

HB

113

SFIN

FILE

Senate Bill 83/House Bill 113
FY 97 SUPPLEMENTAL APPROPRIATIONS
(In Thousands)

| | DEPT. | BRU/ COMPONENT | DESCRIPTION | Use Sec # | CS for House Bill 113 (Fin) | | | | | Total Funds | Gov's Sec # | Governor's Request | | | | | Total Funds |
|----|-------|--|--|-----------------|-----------------------------|---------|-------------|--------------|----------|----------------|----------------|--------------------|---------|-------------|--------------|----------|----------------|
| | | | | | Federal | GF | GF/ Prgm | GF/ Match | Other | | | Federal | GF | GF/ Prgm | GF/ Match | Other | |
| 1 | DOA | Leasing | Lensing and facilities costs (revised) | 1 (a) | | 23.6 | | | 309.8 | 333.4 | 1 (a) | | 993.7 | | | | 993.7 |
| 2 | DOA | Office of Public Advocacy | Operating costs (revised) | 1 (b) | | 210.5 | | | | 210.5 | 1 (b) | | 247.8 | | | | 247.8 |
| 3 | DOA | Public Defender | Operating costs | 1 (c) | | 268.9 | | | | 268.9 | 1 (c) | | 268.9 | | | | 268.9 |
| 4 | DOA | EPORS | New retirees | 1 (d) | | 65.6 | | | | 65.6 | 1 (d) | | 65.6 | | | | 65.6 |
| 5 | DOA | Leasing | ABB, Inc. v. State (Vintage Park settlement payment) | 1 (e) | | 243.3 | | | | 243.3 | 1 (e) | | 243.3 | | | | 243.3 |
| 6 | DOA | Leasing | Claims relating to the DEC laboratory | 1 (f) | | 104.0 | | | | 104.0 | 1 (f) | | 104.0 | | | | 104.0 |
| 7 | CED | AK Science and Technology (AST) Foundation | Transfer funding from the AK science & tech foundation endowment earnings reserve to the AST Fund for the Kodiak launch complex under AS 37.17.090(k)(1) | 2 (a) | | | | | | | New (n) | | | | | | |
| 8 | CED | AK Aerospace Development Corp. | Capital project - to AK Aerospace Development Corporation for Kodiak launch complex. Funding includes \$5 million transferred in (a) | 2 (b) | 18,000.0 | | | | 10,000.0 | 28,000.0 | New (b) | 18,000.0 | | | | 10,000.0 | 28,000.0 |
| 9 | CED | Exec Admin & Dev/ Commissioner's Office | Implement the coordinated response to the Southeast Alaska pulp mill closure for fiscal year ending 1997 | 3 | | 60.0 | | | | 60.0 | New | | 60.0 | | | | 60.0 |
| 10 | CRA | Rural Energy Program - Energy Operations/PCE | Power Cost Equalization (PCE) and rural electric capitalization fund (AS 42.45.100) | 4 (n) | | 1,500.0 | | | | 1,500.0 | New (a) | | 1,500.0 | | | | 1,500.0 |
| 11 | CRA | Rural Energy Program - Energy Operations/PCE | Power Cost Equalization (PCE) | 4 (b) | | | | | 1,500.0 | 1,500.0 | New (b) | | | | | 1,500.0 | 1,500.0 |
| 12 | CRA | Child Assistance/ Head Start | RPL 21-7-0165 One-time federal receipts for Partners for Quality Care & Education Project | 4 (c) | 50.0 | | | | | 50.0 | New | 50.0 | | | | | 50.0 |
| 13 | DMV | Disaster Relief Fund | General Fund appropriation to capitalize the fund | 5 | | 115.0 | | | | 115.0 | 3 | | 1,000.0 | | | | 1,000.0 |

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| 14 | DOE | Teaching & Learning Support/Special & Suppl Svcs | RPL 05-7-0626 New and carryforward funds for Title I and Migrant Education programs | 6 (a) | 3,750.0 | | | | | 3,750.0 | New | 3,750.0 | | | | 3,750.0 | |
| 15 | DOE | Voc Rehab/Client Services | RPL 05-7-0680 New and carryforward funds for client services programs | 6 (b) | 600.0 | | | | | 600.0 | New | 600.0 | | | | 600.0 | |
| 16 | DOE | Voc Rehab/ Administration | RPL 05-7-0681 New and carryforward for administration and oversight of direct services | 6 (c) | 150.0 | | | | | 150.0 | New | 150.0 | | | | 150.0 | |
| 17 | DOE | Teaching & Learning Support | RPL 05-7-0700 Carryforward funds for the School to Work program | 6 (d) | 1,080.0 | | | | | 1,080.0 | New | 1,080.0 | | | | 1,080.0 | |
| 18 | DOE | AK State Library/Library Operations | RPL 05-7-0738 Computer and software upgrades | 6 (e) | | | 30.0 | | | 30.0 | New | | | 30.0 | | 30.0 | |
| 19 | DOE | Mt. Edgecumb Boarding School | RPL 05-7-0748 Summer programs in FY97 | 6 (f) | | | 22.0 | | | 22.0 | New | | | 22.0 | | 22.0 | |
| 20 | DOC | Fairbanks Correctional Center | Capital project - Replace boiler system | 7 (a) | | 632.0 | | | | 632.0 | 4 (a) | | 632.0 | | | 632.0 | |
| 21 | DMV | Disaster Planning & Control | Capital project - Radio equipment | 7 (b) | | 100.0 | | | | 100.0 | 4 (b) | | 100.0 | | | 100.0 | |
| 22 | DNR | Parks Management | Capital project - Emergency repairs to Perseverance Trail | 7 (c) | | 120.0 | | | | 120.0 | 4 (c) | | 200.0 | | | 200.0 | |
| 23 | DFG | Wildlife Conservation | RPL 11-7-0234 New and carryforward federal funds for projects. | 8 (a) | 430.0 | | | | | 430.0 | New | 430.0 | | | | 430.0 | |
| 24 | DFG | Com Fish Mgmt & Dev/Fisheries Mgmt | On-going litigation costs for the fiscal year ending June 30, 1997. | 8 (b) | | 115.0 | | | | 115.0 | 3/19/97 | | | | | | |
| 25 | DFG | Com Fish Mgmt & Dev/Fisheries Mgmt | Sec. 47, ch. 94, SLA 95, pg 31, ln 20. Extend lapse to June 30, 1997 - Governor's request. | | | | | | | | New | | | | | | |
| 26 | HSS | Adult Public Assistance | Estimated FY97 costs | 9 (a) | | 939.0 | | | | 939.0 | 5 (a) | | 939.0 | | | 939.0 | |

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| 27 | HSS | Med Assist./ Indian Health Services (IHS) | 9 (b) | 10,000.0 | | | | | | 10,000.0 | 5 (b) | 10,000.0 | | | | | 10,000.0 |
| 28 | HSS | Family and Youth Services/ Foster Care | 9 (c) | | 750.0 | | | | | 750.0 | 5 (c) | | 750.0 | | | | 750.0 |
| 29 | HSS | Family and Youth Services/ McLaughlin Youth Center | 9 (d) | | 685.0 | | | | | 685.0 | 5 (d) | | 685.0 | | | | 685.0 |
| 30 | HSS | State Health Services | 9 (e) | 99.3 | | | | | | 99.3 | New | | 99.3 | | | | 99.3 |
| 31 | LAW | Oil & Gas Litigation | 10 (a) | | | | | | | | 6 (a) | | | | | | |
| 32 | V | Legal Services Operations | 10 (b) | | 701.0 | | | 16.0 | | 717.0 | 6 (b) | | 869.7 | | | 16.0 | 885.7 |
| 33 | DMV | Disaster Planning & Control | 11 (a) | | 200.0 | | | | | 200.0 | 7 (a) | | 220.0 | | | | 220.0 |
| 34 | DMV | Disaster, Planning & Control | 11 (b) | | | | 17.2 | | | 17.2 | New (b) | | | | 17.2 | | 17.2 |

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| 35 | DMV | Disaster, Planning & Control | Appropriate from the Disaster Relief Fund p'ment of premium p'ments for flood - with a lapse date extension of June 30, 1998. | 11 | (c) | | | | | 17.2 | 17.2 | | | | | |
| 36 | DOA | Admin Services | Misc claims, stale date warrants (revised from \$27.3) | 12 | | | | | 33.4 | | 33.4 | 8 | | 33.4 | | 33.4 |
| 37 | C | Admin Services | Misc claims, stale date warrants (revised from \$8.3) | 12 | | | | | 9.3 | | 9.3 | 8 | | 9.3 | | 9.3 |
| 38 | DFG | Admin Services | Misc claims, stale date warrants | 12 | | | | | 1.3 | | 1.3 | New | | 1.3 | | 1.3 |
| 39 | HSS | Admin Services | Misc claims, stale date warrants | 12 | | | | | 22.2 | | 22.2 | 8 | | 22.2 | | 22.2 |
| 40 | LAW | Admin Services | Misc claims, stale date warrants | 12 | | | | | 0.6 | | 0.6 | New | | 0.6 | | 0.6 |
| 41 | DPS | Admin Services | Misc claims, stale date warrants | 12 | | | | | 4.3 | | 4.3 | 8 | | 4.3 | | 4.3 |
| 42 | DOT | Admin Services | Misc claims, stale date warrants | 12 | | | | | 0.9 | | 0.9 | 8 | | 0.9 | | 0.9 |
| 43 | DNR | Fire Suppression | Funding for fixed costs and fire suppression activities from January - June 1997. | 13 | (a) | | | | 3,788.3 | | 3,788.3 | 9 (a) | | 3,788.3 | | 3,788.3 |
| 44 | DNR | Resource Dev/Land Development | Refunds owed by the veterans' land discount program (AS 38.05.940) | 13 | (b) | | | | 280.0 | | 280.0 | 9 (b) | | 300.0 | | 300.0 |
| 45 | DNR | Resource Dev/Land Development | Costs of administering the refunds owed by the veterans' land discount program | 13 | (c) | | | | 20.0 | | 20.0 | | | | | |
| 46 | DNR | Resource Dev/Land Development | Removal of existing buildings and other associated facilities at the Old Eagle School site | 13 | (d) | | | | 100.0 | | 100.0 | 9 (c) | | 100.0 | | 100.0 |
| 47 | DNR | Natural Resources | Capital project - Purchase of Roberts parcel - \$698.0, Overlook Park parcel - \$279.0, with EVOSS funds. | 13 | (c) | | | | | 977.0 | 977.0 | | | | | 977.0 |
| 48 | DOR | Alaska Mental Health Trust Authority | Capital project - Activities to plan for a new Alaska Psychiatric Institute - with a lapse date extension to June 30, 1998. MITAAR is the funding source | 13 | (f) | | | | | 150.0 | 150.0 | | | | | |

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| 49 | DPS | Village Public Safety Officer/Contracts | 14 | | | | | | | | 10 | | | | | |
| 50 | DPS | Council on Domestic Violence and Sexual Assault | 14 | (b) | 205.5 | | | | | 205.5 | New | 205.5 | | | | 205.5 |
| 51 | JOA | Various | 15 | | | | | | | | 11 | | | | | |
| 52 | COL | Various | 15 | | | | | | | | 11 | | | | | |
| 53 | FSS | Various | 15 | | | | | | | | 11 | | | | | |
| 54 | DNR | Various | 15 | | | | | | | | 11 | | | | | |
| 55 | DMV | Various | 15 | | | | | | | | New | | | | | |
| 56 | DOR | Treasury Management | 16 | (a) | | 25.0 | | | | 25.0 | 12 | (a) | 31.0 | | | 31.0 |
| 57 | DOR | Permanent Fund Dividend | 16 | (b) | | | | | | | 12 | (c) | | | | |
| 58 | DOT | Alaska Marine Highway Stabilization Fund | 17 | (a) | | 130.0 | | | | 130.0 | 13 | | 391.4 | | | 391.4 |
| 59 | JT | Office of the Commissioner | 17 | (b) | | 444.5 | | | | 444.5 | New | | 444.5 | | | 444.5 |
| 60 | CTS | Trial Courts | 18 | (a) | | 32.2 | | | | 32.2 | 14 | | 32.2 | | | 32.2 |
| 61 | CTS | Commission on Judicial Conduct | 18 | (b) | | 30.4 | | | | 30.4 | | | 23.0 | | | 23.0 |
| 62 | LAW | Civil Division/ Medicaid Provider Fraud | 19 | | | | (10.0) | 10.0 | | | New | | (10.0) | 10.0 | | |

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| 63 | DOC | Office of the Commissione: | | | | | | | | | 2 | | | 2,300.0 | | | 2,300.0 |
| 64 | HSS | Family and Youth Services/ Central Office | | | | | | | | | 4 | (b) | | 1,247.4 | | | 1,247.4 |
| 65 | HSS | Community Health/EMS Services | | | | | | | | | 4 | (c) | | 200.0 | | | 200.0 |
| 66 | LAW | Civil | | | | | | | | | 6 | (c) | | 485.0 | | | 485.0 |
| 67 | LAW | CSSB 74 (Fin) Am 11 contains \$1.0 million for this purpose | | | | | | | | | 6 | (c) | | (485.0) | | | (485.0) |
| 68 | DOR | Treasury Management | | | | | | | | | 12 | (b) | | | | | |
| 69 | HSS | Institutions & Admin | | | | | | | | | New | | | 200.0 | | | 200.0 |
| 70 | CED | Measurement Standards | | | | | | | | | New | | | 4.3 | | | 4.3 |
| 71 | DPS | Training Academy | | | | | | | | | 3/11/97 | | | | | 2,104.4 | 2,104.4 |

TONY KNOWLES
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB113
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February 3, 1997

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

Dear Speaker ~~Phillips~~ ^{Gail}:

Last February my transmittal letter for the FY96 supplemental budget bill began:

In the first two weeks of my administration, I made a public commitment not to play the supplemental game. The FY96 supplemental request I am submitting to you now makes good on that promise. It falls within the \$20 million level anticipated in the FY96 budget plan... This is the lowest supplemental request in nearly ten years, a far cry from the \$37 million to \$168 million requests of recent years.

I am pleased to report even further progress on budget discipline with this year's supplemental request of just under \$16 million in general funds. It is well under the amount set aside in the budget plan approved by the Legislature last June.

There are three major categories of supplemental needs. The first is for programs that were acknowledged in the last session to require supplemental appropriations in order to fulfill state responsibilities. Examples are disaster relief, fire suppression, leasing, and adult public assistance. These total just under \$8.6 million of the attached supplemental bill.

A second category is judgments and claims which have traditionally been handled in the supplemental budget. So far this year, these total \$2.8 million, of which \$2.3 million is the estimated cumulative total through the end of FY97 for court-ordered fines under the final order in *Cleary*. Rather than simply appropriate that

The Honorable Gail Phillips

February 3, 1997

Page 2

amount from the operating budget to the general fund, I propose that it be held aside in a capital appropriation as part of the state's overall funding for the construction of new prison beds. Since the fines are for prison overcrowding, construction of new beds would directly address the underlying problem. We particularly need to provide space for women because there are inequities between facilities now available for men and women. As we all know, prisons are a critical part of the work ahead of us to repair and build essential state facilities.

The third category is unanticipated shortfalls or problems that have arisen since the budget was passed last June. Due to strong agency management of their budgets, only \$4.5 million is in this category. The needs range from emergency deferred maintenance to coping with severe overcrowding and security dangers at our juvenile detention facilities to statehood defense.

In cooperation with the legislative leadership, I am requesting an appropriation of \$485,000 to the Department of Law for the state's appeal to the United States Supreme Court in the *Venetie* Indian country case, including related advocacy before the federal courts, Congress, and federal agencies. We must ensure state authority over taxation, fish and game management, and environmental regulation. I suggest appropriating these funds with a lapse date of June 30, 1998, to make it very clear the state is committed to the entire process of appeal to the U.S. Supreme Court, not just to the preliminary phase taking place in the current fiscal year. (An alternative approach would be to make this a capital appropriation.)

Another request could immediately improve the earnings of the Constitutional Budget Reserve Fund (CBR). Revenue Commissioner Condon recently presented to the Senate Finance Committee a proposal to diversify the CBR investment allocation. Investment of the CBR for higher returns was encouraged last year in legislation authorizing the commissioner to determine if financial management by the Permanent Fund Corporation would be advantageous to the state. Although he has determined this would not be the most beneficial arrangement to the CBR or the Permanent Fund, he is recommending the state invest a portion of the CBR in equities. Since it would not be wise to change the allocation policy after only five months, this supplemental should be funded with the intention of annualizing the management fees in the FY98 budget.

The Honorable Gail Phillips
February 3, 1997
Page 3

Some costs of providing a few basic state services have been much higher than anticipated last spring. More youths have been sent to detention facilities than predicted last year and there have been drive-by shootings and other security breaches. We must increase staffing immediately to handle the overcrowding safely. We do not think it wise to wait until passage of the FY98 budget to begin the procurement process for fences and other security protections. I urge you to appropriate \$2 million in operating and capital supplementals to deal with these critical juvenile crime problems.

Other emergency maintenance items are replacing the Fairbanks correctional facility boiler which is no longer safe, demolishing the Old Eagle school so contaminated soils can be cleaned up with Oil and Hazardous Response Funds (this will help resolve pending litigation), and replacing badly outdated emergency communications equipment. Finally, a young man died tragically this winter on the Perseverance Trail, one of the state's most heavily used by Alaskans and visitors alike. Heavy rains washed out portions of the trail beside a deadly ravine. Since it is virtually impossible to blockade the trail, repairs must be done within the next few months, before the heavy spring/summer use begins again. These emergency maintenance needs total \$1.2 million.

Budget discipline includes taking action on supplemental budget requests early in the session so agencies know up front whether they have the necessary expenditure authority. I urge you to take action as soon as possible.

Sincerely,



Tony Knowles
Governor