542 00	\$0 00	\$3,538 00	\$17,696 00
Totals	\$23,527 00	\$11,728 00	\$11,728 00	\$11,728 00	\$23,989 00	\$26,531 00	\$25,527 00	\$11,728 00	\$11,728 00	\$26,531 00	\$11,728 00	\$23,527 00	\$220,000 00
Total project cost	\$220,000 00												

Abbreviations:

DES- Division of Emergency Services  
 AERU- ALSCOM Eagle River UPLINK  
 TWC- Tsunami Warning Center

NWS- National Weather Service  
 B-ARCS- Bethel ARCS UPLINK  
 J-ARCS- Juneau ARCS UPLINK

F-ARCS- Fairbanks ARCS UPLINK  
 PBS- Public Broadcasting Station  
 KFQD- Local Broadcaster

GOV- Office of the Governor  
 NOC- ALASCOM Operations Center  
 REM- Remote Unit for Alternate Activation



**MEMORANDUM**  
DEPARTMENT OF NATURAL RESOURCES

**RECEIVED**  
JAN 24 1997

DNR Ratification

State of Alaska  
Office of the Commissioner

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

DATE: January 24, 1997

FROM: *[Signature]*  
John Shively  
Commissioner

TELEPHONE: 465-2400

SUBJECT: DNR's FY97 Supplemental  
and ratification

The following are DNR's supplemental budget needs for FY97:

*Sec 7 (a)*

1. Fire Suppression - \$3.8 million to cover the Fire Suppression fixed cost and suppression activities from January - June 1997. Our total need is \$5.3 million, however we still have a balance of \$1.5 million in carry forward from the last year's special session appropriations (FSSLA96, CH3, SEC1, L9 and FSSLA96, CH5, SEC8, L21). Attached is the division of Forestry's request for the supplemental dated January 3, 1997.

*Sec 11 (4)(a),(b)*

2. EFF over-time ratification - \$457,973.93. The Federal Government owed us \$1,457,973.93 for Emergency Fire Fighting over-time dating back to FY91. They disagreed and we sued them to collect on the receivable. We recently settled this dispute with them for \$1.0 million. The total receivables remaining are in FY91- \$409,723.98 and FY93- \$48,249.95. This ratification request is for the uncollectible balance only and is necessary to clean up the accounting record. No additional general funds will be expended. Backup information on this request is attached.

*NOT SUBMITTED  
at this time*

We need to replenish the First National Bank of Anchorage's Escrow account for the sale of the Land Contract portfolio as part of the Mental Health settlement. We sold the bank \$15.0 million worth of contract with recourse. When the land contract holder does not pay, the bank presents the contract to DNR, and we have to reimburse them within 30 days. Initially \$500,000.00 was setup in escrow, we have used \$345,600.00 of this and we need to replenish the escrow authority or else we may not be able to meet our obligations to the bank. We to supplement this escrow account by \$300,000.00. This "supplemental" needs to be posted this calendar year and needs to be open ended in terms of lapse date as we do not know when the bank will call upon this account. It may be included in this year's supplemental or next year's appropriations as long as it is approved this legislative session. Also this appropriation could be considered revenue neutral as once the bank returns a contract one of two things happen - 1) the contract holder continues to pay DNR, (\$140.0 worth of the returned contracts), or 2) they stop paying and we foreclose and receive the land back for future disposal, (\$200.0 worth of lands). Some spreadsheets showing our experience with this Escrow account are enclosed.

*Sec 9(1)* 4. Veterans discount - \$300,000.00: Based on an Ombudsman Investigation (A095-2803) we need to reimburse qualifying veterans for passed legislation in Section 2, Chapter 82, SLA 1991. The Ombudsman report concludes that we incorrectly interpreted the legislation and should have calculated the discounts for more veterans and going back further in time. Our cost estimate to comply with the original intent of the legislation was \$245,931.00 to accomplish reamortizing the accounts, including discounts and several months of staff time. This estimate did not include the cost of "making whole" the University of Alaska or First National Bank of Alaska which have assumed management of eight of the veterans' accounts. The total estimate to remedy this situation is \$300,000.00. A copy of the Ombudsman's report is attached.

*Sec 11(4)(c)* 5. Land & Water Valdez Oil Spill - \$300.00: A ratification was requested through OMB for AR36893-90 on January 18, 1996, in the amount of \$117,735.35. The amount entered into the ratification bill was \$117,435.35. This still leaves a shortfall on the appropriation of \$300.00, which is need to clean up the accounting records. No additional general funds will be expended.

If you have any further questions please contact Nico Bus at 465-2406.

**Attachments**

cc Carol Carroll  
Nico Bus  
Joan Brown  
Jane Angvik  
Dean Brown

**MEMORANDUM**  
**DEPARTMENT OF NATURAL RESOURCES**

200 4 (a)  
**State of Alaska**  
**FORESTRY STATE OFFICE**

TO: Nico Bus  
Chief, Financial Operations

DATE: January 3, 1997

FILE NO: 9-1151.6

TELEPHONE NO.: 269-8476

FROM: *DB* Dean Brown  
Deputy Director

SUBJECT: FY97 Fire Suppression  
Supplemental

Legislative intent language contained in HB412, CH117, SLA96, SEC30, PGS41 & 42, LNS38 & 4-7 is quoted: "It is the intent of the legislature that additional funding necessary to meet the Department's fire fighting responsibilities will continue to be made available through the disaster declaration process. During the 1997 legislative session the Department shall submit a supplemental appropriation request for fiscal year 1997 fire suppression costs."

June of 1996 saw unprecedented fire activity in the Mat-Su Valley with the Miller's Reach fire that destroyed over 400 structures and resulted in qualifying for FEMA Fire Suppression assistance. That fire is estimated to cost over \$16.3 million. The regular FY97 appropriation was \$3,515.6 (SLA96, CH117, SEC30). Because of last year's high fire activity the 1996 legislative session provided \$10 million in general funds and \$10 million in federal receipt authorization in two appropriations— SLA96, SB1005, CH5, SEC8 appropriated \$5 million in general funds and \$5 million in federal receipt authorization; and, SLA96, HB1001, CH3, SEC1 also provided \$5 million in general funds and \$5 million in federal receipt authorization. Both of these appropriations were for fiscal years ending June 30, 1996 and June 30, 1997. Carry forward from these appropriations into FY97 totaled \$2,162.0 general funds and \$5,341.2 in federal receipt authorization. In summary:

Authorization as of 7/1/96:

FY97 GF Regular Appropriation -	\$3,515.6
FY96 GF Carry forward into FY97 -	<u>2,162.0</u>
FY97 AUTH:	\$5,677.6

Encumbrances and Expenditures as of 12/31/96:

FY97 AR37313	\$2,792.2
FY97 AR37934	<u>1,298.9</u>
FY97 EN and EXP:	\$4,091.1

**FY97 Unobligated Balance 12/31/96: \$1,586.5**

The unobligated balance of appropriated funds is expected to be exhausted possibly as early as late February because of anticipated aviation contracts. To go into March/April encumbrances for aviation contracts will probably have to be liquidated. If funds are not available rebidding of contracts could become necessary resulting in higher cost and possibly not being able to contract for the specialize aircraft needed for wild land fire suppression. If this were to happen it could result in several large project fires at significantly greater expense.

In FY96 funding for wildland fire suppression was in a similar predicament-- caught between two active fire seasons with insufficient funds to contract in compliance with regulations and to bring personnel off seasonal leave in time for fire readiness. Contracting regulation compliance was seriously jeopardized and lack of timely funding affected orders for fire retardant and aviation contracts. Yet barely enough funds were available until the legislature had time to act on our supplemental request. We do not want to go through last year's machinations with a myriad of memos and discussion attempting to explain the procurement process. Last year those explanations and procurement processes did not produce a timely solution, but in fact only the occurrence of the Miller's Reach fire while the legislature was in special session resolved the problem. Your advice and counsel is requested to obtain prompt funding for this request.

Calculations for the FY97 Fire Suppression Supplemental Request:

a. Unobligated balance 12/31/96: \$1,586.5

b. Estimated first half FY97 outstanding expenses for supplies, services and seasonal overtime conversion per GGU Contract Article 22.09 to be a wash with adjustments in warehouse expenses to federal funds

c. Budgeted fixed costs 1/1/97 to 7/1/97: (2,374.8)

(1) Aviation section	253.6
(2) Helicopter contracts	629.1
(3) Tanker contracts	240.1
(4) Fixed wing contracts	235.8
(5) Aircraft maint. & fees	90.5
(6) BLM contract	406.0
(7) Messhall, warehouse, payroll, procurement, accounting and dispatch	369.7
(8) DNR Support Svcs. Indirect	150.0

d. Fire Activity Expenses 1/1/97 to 7/1/97: (3,000.0) est

(1) Initial attack--	750.0
(2) One project fire--	2,000.0
(3) State fires in BLM protection area--	250.0

**FY97 Estimated expenditures 1/1/97 to 7/1/97: \$ 5,374.8**

**FY97 Unobligated balance 12/31/96: 1,586.5**

**FY97 Fire Suppression Supplemental Request: \$3,788.3**

CC: S2

Jean Davis, Budget Analyst



State of Alaska  
**ombudsman**  
A Legislative Service Agency

200 7 (1-)

Reply to:

P.O. Box 102638  
Anchorage, AK 99510-2638  
(907) 269-5290  
(800) 478-2624  
(FAX) 269-5291

P.O. Box 113000  
Juneau, AK 99811-3000  
(907) 465-4970  
(800) 478-4970  
(FAX) 465-3330

COMMISSIONER'S OFFICE  
JUNEAU

December 13, 1996

DEC 16 1996

John Shively, Commissioner  
Department of Natural Resources  
400 Willoughby Avenue  
Juneau, Alaska 99801-1796

DEPARTMENT OF  
NATURAL RESOURCES

RE: Ombudsman Complaint A095-2803  
(Finding of Record and Closure)

Dear Commissioner Shively:

Investigation of Glenn Sisson's complaint against the Department of Natural Resources (DNR) Division of Lands is complete. Mr. Sisson complained that DNR had improperly interpreted Section 2, Chapter 82, SLA 1991 as it applied to AS 38.05.940 and denied him and 35 other veterans full benefits of the Alaska Veteran's Land Discount.

The Ombudsman proposed to find the following allegation to be justified:

*Unfair and contrary to law: DNR failed to correctly implement the intent of Section 2, Chapter 82, SLA 1991 [1], passed by the Alaska Legislature to make retroactive Alaska Statute 38.05.940, the Veterans Land Discount program. This failure caused the agency to incorrectly compute loan payment charges, resulting in a significant overpayment by the complainant and other similarly situated veterans.*

Your November 22 response to the Ombudsman's preliminary finding indicated you agreed with the finding; therefore this allegation will be closed as justified.

The Ombudsman recommended that DNR calculate the costs of reamortizing the loans of the 36 veterans. Your staff documented the steps necessary to do so and estimated total cost of reamortizing the accounts, including the cost of staff time to do the work, at \$245,931. That total does not include the cost of "making whole" the University of Alaska or First National Bank of Alaska which have assumed management of eight of the veterans' accounts. *Total estimate is \$300.0!*

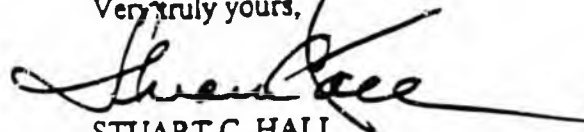
You agreed to present this report and DNR's estimated cost of reamortizing the loans to the Alaska Legislatures' House Military and Veterans Affairs Committee for its recommendation on appropriations to fund the reamortization.

Because you have agreed to present this information to the Legislature, this complaint will be closed as rectified. Ms. Lord-Jenkins has asked me to extend her

December 13, 1996

appreciation for your staff's assistance and cooperation during this investigation. If you have any questions about this finding, please feel free to call me or Ms. Lord-Jenkins in Anchorage at 269-5290.

Very truly yours,



STUART C. HALL  
Ombudsman

LLJ:mgc:bah  
Enclosure

## Information on the Proposed Veteran's Discount Reamortization Project

The Financial Services Section - Anchorage staff prepared the following information regarding the proposed reamortization of the contracts of the veterans who qualified for the Land Discount Program described in Section 2, Chapter 82, SLA 1991 [1].

### Historical Information

A total of 42 applications were received of which 36 were approved. Of the 36 contracts, 7 were owned by the University of Alaska (UofA) and a warrant was issued to the UofA for the sum of the discounts. Warrants were issued directly to the 9 customers who had paid off their contracts. On the remaining 20 contracts, the discount was applied as a payment on the contract effective the date the application was approved by DNR. Eight of the contracts were later assigned to First National Bank of Anchorage (FNBA) as the result of a competitive sealed bid sale of the land sale portfolio.

### Current Status

- 26 Paid off
  - 7 Paid off under DNR management at time of approval.
  - 2 Paid off under UofA management at time of approval.
  - 3 Transferred to UofA; subsequently paid off.
  - 4 Sold to FNBA; subsequently paid off.
  - 10 Paid off under DNR subsequent to the application of the discount.
- 9 Active
  - 4 Under FNBA management.
  - 4 Under UofA management.
  - 1 In bankruptcy.
- 1 Relinquished.
  - 1 Refund issued 6/94 under Mental Health policy.

### Work Plan

1. Obtain payment histories from the UofA and FNBA where applicable.

2. Determine the correct financed amount after application of the discount and reamortize each contract to determine the correct installment amount.
3. Reapply approximately 1,562 payments, calculating interest on the new financed amount. Recalculate any late fees based on the revised installment amount.
4. For contracts that are not yet paid off after this process, issue an amended contract based on the new financed amount.
5. When funds are appropriated, issue a warrant for each contract in the amount equal to the overpayment. For the 9 customers issued refunds during the initial application process, this warrant will be equal to the amount of the overpayment less the amount previously refunded.
6. Issue revised Statements of Mortgage Interest Paid, IRS Form 1098, for the three years prior to the date funds are appropriated.

Estimated Fiscal Impact

DNR Financial Services Section's initial estimate of the costs to reamortize the contracts and refund or credit the appropriate amount to those eligible has been revised to include all costs involved with this project. That amount plus the personnel costs to accomplish the work are summarized below:

1.	Estimated amount of refunds/credits of overpayments	\$270,000
2.	22.5 hours per contract - Accounting Tech I level	20,000
3.	37.5 hours of a Natural Resource Officer	2,000
4.	Associated administrative costs, including any compensation for loss of income stream to UofA and/or FNBA	<u>8,000</u>
	Total Estimated Cost	<u>\$300,000</u>

This estimate does not include the payment of interest to the customer for overpayments of principal. The current principal balance on the agreements is \$10,972.80 at FNBA and \$15,747.85 at UofA.

Completion of the necessary actions will require approximately 2 months after final approval of the appropriation.

**CONTRACTS ELIGIBLE FOR REAPPLICATION  
OF VETERAN'S DISCOUNT**

	ADL#	Contract Eff. Date	Customer Name
1	103543	09/28/83	Novy, Michael E.
2	103547	09/30/83	Hillis, Donald G.
3	103565	09/28/83	McFarland, James
4	103569	09/28/83	Carpenter, George R.
5	103582	09/28/83	Nordmark, William D.
6	103584	09/28/83	Cotman, Brian G.
7	103670	09/26/83	Lewis, James F.
8	103704	09/26/83	Gross, Harvey B.
9	103706	09/26/83	Stokes, Richard L.
10	103710	10/28/83	Schweizer, Jeffrey L.
11	204463	09/26/83	Richardson, William
12	206761	10/17/83	Christie, Chris
13	213726	06/28/84	Soderstrom, Gary
14	215864	07/29/83	Mallett, Eric S.
15	216514	09/26/83	Mark A. Vail
16	216556	04/28/84	Brown, Delon A.
17	216568	04/28/84	Allison, Danny R.
18	216574	09/28/83	Unserfer, Hayden A.
19	216585	04/28/84	Kern, Edward D.
20	216586	11/16/83	Sisson, Glen S.
21	216589	11/16/83	Hartley, Robert G.
22	216593	11/16/83	Malette, David J.
23	216600	11/16/83	Stafford, Bruce
24	216601	10/16/83	Schwochert, John E.
25	216625	10/26/83	Umlauf, Paul
26	216630	10/26/83	Mundy, Wayne
27	216634	09/26/83	Johnson, Bernard
28	216642	10/26/83	Okuley, Marcus
29	216739	09/15/83	Musgrove, John W.
30	406419	03/15/84	Holland, Bernard G.
31	406539	09/15/83	Flaharty, Richard R.
32	408086	11/28/83	Ambuehl, Fred
33	409826	08/26/83	Robinson, Benjamin P.
34	409935	11/15/83	Plaskett, David C.
35	410017	11/15/83	Wilcox, Theodore C.

**DEPARTMENT OF NATURAL RESOURCES**

*SUPPORT SERVICES DIVISION  
FINANCIAL SERVICES SECTION*

400 WILLOUGHBY AVENUE  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2406  
FAX: (907) 465-2492

March 7, 1997

The Honorable Drue Pearce  
Chair - Senate Finance Committee  
Room 518 - State Capitol  
Juneau, AK 99801-1182

Dear Senator Pearce.

I am following-up on two issues raised during last week's DNR FY97 Supplemental hearing.

I. Veterans Discount - \$300.0

A question was asked about how much extra it would cost if we did pay the interest Mr. Sisson was asking for and pay this to all eligible veterans. I estimated during the hearing that it would increase the supplemental to roughly \$450.0. I also mentioned that DNR would meet with Mr. Sisson to see that we could get an agreement on the way interest was to be calculated.

Mr. Sisson did meet with DNR and we discussed how to apply each installment and how he would like to see interest applied. We did reach agreement with Mr. Sisson on how to apply each installment. He wants DNR to proceed with the plan as presented in the supplemental request. That is reamortize the contract calculating the discount at the beginning of the contract, recalculate and reapply every payment on the date actually received, and refund any overpayments. He agrees that overpayments are defined as any money he paid after the date he pays off on his corrected contract.

We then discussed the issue of interest on the overpayments after payoff of the contract. Mr Sisson requests that we calculate and pay him interest on his overpayments at a compounded daily rate, which he suggests should be 10.5%. We verified with First National Bank whether that is indeed how they calculate standard savings account interest and it is; although the 10.5% rate is a point of contention.

DNR prepared a spreadsheet to calculate compounded interest on his estimated overpayment. The spreadsheet shows that the ratio of interest earned to overpayment is approximately 26%. Since the total estimated overpayments is \$282.0, we would have to ask for \$75.0 through 5/1/97. Since we don't know when we will actually receive the supplemental appropriation and have our calculations completed, we might want to round that number to \$90.0, which assumes a payment date of July 1, 1997.

The Honorable Drue Pearce  
March 7, 1997  
Page 2

The policy questions remaining are whether we pay the interest and at what rate.

2. Fire Suppression - Aviation contracts comparisons:

There were specific questions about the type of aircraft used and the increase of cost in some of our estimated aviation cost. One issue was regarding Larry's Flying Service and the "BARON" airplane replacement which increased the cost by \$100.0. The Division of Forestry contracted for a Fairbanks-based Baron from 1993-1996. The cost of this contract was approximately \$100.0 for a 180-day period (without pilot). After reviewing this aircraft's performance in 1996, a decision was made to drop this contract and re-evaluate our program needs. Discussions were held internally and with our BLM cooperators. At the time of the budget submission, a need was perceived for a "Multi-purpose aircraft", that had the characteristics which would assist with "Air Attack Training" (managing airtankers), had turbine capability, and would be accepted by our cooperators as a viable "Lead Plane". The Turbine Aerocommander 690 would be a logical type of aircraft for this need. Costs were researched and estimated to be approximately \$200,000 per year for the contract.

As discussions and research progressed throughout the winter, it became apparent that this may not be best solution for the program. In January, the aviation group decided to pursue a Shrike Aerocommander (with pilot) as a replacement. The Invitation to Bid was issued on February 20, and will be opened on March 18<sup>th</sup>. Estimated costs are expected to be \$80,000.

One other change you asked about is our BLM agreement for the OV-10 ACFT support. The OV-10 is an air attack plane the Alaska Fire Service is now using and we are sharing cost with them. The retardant airplanes are getting faster and the air attack planes we were using were not keeping up. This agreement with BLM is an increase in fixed cost but should be more economical for the overall operation.

Other increases in our fixed cost are due to changes in union contracts, CPI adjustments, or renewals of long term contracts. Attached is a comparison between our projected fixed cost for FY97 and FY98.

If you have any further questions please let me know and we will be happy to find you the answers.

Sincerely,



Nico Bus

Chief of Financial Operations

cc: Members of Senate Finance Committee  
Members of House Finance Committee  
Joan Brown, OMB  
Dean Brown, DOF

The Honorable Drue Pearce

March 7, 1997

Page 3

Jane Angvik, DOL

**FIRE SUPPRESSION FIXED COSTS COMPARISON FY98/FY97**

		FY98	FY97	Diff	Comments
<b>1. AVIATION</b>					
	Item or Service				
<b>a. Personnel</b>	PERSONNEL	\$399.1	\$402.9	(\$3.8)	
	OPERATING FUNDS	104.4	104.4	\$0.0	
	<b>SUBTOTAL</b>	<b>\$503.5</b>	<b>\$507.3</b>	<b>(\$3.8)</b>	
<b>Contractor</b>	<b>b. Contracts</b>				
	AVIATION CONTRACTS				
ERA (B212)	HELIO Mat-Su	\$237.2	\$237.2	\$0.0	
EVERGREEN (B212)	HELIO McGrath	220.0	220.0	\$0.0	
TUNDRA (B206L)	HELIO Tok & Glennallen	88.7	88.7	\$0.0	
AIR LOGISTICS (B212)	HELIO Delta	211.5	211.5	\$0.0	
AIR LOGISTICS (B212)	HELIO Fairbanks	193.5	193.5	\$0.0	
EVERGREEN (B206L)	HELIO Soldotna	99.0	99.0	\$0.0	
	<b>SUBTOTAL</b>	<b>\$1,049.9</b>	<b>\$1,049.9</b>	<b>\$0.0</b>	
H & P	TANKER Fairbanks	\$248.5	\$252.0	(\$3.5)	
AERO FLIGHT	TANKER Mat-Su	199.0	193.5	\$5.5	
	<b>SUBTOTAL</b>	<b>\$447.5</b>	<b>\$445.5</b>	<b>\$2.0</b>	
	COMMANDER McGrath	\$75.6	\$75.6	\$0.0	
	CARAVAN TW-OTTER Palmer	140.0	135.0	\$5.0	
LARRY'S FLYING SRVC	BARON Fairbanks (97)	200.0	99.9	\$100.1	AIR ATTACK TWIN Fairbanks (98)
	<b>SUBTOTAL</b>	<b>\$415.6</b>	<b>\$310.5</b>	<b>\$105.1</b>	
	<b>c. Maintenance</b>				
	TACTICAL AIRCRAFT MAINT	\$181.0	\$181.0	\$0.0	
	AIRPORT USE FEES	31.0	31.0	\$0.0	
	RISK MANAGEMENT	31.3	30.0	\$1.3	
	<b>SUBTOTAL</b>	<b>\$243.3</b>	<b>\$242.0</b>	<b>\$1.3</b>	
	<b>TOTAL AVIATION</b>	<b>\$2,659.8</b>	<b>\$2,555.2</b>	<b>\$104.6</b>	

		FY98	FY97	Diff	Comments
<b>2. CONTRACT SERVICES</b>					
<b>a. BLM</b>	SMOKEJUMPER	\$229.8	\$288.2	(\$58.4)	
	TOK COMM	0	6.0	(\$6.0)	
	OPS OFFICE	6.2	3.1	\$3.1	Operations Office
	MCGRATH FACILITY	25.0	25.0	\$0.0	
	TRAINING	7.5	7.5	\$0.0	
	OV-10 ACFT SUPPORT	59.9	10.0	\$49.9	
	AIFCC SUPPORT	12.0	15.2	(\$3.2)	AK Interagency Fire Coord Center
	RAWS MAINT	8.5	6.0	\$2.5	Remote Automated Weather System
	ALDS MAINT	24.0	30.0	(\$6.0)	Automated Lightning Detection System
	IAMS	1.0	15.0	(\$14.0)	Interagency Mgmt. System - Federal Report
	TTY SUPPORT	2.0		\$2.0	Teletype Support
		<u>\$375.9</u>	<u>\$406.0</u>	<u>(\$30.1)</u>	
<b>b. AEIDC</b>	FIRE WEATHER FORECASTING	\$31.2	\$31.2	\$0.0	
<b>c. DOT/PF</b>	FIRE SUPPRESSION VEHICLES	\$212.1	\$201.6	\$10.5	
<b>d. DNR SUPPORT SERVICES</b>		\$300.0	\$300.0	\$0.0	
<b>e. DOA PAGING, RADIO MAINT, SPACE, DEDICATED RADIO CIRCUITS, TELEPHONE BASIC EQUIPMENT, MEASURED NETWORK</b>		\$285.8	\$274.4	\$11.4	
	<b>TOTAL CONTRACT SERVICES</b>	<b>\$1,205.0</b>	<b>\$1,213.2</b>	<b>(\$8.2)</b>	
<b>3. FIRE SUPPORT</b>					
<b>a. MCGRATH MESSHALL PERSONNEL</b>		\$77.2	\$76.4	\$0.8	
<b>b. FOOD COMMODITIES &amp; OPERATING SUPPLIES</b>		\$25.0	\$25.0	\$0.0	
<b>c. WAREHOUSE, PROCUREMENT, ACCOUNTING, FIRE SPECIALIST, DISPATCH AND EFF PAYROLL PERSONNEL</b>		\$670.5	\$638.0	\$32.5	
<b>d. RISK MANAGEMENT</b>		46.3	15.8	\$30.5	
	<b>TOTAL FIRE SUPPORT</b>	<u>\$819.0</u>	<u>\$755.2</u>	<u>\$63.8</u>	
	<b>OTAL WILDLAND FIRE BUDGETED FIXED COSTS</b>	<b>\$4,683.8</b>	<b>\$4,523.6</b>	<b>\$160.2</b>	

**MEMORANDUM**  
DEPARTMENT OF NATURAL RESOURCES

sec 7 (c)  
**State of Alaska**  
SUPPORT SERVICES DIVISION

**TO:** Joan Brown  
OMB - Budget Review  
Office of the Governor

**DATE:** February 5, 1997

**FILE NO:** eaglesch.doc

**TELEPHONE NO.:** 465-2406

**FROM:** Nico Bus  
Chief, Financial Services

**SUBJECT:** Supplemental Request  
Old Eagle School Site

This supplemental request will fund the removal of existing buildings and facilities at the Old Eagle School site, to allow for eventual remediation of contaminated soils at the site to reduce health and safety hazards.

The Division of Land is currently in litigation regarding Title II and the condition of the facilities and soils at USS 4060, the Old Eagle School (OES), located in Eagle Village. As part of a proposed settlement agreement with the plaintiffs, the Native Village of Eagle, the Division would be responsible under legal mandate for 1) the removal of the existing school buildings and other associated facilities, and 2) the remediation of the site, due to diesel range organic contamination, to state and federal standards. The removal of the facilities and contamination from this site will eliminate the safety and health hazards potentially affecting the Village of Eagle and also make this state-owned asset marketable or transferable to the Village for public purposes. To accomplish these tasks, the Division needs this supplemental request funded.

The remediation of the diesel range organic (DRO) contamination of the soil is intended to be accomplished following the removal of the facilities, funded through an FY98 CIP request for \$65.0 from the Oil Spill Response Fund. Accomplishment of these tasks is time sensitive, and if they are not accomplished in a timely manner will result in the Division being back in court.

A memorandum, dated October 24, 1996 and signed by the Commissioners of DOT&PF, DEC, and DNR, was sent to the OMB supporting funding for the Phase III sampling and remediation aspects of this project. Dames and Moore, the contractors who did the Phase II site assessment which confirmed the presence of the DRO contamination, prepared an estimate for Phase III delineation sampling and remediation of the site using land farming bioremediation. It is expected that the surface facilities and the correction action plan will be completed by November 1998 and that bioremediation can begin shortly after July 1, 1998 to allow the three-year land farming to be completed by November 2001.

Current estimates for the two main activities are:

Removal of surface facilities (including non-friable asbestos floor tile)	\$100.0
Phase III soil sampling (anticipated FY98 CIP resp. fund request)	40.0
Corrective Action Plan development by Contractor (anticipated FY98 CIP response fund request)	25.0
FY97/FY98 Request	\$165.0
Remediation of contaminated soils (estimate)	
Anticipated FY99 CIP Request (response funds)	\$100.0
TOTAL Project Request	<b>\$265.0</b>

====

**WHY IS THE PROJECT NEEDED?** To reduce risk management threat to the state from a vandalized facility that contains contaminants such as asbestos and also contaminated soils that require remediation to be in compliance with EPA and DEC regulations.

**PROJECT SUPPORT** The Village of Eagle and DEC support reducing risk potential from contaminates.

**PROJECT OPPOSITION** None known.

**PUBLIC BENEFITS** Through risk management, increased health and safety to the public. Allows land to be brought to a marketable state to allow transfer to a private entity or the Village of Eagle for public purposes.

**ALTERNATIVE FINANCING CONSIDERED** No funding is currently anticipated from other sources.

**DESCRIPTION OF WORK TO BE DONE** Removal of buildings and facilities with supplemental funding and remediation of soils containing contaminants with response funds requested through the CIP process.

**ECONOMIC DEVELOPMENT** As the state's land manager, the division supports economic development of the area while protecting the public use of the site.

**MEMORANDUM****State of Alaska**

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

DATE: February 5, 1997

FILE NO: G:\98BUDGET\  
OMB-MISC\  
VPSO-LNG.DOC

TELEPHONE NO: 465-4336

FROM: *KB*  
Ken Bischoff, Director  
Division of Administrative Services  
Department of Public Safety

SUBJECT: FY 98 VPSO Program  
Operating Budget Bill  
Language Insert

The Department of Public Safety requests that language be added to Operating Budget bill which would change the lapse date for the VPSO Contracts Component from June 30, 1997 to June 30, 1998.

An FY98 general fund budget increment for \$300.0 in the VPSO Contracts component to achieve the goal of filling 10 additional VPSO positions has been included in the Governor's Request. The requested language would allow use of potential contract lapses to be reprogrammed to help achieve the Governor's goal of filling 10 vacant VPSO positions.

Below is a draft of the language needed:

"The unexpended and unobligated balance of the appropriation made in sec. 30, ch. 117, S.L.A. 1996, page 43, line 32 and allocated on line 34 (Village Public Safety Officer Program, Contracts, \$4,965,500) lapses into the general fund June 30, 1998."

INQ-A. APPROPRIATION INQUIRY

01/29/97

APPROPRIATION NUMBER 3583 ACTIVE? YES CREATING RSN 03615  
COA YEAR 1997 DATE START 07/01/84 UPDATE RSN 03805  
ORIG YEAR 1985  
TERM YEAR 1985  
DESCRIPTION SHORT: PPTY MGMT GEN FUND  
DESCRIPTION LONG: PROPERTY MANAGEMENT GENERAL FUND  
AR TO FUND INCREASE TANAB TO ALLOW PROC-  
ESSING UNTIL AB CLEARS OMB  
BUDGET TYPE: OPERATING  
SESSION LAW REFERENCE: 8412201006  
LOGICAL LEVEL NUMBER: 80 - COMPONENTS  
NEXT HIGHER LEVEL APPN: 03575 (1985) - PROPERTY MANAGEMENT  
REPORTS TO APPN PGM:  
REPORTS TO APPN ORG:  
CONTROL TYPE: T BGT FUND: 11100 -- GENERAL FUND  
REVENUE RECOGNITION? YES SPENDING APPROPRIATION? YES  
BUDGETING APPROPRIATION? YES CROSS STRUCTURE CNTRLS? YES  
PHYSICAL LEVEL: 11 SEQUENCE: BEG 2832 END 2832  
FOR NEXT APPROPRIATION ENTER==> NUMBER \_\_\_\_\_ COA YEAR \_\_\_\_\_ TERM YEAR \_\_\_\_\_  
PF1=MENU 5=BASE 6=LOWER LEVELS 7=TOTAL BALANCES 8=CROSS STRUC CTRLS  
PF9=CONTROL APPNS 10=AUTH RDCODES 11=TANAB

52-10

INQ-T TANAB AND UNOBLIGATED BALANCL CALCULATIONS  
 CY: 1997 APPN: 3583 (1985) - PPTY MGMT GEN FUND

01.29/97

	AVAILABLE BALANCE	UNOBLIGATED BALANCE
NET CONTINUING EXPENDITURE AUTHORIZATION ..... (PF2)	303740.89	303740.89
NET CONTINUING RESTRICTED REVENUE ESTIMATE ..... (PF3)	-95325.89	
LESS: ALLOWABLE RECEIPTS (PF4)	-95325.89	
ACTUAL EXPENDED .....	350923.12	350923.12
ENCUMBRANCES ..... (PF5)	N/A	
NET BALANCE .....	----- -47182.23	----- -47182.23
TOLERANCE ADJUSTMENT .... (PF6)		=====
TOLERANCE ADJUSTED NET AVAILABLE BALANCE .....	----- -47182.23 =====	

FOR NEXT APPROPRIATION ENTER==> NUMBER \_\_\_\_\_ TERM YEAR \_\_\_\_\_  
 PF1=MENU 7=LAPSE BALANCE 8=CROSS STRUCTURE CNTRL 9=NEXT LOWER LEVEL

INQ-A. APPROPRIATION INQUIRY

1/29/97

APPROPRIATION NUMBER 3581  
COA YEAR 1997  
ORIG YEAR 1986  
TERM YEAR 1986

ACTIVE? YES  
DATE START 07/01/84

CREATING RSN 03615  
UPDATE RSN 03805

DESCRIPTION SHORT: RETIRE& BNFTS GEN FD  
DESCRIPTION LONG: RETIREMENT & BENEFITS GENERAL FUND  
RS573109  
SEC\_1

BUDGET TYPE: OPERATING

SESSION LAW REFERENCE: 8412201009

LOGICAL LEVEL NUMBER: 80 - COMPONENTS

NEXT HIGHER LEVEL APPN: 03578 (1986) - RETIREMENT & BENEFIT

REPORTS TO APPN PGM:

REPORTS TO APPN ORG:

CONTROL TYPE: T BGT FUND: 11100 - GENERAL FUND

REVENUE RECOGNITION? YES SPENDING APPROPRIATION? YES

BUDGETING APPROPRIATION? YES CROSS STRUCTURE CNTRLS? YES

PHYSICAL LEVEL: 11 SEQUENCE: BEG 3025 END 3025

FOR NEXT APPROPRIATION ENTER==> NUMBER \_\_\_\_\_ COA YEAR \_\_\_\_\_ TERM YEAR \_\_\_\_\_

PF1=MENU 5=BASE 6=LOWER LEVELS 7=TOTAL BALANCES 8=CROSS STRUC CTRLS

PF9=CONTROL APPNS 10=AUTH RDCODES 11=TANAB

INQ-T. TANAB AND UNOBLIGATED BALANCE CALCULATIONS  
 CY: 1997 APPN: 3581 (1986) - RETIRE& BNFTS G N FD

01.29/97

	AVAILABLE BALANCE	UNOBLIGATED BALANCE
NET CONTINUING EXPENDITURE AUTHORIZATION ..... (PF2)	4781884.64	4781884.64
NET CONTINUING RESTRICTED REVENUE ESTIMATE ..... (PF3)	-4024084.64	
LESS: ALLOWABLE RECEIPTS (PF4)	-4023430.35	
ACTUAL EXPENDED .....	4781884.64	4781884.64
ENCUMBRANCES ..... (PF5)	N/A	
	-----	-----
NET BALANCE .....	-654.29	
TOLERANCE ADJUSTMENT .... (PF6)	654.29	=====
	-----	
TOLERANCE ADJUSTED NET AVAILABLE BALANCE .....		=====

FOR NEXT APPROPRIATION ENTER==> NUMBER \_\_\_\_\_ TERM YEAR \_\_\_\_\_  
 PF1=MENU 7=LAPSE BALANCE 8=CROSS STRUCTURE CNTRL 9=NEXT LOWER LEVEL

**RECEIVED**  
**MEMORANDUM**  
JAN 27 1997

STATE OF ALASKA  
DEPARTMENT OF LABOR  
Administrative Services Division

TO: Royce Weller, Budget Analyst  
Division of Budget Review  
Office of Management & Budget

THRU: Tom Cashen, Commissioner  
Department of Labor

FROM: Arbe Williams, Director

DATE: November 25, 1996

FILE: PYRATIFY.BUD

PHONE: 465-2720

SUBJECT: FY 88 through FY 96  
Ratification Requests

Per Nancy Slagle's "Zero Balance Report" memo dated January 22, 1996, the Department of Labor has the following items to be included in the ratification section of the supplemental bill. Last year the department cleared up FY 85 through FY 87, this request covers from FY 88 through FY 96.

Both amounts being requested are for terminated appropriations with a non-zero balance in fiscal years FY 91 and FY 93. This request represents the completion of this process and no amounts will be requested for any other fiscal year. There are some additional revised programs which require OMB approval to balance other appropriations. For clarity, those transactions are being submitted along with this request but under separate cover.

The following are specifics on this request:

<u>Appn-YR</u>	<u>Title</u>	<u>Amount</u>
27540-91	Workers' Incentive	\$17,423.03
27849-93	Alaska Work Program	\$7,756.15

Attached to this memo is a spreadsheet showing how the amounts were determined.

cc: Royce Weller, OMB  
Margene DeSmet, ASD  
Denise Clmsted, ASD

Clean up SFY88 - SFY94  
(Note: builded AR #s need restriction/deferral/lapse adjusted)

Batch/Sequence  
(B/S) 1038434 1

Year	AR	Title	Authorized	Revenue Est	GF Authorized	Expenditures	Revenues	Revenue		Needs RP	Needs OMB approval		RP/ADN #	Need DOF help to AJ RN
								Overcollection	GF Lapse		RP/ADN #	Ratification		
1988	27505	Employment Svcs Reg	10,032,400 00	10,032,400 00	0 00	9,428,741 83	9,428,498 83		(243 00)	243 00	07-7-4017	B/S 1038608-3		
1988	27540	Workers' Incentive	997,900 00	745,800 00	252,100 00	783,885 67	527,520 80		(4,264 87)	4,264 87	07-7-4013			
1988	27575	Labor Market Info							110,657 53	(4,507 87)	07-7-4013			
1988	27585	OSHA	2,582,100 00	1,364,700 00	1,217,400 00	2,542,980 42	1,325,580 43		0 01	(0 01)	07-7-4014	B/S 1038608-4		
1988	27623	UI Investigations	542,400 00	542,400 00	0 00	471,806 05	471,806 04		(0 01)	0 01	07-7-4014			
1989	27505	Employment Svcs Reg	9,463,500 00	9,463,500 00	0 00	9,018,372 78	9,018,375 04		(5,997 74)	5,997 74	07-7-4015	B/S 1038608-5		
1989	27535	UI Regular				14,584,154 57	14,584,154 57	4,399 37					(4,399 37)	
1989	27540	Workers' Incentive	1,004,200 00	745,800 00	258,400 00	5,186 98	571,837 10		15,050 12	(5,997 74)	07-7-4015			
1989	27545	Data Processing						29,475 33					(10,877 62)	
1989	27575	Labor Market Info	2,704,590 00	2,108,400 00	596,500 00	2,550,033 85	1,953,533 85		0 00				to AR 27657 Unbudy RSA	
1989	27622	OSHA	2,637,700 00	1,396,500 00	1,241,200 00	2,610,248 66	1,369,048 66		(0 00)					
1989	27657	Unbudy DP Ops	212,500 00	212,500 00	0 00	145,920 10	135,042 48		(10,877 62)				10,877 62 in AR 27545 Budg RSA	
1990	27505	Emp Svcs				9,647,275 77	9,734,627 26	87,351 49						
1990	27535	UI Regular				13,902,921 45	13,945,018 68	42,095 23					(42,095 23)	
1990	27545	Data Processing	1,656,800 00	1,656,800 00	0 00	1,644,021 66	1,643,487 93		(533 73)	533 73	07-7-4016	B/S 1038608-6		
1990	27575	Labor Market Info	2,641,822 00	1,985,330 00	656,492 00	2,457,869 55	1,801,911 28		533 73	(533 73)	07-7-4016			
1990	27596	Workers' Comp	2,877,526 00	8,700 00	2,868,826 00	2,876,975 64	7,982 88		(166 76)	166 76	07-7-4017	B/S 1038608-7		
1990	27622	OSHA	2,830,090 48	1,410,965 00	1,419,125 48	2,746,222 83	1,327,264 11		166 76	(166 76)	07-7-4017			
1991	27505	Emp Svcs				9,464,956 59	9,471,906 67	6,950 08						
1991	27535	UI Regular				15,035,101 55	15,035,271 85	170 30					(170 30)	
1991	27540	Workers' Incentive	1,047,700 00	792,500 00	255,200 00	984,511 17	707,030 89		(22,280 28)	4,857 25	07-7-4011	17,423 03	07-7-4020	
1991	27542	Comm Disabilities				43,722 44			4,377 56	(4,377 50)	07-7-4011		B/S 1038608-10	
1991	27570	Management Svcs	2,143,600 00	1,829,700 00	313,900 00	1,876,535 90	1,562,635 90		0 00					
1991	27575	Labor Market Info	2,998,900 00	2,134,400 00	864,500 00	2,738,520 60	1,874,500 29		479 69	(479 69)	07-7-4011	B/S 1038608-1		
1991	27622	OSHA	3,353,700 00	1,475,100 00	1,878,600 00	3,250,618 10	1,372,018 10		0 00					
1992	27505	Employment Svcs	10,868,800 00	10,868,800 00	0 00	9,296,904 97	9,296,904 97		0 00					
1992	27535	UI Regular	17,562,300 00	17,562,300 00	0 00	17,416,777 00	17,398,310 83		(18,466 17)	6 58	07-7-4018	B/S 1038608-8	18,459 59	
1992	27849	Alaska Work Pgm	1,095,400 00	936,500 00	158,900 00	1,029,561 10	870,319 01		(342 09)	342 09	07-7-4018			
1992	27542	Comm Disabilities							6 58	(6 58)	07-7-4018			
1992	27570	Management Svcs	2,089,300 00	1,771,700 00	318,000 00	1,964,870 60	1,646,870 60		0 00					
1992	27575	Labor Market Info	3,268,800 00	2,399,100 00	869,700 00	2,939,978 57	2,070,620 66		342 09	(342 09)	07-7-4018			
1992	27622	OSHA	3,422,100 00	1,506,500 00	1,915,600 00	3,318,230 12	1,402,630 12		0 00					
1993	27505	Employment Svcs	10,811,700 00	10,811,700 00	0 00	9,717,541 11	9,717,171 84	4,830 27						
1993	27535	UI Regular	20,117,500 00	20,117,500 00	0 00	19,835,877 81	19,807,672 50		(28,225 31)				28,205 31	
1993	27849	Alaska Work Pgm	1,189,300 00	1,016,100 00	173,200 00	1,129,922 47	968,375 91		(8,446 56)	590 41	07-7-4012	7,756 15	07-7-4020	
1993	27542	Comm Disabilities	60,100 00	21,000 00	39,100 00	39,718 06	37 50		479 14	(479 14)	07-7-4012		B/S 1038608	





# 4020

1038608/10

INQ-TR: TANAB AND UNOBLIGATED BALANCE CALCULATIONS  
CY: 1997 APPN: 27540 (1991) - WORKER'S INCENTIVE

11/19/96

	AVAILABLE BALANCE	UNOBLIGATED BALANCE
NET CONTINUING EXPENDITURE AUTHORIZATION .....(PF2)	984511.17	984511.17
NET CONTINUING RESTRICTED REVENUE ESTIMATE .....(PF3)	-729400.00	
LESS: ALLOWABLE RECEIPTS (PF4)	-707030.89	
ACTUAL EXPENDED .....	984511.17	984511.17
ENCUMBRANCES .....(PF5)	N/A	
NET BALANCE .....	-22369.11	
TOLERANCE ADJUSTMENT ....(PF6)	22369.11	
TOLERANCE ADJUSTED NET AVAILABLE BALANCE .....		

91-7005250

FOR NEXT APPROPRIATION ENTER==> NUMBER \_\_\_\_\_ TERM YEAR \_\_\_\_\_  
PFI=MENU 7=LAPSE BALANCE 8=CROSS STRUCTURE CNTRL 9=NEXT LOWER LEVEL

U.\*

U.\*

1,047,700.00+

732,500.00-

707,030.89+

984,511.17-

- 22,230.23+

RP #4011 22,280.28+

~~000~~ 4,377.50-

479.09-

-001

17,423.09\*\*

→  
Ratification  
needed

#4020

1038608/10

INQ-TR: TENAB AND UNOBLIGATED BALANCE CALCULATIONS  
FY: 1997 APPN: 27849 (1993) - AK WORK PROG REG

11/19/96

	AVAILABLE BALANCE	UNOBLIGATED BALANCE
NET CONTINUING EXPENDITURE AUTHORIZATION .....(PF2)	1129922.47	1129922.47
NET CONTINUING RESTRICTED REVENUE ESTIMATE .....(PF3)	-1000400.00	
LESS: ALLOWABLE RECEIPTS (PF4)	-968375.91	
ACTUAL EXPENDED .....	1129922.47	1129922.47
ENCUMBRANCES .....(PF5)	N/A	
NET BALANCE .....	-32024.09	
TOLERANCE ADJUSTMENT ....(PF6)	32024.09	
TOLERANCE ADJUSTED NET AVAILABLE BALANCE .....		93 - 7005250

FOR NEXT APPROPRIATION ENTER==> NUMBER \_\_\_\_\_ TERM YEAR \_\_\_\_\_  
PF1=MENU 7=LAPSE BALANCE 8=CROSS STRUCTURE CNTRL 9=NEXT LOWER LEVEL

U.\*

U.\*

1,189,300.00+

1,055,100.00-

968,375.91+

1,129,922.47-

8,346.56\*

RP #4012

8,346.56+

479.14-

110.06-

1.21-

-002

7,756.15\*+  
Ratification Needed

Clean up SFY88 - SFY94  
(Note: bolded AR #s need restriction/deferral/lapse adjusted)

SORTED BY YEAR, THEN AR

Batch/Sequence  
(B/S) 1038434

Year	AR	Title	Authorized	Revenue Est	GF Authorized	Expenditures	Revenues	Revenue Overcollection	GF Lapse	Needs RP	Needs OMB approval RPI/ADN #	Ratification	RPI/ADN #	Need DOF help to AJ RR
1988	27505	Employment Svcs Reg	10,032,400 00	10,032,400 00	0 00	9,428,741 83	9,428,498 83		(243 00)	243.00	07-7-4013	B/S 1038608-3		
1988	27540	Workers' Incentive	997,900 00	745,800 00	252,100 00	783,885 67	527,520 80		(4,264 87)	4,264.87	07-7-4013			
1988	27575	Labor Market Info							110,657 53	(4,507.87)	07-7-4013			
1988	27585	OSHA	2,582,100 00	1,364,700 00	1,217,400 00	2,542,980 42	1,325,580 43		0 01	(0.01)	07-7-4014	B/S 1038608-4		
1988	27623	UI Investigations	542,400 00	542,400 00	0 00	471,806 65	471,806 64		(0 01)	0.01	07-7-4014			
1989	27505	Employment Svcs Reg	9,463,500 00	9,463,500 00	0 00	9,024,372 78	9,018,375 04		(5,997 74)	5,997.74	07-7-4015	B/S 1038608-5		
1989	27535	UI Regular				14,579,755 20	14,584,154 57	4,399 37						(4,399.37)
1989	27540	Workers' Incentive	1,004,200 00	745,800 00	258,400 00	815,186 98	571,837 10		15,050 12	(5,997.74)	07-7-4015			
1989	27545	Data Processing						29,475 33						(10,877.62)
1989	27575	Labor Market Info	2,704,900 00	2,108,400 00	586,500 00	2,550,033 85	1,953,533 85		0 00					to AR 27657 Unbudg RSA
1989	27622	OSHA	2,637,700 00	1,396,500 00	1,241,200 00	2,610,248 66	1,369,048 66		(0 00)					
1989	27657	Unbudg DP Ops	212,500 00	212,500 00	0 00	145,920 10	135,042 48		(10,877 62)					10,877.62 in AR 27545 Budg RSA
1990	27505	Emp Svcs				9,647,275 77	9,734,627 26	87,351 49						
1990	27535	UI Regular				13,902,923 45	13,945,018 68	42,095 23						(42,095.23)
1990	27545	Data Processing	1,656,800 00	1,656,800 00	0 00	1,644,021 66	1,643,487 93		(533 73)	533.73	07-7-4016	B/S 1038608-6		
1990	27575	Labor Market Info	2,641,822 00	1,985,330 00	656,492 00	2,457,869 55	1,801,911 28		533 73	(533.73)	07-7-4016			
1990	27596	Workers' Comp	2,877,526 00	8,700 00	2,868,826 00	2,876,975 64	7,982 86		(166 76)	166.76	07-7-4017	B/S 1038608-7		
1990	27622	OSHA	2,830,090 48	1,410,965 00	1,419,125 48	2,746,222 83	1,327,264 11		166 76	(166.76)	07-7-4017			
1991	27505	Emp Svcs				9,464,956 59	9,471,906 67	6,950 08						
1991	27535	UI Regular				15,035,101 55	15,035,271 85	170 30						(170.30)
1991	27540	Workers' Incentive	1,047,700 00	792,500 00	255,200 00	984,511 17	707,030 89		(22,280 28)	4,857.25	07-7-4011	17,423.03	07-7-4020	
1991	27542	Comm Disabilities				43,722 44			4,377 56	(4,377.50)	07-7-4011		B/S 1038608-10	
1991	27570	Management Svcs	2,143,600 00	1,829,700 00	313,900 00	1,876,535 90	1,562,635 90		0 00					
1991	27575	Labor Market Info	2,998,900 00	2,134,400 00	864,500 00	2,738,526 60	1,874,500 29		479 69	(479.69)	07-7-4011	B/S 1038608-1		
1991	27622	OSHA	3,353,700 00	1,475,100 00	1,878,600 00	3,250,618 10	1,372,018 10		0 00					
1992	27505	Employment Svcs	10,868,800 00	10,868,800 00	0 00	9,296,904 97	9,296,904 97		0 00					
1992	27535	UI Regular	17,562,300 00	17,562,300 00	0 00	17,416,777 00	17,398,310 83		(18,466 17)	6.58	07-7-4018	B/S 1038608-8		18,459.59
1992	27849	Alaska Work Pgm	1,095,400 00	936,500 00	158,900 00	1,029,561 10	870,319 01		(342 09)	342.09	07-7-4018			
1992	27542	Comm Disabilities							6 58	(6.58)	07-7-4018			
1992	27570	Management Svcs	2,089,300 00	1,771,300 00	318,000 00	1,964,870 60	1,646,870 60		0 00					
1992	27575	Labor Market Info	3,268,800 00	2,399,100 00	869,700 00	2,939,978 57	2,070,620 66		342 09	(342.09)	07-7-4018			
1992	27622	OSHA	3,422,100 00	1,506,500 00	1,915,600 00	3,318,230 12	1,402,630 12		0 00					
1993	27505	Employment Svcs	10,833,700 00	10,833,700 00	0 00	9,717,541 11	9,722,171 84	4,830 73						
1993	27535	UI Regular	20,117,500 00	20,117,500 00	0 00	19,835,877 81	19,807,672 50		(28,205 31)					28,205 31
1993	27849	Alaska Work Pgm	1,189,300 00	1,036,100 00	153,200 00	1,129,922 47	968,175 91		(8,746 56)	590 41	07-7-4012	7,756.15	07-7-4020	
1993	27542	Comm Disabilities	60,100 00	21,000 00	39,100 00	38,718 16	97 50		479 14	(479.14)	07-7-4012		B/S 1038608 10	

DEPARTMENT OF 1  
Division of Administrative Services

November 22, 1996  
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(B/S) 1038434

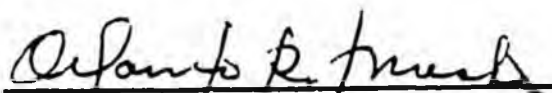
Clean up SFY88 - SFY94 SORTED BY YEAR, THEN AR  
(Note: bolded AR #'s need restriction/delerra/lapse adjusted)

Year	AR	Title	Authorized	Revenue Est	GF Authorized	Expenditures	Revenues	Revenue Overcollection	GF Lapse	Needs RP	Needs OMB approval RP/ADN #	Ratification	RP/ADN #	Need DOF help to AJ RR
1993	27545	Data Processing	2,315,900 00	2,066,700 00	249,200 00	2,314,245 44	2,065,155 50		110 06	(110 06)	07-7-4012			
1993	27575	Labor Market Info	3,076,000 00	2,361,200 00	716,800 00	2,676,875 14	1,966,076 35		1 21	(1.21)	07-7-4012	B/S 1038608 9		
1993	27560	Comm Office	556,500 00	5,000 00	551,500 00	527,973 00	1,298 75		24,825 75					
1993	27596	Workers' Comp	2,580,600 00	20,800 00	2,551,800 00	2,556,898 32	21,393 72		16,295 40					
1993	27615	Wage & Hour	1,775,000 00		1,775,000 00	1,774,629 60			370 40					
1993	27622	OSHA	3,460,299 00	1,648,349 00	1,811,950 00	3,362,091 03	1,555,905 00		5,763 97					
1993	27626	Ak Safety Adv Counc	121,500 00	109,500 00	12,000 00	101,645 27	89,745 27		100 00					
1994	27505	Emp/Unempl Svcs	31,360,800 00	31,360,800 00	0 00	30,361,042 82	30,355,583 05		(5,459 77)	5,459.77	07-7-4019	B/S 1038608-9		
1994	27849	Ak Work Programs	1,257,600 00	1,104,400 00	153,200 00	1,225,949 08	1,077,337 25		4,588 17	(4,588.17)	07-7-4019			
1994	27542	Comm Disabilities	60,100 00	21,000 00	39,100 00	41,111 65	2,500 00		488 35	(488.35)	07-7-4019			
1994	27545	Data Processing	2,346,300 00	2,183,600 00	162,700 00	2,310,392 84	2,148,076 09		383 25	(383.25)	07-7-4019			
1994	27570	Mgmt Svcs	2,257,700 00	1,935,500 00	322,200 00	2,123,861 77	1,801,661 77		0 00					
1994	27575	Labor Market Info	3,068,900 00	2,558,200 00	510,700 00	2,566,652 55	2,055,952 56		(0 00)					
1994	27560	Comm Office	644,100 00	159,500 00	484,600 00	508,747 36	31,226 50		7,079 14					
1994	27569	ALHA	302,200 00		302,200 00	300,143 50			2,056 50					
1994	27596	Workers' Comp	2,565,300 00	98,500 00	2,466,800 00	2,472,361 01	24,709 67		19,148 66					
1994	27615	Wage & Hour	1,637,000 00	100,000 00	1,537,000 00	1,620,010 13	86,589 29		3,579.16					
1994	27620	Much Insp	1,544,500 00	656,200 00	888,300 00	1,521,915 90	750,682 26		22,584 10					
1994	27622	OSHA	3,385,600 00	1,710,300 00	1,675,300 00	3,199,222 53	1,607,675 81		83,753 28					
1994	27626	Ak Safety Adv Counc	109,500 00	109,500 00	0 00	89,597 51	89,597 51		0 00					

25,179.18

Department of Health and Social Services  
Supplemental - AR Ratifications

<b>APPN</b>	<b>SY</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
22750	1985	Fbnks DOE Food Svc	3,236.50
22751	1985	Johnson Center Doc	151.84
22783	1985	Laboratories 84	1,069.00
22752	1988	Substance Abuse Res	10.00
22755	1988	Epidemiology-Traffic	200.56
22788	1988	Fbks MH Facil Maint	0.01
23031	1989	S Reg EMS Life-Pak	0.07
25063	1989	PFD Hold Harmless	1,508.72
24649	1990	Harborview Dev Ctr	31,464.50
22753	1990	AK Trauma Registry	0.45
22796	1990	Human Svc Valdez Oil	11,853.13
22797	1990	Child Nutrition Prog	4,305.11
22713	1992	FY92 OAC Nutrition	0.02
22724	1992	Imate Hif. Care Xray	14,500.00
22739	1994	MIS Tech Asst ADA	293.11
22885	1989	EIS Phase I	0.80
23122	1995	MMIS	191,255.71
		<b>Total</b>	<b>259,849.53</b>

  
Orlando Moskito, Finance Officer

*Beginning in September 1996, the state WIC office will be requiring local agency grantees to submit claims reimbursement (expenditure reports) in a revised format that will distribute claims among four cost categories. Once local agency grantees begin reporting expenditures to the state office in this format, expenditures will be recorded monthly so that cumulative nutrition education and breast feeding promotion expenditures may be monitored to ensure that state meets or exceeds the appropriate "targets" identified in the federal grant award.*

*In addition, WIC state agency staff have worked with the DHSS Audit Unit to ensure these changes in expenditure reporting requirements are incorporated into the compliance supplemental for WIC. Finally, the WIC state office staff are working with the accountant in the Public Health Division Director's Office and staff in the Division of Administrative Services to change the accounting structure in such a way that will allow expenditures by cost category to be recorded in and reported from the Alaska Statewide Accounting System (AKSAS) beginning in FY 97.*

*(4) The WIC state office does not maintain an inventory of property, plant and equipment as required by the Alaska Administrative Manual and the common Rule.*

*Due to staffing vacancies in FY 95, the state agency did not have sufficient staff resources to review physical inventory reports submitted by WIC local agency grantees and reconcile them against the state inventory system. The inventory reconciliation was completed the end of March 1996.*

Recommendation No. 22

DHSS' finance officer should coordinate the resolution of any revenue shortfall issue.

The State Budget Act provides that if program receipts fall short of actual collections, agencies are to reduce their budget by the estimated reduction in collections. One revenue shortfall has been identified at DHSS for FY 95. This shortfall is as follows:

Appropriation Number	Program Title	Amount
23122-95	MMIS	\$191,000

We recommend that DHSS' finance officer work with applicable division personnel to resolve this revenue shortfall.

Agency Response - Department of Health and Social Services

Recommendation No. 22

DHSS' finance officer should coordinate the resolution of any revenue shortfall issue.

DHSS concurs with the recommendation.

The DHSS finance officer has been working with the Division of Medical Assistance administrative officer for the resolution of the identified capital budget revenue shortfall. The shortfall is the result of the failure to report and claim eligible expenditures at the time these eligible expenditures were incurred. The claim for the revenue shortfall can no longer be submitted due to the federal limitation to file claims within two years from the time the expenditures were incurred.

DHSS will submit a ratification request in a FY 97 appropriation bill for the resolution of the revenue shortfall.

2. 9/1/87  
'89-91  
95 claim  
95 new yr



FWH:DMC:SFloyd  
154-95-663

U. S. Department of Justice

sec 11 (4)(a), (6)

Telephone:  
(202) 307-6288

Washington, D.C. 20530

August 13, 1996

BY FEDERAL EXPRESS

Mr. Robert K. Reges  
Assistant Attorney General  
Attorney General's Office  
123 4th Street  
Juneau, Alaska 99811-0300

**RECEIVED**

AUG 15 1996

Attorney General's Office  
Juneau

Re: State of Alaska, Department of Natural Resources v.  
United States, Fed. Cl. No. 95-663C

Dear Mr. Reges:

Enclosed please find an original signed copy of the settlement agreement. I have requested Ms. Maria Lisowski and Mr. Roger Hudson to notify me regarding what procedures the State of Alaska must follow in order to insure prompt payment of the settlement amounts. I will advise you how to proceed after I hear from them. Please call me at (202) 307-6288 if you have any questions.

Very truly yours,

SHERYL L. FLOYD  
Senior Trial Counsel  
Commercial Litigation Branch  
Civil Division

Enclosure

cc: Ms. Maria Lisowski, USDA  
Mr. Roger Hudson, BLM

IN THE UNITED STATES COURT OF FEDERAL CLAIMS

STATE OF ALASKA, DEPARTMENT )  
OF NATURAL RESOURCES, )  
 )  
Plaintiff, )  
 )  
v. ) No. 95-663C  
 ) (Judge Robinson)  
THE UNITED STATES, )  
 )  
 )  
Defendant. )

SETTLEMENT AGREEMENT

For the purpose of settling this action without any further judicial proceedings, and without there being any trial or adjudication of any issue of law or fact, and without constituting an admission of liability on the part of any of the parties, and for no other purpose, the parties stipulate and agree as follows:

1. In 1983, the State of Alaska, Department of Natural Resources (Alaska), and the United States Department of Interior, Bureau of Land Management (BLM), entered into a Cooperative Fire Protection Agreement. This agreement was supplemented in May 1987 with an addendum For Management and Use of Alaska Emergency Fire Fighters.

2. In 1985, Alaska and the United States Department of Agriculture, Forest Service (USFS) entered into a Cooperative Fire Control Agreement.

3. In 1989, the United States Department of Labor (DOL) notified Alaska that emergency forest firefighters on state crews during 1987 and 1988 should have received overtime pay under the Fair Labor Standards Act. Based upon this determination, DOL assessed Alaska \$786,958.91 for overtime on fires involving USFS

land and \$622,765.07 for overtime on fires involving BLM land. Alaska requested the USFS and BLM to reimburse it for these overtime costs under the parties' cooperative firefighting agreements. The USFS and BLM refused to pay these overtime costs and, on October 2, 1995, Alaska filed suit in the United States Court of Federal Claims to recover these costs (Federal Claims No. 95-663C).

4. The parties have entered into negotiations to resolve amicably this litigation. Alaska, through its attorney, offered to settle this case in accordance with the following terms:

(a) Upon execution of this settlement agreement, the USFS shall cause to be paid \$575,000 and BLM shall cause to be paid \$425,000 in full satisfaction of the claims that Alaska has alleged in its complaint, or any amendments thereto, in Federal Claims No. 95-663C;

(b) This settlement is inclusive of any fees, costs, expenses, and interest incurred in connection with this litigation;

(c) Alaska and the United States shall cause a Stipulation of Dismissal, with prejudice, to be executed by counsel for the respective parties in the above-captioned case and filed with the United States Court of Federal Claims.

5. Alaska's offer has been accepted on behalf of the Attorney General.

6. Upon receipt of the agreed payments, Alaska and the United States will execute and file the Stipulation of Dismissal in this case.

7. Alaska and the United States release, waive, and abandon all claims related to Federal Claims No. 95-663C, including but not limited to any claims for attorney fees or other costs under the Equal Access to Justice Act, 28 U.S.C. § 2412, or any other provision of law, as against the United States, or its officers, agents, or employees, arising out of the matters and facts involved in this case.

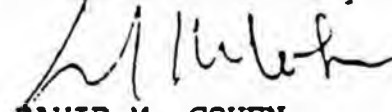
8. This stipulation is in no way related to or concerned with income or other taxes for which Alaska is now liable or may be liable in the future as a result of this stipulation or as a result of entry of a final judgment.

9. Alaska warrants and represent that no other action or suit with respect to the claims in this case is pending or will be filed in or submitted to any other court, administrative agency, or legislative body, including but not limited to the General Accounting Office. Alaska further warrants and represents that plaintiff is the sole owner of the claims involved in this case, that it has made no assignment or transfer of all or any part of its rights arising out of the present suit. Should there be now or in the future any violation of these warranties and representations, the amount to be paid under this stipulation shall be refunded promptly by Alaska together with

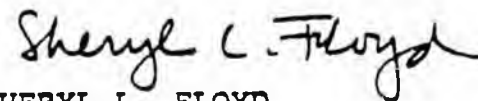
interest at the rate prescribed by 41 U.S.C. § 611, computed from the date of the first violation of this agreement.

10. This agreement is for the purpose of settling this case, and for no other purpose. This agreement shall not bind the parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the parties or counsel for the parties have or may acquire an interest, except as necessary to effect the terms of this agreement.


FRANK W. HUNGER  
Assistant Attorney General



DAVID M. COHEN  
Director



SHERYL L. FLOYD  
Senior Trial Counsel  
Commercial Litigation Branch  
Civil Division  
Department of Justice  
Attn: Classification Unit  
8th Floor  
1100 L Street, N.W.  
Washington, D.C. 20530  
Tele: (202) 307-6288



Aug 7, '96  
ROBERT K. REGES  
Assistant Attorney General  
Dimond Courthouse  
P.O. Box 110300  
Juneau, AK 99811  
Tele: 907-465-3600

OF COUNSEL:

MARIA LISOWSKI  
Office of General Counsel  
Department of Agriculture  
Juneau, AK 99802-1628

ROGER HUDSON  
Solicitor's Office  
Department of Interior  
Anchorage, AK 99508-4626

Attorneys for Defendant

DATED: \_\_\_\_\_

DATED: 9/13/96

CERTIFICATE OF SERVICE

I certify under penalty of perjury that on this 13th day of AUGUST, 1996, I caused to be placed in the United States mail (first class mail, postage prepaid) copies of "SETTLEMENT AGREEMENT" addressed as follows:

ROBERT K. REGES  
Assistant Attorney General  
Dimond Courthouse  
P.O. Box 110300  
Juneau, AK 99811

David Lucas

**RECEIVED**

JAN 24 1997

Sec 12

**MEMORANDUM**

**STATE OF ALASKA  
DEPARTMENT OF REVENUE**

TO: Annalee McConnell, Director  
Office of Management and Budget

DATE: January 20, 1997

FROM: Wilson L. Condon, Commissioner  
Department of Revenue

RE: FY 97 Supplemental  
Request

The Department of Revenue, Treasury Division (Treasury) requests a supplemental increment to its FY 97 General Fund budget in the amount of \$31,000. This increase would pay investment management fees on equity investments for the Constitutional Budget Reserve Fund (CBRF) for the period February 1, 1997, to June 30, 1997. This amount is very small in comparison to Treasury's overall General Fund budget, and your normal practice would require us to find a way to absorb this amount somewhere in that budget. Treasury believes a supplemental appropriation is necessary to make certain the Legislature specifically approves investing a portion of the CBRF in the equity market.

Last session, the Legislature's final actions with respect to the investment and management of the CBRF were inconclusive. On the one hand, the Legislature amended the statutes pertinent to the CBRF in a manner that clearly indicated they wanted a portion of the CBRF invested in equities. On the other hand, they did not provide funding for the management fees for such investments.

The Legislature added a new section, AS 37.10.430, to the statutes relating to the CBRF in the FY 96 session (previously AS 37.10.410-420). In this new section, the Commissioner of Revenue is:

- given discretion to transfer the management of the CBRF to the Permanent Fund Corporation, and
- required to annually prepare a report comparing the earnings of the CBRF to the Permanent Fund and General Fund.

The proponents of this amendment clearly wanted Treasury to reevaluate the CBRF asset allocation and to invest the CBRF longer term in both fixed income and equity securities. They believed this reallocation would come about either by transferring some or all of the CBRF to the care and custody of the Permanent Fund or by reinvesting the CBRF directly in these longer term securities. Either of these investment options require an appropriation for manager fees. If I had decided to move the entire CBRF to the Permanent Fund Corporation, an appropriation of approximately \$3,000,000 would have been required to pay management fees.

If the State is going to continue to use a portion of the CBRF each year to balance the State budget, then it would be inappropriate under existing institutional arrangements for the Permanent Fund Corporation to take over the management of the CBRF. I have attached six sections from our Treasury Division's Policies and Procedures Manual

reflect the reasoning process that leads us to this conclusion. The first four, which are all still in *preliminary draft* form, are important to review. The fifth and sixth are useful if you want to look in depth at the ins and outs of developing an asset allocation for an investment program. The six sections of the Treasury Division's Policies and Procedures Manual are:

1. Draft Section X(B) from the Treasury Division's Policies and Procedures Manual, Investment Policy Statement: Constitutional Budget Reserve Fund:
2. Draft Appendix L from the Treasury Division's Policies and Procedures Manual, Recommended Asset Allocation Policy:
3. Draft Appendix M from the Treasury Division's Policies and Procedures Manual, Commissioner's Proposed Decision and Justification for Managing the Constitutional Budget Reserve Fund in the Treasury Division of the Department of Revenue:
4. Draft Appendix N from the Treasury Division's Policies and Procedures Manual, Proposed Decision and Justification for Asset Allocation for the Constitutional Budget Reserve Fund:

5. Draft Section VII from the Treasury Division's Policies and Procedures Manual, Building Blocks for Treasury's Investment Policies; and
6. Draft Appendix H from the Treasury Division's Policies and Procedures Manual, Capital Market Assumptions and Projections: Treasury 1996.

Treasury believes the investment policies of the CBRF must address the following three needs:

- 1) Provide money to cover anticipated and unanticipated shortfalls over a two year time horizon;
- 2) Provide money to cover projected budget shortfalls until the time the State's recurring revenue is sufficient to meet its yearly expenses; and
- 3) Provide a long-term budget reserve.

Each of these purposes has a different time horizon, risk tolerance, and income objective. I reviewed these three unique sets of objectives in Attachments 4 and 5. The overall investment policy - the combination of the investment policies designed to meet the three individual objectives - follows:

Treasury's short-term fixed income investment pool	1%
Treasury's intermediate-term fixed income investment pool	43%
Treasury's long-term fixed income investment pool	30%
S&P 500 equity investment pool	<u>26%</u>
	<u>100%</u>

Treasury has already made the appropriate reallocations within the various fixed income investment pools without incurring any additional cost. Treasury has not implemented the equity portion of the asset allocation. To invest in equities, Treasury must hire an external manager. The associated fees for this external manager will be 1 basis point, or .01% of the invested balance, annually. As stated earlier, Treasury's budget does not include any amount for these fees. While Treasury could begin implementation of this new asset allocation policy in the Spring of 1997, using funds already available for FY 97, Treasury would not be able to continue to pay the fees in FY 98 if the Legislature did not expressly appropriate money for that purpose.

Because of the possibility of incurring unnecessary transaction costs, Treasury cannot prudently begin to purchase equity securities without reasonable assurance that funding will be made available on an annual basis. *In addition, we believe it is important that the Legislature review the asset allocation for the CBRF and, at a minimum, indicate their understanding and acceptance by approving the funds to implement it.*

Treasury currently funds all costs of managing the CBRF with General Fund money.  
 The calculation of expected fees for external management follows:

CBRF balance, 1/1/97	\$2,800,000,000	
Equity allocation	<u>26%</u>	
Equity investment if invested at 1/1/97	<u>728,000,000</u>	
Projected equity investment at 6/30/97, (assuming 10% annual growth rate)	<u>764,400,000</u>	
Average equity investment		746,200,000
Annual fee, 1 basis point		<u>.01%</u>
Total annual fee		\$ <u>74,620</u>
Fee for 5 months, approximate		\$ <u>31,140</u>

The fee calculation assumes Treasury will invest the equity allocation by February 1997.

At the recommendation of OMB, Treasury did not include any amount for CBRF management fees in its FY 98 budget, pending the outcome of this supplemental request with the Legislature. Treasury intends to modify its FY 98 request if the Legislature approves this budget request for FY 97. Treasury projects the additional request for FY 98 will approximate \$100,000 because of appreciation on the equity assets. Treasury will provide additional information if and when it makes a request to amend its proposed FY 98 budget.

Treasury wishes to bring this issue before the Legislature as a supplemental request early in the session so Treasury can confirm that our investment strategy meets legislative approval before we commit CBRF funds to long-term equity investment.

Thank you for your consideration. If you have any questions, please contact Ross Kinney at 465-3669, or Betty Martin at 465-2352.

F-ki Sec 13

**OFFICE OF  
MANAGEMENT & BUDGET**

**MEMORANDUM**      **State of Alaska**

JAN 22 1997      Department of Transportation & Public Facilities


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

DATE: January 17, 1997

TEXT NO: (907) 465-3652

FAX NO: (907) 586-8365

TELEPHONE NO: (907) 465-3911

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

SUBJECT: Supplemental  
Request, 1997 Legislature

The Department of Transportation and Public Facilities, Alaska Marine Highway System (AMHS), has identified the need for general fund supplemental appropriations to the operating budget for \$391,400 due to increased fuel costs and \$902.59 in miscellaneous claims over two years old (see attachments).

Fuel prices have increased substantially over the last four (4) months driving up the cost of marine fuel for AMHS vessels. The increase in oil price is a positive note for the State's revenue stream, but has a negative impact on the AMHS budget. The vessels in Southeast Alaska use approximately 7,125,800 gallons of fuel per year. The AMHS budgeted \$5,225,400 for marine fuel for Southeast vessels based on an average price per gallon of \$0.74. The total projected fuel expenditures is now \$5,577,800 based on an average price of \$0.8019. This represents a projected shortfall of \$352,400 in the Southeast Vessel Operations component.

The fuel prices for the two Southwest vessels are typically higher than Southeast even without rising prices. The FY97 budget was prepared with an average price per gallon of \$0.80 and use of approximately 1,022,300 gallons. The average price per gallon has increased to \$0.839. Therefore, a shortfall of \$39,000 is projected in the Southwest Vessel Operations component.

Fuel price increases have occurred in every week over the past four months. While prices could drop, the indications are that there will not be a significant drop in the near term. The price used to project the shortfall is an average based on pricing through the first week in January. The individual weekly prices throughout Southeast Alaska have fluctuated from a high of \$1.0465 to a low of \$0.7818, so even the low is above the budgeted price of \$0.74 cents per gallon. The additional \$391,400 cannot be absorbed within the AMHS budget.

Please contact Nancy Slagle at 465-3911 should you have any questions about this request. Thank you.

Attachment

cc: Nancy J. Slagle, Director, Division of Administrative Services  
Kurt Parkan, Deputy Commissioner  
Robin Smith, Budget Analyst, Division of Administrative Services  
Jeff Hoover, OMB Budget Analyst



**Alaska Court System  
State of Alaska**

**OFFICE OF ADMINISTRATIVE DIRECTOR**

208 K Street  
Anchorage, Alaska 99501

**ROBERT G. FISHER**  
Manager of Fiscal Operations

**January 16, 1997**

**Dan Austin  
Budget Analyst  
Office of Management & Budget  
P. O. Box 110020  
Juneau, Alaska 99811-0020**

**Dear Dan:**

The court system is requesting a supplemental appropriation of \$44,500 for fiscal year 1997 for the unfunded impact of SB 98 - license revocation if delinquent in child support payments. The court system's fiscal note was not addressed when the bill was carried over from the 1995 legislative session.

The request is explained further in the enclosure. Please let me know, if you need additional information.

**Sincerely,**

**Robert G. Fisher**

**Enclosures**

011697a

Alaska Court System  
Supplemental Budget Request  
Impact of SB 98 - License Revocation if Delinquent in Child Support Payments  
Fiscal Year 1997

Background Information

This supplemental budget request for \$44,500 addresses the unfunded impact of Senate Bill 98 on the Trial Courts during fiscal year 1997. The court system is requesting six months funding of personal services costs and certain one-time contractual and equipment costs. The trial courts are expecting significant impact from this legislation.

During the last session, legislation was passed which requires license revocation in the event that an individual is not in "substantial compliance with orders, judgments, or payment schedules for child support". The Court System's funding needs were not considered when this legislation passed. The law applies to individuals who apply for a new license or a renewal of certain occupational licenses and to all holders of a driver's license. The Child Support Enforcement Agency (CSED) will notify each licensing entity of those persons with arrearages greater than 4 months. The licensing entity will issue a temporary license for 150 days and a notice of intent to withhold a permanent license until CSED issues a release. The licensee or potential licensee (obligor) has 30 days from the date of the notice in which to request a review by CSED. CSED has 30 days from the receipt of the request to issue findings or a release. The obligor has 30 days from the receipt of the findings in which to request a judicial review. The courts must hold an evidentiary hearing within 20 days after the filing of service on the opposing party. In 1995, CSED estimated that it had over 43,000 active cases of which 50% involved some arrearage. In its 1995 fiscal note, the court system assumed that 15,000 persons may not be in substantial compliance and that all of these individuals possessed a driver's license or one of the targeted occupational licenses. The court system further assumed that 10% of these persons will request a judicial review. The courts anticipate a significant impact. The Trial Courts are requesting three permanent part-time positions: (1) a Standing Master, (2) an In-court Clerk, and (3) a Court Clerk II. This request mirrors the fiscal note request for staffing, except the adjustment for 6 months funding. For budgetary purposes all of the positions are assigned to the Anchorage Trial Courts, but may be utilized elsewhere as the need arises.

The court system's FY 98 operating budget submission requests full year funding for personal services costs for future fiscal years.

Budget Request

	<u>Amount</u>
<u>Personal Services</u> <i>6 months funding: 1/1 through 6/30/97 only</i>	
Standing Master, 24A, PPT, Anchorage, 2-1/2 months	\$18,400
In-Court Clerk, 12A, PPT, Anchorage, 2-1/2 months	8,950
Court Clerk II, 10A, PPT, Anchorage, 3 months	<u>9,400</u>
<b>Total</b>	<u><b>36,750</b></u>
 <u>Contractual Services</u> <i>One-time cost</i>	
Modification of case management computer programs to accommodate the processing of these cases	5,000
 <u>Equipment</u> <i>One-time cost</i>	
Desk, chair and filing cabinet for new positions	<u>2,700</u>
<b>Estimated Total Costs</b>	<u><u><b>\$44,450</b></u></u>