

HB

50

(File 2)

HFIN

FILE

FRONT
SECTION

Replacement

FRONT # 1

AMENDMENT

Submitted by: Representatives Bunde and Therriault

Withdrawn

FRONT SECTION

DELETE: (language approved by the sub-committee)

The unexpended and unobligated amount from program receipts received during fiscal year ending June 30, 2000 by the child support enforcement division that are collected for Alaska temporary assistance recipients that exceed \$7,244,400 are appropriated to the Department of Revenue, child support enforcement for operations costs for the fiscal year ending June 30, 2000.

ADD:

The general fund program receipts not otherwise appropriated in this Act and received during the fiscal year ending June 30, 2000 by the child support enforcement division not to exceed the minimum state match requirement to secure federal funding appropriated in Section 36 of this Act, are appropriated to the Department of Revenue, child support enforcement for operations costs for the fiscal year ending June 30, 2000.

Comment:

The front section language was adopted by the House Finance Revenue Sub-committee, however, was inadvertently left out of the front section of the CS HB51 (fin) numbered 1-GH1020\G.

The change in front section language allows the CSED to spend the amount of general fund program receipts required to secure the appropriated level of federal funding. This amendment differs from the first amendment because of funding changes in the Department of Health and Social Services, Alaska Temporary Assistance Program.

REPLACEMENT 2 FRONT#1 P.01

I-GH1020\G.2
Utermohle/
4/7/99

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE BUNDE

TO: CSHB 50(FIN); Draft Version "G"

1 Page 37, following line 14:

2 Insert "The funds appropriated by this appropriation include so much, and no more,
3 of the unexpended and unobligated amount of program receipts received during the fiscal year
4 ending June 30, 2000, by the child support enforcement division as is necessary to provide
5 the minimum match of state funds necessary to secure federal funding for the child support
6 enforcement program."

REPLACEMENT 2 FRONT #2

Amendment # _____
SPONSOR: Rep. Therriault

AMENDMENT

TO: CSHB 50 (FIN)

Page 10 line 8

Add a new front section:

adopted

- Sec. _____. MEDICAID SCHOOL BASED CLAIM. If the federal receipts for the School Based Services Administrative Claim under 42 U.S.C. 1396a (1902(a)(4), Title XIX Social Security Act) fall short of the estimate, the amount of the shortfall is appropriated from the general fund.

Explanation:

In the FY99 Budget the legislature replaced base general funds in the Human Services Matching Grant and the Maternal Child and Family Health programs with federal revenue from the Medicaid School Based Claim. The level of actual revenue collected in FY99 is approximately \$443,000 less than expected. The federal revenue is determined by a formula, which includes the number of Medicaid eligible children in Alaska as well as a number of other factors. The Department projects that there is a 50% chance that the revenue shortfall can be made up if the Denali KidCare program continues as projected to enroll Medicaid eligible children.

This language will allow the department to award grants etc. on a timely basis. Without this language the following reductions to the Human Services Matching Grants could occur:

	FY99 GRANT	FY00 SHORTFALL	FY00 GRANT
Municipality of Anchorage	1,324.4	(293.1)	1,031.3
Fairbanks North Star Borough	427.6	(94.6)	333.0

FRONT #3

(d)

AMENDMENT TO HB 50

BY: Rep. Mulder

ADD to Front Section

adopted

* Sec. ALASKA HOUSING FINANCE CORPORATION. (a) The sum of \$17,444,000 from the available unrestricted cash in the general account of the Alaska housing finance revolving fund (AS 18.56.082) is anticipated to be transferred to the general fund during the fiscal year 2000 by the direction of the board of directors of the Alaska Housing Finance Corporation.

Explanation

This places AHFC funds that were replaced by general funds in the Department of Education into the general fund as a dividend. There is a net 0 change in the fiscal gap. The FY 99 base was adjusted to reflect this adjustment, as was the FY 00 allocation.

REPLACEMENT FRONT 4

AMENDMENT TO HB 50

adopted

BY: Rep. Mulder

ADD to Front Section

- Sec. ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY.
The sum of \$18,000,000 from the available unrestricted cash in the Alaska Industrial Development and Export Authority revolving fund (AS 44.88.060) is anticipated to be transferred to the general fund as directed by the Alaska Industrial Development and Export Authority. The transferred money shall be deposited in the general fund when received during fiscal year 2000.

This amendment reflects the AIDEA dividend for FY 00

Adopted

FRONT # 5
FRONT SECTION # _____

Amendment to CS HB 9 (work draft, "G" version)

By: Mulder

Amend Sec. 1(c) (AHFC programs) by inserting the following appropriation after page 2 line 16

PURPOSE	AMOUNT	SOURCE
Housing Assistance Payments Section 8 Program	16,000,000	Federal receipts

This was one of the Governor's proposed budget amendments but was inadvertently omitted from the draft CS.

FRONT #6

AMENDMENT

6-5

OFFERED IN THE HOUSE BY REPRESENTATIVE GRUSSENDORF

TO: CSHB 50(FIN); Draft Version "G"

Davis	Burke
Davis	Kel
Gruss	
Mose	
William	
Quinn	

1 Page 4, following line 11:

2 Insert a new bill section to read:

3 **** Sec. 9. FEDERAL SUBSISTENCE FUNDS.** (a) The United States Congress

4 appropriated \$11,000,000 to the United States Department of the Interior and the United

5 States Department of Agriculture for the State of Alaska contingent upon the Alaska State

6 Legislature adopting a constitutional amendment for ratification by Alaska voters to allow a

7 rural subsistence priority. The full \$11,000,000 appropriated by the Congress is available to

8 the state if the legislature satisfies the contingency by June 1, 1999. If the contingency is

9 satisfied after June 1, 1999, but by September 30, 1999, the sum of \$10,000,000 will be

10 available to the state.

11 (b) If the federal contingency requirement described in (a) of this section is satisfied

12 by June 1, 1999, the sum of \$11,000,000 is appropriated from federal receipts to the

13 Department of Fish and Game to help implement a unified subsistence management system

14 and to provide support for the Board of Fisheries, Board of Game, regional advisory councils,

15 and local advisory committees in that effort. The appropriation made by this subsection is

16 allocated as follows:

17 Support to the Board of Fisheries, Board of Game,	
18 regional advisory councils, and local advisory	
19 committees	\$3,000,000
20 Biological research, monitoring, and management to	
21 ensure sustained yield and to improve utilization	
22 of fish and game for subsistence, commercial,	
23 and sport purposes	8,000,000

24 (c) If the federal contingency requirement described in (a) of this section is satisfied

25 after June 1, 1999, but by September 30, 1999, the sum of \$10,000,000 is appropriated from

1 federal receipts to the Department of Fish and Game to help implement a unified subsistence
 2 management system and to provide support for the Board of Fisheries, Board of Game,
 3 regional advisory councils, and local advisory committees in that effort. The appropriation
 4 made by this subsection is allocated as follows:

5	Support to the Board of Fisheries, Board of Game,	
6	regional advisory councils, and local advisory	
7	committees	\$2,725,000
8	Biological research, monitoring, and management to	
9	ensure sustained yield and to improve utilization	
10	of fish and game for subsistence, commercial,	
11	and sport purposes	7,275,000"

12 Renumber the following bill sections accordingly.

13 Page 10, following line 1:

14 Insert a new bill section to read:

15 **"* Sec. 35. LAPSE DATE.** The unexpended and unobligated balance of the appropriation
 16 made by sec. 9(b) or (c) of this Act lapses June 30, 2001."

17 Renumber the following bill sections accordingly.

18 Renumber internal references to bill sections in accordance with this amendment. Below are
 19 all internal bill section references in this bill:

20 Page 3, lines 3 and 12
 21 Page 4, lines 19 and 23
 22 Page 5, line 15
 23 Page 6, line 5
 24 Page 7, lines 9, 14, and 22
 25 Page 9, line 21
 26 Page 10, lines 2, 3, 5, 7, and 8
 27 Page 44, line 16

CS FOR HOUSE BILL NO. 50(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

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

A BILL

FOR AN ACT ENTITLED

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

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

7 * **Section 1. ALASKA HOUSING FINANCE CORPORATION.** (a) The unexpended and
8 unobligated amount of Alaska Housing Finance Corporation unrestricted revenue available for
9 appropriation, as determined by the board of directors of the Alaska Housing Finance
10 Corporation in accordance with sec. 2(c) and (d), ch. 129, SLA 1998, for each of the
11 following fiscal years is appropriated to the Alaska debt retirement fund (AS 37.15.011):

- 12 (1) the fiscal year ending June 30, 1999;
- 13 (2) the fiscal year ending June 30, 2000.

1 (b) All unrestricted mortgage loan interest payments, mortgage loan commitment fees,
 2 and all other unrestricted receipts received by or accrued to the Alaska Housing Finance
 3 Corporation during fiscal year 2000 and all income earned on assets of the corporation during
 4 that period are appropriated to the Alaska Housing Finance Corporation to hold as corporate
 5 receipts for the purposes described in AS 18.56. The corporation shall allocate its corporate
 6 receipts among the Alaska housing finance revolving fund (AS 18.56.082), housing assistance
 7 loan fund (AS 18.56.420), and senior housing revolving fund (AS 18.56.710) in accordance
 8 with procedures adopted by the board of directors.

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

11	PURPOSE	AMOUNT	SOURCE
12	Housing loan programs	\$798,000,000	AHFC corporate receipts
13	not subsidized by AHFC		
14	Housing loan programs	70,000,000	AHFC corporate receipts
15	and projects subsidized		derived from arbitrage
16	by AHFC		earnings

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

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

25 (c) The amount required to be deposited under AS 37.13.010(a)(1) and (2) during
 26 fiscal year 2000 is appropriated to the principal of the Alaska permanent fund in satisfaction
 27 of that requirement.

28 (d) The interest earned during fiscal year 2000 on revenue from the sources set out
 29 in AS 37.13.010 while the revenue is held in trust, escrow, or otherwise before receipt by the
 30 state is appropriated to the principal of the Alaska permanent fund.

31 * Sec. 3. ALASKA PUBLIC UTILITIES COMMISSION. The unexpended and

1 unobligated balance on June 30, 1999, of the Alaska Public Utilities Commission receipts
2 account for regulatory cost charges under AS 42.05.254 and AS 42.06.286 for fiscal year 1999
3 is included in the amount appropriated in sec. 36 of this Act to the Alaska Public Utilities
4 Commission for fiscal year 2000 expenditures.

5 * **Sec. 4. ALASKA SCIENCE AND TECHNOLOGY FOUNDATION.** The unexpended
6 and unobligated balance in the Alaska science and technology endowment earnings reserve
7 on June 30, 1999, is appropriated to the Alaska Science and Technology Foundation to award
8 as grants under AS 37.17.030(d) for the fiscal year ending June 30, 2000.

9 * **Sec. 5. ALASKA SEAFOOD MARKETING INSTITUTE.** An amount equal to the
10 unexpended and unobligated balance on June 30, 1999, of the fiscal year 1999 general fund
11 receipts from the salmon marketing tax (AS 43.76.110) and from the seafood marketing
12 assessment (AS 16.51.120) is included in the amount appropriated in sec. 36 of this Act from
13 the general fund to the Alaska Seafood Marketing Institute for marketing Alaska seafood
14 products during fiscal year 2000.

15 * **Sec. 6. CONSTITUTIONAL BUDGET RESERVE FUND.** (a) Amounts equal to the
16 deposits in the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for
17 fiscal year 1999 that were made from subfunds and accounts other than the operating general
18 fund (state accounting system fund number 11100) by operation of art. IX, sec. 17(d),
19 Constitution of the State of Alaska, to repay appropriations from the budget reserve fund are
20 appropriated from the budget reserve fund to the subfunds and accounts from which they were
21 transferred.

22 (b) If the unrestricted state revenue available for appropriation in fiscal year 2000 is
23 insufficient to cover the general fund appropriations made for fiscal year 2000, the amount
24 necessary to balance revenue and general fund appropriations is appropriated to the general
25 fund from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

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

28 * **Sec. 7. DISASTER RELIEF.** Federal receipts received for disaster relief are appropriated
29 to the disaster relief fund (AS 26.23.300).

30 * **Sec. 8. FEDERAL AND OTHER PROGRAM RECEIPTS.** (a) Federal receipts,
31 designated program receipts as defined under AS 37.05.146(b)(3), receipts of commercial

1 fisheries test fishing operations under AS 37.05.146(b)(4)(U), and receipts of or from the trust
 2 established by AS 37.14.400 - 37.14.450 (Exxon Valdez oil spill trust) that exceed the
 3 amounts appropriated by this Act are appropriated conditioned on compliance with the
 4 program review provisions of AS 37.07.080(h).

5 (b) If federal or other program receipts as defined in AS 37.05.146 exceed the
 6 estimates appropriated by this Act, the appropriations from state funds for the affected
 7 program may be reduced by the excess if the reductions are consistent with applicable federal
 8 statutes.

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

12 * **Sec. 9. FISH AND GAME ENFORCEMENT.** (a) To increase enforcement of the fish
 13 and game laws of the state, the amount deposited in the general fund during the fiscal year
 14 ending June 30, 1999, from criminal fines, penalties, and forfeitures imposed for violation of
 15 AS 16 and its implementing regulations and from the sale of forfeited property or alternative
 16 damages collected under AS 16.05.195 is appropriated to the fish and game fund
 17 (AS 16.05.100).

18 (b) Appropriations totaling the estimated amount of the deposits described in (a) of
 19 this section are made in sec. 36 of this Act to the Department of Public Safety and the
 20 Department of Law for increased enforcement, investigation, and prosecution of state fish and
 21 game laws. If the receipts appropriated to the fish and game fund (AS 16.05.100) from the
 22 sources described in (a) of this section during fiscal year 2000 fall short of the estimates
 23 appropriated by this Act, each department's appropriation set out in sec. 36 of this Act is
 24 reduced proportionately.

25 * **Sec. 10. FOUR DAM POOL TRANSFER FUND.** The amount available in the four dam
 26 pool transfer fund (AS 42.45.050) during fiscal year 2000 is appropriated to the following
 27 funds in the following percentages for the purposes set out in AS 42.45.050:

28	Power cost equalization and rural electric	40 percent
29	capitalization fund (AS 42.45.100)	
30	Southeast energy fund (AS 42.45.040)	40 percent
31	Power project fund (AS 42.45.010)	20 percent

1 * **Sec. 11. INFORMATION SERVICES FUND.** The sum of \$55,000 is appropriated to
 2 the information services fund (AS 44.21.045) for the Department of Administration.
 3 information technology group programs, from designated program receipts of the information
 4 technology group.

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

8 (b) Amounts equivalent to the amounts to be received in settlement of claims against
 9 bonds guaranteeing the reclamation of state land are appropriated from the general fund to the
 10 agency secured by the bond for the purpose of reclaiming state land affected by a use covered
 11 by the bond.

12 * **Sec. 13. INSURANCE FEES.** The unexpended and unobligated balance on June 30,
 13 1999, of the Department of Commerce and Economic Development, division of insurance,
 14 general fund program receipts from insurance fees under AS 21.06.250 is included in the
 15 amount appropriated in sec. 36 of this Act to the Department of Commerce and Economic
 16 Development, division of insurance, for operating costs for the fiscal year ending June 30,
 17 2000.

18 * **Sec. 14. LAND DISPOSAL.** General fund receipts in the fiscal years ending June 30,
 19 2000, and June 30, 2001, from the following land sales in the following amounts are
 20 appropriated to the Department of Natural Resources for land sale preparation costs for the
 21 fiscal years ending June 30, 2000, and June 30, 2001:

22 (1) an amount not to exceed \$50,000 from land sales in the new commercial
 23 industrial subdivision at Naukati Bay on Prince of Wales Island;

24 (2) an amount not to exceed \$200,000 from land sales of residential and
 25 recreational parcels at Vallenar Bay on Gravina Island.

26 * **Sec. 15. MARINE HIGHWAY SYSTEM FUND.** The sum of \$27,329,500 is
 27 appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060).

28 * **Sec. 16. MOTOR FUEL TAX.** The following estimated amounts from the unreserved
 29 special accounts in the general fund are included within the general fund amounts appropriated
 30 by this Act:

31 Special highway fuel tax account (AS 43.40.010(g)) \$23,924,500

1 Special aviation fuel tax account (AS 43.40.010(e)) 5,400,000

2 * **Sec. 17. OCCUPATIONAL LICENSING.** The unexpended and unobligated balance on
3 June 30, 1999, of the Department of Commerce and Economic Development, division of
4 occupational licensing, general fund program receipts from occupational licensing fees under
5 AS 08.01.065 is included in the amount appropriated in sec. 36 of this Act to the division of
6 occupational licensing for operating costs for the fiscal year ending June 30, 2000.

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

11 (1) the balance of the oil and hazardous substance release prevention mitigation
12 account (AS 46.08.020(b)) in the general fund on July 1, 1999, not otherwise appropriated by
13 this Act;

14 (2) the amount collected for the fiscal year ending June 30, 1999, estimated
15 to be \$10,900,000, from the surcharge levied under AS 43.55.300.

16 * **Sec. 19. OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE ACCOUNT.**
17 The following amounts are appropriated to the oil and hazardous substance release response
18 account (AS 46.08.010(a)(2)) in the oil and hazardous substance release prevention and
19 response fund (AS 46.08.010) from the following sources:

20 (1) the balance of the oil and hazardous substance release response mitigation
21 account (AS 46.08.025(b)) in the general fund on July 1, 1999, not otherwise appropriated by
22 this Act;

23 (2) the amount collected for the fiscal year ending June 30, 1999, from the
24 surcharge levied under AS 43.55.201.

25 * **Sec. 20. REAL ESTATE SURETY FUND.** The balance of the real estate surety fund
26 (AS 08.88.450) on June 30, 1998, that exceeds \$500,000 is appropriated to the Department
27 of Commerce and Economic Development, division of occupational licensing, for the fiscal
28 year ending June 30, 2000, for purposes relating to the real estate surety fund.

29 * **Sec. 21. RETAINED FEES.** The amount retained to compensate the collector or trustee
30 of fees, licenses, taxes, or other money belonging to the state during the fiscal year ending
31 June 30, 2000, is appropriated for that purpose to the agency authorized by law to generate

1 the revenue.

2 * **Sec. 22. SAFETY ADVISORY COUNCIL.** The amount appropriated for the 1999
3 annual governor's safety conference (sec. 20, ch. 137, SLA 1998), plus the fiscal year 1999
4 program receipts of the Alaska Safety Advisory Council (AS 18.60.830), less the amount
5 expended or obligated for the 1999 annual governor's safety conference, is appropriated from
6 general fund program receipts to the Alaska Safety Advisory Council for costs of the 2000
7 annual governor's safety conference.

8 * **Sec. 23. SALARY AND BENEFIT ADJUSTMENTS.** (a) The operating budget
9 appropriations made to the University of Alaska in sec. 36 of this Act include amounts to
10 implement the monetary terms of the collective bargaining agreements listed in (b) of this
11 section and for salary and benefit adjustments for university employees who are not members
12 of a collective bargaining unit.

13 (b) Funding for the following collective bargaining agreements is included in the
14 appropriations made to the University of Alaska in sec. 36 of this Act:

15 Alaska Classified Employees Association, representing certain employees of the
16 University of Alaska;

17 Alaska Community College Federation of Teachers, representing certain
18 employees of the University of Alaska;

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

20 United Academics-Adjuncts, representing certain employees of the University
21 of Alaska.

22 (c) The operating budget appropriations made in sec. 36 of this Act to the University
23 of Alaska include any increase or decrease caused by changes to the Public Employees'
24 Retirement System or Teachers' Retirement System contribution rates.

25 * **Sec. 24. SALMON ENHANCEMENT TAX.** The salmon enhancement tax collected
26 under AS 43.76.010 - 43.76.030 in calendar year 1998 and deposited in the general fund under
27 AS 43.76.025(c) is appropriated from the general fund to the Department of Commerce and
28 Economic Development for payment in fiscal year 2000 to qualified regional associations
29 operating within a region designated under AS 16.10.375.

30 * **Sec. 25. SHARED TAXES AND FEES.** The amount necessary to refund to local
31 governments their share of taxes and fees collected in the listed fiscal years under the

1 following programs is appropriated to the Department of Revenue from the general fund for
2 payment in fiscal year 2000:

3 REVENUE SOURCE	FISCAL YEAR COLLECTED
4 fisheries taxes (AS 43.75)	1999
5 fishery resource landing tax (AS 43.77)	1999
6 aviation fuel tax (AS 43.40.010)	2000
7 electric and telephone cooperative tax (AS 10.25.570)	2000
8 liquor license fee (AS 04.11)	2000

9 * **Sec. 26. STATE DEBT AND OTHER OBLIGATIONS.** (a) The amount required to pay
10 interest on revenue anticipation notes issued by the commissioner of revenue under AS 43.08
11 is appropriated from the general fund to the Department of Revenue for payment of the
12 interest on those notes.

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

16 (c) The sum of \$4,605,230 is appropriated from the general fund to the Alaska debt
17 retirement fund (AS 37.15.011).

18 (d) The sum of \$16,287,779 is appropriated from the Alaska debt retirement fund
19 (AS 37.15.011) to the state bond committee for trustee fees and lease payments relating to
20 certificates of participation issued for real property.

21 (e) The sum of \$2,517,957 is appropriated from the Alaska debt retirement fund
22 (AS 37.15.011) to the state bond committee for payment of debt service and trustee fees on
23 state general obligation bonds.

24 (f) The sum of \$2,877,508 is appropriated from the International Airports Revenue
25 Fund (AS 37.15.430) to the state bond committee for payment of debt service and trustee fees
26 on outstanding international airports revenue bonds.

27 (g) The sum of \$71,923,300 is appropriated to the Department of Education for state
28 aid for costs of school construction under AS 14.11.100 from the following sources:

29 Alaska debt retirement fund (AS 37.15.011)	\$26,258,600
30 School fund (AS 43.50.140)	45,664,700

31 * **Sec. 27. STATE TRAINING AND EMPLOYMENT PROGRAM.** The lapsing balance

1 of the employment assistance and training program account (AS 23.15.625) on June 30, 1999,
2 is appropriated to the employment assistance and training program account for the fiscal year
3 ending June 30, 2000.

4 * **Sec. 28. STATUTORY BUDGET RESERVE FUND.** If the unrestricted state revenue
5 available for appropriation in fiscal year 2000 is insufficient to cover the general fund
6 appropriations made for fiscal year 2000, the amount necessary to balance revenue and general
7 fund appropriations is appropriated to the general fund from the budget reserve fund
8 (AS 37.05.540).

9 * **Sec. 29. STORAGE TANK ASSISTANCE FUND.** The sum of \$5,489,656 is
10 appropriated from the oil and hazardous substance release prevention account
11 (AS 46.08.010(a)(1)) to the storage tank assistance fund (AS 46.03.410) for the fiscal year
12 ending June 30, 2000.

13 * **Sec. 30. STUDENT LOAN PROGRAM.** The amount from student loan borrowers of
14 the Alaska Commission on Postsecondary Education that is assessed for loan origination fees
15 for the fiscal year ending June 30, 2000, is appropriated to the origination fee account
16 (AS 14.43.120(u)) within the student loan fund of the Alaska Student Loan Corporation for
17 the purposes specified in AS 14.43.120(u).

18 * **Sec. 31. TEACHER CERTIFICATION.** The unexpended and unobligated balance on
19 June 30, 1999, of the Department of Education, teacher certification general fund program
20 receipts from certification fees under AS 14.20.020(c) is included in the amount appropriated
21 in sec. 36 of this Act to the Department of Education, teacher certification, for operating costs
22 for the fiscal year ending June 30, 2000.

23 * **Sec. 32. TEST FISHERY RECEIPTS.** The unexpended and unobligated amount of
24 commercial fisheries test fishing operations receipts (AS 37.05.146(b)(4)(U)) from the harvest
25 and sale of crab for the fiscal year ending June 30, 1999, are appropriated to the Department
26 of Fish and Game for operations of the shellfish onboard observer program in the division of
27 commercial fisheries management and development for the fiscal year ending June 30, 2000.

28 * **Sec. 33. VALUE-ADDED TIMBER SALES.** An amount not to exceed \$250,000 is
29 appropriated from general fund receipts generated in the fiscal years ending June 30, 2000,
30 and June 30, 2001, from value-added timber sales in Southeast Alaska and in the Tanana
31 Valley to the Department of Natural Resources for costs of preparing and administering those

1 value-added timber sales, for the fiscal years ending June 30, 2000, and June 30, 2001.

2 * Sec. 34. NONLAPSE OF APPROPRIATIONS. The appropriations made by secs. 1, 7,
3 9(a), 10, 11, 15, 18, 19, 26(c), 27, and 30 of this Act are for the capitalization of funds and
4 do not lapse.

5 * Sec. 35. RETROACTIVITY. (a) The appropriation made by sec. 20 of this Act is
6 retroactive to June 30, 1998.

7 (b) The appropriation made by sec. 1(a)(1) of this Act is retroactive to June 30, 1999.

8 (SECTION 36 OF THIS ACT BEGINS ON PAGE 14)

Fiscal Year 2000 Budget Summary by Funding Source

Funding Source	Operating	New Legislation	Total
Federal Receipts	877,836,500		877,836,500
General Fund Match	192,480,300		192,480,300
General Fund Receipts	1,717,004,100		1,717,004,100
General Fund/Program Receipts	74,788,700		74,788,700
Inter-Agency Receipts	236,899,100		236,899,100
University of Alaska Interest Income	3,339,600		3,339,600
Alaska Advance College Tuition Payment Fund	19,200		19,200
Alcoholism & Drug Abuse Revolving Loan	2,000		2,000
Donated Commodity/Handling Fee Account	250,000		250,000
U/A Dormitory/Food/Auxiliary Service	33,395,300		33,395,300
Federal Incentive Payments	2,500,000		2,500,000
Benefits Systems Receipts	14,649,100		14,649,100
Exxon Valdez Oil Spill Settlement	9,094,600		9,094,600
Agricultural Loan Fund	1,785,400		1,785,400
FICA Administration Fund Account	90,900		90,900
Fish and Game Fund	21,976,800		21,976,800
Science & Technology Endowment Income	12,169,800		12,169,800
Highway Working Capital Fund	22,385,700		22,385,700
International Airport Revenue Fund	41,323,100		41,323,100
Public Employees Retirement Fund	24,936,200		24,936,200
Second Injury Fund Reserve Account	2,853,000		2,853,000
Disabled Fishermans Reserve Account	1,301,000		1,301,000
Surplus Property Revolving Fund	397,800		397,800
Teachers Retirement System Fund	12,827,800		12,827,800
Veterans Revolving Loan Fund	147,800		147,800
Commercial Fishing Loan Fund	2,783,900		2,783,900
U/A Student Tuition/Fees/Services	59,043,900		59,043,900
U/A Indirect Cost Recovery	19,382,200		19,382,200
Real Estate Surety Fund	209,900		209,900
Judicial Retirement System	182,300		182,300

Fiscal Year 2000 Budget Summary by Funding Source

Funding Source	Operating	New Legislation	Total
Public Law 81-874	20,791,300		20,791,300
National Guard Retirement System	127,200		127,200
Student Revolving Loan Fund	22,200		22,200
Title XX	4,474,500		4,474,500
University Restricted Receipts	74,491,300		74,491,300
Training and Building Fund	572,500		572,500
Permanent Fund Dividend Fund	28,898,200		28,898,200
Rural Development Initiative Fund	98,000		98,000
Oil/Hazardous Response Fund	12,444,600		12,444,600
Investment Loss Trust Fund	17,300		17,300
State Employment & Training Program	4,046,100		4,046,100
Inter-agency/Oil & Hazardous Waste	1,798,400		1,798,400
Small Business Loan Fund	3,300		3,300
Correctional Industries Fund	3,500,600		3,500,600
Capital Improvement Project Receipts	78,550,900		78,550,900
Power Project Loan Fund	802,500		802,500
National Petroleum Reserve Fund	50,000		50,000
Public School Fund	7,680,500		7,680,500
Mining Revolving Loan Fund	5,000		5,000
Child Care Revolving Loan Fund	5,800		5,800
Historical District Revolving Loan Fund	2,500		2,500
Fisheries Enhancement Revolving Loan Fund	325,500		325,500
Alternative Energy Revolving Loan Fund	148,700		148,700
Bulk Fuel Revolving Loan Fund	49,000		49,000
Alaska Clean Water Loan Fund	455,300		455,300
Marine Highway System Fund	74,667,900		74,667,900
Storage Tank Assistance Fund	854,700		854,700
Information Service Fund	20,269,900		20,269,900
Power Cost Equalization Fund	17,000,000		17,000,000
Clean Air Protection Fund	2,139,600		2,139,600
Children's Trust Fund Earnings	379,700		379,700

Fiscal Year 2000 Budget Summary by Funding Source

Funding Source	Operating	New Legislation	Total
Alaska Drinking Water Fund	518,400		518,400
Alaska Aerospace Development Corporation	43,200		43,200
Receipts			
Alaska Industrial Development & Export Authority Receipts	3,705,900		3,705,900
Alaska Housing Finance Corporation Receipts	15,849,700		15,849,700
Alaska Municipal Bond Bank Receipts	462,400		462,400
Alaska Permanent Fund Corporation Receipts	42,873,900		42,873,900
Alaska Post-Secondary Education Commission Receipts	7,485,100		7,485,100
Alaska Energy Authority Corporate Receipts	1,049,500		1,049,500
Statutory Designated Program Receipts	18,090,600		18,090,600
Test Fisheries Receipts	5,970,500		5,970,500
Alaska Public Utility Commission	4,699,200		4,699,200
Fishermans Fund Income	100,000		100,000
International Trade & Devel. Fund Earnings Reserve	759,000		759,000
Vocational Rehabilitation Small Business	215,000		215,000
Enterprise Fund			
Pioneers' Homes Receipts	1,850,000		1,850,000
Tobacco Settlement	8,753,800		8,753,800
Indirect Cost Reimbursement	1,102,300		1,102,300
*** Total ***	\$3,854,257,500		\$3,854,257,500

1 * Sec. 36. The following appropriation items are for operating expenditures from the general fund or other
 2 funds as set out in the fiscal year 2000 budget summary for the operating budget by funding source to th
 3 agencies named for the purposes expressed for the fiscal year beginning July 1, 1999 and ending June 30,
 4 2000, unless otherwise indicated.

	Appropriation	General	Other
	Allocations	Funds	Funds
	*****	*****	
	***** Department of Administration *****		
	*****	*****	
10	Centralized Administrative	36,222,200	10,824,700
11	Services		25,397,500
12	Office of the Commissioner	542,000	
13	Tax Appeals	214,000	
14	Administrative Services	1,564,300	
15	DOA Information Technology	988,600	
16	Support		
17	Finance	6,059,800	
18	Personnel	2,180,000	
19	Labor Relations	911,400	
20	Purchasing	1,061,100	
21	Property Management	1,019,900	
22	Central Mail	1,280,500	
23	Retirement and Benefits	8,500,300	
24	Group Health Insurance	11,900,300	
25	Leases	35,205,100	24,661,900
26	Leases	34,714,100	
27	Lease Administration	491,000	
28	Elected Public Officers	1,111,500	1,111,500
29	Retirement System Benefits		
30	Information Services	20,269,900	20,269,900
31	Public Communications Services	4,248,900	3,775,200
			473,700

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Public Broadcasting Commission	57,000		
4	Public Broadcasting - Radio	2,613,900		
5	Satellite Infrastructure	1,578,000		
6	AIRRES Grant	89,000	89,000	
7	Risk Management	22,405,000		22,405,000
8	Longevity Bonus Grants	55,302,100	55,302,100	
9	Alaska Longevity Programs	23,744,500	23,235,400	509,100
10	Pioneers Homes	22,386,400		
11	Alaska Longevity Programs	1,358,100		
12	Management			
13	Senior Services	15,080,800	7,080,500	8,000,300
14	Protection, Community	3,858,500		
15	Services, and Administration			
16	Nutrition, Transportation and	5,514,300		
17	Support Services			
18	Senior Employment Services	1,857,600		
19	Home and Community Based Care	1,101,400		
20	Senior Residential Services	1,015,000		
21	Home Health Services	1,734,000		
22	Legal and Advocacy Services	17,902,000	17,376,000	526,000
23	Office of Public Advocacy	7,682,200		
24	Public Defender Agency	10,219,800		
25	Alaska Oil and Gas Conservation	1,890,200	1,790,000	100,200
26	Commission			
27	Alaska Public Offices Comm	733,000	733,000	
28	Alaska Public Offices	733,000		
29	Commission			
30	Field Services	0		
31	Motor Vehicles	8,887,500	8,667,700	219,800
32	Pioneers' Homes Facility	2,125,000		2,125,000
33	Maintenance			

1		Appropriation	General	Other
2	Allocations	Items	Funds	Funds
3	General Services Facilities	2,589,700		2,589,700
4	Maintenance			
5	AOGCC Facilities Maintenance	49,300		49,300
6	ITG Facilities Maintenance	23,000		23,000
7	Y2K Coordination Office	305,000		305,000
8	*****		*****	
9	***** Department of Commerce and Economic Development *****			
10	*****		*****	
11	Banking, Securities and	1,735,500	1,733,800	1,700
12	Corporations			
13	Insurance Operations	4,396,600	4,396,600	
14	Occupational Licensing	5,372,600	4,966,900	405,700
15	APUC Operations	4,699,200		4,699,200
16	Executive Administration and	4,595,500	2,307,700	2,287,800
17	Development			
18	Commissioner's Office	452,200		
19	Trade and Development	2,954,700		
20	Administrative Services	1,188,600		
21	Alaska Science and Technology	8,984,600		8,984,600
22	Foundation			
23	Investments	3,295,500		3,295,500
24	Tourism	6,713,100	5,286,000	1,427,100
25	Alaska Tourism Marketing	4,535,200		
26	Council			
27	Tourism Development	2,177,900		
28	AIDEA	5,074,700		5,074,700
29	AIDEA Facilities Maintenance	73,000		
30	Alaska Industrial Development	3,952,200		
31	and Export Authority			
32	Alaska Energy Authority	1,049,500		
33	Operations and Maintenance			

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Alaska Seafood Marketing	10,568,900	7,068,900	3,500,000
4	Institute			
5	Alaska Aerospace Development	823,400		823,400
6	Corporation			
7	*****		*****	
8	***** Department of Community & Regional Affairs *****			
9	*****		*****	
10	Administration and Support	6,143,000	1,929,300	4,213,700
11	Office of the Commissioner	419,400		
12	Administrative Services	1,925,400		
13	Data and Word Processing	798,200		
14	One Stop	3,000,000		
15	State Facilities Maintenance	6,700		6,700
16	National Forest Receipts	10,000,000		10,000,000
17	Local Government Assistance	9,783,100	2,198,700	7,584,400
18	Training and Development	2,583,800		
19	State Assessor	150,200		
20	Local Boundary Commission	248,300		
21	Statewide Assistance	6,750,800		
22	Nationa' Petroleum Reserve	50,000		
23	Program			
24	Community and Economic	1,497,300	456,100	1,041,200
25	Development			
26	Child Assistance	32,910,400	8,541,700	24,368,700
27	Child Care	4,623,500		
28	Day Care Assistance Programs	21,635,100		
29	Head Start Grants	6,651,800		
30	Employment Training/Rural	31,294,700	861,700	30,433,000
31	Development			
32	Job Training Partnership Act	14,361,400		
33	State Training and Employment	1,512,300		

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Statewide Service Delivery	12,417,500		
4	Community Development	3,003,500		
5	Assistance			
6	Rural Energy Program--Energy	19,444,000	546,100	18,897,900
7	Operations			
8	Energy Operations	2,444,000		
9	Power Cost Equalization	17,000,000		
10	Circuit Rider	300,000	300,000	
11		*****	*****	
12		***** Department of Corrections *****		
13		*****	*****	
14	Administration & Operations	126,010,900	109,633,200	16,377,700
15	Office of the Commissioner	947,800		
16	Parole Board	484,000		
17	Correctional Academy	664,400		
18	Administrative Services	2,730,500		
19	Data and Word Processing	1,376,100		
20	Facility-Capital Improvement	209,500		
21	Unit			
22	Inmate Health Care	11,734,000		
23	Inmate Programs	2,420,600		
24	Correctional Industries	1,163,900		
25	Administration			
26	Correctional Industries	3,500,600		
27	Product Cost			
28	Institution Director's Office	993,200		
29	Anvil Mountain Correctional	3,850,600		
30	Center			
31	Combined Hiland Mountain	7,168,100		
32	Correctional Center			
33	Cook Inlet Correctional Center	9,119,100		

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Fairbanks Correctional Center	6,943,200		
4	Ketchikan Correctional Center	2,575,200		
5	Lemon Creek Correctional	5,917,300		
6	Center			
7	Matanuska-Susitna	2,711,600		
8	Correctional Center			
9	Palmer Correctional Center	8,462,300		
10	Sixth Avenue Correctional	3,827,200		
11	Center			
12	Spring Creek Correctional	13,687,300		
13	Center			
14	Wildwood Correctional Center	8,177,100		
15	Yukon-Kuskokwim Correctional	3,953,100		
16	Center			
17	Community Jails	4,766,600		
18	Community Corrections	701,900		
19	Director's Office			
20	Northern Region Probation	2,449,400		
21	Southcentral Region Probation	4,605,000		
22	Southeast Region Probation	961,500		
23	Transportation and	1,279,300		
24	Classification			
25	Facility Maintenance	8,630,500		
26	Community Residential Centers		15,681,800	13,964,000
27	Existing Community	13,864,500		
28	Residential Centers			
29	Nome Culturally Relevant CRC	1,016,500		
30	Bethel Culturally Relevant CRC	144,800		
31	Community Residential Center	656,000		
32	Offender Supervision			
33	Out-of-State Contracts		19,977,100	17,310,400
			2,666,700	

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Point MacKenzie Rehabilitation	2,122,900	2,122,900	
4	Program			
5	Alternative Institutional Housing	200,000	200,000	
6	Food Services Apprenticeship	96,100		96,100
7	Program			
8	*****	*****		
9	***** Department of Education *****			
10	*****	*****		
11	K-12 Support	766,216,500	711,812,700	54,403,800
12	Foundation Program	692,990,000		
13	Tuition Students	2,225,000		
14	Boarding Home Grants	185,900		
15	Youth in Detention	800,000		
16	Schools for the Handicapped	3,840,500		
17	Pupil Transportation	39,775,100		
18	Child Nutrition	26,000,000		
19	Community Schools	400,000		
20	Teaching and Learning Support	82,959,700	7,178,000	75,781,700
21	Special and Supplemental	50,235,500		
22	Services			
23	Quality Schools	30,700,800		
24	Education Special Projects	602,900		
25	Teacher Certification	692,800		
26	Child Nutrition Administration	727,700		
27	Executive Administration	4,766,700	2,371,200	2,395,500
28	State Board of Education	93,400		
29	Commissioner's Office	470,700		
30	Administrative Services	1,365,300		
31	Information Services	797,800		
32	District Support Services	1,078,900		
33	Educational Facilities Support	685,600		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Donated Commodities	275,000		
4	Alyeska Central School	5,835,400	116,900	5,718,500
5	Commissions and Boards	1,295,300	652,200	643,100
6	Professional Teaching	187,400		
7	Practices Commission			
8	Alaska State Council on the	1,107,900		
9	Arts			
10	Kotzebue Technical Center	609,000	609,000	
11	Operations Grant			
12	Alaska Vocational Technical	5,368,100	4,218,200	1,149,900
13	Center Operations			
14	It is the intent of the legislature that the Alaska Vocational Technical Center increase tuition rates for the			
15	FY01 budget in order to move a portion of general fund sources to the General Fund Program Receipts fund			
16	source.			
17	It is the intent of the legislature that the Alaska Vocational Technical Center explore and discuss			
18	coordination of services with the University of Alaska.			
19	Mt. Edgecumbe Boarding School	4,370,400	2,450,000	1,920,400
20	State Facilities Maintenance	1,496,100		1,496,100
21	Vocational Rehabilitation	23,878,300	4,350,700	19,527,600
22	Client Services	13,629,500		
23	Federal Training Grant	56,300		
24	Vocational Rehabilitation	1,383,000		
25	Administration			
26	Independent Living	1,348,500		
27	Rehabilitation			
28	Disability Determination	4,955,000		
29	Special Projects	1,472,300		
30	Assistive Technology	843,700		
31	Americans With Disabilities	190,000		
32	Act (ADA)			
33	Alaska Library and Museums	6,869,800	5,861,500	1,008,300

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Library Operations	4,757,000		
4	Archives	689,400		
5	Museum Operations	1,423,400		
6	It is the intent of the legislature that the department develop a plan to fully fund public operations of the			
7	Sheldon Jackson Museum from General Fund Program Receipts or Statutory Designated Program Receipts			
8	in the FY01 budget.			
9	Alaska Postsecondary Education	9,100,400	1,540,000	7,560,400
10	Commission			
11	Program Administration	1,050,300		
12	Student Loan Operations	6,530,100		
13	Western Interstate Commission	85,000		
14	for Higher Education-Student			
15	Exchange Program			
16	WWAMI Medical Education	1,435,000		
17	*****		*****	
18	*****	Department of Environmental Conservation	*****	
19	*****		*****	
20	Administration	4,550,200	1,362,000	3,188,200
21	Office of the Commissioner	391,800		
22	Administrative Services	3,528,200		
23	Exxon Restoration	630,200		
24	Environmental Health	12,526,700	5,576,200	6,950,500
25	Environmental Health Director	168,400		
26	Food Safety & Sanitation	3,481,200		
27	Laboratory Services	2,232,700		
28	Drinking Water	3,814,600		
29	Solid Waste Management	1,078,300		
30	Statewide Public Services	1,751,500		
31	Air and Water Quality	11,229,600	3,197,400	8,032,200
32	Air and Water Director	462,100		
33	Air Quality	4,840,200		

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Water Quality	5,927,300		
4	Spill Prevention and Response		15,118,100	15,118,100
5	Spill Prevention and Response	193,100		
6	Director			
7	Contaminated Sites	4,911,600		
8	Storage Tank Program	2,375,500		
9	Industry Preparedness and	2,342,500		
10	Pipeline Operations			
11	Prevention and Emergency	3,109,900		
12	Response			
13	Response Fund Administration	2,185,500		
14	Facility Construction and	4,990,700	1,141,800	3,848,900
15	Operations			
16		*****	*****	
17		***** Department of Fish and Game *****		
18		*****	*****	
19	Commercial Fisheries		43,984,700	25,320,600
20	Southeast Region Fisheries	5,952,500		
21	Management			
22	Central Region Fisheries	6,165,800		
23	Management			
24	AYK Region Fisheries	4,258,900		
25	Management			
26	Westward Region Fisheries	9,327,500		
27	Management			
28	Headquarters Fisheries	3,636,300		
29	Management			
30	Fisheries Development	2,427,000		
31	Special Projects	10,957,800		
32	Capital Improvement Position	632,700		
33	Costs			

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	EVOS Restoration Projects	526,200		
4	Sport Fisheries		70,600	23,147,200
5	Sport Fisheries	22,817,400		
6	Special Projects	400,400		
7	Wildlife Conservation		312,900	20,334,400
8	Wildlife Conservation	16,676,200		
9	Special Projects	2,937,200		
10	Capital Improvement Position	293,800		
11	Costs			
12	EVOS Restoration Projects	539,400		
13	Assert/Protect State's Rights	200,700		
14	Administration and Support	6,165,300	2,172,300	3,993,000
15	Public Communications	135,700		
16	Administrative Services	4,756,100		
17	Boards of Fisheries and Game	903,600		
18	Advisory Committees	869,900		
19	State Facilities Maintenance	894,300		894,300
20	Commissioner's Office	834,400	533,900	300,500
21	Subsistence	2,445,500	214,800	2,230,700
22	Subsistence	214,800		
23	Subsistence - Special Projects	1,666,900		
24	EVOS Restoration Projects	563,800		
25	Subsistence Field Offices	1,373,600	886,200	487,400
26	Habitat	11,589,100	1,809,100	9,780,000
27	Habitat	1,648,300		
28	Special Projects	2,692,800		
29	Habitat Permitting/Title 16	2,527,000		
30	Exxon Valdez Restoration	4,621,000		
31	Limited Entry Program	2,629,600	2,520,400	109,200
32	Administration			

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	*****	*****		
4	*****	Office of the Governor	*****	
5	*****		*****	
6	Commissions/Special Offices	1,858,600	1,307,900	550,700
7	Human Rights Commission	1,458,400		
8	Alaska Human Resources	400,200		
9	Investment Council			
10	Executive Operations	8,499,300	8,389,300	110,000
11	Executive Office	6,560,000		
12	Governor's House	318,000		
13	Contingency Fund	475,000		
14	Lieutenant Governor	874,500		
15	Equal Employment Opportunity	271,800		
16	Office of Management & Budget	6,378,300	3,566,000	2,812,300
17	Office of Management and	2,127,600		
18	Budget			
19	Governmental Coordination	4,250,700		
20	Elective Operations	2,039,600	2,039,600	
21	Elections	1,694,000		
22	General and Primary Elections	345,600		
23	*****		*****	
24	*****	Department of Health and Social Services	*****	
25	*****		*****	
26	Public Assistance	157,142,600	88,067,000	69,075,600
27	Alaska Temporary Assistance	77,853,400		
28	Program			
29	Adult Public Assistance	49,740,400		
30	General Relief Assistance	1,041,900		
31	Old Age Assistance-Alaska	1,907,200		
32	Longevity Bonus (ALB) Hold			
33	Harmless			

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Permanent Fund Dividend Hold	18,688,900		
4	Harmless			
5	Energy Assistance Program	5,505,600		
6	Tribal Assistance	2,405,200		
7	Medical Assistance		401,388,100	111,368,000
8	Medicaid Services	398,343,100		
9	Chronic Acute Medical	3,045,000		
10	Assistance			
11	Public Assistance Administration		82,432,800	25,469,400
12	Public Assistance	1,722,300		
13	Administration			
14	Quality Control	965,000		
15	Public Assistance Field	23,842,600		
16	Services			
17	Fraud Investigation	1,120,800		
18	Public Assistance Data	4,823,400		
19	Processing			
20	Work Services	13,715,200		
21	Child Care Benefits	36,242,600		
22	Medical Assistance Administration		37,366,100	9,658,700
23	Medical Assistance	1,417,600		
24	Administration			
25	Medicaid State Programs	15,914,500		
26	Health Purchasing Group	15,273,600		
27	Certification and Licensing	1,063,000		
28	Hearings and Appeals	364,900		
29	Audit	631,000		
30	Children's Health Eligibility	2,701,500		
31	Purchased Services		38,355,000	26,222,200
32	Delinquency Prevention	3,338,000		
33	Family Preservation	4,473,500		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Foster Care Base Rate	8,360,800		
4	Foster Care Augmented Rate	2,020,600		
5	Foster Care Special Need	2,551,400		
6	Foster Care Alaska Youth	476,000		
7	Initiative			
8	Subsidized Adoptions &	9,670,600		
9	Guardianship			
10	Residential Child Care	7,464,100		
11	Front Line Social Workers	18,415,000	8,638,900	9,776,100
12	Family and Youth Services	4,483,800	1,787,800	2,696,000
13	Management			
14	Family and Youth Services Staff	1,037,000	420,000	617,000
15	Training			
16	Child Protection Legal Assistance	440,000	440,000	
17	Office of Public Advocacy	185,000		
18	Public Defender Agency	255,000		
19	Youth Corrections	25,205,600	23,964,600	1,241,000
20	McLaughlin Youth Center	10,006,500		
21	Fairbanks Youth Facility	2,741,900		
22	Nome Youth Facility	675,500		
23	Johnson Youth Center	2,500,800		
24	Bethel Youth Facility	1,890,700		
25	Probation Services	7,390,200		
26	Human Services Community	1,751,900	445,900	1,306,000
27	Matching Grant			
28	Maniilaq	2,205,900	2,205,900	
29	Maniilaq Social Services	843,900		
30	Maniilaq Public Health	901,300		
31	Services			
32	Maniilaq Alcohol and Drug	460,700		
33	Abuse Services			

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Norton Sound		1,738,200	
4	Norton Sound Social Services	62,200		
5	Norton Sound Public Health	1,271,900		
6	Services			
7	Norton Sound Alcohol and Drug	307,800		
8	Abuse Services			
9	Norton Sound Sanitation	96,300		
10	Southeast Alaska Regional Health		310,900	
11	Consortium			
12	Southeast Alaska Regional	120,100		
13	Health Consortium Public			
14	Health Services			
15	Southeast Alaska Regional	190,800		
16	Health Consortium Alcohol and			
17	Drug Abuse			
18	Kawerak Social Services		372,700	
19	Tanana Chiefs Conference		534,400	
20	Tanana Chiefs Conference	239,300		
21	Public Health Services			
22	Tanana Chiefs Conference	295,100		
23	Alcohol and Drug Abuse			
24	Services			
25	Tlingit-Haida		192,500	
26	Tlingit-Haida Social Services	186,600		
27	Tlingit-Haida Alcohol and	5,900		
28	Drug Abuse Services			
29	Yukon-Kuskokwim Health		1,448,200	
30	Corporation			
31	Yukon-Kuskokwim Health	907,400		
32	Corporation Public Health			
33	Services			

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Yukon-Kuskokwim Health	540,800		
4	Corporation Alcohol and Drug			
5	Abuse Services			
6	State Health Services	72,821,600	22,964,700	49,856,900
7	Nursing	14,616,000		
8	Women, Infants and Children	20,542,200		
9	Maternal, Child, and Family	11,358,600		
10	Health			
11	Healthy Families	1,118,200		
12	Public Health Administrative	1,309,000		
13	Services			
14	Epidemiology	7,391,900		
15	Bureau of Vital Statistics	1,482,800		
16	Health Services/Medicaid	3,222,000		
17	Community Health/Emergency	3,019,700		
18	Medical Services			
19	Community Health Grants	1,596,100		
20	Emergency Medical Services	1,760,100		
21	Grants			
22	State Medical Examiner	1,074,500		
23	Infant Learning Program Grants	1,199,300		
24	Public Health Laboratories	2,846,600		
25	Radiological Health	284,600		
26	Alcohol and Drug Abuse Services	17,197,600	6,206,200	10,991,400
27	Administration	1,862,400		
28	Alcohol Safety Action Program	1,093,600		
29	(ASAP)			
30	Alcohol and Drug Abuse Grants	11,282,500		
31	Community Grants - Prevention	2,500,000		
32	Community Action Against	177,300		
33	Substance Abuse Grants			

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Correctional ADA Grant	281,800		
4	Services			
5	Community Mental Health Grants	3,344,800		3,344,800
6	Psychiatric Emergency Services	505,500		
7	Services to the Chronically	605,300		
8	Mentally Ill			
9	Designated Evaluation and	1,097,000		
10	Treatment			
11	Services for Seriously	1,137,000		
12	Emotionally Disturbed Youth			
13	Community Developmental	652,400		652,400
14	Disabilities Grants			
15	Institutions and Administration	19,840,500	1,773,300	18,067,200
16	Mental Health/Developmental	1,837,500		
17	Disabilities Administration			
18	Alaska Psychiatric Institute	15,633,400		
19	Federal Mental Health Projects	2,369,600		
20	Mental Health Trust Boards	1,248,000		1,248,000
21	Alaska Mental Health Board	125,500		
22	Governor's Council on	1,122,500		
23	Disabilities and Special			
24	Education			
25	Administrative Services	5,367,000	2,112,100	3,254,900
26	Unallocated Reduction	-1,146,300		
27	Commissioner's Office	912,100		
28	Personnel and Payroll	1,302,000		
29	Administrative Support	3,342,300		
30	Services			
31	Health Planning & Facilities	931,900		
32	Management			
33	COMmunity Partnerships for	25,000		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Access, Solutions and Success			
4	Community Grants			
5	Children's Trust Programs	345,700		345,700
6	Facilities Maintenance	2,584,900		2,584,900
7		*****	*****	
8		*****	Department of Labor	*****
9		*****	*****	
10	Employment Security	44,259,500	966,000	43,293,500
11	Employment Services	11,009,200		
12	Unemployment Insurance	16,881,100		
13	Work Services	1,720,100		
14	State Training Employment	4,046,100		
15	Program			
16	Data Processing	5,298,800		
17	Management Services	2,330,100		
18	Labor Market Information	2,974,100		
19	Office of the Commissioner	11,312,000	6,122,900	5,189,100
20	Commissioner's Office	343,200		
21	Alaska Labor Relations Agency	324,200		
22	Fishermens Fund	1,301,000		
23	Workers' Compensation	2,534,700		
24	Second injury Fund	2,858,900		
25	Wage and Hour Administration	1,409,100		
26	Mechanical Inspection	1,920,000		
27	Occupational Safety and Health	514,200		
28	Alaska Safety Advisory Council	106,700		
29		*****	*****	
30		*****	Department of Law	*****
31		*****	*****	
32	Criminal Division	14,111,900	12,549,900	1,562,000
33	First Judicial District	1,180,600		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Second Judicial District	818,400		
4	Third Judicial District;	3,440,400		
5	Anchorage			
6	Third Judicial District;	2,138,000		
7	Outside Anchorage			
8	Fourth Judicial District	2,683,900		
9	Criminal Justice Litigation	1,368,200		
10	Criminal Appeals/Special	2,482,400		
11	Litigation Component			
12	Civil Division	21,232,700	7,032,200	14,200,500
13	Deputy Attorney General's	202,800		
14	Office			
15	Collections and Support	1,773,000		
16	Commercial Section	1,674,800		
17	Environmental Law	1,354,200		
18	Fair Business Practices	1,236,300		
19	Governmental Affairs Section	2,190,700		
20	Human Services Section	3,075,900		
21	Legislation/Regulations	495,400		
22	Mental Health Lands	236,000		
23	Natural Resources	1,281,200		
24	Oil and Gas and Mining	2,948,200		
25	Special Litigation	2,149,000		
26	Transportation Section	1,895,300		
27	Timekeeping & Support	719,900		
28	Statehood Defense	980,000	980,000	
29	Oil and Gas Litigation and Legal	5,885,100	4,409,100	1,477,000
30	Services			
31	Oil & Gas Litigation	5,590,400		
32	Oil & Gas Legal Services	295,700		
33	Administration and Support	1,436,900	883,600	553,300

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Office of the Attorney General	334,200		
4	Administrative Services	1,102,700		
5	*****		*****	
6	***** Department of Military and Veterans Affairs *****			
7	*****		*****	
8	Disaster Planning & Control	3,940,500	489,300	3,451,200
9	Disaster Planning & Control	3,397,100		
10	Local Emergency Planning	543,400		
11	Committee Grants			
12	Alaska National Guard	19,922,700	5,641,100	14,281,600
13	Office of the Commissioner	1,487,200		
14	National Guard Military	196,200		
15	Headquarters			
16	Army Guard Facilities	10,234,200		
17	Maintenance			
18	Air Guard Facilities	4,665,700		
19	Maintenance			
20	State Active Duty	115,000		
21	Youth Corps	3,350,100		
22	Unallocated Reduction	-125,700		
23	Alaska National Guard Benefits	1,133,000	1,133,000	
24	Educational Benefits	28,500		
25	Retirement Benefits	1,104,500		
26	Veterans' Services	620,500	620,500	
27	*****		*****	
28	***** Department of Natural Resources *****			
29	*****		*****	
30	Management and Administration	4,725,300	2,047,700	2,677,600
31	Commissioner's Office	507,500		
32	Administrative Services	2,103,800		
33	Trustee Council Projects	2,114,000		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
3 Information/Data Management		5,211,900	4,450,900	761,000
4 Recorder's Office/Uniform	2,306,300			
5 Commercial Code				
6 It is the intent of the legislature for the Recorder's Office to be able to fulfill its statutory responsibilities				
7 under AS 40.17.070, including the creation and maintenance of a daily log and index for recorded				
8 documents to their owners after recording. If workload impacts the ability of the existing Recorder's Office				
9 staff to index documents within 24 hours of recording, then it is the intent of the legislature that the				
10 Recorder's Office should hire non-permanent employees to assist with the workload and request				
11 supplemental funding for fiscal year 00.				
12 Information Resource	2,382,500			
13 Management				
14 Interdepartmental Data	523,100			
15 Processing Chargeback				
16 Resource Development		836,500		836,500
17 Oil and Hazardous Waste Spill	86,500			
18 Response Program				
19 Development - Special Projects	500,000			
20 Emergency Firefighters Non	250,000			
21 Emergency Projects				
22 Land Development		7,739,000	6,742,500	996,500
23 Forest Management and Development		8,423,300	6,951,700	1,471,600
24 Oil and Gas Development		8,054,600	4,107,000	3,947,600
25 Oil & Gas Development	4,389,600			
26 Pipeline Coordinator	3,665,000			
27 Mining, Geological, Water		6,946,600	4,201,100	2,745,500
28 Development				
29 Mining Development	2,003,000			
30 Geological Development	3,855,500			
31 Water Development	1,088,100			
32 Parks and Recreation Management		9,193,300	5,597,300	3,596,000
33 State Historic Preservation	1,156,400			

		Appropriation	General	Other
		Allocations	Funds	Funds
1				
2				
3	Program			
4	Parks Management	5,533,300		
5	Parks Access	2,503,600		
6	Agricultural Development		260,200	2,727,100
7	Agricultural Development	1,183,400		
8	North Latitude Plant Material	1,803,900		
9	Center			
10	Agriculture Revolving Loan			691,300
11	Program Administration			
12	Statehood Defense		208,100	
13	Citizen's Advisory Commission	93,100		
14	on Federal Areas			
15	RS 2477/Navigability	115,000		
16	Assertions and Litigation			
17	Support			
18	Facilities Maintenance		103,600	1,100,000
19	Facilities Maintenance	1,100,000		
20	Fairbanks Office Building	103,600		
21	Chargeback			
22	Fire Suppression		3,175,100	5,319,600
23		*****	*****	
24		***** Department of Public Safety *****		
25		*****	*****	
26	Fish and Wildlife Protection		14,943,800	1,191,900
27	Enforcement and Investigative	11,330,100		
28	Services Unit			
29	Director's Office	247,800		
30	Aircraft Section	1,629,800		
31	Marine Enforcement	2,928,000		
32	Dalton Highway Protection		90,200	
33	Fire Prevention		1,788,600	297,400

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Fire Prevention Operations	1,442,700		
4	Fire Service Training	643,300		
5	Highway Safety Planning Agency		74,800	1,525,200
6	Highway Safety Planning	142,300		
7	Operations			
8	Federal Grants	1,457,700		
9	Alaska State Troopers		8,450,700	4,398,100
10	Special Projects	1,385,300		
11	Criminal Investigations Bureau	3,211,700		
12	Director's Office	651,800		
13	Judicial Services-Anchorage	1,985,200		
14	Prisoner Transportation	1,476,700		
15	Search and Rescue	283,100		
16	Rural Trooper Housing	540,200		
17	Narcotics Task Force	3,224,900		
18	Commercial Vehicle Enforcement	89,900		
19	Alaska State Trooper Detachments		32,941,800	1,516,400
20	Village Public Safety Officer		7,498,000	
21	Program			
22	Contracts	5,523,500		
23	Support	1,721,000		
24	Administration	253,500		
25	Alaska Police Standards Council		846,400	
26	Violent Crimes Compensation Board			1,296,900
27	Council on Domestic Violence and		3,744,100	5,286,300
28	Sexual Assault			
29	Batterers Intervention Program		65,000	280,000
30	Statewide Support		8,294,100	2,890,600
31	Commissioner's Office	632,600		
32	Training Academy	1,374,400		
33	Administrative Services	1,815,100		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Alaska Wing Civil Air Patrol	503,100		
4	Laboratory Services	2,177,900		
5	Alaska Public Safety	1,920,700		
6	Information Network			
7	Alaska Criminal Records and	2,760,900		
8	Identification			
9	Facility Maintenance	608,800		608,800
10	Victims for Justice	100,000	100,000	
11	*****	*****		
12	***** Department of Revenue *****			
13	*****	*****		
14	Child Support Enforcement	16,548,800	2,887,700	13,661,100
15	It is the intent of the legislature that the CSED use the program receipts it collects to match federal			
16	revenues before passing the balance on to the Department of Health and Social Services.			
17	Alcohol Beverage Control Board	636,200	636,200	
18	Municipal Bond Bank Authority	462,400		462,400
19	Permanent Fund Corporation	40,796,900		40,796,900
20	Permanent Fund Corporation	7,466,200		
21	PFC Custody and Management	33,330,700		
22	Fees			
23	Alaska Housing Finance	35,663,700		35,663,700
24	Corporation			
25	Alaska Housing Finance	33,679,000		
26	Corporation Operations			
27	Anchorage State Office	1,984,700		
28	Building			
29	Revenue Operations	41,926,100	7,723,900	34,202,200
30	Income and Excise Audit	4,011,200		
31	Oil and Gas Audit	2,663,300		

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	It is the intent of the legislature that the Oil and Gas Audit Division be combined with the Income and			
4	Excise Audit Division to improve work efficiencies and combine revenue audit and taxation functions for			
5	all of Alaska's resources and industries.			
6	Treasury Management	2,837,500		
7	Alaska State Pension	3,200,500		
8	Investment Board			
9	ASPIB Bank Custody and	29,213,600		
10	Management Fees			
11	Administration and Support	2,471,700	656,700	1,815,000
12	Commissioner's Office	1,362,100		
13	Administrative Services	1,109,600		
14	Permanent Fund Dividend	4,829,100		4,829,100
15	*****		*****	
16	***** Department of Transportation/Public Facilities *****			
17	*****		*****	
18	Administration and Support	16,461,700	7,703,200	8,758,500
19	Commissioner's Office	812,700		
20	Contract Appeals and	394,300		
21	Statewide Procurement			
22	Equal Employment and Civil	574,500		
23	Rights			
24	Internal Review	684,500		
25	Statewide Administrative	1,812,800		
26	Services			
27	Statewide Information Systems	1,889,600		
28	State Equipment Fleet	2,274,300		
29	Administration			
30	Regional Administrative	3,402,400		
31	Services			
32	Central Region Support	781,500		
33	Services			

		Appropriation	General	Other
		Allocations	Funds	Funds
1				
2				
3	Northern Region Support	1,066,300		
4	Services			
5	Southeast Region Support	2,137,300		
6	Services			
7	Statewide Aviation	631,500		
8	Planning		332,700	4,851,800
9	Statewide Planning	2,365,400		
10	Northern Region Planning	1,162,000		
11	Central Region Planning	1,148,300		
12	Southeast Region Planning	508,800		
13	Design and Engineering Services		1,923,500	29,178,200
14	Statewide Design and	6,014,000		
15	Engineering Services			
16	Central Region Design and	10,476,200		
17	Engineering Services			
18	Northern Region Design and	9,820,300		
19	Engineering Services			
20	Southeast Region Design and	5,291,200		
21	Engineering Services			
22	Construction and CIP Support		741,400	26,620,300
23	Central Region Construction	12,988,100		
24	and CIP Support			
25	Northern Region Construction	10,515,200		
26	& CIP Support			
27	Southeast Region Construction	3,858,400		
28	Statewide Facility Maintenance		14,963,900	2,397,600
29	and Operations			
30	Traffic Signal Management	1,183,000		
31	Central Region Facilities	3,492,000		
32	Northern Region Facilities	7,672,800		
33	Southeast Region Facilities	3,828,500		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Central Region Leasing and	582,900		
4	Property Management			
5	Northern Region Leasing and	602,300		
6	Property Management			
7	State Equipment Fleet	20,318,600		20,318,600
8	Central Region State	7,702,700		
9	Equipment Fleet			
10	Northern Region State	10,723,400		
11	Equipment Fleet			
12	Southeast Region State	1,892,500		
13	Equipment Fleet			
14	Measurement Standards &	3,785,400	3,435,400	350,000
15	Commercial Vehicle Enforcement			
16	Central Region Highways and	28,462,500	27,435,000	1,027,500
17	Aviation			
18	It is the intent of the legislature that the Department analyze the existing maintenance stations and close the			
19	number required to realize savings of \$400,000 in both the Northern and Central Regions. These			
20	maintenance station closures should not result in any roads that are currently maintained to go			
21	unmaintained.			
22	It is the intent of the legislature that \$500,000 of the amount appropriated from federal receipts for Central			
23	Region Highways and Aviation is for maintenance and operation of Mitchell Field at Adak and is			
24	contingent upon receipt of federal receipts for maintenance and operation of Mitchell Field and the			
25	execution of a long-term agreement between the Department of Transportation and Public Facilities and			
26	either the Adak Reuse Corporation or the City of Adak regarding the maintenance and operation of			
27	Mitchell Field.			
28	Northern Region Highways and	36,942,100	36,142,800	799,300
29	Aviation			

30 It is the intent of the legislature that the Department analyze the existing maintenance stations and close the
31 number required to realize savings of \$400,000 in both the Northern and Central Regions. These
32 maintenance station closures should not result in any roads that are currently maintained to go
33 unmaintained.

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	It is the intent of the legislature that the Department open the state highways and roads in the spring that			
4	have customarily been opened by the Department. (Taylor Highway, Boundary Spur, McCarthy Road,			
5	Nome/Teller Road, Nome/Council Road, Glacier Creek/Nome, Fairbanks Creek Road, Tofty Road/Manly,			
6	Eureka/Rampart, etc.)			
7	Southeast Region Highways and	9,011,400	8,850,700	160,700
8	Aviation			
9	International Airports	39,999,600		39,999,600
10	International Airport Systems	295,700		
11	Office			
12	Anchorage Airport Field	5,536,400		
13	Maintenance			
14	Anchorage Airport Building	5,683,500		
15	Maintenance			
16	Anchorage Airport Safety	6,020,000		
17	Anchorage Airport Operations	1,681,100		
18	Anchorage Airport Custodial	3,232,700		
19	Anchorage Airport Equipment	2,414,200		
20	Maintenance			
21	Anchorage Airport	5,855,000		
22	Administration			
23	Fairbanks Airport Field	2,494,400		
24	Maintenance			
25	Fairbanks Airport Building	1,376,300		
26	Maintenance			
27	Fairbanks Airport Safety	2,349,300		
28	Fairbanks Airport Operations	967,400		
29	Fairbanks Airport Custodial	744,200		
30	Fairbanks Airport	1,349,400		
31	Administration			
32	Marine Highway System	73,601,400		73,601,400
33	Marine Engineering	1,949,100		

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Overhaul	1,698,400		
4	Vessel Operations Management	1,073,100		
5	Southeast Shore Operations	2,991,200		
6	Southwest Shore Operations	952,000		
7	Southwest Vessel Operations	9,574,100		
8	Reservations and Marketing	1,860,800		
9	Southeast Vessel Operations	53,502,700		
10		*****	*****	
11		***** University of Alaska *****		
12		*****	*****	
13	University of Alaska	459,989,900	166,132,200	293,857,700
14	Unallocated Budget Reductions/	-16,263,200		
15	Additions			
16	It is the intent of the House Finance Subcommittee for the University of Alaska to support the University of			
17	Alaska's efforts to increase the University general fund allocation for FY00. We, therefore respectfully			
18	request the House Finance Committee members identify and appropriate resources for the University to, as			
19	nearly as possible, meet the University's request of an additional \$16.3 million general fund increment.			
20	Budget Reductions/Additions -	13,050,300		
21	Systemwide			
22	Statewide Services	20,788,400		
23	Statewide Networks	9,640,600		
24	ACCFT Contract Provisions	476,000		
25	United Academics (UA)	1,683,800		
26	Contract Provisions			
27	CEA Contract Provisions	393,800		
28	Salary Adjustment: Non-	3,637,500		
29	Covered Employees			
30	United Academics - Adjuncts	278,900		
31	Anchorage Campus	127,543,400		
32	Kenai Peninsula College	6,286,200		
33	Kodiak College	2,555,000		

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Matanuska-Susitna College	4,550,400		
4	Prince William Sound	4,643,900		
5	Community College			
6	Alaska Cooperative Extension	6,064,400		
7	Bristol Bay Campus	1,193,500		
8	Chukchi Campus	925,100		
9	Fairbanks Campus	146,261,500		
10	Fairbanks Organized Research	83,287,300		
11	Interior-Aleutians Campus	1,723,100		
12	Kuskokwim Campus	3,383,700		
13	Northwest Campus	1,540,000		
14	Rural College	3,025,300		
15	Tanana Valley Campus	5,044,500		
16	Juneau Campus	20,622,300		
17	Ketchikan Campus	2,795,500		
18	Sitka Campus	4,853,700		
19		*****	*****	
20		***** Alaska Court System *****		
21		*****	*****	
22	Alaska Court System		49,225,800	48,925,800
23	Appellate Courts	3,980,400		
24	Trial Courts	38,895,200		
25	Administration and Support	6,350,200		
26	Commission on Judicial Conduct		226,300	226,300
27	Judicial Council		708,900	693,900
28	Judicial Council	688,900		
29	Courtwatch	20,000		
30		*****	*****	
31		***** Legislature *****		
32		*****	*****	

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
3 Budget and Audit Committee		6,196,100	6,196,100	
4 Legislative Audit	2,602,000			
5 Legislative Finance	2,959,100			
6 Ombudsman	491,800			
7 Committee Expenses	143,200			
8 Legislative Council		19,710,100	19,645,100	65,000
9 Salaries and Allowances	4,162,100			
10 Administrative Services	6,732,800			
11 Session Expenses	5,947,000			
12 Council and Subcommittees	574,200			
13 Legal and Research Services	2,150,800			
14 Select Committee on Ethics	143,200			
15 Legislative Operating Budget		5,720,100	5,720,100	
16 * Sec. 37. The following sets out the funding by agency for the appropriations made in sec. 36 of this Act.				
17 Department of Administration				
18 Federal Receipts		7,042,800		
19 General Fund Match		1,164,500		
20 General Fund Receipts		135,222,400		
21 General Fund/Program Receipts		16,049,300		
22 Inter-Agency Receipts		44,506,900		
23 Benefits Systems Receipts		14,543,600		
24 FICA Administration Fund Account		90,900		
25 Public Employees Retirement Fund		4,016,400		
26 Surplus Property Revolving Fund		397,800		
27 Teachers Retirement System Fund		1,636,500		
28 Judicial Retirement System		24,700		
29 National Guard Retirement System		87,300		
30 Capital Improvement Project Receipts		433,700		
31 Information Service Fund		20,269,900		
32 Statutory Designated Program Receipts		486,200		
33 Pioneers' Homes Receipts		1,850,000		

1	Tobacco Settlement	360,800
2	*** Total Agency Funding ***	\$248,183,700
3	Department of Commerce and Economic Development	
4	Federal Receipts	3,650,100
5	General Fund Match	1,000
6	General Fund Receipts	7,363,700
7	General Fund/Program Receipts	18,395,200
8	Inter-Agency Receipts	1,935,600
9	Science & Technology Endowment Income	9,539,800
10	Veterans Revolving Loan Fund	147,800
11	Commercial Fishing Loan Fund	2,608,900
12	Real Estate Surety Fund	209,900
13	Small Business Loan Fund	3,300
14	Capital Improvement Project Receipts	360,100
15	Mining Revolving Loan Fund	5,000
16	Child Care Revolving Loan Fund	5,800
17	Historical District Revolving Loan Fund	2,500
18	Fisheries Enhancement Revolving Loan Fund	325,500
19	Alternative Energy Revolving Loan Fund	148,700
20	Alaska Aerospace Development Corporation Receipts	43,200
21	Alaska Industrial Development & Export Authority Receipts	3,705,900
22	Alaska Energy Authority Corporate Receipts	1,049,500
23	Statutory Designated Program Receipts	1,299,900
24	Alaska Public Utility Commission	4,699,200
25	International Trade & Devel. Fund Earnings Reserve	759,000
26	*** Total Agency Funding ***	\$56,259,600
27	Department of Community & Regional Affairs	
28	Federal Receipts	44,025,000
29	General Fund Match	772,700
30	General Fund Receipts	14,011,700
31	General Fund/Program Receipts	49,200
32	Inter-Agency Receipts	33,216,100
33	Rural Development Initiative Fund	98,000

1	Capital Improvement Project Receipts	1,135,200
2	Power Project Loan Fund	802,500
3	National Petroleum Reserve Fund	50,000
4	Bulk Fuel Revolving Loan Fund	49,000
5	Power Cost Equalization Fund	17,000,000
6	Statutory Designated Program Receipts	69,800
7	Fishermans Fund Income	100,000
8	*** Total Agency Funding ***	\$111,379,200
9	Department of Corrections	
10	Federal Receipts	6,477,000
11	General Fund Match	129,600
12	General Fund Receipts	139,594,900
13	General Fund/Program Receipts	3,506,000
14	Inter-Agency Receipts	8,140,100
15	Permanent Fund Dividend Fund	2,197,300
16	Correctional Industries Fund	3,500,600
17	Capital Improvement Project Receipts	543,300
18	*** Total Agency Funding ***	\$164,088,800
19	Department of Education	
20	Federal Receipts	121,485,100
21	General Fund Match	2,890,500
22	General Fund Receipts	736,026,600
23	General Fund/Program Receipts	2,243,300
24	Inter-Agency Receipts	12,766,800
25	Donated Commodity/Handling Fee Account	250,000
26	Public Law 81-874	20,791,300
27	Capital Improvement Project Receipts	179,300
28	Public School Fund	7,612,800
29	Alaska Post-Secondary Education Commission Receipts	7,485,100
30	Statutory Designated Program Receipts	819,900
31	Vocational Rehabilitation Small Business Enterprise Fund	215,000
32	*** Total Agency Funding ***	\$912,765,700
33	Department of Environmental Conservation	

1	Federal Receipts	14,612,800
2	General Fund Match	3,200,100
3	General Fund Receipts	6,070,400
4	General Fund/Program Receipts	2,006,900
5	Inter-Agency Receipts	826,600
6	Exxon Valdez Oil Spill Settlement	630,200
7	Commercial Fishing Loan Fund	175,000
8	Oil/Hazardous Response Fund	12,444,600
9	Capital Improvement Project Receipts	2,555,200
10	Alaska Clean Water Loan Fund	455,300
11	Storage Tank Assistance Fund	854,700
12	Clean Air Protection Fund	2,139,600
13	Alaska Drinking Water Fund	518,400
14	Statutory Designated Program Receipts	1,925,500
15	*** Total Agency Funding ***	\$48,415,300
16	Department of Fish and Game	
17	Federal Receipts	33,555,500
18	General Fund Match	606,900
19	General Fund Receipts	30,414,000
20	General Fund/Program Receipts	2,819,900
21	Inter-Agency Receipts	8,232,500
22	Exxon Valdez Oil Spill Settlement	6,350,400
23	Fish and Game Fund	20,790,300
24	Inter-agency/Oil & Hazardous Waste	67,000
25	Capital Improvement Project Receipts	1,640,000
26	Statutory Designated Program Receipts	3,334,600
27	Test Fisheries Receipts	5,970,500
28	*** Total Agency Funding ***	\$113,781,600
29	Office of the Governor	
30	Federal Receipts	3,072,800
31	General Fund Match	1,266,800
32	General Fund Receipts	14,031,100
33	General Fund/Program Receipts	4,900

1	Inter-Agency Receipts	400,200
2	*** Total Agency Funding ***	\$18,775,800
3	Department of Health and Social Services	
4	Federal Receipts	479,952,300
5	General Fund Match	175,950,100
6	General Fund Receipts	141,370,500
7	General Fund/Program Receipts	10,628,000
8	Inter-Agency Receipts	53,021,500
9	Alcoholism & Drug Abuse Revolving Loan	2,000
10	Title XX	4,474,500
11	Permanent Fund Dividend Fund	18,688,900
12	Capital Improvement Project Receipts	865,600
13	Children's Trust Fund Earnings	345,700
14	Statutory Designated Program Receipts	4,531,100
15	Tobacco Settlement	8,393,000
16	*** Total Agency Funding ***	\$898,223,200
17	Department of Labor	
18	Federal Receipts	33,550,100
19	General Fund Match	521,500
20	General Fund Receipts	5,595,100
21	General Fund/Program Receipts	972,300
22	Inter-Agency Receipts	5,721,100
23	Second Injury Fund Reserve Account	2,853,000
24	Disabled Fishermans Reserve Account	1,301,000
25	Training and Building Fund	572,500
26	State Employment & Training Program	4,046,100
27	Capital Improvement Project Receipts	87,700
28	Statutory Designated Program Receipts	351,100
29	*** Total Agency Funding ***	\$55,571,500
30	Department of Law	
31	Federal Receipts	476,100
32	General Fund Match	157,300
33	General Fund Receipts	25,129,200

1	General Fund/Program Receipts	568,300
2	Inter-Agency Receipts	15,248,500
3	Fish and Game Fund	125,800
4	Inter-agency/Oil & Hazardous Waste	465,400
5	Alaska Permanent Fund Corporation Receipts	1,477,000
6	*** Total Agency Funding ***	\$43,647,600
7	Department of Military and Veterans Affairs	
8	Federal Receipts	14,406,200
9	General Fund Match	2,130,500
10	General Fund Receipts	5,725,000
11	General Fund/Program Receipts	28,400
12	Inter-Agency Receipts	1,863,900
13	Inter-agency/Oil & Hazardous Waste	1,134,200
14	Capital Improvement Project Receipts	313,500
15	Statutory Designated Program Receipts	15,000
16	*** Total Agency Funding ***	\$25,616,700
17	Department of Natural Resources	
18	Federal Receipts	11,429,300
19	General Fund Match	309,400
20	General Fund Receipts	30,014,500
21	General Fund/Program Receipts	7,521,300
22	Inter-Agency Receipts	4,165,800
23	Exxon Valdez Oil Spill Settlement	2,114,000
24	Agricultural Loan Fund	1,785,400
25	Inter-agency/Oil & Hazardous Waste	82,500
26	Capital Improvement Project Receipts	2,427,600
27	Alaska Permanent Fund Corporation Receipts	600,000
28	Statutory Designated Program Receipts	4,265,700
29	*** Total Agency Funding ***	\$64,715,500
30	Department of Public Safety	
31	Federal Receipts	10,237,300
32	General Fund Match	527,300
33	General Fund Receipts	76,232,900

1	General Fund/Program Receipts	2,077,300
2	Inter-Agency Receipts	4,524,000
3	Fish and Game Fund	1,060,700
4	Permanent Fund Dividend Fund	3,219,000
5	Inter-agency/Oil & Hazardous Waste	49,300
6	Statutory Designated Program Receipts	201,300
7	*** Total Agency Funding ***	\$98,129,100
8	Department of Revenue	
9	Federal Receipts	28,686,700
10	General Fund Receipts	9,321,800
11	General Fund/Program Receipts	2,582,700
12	Inter-Agency Receipts	2,788,600
13	Alaska Advance College Tuition Payment Fund	19,200
14	Federal Incentive Payments	2,500,000
15	Benefits Systems Receipts	105,500
16	International Airport Revenue Fund	31,100
17	Public Employees Retirement Fund	20,919,800
18	Teachers Retirement System Fund	11,191,300
19	Judicial Retirement System	157,600
20	National Guard Retirement System	39,900
21	Student Revolving Loan Fund	22,200
22	Permanent Fund Dividend Fund	4,793,000
23	Investment Loss Trust Fund	17,300
24	Capital Improvement Project Receipts	1,353,600
25	Public School Fund	67,700
26	Children's Trust Fund Earnings	34,000
27	Alaska Housing Finance Corporation Receipts	15,849,700
28	Alaska Municipal Bond Bank Receipts	462,400
29	Alaska Permanent Fund Corporation Receipts	40,796,900
30	Statutory Designated Program Receipts	491,600
31	Indirect Cost Reimbursement	1,102,300
32	*** Total Agency Funding ***	\$143,334,900
33	Department of Transportation/Public Facilities	

1	Federal Receipts	1,428,200
2	General Fund Match	74,800
3	General Fund Receipts	96,242,100
4	General Fund/Program Receipts	5,211,700
5	Inter-Agency Receipts	4,911,000
6	Highway Working Capital Fund	22,385,700
7	International Airport Revenue Fund	41,292,000
8	Capital Improvement Project Receipts	63,079,800
9	Marine Highway System Fund	74,667,900
10	Statutory Designated Program Receipts	298,900
11	*** Total Agency Funding ***	\$309,592,100
12	University of Alaska	
13	Federal Receipts	63,434,200
14	General Fund Match	2,777,300
15	General Fund Receipts	163,354,900
16	Inter-Agency Receipts	34,564,900
17	University of Alaska Interest Income	3,339,600
18	U/A Dormitory/Food/Auxiliary Service	33,395,300
19	Science & Technology Endowment Income	2,630,000
20	U/A Student Tuition/Fees/Services	59,043,900
21	U/A Indirect Cost Recovery	19,382,200
22	University Restricted Receipts	74,491,300
23	Capital Improvement Project Receipts	3,576,300
24	*** Total Agency Funding ***	\$459,989,900
25	Alaska Court System	
26	Federal Receipts	315,000
27	General Fund Receipts	49,846,000
28	*** Total Agency Funding ***	\$50,161,000
29	Legislature	
30	General Fund Receipts	31,437,300
31	General Fund/Program Receipts	124,000
32	Inter-Agency Receipts	65,000
33	*** Total Agency Funding ***	\$31,626,300

1 ***** Total Budget *****

\$3,854,257,500

2 * Sec. 38. Except as otherwise provided in this Act, this Act takes effect July 1, 1999.

Draft

MENTAL HEALTH

CS FOR HOUSE BILL NO. 51(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

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

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

1 * Sec. 3. The following appropriation items are for operating expenditures from the general fund or other
 2 funds as set out in the fiscal year 2000 budget summary for the operating budget by funding source to the
 3 agencies named for the purposes expressed for the fiscal year beginning July 1, 1999 and ending June 30,
 4 2000, unless otherwise indicated.

	Allocations	Appropriation Items	General Funds	Other Funds
5				
6				
7	*****		*****	
8	*****	Department of Administration	*****	
9	*****		*****	
10	Alaska Longevity Programs	10,097,200	10,097,200	
11	Pioneers Homes	10,032,900		
12	Alaska Longevity Programs	64,300		
13	Management			
14	Senior Services	2,873,800	2,131,300	742,500
15	Protection, Community	402,200		
16	Services, and Administration			
17	Home and Community Based Care	2,471,600		
18	Office of Public Advocacy	1,176,500	1,176,500	
19	*****		*****	
20	*****	Department of Corrections	*****	
21	*****		*****	
22	Administration & Operations	4,410,500	3,999,300	411,200
23	Inmate Health Care	3,991,500		
24	Inmate Programs	419,000		
25	*****		*****	
26	*****	Department of Education	*****	
27	*****		*****	
28	Special and Supplemental Services	110,100	110,100	
29	*****		*****	
30	*****	Department of Health and Social Services	*****	
31	*****		*****	

1		Appropriation	General	Other
2		Items	Funds	Funds
3	Medicaid Services	31,576,800	31,576,800	
4	Purchased Services	5,654,200	5,504,200	150,000
5	Foster Care Augmented Rate	500,000		
6	Foster Care Special Need	747,900		
7	Foster Care Alaska Youth	400,000		
8	Initiative			
9	Residential Child Care	4,006,300		
10	Front Line Social Workers	145,800	145,800	
11	Youth Corrections	287,700	287,700	
12	McLaughlin Youth Center	159,500		
13	Fairbanks Youth Facility	78,200		
14	Bethel Youth Facility	50,000		
15	Maniilaq	872,400	872,400	
16	Maniilaq Alcohol and Drug	522,400		
17	Abuse Services			
18	Maniilaq Mental Health and	350,000		
19	Developmental Disabilities			
20	Services			
21	Norton Sound	732,900	732,900	
22	Norton Sound Public Health	98,300		
23	Services			
24	Norton Sound Alcohol and Drug	232,200		
25	Abuse Services			
26	Norton Sound Mental Health	402,400		
27	and Developmental			
28	Disabilities Services			
29	Southeast Alaska Regional Health	265,800	265,800	
30	Consortium			
31	Southeast Alaska Regional	140,600		
32	Health Consortium Alcohol and			
33	Drug Abuse			

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Southeast Alaska Regional	125,200		
4	Health Consortium Mental			
5	Health Services			
6	Tanana Chiefs Conference		737,200	737,200
7	Tanana Chiefs Conference	202,400		
8	Alcohol and Drug Abuse			
9	Services			
10	Tanana Chiefs Conference	534,800		
11	Mental Health Services			
12	Tlingit-Haida Alcohol and Drug		6,000	6,000
13	Abuse Services			
14	Yukon-Kuskokwim Health		1,325,900	1,325,900
15	Corporation			
16	Yukon-Kuskokwim Health	418,500		
17	Corporation Alcohol and Drug			
18	Abuse Services			
19	Yukon-Kuskokwim Health	907,400		
20	Corporation Mental Health			
21	Services			
22	State Health Services		4,519,700	4,419,700
23	Maternal, Child, and Family	100,400		
24	Health			
25	Healthy Families	566,000		
26	Infant Learning Program Grants	3,853,300		
27	Alcohol and Drug Abuse Services		12,441,000	11,309,300
28	Administration	1,132,300		
29	Alcohol and Drug Abuse Grants	8,671,300		
30	Correctional ADA Grant	281,800		
31	Services			
32	Rural Services Grants	2,355,600		
33	General Community Mental Health Grants		1,007,400	773,800
				233,600

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
3	Community Mental Health Grants	24,462,500	24,072,500	390,000
4	Psychiatric Emergency Services	6,005,400		
5	Services to the Chronically	10,801,400		
6	Mentally Ill			
7	Designated Evaluation and	1,046,300		
8	Treatment			
9	Services for Seriously	6,609,400		
10	Emotionally Disturbed Youth			
11	Community Developmental	19,386,700	19,186,700	200,000
12	Disabilities Grants			
13	Institutions and Administration	3,525,600	3,190,600	335,000
14	Mental Health/Developmental	3,162,400		
15	Disabilities Administration			
16	Alaska Psychiatric Institute	363,200		
17	Mental Health Trust Boards	1,251,100	693,100	558,000
18	Alaska Mental Health Board	366,900		
19	Governor's Council on	573,000		
20	Disabilities and Special			
21	Education			
22	Advisory Board on Alcoholism	311,200		
23	and Drug Abuse			
24	Health Planning & Facilities	50,000		50,000
25	Management			
26		*****	*****	
27		***** Department of Law *****		
28		*****	*****	
29	Human Services Section	63,000	63,000	
30		*****	*****	
31		***** Department of Natural Resources *****		
32		*****	*****	

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	Mental Health Trust Lands	892,100	892,100
4	Administration		
5	*****	*****	
6	***** Department of Revenue *****		
7	*****	*****	
8	Alaska Mental Health Trust	907,400	907,400
9	Authority		
10	*****	*****	
11	***** University of Alaska *****		
12	*****	*****	
13	Anchorage Campus	200,800	200,800
14	*****	*****	
15	***** Alaska Court System *****		
16	*****	*****	
17	Trial Courts	79,300	79,300
18	* Sec. 4. The following sets out the funding by agency for the appropriations made in sec. 3 of this Act.		
19	Department of Administration		
20	General Fund / Mental Health	13,405,000	
21	Mental Health Trust Authority Authorized Receipts	742,500	
22	*** Total Agency Funding ***	\$14,147,500	
23	Department of Corrections		
24	General Fund / Mental Health	3,999,300	
25	Mental Health Trust Authority Authorized Receipts	411,200	
26	*** Total Agency Funding ***	\$4,410,500	
27	Department of Education		
28	General Fund / Mental Health	110,100	
29	*** Total Agency Funding ***	\$110,100	
30	Department of Health and Social Services		
31	General Fund / Mental Health	105,100,400	
32	Mental Health Trust Authority Authorized Receipts	3,148,300	
33	*** Total Agency Funding ***	\$108,248,700	

1		Appropriation	General	Other
2		Allocations	Funds	Funds
1	Department of Law			
2	General Fund / Mental Health		63,000	
3	*** Total Agency Funding ***		\$63,000	
4	Department of Natural Resources			
5	Mental Health Trust Authority Authorized Receipts		892,100	
6	*** Total Agency Funding ***		\$892,100	
7	Department of Revenue			
8	Mental Health Trust Administration		907,400	
9	*** Total Agency Funding ***		\$907,400	
10	University of Alaska			
11	General Fund / Mental Health		200,800	
12	*** Total Agency Funding ***		\$200,800	
13	Alaska Court System			
14	General Fund / Mental Health		79,300	
15	*** Total Agency Funding ***		\$79,300	
16	***** Total Budget *****		\$129,059,400	
17	* Sec. 5. Except as otherwise provided in this Act, this Act takes effect July 1, 1999.			

1 * Sec. 6. The following appropriation items are for capital projects and grants from the general fund or
 2 other funds as set out in section 7 of this act by funding source to the agencies named for the purposes
 3 expressed and lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
	Allocations	Items	Funds
	*****	*****	
	*****	Department of Health and Social Services	
	*****	*****	
9	API 2000 - Facility Replacement	9,000,000	9,000,000
10	(ED 10-25)		
11	API Stop - Gap Repairs (ED 10-25)	225,000	225,000
12	Housing Modifications for People	400,000	150,000
13	with Special Needs (ED 99)		250,000
14	Program Facilities Deferred	500,000	250,000
15	Maintenance and Americans with		
16	Disabilities Act Upgrades (ED 99)		
17	Mental Health Trust Beneficiary	150,000	75,000
18	Equipment (ED 99)		75,000
19	*****	*****	
20	*****	Department of Natural Resources	
21	*****	*****	
22	Mental Health Trust Office Land	660,000	660,000
23	Management and Enhancement		
24	(ED 99)		
25	*****	*****	
26	*****	Department of Revenue	
27	*****	*****	
28	Alaska Housing Finance		
29	Corporation Projects		
30	AHFC Beneficiary and Special	1,700,000	1,700,000
31	Needs Housing (ED 99)		

1		Appropriation	General	Other
2	Allocations	Items	Funds	Funds
3	AHFC Homeless Assistance Program	450,000		450,000
4	(ED 99)			
5	*****		*****	
6	***** Department of Transportation/Public Facilities *****			
7	*****		*****	
8	Coordinated Transportation and	300,000	150,000	150,000
9	Vehicles (ED 99)			
10	* Sec. 7. The following sets out the funding by agency for the appropriations made in sec. 6 of this Act.			
11	Department of Health and Social Services			
12	Federal Receipts	7,000,000		
13	General Fund / Mental Health	700,000		
14	Mental Health Trust Authority Authorized Receipts	2,325,000		
15	Alaska Housing Finance Corporation Receipts	250,000		
16	*** Total Agency Funding ***	\$10,275,000		
17	Department of Natural Resources			
18	Mental Health Trust Authority Authorized Receipts	660,000		
19	*** Total Agency Funding ***	\$660,000		
20	Department of Revenue			
21	Mental Health Trust Authority Authorized Receipts	200,000		
22	Alaska Housing Finance Corporation Receipts	1,950,000		
23	*** Total Agency Funding ***	\$2,150,000		
24	Department of Transportation/Public Facilities			
25	General Fund / Mental Health	150,000		
26	Mental Health Trust Authority Authorized Receipts	150,000		
27	*** Total Agency Funding ***	\$300,000		
28	The following summarizes the funding sources for the appropriations made in section 6 of this act			
29	Federal Receipts	7,000,000		
30	General Fund / Mental Health	850,000		
31	Mental Health Trust Authority Authorized Receipts	3,335,000		
32	Alaska Housing Finance Corporation Receipts	2,200,000		

	Appropriation	General	Other
	Allocations	Funds	Funds
1 ***** Total Budget *****		\$13,385,000	
2			
3 *** Statewide Total ***		\$142,444,400	
4			
5 * Sec. 8. This Act takes effect July 1, 1999.			

STATEWIDE
/ TECHNICAL
AMENDMENT
#1

TECHNICAL AMENDMENT

#1

BY: Legislative Finance

Amendment #1: Commerce and Economic Development
Tourism Marketing Council

DELETE: .2 GF/Program Receipts
ADD: .2 General Fund

Amendment #1: Commerce and Economic Development
Tourism Development

DELETE: 155.3 GF/Program Receipts
ADD: 155.3 General Fund

Amendment #7: Department of Environmental Conservation
Air Quality

DELETE: 80.0 Statutory Designated Program Receipts

Department of Environmental Conservation
Water Quality

ADD: 80.0 Statutory Designated Program Receipts

Amendment #7: Department of Health and Social Services
Medical Assistance Administration

ADD: 326.4 General Fund
DELETE: 326.4 GF Match

Mental Health/Developmental Disabilities Admin

ADD: 164.2 General Fund
DELETE: 164.2 GF Mental Health

Alaska Mental Health Board

ADD: 24.0 General Fund
DELETE: 24.0 GF Mental Health

Governor's Council on Disabilities and Special Education

ADD: 5.0 General Fund
DELETE: 5.0 GF Mental Health

Advisory Board on Alcoholism and Drug Abuse

ADD: 16.8 General Fund

DELETE: 16.8 GF Mental Health

A.nendment #1: Department of Revenue

Child Support Enforcement

ADD: 386.0 General Fund

DELETE: 386.0 GF Program Receipts

Statewide Totals - FY00 Operating Budget

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Statewide Totals	3,759,329.4	4,025,424.9	4,192,182.0	4,091,624.7	66,199.8	1.6%
<u>Objects of Expenditure:</u>						
Personal Services	1,123,674.0	1,172,438.6	1,218,733.1	1,201,206.6	28,768.0	2.5%
Travel	43,316.1	43,246.6	45,480.0	44,922.8	1,676.2	3.9%
Contractual	591,787.8	674,587.7	739,256.4	727,185.7	52,598.0	7.8%
Commodities	129,397.1	136,232.9	143,207.2	142,002.4	5,769.5	4.2%
Equipment	32,346.3	16,806.8	19,386.6	18,216.1	1,409.3	8.4%
Lands/Buildings	7,479.2	221.6	338.1	338.1	116.5	52.6%
Grants, Claims	1,796,821.4	1,915,497.2	1,970,150.3	1,906,859.9	-8,637.3	-0.5%
Miscellaneous	34,507.5	66,393.5	55,630.3	50,893.1	-15,500.4	-23.3%
<u>Funding Sources:</u>						
1000 Restrtd GF	253.8				0.0	%
1001 CBR Fund	529.2				0.0	%
1002 Fed Rcpts	689,001.5	839,395.6	887,711.6	886,836.5	47,441.9	5.7%
1003 G/F Match	189,606.4	188,405.3	196,201.6	192,480.3	4,075.0	2.2%
1004 Gen Fund	1,788,669.3	1,773,274.7	1,811,237.3	1,744,333.6	-28,941.1	-1.6%
1005 GF/Prgm	71,787.7	78,508.2	76,593.3	74,788.7	-3,719.5	-4.7%
1006 GF/MHTIA	200.8				0.0	%
1007 I/A Rcpts	192,332.2	187,808.5	237,521.6	236,899.1	49,090.6	26.1%
1010 UA/INT INC	2,884.6	3,330.0	3,339.6	3,339.6	9.6	0.3%
1011 Educ Trust	17.4	19.2	19.2	19.2	0.0	0.0%
1013 Alchl/Drug	2.0	2.0	2.0	2.0	0.0	0.0%
1014 Donat Comm	171.7	359.4	250.0	250.0	-109.4	-30.4%
1015 UA/DFA SVC	23,832.4	32,202.7	33,395.3	33,395.3	1,192.6	3.7%
1016 Fed Incent	3,057.5	3,528.3	2,500.0	2,500.0	-1,028.3	-29.1%
1017 Ben Sys	13,053.6	16,631.8	14,649.1	14,649.1	-1,982.7	-11.9%
1018 EVOSS	11,481.6	11,561.2	9,094.6	9,094.6	-2,466.6	-21.3%
1021 Agric Loan	1,477.9	1,785.4	1,785.4	1,785.4	-0.0	-0.0%
1023 FICA Acct	90.8	91.2	90.9	90.9	-0.3	-0.3%
1024 Fish/Game	20,327.2	23,355.8	21,976.8	21,976.8	-1,379.0	-5.9%
1025 Sci/Tech	14,194.6	25,691.1	12,169.8	12,169.8	-13,521.3	-52.6%
1026 Hwy Capitl	20,902.2	22,385.7	22,385.7	22,385.7	0.0	0.0%
1027 Int Airprt	39,261.4	40,071.1	41,323.1	41,323.1	1,252.0	3.1%
1029 P/E Retire	18,986.9	22,550.6	24,936.2	24,936.2	2,385.6	10.6%
1030 School Fnd	2,608.4	49,329.5	45,529.5	45,664.7	-3,664.8	-7.4%
1031 Sec Injury	2,817.7	2,853.0	2,853.0	2,853.0	0.0	0.0%
1032 Dis Fisher	604.4	1,301.0	1,301.0	1,301.0	0.0	0.0%
1033 Surpl Prop		312.8	397.8	397.8	85.0	27.2%

Statewide Totals - FY00 Operating Budget

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
1034 Teach Ret	10,883.8	11,626.2	12,827.8	12,827.8	1,201.6	10.3%
1035 Vet Loan	230.3	183.8	147.8	147.8	-36.0	-19.6%
1036 Cm Fish Ln	2,659.2	2,768.8	2,608.9	2,783.9	15.1	0.5%
1037 GF/MH	107,769.9	118,077.6	123,318.9	122,957.9	4,880.3	4.1%
1038 UA/STF SVC	49,419.2	57,499.6	59,043.9	59,043.9	1,544.3	2.7%
1039 UA/ICR	13,378.4	19,330.0	19,382.2	19,382.2	52.2	0.3%
1040 Surety Fnd	100.0	264.1	209.9	209.9	-54.2	-20.5%
1042 Jud Retire	158.6	181.6	182.3	182.3	0.7	0.4%
1043 P/L 81-874	22,623.7	20,791.3	20,791.3	20,791.3	0.0	0.0%
1044 Debt Ret	62,876.2	26,804.1	26,258.6	26,258.6	-545.5	-2.0%
1045 Nat Guard	70.3	116.8	127.2	127.2	10.4	8.9%
1046 Stdnt Loan	21.9	22.2	22.2	22.2	0.0	0.0%
1047 Title 20	5,410.8	4,474.5	4,474.5	4,474.5	0.0	0.0%
1048 Univ Rcpt	52,886.5	65,438.1	74,491.3	74,491.3	9,053.2	13.8%
1049 Trng/Bldg	306.9	572.5	572.5	572.5	0.0	0.0%
1050 PFD Fund	27,916.9	27,696.2	27,434.4	28,898.2	1,202.0	4.3%
1051 Rural Dev	97.1	98.0	98.0	98.0	0.0	0.0%
1052 Oil/Haz Fd	12,239.9	12,444.6	12,444.6	12,444.6	-0.0	-0.0%
1053 Invst Loss	3,078.4	1,129.3	17.3	17.3	-1,112.0	-98.5%
1054 Empl Trng	3,867.4	4,046.1	4,046.1	4,046.1	0.0	0.0%
1055 I/OIL HAZ	1,790.9	1,802.7	1,798.4	1,798.4	-4.3	-0.2%
1057 Small Bus	2.5	3.5	3.3	3.3	-0.2	-5.7%
1059 Corr. Ind.	2,750.1	2,750.6	3,500.6	3,500.6	750.0	27.3%
1061 CIP Rcpts	68,110.1	76,824.8	79,016.9	78,550.9	1,726.1	2.2%
1062 Power Proj	608.6	731.3	802.5	802.5	71.2	9.7%
1063 NPR Fund		50.0	50.0	50.0	0.0	0.0%
1066 Pub School	9,296.9	7,618.9	7,680.5	7,680.5	61.6	0.8%
1067 Mining RLF	4.8	5.0	5.0	5.0	0.0	0.0%
1068 Child Care	5.3	5.8	5.8	5.8	0.0	0.0%
1069 Hist Dist	2.9	2.0	2.5	2.5	0.5	25.0%
1070 Fish En Ln	285.1	310.5	325.5	325.5	15.0	4.8%
1071 Alt Energy	149.0	149.1	148.7	148.7	-0.4	-0.3%
1072 Res Energy	0.1				0.0	%
1074 Bulk Fuel	47.2	49.0	49.0	49.0	0.0	0.0%
1075 Clean Wtr	431.2	446.3	455.3	455.3	9.0	2.0%
1076 Marine Hwy	68,890.7	74,667.9	74,667.9	74,667.9	-0.0	-0.0%
1079 Storg Tank	833.6	854.7	854.7	854.7	0.0	0.0%
1081 Info Svc	19,522.9	19,775.4	20,269.9	20,269.9	494.5	2.5%
1089 Power Cost	18,664.2	17,000.0	17,000.0	17,000.0	0.0	0.0%
1091 GF/Desig	78.4				0.0	%
1092 MHTAAR	6,205.9	6,519.9	5,240.5	5,194.1	-1,325.8	-20.3%
1093 Clean Air	1,801.2	2,139.6	2,139.6	2,139.6	0.0	0.0%

Statewide Totals - FY00 Operating Budget

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
1094 MHT Admin	881.9	882.9	924.8	907.4	24.5	2.8%
1098 ChildTrErn	369.6	374.0	379.7	379.7	5.7	1.5%
1100 ADvWF		277.6	518.4	518.4	240.8	86.7%
1101 AERO Rcpts	43.2	43.2	43.2	43.2	0.0	0.0%
1102 AIDEA Rcpt	3,528.5	3,743.9	3,705.9	3,705.9	-38.0	-1.0%
1103 AHFC Rcpts	14,796.7	32,604.6	33,293.7	15,849.7	-16,754.9	-51.4%
1104 MBB Rcpts	434.2	462.4	462.4	462.4	0.0	0.0%
1105 PFund Rcpt	31,170.4	44,301.6	42,090.4	42,873.9	-1,427.7	-3.2%
1106 P-Sec Rcpt	7,004.5	7,419.9	7,485.1	7,485.1	65.2	0.9%
1107 AEA Rcpts	881.4	1,050.4	1,049.5	1,049.5	-0.9	-0.1%
1108 Stat Desig	10,802.8	15,132.4	16,449.6	18,145.6	3,013.2	19.9%
1109 Test Fish	1,934.1	3,323.0	5,970.5	5,970.5	2,647.5	79.7%
1110 APUC Rcpts	3,851.9	4,923.5	4,699.2	4,699.2	-224.3	-4.6%
1111 FishFndInc		100.0	100.0	100.0	0.0	0.0%
1115 ITDF		759.0	759.0	759.0	0.0	0.0%
1117 VocSmBus			215.0	215.0	215.0	%
1118 Pioneers'			2,364.0	1,850.0	1,850.0	%
1119 Tobac Sett			21,890.9	8,753.8	8,753.8	%
1133 IndCostRe				1,102.3	1,102.3	%
<u>Positions:</u>						
Perm Full Time	17,375.0	17,468.0	18,056.0	17,789.0	321.0	1.8%
Perm Part Time	2,813.0	2,813.0	2,831.0	2,835.0	22.0	0.8%
Non-Perm	1,188.0	1,164.0	402.0	398.0	-766.0	-65.8%

Agency Summary - FY00 Operating Budget

<u>Agency</u>	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Department of Administration	259,202.4	256,096.4	268,400.2	262,386.2	6,289.8	2.5 %
Department of Commerce and Economic Development	57,536.7	70,354.4	57,221.1	56,259.6	-14,094.8	-20.0 %
Department of Community & Regional Affairs	130,276.3	161,581.9	160,030.7	111,379.2	-50,202.7	-31.1 %
Department of Corrections	145,295.0	152,726.0	172,444.8	168,499.3	15,773.3	10.3 %
Department of Education	904,978.1	966,876.1	991,338.3	984,799.1	17,923.0	1.9 %
Department of Environmental Conservation	46,255.5	46,915.2	49,341.1	48,415.3	1,500.1	3.2 %
Department of Fish and Game	98,494.9	109,130.5	114,404.7	113,781.6	4,651.1	4.3 %
Office of the Governor	18,872.5	22,296.3	19,072.8	18,775.8	-3,520.5	-15.8 %
Department of Health and Social Services	868,887.1	938,016.3	1,022,464.9	1,006,471.9	68,455.6	7.3 %
Department of Labor	56,680.7	57,508.5	58,216.1	55,571.5	-1,937.0	-3.4 %
Department of Law	50,149.3	43,780.4	45,051.3	43,710.6	-69.8	-0.2 %
Department of Military and Veterans Affairs	34,746.7	36,373.7	34,742.4	34,616.7	-1,757.0	-4.8 %
Department of Natural Resources	86,682.2	64,468.2	67,280.6	65,607.6	1,139.4	1.8 %
Department of Public Safety	90,452.2	94,791.5	98,597.8	98,129.1	3,337.6	3.5 %
Department of Revenue	122,746.3	144,936.7	145,259.7	144,242.3	-694.4	-0.5 %
Department of Transportation/Public Facilities	321,437.7	335,395.8	337,774.1	336,921.6	1,525.8	0.5 %
University of Alaska	385,949.8	442,440.7	465,810.7	460,190.7	17,750.0	4.0 %
Alaska Court System	49,699.5	49,717.7	52,712.1	50,240.3	522.6	1.1 %
Legislature	30,986.5	32,018.6	32,018.6	31,626.3	-392.3	-1.2 %
Other Budget Categories		0.0	0.0		-0.0	-100.0 %
Total - Operating Budget	3,759,329.4	4,025,424.9	4,192,182.0	4,091,624.7	66,199.8	1.6 %

Agency Summary - FY00 Operating Budget

GF/CBR/ILTF fund group Only

<u>Agency</u>	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Department of Administration	177,805.7	173,249.4	173,378.3	168,052.0	-5,197.4	-3.0 %
Department of Commerce and Economic Development	28,773.9	26,420.3	26,627.3	25,759.9	-660.4	-2.5 %
Department of Community & Regional Affairs	76,864.0	70,012.1	66,137.0	14,833.6	-55,178.5	-78.8 %
Department of Corrections	136,320.4	140,157.6	152,990.3	147,229.8	7,072.2	5.0 %
Department of Education	692,326.7	708,814.2	727,559.8	741,270.5	32,456.3	4.6 %
Department of Environmental Conservation	12,970.9	12,748.4	13,453.4	11,277.4	-1,471.0	-11.5 %
Department of Fish and Game	34,284.1	34,388.9	34,463.9	33,840.8	-548.1	-1.6 %
Office of the Governor	14,850.9	18,203.8	15,599.8	15,302.8	-2,901.0	-15.9 %
Department of Health and Social Services	416,044.9	425,352.3	457,844.9	441,442.0	16,089.7	3.8 %
Department of Labor	8,382.9	8,321.2	8,401.2	7,088.9	-1,232.3	-14.8 %
Department of Law	31,347.8	27,534.8	28,197.0	25,917.8	-1,517.0	-5.9 %
Department of Military and Veterans Affairs	9,989.5	8,009.6	8,009.6	7,883.9	-125.7	-1.6 %
Department of Natural Resources	59,655.3	39,588.5	40,288.5	37,845.2	-1,743.3	-4.4 %
Department of Public Safety	76,419.7	77,693.9	79,740.0	78,837.5	1,143.6	1.5 %
Department of Revenue	11,549.0	10,731.2	12,507.8	11,921.8	1,190.6	11.1 %
Department of Transportation/Public Facilities	128,730.0	130,177.9	130,104.1	128,858.1	-1,319.8	-1.0 %
University of Alaska	164,911.0	166,333.0	171,953.0	166,333.0	-0.0	-0.0 %
Alaska Court System	49,606.6	49,717.7	52,397.1	49,925.3	207.6	0.4 %
Legislature	30,886.8	31,940.3	31,940.3	31,561.3	-379.0	-1.2 %
Other Budget Categories		-0.0	-0.0		0.0	-100.0 %
Total - Operating Budget	2,161,720.1	2,159,395.1	2,231,623.3	2,145,181.6	-14,213.5	-0.7 %

ADMIN.

AD # A

Adopted
4/7/99

AMENDMENT TO HB 50

BY: Rep. Davis

Delete:

Department of Administration	
Public Communications	
Satellite Infrastructure	\$444.0 GF

Delete:

Commerce and Economic Development	
Executive Administration and Development	# 350
Trade and Development	\$200.0 GF
	Japan and Korea Trade Offices

Add:

Department of Administration	
Public Communication	
Public Broadcasting - TV	\$644.0 GF
	# 794.

Explanation

This provides funding for government supported TV and reduces insurance funding that has been determined unnecessary in the satellite infrastructure.

It also puts the Korean trade office contract at \$151.0 and the Japan trade office at a level of \$400.0 (150.0 trade/250 tourism)

Ad # 1

Department: Admin

failed
4/7/99
3-7

Amendment #

Offered by

BRU: Centralized Administrative Services
Component: Alaska Professional Development Institute

Add the following amount:

GF	.9
GF/Prgm	111.1
I/A	563.9

AD # 2

AMENDMENT

failed
4/7/99

TO: DEPT. OF ADMINISTRATION BUDGET
BRU: ALASKA PUBLIC OFFICES COMMISSION
COMPONENT: ALASKA PUBLIC OFFICES COMMISSION

Restore reduction of \$50.0 GF

AD# 3

failed
4/7/99

AMENDMENT

TO: DEPT. OF ADMINISTRATION BUDGET
ERU: ALASKA LONGEVITY PROGRAMS
COMPONENT: PIONEER HOMES

Restore \$514.0 reduction in Pioneer Homes receipts to bring increment to full request of \$2,364.0

AD #4

Withdraw

AMENDMENT

TO: DEPT. OF ADMINISTRATION BUDGET
BRU: LONGEVITY BONUS
COMPONENT: LONGEVITY BONUS GRANTS

Restore reduction of \$2.4 million GF to bring program up to full funding estimate.

AD #5

AMENDMENT

failed
4/7/99

TO: DEPT. OF ADMINISTRATION BUDGET
BRU: SENIOR SERVICES
COMPONENT: CITIZENS FOSTER CARE REVIEW PANEL

Restore reduction of \$296.8 GF and \$123.8 I/A.

AD # 6

AMENDMENT

TO: DEPT. OF ADMINISTRATION BUDGET

BRU: Public Communications Services

Withdraw

Component: Public Broadcasting - T.V.

Restore \$845.2 GF reduction.

replacement AD # 7

AMENDMENT TO HB 50

BY: Rep. Williams

Withdrawn

Delete:

Department of Administration
Centralized Administrative Services
Office of the Commissioner

114,401 GF

Add:

Department of Administration
Alaska Longevity Programs
Pioneers' Homes

114,401 GF

Explanation

This will help target scarce state resources to the Pioneers' Homes rather than to administrative overhead in the commissioner's office.

Agency Totals - FY00 Operating Budget

Agency: Department of Administration

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	259,202.4	256,096.4	268,400.2	262,386.2	6,289.8	2.5%
<u>Objects of Expenditure:</u>						
Personal Services	70,746.8	73,104.0	79,565.8	78,521.1	5,417.1	7.4%
Travel	1,541.1	1,265.7	1,490.4	1,443.2	177.5	14.0%
Contractual	94,529.8	95,463.1	106,480.0	104,798.8	9,335.7	9.8%
Commodities	3,149.0	2,816.8	3,123.9	3,089.2	272.4	9.7%
Equipment	3,437.3	1,408.9	1,436.4	1,436.4	27.5	2.0%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	85,744.8	81,982.9	76,248.7	73,092.5	-8,890.4	-10.8%
Miscellaneous	53.6	55.0	55.0	5.0	-50.0	-90.9%
<u>Funding Sources:</u>						
1002 Fed Rcpts	6,387.2	6,993.7	7,042.8	7,042.8	49.1	0.7%
1003 G/F Match	1,161.7	1,164.5	1,164.5	1,164.5	0.0	0.0%
1004 Gen Fund	157,503.9	146,428.1	139,923.6	135,222.4	-11,205.7	-7.7%
1005 GF/Prgm	15,560.9	16,200.2	16,160.4	16,049.3	-150.9	-0.9%
1007 I/A Rcpts	36,579.5	35,566.9	45,194.6	44,506.9	8,940.0	25.1%
1017 Ben Sys	12,985.8	13,226.3	14,543.6	14,543.6	1,317.3	10.0%
1023 FICA Acct	90.8	91.2	90.9	90.9	-0.3	-0.3%
1029 P/E Retire	2,787.1	3,613.3	4,016.4	4,016.4	403.1	11.2%
1033 Surpl Prop		312.8	397.8	397.8	85.0	27.2%
1034 Teach Ret	2,136.5	1,502.4	1,636.5	1,636.5	134.1	8.9%
1037 GF/MH	3,095.8	9,359.5	13,405.0	13,405.0	4,045.5	43.2%
1042 Jud Retire	39.3	24.0	24.7	24.7	0.7	2.9%
1045 Nat Guard	33.3	76.9	87.3	87.3	10.4	13.5%
1053 Invst Loss	405.0	97.1	-0.0	0.0	-97.1	-100.0%
1061 CIP Rcpts	128.0	128.7	433.7	433.7	305.0	237.0%
1081 Info Svc	19,522.9	19,775.4	20,269.9	20,269.9	494.5	2.5%
1091 GF/Desig	78.4				0.0	%
1092 MHTAAR	328.6	1,106.7	742.5	742.5	-364.2	-32.9%
1108 Stat Desig	377.7	428.7	541.2	541.2	112.5	26.2%
1118 Pioneers'			2,364.0	1,850.0	1,850.0	%
1119 Tobac Sett			360.8	360.8	360.8	%
<u>Positions:</u>						
Perm Full Time	1,268.0	1,262.0	1,370.0	1,349.0	87.0	6.9%
Perm Part Time	111.0	114.0	106.0	105.0	-9.0	-7.9%
Non-Perm	106.0	108.0	102.0	102.0	-6.0	-5.6%

House Finance Subcommittee on Administration Recommendations for FY00 Budget

Representative Gary Davis, Subcommittee Chair

This narrative describes the effect of the budget allocations proposed for the Department of Administration on the attached spreadsheet.

The subcommittee work is based on growth from the FY99 authorized budget including Supplemental Appropriation passed in March 1999. Changes to the Governor's proposed budget are addressed at the BRU level. Components not mentioned are funded at the Governor's FY00 recommended level. The subcommittee looked at eliminating entire programs as opposed to across-the-board reductions which we feel are inappropriate for this Department.

Centralized Administrative Services – Funded at the Governor's FY00 requested level with the following exceptions: Personnel was funded at the FY99 level and the Alaska Professional Development Institute was eliminated. The APDI component was made up of \$112,000 GF and \$563,900 in I/A receipts. The functions this program provided are available in the private sector. Each department will now be responsible for meeting their training needs.

Leases – Funded at the Governor's amended FY00 request. This is the first time in many years that this BRU has been fully funded. A supplemental request next year is not likely.

EPORS – Funded at FY99 level consistent with Governor's FY00 request.

Public Communications – Eliminate Public Television funding of \$842,500 GF. Public TV is not a mandated governmental function. In light of budget constraints, public TV is seen as an extra service the state offers, not a core function to be provided at state expense.

Public Radio was funded at the FY99 level, consistent with the Governor's request. Public Radio serves the entire state and is vital in providing an emergency broadcast signal.

AIRRES, the reading service for the blind, was moved to its own appropriation within Public Broadcasting and was funded at \$89,000 GF. This is a vital service provided to allow individuals to live more independently without additional assistance. Among the recipients are the blind, disabled, shut-ins and the elderly.

The subcommittee changed the name of the Alaska Rural Communications Services component to "Satellite Infrastructure" at the request of the Governor.

Longevity Bonus – Funded at 96% of the Governor's request. The governor's request is based on attrition projections. (The FY98 Actual was 96% of the Governor's original request.)

Alaska Longevity Programs – Pioneer Home's component was increased by \$1,850,000 over FY99 Authorized. This will provide up to 51 new Certified Nurses Aides. We felt the increase was necessary to accommodate the growing needs of the elderly.

Senior Services – Funded at the Governor's FY00 request. We did not however, allow the consolidation of components into a single "Senior Service Grant" line. We feel it is important to maintain current accountability to ensure program integrity.

The Citizen's Foster Care Review Panel was eliminated, \$296,800 GF. The program has failed to provide oversight statewide as was intended by the Legislature. Only through increased GF funding could this program provide adequate oversight and this funding is not expected in the near future.

Legal and Advocacy Services – Office of Public Advocacy was increased \$539,000 over FY99 level, a decrease of \$80,000 from the Governor's request. This component is essentially fully funded and should not require a supplemental budget next year.

Public Defender was funded at the Governor's FY00 request, an increase of \$504,400 over FY99 Authorized. This is the first time in years this component has been fully funded and should not require a supplemental budget next year.

Alaska Oil and Gas Conservation Commission – Funded at the Governor's FY00 request, \$231,500 over FY99 Authorized.

Alaska Public Offices Commission – Funding level is \$50,000 less than FY99 Authorized. Last year was an election year and a contentious one at that. The Commission should be able to operate at this level by realizing internal efficiencies.

Division of Motor Vehicles – Funded at the FY99 level consistent with the Governor's FY00 request. The subcommittee allowed the Governor's proposal to consolidate the components into one "Motor Vehicles" component.

<p>The subcommittee's General Fund allocation for FY00 was \$170,063,000. The recommendations by the subcommittee total \$168,052,000.</p>
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FY00 House Finance Administration Subcommittee Recommendations

(\$000)

Agency	BR	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	258,096.4	262,388.2	173,249.4	168,052.0	75,853.3	87,291.4	6,993.7	7,042.8
		FY99 Supplemental	2,062.2		990.2		1,072.0		0.0	
		FY99 Base	258,158.6		174,239.6		76,925.3		6,993.7	
		FY00-FY99		4,227.6		-6,187.6		10,366.1		49.1
		% Change		1.64%		-3.55%		13.48%		0.70%
DOA	Centralized Administrative Services	Office of the Commissioner	542.0	542.0	373.5	373.5	168.5	168.5	0.0	0.0
DOA	Centralized Administrative Services	Tax Appeals	231.9	214.0	231.9	214.0	0.0	0.0	0.0	0.0
DOA	Centralized Administrative Services	Administrative Services	1,514.3	1,564.3	600.6	600.6	513.7	963.7	0.0	0.0
DOA	Centralized Administrative Services	DOA Information Technology Support	0.0	988.6	0.0	0.0	0.0	988.6	0.0	0.0
DOA	Centralized Administrative Services	Finance	5,697.3	6,059.8	5,138.6	5,138.6	558.7	921.2	0.0	0.0
DOA	Centralized Administrative Services	Personnel	2,202.9	2,180.0	1,903.4	1,903.4	299.5	276.6	0.0	0.0
DOA	Centralized Administrative Services	Labor Relations	911.4	911.4	911.4	911.4	0.0	0.0	0.0	0.0
DOA	Centralized Administrative Services	Alaska Professional Development Institute	675.9	0.0	112.0	0.0	563.9	0.0	0.0	0.0
DOA	Centralized Administrative Services	Purchasing	1,061.1	1,061.1	1,020.0	1,061.1	41.1	0.0	0.0	0.0
DOA	Centralized Administrative Services	Property Management	934.9	1,019.9	622.1	622.1	312.8	397.8	0.0	0.0
DOA	Centralized Administrative Services	Central Mail	795.5	1,280.5	0.0	0.0	795.5	1,280.5	0.0	0.0
DOA	Centralized Administrative Services	Retirement and Benefits	7,981.8	8,500.3	0.0	0.0	7,981.8	8,500.3	0.0	0.0
DOA	Centralized Administrative Services	Group Health Insurance	10,553.3	11,900.3	0.0	0.0	10,553.3	11,900.3	0.0	0.0
DCA	Leases	Leases	31,934.5	34,714.1	23,329.5	24,286.5	8,605.0	10,427.6	0.0	0.0
DOA	Leases	Lease Administration	491.0	491.0	416.5	375.4	74.5	115.6	0.0	0.0
DOA	Elected Public Officers Retirement System	Elected Public Officers Retirement System	1,111.5	1,111.5	1,111.5	1,111.5	0.0	0.0	0.0	0.0
DOA	Information Services	Information Services	19,775.4	20,269.9	0.0	0.0	19,775.4	20,269.9	0.0	0.0
DOA	Information Services	Information Service Fund Front Section	55.0	55.0	0.0	0.0	55.0	55.0	0.0	0.0
DOA	Public Communications Services	Public Broadcasting Commission	57.0	57.0	57.0	57.0	0.0	0.0	0.0	0.0
DOA	Public Communications Services	Public Broadcasting - Radio	2,613.9	2,613.9	2,613.9	2,613.9	0.0	0.0	0.0	0.0
DOA	Public Communications Services	Public Broadcasting - T.V.	845.2	0.0	845.2	0.0	0.0	0.0	0.0	0.0
DOA	Public Communications Services	AIRRES	0.0	89.0	0.0	89.0	0.0	0.0	0.0	0.0
DOA	Public Communications Services	Satellite Infrastructure	0.0	1,578.0	0.0	1,104.3	0.0	473.7	0.0	0.0
DOA	Public Communications Services	Alaska Rural Communications Services	1,578.0	0.0	1,104.3	0.0	473.7	0.0	0.0	0.0
DOA	Risk Management	Risk Management	21,955.0	22,405.0	0.0	0.0	21,955.0	22,405.0	0.0	0.0
DOA	Longevity Bonus	Longevity Bonus Grants	63,499.4	55,302.1	63,499.4	55,302.1	0.0	0.0	0.0	0.0
DOA	Alaska Longevity Programs	Pioneers Homes	30,501.7	32,419.3	30,435.3	32,285.3	66.4	134.0	0.0	0.0
DOA	Alaska Longevity Programs	Alaska Longevity Programs Management	1,422.4	1,422.4	1,047.3	1,047.3	375.1	375.1	0.0	0.0
DOA	Senior Services	Protection, Community Services, and Ad	4,266.7	4,260.7	1,591.9	1,741.9	1,359.6	1,203.6	1,315.2	1,315.2
DOA	Senior Services	Senior Services Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DOA	Senior Services	Nutrition, Transportation and Support Se	5,514.3	5,514.3	1,655.3	1,655.3	0.0	0.0	3,859.0	3,859.0
DOA	Senior Services	Senior Employment Services	1,808.5	1,857.6	198.3	198.3	0.0	0.0	1,610.2	1,659.3
DOA	Senior Services	Home and Community Based Care	3,587.7	3,573.0	2,973.0	2,973.0	614.7	600.0	0.0	0.0

FY00 House Finance Administration Subcommittee Recommendations

(\$000)

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
DOA	Senior Services	Senior Residential Services	1,015.0	1,015.0	1,015.0	1,015.0	0.0	0.0	0.0	0.0
DOA	Senior Services	Home Health Services	1,734.0	1,734.0	1,628.3	1,628.3	105.7	105.7	0.0	0.0
DOA	Senior Services	Citizens Foster Care Review Panel	296.8	0.0	296.8	0.0	0.0	0.0	0.0	0.0
DOA	Legal and Advocacy Services	Office of Public Advocacy	8,141.5	8,858.7	8,047.8	8,587.7	61.7	239.0	32.0	32.0
DOA	Legal and Advocacy Services	Public Defender Agency	9,460.4	10,219.8	9,460.4	9,964.8	0.0	255.0	0.0	0.0
DOA	Alaska Oil & Gas Conservation Comm	Alaska Oil & Gas Conservation Commis:	1,658.7	1,890.2	1,558.5	1,790.0	0.0	0.0	100.2	100.2
DOA	Alaska Public Offices Comm	Alaska Public Offices Commission	783.0	733.0	783.0	733.0	0.0	0.0	0.0	0.0
DCA	Division of Motor Vehicles	Administration	1,308.4	0.0	1,308.4	0.0	0.0	0.0	0.0	0.0
DOA	Division of Motor Vehicles	Driver Services	1,436.9	0.0	1,338.9	0.0	20.9	0.0	77.1	0.0
DOA	Division of Motor Vehicles	Field Services	5,991.3	0.0	5,869.5	0.0	121.8	0.0	0.0	0.0
DOA	Division of Motor Vehicles	Financial Responsibility Act Enforcement	150.9	0.0	150.9	0.0	0.0	0.0	0.0	0.0
DOA	Division of Motor Vehicles	Motor Vehicles	0.0	8,887.5	0.0	8,667.7	0.0	142.7	0.0	77.1
DOA	Pioneers' Homes Facilities Maintenar	Pioneers' Homes Facility Maintenance	0.0	2,125.0	0.0		0.0	2,125.0	0.0	0.0
DOA	General Services Facilities Maintenar	General Services Facilities Maintenance	0.0	2,589.7	0.0		0.0	2,589.7	0.0	0.0
DOA	AOGCC Facilities Maintenance	AOGCC Facilities Maintenance	0.0	49.3	0.0		0.0	49.3	0.0	0.0
DOA	Information Tech Facilities Maintenar	ITG Facilities Maintenance	0.0	23.0	0.0		0.0	23.0	0.0	0.0
DOA	Y2K Coordination Office	Y2K Coordination Office	0.0	305.0	0.0		0.0	305.0	0.0	0.0

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

Date: April 2, 1999

Prepared by: Sharon Barton

Program Area: Personnel	Dollar Amount(s): (100.0)	Fund Source(s): GF
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Impact Analysis:

This reduction eliminates the 100.0 increment to pay Workplace Alaska chargeback costs for FY 2000. These costs are being paid for the first year of operation from CIP funds; this increment would bring these costs into the operating budget where they belong. To keep Workplace Alaska operational without this increment, we will need to do one or more of the following things:

- Eliminate or restrict the 800 public number into Workplace Alaska - this has been a good service to the public but is expensive (approximately \$27,000). The public will need to phone at their own expense or go into a state office for job applications and assistance with the hiring process.
- One or more positions will be deleted supporting statewide recruitment, which will increase the time it takes state agencies to fill vacant positions.
- Charge state agencies for use of Workplace Alaska which will be an unbudgeted cost to them with unknown programmatic impacts.

Program Area: Alaska Professional Development Institute	Dollar Amount(s): (.9) (111.1) (563.9)	Fund Source(s): GF GF/PR I/A
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Impact Analysis:

This I/A and GF/PR reduction eliminates all revenue authority for the state's centralized training facility. This facility provides basic training for state employees on subject matter unique to the state government environment and on other topics as requested by state agencies. Training is an essential function of any large organization. In state government, training assures higher productivity of employees and more effective supervisors, which in turn reduces costly grievances and lawsuits with employees. The elimination of APDI will not eliminate the state's need for training, and it will increase the cost of training if every unit of government must seek out and contract independently for trainers and training facilities.

Program Area:
Leases

**Dollar
Amount(s):**
(1,017.3)

**Fund
Source(s):**
GF

Impact Analysis:

Based on current projections, this funding level is 100.8 below projected FY 2000 costs. The department will make every effort to manage to this funding level.

Program Area:
Public Broadcasting - TV Grants

**Dollar
Amount(s):**
(845.2)

**Fund
Source(s):**
GF

Impact Analysis:

- Loss of \$1,648,000 in federal funding and approximately \$3,100,000 in public support.
- Loss of three public television stations (of the four public television stations in Alaska) in Juneau, Fairbanks, and Bethel, together with translators and repeaters in communities throughout the state.
- The collapse of the Satellite Interconnection Project, the integrated system of partnership and collaboration that results in emergency alert capacity, distance education, legislative coverage, public radio and rural television. The state leases the satellite transponder on behalf of the users, the costs of which are borne jointly by the state and the users.
 - ⇒ KUAC, Fairbanks, operates a public television station with a system of translators throughout interior Alaska; originates the statewide public television channel, Alaska One; handles the program management operational support for ARCS, and provides production support to the University of Alaska distance education.
 - ⇒ ARCS, without management and operational support, would cease broadcasts, leaving most of rural Alaska without access to broadcast news and information, children's educational programming, and leaving the state without a medium for the emergency alert system.
 - ⇒ KTOO, Juneau, operates a public television station with a system of translators throughout Southeast Alaska, originates Gavel to Gavel, and provides technical monitoring and engineering support to the Satellite Interconnection Project. Moreover, it is a paying customer of the SIP, some 313.0 annually.
 - ⇒ KYUK, Bethel, operates a public television station with a system of translators in the Y-K delta and provides production support to the Distance Delivery Consortium (DDC). The DDC is a partner to the University of Alaska in distance education. Together, they provide payment of 100.0 to the SIP.
- With the public television stations going dark, distance education providers would lose their ability to produce courses, which presently they are able to do at KUAC,

Fairbanks, and KYUK, Bethel. KTOO, which presently produces Gavel to Gavel in addition to its public television functions, would discontinue production of the legislative coverage. KUAC would cease origination of Alaska One and the program management of ARCS. Thus, there would be no content to be transmitted over the satellite.

Program Area:	Dollar	Fund
Longevity Bonus	Amount(s):	Source(s):
	(2,400.0)	GF

Impact Analysis:

A reduction of \$2,400.0 would underfund the bonus in the final month of FY2000 by about half. The total cost of the final bonus checks which would be dated June 1, 2000 would be slightly less than \$5,000.0. A supplemental would be necessary to fund the remaining amount. If a supplemental was not approved, the June 1, 2000 bonus checks would not be distributed to recipients. In the event of underfunding of a bonus month, the Department of Law has determined that the only recourse is to withhold the underfunded bonus from all recipients.

Program Area:	Amount(s):	Source(s):
Pioneers' Homes	(514.0)	GF/PR

Impact Analysis:

This reduction leaves an overall increment to the Pioneers' Homes of \$1,850.0 that funds 37 CNAs and 10 nurses. This additional staff is inadequate to meet the pressing need for CNAs and nurses going into FY2000. We have an immediate need of 39.5 CNAs and 10 nurses. Current projections also indicate that as we move along in FY2000, additional staff will be needed because of the increasing number of residents moving into higher levels of care which require additional staffing to address their needs. At that time we will have three options:

1) reduce the number of direct care hours per resident per day—below the recommended standard of 3.2 hours/resident/day which affects quality of care and results in poor outcomes for the residents and resident/family dissatisfaction; 2) elimination of the comprehensive services level of care in one or more homes; or 3) begin phased shut down of one of the homes.

Program Area:	Dollar	Fund
Citizens Foster Care Review	Amount(s):	Source(s):
	(296.8)	GF
	(123.8)	I/A

Impact Analysis:

This I/A and GF reduction eliminates the Citizens Foster Care Review Program. The Citizens Foster Care Review program was a legislative initiative to provide arms length review of children placed in foster homes by the Division of Family and Youth Services in the Department of Health and Social Services (DH&SS). The intent of the program is to expedite placement of children in permanent homes. To avoid redundancy, the CFCR recently began to perform the federally required 4e reviews for all CFCR cases; all 4e reviews were done previously by the DH&SS. With elimination of the CFCR, there will be no independent citizen's review of cases and 4e reviews will be returned to DH&SS. National data and our own very early experience indicate that these reviews are effective in reducing the amount of time children spend in foster care homes.

Program Area:	Dollar	Fund
Office of Public Advocacy	Amount(s):	Source(s):
	(80.0)	GF

Impact Analysis:

A large piece of the OPA budget request is projected contractual costs. These projected costs are always a best estimate based on prior years' experience and on known changes in the criminal justice environment. The department will make every effort to manage within the budgeted amount but may need to request supplemental funding in FY 2000 if contractual costs exceed budget levels.

Program Area:	Dollar	Fund
Alaska Public Offices Commission	Amount(s):	Source(s):
	(50.0)	GF

Impact Analysis:

APOC received no additional funding for the 1998 statewide elections; a 7 – 10 day shutdown of APOC offices in June 1999 is required to cover additional election year costs. For FY 2000, APOC's budget consists of \$729.2 in general fund receipts and \$53.8 in program receipts. Four-fifths of the total budget of \$783.0 is in personal services; the remaining one-fifth consists of contractual, supplies and Commission travel costs. All employees provide direct service to the public. A reduction of the budget of \$50.0 would result in a reduction of staff by 10-15% as well as reductions in other line items. Program impacts would be as follows:

- Campaign disclosure, personal financial disclosure and lobbying reports will not be available to the public in a timely manner.
- The Commission has made notable advances in reducing the amount of time it takes to provide campaign finance information to the public. A budget reduction of \$50.0 will increase the data entry lag time. Campaign summary figures which

are currently available within a week of report deadlines will take several weeks; detailed campaign information which is available in months will take a year or more to publish.

- Public requests for reports will take longer to fill.
- Municipalities will not receive copies of local candidate reports in a timely manner.
- Computer support for electronic filers will be limited in terms of response time and coverage. This in turn may discourage candidates and group treasurers from using the electronic filing software.
- Fewer manuals will be made available to filers to save printing costs.
- Review of reports will take longer. As a result, it will take staff longer to catch problems and civil penalties, which accrue each day a report is late or incomplete, will be higher.
- Resolution of enforcement actions and issuance of advisory opinions will be delayed with fewer commission meetings and staff resources.
- Resolution of complaints may take longer and subsequently invite citizen lawsuits because the campaign disclosure law now authorizes complainants to file suit in superior court if a complaint is not resolved within six months.
- Staff will be unable to promulgate campaign disclosure regulations in time to offer guidance for participants in the 2000 state and municipal elections.

COMM. +

EC. DEV.

C+ED #1

AMENDMENT

To: HB 50

By: Therriault

Adopted

4/8/99
PM

Delete:

Department of Commerce and Economic Development

Tourism

Alaska Tourism Marketing Council

3235.3 General Funds

1299.9 Other Funds

Department of Commerce and Economic Development

Tourism

Tourism Development

2050.7 General Funds

127.2 Other Funds

This amendment zeroes out all funds in each of the above components. A fiscal note will be attached to legislation (HB 136/SB 107) affecting these functions that will address the budgetary needs of both components.

C+ED #2

AMENDMENT

W/D

To: HB 50

By: Bunde

DELETE:

Commerce and Economic Development

Executive Administration and Development

Trade and Development

200.0 general funds

Japan and Korea trade offices

This amendment would put the Korean office contract at a level of 151.0 and the Japan office at a level of 400.0 (150.0 trade/250.0 tourism).

CIED #3

Department of Commerce and Economic Development

AMENDMENT # _____

w/d

By: _____

ADD:

Department of Commerce and Economic Development
BRU: Executive Administration and Development
Component: Trade and Development

\$225.7 GF
3 PFT Positions

Purpose: This restores the Northern Issues Coordinator position and funding (1 PFT, \$33.9), the Small Business Development Specialist position and funding (1 PFT, \$68.1), the Timber Products Development Specialist and funding (1 PFT, \$59.4), and program travel funds (\$64.3).

C+ED #4

failed 4/18

Amendment

Representative John Davies

ADD

Department of Commerce and Economic Development

BRU: Division of Trade and Development

Component: Forest Products Specialist \$59.4 GF

Delete
Northern Forum
grants 60.0

O+ED #5

Department of Commerce and Economic Development

AMENDMENT # _____

By: Grossenhorf

withdrawn

ADD:

Department of Commerce and Economic Development
BRU: Executive Administration and Development
Component: Administrative Services

\$94.1 GF

Purpose: This restores the personal services reduction arbitrarily allocated to the Division of Administrative Services for unfunded management support included in the Commissioner's Office in FY1999.

C+ED #6

Department of Commerce & Economic Development

AMENDMENT # _____

Failed

By: Gussendorf

ADD:

Department of Commerce and Economic Development
BRU: Banking, Securities and Corporations
Component: Banking, Securities and Corporations

\$114.0 GF/PR
1 PFT Position

Purpose: This restores the increments requested in the Governor's amended budget for the Securities Examiner position and funding (1 PFT, \$74.0), and additional hearing examiner contractual services (\$40.0).

C+ED #7

Department of Commerce and Economic Development

AMENDMENT # _____

By: Devies

adopted

ADD:

Department of Commerce and Economic Development

BRU: Occupational Licensing

Component: Occupational Licensing

\$ 86.3 GF/PR

Purpose: Restore funding and position for the Nurse Aide Investigator. Position and funding were included in a Fiscal Note for SB152 last session, and inadvertently omitted from the appropriation bill.

C+ED #8

Department of Commerce and Economic Development

AMENDMENT # _____

4/8/99

Failed

By: Gussendorf

ADD:

Department of Commerce and Economic Development

BRU: Tourism

Component: Alaska Tourism Marketing Council

\$102.3 GF
1 PFT Position

Purpose: This restores the Executive Director position and funding.

C4ED # 9

Failed 4/9/99

Amendment

Representative John Davies

DELETE

World Trade Council Grant	135
Northern Forum Grant	60

ADD

Department of Commerce and Economic Development

BRU: Executive Administrative and Development

Component: Trade and Development 195 GF

Agency Totals - FY00 Operating Budget

Agency: Department of Commerce and Economic Development

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	57,536.7	70,354.4	57,221.1	56,259.6	-14,094.8	-20.0%

Objects of Expenditure:

Personal Services	19,999.7	20,454.7	22,068.3	21,482.6	1,028.1	5.0%
Travel	1,505.8	1,727.7	1,625.3	1,559.0	-168.7	-9.8%
Contractual	21,048.0	25,913.5	24,639.1	24,338.4	-1,575.1	-6.1%
Commodities	509.7	560.5	560.0	559.0	-1.5	-0.3%
Equipment	347.3	138.8	158.8	150.8	12.0	8.6%
Lands/Buildings	12.8	0.0	0.0	0.0	0.0	%
Grants, Claims	14,113.4	21,559.2	8,169.6	8,169.6	-13,389.6	-62.1%
Miscellaneous	0.0	0.0	0.0	0.0	0.0	%

Funding Sources:

1002 Fed Rcpts	3,006.7	3,650.1	3,650.1	3,650.1	0.0	0.0%
1003 G/F Match		1.0	1.0	1.0	0.0	0.0%
1004 Gen Fund	12,398.9	7,481.0	7,785.8	7,363.7	-117.3	-1.6%
1005 GF/Prgm	16,340.6	18,931.7	18,840.5	18,395.2	-536.5	-2.8%
1007 I/A Rcpts	1,523.0	1,743.2	2,029.7	1,935.6	192.4	11.0%
1025 Sci/Tech	11,564.6	23,061.1	9,539.8	9,539.8	-13,521.3	-58.6%
1035 Vet Loan	230.3	183.8	147.8	147.8	-36.0	-19.6%
1036 Cm Fish Ln	2,534.2	2,593.8	2,608.9	2,608.9	15.1	0.6%
1040 Surety Fnd	100.0	264.1	209.9	209.9	-54.2	-20.5%
1053 Invst Loss	34.4	6.6	0.0	0.0	-6.6	-100.0%
1057 Small Bus	2.5	3.5	3.3	3.3	-0.2	-5.7%
1061 CIP Rcpts	36.5	135.1	360.1	360.1	225.0	166.5%
1067 Mining RLF	4.8	5.0	5.0	5.0	0.0	0.0%
1068 Child Care	5.3	5.8	5.8	5.8	0.0	0.0%
1069 Hist Dist	2.9	2.0	2.5	2.5	0.5	25.0%
1070 Fish En Ln	285.1	310.5	325.5	325.5	15.0	4.8%
1071 Alt Energy	149.0	149.1	148.7	148.7	-0.4	-0.3%
1072 Res Energy	0.1				0.0	%
1101 AERO Rcpts	43.2	43.2	43.2	43.2	0.0	0.0%
1102 AIDEA Rcpt	3,529.5	3,743.9	3,705.9	3,705.9	-38.0	-1.0%
1107 AEA Rcpts	881.4	1,050.4	1,049.5	1,049.5	-0.9	-0.1%
1108 Stat Desig	1,012.8	1,307.0	1,299.9	1,299.9	-7.1	-0.5%
1110 APUC Rcpts	3,851.9	4,923.5	4,699.2	4,699.2	-224.3	-4.6%
1115 ITDF		759.0	759.0	759.0	0.0	0.0%

Agency Totals - FY00 Operating Budget

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>Agency: Department of Commerce and Economic Development</u> <u>FY99Auth to HseDraft</u>	
<u>Positions:</u>						
Perm Full Time	343.0	343.0	370.0	364.0	21.0	6.1%
Perm Part Time	10.0	10.0	8.0	8.0	-2.0	-20.0%
Non-Perm	0.0	0.0	0.0	0.0	0.0	%

House Finance Subcommittee on Commerce and Economic Development Recommendations for FY00 Budget

Representative Gene Therriault, Subcommittee Chair

This narrative describes the effects of the budget numbers proposed for the Department of Commerce and Economic Development on the attached spreadsheet.

The Subcommittee work is based on the FY99 authorized budget, adjusted to include changes to the base from the Supplemental Appropriation passed in March, 1999 and the transfer in of the International Trade Office from the Governor's Office. The FY00 budget totals \$56,259,600. In the General Funds group, there is a total of \$25,759,900. This represents a reduction in General Funds of \$790,000 from the FY99 budget as adjusted and a reduction of \$867,400 from the Governor's FY00 request as amended.

The Department requested that an Executive and Administrative Cost Allocation Plan be implemented in FY00. This plan would supplant General Funds in the Commissioner's Office and in the Administrative Services Division in the form of interagency receipts collected from the various divisions. There were increments and decrements requested in each division to implement the plan, all of which were approved by the Subcommittee.

Decrements to Occupational Licensing and the Division of Insurance to reduce the carry-forward from their base FY99 budgets were accepted.

There are increments for 5 new Data Processing staff throughout the Department. This allocation will enable the Department to make services more readily available to the public. All of these increments, totaling \$286,000, are funded through Program Receipts.

The Subcommittee has reduced the Alaska Tourism Marketing Council's budget by \$102,300 to reflect the resignation of the Executive Director. AS 44.33.710 permits the ATMC to employ an executive director but does not require it. In such case that there is no Executive Director, statutes permit the Chair of the ATMC's board of directors to act as the director.

As part of the Cost Allocation Plan requested by the Department, the Administrative Services Division requested that \$134,800 in General Funds be taken out of their budget request. The Subcommittee increased that amount by \$94,100, again in General Funds.

The Division of Trade and Development has been allocated a budget which includes \$1,737,200 in General Funds. While this is a reduction of \$212,000 from last year's adjusted base, it does permit all overseas trade offices to remain open.

In the Division of Tourism, \$200,000 in Program Receipt authority was reduced from FY99. This authority was necessary over the past two years as Alaska managed the Tourism North Program in conjunction with British Columbia and the Yukon Territory. In FY00, the government of the Yukon Territory will be managing the program and Alaska will be contributing to it. Therefore, the Division no longer needs authority to receive and expend \$200,000 from the Canadian governments.

All other increments of General Funds requested by the Department in FY00 were unable to be approved with the allocation available in FY00.

FY00 House Finance DCED Subcommittee Recommendations

(\$000)

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	70,841.1	51,258.8	27,007.0	25,759.9	40,284.0	28,849.8	3,850.1	3,850.1
		FY99 Supplemental	-457.1		-457.1		0.0		0.0	
		FY99 Base	70,484.0		26,549.9		40,284.0		3,850.1	
		FY00-FY99		-14,224.4		-790.0		-12,434.6		0.0
		% Change		-20.18%		-2.99%		-31.35%		0.00%
Commerce	Banking, Securities, and Corp	Banking, Securities and Corporations	1,654.0	1,735.5	1,646.8	1,733.8	8.1	1.7	0.0	0.0
Commerce	Insurance Operations	Insurance Operations	4,581.6	4,396.6	4,535.9	4,396.6	25.7	0.0	0.0	0.0
Commerce	Occupational Licensing	Occupational Licensing	0.0	5,372.6	0.0	4,966.9	0.0	405.7	0.0	0.0
Commerce	Occupational Licensing	Operations	5,651.0	0.0	5,082.5	0.0	568.5	0.0	0.0	0.0
Commerce	Occupational Licensing	Licensing Boards	183.2	0.0	183.2	0.0	0.0	0.0	0.0	0.0
Commerce	Alaska Public Utilities Commission Operat	APUC Operations	4,923.5	4,699.2	0.0	0.0	4,923.5	4,699.2	0.0	0.0
Commerce	Executive Administration and Development	Commissioner's Office	452.2	452.2	297.6	118.1	154.6	334.1	0.0	0.0
Commerce	Executive Administration and Development	Trade and Development	3,236.3	2,954.7	1,049.2	1,737.2	1,137.0	1,067.4	150.1	150.1
Commerce	Executive Administration and Development	Administrative Services	1,217.8	1,188.6	681.3	452.4	538.5	736.2	0.0	0.0
Commerce	Alaska Science and Technology Foundat	Alaska Science and Technology Fo	22,502.2	8,984.6	0.0	0.0	22,502.2	8,984.6	0.0	0.0
Commerce	Investments	Investments	3,301.5	3,295.5	0.0	0.0	3,301.5	3,295.5	0.0	0.0
Commerce	Tourism	Alaska Tourism Marketing Council	4,640.2	4,535.2	3,340.3	3,235.3	1,299.0	1,299.9	0.0	0.0
Commerce	Tourism	Tourism Development	2,363.1	2,177.9	2,235.9	2,050.7	127.2	127.2	0.0	0.0
Commerce	AIDEA	AIDEA Facilities Maintenance	0.0	73.0	0.0	0.0	0.0	73.0	0.0	0.0
Commerce	AIDEA	Alaska Industrial Development and	4,048.1	3,952.2	0.0	0.0	4,048.1	3,952.2	0.0	0.0
Commerce	AIDEA	Alaska Energy Authority Operations	1,049.5	1,049.5	0.0	0.0	1,049.5	1,049.5	0.0	0.0
Commerce	Alaska Seafood Marketing Inst	Alaska Seafood Marketing Institute	10,554.3	10,568.9	7,054.3	7,068.9	0.0	0.0	3,500.0	3,500.0
Commerce	Alaska Aerospace Dsvl Corp	Alaska Aerospace Development Co	601.7	823.4	0.0	0.0	601.7	823.4	0.0	0.0

Department of Commerce and Economic Development
Impact Statements in Response to
House Finance Subcommittee Budget Proposals

Date: April 2, 1999

Prepared by: Tom Lawson, Director

BRU: Banking, Securities and Corporations
Component: Banking, Securities and Corporations

Program Area:	Dollar Amount(s):	Fund Source(s):
Denial of Increment-Securities Examiner	(\$74.0)	GF/PR

Impact Analysis:

The denial of an additional Securities Examiner position means there will be no routine examination of broker-dealers or investment advisers. Rather they'll be done only for cause, when violations are brought to our attention, or as time permits. Depending on hearings and other workload factors, we could experience longer delays in processing filings in the securities section that would delay securities sales or persons who want to register to provide securities business services in Alaska.

The increase in complaints, in registered persons, and the change in responsibility for State Investment Advisers creates a need for additional professional staff to examine broker-dealers and State Investment Advisers, and to handle both securities and ANCSA corporation complaints. Failure to staff adequately to meet the needs of the securities section's constituents will lead to a reduction in investor protection. Staff will not be able to maintain a regular schedule of broker-dealer and investment adviser examinations that may head off problems before they become bigger. Staff may not be able to devote as much time to a particular complaint as it deserves. This could cause investors to lose confidence in the securities markets, and make it more difficult for legitimate businesses to raise capital needed for growth.

In addition, the securities section already generates revenue of almost \$7.0 million and costs of about \$375,000. The industry and the public have a right to expect that a reasonable percentage of the industry's payments to the State will be used to maintain investor confidence with securities business in Alaska. Finally, if HB 83 passes this session and becomes law, the division intends to adopt revised regulations that will include fee increases for some activities. The estimated fee increase is \$116.0 thousand, which would almost cover the increments for the Securities Examiner position, Hearing Officer and legal costs.

Program Area:	Dollar Amount(s):	Fund Source(s):
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Denial of Increment for Hearing Officer Expenses	(\$40.0)	GF/PR
Denial of Increment for Legal Services Expenses	(\$45.0)	GF/PR

Impact Analysis:

This division will operate under tight budgetary conditions in the coming fiscal year due to increased costs of hearings that result from our normal course of business. For every order issued, the division must provide notice of opportunity to request a hearing. The division bears the costs of the hearing officer and the costs of obtaining legal representation from the Department of Law (DOL) for each hearing.

Compounding the hearing officer and DOL Attorney costs is the fact that once a hearing is over, our clients can appeal the hearing officer's decision to Superior Court. If this occurs, this division must once again obtain legal counsel for representation in Superior Court.

Outside of the costs of hearings and appealed decisions of the hearing officer, the division will also incur normal expenses for regulation's review with the Department of Law.

Without the increment for the Department of Law's expenses, that department's resources may be strained to provide our needed services.

The combined expenses of holding a hearing and obtaining legal representation from the Department of Law have already exceeded \$50.0 thousand this year and there are still three months left in this fiscal year where we are vulnerable to additional costs and potential appeals to Superior Court.

In a normal year, with normal vacancy, the cost of hearings could devastate the division's budget, forcing the division to face a shut down due to budget shortfalls which would mean no securities registrations, no corporations filings, and/or no bank examinations.

Any combination of these actions would have a severe impact on the ability of the private sector to conduct business in Alaska. Nobody would want to see that happen, but the requirement that we enforce statutes and provide hearings is not compatible with the failure to provide a mechanism to fund those hearings. Program impacts in those years would be unavoidable.

**BRU: Occupational Licensing
Component: Occupational Licensing**

Program Area:	Dollar Amount(s):	Fund Source(s):
Denial of Increment-Nurses Aide Investigator	(\$59.6)	GF/PR

Impact Analysis:

This action denies the establishment of an Investigator needed for the Nurse Aide Registry program established by legislation last year. Senate Bill 152 and its accompanying fiscal note passed the Legislature in February 1998, however the fiscal note was inadvertently omitted from the operating budget. SB 152 gave the division responsibility for regulation of certified nurse aides. The fiscal note provided an investigator to pursue the citizen complaints against Alaska's 2,500 nurse aides. This request was to fund the investigator necessary to protect the public from incompetent and unlicensed nurse aides.

BRU: Executive Administration and Development
Component: Administrative Services

Program Area:	Dollar Amount(s):	Fund Source(s):
Unallocated Reduction	(\$94.1)	GF

Impact Analysis:

This unallocated reduction is in response to the department's \$94.1 interagency receipts increment in the Commissioner's Office for FY1999 Unbudgeted Management Support, which in part funded the department's Special Assistant position. The subcommittee proposes this as a general fund reduction to the Division of Administrative Services for FY2000.

The department has proposed implementing a cost allocation plan in FY2000 that would reduce the Division of Administrative Services' appropriation from unrestricted general funds by \$134.8, allocating those costs to the agencies it serves. Those increased costs to the agencies are budgeted. This additional \$94.1 general fund reduction will be met by unbudgeted allocation of costs to the agencies of the department, resulting in program cuts in those agencies.

BRU: Executive Administration and Development
Component: Trade and Development

Program Area:	Dollar Amount(s):	Fund Source(s):
Delete Forest Products Development Specialist	(\$59.4)	GF

Impact Analysis:

Proposed budget would eliminate the position for an Economic Development Analyst/Forest Products Development Specialist. This is the position dedicated to working on the development and marketing of Alaska's forest products industry.

Deleting the position would have the following impact:

- Eliminates compilation and publication of the Directory of Alaska Forest Products Manufacturers. The directory is designed to help purchasers of AK forest products identify vendors, help forest product businesses identify potential expansion opportunities, and help small business assistance be more efficiently directed.
- Eliminates assistance for businesses that are qualified to receive an Alaska forest product bidder's preference for state procurement.
- Eliminates the department's ability to carry out the Alaska Forest Products Research and Marketing Program, established by statute (AS 44.33.900) to provide the industry with information on relevant subjects and identify the problems that impede the development of a high value-added wood products industry.
- Eliminates the prime point of contact for information about the industry and assistance to individual forest products companies.
- Eliminates distribution of forest product trade leads to Alaska firms.
- Eliminates Alaska membership in the Softwood Export Council - a trade association that receives substantial (over 3:1) USDA matching funds - and the ability to follow through on the resulting trade/marketing services and projects that would help Alaska develop new overseas markets for its forest products.
- Demonstrates lack of support on the part of the State for an industry where the average annual employment is now less than half of the 1990 level (4,000) and the 1998 exports were reduced by 56 percent from the 1997 levels.

Program Area:	Dollar Amount(s):	Fund Source(s):
Delete Northern Issues Coordinator	(33.9)	GF

Impact Analysis:

The proposed budget would eliminate the position for a Northern Issues Coordinator. The loss of this position would have the following impact:

- Eliminates effective State of Alaska representation in the Northern Forum, the international association of 22 northern regional governments. Alaska, under the leadership of Governors Walter Hickel and Steve Cowper, was a founding member of this body, which promotes trade, educational and information exchanges, and environmental cooperation among its members. The members often find they share much more in common with each other, rather than their respective "southern" capitals such as Washington or Moscow.
- Eliminates state participation in the planning of State-funded (\$60,000) Northern Forum events.
- Eliminates the administration of the Alaska Sustainable Development grant program, which recently distributed \$225,000 in federal funds to successful small businesses, communities, and nonprofit organizations around the state.
- Eliminates Alaska participation in organizing Arctic Council activities. As the only United States Arctic territory, Alaska has cultivated a leadership role inside the United States delegation to this international body of the eight Arctic nations. The United States currently chairs the Arctic Council. Founded in 1996, the Arctic Council focuses on promoting Arctic environmental protection and sustainable development. It is the successor to the eight-nation

Arctic Environmental Protection Strategy, initiated in 1989, which completed major assessments of Arctic environmental health.

- Sends a negative message to the international community and the State Department about Alaska's level of interest in Arctic issues, after working hard to achieve a significant role in establishing Arctic policy. This message is particularly untimely due to the upcoming May 3-6, 1999 Arctic Council meeting in Anchorage, which will feature a formal session of Senior Arctic Officials (representing Canada, Denmark, Finland, Iceland, Norway, Sweden, and Russia) and a May 5 public forum that provides interested Alaskans with an opportunity to learn about Arctic Council activities. The meeting will be the first of four major events hosted by the United States during its 1998-2000 council chairmanship. The meeting will attract approximately 100 attendees, representing member delegations, four circumpolar indigenous peoples groups, official observer nations, and environmental organizations.
- Forfeits Alaska's opportunity to receive increased federal attention as the centerpiece of the United States' international Arctic policy. Issues under study by the Arctic Council include telemedicine, climate change, and the impact of environmental contaminants on Arctic residents.

Program Area:	Dollar Amount(s):	Fund Source(s):
Delete Small Business Development Specialist	(\$68.1)	GF

Impact Analysis:

The proposed budget would eliminate the position for a Small Business Development Specialist. The position also covers DCED's rural outreach activities. The loss of this position would have the following impact:

- Eliminates organization, publicity, program development, and contractor oversight for the "How to Do Business with the State & University" procurement conferences. Last year, over 350 Alaskan companies participated in procurement conferences held in Anchorage, Fairbanks, and Juneau.
- Eliminates the prime point of contact for information about business assistance programs and direct assistance to Alaska small businesses about state programs.
- Eliminates further development of the "Guide to Technical and Financial Resources," an on-line matrix designed to assist small companies efficiently locate services and funding.
- Eliminates revision and publication of "Establishing a Business In Alaska," a key resource guide for new and existing Alaska companies.
- Eliminates the distribution of trade leads for Alaska companies seeking new markets for telecommunications, environmental, and health products/services.
- Eliminates program evaluation and contract oversight of the Made in Alaska program, affecting over 1,100 Alaska small businesses statewide.
- Eliminates small business program coordination as recommended by private sector firms serving on the Governor's Task Force for Small Business. Activities lost will include quarterly coordination meetings, program evaluation training, and joint marketing efforts.

- Eliminates staff support on a federal grant for a project that assists rural Alaska in identifying and developing products for export, expanding potential markets, and creating sustainable economies.
- Eliminates small business issues representative and rural liaison at a time when both sectors are most impacted due to an economic downturn and economic disasters.
- Sends a negative message to the Alaska small business community. Ninety-nine percent of the businesses in Alaska are small businesses as defined by the federal Small Business Administration (less than 500 employees). Alaska small businesses account for 70 percent of all private sector jobs in Alaska.

Program Area:	Dollar Amount(s):	Fund Source(s):
Travel Reduction	(\$64.3)	GF

Impact Analysis:

Per page 239 of the department's detail budget submission (form C200, Trade and Development BRU), there is only \$36.8 general fund and \$14.5 general fund/program receipts authorization in a total travel budget of \$200.2.

Under the current proposal, the balance of the \$64.3 GF cut would have to come from personal services or contractual lines, either eliminating more staff or further reducing overseas contracts, both causing significant adverse impacts to the division's activities.

Even if the reduced cut amount change is made, by completely eliminating general funds and general fund program receipts, the remaining staff will have limited travel funds to carry out trade, film office, and research office efforts. Most remaining funds are restricted to specific programs operated by existing staff. It is questionable whether these other funds would be available to the remaining staff since there would be no staff to operate the programs associated with the funds. In essence, either the full cut or the reduced cut would cripple the division.

**BRU: Tourism
Component: Tourism Development**

Program Area:	Dollar Amount(s).	Fund Source(s):
Reduce Tourism North Funding	(\$200.0)	GF/PR

Impact Analysis:

This reduction will have no impact on this program. Prior to July 1, 1998, the Tourism North program was managed by Alaska on behalf of the other partners (Yukon, British Columbia). To

manage the program, we needed to have program receipt authority to receive and expend funds from these Canadian provinces.

As of July 1, 1998, management of the Tourism North program has been transferred to the Yukon, thus the authority to receive and expend funds from the Canadian partners is no longer necessary. The deletion is appropriate. It may, however, become necessary to request this authorization in the future to accommodate Alaska again taking its turn in managing the program.

BRU: Tourism

Component: Alaska Tourism Marketing Council

Program Area:	Dollar Amount(s):	Fund Source(s):
Delete ATMC Executive Director	(\$102.3)	GF

Impact Analysis:

The House Finance subcommittee proposes deleting the Alaska Tourism Marketing Council's Executive Director position and \$102.3 general fund authorization in anticipation of the passage of HB 136, a tourism reorganization bill. The department feels it is inappropriate for budget changes related to proposed legislation to be included in the operating budget bill; it is more appropriate to make these budget changes by fiscal note attached to the bill.

Even if the bill does pass, the executive director position will be needed through July 1, 2000, the effective date of when the Alaska Tourism Marketing Council (ATMC) ceases per the bill. The ATMC will continue to need executive direction during the FY2000 wind down year, perhaps even more so. In addition, the \$102.3 general fund authorization being deleted would continue to be necessary as part of the State match, per the bill. Because the Executive Director position will still be needed in FY2000, this cut would have to be taken elsewhere in the program, most likely from the contractual line item.

COMM. +

REG. AFF.

~~VERIFICATION~~

C-TRA # 1A

AMENDMENT

Representative Austerman

CS HB 50(FIN)

Department of Community and Regional Affairs

adopted
4/9/99

Component Title Change

Page 17, line 18

ADD

Department:	Department of Community and Regional Affairs
BRU:	Local Government Assistance
From Component:	[Training and Development]
To Component:	<u>Local Government Management</u>

C+RA #1

AMENDMENT
CS HB 50(FIN)

Representative Austerman

Department of Community and Regional Affairs

Withdrawn

Page 17, line 18

ADD

Department: Department of Community and Regional Affairs

BRU: Local Government Assistance

Component: Training and Development \$200.0 general funds

CORA#3

AMENDMENT#

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CS HB 50 (FIN)

Failed
4/19/99

ADD

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

\$400.0 GF

This amendment will restore the six positions that would be eliminated.

C-RA#3

AMENDMENT#

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CS HB 50 (FIN)

ADD

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

\$400.0 GF

Withdrawn

This amendment will restore the six positions that would be eliminated.

C+RA #4

failed 4/9

AMENDMENT # _____

OFFERED IN HOUSE FINANCE COMMITTEE

TO CSHB 50(FIN)

ADD

Department of Community & Regional Affairs

Renters' Equivalency Rebate

Renters' Equivalency Rebate

300.0 general funds

Restore funding for rebate program which assists seniors and disabled veteran renters.

(Note: Page 17, following line 15)

CYRA #5

AMENDMENT#

DAVIES

failed

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CS HB 50 (FIN)

ADD

Department of Community & Regional Affairs
Municipal Revenue Sharing
Municipal Assistance

\$26,256.3 GF

This amendment will restore funding to Municipal Assistance at the FY99 authorized level.

C+ RA # 6

AMENDMENT#

Failed
419

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CS HB 50 (FIN)

ADD

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

\$21,583.8 GF

This amendment will restore funding to State Revenue Sharing at the FY99 authorized level.

REPLACEMENT

C+RA 7

AMENDMENT TO HB 50

adopted

BY: Rep.

AUSTERMAN

DELETE:

Department of Community & Regional Affairs
Child Assistance
Day Care Assistance Programs 1,801.9 I/A

DELETE:

Department of Community & Regional Affairs
Child Assistance
Child Care 880.0 I/A

ADD:

Department of Community & Regional Affairs
Child Assistance
Child Care 400.0 GF

C-RA 7

AMENDMENT # ~~Mulder~~

OFFERED IN HOUSE FINANCE COMMITTEE

TO CSHB 50(FIN)

DELETE

Community & Regional Affairs
Child Assistance
Day Care Assistance Programs 1,801.9 I/A

DELETE

Community & Regional Affairs
Child Assistance
Child Care 880.0 I/A

COMMENTS

Resolves technical errors in subcommittee report.

Agency Totals - FY00 Operating Budget

Agency: Department of Community & Regional Affairs

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	130,276.3	161,581.9	160,030.7	111,379.2	-50,202.7	-31.1%

Objects of Expenditure:

Personal Services	10,081.1	10,360.0	11,008.4	10,608.4	248.4	2.4%
Travel	1,082.6	1,227.3	1,261.9	1,261.9	34.6	2.8%
Contractual	3,148.0	6,390.3	6,077.4	6,077.4	-312.9	-4.9%
Commodities	146.0	231.6	241.3	241.3	9.7	4.2%
Equipment	1,062.1	1,903.7	1,929.0	1,929.0	25.3	1.3%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	114,756.5	141,469.0	139,512.7	91,372.6	-50,096.4	-35.4%
Miscellaneous	0.0	0.0	0.0	-111.4	-111.4	%

Funding Sources:

1002 Fed Rcpts	20,378.6	51,863.8	44,025.0	44,025.0	-7,838.8	-15.1%
1003 G/F Match	1,871.5	772.7	772.7	772.7	-0.0	-0.0%
1004 Gen Fund	74,920.5	69,175.7	64,465.1	14,011.7	-55,164.0	-79.7%
1005 GF/Prgm	3.8	49.2	49.2	49.2	0.0	0.0%
1007 I/A Rcpts	12,932.7	20,496.2	30,534.2	33,216.1	12,719.9	62.1%
1051 Rural Dev	97.1	98.0	98.0	98.0	0.0	0.0%
1053 Invst Loss	68.2	14.5	-0.0	0.0	-14.5	-100.0%
1061 CIP Rcpts	669.8	1,031.7	1,135.2	1,135.2	103.5	10.0%
1062 Power Proj	608.6	731.3	802.5	802.5	71.2	9.7%
1063 NPR Fund		50.0	50.0	50.0	0.0	0.0%
1074 Bulk Fuel	47.2	49.0	49.0	49.0	0.0	0.0%
1089 Power Cost	18,664.2	17,000.0	17,000.0	17,000.0	0.0	0.0%
1092 MHTAAR		50.0	0.0	0.0	-50.0	-100.0%
1108 Stat Desig	14.1	99.8	69.8	69.8	-30.0	-30.1%
1111 FishFndInc		100.0	100.0	100.0	0.0	0.0%
1119 Tobac Setl			880.0	0.0	0.0	%

Positions:

Perm Full Time	173.0	168.0	185.0	185.0	17.0	10.1%
Perm Part Time	3.0	3.0	3.0	3.0	0.0	0.0%
Non-Perm	20.0	7.0	7.0	7.0	0.0	0.0%

House Finance Subcommittee Department of Community and Regional Affairs Recommendations for FY 00 Budget

Representative Alan Austerman, Subcommittee Chair

The following describes subcommittee actions from the budget closeout session March 29, 1999 (spreadsheet attached). The subcommittee concentrated on the general fund - FY 2000 column of the worksheet. The 'GF', 'Other', and 'Federal Fund' columns show subcommittee adjusted totals incorporating changes from HB 100 (FY99 Supplemental); "austerity" cuts similar to those ordered for FY99; as well as their recommendations for further reductions. These cuts, with the exception of the PCE component, have been applied in the 'Subcommittee Recommendation for FY00' column. Components not mentioned below are funded at the Governor's FY00 request.

Office of the Commissioner Component changes: unallocated reduction of general funds \$-111.4 for FY00 austerity reductions (belt-tightening). This is equal to FY99's reduction of the same amount. The FY99 belt-tightening reductions ordered by the Governor were taken from various components and accounts. Rather than attribute cuts in that manner throughout the department, the subcommittee chose to let the department assign FY00 austerity decrements based on their current priorities.

Renters' Equivalency Rebate Component change: deleted FY 00 request \$-300.0 in general funds. (This BRU encompassed three programs: Homeowner's Property Tax Exemption (deleted in FY 97); Senior Citizens and Disabled Veterans Renters' Equivalency; (compensated for that portion of rent that went towards the payment of local property taxes); and Sewer and Water Deferment Program (repealed in FY87). This program was administered directly to qualifying seniors by DCRA without assistance from participating municipalities.

Local Government Assistance, Training and Development Component change: reduced general fund portion of program FY00 \$-400.0. In the discussion concerning this general fund decrement, attention was focused on the disproportionate number of positions based in the urban areas of the state. It was expressed that the intent of the subcommittee was to see this decrement focused on reducing the number of positions in Anchorage - explicitly, and not at the expense of rural positions.

Child Assistance, Day Care Assistance/Child Care Programs: Changes to this component include several fund source changes including those proposed in the Governor's request. Interagency receipts from Department of Health and Social Services make up the decrement to general funds of \$4,801.9. There is a proportionate increase in the "Other Funds" column. The subcommittee carried forward the fund change from the FY99 Supplemental. The committee accepted generically all changes relative to the "other funds" and "federal funds" sources from the Governor's FY 2000 amended base.

PCE - For this time, left at historical expenditure authority level. Full House Finance Committee action is required pertaining to fund sources.

FY00 Community and Regional Affairs Subcommittee Recommendations

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY 99 Authorized	Subcommittee Recommendation for FY00
		Total	181,581.9	159,219.4	70,012.1	62,673.8	39,656.0	52,470.8	51,913.8	44,075.0
		FY99 Base	181,581.9		70,012.1		39,656.0		51,913.8	
		FY00-FY99		-2,362.5		-7,338.3		12,814.8		-7,838.8
		% Change		-1.46%		-10.48%		32.31%		-15.10%
Community & Regional Affairs	Administration and Support	Office of the Commissioner	530.8	419.4	420.4	309.0	110.4	110.4	0.0	0.0
Community & Regional Affairs	Administration and Support	Administrative Services	1,767.7	1,925.4	1,223.3	1,223.3	446.2	603.9	98.2	98.2
Community & Regional Affairs	Administration and Support	Data and Word Processing	738.2	798.2	397.0	397.0	241.0	301.0	100.2	100.2
Community & Regional Affairs	Administration and Support	One Stop	3,000.0	3,000.0	0.0	0.0	0.0	0.0	3,000.0	3,000.0
Community & Regional Affairs	State Facilities Maintenance	State Facilities Maintenance	0.0	6.7	0.0	0.0	0.0	6.7	0.0	0.0
Community & Regional Affairs	Renters' Equivalency Rebate	Renters' Equivalency Rebate	300.0	0.0	300.0	0.0	0.0	0.0	0.0	0.0
Community & Regional Affairs	National Forest Receipts	National Forest Receipts	10,000.0	10,000.0	0.0	0.0	0.0	0.0	10,000.0	10,000.0
Community & Regional Affairs	Municipal Revenue Sharing	State Revenue Sharing	21,583.8	21,583.8	21,583.8	21,583.8	0.0	0.0	0.0	0.0
Community & Regional Affairs	Municipal Revenue Sharing	Municipal Assistance	26,256.3	26,256.3	26,256.3	26,256.3	0.0	0.0	0.0	0.0
Community & Regional Affairs	Local Government Assistance	Training and Development	9,272.6	2,583.8	1,825.6	1,425.6	159.3	159.3	7,287.7	998.9
Community & Regional Affairs	Local Government Assistance	State Assessor	150.2	150.2	150.2	150.2	0.0	0.0	0.0	0.0
Community & Regional Affairs	Local Government Assistance	Local Boundary Commission	248.3	248.3	248.3	248.3	0.0	0.0	0.0	0.0
Community & Regional Affairs	Local Government Assistance	Statewide Assistance	6,750.8	6,750.8	374.6	374.6	2,376.2	2,376.2	4,000.0	4,000.0
Community & Regional Affairs	Local Government Assistance	National Petroleum Reserve Pro	50.0	50.0	0.0	0.0	0.0	0.0	50.0	50.0
Community & Regional Affairs	Community and Economic Develo	Community and Economic Develo	1,577.3	1,497.3	456.1	456.1	1,071.2	1,041.2	50.0	0.0
Community & Regional Affairs	Child Assistance	Child Care	3,555.1	4,631.2	2,128.4	403.4	1,406.7	4,121.8	20.0	106.0
Community & Regional Affairs	Child Assistance	Day Care Assistance Programs	18,966.1	21,635.1	7,211.1	2,409.2	11,669.0	19,225.9	86.0	0.0
Community & Regional Affairs	Child Assistance	Head Start Grants	5,929.2	6,644.2	5,729.2	5,729.2	50.0	765.0	150.0	150.0
Community & Regional Affairs	Employment Training/Rural Devel	Job Training Partnership Act	15,875.4	14,375.4	84.2	84.2	56.6	56.6	15,734.6	14,234.6
Community & Regional Affairs	Employment Training/Rural Devel	State Training and Employment	1,732.3	1,512.3	0.0	0.0	1,732.3	1,512.3	0.0	0.0
Community & Regional Affairs	Employment Training/Rural Devel	Statewide Service Delivery	10,697.5	12,417.5	467.7	467.7	1,536.8	3,256.8	8,693.0	8,693.0
Community & Regional Affairs	Employment Training/Rural Devel	Community Development Assis	2,989.5	2,989.5	309.8	309.8	135.7	135.7	2,544.0	2,544.0
Community & Regional Affairs	Rural Energy Program--Energy Op	Energy Operations	2,310.8	2,444.0	546.1	546.1	1,664.6	1,797.8	100.1	100.1
Community & Regional Affairs	Rural Energy Program--Energy Op	Power Cost Equalization	17,000.0	17,000.0	0.0	0.0	17,000.0	17,000.0	0.0	0.0
Community & Regional Affairs	Circuit Rider Program	Circuit Rider	300.0	300.0	300.0	300.0	0.0	0.0	0.0	0.0

Department of Community and Regional Affairs
Impact Statements in Response to
House Finance Subcommittee Budget Proposals

Date: April 1, 1999

Prepared by: Yvonne M. Chase

Program Area:	Dollar Amount(s)	Fund Source
Austerity Measures	(111.4)	GF

Impact Analysis:

The House proposal continues the FY99 Austerity Measures. These cuts will result in impacts to the following components:

Administrative Services

An **\$8,375 GF** cut to the personal services line in the FY00 Administrative Services budget will result in the inability to fill the part time accounting clerk I position. This position is essential to assisting in covering the heavy workload generated by the Division of Energy payables and the general department payables in order to meet the 30 day payment turn around specified by state statute. Impact will be our inability to meet the 30-day turnaround.

The **\$3,500 GF** cut to the supply line in the FY 00 Administrative Services budget will result in supplies reaching "critical" levels before purchasing. Cost effectiveness is diminished when "planned" ordering cannot occur.

Data and Word Processing

The **\$3,525 GF** cut to the contractual line in the FY 00 Data Processing budget will mean that certain department data processing maintenance items will not be purchased this year. This is a particularly difficult year to sustain reductions in data processing because of the Y2K compliance issues.

Statewide Assistance

This reduction of **\$32,000 GF**, in combination with other cuts to the division, will result in the elimination of an additional position. The majority of the positions are senior and journeymen level Local Government Specialists located in Anchorage, Fairbanks and Juneau. Most of these staff serve in a consulting city manager/finance director type role. The impact of eliminating these positions, as well as reductions in travel and contractual services, include:

A significant reduction in local government service management and financial management assistance will, in turn, result in financial management and service delivery problems including non-payment of employer taxes, failure to secure revenues, disruption of local services, and in

some instances the breakdown of public infrastructure. Potentially, these costs could far exceed the savings sought by this cut. In addition, the division's capacity to respond to community and regional economic crisis (e.g., the SE Alaska Timber Disaster, the Adak and Fort Greely base closures, and the Port Graham Cannery Fire) is further reduced.

Child Care

This reduction of **\$20,500 GF** will impact the ability of units within the division to sustain the level of support needed to deliver services. Decreased manpower directly affects the ability of a unit to perform the requisite level of compliance monitors and respond to grantee and client needs in a timely manner. Lack of attention in this area could easily lead to disallowed costs and more costly expenses the state will bear.

Statewide Service Delivery

Reducing contractual services by **\$9,500 GF** affects a myriad of functions relative to day-to-day operations, such as, copying costs, postage, communications, and printing and newspaper announcements. As units try to reduce the more costly expenses relative to travel, they use telecommunications as the method to accomplish required tasks.

Community Development Assistance

The **\$2,000 GF** reduction in equipment will directly affect the unit's ability to maintain the equipment in use or upgrade to meet minimally acceptable capabilities.

Energy Operations

A reduction of **\$32,000 GF** would decrease the overall services provided by Division staff and further restrict staff's capability of responding to the needs of rural communities.

The Division's workload has grown considerably over the past several years, especially with respect to the bulk fuel program. In FY96, the Division completed projects totaling \$2.7 million and \$3.9 million in FY97. In FY98, the Division completed \$7.5 million in projects -- double the projects completed in the prior fiscal years. All indications show that the bulk fuel program will increase in FY99 by roughly 20% or a projected \$8.9 million in projects. Administrative responsibility for federal programs has also continued to grow over the last several years, not just for bulk fuel projects, but for electrical and alternative energy programs as well. In FY96 and FY97, the Division was awarded \$5.9 million and \$3.3 million respectively. For FY98, total awards to the Division increased to \$11.9 million.

The Division continues to manage more projects and administer more grants and loans in rural communities than in previous years. If further reductions are made, the Division will be unable to carry out its responsibilities and provide the support necessary to rural communities or provide oversight responsibilities necessary with respect to federal pass-through grants.

Program Area:	Dollar Amount(s):	Fund Source(s):
Renters' Equivalency Rebate	(300.0)	GF

Impact Analysis:

In 1998, the program sent rebates to 1,081 individuals. The breakdown was 976 senior citizens and 105 disabled veterans. The average annual payment for 1998 was \$277, based upon the budgeted amount of \$300,000. The elimination of the funding will result in no payments being sent to these 1,081 individuals.

Under AS 29.45.040, residents 65 years of age or older and disabled veterans with a service connected disability rating of 50% or more, or spouses of those individuals who are 60 years of age or older, are eligible to receive a tax equivalency payment (renters rebate). This equivalency payment or rent rebate, is the companion program for the senior citizen/disabled veteran homeowners program where the owners of property are currently exempt from property taxes for the first \$150,000 of assessed value. The reason the rebate program was instituted was to offer an equitable tax break for senior citizens that are not fortunate enough to own property and, instead, rent their home. The homeowners exemption program, although unfunded by the state since 1996, is mandated by statute and consequently, homeowners still receive the tax break. This program costs local municipalities \$26.65 million for FY 99.

Program Area:	Dollar Amount(s)	Fund Source
Local Government Assistance Training and Development Component	(400.0)	GF

Impact Analysis: This reduction will result in the elimination of six (6) positions representing 1/6 of the existing staff (36 total of which 35 are currently filled). Although the majority of these Local Government Specialist positions are located in Anchorage, Fairbanks and Bethel, their services affect approximately 70 communities throughout the state. Most of these staff serve in a consulting city manager/finance director type role. The impact of eliminating these positions, as well as reductions in travel and contractual services, include the following:

A significant reduction in local government service management and financial management assistance. This, in turn, will result in financial management and service delivery problems in local governments including non-payment of employer taxes, failure to secure revenues, disruption of local services, and in some instances the break down of public facilities such as sewer and water systems. Potentially, these costs could far exceed the savings sought by this cut.

A significantly reduced capacity to respond to community and regional economic crisis such as the Adak and Fort Greely base closures, the Port Graham Cannery Fire, and the Western Alaska Fisheries disaster. Staff of this component played a major role in the state's response to all of these crises.

Management of lands and responsibilities under the Municipal Lands Trustee program will be reduced to caretaker status. This will result in communities and public agencies having to wait longer periods of time to acquire MLT lands for public structures such as schools, airports and dumps. It is likely that some projects could be delayed an entire construction season because of an inability to secure site control in a timely manner. The MLT has Trust responsibilities for 87 communities.

Elimination of a Publications Specialist position will significantly diminish the division's ability to produce written training materials. Eliminating an important tool in promoting local capacity development.

Finally, greater levels of supervisory/management responsibilities will be borne by those remaining in the organization. This reduces their ability to provide services to communities and the public in general.

Program Area:	Dollar Amount	Fund Source(s)
Child Care and Day Care Assistance	(1,801.9)	GF

Impact Analysis:

The Governor's recommended budget supplanted \$3,000.0 GF in Day Care Assistance and \$1,725.0 GF in Child Care Grant Programs with funds realized through Temporary Assistance for Needy Families (TANF) savings.

It was understood that this was a solution for the short-term only; that this would provide a switch of funds through FY2001.

This additional supplanting of \$1,801.9 in Day Care Assistance will add to that short-term fix. Eventually these federal funds (located in H&SS and obtained by DCRA as Interagency Receipts) may need to be replaced to provide agency support. At this point in time, however, the department agrees that there is no reduction in service in FY2000 by supplanting these funds.

STATIONERY

CORREC- TIONS

COR # 1

AMENDMENT # _____

OFFERED IN THE HOUSE FINANCE COMMITTEE

w/D

TO: CSHB 50 (FIN)

ADD

Department of Corrections
Administration and Operations
Inmate Health

86.5 GF

Restore Inmate Program Manager's position.

COR #2

AMENDMENT # _____

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CSHB 50 (FIN)

Held

ADD

Department of Corrections
Administration and Operations
Institution Directors Office

96.3 GF

Restore Assistant Director's position in Division of Institutions.

COR #3

AMENDMENT # *Gussard*

failed
419

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CSHB 50 (FIN)

ADD

Department of Corrections
Administration and Operations
Inmate Programs

499.0 GF

Restore general funds for juvenile unit.

COR #4

AMENDMENT # _____

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CSHB 50 (FIN)

ADD

Department of Corrections
Administration and Operations
Cook Inlet CC

300.00 GF

Gussendorf
failed
4/9

Restore request for additional security at Cook Inlet facility.

COR #5

AMENDMENT # _____

OFFERED IN THE HOUSE FINANCE COMMITTEE

Gussendorf

TO: CSHB 50 (FIN)

Failed

4/9 pm

ADD

Department of Corrections
Administration and Operations
Southcentral Regional Probation

155.0 GF

Restore general funds for Enhanced Probation and Parole Services.

COR # 6

4/19 pm

failed

AMENDMENT # Guesserding

OFFERED IN HOUSE FINANCE COMMITTEE

TO CSHB 50(FIN)

ADD

Department of Corrections
Administration and Operations
Office of the Commissioner 96,100 federal funds

DELETE

Department of Corrections
Food Services Apprenticeship Program
Food Services Apprenticeship 96,100 federal funds

Restore federal funding for Reimbursable Services Agreement with the
Department of Law for an Assistant Attorney General.

(Note: Page 18, lines 14 and 15; page 20, lines 6 and 7)

Agency Totals - FY00 Operating Budget

Agency: Department of Corrections

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	145,295.0	152,726.0	172,444.8	168,499.3	15,773.3	10.3%
<u>Objects of Expenditure:</u>						
Personal Services	85,141.3	84,471.5	86,757.8	84,832.9	361.4	0.4%
Travel	1,886.7	1,287.1	1,726.0	1,739.5	452.4	35.1%
Contractual	43,987.1	52,980.7	68,519.2	67,201.7	14,221.0	26.8%
Commodities	11,547.1	11,087.5	12,465.1	12,153.5	1,066.0	9.6%
Equipment	608.3	51.9	51.9	51.9	0.0	0.0%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	2,124.5	2,132.3	2,209.8	2,254.8	122.5	5.7%
Miscellaneous	0.0	715.0	715.0	265.0	-450.0	-62.9%
<u>Funding Sources:</u>						
1002 Fed Rcpts	3,381.6	7,142.6	5,677.0	6,477.0	-665.6	-9.3%
1003 G/F Match	2,707.2	187.1	187.1	129.6	-57.5	-30.7%
1004 Gen Fund	127,912.2	132,647.2	145,322.9	139,594.9	6,947.7	5.2%
1005 GF/Prgm	2,331.3	3,385.7	3,481.0	3,506.0	120.3	3.6%
1007 I/A Rcpts	929.1	494.6	8,275.1	8,140.1	7,645.5	1545.8%
1037 GF/MH	3,369.7	3,769.3	3,999.3	3,999.3	230.0	6.1%
1050 PFD Fund	1,047.3	1,047.3	1,047.3	2,197.3	1,150.0	109.8%
1053 Invst Loss		168.3	-0.0	0.0	-168.3	-100.0%
1059 Corr. Ind.	2,750.1	2,750.6	3,500.6	3,500.6	750.0	27.3%
1061 CIP Rcpts	552.5	543.3	543.3	543.3	0.0	0.0%
1092 MHTAAR	314.0	590.0	411.2	411.2	-178.8	-30.3%
<u>Positions:</u>						
Perm Full Time	1,355.0	1,360.0	1,398.0	1,369.0	9.0	0.7%
Perm Part Time	2.0	1.0	0.0	0.0	-1.0	-100.0%
Non-Perm	0.0	0.0	0.0	0.0	0.0	%

House Finance Subcommittee on Corrections Recommendations for FY 00 Budget

Representative Eldon Mulder, Subcommittee Chair

This narrative describes the effect of the budget numbers proposed for the Department of Corrections on the attached spreadsheet.

The Subcommittee work is based on growth from the FY99 authorized budget, adjusted to include changes to the base from the Supplemental Appropriation passed in March, 1999. Current and projected inmate populations were taken into consideration in during the Subcommittee allocation process.

The subcommittee was able to find significant savings in the Administration and Operations BRU while still adequately funding critical services and institutions.

The \$57,500 "belt tightening" was carried forward to FY00 in the Commissioners office along with a \$450,000 reduction in federal funds. The authorization for \$96,100 in federal funds used as an interagency transfer to the Department of Law for legal services are transferred to the new Food Services Apprenticeship Program BRU for a food services apprenticeship program.

The committee found that by better utilizing the current video conferencing technology available to the Department and by re-evaluating its travel practices, the Parole Board could still effectively function without the \$70,000 increment it requested.

The \$90,500 "belt tightening" was carried forward to FY00 in the Administrative Services component .

The Data and Word Processing component was fully funded with a slight increase of \$80,000 in federal funds to address overtime issues and allow the Department to pay their Information Services personnel wages that are competitive with the private sector.

The Inmate Health Care component was fully funded with an increase of \$323,400 that reflects the increases in Lab and Pharmaceutical costs which are then compounded by the increased inmate populations. Discussions with the Department have shown that they are cognizant of this issue and are currently developing strategies to address it. Funding for this component's Criminal Justice Planner position was eliminated.

The Inmate Programs component was fully funded at the FY99 budget level. The Committee determined that more research and deliberations are needed before the Department can adequately address the issue of how best to handle its growing population of juvenile offenders. \$1,100,000 general funds were moved to PFD due to the increase in inmates receiving PFD's.

Correctional Industries Product Cost component carried forward the supplemental authorization to receive an additional \$750,000 from the Correctional Industries Product Cost fund.

The Institutional Director's Office was fully funded with an increase of \$125,300 to implement CSHB272 (FIN), Electronic Monitoring Pilot Program. This will allow the Department an alternative to placing certain inmates into an already overcrowded facility. An additional \$50,000 PFD funds were authorized for increased gate money for inmates to allow for a smoother transition back into the community. Funding for this component's Assistant Director position was eliminated.

The Department's 12 institutions are fully funded at FY99 maintenance budget levels. Due to less than anticipated inmate populations the requests for four temporary housing units were withdrawn by the Department. The request for a \$50,000 increase in federal authorization at Combined Hiland Mountain Correctional Center was withdrawn by the Department as well. The committee felt the request to fund five additional Correctional Officer II positions at Cook Inlet Correctional Center was not justified.

The Community Corrections Directors Office requested and received an additional \$145,000 for two new Probation Officer II's to handle the increased Sexual Predator caseloads in Palmer and Fairbanks.

The Northern Region Probation component transferred one Probation Officer III to the Southcentral region to balance caseloads.

The Committee did not fund the Southcentral Region Probation component request for \$155,000 in new general funds to continue the Enhanced Probation & Parole Program that was started as a pilot program with federal funding in FY97.

The Transportation & Classification component was allowed to carry forward its \$365,000 supplemental increase in order to adequately fund the transportation of the States growing inmate population both within the State and to and from the Arizona facility.

The Facility Maintenance component was funded with \$7,780,000 in Interagency Receipts as required by CSHB315(FIN). In an effort to address the more than \$12,000,000 in deferred maintenance backlog, the committee authorized an additional \$850,000 for deferred maintenance.

The Out of State Contracts BRU was increased by \$5,464,800 to fund the increased inmate population at the Arizona facility. This increment includes funding for supplies, personal services, and travel related to the Arizona inmate population.

The Committee combined the Existing CRC's, Nome Culturally Relevant CRC, Bethel Culturally Relevant CRC and CRC Offender Supervision BRU's into one BRU entitle Community Residential Centers.

The Existing CRC BRU was fully funded with increase of \$325,000 to continue contracting CRC beds in the Bethel facility. The supplemental decrement of \$50,000 was put back into the BRU in order to fully fund the year's operation.

The Nome Culturally Relevant BRU as fully funded with a \$225,000 increment to raise the bed count to 40. The committee allowed the Department to collect an additional \$25,000 in GF/Program Receipts from inmates on work release in order to cover program costs.

The Point MacKenzie BRU was fully funded with an increase of \$130,800 to support a full year's operation of the additional 20 beds at the facility.

Due to less than anticipated inmate numbers the Alternative Housing BRU was funded at \$100,000 below FY99's budget number.

A new Food Services Apprenticeship Program BRU was funded with \$96,100 in federal fund authorization to provide a food services apprenticeship program.

FY00 House Finance Corrections Subcommittee Recommendations

(\$000)

Agency	BRU	Component	Total		Off-Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		FY99 Base including Supplemental	157,024.3	168,499.3	143,705.9	147,229.8	6,175.8	14,792.5	7,142.6	6,477.0
			0.0		0.0		0.0		0.0	
			157,024.3		143,705.9		6,175.8		7,142.6	
		FY00-FY99		11,475.0		3,523.9		8,616.7		-665.6
		% Change		7.31%		2.45%		139.52%		-9.32%
Corrections	Administration & Operations	Office of the Commissioner	1,522.6	947.8	872.6	843.9	0.0	0.0	650.0	103.9
Corrections	Administration & Operations	Parole Board	484.0	484.0	484.0	484.0	0.0	0.0	0.0	0.0
Corrections	Administration & Operations	Correctional Academy	664.4	664.4	664.4	664.4	0.0	0.0	0.0	0.0
Corrections	Administration & Operations	Administrative Services	2,730.5	2,730.5	2,659.4	2,659.4	0.0	0.0	71.1	71.1
Corrections	Administration & Operations	Data and Word Processing	1,296.1	1,376.1	684.6	684.6	551.5	551.5	60.0	140.0
Corrections	Administration & Operations	Facility-Capital Improvement Unit	209.5	209.5	0.0	0.0	209.5	209.5	0.0	0.0
Corrections	Administration & Operations	Inmate Health Care	15,902.1	15,725.5	15,312.1	15,314.3	590.0	411.2	0.0	0.0
Corrections	Administration & Operations	Inmate Programs	2,839.6	2,839.6	2,011.4	911.4	828.2	1,928.2	0.0	0.0
Corrections	Administration & Operations	Correctional Industries Administration	1,163.9	1,163.9	1,163.9	1,163.9	0.0	0.0	0.0	0.0
Corrections	Administration & Operations	Correctional Industries Product Cost	3,500.6	3,500.6	0.0	0.0	3,500.6	3,500.6	0.0	0.0
Corrections	Administration & Operations	Institution Director's Office	914.2	993.2	692.1	721.1	222.1	272.1	0.0	0.0
Corrections	Administration & Operations	Anvil Mountain Correctional Center	3,850.6	3,850.6	3,850.6	3,850.6	0.0	0.0	0.0	0.0
Corrections	Administration & Operations	Combined Hilland Mountain Correctional Center	7,168.1	7,168.1	7,132.6	7,132.6	0.0	0.0	35.5	35.5
Corrections	Administration & Operations	Cook Inlet Correctional Center	9,119.1	9,119.1	7,871.6	7,871.6	0.0	0.0	1,247.5	1,247.5
Corrections	Administration & Operations	Fairbanks Correctional Center	6,943.2	6,943.2	6,878.7	6,878.7	0.0	0.0	64.5	64.5
Corrections	Administration & Operations	Ketchikan Correctional Center	2,575.2	2,575.2	2,572.5	2,572.5	0.0	0.0	2.7	2.7
Corrections	Administration & Operations	Lemon Creek Correctional Center	5,917.3	5,917.3	5,908.9	5,908.9	0.0	0.0	8.4	8.4
Corrections	Administration & Operations	Malanuska-Susitna Correctional Center	2,711.6	2,711.6	2,711.6	2,711.6	0.0	0.0	0.0	0.0
Corrections	Administration & Operations	Palmer Correctional Center	8,462.3	8,462.3	8,458.3	8,458.3	0.0	0.0	4.0	4.0
Corrections	Administration & Operations	Sixth Avenue Correctional Center	3,827.2	3,827.2	3,532.4	3,532.4	0.0	0.0	294.8	294.8
Corrections	Administration & Operations	Spring Creek Correctional Center	13,687.3	13,687.3	13,663.3	13,663.3	0.0	0.0	24.0	24.0
Corrections	Administration & Operations	Wildwood Correctional Center	8,177.1	8,177.1	8,177.1	8,177.1	0.0	0.0	0.0	0.0
Corrections	Administration & Operations	Yukon-Kuskokwim Correctional Center	3,953.1	3,953.1	3,953.1	3,953.1	0.0	0.0	0.0	0.0
Corrections	Administration & Operations	Community Jails	4,766.6	4,766.6	4,766.6	4,766.6	0.0	0.0	0.0	0.0
Corrections	Administration & Operations	Community Corrections Director's Office	733.8	701.9	733.8	701.9	0.0	0.0	0.0	0.0
Corrections	Administration & Operations	Northern Region Probation	2,522.4	2,449.4	2,522.4	2,449.4	0.0	0.0	0.0	0.0
Corrections	Administration & Operations	Southcentral Region Probation	4,433.6	4,605.0	4,433.6	4,605.0	0.0	0.0	0.0	0.0
Corrections	Administration & Operations	Southeast Region Probation	961.5	961.5	961.5	961.5	0.0	0.0	0.0	0.0
Corrections	Administration & Operations	Transportation and Classification	1,385.6	1,279.3	1,111.7	1,140.4	273.9	138.9	0.0	0.0
Corrections	Administration & Operations	Facility Maintenance	0.0	8,630.5	0.0	850.0	0.0	7,780.5	0.0	0.0
Corrections	Out of State Contracts	Out-of-State Contracts	17,562.3	19,977.1	15,295.6	17,310.4	0.0	0.0	2,266.7	2,666.7
Corrections	Community Residential Centers	Existing Community Residential Centers	13,489.5	13,864.5	11,404.6	12,475.2	0.0	0.0	2,084.9	1,389.3
Corrections	Community Residential Centers	Nome Culturally Relevant CRC	766.5	1,016.5	490.2	740.2	0.0	0.0	276.3	276.3
Corrections	Community Residential Centers	Bethel Culturally Relevant CRC	94.8	144.8	42.6	92.6	0.0	0.0	52.2	52.2
Corrections	Community Residential Centers	Community Residential Center Offender Supervision	181.0	656.0	181.0	656.0	0.0	0.0	0.0	0.0
Corrections	Point MacKenzie	Point MacKenzie Rehabilitation Program	1,992.1	2,122.9	1,992.1	2,122.9	0.0	0.0	0.0	0.0
Corrections	VPSO Parole Supervision Pilot Program	VPSO Parole Supervision Pilot Program	115.0	0.0	115.0	0.0	0.0	0.0	0.0	0.0
Corrections	Alternative Institutional Housing	Alternative Institutional Housing	400.0	200.0	400.0	200.0	0.0	0.0	0.0	0.0
Corrections	Food Services Apprenticeship Program	Food Services Apprenticeship Program	0.0	96.1	0.0	0.0	0.0	0.0	0.0	96.1

Department of Corrections
Impact Statements in Response to
House Finance Subcommittee Budget Proposals

Date: April 2, 1999

Prepared by: Dwayne Peeples, Director

Program Area: Management Structure	Dollar Amount(s): (96.1)	Fund Source(s): Fed
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Impact Analysis:

The proposed cuts in this component would leave the department without funding for the Reimbursable Services Agreement with the Department of Law. This RSA provides the department with the services of an Assistant Attorney General to assist the Commissioner on complex projects. These projects include negotiating the agreement provisions in the state's contracts with the Municipality of Anchorage relating to the new Anchorage Jail (funded by HB53), working with other departments on the Criminal Justice Assessment Commission project, and other complex agency issues.

Program Area: Parole Board	Dollar Amount(s): (70.0)	Fund Source(s): GF
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Impact Analysis:

The reduction will affect the Department of Corrections in an adverse manner because parole hearings will not take place in an expeditious manner; thus parole releases from incarceration could be delayed.

Inmates eligible for parole consideration may not be paroled in an expeditious timeframe if the Board is unable to travel to the states prison facilities to conduct hearings for inmates. This will negatively affect the Department due to the fact that it costs considerably more to keep an inmate in prison than it does to place the inmate on supervised parole in halfway houses or the community.

Inmate population stabilization by the Department has been enhanced by the allowance for parole releases by the Parole Board. Also, failure to meet statutorily mandated timeframes for parole hearings could result in considerable legal and fiscal liabilities for the State.

Program Area:
Sex Offender Assessments

**Dollar
Amount(s):**
(20.0)

**Fund
Source(s):**
GF

Impact Analysis:

This reduction will eliminate the state's opportunity to initiate a program to clinically assess individual sex offenders as they enter the correctional system. The Department is proposing to provide individualized assessments of sex offenders immediately following sentencing. The process would evaluate the individuals level of risk to re-offend.

The early assessment of the offenders would assist in identifying the specific course of treatment necessary for each prisoner. The benefits are multifold:

- Insure the inmate receives the specific treatment necessary to interrupt the re-offense cycle.
- Increase the efficient application of treatment resources. The inmate would be assigned only to those treatment components necessary.
- Allow for improved management of programs through an accurate count of inmates requiring specific treatment programs.
- Insure that the level of risk is assessed for all sex offenders, not just those who participate in treatment.
- Accelerate assignment to treatment thus increasing the amount of treatment received by offenders prior to release from custody.
- Provide probation and parole officers a valid measure for determining the level of community supervision necessary.

In summary, this project has the potential for significant impact on the incarceration, treatment and supervision of sex offenders in this state.

Program Area:
Juvenile Unit

**Dollar
Amount(s):**
(499.0)

**Fund
Source(s):**
GF

Impact Analysis:

This reduction in funding will impact facilities throughout the entire Department of Corrections, and will have a negative effect on public safety. Currently the DOC houses 402 inmates age 21 and under (317 felons and 85 misdemeanants). Following is a breakdown by age:

<u>Age</u>	<u>#Housed</u>
21	96
20	112
19	100
18	72
17	20
16	2

The juvenile waiver laws passed within the last few years resulted in an increase in the number of youthful offenders in the adult correctional institutions. These juveniles are violent offenders who have committed very serious crimes and are capable of extreme behavioral outbreaks. Most are poorly socialized and have low impulse control. Their disruptive behavior within the adult correctional settings frequently requires the assignment to a segregation cell. This type of intervention often does little to improve behavior and at times can have the reverse effect.

We are asking for the tools necessary to make these youthful offenders accountable. The proposed milieu program would provide continual monitoring of this population. The offenders would be required to participate in a full array of programs including education, substance abuse counseling, work programs, empathy training, anger management, mental health counseling, life skills, etc. The milieu program would be highly structured with a strong emphasis on personal responsibility.

Many of these juvenile offenders will eventually release back into Alaska's communities after completing their maturation within the adult prison system. Absent a significant intervention, it is anticipated that this group will represent a high rate of re-offense and considering this population's propensity toward violence, it is reasonable to expect an equally high rate of victims. The proposed juvenile unit would give the state an opportunity to interrupt this highly predatory behavior before these inmates finish their sentences and return to our communities.

Program Area:	Dollar Amount(s):	Fund Source(s):
Inmate Health Care – Inmate Programs	(86.5)	GF

Impact Analysis:

The reduction would eliminate the criminal justice planner position assigned to the Inmate Program component.

The elimination of this position would critically impact the quality of inmate programs. This position is responsible for the statewide oversight and management of three major program areas including the following:

- Inmate Education - Adult Basic Education, GED, Life Skills, Post Secondary and Vocational Education
- Sex Offender Treatment - Intensive Milieu Treatment, Institutional Pre-treatment and community counseling
- Institutional Batterer's Program

This position develops, monitor's and manages the above program areas. In addition, the position oversees and maintains reporting requirements for alternate funding sources such as pass through grants. Inmate education and sex offender treatment utilize many contracts with private vendors. The criminal justice planner is responsible for insuring that these contracts are correctly administered. These programs are important interventions in limiting criminal behavior. The elimination of this position would severely hinder the Departments ability to provide vital effective programs.

Program Area:	Dollar	Fund
Institution Director's Office	Amount(s): (96.3)	Source(s): GF

Impact Analysis:

The reduction of funding for this position would result in a decline in the Department's ability to effectively manage adult correctional services. This position is essential to the management of operations of the adult correctional population. The assistant director's scope includes organizing and directing the following operations:

- Inmate health care (12 institutions, CRC's, and out of state contract facilities)
- Mental health services (12 institutions, 2 acute care units, CRC's, out of state contract facilities, corrections related community programs)
- Inmate education (12 institutions and out of state contract facilities)
- Batterer's programs (3 institutions plus approval of community programs)
- Inmate substance abuse (12 institutions, CRC's, out of state contract facilities and community residential treatment contracts)
- Sex offender program (12 institutions, CRC's, and out of state contract facilities)
- Community jails program, assigned March 1, 1999 (15 jails)

This position has full operational responsibility for a budget exceeding \$22,000.0. The assistant director insures that the above programs are operated in compliance with all statutory and regulatory requirements. The position has a pivotal role in the integration

of inmate health care and programs with institutional security and operations. The assistant director also facilitates coordination between the Division of Institutions and Community Corrections in the above program areas.

Program Area: Cook Inlet Corr. Center	Dollar Amount(s): (300.0)	Fund Source(s): GF
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Impact Analysis:

The reduction consists of \$300.0 in the Division of Institutions, Cook Inlet Correctional Center.

This request was to provide additional security coverage on an intermittent basis when the facility exceeds its emergency bed capacity due to the inordinate level of pretrial felon intakes in the Anchorage bowl. In addition, the funds would provide for the required security and supervision of prisoners who are hospitalized.

Program Area: Community Jails	Dollar Amount(s): (33.7)	Fund Source(s): GF
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Impact Analysis:

The Department of Corrections supplemental budget included a reduction of \$33.7 in community jails. The reduction was the result of the single position assigned to the unit having been vacated. This reduction of \$33.7 in the Community Jails component was carried forward by the House Correctional Finance Subcommittee into the FY2000 budget. The position of program coordinator manages the contracts and oversees the jails statewide.

The community jails are an essential component in the state wide criminal justice system. The jails are located in the communities of Bristol Bay, Cordova, Craig, Dillingham, Haines, Homer, Kodiak, Kotzebue, North Slope Borough, Petersburg, Seward, Sitka, Unalaska, Valdez, and Wrangell. In addition to incarcerating inmates from these communities, many of the facilities hold prisoners from outlying areas. The community jails provide a much-needed element of public safety to the more remote areas of this state.

Community jails serve many functions. A recent review conducted by the University of Alaska reported that between 1994 and 1997 the community jails "booked" 25,985 prisoners. This represents a considerable intervention in the criminal activity within our

state. Many of these jails serve as holding facilities for the courts. Without these facilities there would be a significant increase in the transport of prisoners between local courts and state jails. Finally, all too frequent, many of these jails serve as holding sites for non-criminal commitments such as inebriates and mentally ill individuals.

The program coordinator position is the single position in the state responsible for oversight of the community jails. The coordinator not only manages the contracts but also works with the facilities in developing and implementing training. They assist with communication between the facilities, DOC and other agencies. They provide technical assistance in areas such as suicide prevention. The funding of this position is critical to insuring that this valuable link in public protection is preserved.

Program Area:	Dollar	Fund
Enhanced Prob. & Parole	Amount(s):	Source(s):
	(155.0)	GF

Impact Analysis:

The elimination of funding requested for Enhanced Probation and Parole Services will return offenders in technical violation of their probation to jail.

Enhanced Probation and Parole Services allows offenders in technical violation of probation one final opportunity to come into compliance with their court-ordered probation conditions, or they will be returned to jail.

Without EPP, all of the offenders involved in this program would have been returned to custody for technical violations of their probation.

- During FY98, 109 offenders participated in EPP.
- 74 have not returned to custody.
- The average cost of the EPP program is \$12.25 per offender per day.

Offenders participating in EPP during FY98 showed:

- a 62% improvement in payment of restitution and fines, and
- a 72% increase in Community Work Service.

An Offender returning to custody on a probation violation will remain in jail an average of four months at a cost of approximately \$97.62 per day.

The 74 offenders that remained out of jail in FY98 represents an expenditure the Department did not incur in the amount of \$866,866, at the current cost of care rate.

Program Area:	Dollar Amount(s):	Fund Source(s):
VPSO Parole Supervision	(115.0)	GF

Impact Analysis:

This reduction will eliminate the VPSO Probation/ Parole Supervision Program.

Without this program the department will lose the opportunity to improve public safety by increasing supervision of high-risk offenders, especially sex offenders living in rural communities that do not have an Adult Probation/Parole Officer residing in the community.

This project will allow VPSOs to assist Probation Officers with the monitoring and supervision of rural probation and parole offenders.

ALASKA

COURT

SYSTEM

Agency Totals - FY00 Operating Budget

Agency: Alaska Court System

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	49,699.5	49,717.7	52,712.1	50,240.3	522.6	1.1%
<u>Objects of Expenditure:</u>						
Personal Services	38,433.4	38,164.0	38,621.9	38,171.5	7.5	0.0%
Travel	1,081.3	960.7	1,049.5	960.7	0.0	0.0%
Contractual	8,891.2	9,281.2	11,083.2	9,496.3	215.1	2.3%
Commodities	732.6	806.0	806.0	806.0	0.0	0.0%
Equipment	428.7	279.2	624.9	279.2	0.0	0.0%
Lands/Buildings	122.3	206.6	206.6	206.6	0.0	0.0%
Grants, Claims	10.0	0.0	320.0	320.0	320.0	%
Miscellaneous	0.0	20.0	0.0	0.0	-20.0	-100.0%
<u>Funding Sources:</u>						
1002 Fed Rcpts	11.1		315.0	315.0	315.0	%
1004 Gen Fund	49,527.3	49,525.8	52,317.8	49,846.0	320.2	0.6%
1007 I/A Rcpts	81.8				0.0	%
1037 GF/MH	79.3	79.3	79.3	79.3	0.0	0.0%
1053 Invst Loss		112.6	0.0	0.0	-112.6	-100.0%
<u>Positions:</u>						
Perm Full Time	658.0	665.0	671.0	665.0	0.0	0.0%
Perm Part Time	49.0	50.0	53.0	52.0	2.0	4.0%
Non-Perm	22.0	26.0	26.0	26.0	0.0	0.0%

House Finance Subcommittee on the Alaska Court System Recommendations for FY 00 Budget

Representative Richard Foster, Subcommittee Chair

This narrative describes the effect of the budget numbers proposed for the Alaska Court System on the attached spreadsheet.

The Subcommittee work is based on growth from the FY 99 authorized budget, adjusted to include changes to the base from the Supplemental Appropriation passed in March 1999.

The Alaska Court System is funded at the FY 99 level with a 200.0 increment to meet increased maintenance and operation costs.

Their authority to receive federal funds has been increased to 315.0, which will allow the Court System to receive that amount in federal funds before it must come before the Legislative and Audit and Budget Committee for authority to receive such funds.

**Alaska Court System
Impact Statements in Response to
House Finance Subcommittee Budget Proposals**

**Alaska Court System
Date: April 2, 1999
Prepared by: Bob Fisher**

Program Area:	Dollar Amount(s):	Fund Source(s):
Appellate Courts	(79.0)	GF

Impact Analysis:

Increased funding was not approved for replacement computers, software upgrades, and furniture or for ADA modifications to a courtroom.

Program Area:	Dollar Amount(s):	Fund Source(s):
Administration	(236.6)	GF

Impact Analysis:

The House Subcommittee approved funding for the increased cost of operating and maintaining the Statewide Administration Building in Anchorage. Increased funding was not approved for an ADR Coordinator, Human Resources Assistant, Computer Services Librarian, Human Resources Clerk, Computer Clerk or a Library Assistant I. Increased funding was not approved for computer and micrographic equipment.

Program Area:	Dollar Amount(s):	Fund Source(s):
Trial Courts	(361.4)	GF

Impact Analysis:

The House Subcommittee approved funding for the increased costs of operating and maintaining court facilities in Anchorage, Tok and St. Marys. Funding was approved for a portion of the increased cost of operating the new space in Palmer.

Increased funding was not approved for leasehold improvements in Ketchikan, travel to improve judicial service to rural Alaska, for an In-Court Clerk in Barrow, for a Computer Systems Technician in First District or for a Library Assistant I in Juneau. Increased funding was not approved to raise juror fees or for computers, a copier, microfilm reader/printers and furniture for the new space in Palmer.

The House Subcommittee granted authority for acceptance of federal grant receipts. These grant receipts do not fund constitutional or statutory mandates or functions.

Alaska Judicial Council

Date: April 2, 1999

Prepared by: William Cotton

Program Area:	Dollar Amount(s):	Fund Source(s):
Criminal Justice Process Review	(194.1)	GF

Impact Analysis:

The House subcommittee has approved funding of the Judicial Council at the same level of general fund funding as our adjusted base (\$673.9 plus \$20.0) -- plus \$15.0 in federal receipts. The subcommittee denied an increment to conduct a research project concerning the criminal justice process (specifically addressing why Alaska Native and other minorities are disproportionately represented in Alaska's incarcerated population).

The continuation level of funding approved will not in itself cover the Council's essential expenses. However, the Council expects to supplement this amount with federal grants and RSAs from other agencies. Given the State's current fiscal situation, this was the level of funding requested by the Council.

The denial of the increment will mean that the Council will not be able to conduct the proposed criminal justice study as recommended by the Court's Fairness and Access Committee, unless the Council is able to obtain a federal grant for the research. The Council is actively seeking such a grant and greatly appreciates the offers by finance subcommittee members to assist in that effort.

Date: April 1, 1999

Prepared by: Marla Greenstein, Executive Director

Program Area:	Dollar Amount(s):	Fund Source(s):
Alaska Commission on Judicial Conduct	(25.0)	GF

Impact Analysis:

Maintains constitutionally mandated functions. The House finance subcommittee did not approve the increment for personal services underfunding (15.0). The Commission has operated in the past several years with a staff of two full-time employees. However, in FY98, underfunding caused the Commission to act with just one full-time staff person for a six-month period. The increment will allow for consistent year-round staff support.

The House finance subcommittee did not approve an additional increment for a one-time purchase of computer equipment (10.0). This equipment would enable access to the web page and allow staff to perform essential daily functions utilizing the State's accounting and payroll systems.

EDUCATION

ED # 1

Failed 4/17/99

AMENDMENT # _____

DAVIES

OFFERED IN HOUSE FINANCE COMMITTEE

TO CSHB 50(FIN)

ADD

Department of Education
K-12 Support
Community Schools

100.0 general funds

Fully fund Community Schools program at FY99 authorized level.

(Note: Page 20, line 11 and line 19)

Agency Totals - FY00 Operating Budget

Agency: Department of Education

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	904,978.1	966,876.1	991,338.3	984,799.1	17,923.0	1.9%
<u>Objects of Expenditure:</u>						
Personal Services	29,974.9	31,556.1	32,731.3	32,371.9	815.8	2.6%
Travel	1,577.7	1,837.7	1,896.5	1,882.0	44.3	2.4%
Contractual	16,696.8	23,171.5	31,000.3	28,695.3	5,523.8	23.8%
Commodities	2,071.3	2,111.8	3,379.0	3,065.2	953.4	45.1%
Equipment	806.5	446.2	994.2	494.2	48.0	10.8%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	853,850.9	907,752.8	921,337.0	918,500.0	10,747.2	1.2%
Miscellaneous	0.0	0.0	0.0	-209.5	-209.5	%
<u>Funding Sources:</u>						
1002 Fed Rcpts	96,735.0	118,583.1	121,485.1	121,485.1	2,902.0	2.4%
1003 G/F Match	2,868.8	2,890.5	2,890.5	2,890.5	-0.0	-0.0%
1004 Gen Fund	687,004.6	703,415.4	722,179.0	736,026.6	32,611.2	4.6%
1005 GF/Prgm	1,912.3	2,380.2	2,380.2	2,243.3	-136.9	-5.8%
1007 I/A Rcpts	11,778.8	8,985.7	15,707.9	12,766.8	3,781.1	42.1%
1014 Donat Comm	171.7	359.4	250.0	250.0	-109.4	-30.4%
1020 School Fnd	2,608.4	49,329.5	45,529.5	45,664.7	-3,664.8	-7.4%
1037 GF/MH	454.6	110.1	110.1	110.1	0.0	0.0%
1043 P/L 81-874	22,623.7	20,791.3	20,791.3	20,791.3	0.0	0.0%
1044 Debt Ret	62,059.7	26,804.1	26,258.6	26,258.6	-545.5	-2.0%
1053 Invst Loss	86.4	18.0	0.0	0.0	-18.0	-100.0%
1061 CIP Rcpts	57.1	179.3	179.3	179.3	-0.0	-0.0%
1066 Pub School	9,222.1	7,118.7	7,612.8	7,612.8	494.1	6.9%
1103 AHFC Rcpts		17,444.0	17,444.0	0.0	-17,444.0	-100.0%
1106 P-Sec Rcpt	7,004.5	7,419.9	7,485.1	7,485.1	65.2	0.9%
1108 Stat Desig	390.4	1,046.9	819.9	819.9	-227.0	-21.7%
1117 VocSmBus			215.0	215.0	215.0	%
<u>Positions:</u>						
Perm Full Time	465.0	465.0	479.0	473.0	8.0	1.7%
Perm Part Time	110.0	104.0	108.0	108.0	4.0	3.8%
Non-Perm	3.0	6.0	11.0	7.0	1.0	16.7%

House Finance Subcommittee on Education Recommendations for FY 00 Budget

Representative Eldon Mulder, Subcommittee Chair

This narrative describes the effect of the budget numbers proposed for the Department of Education on the attached spreadsheet.

The Subcommittee work is based on growth from the FY 99 authorized budget, adjusted to include changes to the base from the Supplemental Appropriation passed in March, 1999. AHFC funds used to fund department activities have been reclassified as General Funds in the FY 99 base.

The Committee fully funded the Foundation Program, including pupil transportation.

Community Schools are funded at \$400,000, a decrease of \$100,000 from the Governor's FY 00 request.

School Debt Reimbursement is fully funded with a slight increase of \$135,200 in School Fund to fully fund the operations of the Educational Facilities Support component.

The Quality Schools component funding was increased by \$1,096,000 to allow for continuing work on proficiency exams. The \$33,200 "belt tightening" carried forward to FY 00.

Education Special Projects – Eliminate the Alaska Career Information System funding of \$141,000 GF/PR and \$106,000 I/A receipts, at request of Department of Education. This program has not generated the necessary receipts to function.

Teacher Certification – the \$1,100 GF was moved to GF/PR

The Subcommittee combined Executive Administration and School Finance into one BRU named Executive Administration, at the request of the Department of Education.

Administrative Services - Carry forward the \$20,200 "belt tightening"

District Support Services – allows growth require by SB 36, continues \$47,300 of "belt tightening"

Educational Facilities Support – moved GF to I/A funding and fully funded request.

Alyeska Central School – accepted Department of Education request to change summer school program to serve 2000 students with critical need for help to pass student exam and increases ACS funding to \$5,835,400 over FY 99 budget (through the Foundation Program)

Alaska Council on the Arts – funded request. Moved \$3,000 GF request to GF/PR.

Kotzebue Technical Center Operations Grant – reduced grant \$25,000 as contribution to FY 00 “belt tightening”

Alaska Vocational Technical Center Operations – continues \$37,500 “belt tightening”. Allowed increase in federal funds, general funds and I/A receipts. Recommend that tuition be increased for FY 01 budget, as it is the intent to move a segment of GF to GF/PR in the FY 01 budget. Also recommend that AVTEC discuss with University coordination of services.

Mt. Edgecombe Boarding School – continue \$30,400 “belt tightening”. Allow growth in General Funds, and I/A receipts.

Vocational Rehabilitation, Client Services – continue “belt tightening” of \$41,400; change meetings of Governor’s Commission on Employment and Rehabilitation of People with Disabilities to 3 meetings by teleconference and one meeting in-person rather than 4 in-person meetings for a savings of \$6,600 GF.

Vocational Rehabilitation, Special Projects –at the request of the Department of Education, the Subcommittee did not include authorization for a \$300,000 increase in I/A receipts and 4 positions because the Department will not be implementing the proposed program.

The Subcommittee combined the Alaska State Library and Alaska State Museums BRUs into one BRU with a new title, Alaska Library and Museums.

Library Operations – the Subcommittee fully funded the request, including an increase of \$100,000 in GF for purchase of library materials.

Archives – increased budget by \$40,000 in federal receipts.

Museum Operations – continued “belt tightening” at \$41,700, combined Specific Cultural Programs in Museum Operations component. Department should develop a plan to fund public operations of Sheldon Jackson fully from Program Receipts or Statutory Designated Receipts for the FY 01 budget.

Components not specifically mentioned were accepted and approved Governor’s recommendations for the FY 00 budget.

This proposal reclassifies AHFC funds to GF both in the base and in the FY 00 proposal.

March 29, 1999

FY00 House Finance Education Subcommittee Recommendations

(\$000)

FY 99 Supplemental In GF Group

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	966,567.1	984,799.1	725,949.2	741,270.5	101,243.5	101,252.2	139,374.4	142,276.4
		FY99 Supplemental			0.0		0.0		0.0	
		FY99 Base	966,567.1		725,949.2		101,243.5		139,374.4	
		FY00-FY99		18,232.0		15,321.3		8.7		2,902.0
		% Change		1.89%		2.11%		0.01%		2.08%
Education	K-12 Support	Foundation Program	680,728.2	692,990.0	652,818.5	664,586.2	7,118.7	7,612.8	20,791.0	20,791.0
Education	K-12 Support	Tuition Students	1,921.2	2,225.0	1,921.2	2,225.0	0.0		0.0	
Education	K-12 Support	Boarding Home Grants	185.9	185.9	185.9	185.9	0.0		0.0	
Education	K-12 Support	Youth in Detention	800.0	800.0	800.0	800.0	0.0		0.0	
Education	K-12 Support	Schools for the Handicapped	3,801.7	3,840.5	3,801.7	3,640.5	0.0		0.0	
Education	K-12 Support	Pupil Transportation	38,082.1	39,775.1	38,082.1	39,775.1	0.0		0.0	
Education	K-12 Support	Child Nutrition	26,000.0	26,000.0	0.0		0.0		26,000.0	26,000.0
Education	K-12 Support	Community Schools	500.0	400.0	500.0	400.0	0.0		0.0	
Education	School Debt Reimbursement	School Debt Reimbursement	76,133.6	71,923.3	0.0		76,133.6	71,923.3	0.0	
Education	Teaching and Learning Support	Special and Supplemental Services	50,345.6	50,345.6	1,860.7	1,860.7	209.5	209.6	48,275.3	48,275.3
Education	Teaching and Learning Support	Quality Schools	29,604.8	30,700.8	3,549.3	4,645.3	58.5	58.6	25,996.9	25,996.9
Education	Teaching and Learning Support	Education Special Projects	849.9	602.9	201.6	60.6	570.3	464.3	78.0	78.0
Education	Teaching and Learning Support	Teacher Certification	692.8	692.8	676.4	676.4	16.4	16.4	0.0	
Education	Teaching and Learning Support	Child Nutrition Administration	727.7	727.7	45.1	45.1	0.0		682.6	682.6
Education	Executive Administration	State Board of Education	93.4	93.4	0.0	0.0	93.4	93.4	0.0	
Education	Executive Administration	Commissioner's Office	0.0	470.7	0.0	196.3	0.0	274.4	0.0	
Education	Executive Administration	Office of the Commissioner	470.7	0.0	196.3		274.4		0.0	
Education	Executive Administration	Administrative Services	1,365.3	1,365.3	724.7	724.7	640.6	640.6	0.0	
Education	Executive Administration	Information Services	797.8	797.8	422.7	422.7	273.9	273.9	101.2	101.2
Education	School Finance	District Support Services	828.9	1,078.9	777.5	1,027.5	51.1	51.1	0.3	0.3
Education	School Finance	Educational Facilities Support	685.6	685.6	135.2	0.0	550.4	685.6	0.0	
Education	School Finance	Donated Commodities	359.4	275.0	0.0	0.0	359.4	275.0	0.0	
Education	Alyeska Central School	Alyeska Central School	4,119.6	5,835.4	116.9	116.9	4,002.7	5,718.5	0.0	

FY00 House Finance Education Subcommittee Recommendations

(\$000)

FY 99 Supplemental In GF Group

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
Education	Commissions and Boards	Professional Teaching Practitioners Commission	187.4	187.4	187.4	187.4	0.0		0.0	
Education	Commissions and Boards	Alaska State Council on the Arts	1,157.9	1,107.9	464.8	464.8	50.0	50.0	643.1	593.1
Education	Kotzebue Technical Center	Kotzebue Technical Center Operations Grant	634.0	609.0	634.0	609.0	0.0		0.0	
Education	Alaska Vocational Technical Center	Alaska Vocational Technical Center Operations	4,919.0	5,268.1	4,217.7	4,218.2	626.3	974.9	75.0	175.0
Education	Mt. Edgecumbe Boarding School	Mt. Edgecumbe Boarding School	4,129.0	4,370.4	2,300.0	2,450.0	1,829.0	1,920.4	0.0	
Education	State Facilities Maintenance	State Facilities Maintenance	0.0	1,496.1	0.0	0.0	0.0	1,496.1	0.0	
Education	Vocational Rehabilitation	Client Services	11,520.4	13,629.5	3,161.2	3,387.3	165.0	215.0	8,194.2	10,027.2
Education	Vocational Rehabilitation	Federal Training Grant	56.3	56.3	5.6	5.6	0.0		50.7	50.7
Education	Vocational Rehabilitation	Vocational Rehabilitation Administration	1,124.0	1,383.0	167.5	167.5	0.0		956.5	1,215.5
Education	Vocational Rehabilitation	Independent Living Rehabilitation	1,273.5	1,348.5	592.4	592.4	160.3	160.3	520.8	595.8
Education	Vocational Rehabilitation	Disability Determination	4,205.0	4,955.0	0.0	0.0	99.1	99.1	4,105.9	4,855.9
Education	Vocational Rehabilitation	Special Projects	1,514.8	1,472.3	125.4	82.9	120.0	120.0	1,269.4	1,269.4
Education	Vocational Rehabilitation	Assistive Technology	980.7	843.7	0.0		158.0	96.0	822.7	747.7
Education	Vocational Rehabilitation	Americans With Disabilities Act (ADA)	115.0	190.0	115.0	115.0	0.0	75.0	0.0	
Education	Alaska State Library	Library Operations	4,556.0	4,757.0	3,772.2	3,923.2	158.3	158.3	625.5	675.5
Education	Alaska State Library	Archives	649.4	689.4	555.0	555.0	94.4	94.4	0.0	40.0
Education	Alaska State Museums	Museum Operations	1,375.6	1,423.4	1,335.5	1,383.3	10.1	10.1	30.0	30.0
Education	Alaska State Museums	Specific Cultural Programs	41.7	0.0	41.7	Trans to Museum Ops	0.0		0.0	
Education	Alaska Postsecondary Education Commission	Program Administration	991.6	1,050.3	10.0	10.0	906.3	965.0	75.3	75.3
Education	Alaska Postsecondary Education Commission	Student Loan Operations	6,523.6	6,530.1	10.0	10.0	6,513.6	6,520.1	0.0	
Education	Alaska Postsecondary Education Commission	Western Interstate Commission for Higher Education-Student Exchange Program	83.0	85.0	83.0	85.0	0.0		0.0	
Education	Alaska Postsecondary Education Commission	WWAMI Medical Education	1,355.0	1,435.0	1,355.0	1,435.0	0.0		0.0	

FY00 House Finance Education Subcommittee Recommendation

(\$000)

FY 99 Supplemental In GF Group

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
Education	Alaska Postsecondary Education Commission	Federal Student Aid	80.0	0.0	0.0	0.0	0.0		80.0	
House Finance Subcommittee on Education										
March 29, 1999										

Department of Education
Impact Statements in Response to
House Finance Subcommittee Budget Proposals

Date: March 31, 1999
Prepared by: Karen Rehfeld

Program area:	Dollar amount(s):	Fund source(s):
Foundation Program	(\$2,670.3)	General Funds

Impact Analysis:

The Governor's FY2000 budget included an increase for the Alyeska Central School (ACS) summer school program based on continuing expanded course offerings to students in grades 9 through 12 for up to three courses. The expanded summer school program was offered in FY99. Because of poor course completion rates for the summer school program, the department made the decision to turn back foundation dollars in the FY99 budget and proposed a reduction of \$1,500,000 in the FY99 supplemental budget. The legislature accepted the reduction.

The department proposed a revision to the FY2000 budget to focus the ACS summer school program on core courses in reading, writing, and math. Each student will be limited to one course. Enrollment will be limited to 500 Full Time Equivalent (FTE) students or 2,000 courses total (1 course=1/4 FTE; 2,000 courses=500 FTE). Students will have to complete one lesson in a course by August 1 or they will be dropped from the program. ACS will coordinate with school districts to provide teachers within the district to work directly with the students.

Limiting the summer school program to 500 FTE reduces the FY2000 budget request by \$2,670,300.

Program area:	Dollar amount(s):	Fund source(s):
Community Schools	(\$100.0)	General Funds

Impact Analysis:

The House proposes to reduce the Community Schools Program by \$100,000. This program provides funds to school districts to keep schools open in the evening and on weekends for community activities. AS 14.36.030 establishes a school district's community schools grant funding at one-half of one percent of its public school funding or \$10,000, whichever is greater. Full funding for the Community Schools Program would require approximately \$3,000,000 although the statute provides for proration if funding is not sufficient.

Between FY90 and FY96, the Community Schools Program was funded at \$600,000 per year and has been funded at \$500,000 since FY97. This reduction will require school districts to utilize additional local resources in order to continue community schools programs.

Program area:	Dollar amount(s):	Fund source(s):
Quality Schools - Assessment	(\$404.0)	General Funds

Impact Analysis:

The Governor's FY2000 budget request included an increase of \$1,500,000 to continue development and implementation of the comprehensive student assessment program required by Ch. 83, SLA 1998 and Ch. 58, SLA 1997. The law requires assessment of student performance in the areas of reading, writing, and math at grades 3, 6, and 8, and also requires that students pass a High School Graduation Qualifying Examination in order to receive a high school diploma beginning in the year 2002.

The department carefully reviewed the increment request and made adjustments to the estimated development and implementation costs. Based on that review, the

House proposal funds \$1,096,000 of the increment and the department believes that this amount will be sufficient to fund the assessment program in FY2000.

Program area:	Dollar amount(s):	Fund source(s):
Austerity Measures	(\$234.5)	General Funds

Impact Analysis:

The House proposal continues a portion of the FY99 Austerity Measures based on position vacancies, restricting travel and limiting purchasing. These reductions are applied to the following components:

Quality Schools	(\$33.2)
Administrative Services	(\$20.2)
District Support Services	(\$47.3)
Kotzebue Technical Center	(\$25.0)
AVTEC Operations	(\$37.0)
Mt. Edgecumbe Boarding School	(\$30.4)
Client Services	(\$41.4)

Program area:	Dollar amount(s):	Fund source(s):
Alaska Career Information System	(\$141.0)	GFFR
	(\$106.0)	IA Receipts

Impact Analysis:

The Alaska Career Information System (AKCIS) has been supported by fees. Receipts were not sufficient in FY99 to cover the cost of the program. The department recommended that the program be discontinued in the FY2000 budget. The House proposal eliminates the authorization for the AKCIS and two permanent full-time positions that will no longer be necessary for the program.

School districts and employment offices that had been subscribers to the AKCIS will be able to access career information on-line or through purchase of commercially developed career information systems.

Program area:	Dollar amount(s):	Fund source(s):
Specific Cultural Programs	(\$41.7)	General Funds

Impact Analysis:

The House proposal eliminates funding for designated grants to three institutions: the NANA Museum of the Arctic (\$14.6), the Museum of Alaska Transportation and Industry (\$14.6), and the Alaska Native Heritage Center (\$12.5). These funds supported the on-going operation of these institutions.

ENV.

CONS.

DEC # 1

HB 50

Amendment

Offered by: Williams

adopted
4/9/99
eve

DELETE

Agency:	Department of Environmental Conservation	
BRU:	Environmental Health	
Component:	Food Safety and Sanitation	\$1,471,000 Stat Des PR

ADD

Agency:	Department of Environmental Conservation	
BRU:	Environmental Health	
Component:	Food Safety and Sanitation	\$1,471,000 GF/PR

DEC # 2

HB 50

Amendment

Offered by: Williams

Adopted
4~~3~~ 19199

~~Delete~~ Add

Agency:

Department of Environmental Conservation

Unallocated Reduction \$213,000 GF

DEC # 3

HB 50

Amendment

Offered by: Williams

Adopted
4/9/99

DELETE

Agency: Department of Environmental Conservation

BRU: Administration

Component: Administrative Services \$68,899 general funds

replacement DEC 4

Amendment

Representative John Davies

ADD

Department of Environmental Conservation

BRU: Air and Water Quality

Component: Air Quality

150 GF / Match

Withdrawn

REPLACEMENT 2 DEC #5

Amendment CS HB 50 Representative John Davies

ADD

Department of Environmental Conservation

BRU: Environmental Health

Component: Food Safety and Inspection 330.0 ~~SDPR~~

Failed
4/9/99

Replacement DEC 5

with drawn

Amendment CS HB 50 Representative John Davies

ADD

Department of Environmental Conservation

ERU: Environmental Health Food Safety and Inspection

Component: Construction and Operations 330.0 SDPR

DEC#6

Adopted

Amendment CS HB 50 Representative John Davies 4/9/99

ADD

Department of Environmental Conservation

BRU: Division of Facility Construction and Operations

Component: Construction and Operations 315.8 CIP Receipts

adopted DEC 7

Amendment CS HB 50 Representative John Davies

ADD

Department of Environmental Conservation

BRU: Air and Water Quality

Component: Air Quality

SDPR

~~80.0 CF~~

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Agency Totals - FY00 Operating Budget

Agency: Department of Environmental Conservation

	FY98 Act	FY99Auth	Gov Amd	HseDraft	FY99Auth to HseDraft	
Totals for Agency	46,255.5	46,915.2	49,341.1	48,415.3	1,500.1	3.2%

Objects of Expenditure:

Personal Services	27,966.1	30,282.5	31,209.7	30,593.4	310.9	1.0%
Travel	1,718.4	2,627.4	2,726.2	2,669.1	41.7	1.6%
Contractual	13,507.6	11,022.9	12,327.3	12,128.8	1,105.9	10.0%
Commodities	761.6	869.9	891.6	885.5	15.6	1.8%
Equipment	808.4	589.2	663.0	615.2	26.0	4.4%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	1,493.4	1,523.3	1,523.3	1,523.3	0.0	0.0%
Miscellaneous	0.0	0.0	0.0	0.0	0.0	%

Funding Sources:

1002 Fed Rcpts	10,847.9	13,462.8	14,612.8	14,612.8	1,150.0	8.5%
1003 G/F Match	3,106.0	3,200.1	3,350.1	3,200.1	0.0	0.0%
1004 Gen Fund	7,259.7	6,943.8	7,312.4	6,070.4	-873.4	-12.6%
1005 GF/Prgm	2,516.3	2,590.9	2,790.9	2,006.9	-584.0	-22.5%
1007 I/A Rcpts	3,801.8	891.9	826.6	826.6	-65.3	-7.3%
1018 EVOSS	923.0	630.2	630.2	630.2	0.0	0.0%
1036 Cm Fish Ln		175.0	0.0	175.0	0.0	0.0%
1052 Oil/Haz Fd	12,239.9	12,444.6	12,444.6	12,444.6	-0.0	-0.0%
1053 Invst Loss	88.9	13.6	-0.0	0.0	-13.6	-100.0%
1061 CIP Rcpts	2,145.8	2,389.6	2,951.0	2,555.2	165.6	6.9%
1075 Clean Wtr	431.2	446.3	455.3	455.3	9.0	2.0%
1079 Storg Tank	833.6	854.7	854.7	854.7	0.0	0.0%
1093 Clean Air	1,801.2	2,139.6	2,139.6	2,139.6	0.0	0.0%
1100 ADWF		277.6	518.4	518.4	240.8	86.7%
1108 Stat Desig	260.2	454.5	454.5	1,925.5	1,471.0	323.7%

Positions:

Perm Full Time	476.0	488.0	503.0	489.0	1.0	0.2%
Perm Part Time	12.0	5.0	5.0	5.0	0.0	0.0%
Non-Perm	4.0	4.0	4.0	4.0	0.0	0.0%

HOUSE FINANCE SUBCOMMITTEE ON ENVIRONMENTAL CONSERVATION
RECOMMENDATIONS FOR FY 00 BUDGET

REPRESENTATIVE WILLIAM K. WILLIAMS, SUBCOMMITTEE CHAIR

THIS NARRATIVE DESCRIBES THE EFFECT OF THE BUDGET ALLOCATIONS PROPOSED FOR THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION ON THE ATTACHED SPREADSHEET.

BRU'S AND COMPONENTS NOT LISTED HERE WERE FUNDED AT THE FY 99 LEVEL AS PROPOSED BY THE GOVERNOR'S FY 00 REQUEST.

BRU: ADMINISTRATION
COMPONENT: ADMINISTRATIVE SERVICES

INCREASED ADMINISTRATIVE SUPPORT FOR VILLAGE SAFE WATER GRANTS BY \$64,000. THIS INCREASE WILL HELP SUPPORT THE PROGRAM THAT WILL BUILD SAFE WATER PROJECTS IN RURAL ALASKA.

BRU: AIR AND WATER QUALITY
COMPONENT: WATER QUALITY

AUTHORIZED \$1,150,000 IN FEDERAL RECEIPTS TO GATHER BASELINE STREAM DATA FOR FUTURE PERMIT DECISIONS. THIS DATA WILL ALLOW SITE SPECIFIC PERMIT DECISIONS BASED ON ACTUAL SCIENCE GATHERED. THIS AUTHORIZATION WILL ALLOW THE DEPARTMENT ACCESS TO THIS MONEY WHEN THE REQUIRED MATCH IS IDENTIFIED.

DENIED INCREMENT OF \$150,000 OF GENERAL FUND MATCH MONEY. THE DEPARTMENT MAY MATCH THE FEDERAL MONEY FROM A VARIETY OF FUND SOURCES.

BRU: AIR AND WATER QUALITY
COMPONENT: WATER QUALITY

AN \$80,000 REQUEST FOR AN ADDITIONAL POSITION TO DETERMINE WHETHER PRIMACY IN THE WATER PROGRAM IS DESIRABLE TO THE REGULATED COMMUNITY WAS DENIED. THE COMMITTEE FELT THAT EXISTING STAFF, WHO WORK DAY-TO-DAY AND SIDE-BY-SIDE WITH INDUSTRY COULD, USING ESTABLISHED CONTACTS, GATHER THE NEEDED INFORMATION.

BRU: FACILITY CONSTRUCTION AND OPERATIONS
COMPONENT: FACILITY CONSTRUCTION AND OPERATIONS

THE COMMITTEE APPROVED SPENDING \$240,000 OF DRINKING WATER FUNDS AND \$9,000 OF CLEAN WATER FUNDS TO EFFECTIVELY AUDIT, ACCOUNT AND LOAN MONEY FOR LOW INTEREST DRINKING WATER PROJECTS THROUGHOUT THE STATE.

BRU: FACILITY CONSTRUCTION AND OPERATIONS
COMPONENT: VILLAGE SAFE WATER MANAGEMENT

THE PERSONAL SERVICES, EQUIPMENT, AND PART OF THE TRAVEL REQUEST WERE DENIED. THE PROGRAM SHOULD STANDARDIZE CERTAIN ASPECTS OF PROJECT PROCESS AND BE ABLE TO ABSORB THE INCREASED WORKLOAD.

BRU: ENVIRONMENTAL HEALTH
COMPONENT: FOOD SAFETY AND SANITATION

A FUND CHANGE FROM THE COMMERCIAL FISHERIES LOAN FUND TO GENERAL FUNDS WAS DENIED. \$175,000 OF INTEREST EARNED FROM OUTSTANDING LOANS WILL BE USED TO INSPECT PROCESSING PLANTS ENSURING QUALITY OF PRODUCT, WHICH WILL ENHANCE THE ECONOMIC VALUE OF THE PRODUCT.

BRU: ENVIRONMENTAL HEALTH
COMPONENT: FOOD SAFETY AND SANITATION

RETAIL FOOD SALES AND RETAIL FOOD SERVICE OPERATIONS HAVE BEEN CHANGED TO A FEE SUPPORTED SERVICE. THIS CHANGE REDUCES GENERAL FUND RELIANCE BY \$1,471,000 (\$887,000 GF & \$584,000 GF/PR).

BRU: ENVIRONMENTAL HEALTH
COMPONENT: DRINKING WATER

INCREMENT OF \$50,000 GF/PR WAS DENIED. INFORMATION NEEDED BY COMMUNITIES TO COMPLETE FEDERAL WATER SYSTEM REPORTS SHOULD BE READILY ACCESSIBLE FROM THE DEC. ADDITIONAL STAFF TO DISTRIBUTE THIS INFORMATION IS NOT NEEDED.

BRU: ENVIRONMENTAL HEALTH
COMPONENT: FOOD SAFETY AND SANITATION

A REQUEST FOR AN INCREASE OF \$330,000 (\$180,000 GF & \$150,000 GF/PR) FOR INSPECTIONS WAS DENIED. INSPECTIONS FOR RETAIL FOOD AND FOOD SERVICE FACILITIES HAS BEEN MOVED TO A FEE BASED PROGRAM.

STRUCTURAL CHANGES

THE ANIMAL INDUSTRIES AND SEAFOOD AND SANITATION INSPECTIONS COMPONENTS WERE MERGED INTO ONE NEW COMPONENT, FOOD SAFETY AND SANITATION. THE GOALS OF EACH COMPONENT ARE BASICALLY THE SAME AND A SINGLE COMPONENT INCLUDING BOTH IS LOGICAL.

THE SOLID WASTE AND MUNICIPAL WASTE COMPONENTS WERE ALSO COMBINED INTO ONE NEW COMPONENT. DUTIES OF EACH COMPONENT ARE BASICALLY THE SAME AND A SINGLE COMPONENT INCLUDING BOTH IS LOGICAL.

FY00 House Environmental Conservation Subcommittee Recommendations

(\$000)

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	46,915.2	46,415.3	12,748.4	11,277.4	20,704.0	22,525.1	13,462.8	14,817.8
		FY99 Supplemental	-213.0		-213.0		0.0		0.0	
		FY99 Base	46,702.2		12,535.4		20,704.0		13,462.8	
		FY00-FY99		1,713.1		-1,258.0		1,821.1		1,155.0
		% Change		3.67%		-10.04%		8.80%		8.58%
Environ	Administration	Office of the Commissioner	391.8	391.8	290.1	290.1	0.0	0.0	101.7	101.7
Environ	Administration	Administrative Services	3,464.2	3,528.2	1,071.9	1,071.9	1,425.7	1,489.7	966.6	966.6
Environ	Administration	Exxon Restoration	630.2	630.2	0.0	0.0	630.2	630.2	0.0	0.0
Environ	Environmental Health	Environmental Health Director	168.4	168.4	168.4	168.4	0.0	0.0	0.0	0.0
Environ	Environmental Health	Animal Industries	697.9	0.0	316.1	0.0	0.0	0.0	381.8	0.0
Environ	Environmental Health	Seafood and Sanitation Inspection	2,783.3	0.0	2,496.0	0.0	175.0	0.0	112.3	0.0
Environ	Environmental Health	Food Safety & Sanitation Inspection	0.0	3,481.2	0.0	1,341.1	0.0	1,646.0	0.0	494.1
Environ	Environmental Health	Laboratory Services	2,259.3	2,232.7	1,309.3	1,309.3	193.6	193.6	756.4	729.8
Environ	Environmental Health	Drinking Water	3,764.6	3,814.6	1,503.1	1,503.1	0.0	0.0	2,261.5	2,311.5
Environ	Environmental Health	Solid Waste Management	0.0	1,078.3	0.0	1,051.7	0.0	0.0	0.0	26.6
Environ	Environmental Health	Municipal Solid Waste	740.1	0.0	740.1	0.0	0.0	0.0	0.0	0.0
Environ	Environmental Health	Industrial Solid Waste	311.6	0.0	311.6	0.0	0.0	0.0	0.0	0.0
Environ	Statewide Public Services	Statewide Public Services	1,801.5	1,751.5	202.6	202.6	742.3	742.3	856.6	806.6
Environ	Air and Water Quality	Air and Water Director	462.1	462.1	209.9	209.9	252.2	252.2	0.0	0.0
Environ	Air and Water Quality	Air Quality	4,840.2	4,840.2	1,202.8	1,202.8	2,034.1	2,034.1	1,603.3	1,608.3
Environ	Air and Water Quality	Water Quality	4,777.3	5,927.3	1,784.7	1,784.7	785.2	785.2	2,207.4	3,357.4
Environ	Spill Prevention and Response	Spill Prevention and Response	193.1	193.1	0.0	0.0	193.1	193.1	0.0	0.0
Environ	Spill Prevention and Response	Contaminated Sites	4,911.6	4,911.6	0.0	0.0	2,618.1	2,618.1	2,293.5	2,293.5
Environ	Spill Prevention and Response	Storage Tank Program	2,310.2	2,375.5	0.0	0.0	1,534.8	1,600.1	775.4	775.4
Environ	Spill Prevention and Response	Industry Preparedness and Response	2,407.8	2,342.5	0.0	0.0	2,399.3	2,334.0	8.5	8.5
Environ	Spill Prevention and Response	Prevention and Emergency Response	3,109.9	3,109.9	0.0	0.0	3,109.9	3,109.9	0.0	0.0
Environ	Spill Prevention and Response	Response Fund Administration	2,185.5	2,185.5	0.0	0.0	2,185.5	2,185.5	0.0	0.0
Environ	Facility Construction and Operation	Facility Construction and Operation	4,704.6	4,990.7	1,141.8	1,141.8	2,425.0	2,711.1	1,137.8	1,137.8

**Department of Environmental Conservation
Impact Statements in Response to
House Finance Subcommittee Budget Proposals**

Date: April 2, 1999

Prepared by: Barbara Frank, Director, Division of Administrative Services

Program Area:	Dollar Amount(s).	Fund Source(s):
Seafood Processing	(175.0) 175.0	GF Cm Fish Ln

Impact Analysis:

This transaction does not impact service delivery in the Department of Environmental Conservation. It does reduce the amount of funding available in the Commercial Fish Revolving Loan Fund for loans, which is the primary use of this fund. In the current conditions, reduced runs and prices, the need for loans has increased not decreased.

Program Area:	Amount(s):	Source(s):
Food Safety Program (#1 – Deny Increment)	(180.0) (150.0)	GF GFPR
(#2 – Fund Source)	(887.0) (584.0) (1,471.0)	GF GFPR Stat Desig

Impact Analysis:

The first transaction denies an increment request for funding to increase the frequency of inspection at high-risk facilities. The second transaction changes the fund source for Environmental Sanitation and Food Safety.

With denial of the increment, the department will not be able to increase the inspection frequency of those facilities that represent the highest risk to public health.

In a presentation before the International Conference on Food Safety last fall, it was reported that the greater the inspection frequency, the greater the increase in inspection scores. Inspection scores are a direct reflection of the number of violations found at a food service establishment: the higher the score, the fewer the violations.

Some of the violations found in the past few months by Department of Environmental Conservation inspectors include rodents in refrigerator units; a failed septic system that resulted in several inches of raw sewage in a kitchen area; raw foods stored next to cooked foods; employees with open sores on hands handling food; and raw chicken being held at room temperature. All of these situations can cause a food borne illness.

In addition, inspectors increasingly play the role of educators. More frequent inspections means a greater opportunity to teach food service staff about food safety. Food service staffs are typically young with a very high turnover rate.

The fund source change will result in a small increase in the annual fee paid by operators of Environmental Sanitation and Food Safety facilities for the permitting, inspection and other associated activities and services.

Program Area:	Amount(s):	Source(s):
Drinking Water	(50.0)	GFPR

Impact Analysis:

The department will not be able to respond to requests for information from the 455 public water systems that are required under the federal Safe Drinking Water Act to submit annual "Consumer Confidence Reports" to their customers.

Under the federal program, the state is required to keep all the information that is to be reported. At least for the first several years, the water systems will not have this information readily available.

It may be possible to eventually put this information on the Internet or otherwise allow electronic access by the public water systems but the state lacks the capability at this time.

Program Area:	Amount(s):	Source(s):
Water Quality	(150.0)	GF Match

Impact Analysis:

The department submitted an increment request for \$150,000 in general fund match that would allow the state to capture \$1,150,000 in federal funds. The subcommittee has denied the general fund match and approved the federal funds. The decision to not fund

the general fund match portion of the increment jeopardizes the state's ability to accept the federal grant funds.

Accepting these federal funds is essential to fund state efforts to collect factual data about the waters of our state. Factual information is essential to defensible resource decisions. Without these funds, the state will not be able to:

- determine if practices which are in place to protect salmon habitat are being used and are effective when used;
- collect actual data about pollution or impairment levels in water bodies;
- issue permits based on actual data and conditions rather than modeling or theory; and
- provide information accessible to the general public about the condition of Alaskan water bodies.

These efforts are important to businesses, industries and communities wanting to use water resources.

Program Area:	Amount(s):	Source(s):
Water Quality	(80.0)	CIP

Impact Analysis:

The State of Alaska does not have primacy for water quality decisions. Obtaining primacy means that decisions about permits for use of state waters will be made by the state not the federal government. The regulated industry has stated a clear preference that the state pursue assumption of primacy for water quality.

Preparing a plan for primacy assumption is no small task. The state must work closely with regulated industry, environmental groups and the federal government. Regulations must be prepared, fees structures determined, staffing plans prepared, and a transition plan from the federal government to the state prepared, submitted and approved.

With denial of this increment, the state will not pursue a plan for assumption of primacy.

Program Area:	Amount(s):	Source(s):
Village Safe Water	(315.8)	CIP

Impact Analysis:

Denial of this increment will result in the state being unable to award a portion of the grants authorized for the Village Safe Water program.

The Department of Environmental Conservation's FY 2000 capital budget request for the Village Safe Water program includes engineering feasibility studies in 27 communities and construction projects in 44 communities. This represents almost a 40% increase over the number of projects in the fiscal year 1999 capital budget. The increase in projects results from a large increase in federal funding for village sanitation.

With a 40% increase in projects, the department submitted an increment to fund four new engineering positions – salaries and support costs. Project managers work directly with the communities and other state and federal agencies to complete the projects. Each project is assigned to a single engineer who is responsible for getting the project started, guiding the community to an appropriate project design, helping the community while safeguarding the investment of state and federal funding as the construction progresses, and ultimately seeing that the project gets built and operated by the community.

The existing engineering staff (12 positions) will not be able to add the 71 new projects in the FY 2000 capital budget to their current 140-project workload and maintain even a basic level of oversight over capital fund expenditures, let alone help manage the projects to make sure expenditures result in well designed and constructed projects that the communities are capable of operating. The engineers are already maintaining an average workload of over 10 active projects each. An optimal workload – one that allowed for careful attention to each community and project oversight -- would be half that. Results of recent program audits point to a need for more resources just to handle the existing workload, and specifically to provide for more careful engineering review and better-organized project administration and records.

Projects will begin to backlog in FY 2000. Short construction seasons and funding cycles will be missed and project start-ups and completions delayed by a matter of years. The backlog will be construed as evidence that federal funding for the program should be reduced.

FISH +

GAME

F+G #1

Adopted
4/7/99

AMENDMENT

Amendment to CS HB 50 (Fin)

offered by Rep. Bunde

DELETE

Department of Fish and Game
Wildlife Conservation BRU
Wildlife Conservation Component 269.6 Federal Funds

ADD

Department of Fish and Game
Wildlife Conservation BRU
Wildlife Conservation Component 269.6 Fish and Game Fund

With the concurrence of the Division of Wildlife Conservation (DWC), the Division of Habitat and Restoration (DHR) is requesting a funding source change in the RSA from DWC to DHR. There is no change in the funding level in the RSA. The change will enable the DHR to meet matching requirements for other federal dollars currently identified in their federal receipt authority.

FIG # 2

4/7/99

failed

AMENDMENT

OFFERED IN THE HOUSE

BY Gunsberg

TO: CSHB 50 (FIN)

ADD

Department of Fish & Game

BRU: Habitat

Component:

Habitat 75.0 PFund Rcpt

F+G #3

4/7/99

~~Adopted~~
5-4

Rescinded

BY Russendorf

failed
5-6

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 50 (FIN)

ADD

Department of Fish & Game

BRU: Commercial Fisheries

Component:

Southeast Region Fisheries Management	68.9	Gen Fund
Central Region Fisheries Management	83.0	Gen Fund
AYK Region Fisheries Management	65.8	Gen Fund
Westward Region Fisheries Management	90.4	Gen Fund
Headquarters Fisheries Management	64.1	Gen Fund
Fisheries Development	39.8	Gen Fund

Agency Totals - FY00 Operating Budget

Agency: Department of Fish and Game

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	98,494.9	109,130.5	114,404.7	113,781.6	4,651.1	4.3%
<u>Objects of Expenditure:</u>						
Personal Services	65,033.9	69,170.8	71,170.0	71,128.9	1,958.1	2.8%
Travel	3,603.0	4,063.8	4,391.7	4,382.8	319.0	7.8%
Contractual	22,276.1	28,747.3	31,832.6	31,718.3	2,971.0	10.3%
Commodities	4,766.5	5,562.2	5,549.8	5,547.2	-15.0	-0.3%
Equipment	2,815.4	1,586.4	1,460.6	1,458.4	-128.0	-8.1%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	0.0	0.0	0.0	0.0	0.0	%
Miscellaneous	0.0	-0.0	-0.0	-454.0	-454.0	%
<u>Funding Sources:</u>						
1002 Fed Rcpts	26,896.2	32,693.2	33,555.5	33,555.5	862.3	2.6%
1003 G/F Match	551.9	606.9	606.9	606.9	0.0	0.0%
1004 Gen Fund	30,857.8	30,847.8	30,995.1	30,414.0	-433.8	-1.4%
1005 GF/Prgm	2,848.9	2,861.9	2,861.9	2,819.9	-42.0	-1.5%
1007 I/A Rcpts	3,329.8	3,151.6	8,232.5	8,232.5	5,080.9	161.2%
1018 EVOSS	9,133.4	8,817.0	6,350.4	6,350.4	-2,466.6	-28.0%
1024 Fish/Game	19,338.5	22,094.3	20,790.3	20,790.3	-1,304.0	-5.9%
1053 Invst Loss	25.5	72.3	-0.0	-0.0	-72.3	-100.0%
1055 IA/OIL HAZ	179.2	102.2	67.0	67.0	-35.2	-34.4%
1061 CIP Rcpts	1,403.6	1,640.0	1,640.0	1,640.0	0.0	0.0%
1108 Stat Desig	1,996.0	2,920.3	3,334.6	3,334.6	414.3	14.2%
1109 Test Fish	1,934.1	3,323.0	5,970.5	5,970.5	2,647.5	79.7%
<u>Positions:</u>						
Perm Full Time	788.0	805.0	820.0	820.0	15.0	1.9%
Perm Part Time	866.0	879.0	914.0	914.0	35.0	4.0%
Non-Perm	85.0	68.0	68.0	68.0	0.0	0.0%

House Finance Subcommittee on Department of Fish and Game Recommendations for FY 00 Budget

Representative Con Bunde, Subcommittee Chair

This narrative describes the effect of the budget numbers proposed for the Department of Fish and Game on the attached spreadsheet.

The subcommittee based its work on growth from the FY 99 authorized budget including the Supplemental Appropriation passed in March 1999. The subcommittee's General Fund allocation of \$33,840,800 was met.

Commercial Fisheries - \$412,000 GF was reduced from the FY 99 level. The request for Test Fisheries receipts for \$2,647,500 for the Onboard Observer program was approved.

Glacier Bay Commercial/Subsistence Fishing Legal Defense - \$45,000 in GF was eliminated with the understanding that the Department of Law would be requesting funding through the Capital budget process.

Sport Fisheries – no GF.

Wildlife Conservation - Remains at the lower FY 99 level with the "belt tightening" of \$4,200.

Administration and Support - Remains at the lower FY 99 level with the "belt tightening" of \$34,300.

Commissioner's Office - Remains at FY 99 level. Their request for a base transfer of \$10,600 in the FY 00 budget from the Glacier Bay Commercial/Subsistence Fishing Legal Defense was removed.

Subsistence - Received an increase of \$44,400 GF from the FY 99 level. This was a base transfer from the Glacier Bay Commercial/Subsistence Fishing Legal Defense component for Natural Petroleum Reserve activities.

Habitat - Remains at FY 99 level (without "belt tightening"). The division's request for an increment of \$75.0 was denied.

The Limited Entry Commission - Remains at the FY 99 level with "belt tightening" of \$42.0.

FY00 House Finance Fish and Game Subcommittee Recommendations

(000)

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	108,582.4	113,781.5	33,840.8	33,840.8	42,048.4	46,385.3	32,693.2	33,555.5
		FY99 Supplemental					0.0		0.0	
		FY99 Base	108,582.4		33,840.8		42,048.4		32,693.2	
		FY00-FY99		5,199.2		0.0		4,336.9		862.3
		% Change		4.79%		0.00%		10.31%		2.64%
Fish and Game	Commercial Fisheries	Southeast Region Fisheries	5,423.1	5,952.5	4,216.0	4,284.9	678.2	1,138.7	528.9	528.9
Fish and Game	Commercial Fisheries	Central Region Fisheries	6,037.8	6,165.8	5,075.7	5,203.7	962.1	962.1	0.0	0.0
Fish and Game	Commercial Fisheries	AYK Region Fisheries Management	4,193.1	4,258.9	4,026.0	4,091.8	167.1	167.1	0.0	0.0
Fish and Game	Commercial Fisheries	Westward Region Fisheries	6,586.6	9,327.5	5,531.5	5,624.9	1,055.1	3,702.6	0.0	0.0
Fish and Game	Commercial Fisheries	Headquarters Fisheries Management	3,975.5	3,636.3	3,975.5	3,636.3	0.0	0.0	0.0	0.0
Fish and Game	Commercial Fisheries	Fisheries Development	2,435.2	2,427.0	2,435.2	2,427.0	0.0	0.0	0.0	0.0
Fish and Game	Commercial Fisheries	Special Projects	11,023.3	10,957.8	52.0	52.0	3,745.6	3,285.1	7,225.7	7,620.7
Fish and Game	Commercial Fisheries	Capital Improvement Projects	632.7	632.7	0.0	0.0	632.7	632.7	0.0	0.0
Fish and Game	Commercial Fisheries	EVOS Restoration Project	1,112.8	626.2	0.0	0.0	1,112.8	626.2	0.0	0.0
Fish and Game	Glacier Bay Commercial/Sport Fisheries	Glacier Bay Commercial/Sport Fisheries	100.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0
Fish and Game	Sport Fisheries	Sport Fisheries	22,286.9	22,817.4	70.6	70.6	11,791.1	10,212.1	10,425.2	12,534.7
Fish and Game	Sport Fisheries	Special Projects	400.4	400.4	0.0	0.0	220.0	220.0	180.4	180.4
Fish and Game	Wildlife Conservation	Wildlife Conservation	15,241.9	16,676.2	295.0	295.0	7,748.1	10,231.2	7,198.8	6,150.0
Fish and Game	Wildlife Conservation	Special Projects	2,907.2	2,937.2	17.9	17.9	338.0	368.0	2,551.3	2,551.3
Fish and Game	Wildlife Conservation	Capital Improvement Projects	424.3	293.8	0.0	0.0	424.3	293.8	0.0	0.0
Fish and Game	Wildlife Conservation	EVOS Restoration Project	539.4	539.4	0.0	0.0	539.4	539.4	0.0	0.0
Fish and Game	Wildlife Conservation	Assert/Protect State's Rights	200.7	200.7	0.0	0.0	200.7	200.7	0.0	0.0
Fish and Game	Wildlife Conservation	40 Mile Caribou Herd/Management	236.1	0.0	0.0	0.0	235.9	0.0	0.2	0.0
Fish and Game	Administration and Support	Public Communications	135.7	135.7	0.0	0.0	135.7	135.7	0.0	0.0
Fish and Game	Administration and Support	Administrative Services	4,659.1	4,756.1	1,068.7	1,068.7	1,924.0	2,887.4	1,666.4	800.0
Fish and Game	Administration and Support	Boards of Fisheries and Game	903.6	903.6	733.7	733.7	169.9	169.9	0.0	0.0
Fish and Game	Administration and Support	Advisory Committees	369.9	369.9	369.9	369.9	0.0	0.0	0.0	0.0
Fish and Game	State Facilities Maintenance	State Facilities Maintenance	0.0	894.3	0.0	0.0	0.0	894.3	0.0	0.0
Fish and Game	Commissioner's Office	Commissioner's Office	834.4	834.4	533.9	533.9	41.9	81.9	258.6	218.6
Fish and Game	Subsistence	Subsistence	214.9	214.8	214.8	214.8	0.1	0.0	0.0	0.0
Fish and Game	Subsistence	Subsistence - Special Projects	1,566.8	1,666.9	0.0	0.0	109.8	109.9	1,457.0	1,557.0
Fish and Game	Subsistence	EVOS Restoration Project	563.8	563.8	0.0	0.0	563.8	563.8	0.0	0.0
Fish and Game	Subsistence Field Offices	Subsistence Field Offices	1,311.9	1,373.6	824.5	886.2	487.4	487.4	0.0	0.0
Fish and Game	Habitat	Habitat	1,166.7	1,648.3	157.7	160.3	541.8	1,281.7	467.2	206.3
Fish and Game	Habitat	Special Projects	1,488.7	2,692.8	37.4	38.0	925.4	1,701.8	525.9	953.0
Fish and Game	Habitat	Habitat Permitting/Title 16	2,379.3	2,627.7	1,584.4	1,610.8	696.5	870.8	98.4	145.4
Fish and Game	Habitat	Exxon Valdez Restoration	6,601.0	4,621.0	0.0	0.0	6,601.0	4,621.0	0.0	0.0
Fish and Game	Limited Entry Program Administration	Limited Entry Program Administration	2,629.6	2,779.6	2,520.4	2,520.4	0.0	0.0	109.2	109.2

**Department Fish and Game
Impact Statements in Response to
House Finance Subcommittee Budget Proposals
Date: April 2, 1999
Prepared by: Ken Taylor and Geron Bruce**

Program Area:	Dollar Amount(s):	Fund Source(s):
Habitat – North Slope Oil and Gas Implementation	(75.0)	GF

Impact Analysis:

The North Slope currently has seven Alpine-size projects under development and additional development is proposed, including NPRA. FY99 base funding for North Slope oil and gas activities is severely limited, consisting of \$8.0 GF in the Permitting/Title 16 component, \$42.9 GF in the Habitat Component, and approximately \$29.8 in the combined GF/IA ACMP Monitoring and Compliance project. Current funding is inadequate to credibly assess major development alternatives.

Without this increment the following activities will not be completed in a timely manner; 1) review and permitting of North Slope seismic exploration activities; 2) review of offshore oil and gas exploration and development projects; 3) review and permitting of winter ice road routing, construction, and operation for drilling, production and maintenance projects; and 4) ACMP project consistency reviews. Industry will be adversely impacted by costly permitting delays.

Program Area:	Dollar Amount(s):	Fund Source(s):
Austerity Measures	(506.1) (42.0)	GF GFPR

Impact Analysis:

The House proposal continues the FY99 Austerity Measures. These cuts will result in position vacancies, reduced travel and purchasing, as well as some program restrictions within the Division of Commercial Fisheries, Glacier Bay Legal Defense, and the Commercial Fisheries Limited Entry Commission.

within the Division of Commercial Fisheries, Glacier Bay Legal Defense, and the Commercial Fisheries Limited Entry Commission.

Division of Commercial Fisheries

Statewide Herring Management and Stock Assessment -- The department's herring stock assessment program is one of the most respected and technically sound herring research programs in the world. Careful management of herring fisheries is of paramount concern to the people of Alaska, not only because herring are a vital component of the marine ecosystem as a forage species but also because of the extreme importance of herring fisheries to local economies. The House's proposed cut will result in reductions in the herring spawn deposition research program in Southeast Alaska and in aerial surveys and fishery monitoring programs in other areas of the state (Kodiak, Norton Sound, and Prince William Sound). The department would become more reliant on aerial surveys as the only available method for estimating herring spawning biomass. Because aerial surveys are less reliable indicators of herring spawning abundance, department herring managers would be forced to use more conservative estimates of abundance resulting in reduced quotas and substantial income loss for commercial herring fishers.

Research Vessels -- Currently, the department operates five large research vessels: the R/V Sundance and R/V Medeia in Southeast Region, the R/V Pandalus and R/V Montague in Central Region, and the R/V Resolution in Kodiak Region. These vessels are used for a variety of fishery management and stock assessment activities. The reductions proposed by the House may make it impossible to afford to operate one or more of these vessels resulting in the need to surplus. Some of the management or stock assessment support functions provided by these research vessels would then be contracted out to more expensive private vessel contractors.

Fisheries Development -- Support for salmon fisheries development and mariculture activities would be reduced by the House budget reductions. The department would provide less support for management planning efforts with the regional aquaculture associations and would have to reduce involvement with Regional Salmon Planning Teams. The department would also seek approval to charge for pathology services to partially offset the proposed reductions. These costs would then be borne by private hatchery operators around the state.

Statewide Salmon Fisheries Stock Assessment -- The proposed reductions would mean the elimination or reduction of several inseason run strength enumeration programs (weirs, counting towers, sonar programs, etc). As a result, salmon fishery management programs would be based on less accurate aerial survey or fishery performance information. Lacking these programs, commercial fisheries would necessarily be managed more conservatively to help assure that spawning escapements are achieved and

that adequate fish are available for subsistence fisheries. In years when the run is particularly poor it would be more difficult to make assessments early in the season resulting in greater risk to the resource.

Area Management -- The proposed reductions would mean that some area offices would need to be closed or operated on a seasonal basis. This would impact a variety of public services (e.g., subsistence, personal use fishing and commercial fishing permits, vessel registrations, and dissemination of information on regulations and fishery openings) and fishery management activities (shellfish and groundfish fishery monitoring, hatchery management plan reviews, regulations compliance).

Glacier Bay Legal Defense

Senator Murkowski has introduced legislation designed to reverse actions taken by Congress during the 1998 session. This legislation is likely to be active in Congress during the next fiscal year.

This funding was placed in the ADF&G budget specifically to enable participation by fishermen in defending their interests and the state's interests in the Glacier Bay commercial fisheries dispute. Deletion of this funding will mean that the Department of Fish and Game will be unable to pay for travel by fishermen to Washington DC to testify on this or other legislation related to commercial fisheries management in Glacier Bay.

Commercial Fisheries (Limited) Entry Commission

The Commercial Fisheries Limited Entry Commission (CFEC) will eliminate two seasonal licensing support positions and one seasonal paralegal position. CFEC will eliminate in-season, local licensing services in Dillingham and King Salmon. CFEC will cut travel funds required for local licensing services as well as additional travel funds. Reductions in CFEC's travel budget may impair CFEC's ability to provide due process hearings at locations near where members of the public live.

These reductions are applied to the following components:

Commercial Fisheries – Southeast Region	(68.9)	GF
Commercial Fisheries – Central Region	(83.0)	GF
Commercial Fisheries – AYK Region	(65.8)	GF
Commercial Fisheries – Westward Region	(90.4)	GF
Commercial Fisheries – Headquarters	(64.1)	GF
Commercial Fisheries – Development	(39.8)	GF

Glacier Bay Legal Defense	(45.0)	GF
Wildlife Conservation	(4.2)	GF
Administrative Services	(15.9)	GF
Boards of Fish and Game	(12.2)	GF
Boards Advisory Committees	(6.2)	GF
Commissioner's Office	(10.6)	GF
Limited Entry Program Administration	<u>(42.0)</u>	GFPR
Total	(548.1)	

OFFICE
OF THE
GOVERNOR

Agency Totals - FY00 Operating Budget

Agency: Office of the Governor

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	18,872.5	22,296.3	19,072.8	18,775.8	-3,520.5	-15.8%
<u>Objects of Expenditure:</u>						
Personal Services	11,693.2	12,622.9	12,283.2	12,276.6	-346.3	-2.7%
Travel	679.6	768.2	745.2	707.1	-61.1	-8.0%
Contractual	4,664.8	7,344.8	4,494.0	4,241.7	-3,103.1	-42.2%
Commodities	294.9	357.6	356.1	356.1	-1.5	-0.4%
Equipment	427.3	41.4	32.9	32.9	-8.5	-20.5%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	1,112.7	1,161.4	1,161.4	1,161.4	0.0	0.0%
Miscellaneous	0.0	-0.0	-0.0	-0.0	0.0	%
<u>Funding Sources:</u>						
1002 Fed Rcpts	3,086.6	3,072.8	3,072.8	3,072.8	0.0	0.0%
1003 G/F Match	1,242.3	1,266.8	1,266.8	1,266.8	0.0	0.0%
1004 Gen Fund	13,608.6	16,914.5	14,328.1	14,031.1	-2,883.4	-17.0%
1005 GF/Prgm		4.9	4.9	4.9	0.0	0.0%
1007 I/A Rcpts	935.0	1,019.7	400.2	400.2	-619.5	-60.8%
1053 Invst Loss		17.6	0.0	0.0	-17.6	-100.0%
<u>Positions:</u>						
Perm Full Time	179.0	187.0	181.0	181.0	-6.0	-3.2%
Perm Part Time	2.0	5.0	4.0	4.0	-1.0	-20.0%
Non-Perm	22.0	37.0	21.0	21.0	-16.0	-43.2%

**House Finance Subcommittee on
Office of the Governor
Recommendations for FY 00 Budget**

Representative Eldon Mulder, Subcommittee Chair

This narrative describes the effect of the budget numbers proposed for the Office of the Governor on the attached spreadsheet.

The subcommittee accepted the proposal from the governor for FY 00.

The Office of International Trade is transferred to the Department of Commerce and Economic Development transferring 586.7 out of the Governor's office.

The Other Funds – I/A receipts – is reduced to the actually expected number for the Alaska Human Resources Investment Council.

Elections operations are reduced to reflect lower activity in a non-election year.

The Governor's office carried forward 297.0 in "belt tightening" From FY 99.

This budget represents a real decrease of approximately 2% below FY 99 authorized.

March 31, 1999

FY00 House Finance Governor's Office Subcommittee Recommendations

(\$000)

Supplemental is in base

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	21,999.3	18,775.0	17,906.8	15,302.0	1,019.7	400.2	3,072.8	3,072.8
		FY99 Base	21,999.3		17,906.8		1,019.7		3,072.8	
		FY00-FY99		-3,224.3		-2,604.8		-819.5		0.0
		% Change		-14.66%		-14.55%		-80.75%		0.00%
Governor	Commissions/Special Offices	Human Rights Commission	1,449.4	1,458.4	1,298.9	1,307.9	0.0		150.5	150.5
Governor	Commissions/Special Offices	Alaska Human Resources Investment	1,019.7	400.2	0.0		1,019.7	400.2	0.0	
Governor	Executive Operations	Executive Office	6,560.0	6,560.0	6,450.0	6,450.0	0.0		110.0	110.0
Governor	Executive Operations	Governor's House	313.0	318.0	313.0	318.0	0.0		0.0	
Governor	Executive Operations	Contingency Fund	475.0	475.0	475.0	475.0	0.0		0.0	
Governor	Executive Operations	Lieutenant Governor	874.5	874.5	874.5	874.5	0.0		0.0	
Governor	Executive Operations	Equal Employment Opportunity	268.8	271.0	268.8	271.0	0.0		0.0	
Governor	Executive Operations	Agencywide Reduction	0.0	0.0	0.0	0.0	0.0		0.0	
Governor	Office of International Trade	Office of International Trade	586.7	0.0	586.7	0.0	0.0		0.0	
Governor	Office of Management & Budget	Office of Management and Budget	2,302.6	2,127.6	2,302.6	2,127.6	0.0		0.0	
Governor	Office of Management & Budget	Governmental Coordination	4,250.7	4,250.7	1,438.4	1,438.4	0.0		2,812.3	2,812.3
Governor	Elective Operations	Elections	1,907.2	1,686.0	1,907.2	1,686.0	0.0		0.0	
Governor	Elective Operations	General and Primary Elections	1,991.7	353.6	1,991.7	353.6	0.0		0.0	
Notes:										
1. Transfers Office of International Trade to Dept. of Commerce and Economic Development.										
2. Reductions in Elective Operations do to non-election year. (FY 99 increase \$34.0 greater than FY 00 reduction)										
3. Reductions in AHRIC reflect Ch 85 SLA98 changes and reduction in Interagency income										
4. Governor's office carried forward FY 99 surplus into FY 00 and reduced requests by 297.0										
5. Reductions excluding transfers, VA reductions and elections equal approx 2%										
March 30, 1999 6:00PM										

H + SS

H/SS #1

Amendment # _____
Sponsor: Rep. Therriault

Adopted.

4/7/99

AMENDMENT

To: CSHB 50 (FIN)
CSHB 51 (FIN)

ADD

Department of Health and Social Services
Purchased Services BRU
Foster Care Special Need component 135.0 MHTAAR Funds
123.8 Federal Funds

ADD

Department of Health and Social Services
Purchased Services BRU
Subsidized Adoptions & Guardianship component 200.0 MHTAAR Funds
50.0 Federal Funds

ADD

Department of Health and Social Services
Purchased Services BRU
Residential Child Care component 100.0 MHTAAR funds

These three additions to the DHSS budget will be funded with Mental Health Trust Authority funds and will help match federal funds. This does not increase GF in the budget.

The first ADD of 258.8 total funds is for training for foster care parents of special needs children. This was a Governor's GF increment denied by the subcommittee that will be funded with 135.0 MHTAAR funds and matches 123.8 of federal funds.

The second ADD of 250.0 total funds is for training for adoptive parents of special needs children. This was a Governor's GF increment denied by the subcommittee that will be funded with 200.0 MHTAAR funds and matches 50.0 of federal funds.

The third ADD is for training of residential child care providers who assist special needs and developmentally disabled children in the community. This was a Governor's GF increment denied by the subcommittee that will be funded with 100.0 MHTAAR funds.

H/SS#2

Amendment # _____
Sponsor: Rep. Therriault

Adopted
4/7/99

AMENDMENT

To: CSHB 50 (FIN)
CSHB 51 (FIN)

Department of Health and Social Services
Purchased Services BRU
Subsidized Adoptions & Guardianship component

DELETE

-390.4 general funds

ADD

390.4 MHTAAR funds

ADD

Department of Health and Social Services
Alcohol and Drug Abuse Services BRU
Rural Services Grants component

390.4 general funds

This is a net zero GF amendment that would supplant 390.4 in General Funds in the Project Succeed program and replace them with 390.4 in MHTAAR Funds. This would allow the 390.4 in General Funds to be used to fund an increment for Village Based Mental Health and Substance Abuse Services.

H+SS#3

Amendment # _____
Sponsor: Rep. Therriault

AMENDMENT

Withdrawn

To: CSHB 50 (FIN)
CSHB 51 (FIN)

TECHNICAL AMENDMENT

Department of Health and Social Services
Mental Health Trust Boards – Appropriation Total

DELETE	\$603.0	Other Funds
INSERT	\$607.95	Other Funds

Department of Health and Social Services
Administrative Services BRU
Health Planning and Facilities Management component

INSERT	\$50.0	1092	MHTAAR
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Comment:

This technical amendment reflects the correct appropriation structure in the Mental Health Appropriations bill.

H+SS # 4

Amendment # _____
Sponsor: Rep. Therriault

AMENDMENT

Adopted
4/7/99

To: CSHB 50 (FIN)
CSHB 51 (FIN)

Department of Health and Social Services
Public Assistance BRU
Alaska Temporary Assistance Program (ATAP) component

DELETE	\$5,264.1	1005	General Fund Program Receipts
INSERT	\$5,264.1	1003	General Fund Match

Department of Health and Social Services
Public Assistance BRU
Tribal Assistance component

DELETE	\$225.2	1005	General Fund Program Receipts
INSERT	\$225.2	1003	General Fund Match

Department of Health and Social Services
Purchased Services BRU
Foster Care Base Rate component

DELETE	\$675.0	1005	General Fund Program Receipts
INSERT	\$675.0	1003	General Fund Match

Comment:

The proposed fund source changes will change the transfer of general fund program receipts from the Department of Revenue, Child Support Enforcement to direct funding in the Department of Health and Social Services.

1. A direct GF Match appropriation more clearly links the state maintenance of effort (MOE) requirement to the federal funds in the ATAP, and other components.
2. The change would simplify child support collections accounting by eliminating the funding transfer to DHSS.
3. A direct GF Match appropriation for ATAP eliminates the potential inability to meet MOE because of declining collections from CSED. Collections might decline because of reduced ATAP caseloads or any change in the federal medical assistance percentage (FMAP) rate.

Replacement H/SS # 5

Amendment # _____
Sponsor: Rep. Therriault

AMENDMENT

Adopted
4/7/99

To: CSHB 50 (FIN)
CSHB 51 (FIN)

Department of Health and Social Services
Medical Assistance BRU
Medicaid Services component

DELETE:	\$3,000.0	1002	Federal Receipts
	\$2,000.0	1004	General Fund

University of Alaska
University of Alaska
Unallocated Reductions/Additions

INSERT:	\$2,000.0	1004	General Fund
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Replacement 2

DHSS #6

Amendment # _____
Sponsor: Rep. Therriault

AMENDMENT

Adopted
4/7/99

To: CSHB 50 (FIN)
CSHB 51 (FIN)

Department of Health and Social Services
Public Assistance Administration BRU
Child Care Benefits component

INSERT \$4,211.1 1002 Federal Receipts

Department of Community and Regional Affairs
Child Assistance BRU
Day Care Assistance Programs component

DELETE \$2,409.2 1004 General Fund

INSERT \$2,409.2 1007 I/A Receipts

Department of Community and Regional Affairs
Child Assistance BRU
Head Start Grants component

DELETE \$1,801.9 1004 General Fund

INSERT \$1,801.9 1007 I/A Receipts

Comment:

The increase in federal receipt authority in the Department of Health and Social Services utilizes federal funds from the Child Care Development Fund. These federal receipts are then transferred to the Department of Community and Regional Affairs to replace general funds in the Day Care Assistance Program and the Head Start Program. This is a net zero GF increment.

University of Alaska
University of Alaska
Unallocated Reductions/Additions

INSERT \$3,611.1 1004 General Fund

Comment:

The increases are available due to general fund savings in the Department of Community and Regional Affairs, Day Care Assistance Program.

Department of Health and Social Services
State Health Services BRU
Bureau of Vital Statistics component

DELETE \$70.0 1004 General Fund

Department of Commerce and Economic Development
Executive Administration and Development BRU
Trade and Development component

Agricultural Export Certification Program

INSERT \$170.0 1004 General Fund

Comment:

The increase to the Department of Commerce and Economic Development, Agricultural Export Certification Program is available due to general fund savings in the Department of Community and Regional Affairs, Day Care Assistance Program (\$100.0) and the Department of Health and Social Services, Vital Statistics (\$70.0).

H/155#7

Amendment # _____
Sponsor: Rep. Therriault

AMENDMENT

Adopted
4/7/99

TO: CS HB 50 (Fin) draft
CS HB 51 (Fin) draft

BY: Representative Therriault

DELETE:

Agency: Department of Health and Social Services
BRU: Public Assistance Administration
Component: Public Assistance Administration \$197.3 general funds

DELETE:

Agency: Department of Health and Social Services
BRU: Medical Assistance Administration
Component: Medical Assistance Administration \$326.4 general funds

DELETE:

Agency: Department of Health and Social Services
BRU: Family and Youth Services Management
Component: Family and Youth Services Management \$40.0 general funds

DELETE:

Agency: Department of Health and Social Services
BRU: State Health Services
Component: Public Health Administrative Services \$372.6 general funds

DELETE:

Agency: Department of Health and Social Services
BRU: Institutions and Administration
Component: Mental Health/Developmental Disabilities Administration
\$164.2 general funds

Please note: This delete is to CS HB 51 (Fin).

DELETE:

Agency: Department of Health and Social Services
BRU: Mental Health Trust Boards
Component: Alaska Mental Health Board \$24.0 general funds

Please note: This delete is to CS HB 51 (Fin).

DELETE:

Agency: Department of Health and Social Services
BRU: Mental Health Trust Boards
Component: Governor's Council on Disabilities and special Education
\$5.0 general funds

Please note: This delete is to CS HB 51 (Fin).

DELETE:

Agency: Department of Health and Social Services
BRU: Mental Health Trust Boards
Component: Advisory Board on Alcoholism and Drug Abuse
\$16.8 general funds

Please note: This delete is to CS HB 51 (Fin).

ADD:

Agency: Department of Health and Social Services
BRU: Administrative Services
Component: Unallocated Reduction \$1,146.3 general funds

This amendment distributes the Annualizing Belt Tightening/Austerity Program unallocated decrement to administrative components within DHSS.

HSS #8

Amendment # _____
Sponsor: Rep. Therriault

AMENDMENT

Adopted
4/7/99

To: CSHB 50 (FIN)
CSHB 51 (FIN)

DELETE

Department of Health and Social Services
Community Mental Health Grants BRU
Services for Seriously Emotionally Disturbed Youth component

177.0 MHTAAR funds

The Alaska Mental Health Trust Authority has reduced the scope and approved the use of Mental Health Trust Authority receipts for the increment funding the Children's Care Coordination Pilot Project.

8

H+SS# 9

Department: DHSS

Failed

417199

Amendment #

Offered by DAVIES

BRU Alcohol and Drug Abuse Services
Component Alcohol and Drug Abuse Grants

Add the following amount:
GF/MH 489.9

H+SS#10

Department: DHSS

Failed

Amendment #

417199

Offered by

BRU Alcohol and Drug Abuse Services
Component Substance Abuse Treatment for Women

Add the following amount:

GF	850.0
<u>Federal</u>	<u>706.0</u>
total	1,556.0

DHSS

H+SS#11

Withdrawn

Amendment #

Offered by

BRU	Purchased Services
Component	Foster Care Special Need

Add the following amount:

GF	135.0
<u>Federal</u>	<u>123.8</u>
total	258.8

H+SS#12

Failed

4/7/99

ADD

Department of Health and Social Services

Purchased Services

Foster Care Base Rate Caseload Growth

868.9 General Funds

H+SS#13

ADD

Department of Health and Social Services

Purchased Services

Foster Care Special Needs Case Growth

432.6 General Funds

Failed
4/7/99

ADD

Department of Health and Social Services

Front Line Social Workers

Front Line Social workers

H+SS #14

Failed 4/7/99

1.769.8 General Funds

387.1 Federal Funds

H + SS # 15

ADD

Department of Health and Social Services

Community DD Grants

Community DD Grants

361.0 General Funds

Failed

4/7/99

D HESS

H+SS #16

Failed 4/7/99

Amendment #

Offered by

BRU	State Health Services
Component	Tobacco Prevention and Control

Add the following amount:

GF	3,000.0
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H+SS INTENT

Sponsor: Rep. Therriault

Withdrawn

**Intent Language
Department of Health and Social Services budget**

For: Purchased Services BRU
Residential Child Care component

It is the intent of the Legislature that the Department of Health and Social Services, Division of Family and Youth Services utilize FY00 incremental funding proposed for emergency shelter and treatment care for children housed in therapeutic residential facilities through fee for service memorandum of agreements.

H/455 17

Amendment # _____
Sponsor: Rep. Therriault

AMENDMENT

To: CSHB 50 (FIN)
CSHB 51 (FIN)

Adopted

DELETE

Department of Administration
Senior Services BRU
Protection, Community Services & Administration component

12.5 MHTAAR Funds

The Alaska Mental Health Trust Authority requests this correction. This is a technical adjustment, that reduces Mental Health Trust Authority Receipts that were incorrectly placed in the Department of Administration for Planning of the Comprehensive Mental Health Plan.

H+ 55 18

Amendment # _____
Sponsor: Rep. Therriault

AMENDMENT

To: CSHB 50 (FIN)
CSHB 51 (FIN)

adopted

ADD

Department of Administration
Senior Services BRU
Protection, Community Services & Administration component

180.0 MHTAAR Funds

The Alaska Mental Health Trust Authority has approved the use of Mental Health Trust Authority receipts of 105.0 for Rural Long Term Care Development and 75.0 for Analysis of Economic Impacts of Declining Income of Seniors. These projects were accepted by the Legislature in the FY99 budget last year. The Trust will restrict the use of these funds for FY99.

Agency Totals - FY00 Operating Budget

Agency: Department of Health and Social Services

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	868,887.1	938,016.3	1,022,464.9	1,006,471.9	68,455.6	7.3%
<u>Objects of Expenditure:</u>						
Personal Services	111,303.4	118,768.0	128,443.4	125,227.8	6,459.8	5.4%
Travel	4,041.3	3,718.2	4,271.5	4,149.8	431.6	11.6%
Contractual	52,521.2	65,030.1	81,790.2	79,637.6	14,607.5	22.5%
Commodities	20,512.5	21,098.8	21,840.8	21,720.8	622.0	2.9%
Equipment	2,619.2	1,313.9	1,731.1	1,473.9	160.0	12.2%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	677,889.5	728,087.3	784,387.9	775,408.3	47,321.0	6.5%
Miscellaneous	0.0	0.0	-0.0	-1,146.3	-1,146.3	%
<u>Funding Sources:</u>						
1002 Fed Rcpts	371,716.0	434,980.7	480,221.9	479,952.3	44,971.6	10.3%
1003 G/F Match	166,254.3	168,708.2	176,334.0	175,950.1	7,241.9	4.3%
1004 Gen Fund	134,685.8	138,216.2	145,348.1	141,370.5	3,154.3	2.3%
1005 GF/Prgm	13,781.3	13,811.0	10,628.0	10,628.0	-3,183.0	-23.0%
1007 I/A Rcpts	46,315.4	45,007.2	52,342.0	53,021.5	8,014.3	17.8%
1013 Alchl/Drug	2.0	2.0	2.0	2.0	0.0	0.0%
1037 GF/MH	100,707.7	104,495.6	105,461.4	105,100.4	604.8	0.6%
1047 Title 20	5,410.8	4,474.5	4,474.5	4,474.5	0.0	0.0%
1050 F-r-D Fund	20,186.1	19,100.7	18,688.9	18,688.9	-411.8	-2.2%
1053 Invst Loss	615.8	121.3	0.0	-0.0	-121.3	-100.0%
1055 IA/OIL HAZ		0.1	0.0	0.0	-0.1	-100.0%
1061 CIP Rcpts	539.9	876.6	865.6	865.6	-11.0	-1.3%
1092 MHTAAR	4,902.0	3,881.1	3,148.3	3,148.3	-732.8	-18.9%
1098 ChildTrErn	336.6	340.0	345.7	345.7	5.7	1.7%
1108 Stat Desig	3,433.4	4,001.1	4,531.1	4,531.1	530.0	13.2%
1119 Tobac Sell			20,073.4	8,393.0	8,393.0	%
<u>Positions:</u>						
Perm Full Time	1,990.0	2,073.0	2,250.0	2,174.0	101.0	4.9%
Perm Part Time	70.0	58.0	68.0	74.0	16.0	27.6%
Non-Perm	21.0	18.0	18.0	18.0	0.0	0.0%

**House Finance Subcommittee on
The Department of Health and Social Services
Recommendations for FY00 Budget
Representative Gene Therriault, Subcommittee Chair**

This narrative lists all items in the DHSS budget where changes were made by the subcommittee. Components not specifically mentioned here were accepted by the subcommittee from the Governor's FY00 budget.

Public Assistance

In **Adult Public Assistance**, the Governor's increment for APA Formula Growth of 2,249.4 (2,000.0 GF) has been accepted.

In **Old Age Assistance-Alaska Longevity Bonus Hold Harmless**, the Governor's decrement for OAA-ALB HH Formula Reduction of -190.9 GF has been accepted.

Medical Assistance

In **Medicaid Services**, the Governor's increments for annualization of the Children's Health Insurance Program (Denali Kid Care) of 15,494.0 (4,568.4 GF) and for Child Custody-Related Medicaid Costs of 3,320.4 (1,334.8 GF) have been accepted.

Also in **Medicaid Services**, the Governor's increment for Medicaid 'Base Program' Entitlement Increase of 12,791.0 (4,000.0 GF) has been accepted.

In **Chronic Acute Medical Assistance**, the Governor's increment for CAMA Entitlement and Service Level Restoration of 1,637.5 GF from FY99 Authorized has been partially funded at 1,145.0 GF. This maintains the program at its FY99 level.

Public Assistance Administration

In **Public Assistance Field Services**, the Governor's increment for DPA CHIP (Denali Kid Care) Eligibility Unit of 788.3 has been fully funded in Interagency Receipts.

Medical Assistance Administration

In **Children's Health Eligibility**, the Governor's increment for CHIP Program Annualization of 943.5 (816.9 GF) has been accepted.

The increment for CHIP (Denali Kid Care) Outreach Grants of 405.0 in other funds has been accepted and we have worked with the Department to use these funds to secure 1,315.3 in federal funds. This allowed the subcommittee to deny the GF increment in Health Services/Medicaid for CHIP Outreach Grants.

Purchased Services

In **Family Preservation**, the Governor's increments for Dual Track-Differential Response to Child Protection of 672.9 (635.9 GF) and for an Independent Living Program of 200.0 GF have been denied.

In **Foster Care Base Rate**, the Governor's increment for Caseload Growth of 1,344.9 (1,106.9 GF) has been partially funded at 476.0 (238.0 GF).

In **Foster Care Augmented Rate**, the Governor's increment for Therapeutic Foster Care of 1,568.5 (276.4 GF) is partially funded at 1,292.1 federal and I/A receipts.

In **Foster Care Special Need**, the Governor's increment for Foster Care Training of 258.8 (135.0 GF) has been denied. The Governor's increment for Special Need Caseload Growth of 865.2 (648.9 GF) has been partially funded at 432.6 (216.3 GF).

In **Subsidized Adoptions and Guardianship**, the Governor's increment for Caseload Growth of 2,440.8 (2,050.3 GF) has been partially funded at 1,952.8 (1,562.3 GF). The Governor's increment for Training for Adoptive Parents of Special Needs Children of 250.0 (200.0 GF) has been denied. The increment for Continuation of Project Succeed of 800.0 (488.0 GF) has been accepted.

In **Residential Child Care**, the Governor's increment for Emergency Shelter and Treatment Care for Children of 1,368.4 (1,065.4 GF) has been partially funded at 800.0 (497.0 GF).

Front Line Social Workers

In **Front Line Social Workers**, the Governor's increment for 28 New Child Protection Staff of 2,156.9 (1,769.8 GF) has been denied.

The Governor's increment for Annualized cost for the 28 new positions partially funded in FY99 of 778.7 (631.5 GF) has been accepted.

The Governor's increment for Anchorage/Bethel/Sitka Lease and WAN Cost of 421.2 (315.9 GF) has been accepted.

Family and Youth Services Staff Training

In this BRU, the Governor's increment for Staff Training of 145.9 GF has been denied.

Youth Corrections

In the **McLaughlin Youth Center**, the Governor's increment for the Opening and Staffing of the 30 bed expansion for the last three months of FY00 of 433.5 GF has been denied, delaying the opening until FY01.

In the **Nome Youth Facility**, the Governor's increment for Annualizing the cost for new staff partially funded in FY99 of 101.0 GF has been accepted.

In the **Johnson Youth Facility**, the Governor's increment for Annualizing the cost for a 22 bed treatment unit approved in FY99 of 571.0 GF has been accepted.

In the **Mat-Su Youth Facility**, the Governor's increment for Opening and Staffing the facility for the last three months of FY00 of 461.4 (456.4 GF) has been denied, delaying the opening until FY01.

In **Probation Services**, the Governor's increments for Establishing a new Division of Juvenile Justice of 297.3 GF and for Restructuring Management based on passage of HB 6 in FY98 of 43.9 GF have been denied.

Human Services Matching Grant

In this component, the Governor's increment for replacing School Based Underfunding of 387.7 GF has had a fund source change to I/A Receipts.

Kawerak Social Services

In this component, the Governor's increment for an Additional Social Worker of 63.2 GF has been denied.

State Health Services

In **Maternal, Child and Family Health**, the Governor's increment for replacing School Based Underfunding of 296.8 GF has had a fund source change to I/A receipts.

In **Healthy Families**, the Governor's increment for Healthy Families Expansion of 978.0 GF has been denied.

In the **Bureau of Vital Statistics**, the Governor's increment for Anchorage and Fairbanks office rent of 70.0 GF has been accepted.

In **Health Services/Medicaid**, the GF for the CHIP (Denali Kid Care) Outreach program increment is denied. This is the increment that was taken care of in Medical Assistance Administration with federal funds.

In **Community Health/EMS Services**, the Governor's increment for a Marijuana Registry of 73.6 GF has been denied.

In the **State Medical Examiner** component, the Governor's increment for a new pathologist of 193.0 GF is denied.

The Governor's increment for a new **Tobacco Prevention and Control** program of 3,000.0 GF has been denied.

Alcohol and Drug Abuse Services

In **Administration**, the Governor's increment for a Project Assistant for Village Based Mental Health and Substance Abuse Services of 60.0 GF has been denied. There is also a reduction of 270.0 GF in this component due to the large federal increment coming into Administration.

In **Alcohol and Drug Abuse Grants**, the Governor's increment for Fetal Alcohol Syndrome/Alcohol Related Neurodevelopment of 489.9 GF has been denied and the Governor's increment for Substance Abuse Treatment for Women of 1,556.0 (850.0 GF) has been partially funded at 706.0 federal funds.

In **Rural Services Grants**, the Governor's increment for Village Based Mental Health and Substance Abuse Services of 405.0 GF has been denied.

Community Developmental Disabilities Grants

In this BRU, the Governor's increment for Institutional Prevention of 965.8 GF has been partially funded at 604.8 GF.

Administrative Services

In this BRU, the Austerity Program of Belt Tightening in the FY99 Supplemental budget is being annualized into the FY00 budget. This is dealt with in this budget with an unallocated reduction of 1,146.3 GF.

FY00 House Finance DHSS Subcommittee Recommendations

(\$000)

Agency	BRU	Component	Total		GE Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	940,382.5	1,006,158.9	425,752.3	441,442.0	73,205.8	80,452.6	441,421.4	484,264.3
		FY99 Supplemental	0.0		0.0		0.0		0.0	
		FY99 Base	940,382.5		425,752.3		73,205.8		441,421.4	
		FY00-FY99		65,776.4		15,689.7		7,243.8		42,842.9
		% Change		6.99%		3.69%		9.89%		9.71%
Health & Sc	Public Assistance	Alaska Temporary Assistance Prog	92,470.9	77,853.4	40,606.0	37,417.2	9,007.0	8,103.0	12,857.9	32,333.2
Health & Sc	Public Assistance	Adult Public Assistance	47,491.0	49,740.4	43,592.0	45,592.0	2,965.0	3,214.4	934.0	934.0
Health & Sc	Public Assistance	General Relief Assistance	1,041.9	1,041.9	1,041.9	1,041.9	0.0	0.0	0.0	0.0
Health & Sc	Public Assistance	Old Age Assistance-Alaska Longev	2,098.1	1,907.2	2,098.1	1,907.2	0.0	0.0	0.0	0.0
Health & Sc	Public Assistance	Permanent Fund Dividend Hold Ha	19,100.7	18,688.9	0.0	0.0	19,100.7	18,688.9	0.0	0.0
Health & Sc	Public Assistance	Energy Assistance Program	5,505.6	5,505.6	0.0	0.0	0.0	0.0	5,505.6	5,505.6
Health & Sc	Public Assistance	Tribal Assistance	0.0	2,405.2	0.0	2,108.7	0.0	296.5	0.0	0.0
Health & Sc	Medical Assistance	Medicaid Services	398,021.6	419,919.9	130,359.8	139,899.8	1,876.6	1,588.5	265,785.2	288,431.6
Health & Sc	Medical Assistance	Chronic Acute Medical Assistance	0.0	3,045.0	0.0	3,045.0	0.0	0.0	0.0	0.0
Health & Sc	Catastrophic and Chronic Illness Assista	Catastrophic and Chronic Illness Ass	3,045.0	0.0	3,045.0	0.0	0.0	0.0	0.0	0.0
Health & Sc	Public Assistance Administration	Public Assistance Administration	1,652.3	1,722.3	966.2	1,001.2	0.0	0.0	696.1	721.1
Health & Sc	Public Assistance Administration	Quality Control	995.9	965.9	484.6	479.6	0.0	0.0	511.3	486.3
Health & Sc	Public Assistance Administration	Public Assistance Field Services	22,696.9	23,842.6	11,087.2	11,065.9	674.7	1,463.0	10,935.0	11,313.7
Health & Sc	Public Assistance Administration	Fraud Investigation	1,163.4	1,120.8	548.0	526.7	0.0	0.0	615.4	594.1
Health & Sc	Public Assistance Administration	Public Assistance Data Processing	4,903.4	4,823.4	2,472.1	2,472.1	141.4	61.4	2,289.9	2,289.9
Health & Sc	Public Assistance Administration	Alaska Work Programs	10,395.2	0.0	3,819.6	0.0	360.0	0.0	6,215.6	0.0
Health & Sc	Public Assistance Administration	Work Services	0.0	13,715.2	0.0	3,819.6	0.0	360.0	0.0	9,535.6
Health & Sc	Public Assistance Administration	Child Care Benefits	25,514.7	26,242.6	6,104.3	6,104.3	0.0	0.0	19,410.4	30,138.3
Health & Sc	Medical Assistance Administration	Medical Assistance Administration	1,256.9	1,417.6	648.6	731.9	0.0	0.0	608.3	685.7
Health & Sc	Medical Assistance Administration	Medical State Programs	14,688.3	15,914.5	2,369.5	2,359.9	0.0	0.0	12,318.8	13,554.6
Health & Sc	Medical Assistance Administration	Health Purchasing Group	15,525.3	15,273.6	4,921.8	4,746.4	0.0	0.0	10,603.5	10,527.2
Health & Sc	Medical Assistance Administration	Certification and Licensing	1,055.0	1,063.0	379.6	383.6	0.0	0.0	675.4	679.4
Health & Sc	Medical Assistance Administration	Hearings and Appeals	364.8	364.9	139.3	182.3	85.8	0.0	139.7	182.6
Health & Sc	Medical Assistance Administration	Audit	622.6	631.0	327.0	331.2	92.8	92.8	202.8	207.0
Health & Sc	Medical Assistance Administration	Children's Health Eligibility	1,408.6	2,701.5	490.4	923.4	0.0	405.0	918.2	1,373.1
Health & Sc	Purchased Services	Delinquency Prevention	1,090.2	3,338.0	0.0	0.0	0.0	0.0	1,090.2	3,338.0
Health & Sc	Purchased Services	Family Preservation	4,473.5	4,473.5	2,132.3	2,132.3	0.0	0.0	2,341.2	2,341.2
Health & Sc	Purchased Services	Foster Care Base Rate	7,884.8	8,360.8	6,352.2	6,590.2	0.0	0.0	1,532.6	1,770.6
Health & Sc	Purchased Services	Foster Care Augmented Rate	1,228.5	2,520.6	1,162.8	1,162.8	0.0	1,079.4	65.7	278.4
Health & Sc	Purchased Services	Foster Care Special Need	2,866.7	3,299.3	2,714.7	2,931.0	50.0	50.0	102.0	318.3
Health & Sc	Purchased Services	Foster Care Alaska Youth Initiative	876.0	876.0	876.0	876.0	0.0	0.0	0.0	0.0
Health & Sc	Purchased Services	Subsidized Adoptions & Guardiansh	7,739.0	9,670.6	5,945.3	7,338.7	0.0	0.0	1,793.7	2,331.9
Health & Sc	Purchased Services	Residential Child Care	10,720.4	11,470.4	10,198.4	10,695.4	200.0	150.0	322.0	625.0
Health & Sc	Front Line Social Workers	Front Line Social Workers	17,064.3	18,398.3	7,703.2	8,784.7	491.7	491.7	8,869.4	9,121.9

Agency	BRU	Component	Total		GF/Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
Health & Sc	Family and Youth Services Management	Family and Youth Services Manage	4,815.8	4,483.8	2,366.6	1,787.8	186.1	186.1	2,263.1	2,509.9
Health & Sc	Family and Youth Services Staff Training	Family and Youth Services Staff Tr	1,094.0	1,037.0	420.0	420.0	0.0	0.0	674.0	617.0
Health & Sc	Child Protection Legal Assistance	Office of Public Advocacy	185.0	185.0	185.0	185.0	0.0	0.0	0.0	0.0
Health & Sc	Child Protection Legal Assistance	Public Defender Agency	255.0	255.0	255.0	255.0	0.0	0.0	0.0	0.0
Health & Sc	Youth Corrections	McLaughlin Youth Center	10,166.0	10,166.0	9,886.8	9,886.8	279.2	279.2	0.0	0.0
Health & Sc	Youth Corrections	Fairbanks Youth Facility	2,820.1	2,820.1	2,751.1	2,751.1	69.0	69.0	0.0	0.0
Health & Sc	Youth Corrections	Norne Youth Facility	574.5	675.5	574.5	675.5	0.0	0.0	0.0	0.0
Health & Sc	Youth Corrections	Johnson Youth Center	1,929.8	2,500.8	1,905.8	2,476.8	24.0	24.0	0.0	0.0
Health & Sc	Youth Corrections	Bethel Youth Facility	1,940.7	1,940.7	1,903.3	1,903.3	37.4	37.4	0.0	0.0
Health & Sc	Youth Corrections	Mal-Su Youth Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & Sc	Youth Corrections	Probation Services	6,239.7	7,390.2	6,114.1	6,558.8	125.6	125.6	0.0	705.8
Health & Sc	Human Services Community Matching Gr	Human Services Community Match	1,751.9	1,751.9	445.9	445.9	1,306.0	1,306.0	0.0	0.0
Health & Sc	Manilaq	Manilaq Social Services	843.9	843.3	843.9	843.9	0.0	0.0	0.0	0.0
Health & Sc	Manilaq	Manilaq Public Health Services	901.3	901.3	901.3	901.3	0.0	0.0	0.0	0.0
Health & Sc	Manilaq	Manilaq Alcohol and Drug Abuse S	983.1	983.1	983.1	983.1	0.0	0.0	0.0	0.0
Health & Sc	Manilaq	Manilaq Mental Health and Develop	350.0	350.0	350.0	350.0	0.0	0.0	0.0	0.0
Health & Sc	Norton Sound	Norton Sound Social Services	62.2	62.2	62.2	62.2	0.0	0.0	0.0	0.0
Health & Sc	Norton Sound	Norton Sound Public Health Service	1,370.2	1,370.2	1,370.2	1,370.2	0.0	0.0	0.0	0.0
Health & Sc	Norton Sound	Norton Sound Alcohol and Drug Ab	540.0	540.0	540.0	540.0	0.0	0.0	0.0	0.0
Health & Sc	Norton Sound	Norton Sound Mental Health and D	402.4	402.4	402.4	402.4	0.0	0.0	0.0	0.0
Health & Sc	Norton Sound	Norton Sound Sanitation	96.3	96.3	96.3	96.3	0.0	0.0	0.0	0.0
Health & Sc	Southeast Alaska Regional Health Consor	Southeast Alaska Regional Health C	120.1	120.1	120.1	120.1	0.0	0.0	0.0	0.0
Health & Sc	Southeast Alaska Regional Health Consor	Southeast Alaska Regional Health C	331.4	331.4	331.4	331.4	0.0	0.0	0.0	0.0
Health & Sc	Southeast Alaska Regional Health Consor	Southeast Alaska Regional Health C	125.2	125.2	125.2	125.2	0.0	0.0	0.0	0.0
Health & Sc	Kawerak Social Services	Kawerak Social Services	372.7	372.7	372.7	372.7	0.0	0.0	0.0	0.0
Health & Sc	Tanana Chiefs Conference	Tanana Chiefs Conference Public H	239.3	239.3	239.3	239.3	0.0	0.0	0.0	0.0
Health & Sc	Tanana Chiefs Conference	Tanana Chiefs Conference Alcohol	497.5	497.5	497.5	497.5	0.0	0.0	0.0	0.0
Health & Sc	Tanana Chiefs Conference	Tanana Chiefs Conference Mental H	534.8	534.8	534.8	534.8	0.0	0.0	0.0	0.0
Health & Sc	Tlingit-Haida	Tlingit-Haida Social Services	186.6	186.6	186.6	186.6	0.0	0.0	0.0	0.0
Health & Sc	Tlingit-Haida	Tlingit-Haida Alcohol and Drug Abu	11.9	11.9	11.9	11.9	0.0	0.0	0.0	0.0
Health & Sc	Yukon-Kuskokwim Health Corporation	Yukon-Kuskokwim Health Corporati	907.4	907.4	907.4	907.4	0.0	0.0	0.0	0.0
Health & Sc	Yukon-Kuskokwim Health Corporation	Yukon-Kuskokwim Health Corporati	959.3	959.3	959.3	959.3	0.0	0.0	0.0	0.0
Health & Sc	Yukon-Kuskokwim Health Corporation	Yukon-Kuskokwim Health Corporati	907.4	907.4	907.4	907.4	0.0	0.0	0.0	0.0
Health & Sc	State Health Services	Nursing	13,539.3	14,616.0	8,385.7	8,395.7	4,138.1	5,204.8	1,015.5	1,015.5
Health & Sc	State Health Services	Women, Infants and Children	20,542.2	20,542.2	0.0	0.0	3,700.0	3,700.0	16,842.2	16,842.2
Health & Sc	State Health Services	Maternal, Child, and Family Health	9,730.2	11,459.0	2,224.9	2,224.9	1,733.8	2,020.6	5,771.5	7,213.5
Health & Sc	State Health Services	Healthy Families	1,641.2	1,684.2	1,382.0	1,402.0	182.2	282.2	77.0	0.0
Health & Sc	State Health Services	Public Health Administrative Service	809.0	1,309.0	504.9	504.9	0.0	0.0	304.1	804.1
Health & Sc	State Health Services	Epidemiology	8,211.9	7,391.9	2,076.7	2,076.7	405.6	455.6	5,729.6	4,859.6
Health & Sc	State Health Services	Bureau of Vital Statistics	1,412.8	1,482.8	878.8	948.8	285.3	285.3	248.7	248.7
Health & Sc	State Health Services	Health Services/Medicaid	1,851.1	3,071.5	0.0	0.0	1,851.1	3,071.5	0.0	0.0
Health & Sc	State Health Services	Community Health/Emergency Med	2,681.7	3,019.7	684.4	777.5	326.5	326.4	1,670.8	1,915.8
Health & Sc	State Health Services	Community Health Grants	1,575.2	1,596.1	1,225.2	1,246.1	0.0	0.0	350.0	350.0
Health & Sc	State Health Services	Emergency Medical Services Grant	1,760.1	1,760.1	1,710.1	1,710.1	50.0	50.0	0.0	0.0
Health & Sc	State Health Services	State Medical Examiner	1,074.5	1,074.5	1,074.5	1,074.5	0.0	0.0	0.0	0.0

			Total		DE Group		Other Funds		Federal Funds	
Agency	BRU	Component	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
Health & Sc	State Health Services	Infant Learning Program, Grants	5,052.6	5,052.6	4,721.9	4,721.9	330.7	330.7	0.0	0.0
Health & Sc	State Health Services	Public Health Laboratories	2,846.6	2,846.6	2,165.1	2,165.1	468.0	468.0	213.5	213.5
Health & Sc	State Health Services	Radiological Health	284.6	284.6	136.2	136.2	0.0	0.0	148.4	148.4
Health & Sc	State Health Services	Tobacco Prevention and Control	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & Sc	Alcohol and Drug Abuse Services	Administration	2,069.7	2,994.7	1,511.2	1,241.2	81.0	156.0	477.5	1,597.5
Health & Sc	Alcohol and Drug Abuse Services	Alcohol Safety Action Program (AS)	1,093.6	1,093.6	1,093.6	1,093.6	0.0	0.0	0.0	0.0
Health & Sc	Alcohol and Drug Abuse Services	Alcohol and Drug Abuse Grants	18,218.6	19,953.8	12,234.2	12,234.2	1,703.1	1,306.7	4,281.3	6,412.9
Health & Sc	Alcohol and Drug Abuse Services	Community Grants - Prevention	0.0	2,500.0	0.0	0.0	0.0	0.0	0.0	2,500.0
Health & Sc	Alcohol and Drug Abuse Services	Community Action Against Substan	177.3	177.3	177.3	177.3	0.0	0.0	0.0	0.0
Health & Sc	Alcohol and Drug Abuse Services	Correctional ADA Grant Services	563.6	563.6	563.6	563.6	0.0	0.0	0.0	0.0
Health & Sc	Alcohol and Drug Abuse Services	Rural Services Grants	2,271.6	2,355.6	2,121.6	2,205.6	150.0	150.0	0.0	0.0
Health & Sc	Community Mental Health Grants	General Community Mental Health	1,013.7	1,007.4	773.8	773.8	239.9	233.6	0.0	0.0
Health & Sc	Community Mental Health Grants	Psychiatric Emergency Services	6,950.4	6,510.9	5,950.4	6,005.4	1,000.0	0.0	0.0	505.5
Health & Sc	Community Mental Health Grants	Services to the Chronically Mentally	11,127.7	11,406.7	10,701.4	10,801.4	426.3	426.3	0.0	179.0
Health & Sc	Community Mental Health Grants	Designated Evaluation and Treatme	1,046.3	2,143.3	1,046.3	1,046.3	0.0	0.0	0.0	1,097.0
Health & Sc	Community Mental Health Grants	Services for Seriously Emotionally D	7,486.8	7,746.4	6,149.8	6,219.4	1,337.0	1,527.0	0.0	0.0
Health & Sc	Community Developmental Disabilities Gr	Community Developmental Disabiliti	19,389.3	20,039.1	18,581.9	19,186.7	807.4	852.4	0.0	0.0
Health & Sc	Institutions and Administration	Mental Health/Developmental Disat	4,316.3	4,999.9	2,837.5	2,837.5	1,446.2	1,937.3	32.6	225.1
Health & Sc	Institutions and Administration	Alaska Psychiatric Institute	14,841.9	15,996.6	1,763.2	2,126.4	13,078.7	13,870.2	0.0	0.0
Health & Sc	Institutions and Administration	Federal Mental Health Projects	2,298.6	2,369.6	0.0	0.0	250.1	321.1	2,048.5	2,048.5
Health & Sc	Mental Health Trust Boards	Alaska Mental Health Board	416.9	492.4	368.9	366.9	50.0	125.5	0.0	0.0
Health & Sc	Mental Health Trust Boards	Governor's Council on Disabilities a	879.5	1,695.5	15.0	15.0	543.0	726.0	421.5	954.5
Health & Sc	Mental Health Trust Boards	Advisory Board on Alcoholism and	311.2	311.2	311.2	311.2	0.0	0.0	0.0	0.0
Health & Sc	Administrative Services	Unallocated Reduction	0.0	(1,146.3)	0.0	(1,146.3)	0.0	0.0	0.0	0.0
Health & Sc	Administrative Services	Commissioner's Office	787.6	912.1	312.3	312.3	135.6	260.1	339.7	339.7
Health & Sc	Administrative Services	Personnel and Payroll	1,193.9	1,302.0	737.8	737.8	237.0	345.1	219.1	219.1
Health & Sc	Administrative Services	Administrative Support Services	2,011.4	3,342.3	937.1	2,002.1	248.9	308.4	825.4	1,031.8
Health & Sc	Administrative Services	Health Planning & Facilities Manage	926.6	981.9	233.8	181.2	565.3	709.3	127.5	91.4
Health & Sc	Administrative Services	COMmunity Partnerships for Acces	25.0	25.0	25.0	25.0	0.0	0.0	0.0	0.0
Health & Sc	Children's Trust Programs	Children's Trust Programs	365.0	345.7	0.0	0.0	365.0	345.7	0.0	0.0
Health & Sc	Facilities Maintenance	Facilities Maintenance	0.0	2,584.9	0.0	0.0	0.0	2,584.9	0.0	0.0

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
FY 2000 Impact of House Finance Subcommittee Recommendations

DH&SS FY2000 Budget House Subcommittee Highlights

The House Finance Subcommittee accepted the following essential GF increments in the Governor's Amended budget:

- Adult Public Assistance program is funded at the Governor's level.
- The growth in the Medicaid program based on increases in disabled, elderly and child Medicaid clients is funded at the Governor's level. This will ensure continued health care for 94,000 Alaskans.
- Increased health coverage is provided to children and pregnant women through full funding of the Denali KidCare program.
- Project Succeed, an effort to find permanent homes for children in state custody, is fully funded at the Governor's level.
- Funding is added to annualize the costs of the addition of 28 Social Workers in FY99, the first step in our move to achieve Zero Tolerance of child abuse and neglect.
- Funding is added to annualize the costs of the additional treatment beds and staff that were added in FY99 to the Johnson Youth Center and Nome Youth Facility.

Key areas of concern:

- Lack of funds in foster care components will require either a supplemental or a rollback of the \$2.36 per day pay raise authorized by the Legislature in FY 99 and denial of special needs funds to help children in the state's care.
- Lack of full funding in subsidized adoption and guardianship will result in a supplemental, or, at the Legislature's direction, denial of adoption subsidies for an estimated 69 children.
- Denial of annualization for emergency shelter and treatment beds for children in state custody will mean more than 25 children will not have residential placement.
- Denial of funding for new child protection staff (26 positions) will mean less progress in responding to all legitimate reports of child abuse and neglect. It will also result in extremely high caseloads for permanency planning workers to monitor the safety of children in foster care.
- Training efforts for foster parents, adoptive parents and adoptive parents will be hampered.
- No additional funds for tobacco control means none of the money from the landmark tobacco settlement will go to community-based tobacco control efforts.
- No additional funding for substance abuse treatment for children and pregnant women, no additional progress on the Fetal Alcohol Syndrome prevention agenda,

and no additional funding for village-based mental health and substance abuse services.

- Developmental Disability Institutional Prevention increment is short-funded by \$361,000

BRU	Medical Assistance			
Component	Chronic Acute Medical Assistance			
Reduction Title	CAMA Entitlement and Service Level Restoration			
Reduction Description	Reduce CAMA increment to FY99 funding level with supplemental.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$1,637.5	(\$492.5)	\$1,145
	GF	\$1,637.5	(\$492.5)	\$1,145
	Federal			
	Other			

Explanation of Impact:

The Governor's Budget Request for Chronic Acute Medical Assistance (CAMA) is intended to cover the cost of providing a limited package of health services to those individuals with chronic medical conditions who do not qualify for the Medicaid program. The benefits include prescription drugs, limited physician visits and hospital care. The House Finance Subcommittee reduces the Governor's Request for FY00 to the amount approved for the FY99 supplemental. The FY99 appropriation was underfunded and supplemental funding was requested to provide funds to complete the fiscal year. The initial supplemental request was subsequently reduced by the Department as a result of a one-time recovery of about \$300,000 that was used to pay for CAMA services in FY99. That level of recovery cannot be expected in FY00, which means the CAMA program will again be underfunded at the start of the fiscal year.

To achieve this reduction the department will need to eliminate paying hospitals for services for CAMA clients. This will increase the bad debt and charity care of hospitals and may mean that some individuals may not have access to some inpatient care. However, this action may not be necessary if the CAMA program is transferred into the Medical Assistance BRU and the Medicaid program's "Base Program" increment is fully funded at the Governor's Request level, as it is in the House Subcommittee recommendation.

BRU	Purchased Services			
Component	Foster Care Base Rate			
Reduction Title	Foster Care Base Rate Caseload Growth			
Reduction Description	Deny full funding of increment necessary to provide adequate payments to foster families.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$1,344.9	\$476.0	(\$868.9)
	GF	\$1,106.9	\$238.0	(\$868.9)
	Federal	\$238.0	\$238.0	0.0
	Other			

Explanation of Impact:

- The department's FY 2000 request is based on trends and analysis of expected need to care for children in foster care. During the past year, the number of children placed in foster care has risen steadily – so much so that the current FY99 authorization for foster care might not be adequate. That trend is expected to continue during the coming fiscal year.
- The department will not artificially limit the number of children placed in foster care. When a child has been abused or neglected and cannot remain safely in their own home, the department is required to place that child in a foster home or other appropriate out-of-home care.
- If there are not enough funds to cover the expected foster care caseload growth, the department will be left with two options: 1) request a supplemental or, 2) at the direction of the Legislature, reduce base rate payments to foster parents.
- A rate reduction will roll back the foster care base rate increase that was approved for FY99. This increase of \$2.36 per day raised the foster care base rate to the 1993 poverty level – and was the first pay increase foster parents had received in nearly a decade.
- Taking back this long-overdue pay increase will seriously hamper the state's ongoing efforts to recruit new foster parents – and could prompt more foster parents to quit the system.
- HB 161, currently pending in House Finance, would also have very negative effects on this and other formula programs.

BRU	Purchased Services			
Component	Foster Care Special Needs			
Reduction Title	Foster Care Special Needs Caseload Growth			
Reduction Description	Deny full funding of increment necessary to provide adequate payments to foster families.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$865.2	\$432.6	(\$432.6)
	GF	\$648.9	\$216.3	(\$432.6)
	Federal	\$216.3	\$216.3	0.0
	Other			

Explanation of Impact:

- Special needs funds are used to cover one-time and short-term costs for children in the department's foster care system. These costs include special cribs or adaptive devices for children with handicaps, winter clothing, transportation for medical care or counseling.
- In FY99, the need for special needs items has exceeded projections; but the department avoided the need for a supplemental request by making cuts elsewhere. The number of children in foster care has risen steadily during the past year and that trend is expected to continue. As the state's foster care caseload continues to grow, the need for additional special needs funds will also increase.
- If there are not enough funds to cover special needs costs in FY2000, the department will be left with two options: 1) request a supplemental or, 2) at the direction of the Legislature, limit special needs funding to only the barest necessities.
- Refusing to cover special needs costs will place additional burdens on foster parents. This, in turn, will hamper the state's ongoing efforts to recruit new foster parents – and could prompt more foster parents to quit the system.

BRU	Purchased Services			
Component	Subsidized Adoptions/Guardianship			
Reduction Title	Subsidized Adoption/Guardianship Caseload Growth			
Reduction Description	Deny full funding of increment necessary to provide adequate payments to adoptive homes.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$2,440.0	\$1,952.8	(\$488.0)
	GF	\$2,050.3	\$1,562.3	(\$488.0)
	Federal	\$390.5	\$390.5	0.0
	Other			

Explanation of Impact:

- The state's subsidy program is growing, and that trend is expected to continue. Under recent changes to state and federal laws, the state is required to act faster in moving children from foster care and other temporary placements into permanent placements such as adoptive or guardian homes.
- The department can not arbitrarily reduce existing subsidy agreements without risking the loss of more than \$12 million in federal Title IV-E receipts. (Federal law prohibits a change in existing subsidy rates without concurrence of the adoptive parent.)
- If there are not enough funds to meet the projected growth in the adoption subsidy program, the department will be left with two options: 1) request a supplemental or, 2) reduce the number of new subsidy agreements. Based on the existing subsidy rate (\$592.64 per month) and on projected growth, the department would be forced to deny subsidies to 69 children in FY 2000.
- Denying adoption or guardianship subsidies would effectively force more children to linger longer in foster care or other temporary placements.

BRU	Purchased Services			
Component	Residential Child Care			
Reduction Title	Emergency Shelter & Treatment Care for Children			
Reduction Description	Deny increment for additional residential care beds.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$1,368.4	\$800.0	(\$568.4)
	GF	\$1,065.4	\$497.0	(\$568.4)
	Federal	\$303.0	\$303.0	0.0
	Other			

Explanation of Impact:

- The number of placements for children (infants to age 18) in emergency shelters rose to 1,217 in FY 98 from 983 in FY 97. This 19 percent increase continued in FY 99.
- The number of children needing specialized residential treatment care, including psychiatric treatment, continues to increase. Currently, 55 Alaskan children in state custody are placed in residential psychiatric treatment centers in other states because the capacity and type of care needed for them does not exist in state.
- In response to needing more placements for children in custody, the division added 23 emergency shelter beds, using funding from foster care and AYI. A total of \$1,115.8 is needed to annualize the costs for adding these beds.

➤ Dillingham	3 beds	\$173/day	\$189.4 annual cost
➤ Fairbanks	5 beds	\$137/day	\$250.1 annual cost
➤ Ketchikan	1 bed	\$120/day	\$ 43.8 annual cost
➤ Anchorage	12 beds	\$120/day	\$525.6 annual cost
➤ Palmer	1 bed	\$120/day	\$ 43.8 annual cost

foster care, more staff will turn-over, phone calls will not be answered, and more complaints will be received. HB375 will not be implemented in a timely manner.

- We are extremely concerned about the safety of children in custody at a time when the state is at an all-time high number of children in foster care. We strongly advise funding additional workers.

BRU	Purchased Services			
Component	Foster Care Special Need			
Reduction Title	Foster Care Training			
Reduction Description	Deny increment for training foster parents who require specialized training to care for the foster children.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$258.8	0.0	(\$258.8)
	GF	\$135.0	0.0	(\$135.0)
	Federal	\$123.8	0.0	(\$123.8)
	Other			

Explanation of Impact:

- Training (along with support) of foster parents plays a major role in recruitment and retention of foster parents. **Without this funding**, current training efforts will continue to reach only 60 percent of foster parents, and **we will continue to lose foster parents who do not feel supported or "equipped" to handle children placed in their homes.**
- Foster Parent training funds have not increased since 1991.
- Currently, only 60 percent of all licensed foster parents meet their annual training requirements.
- The number of children in foster care is increasing along with the number of foster parents currently being recruited. The actual number of children in foster care in March 1998 was 892, compared to 1,038 children in foster care in March 1999. Foster care recruitment campaign, called Foster a Future, has started with much success. Currently, there are 49 prospective foster parents in the Anchorage Foster Care Orientation and Pre-service class.

BRU	Purchased Services			
Component	Subsidized Adoptions/Guardianship			
Reduction Title	Training for Adoptive Parents of Special Needs Children			
Reduction Description	Deny increment for training adoptive parents and prospective adoptive parents of children who require specialized care.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$250.0	0.0	(\$250.0)
	GF	\$200.0	0.0	(\$200.0)
	Federal	\$50.0	0.0	(\$50.0)

Other			
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Explanation of Impact:

- The Subsidized Adoption and Guardianship Program is increasing rapidly with more children with special needs leaving foster care and stabilizing in their permanent homes.
- In order to maintain these permanent homes over time, adoptive parents of special needs children need training (and support) on managing the special needs of the adopted child. Without such training and support, adoptive parents become overwhelmed by the serious needs and behavioral problems exhibited by these children and adoptions disrupt.
- These funds are intended for grants to non-profit community agencies to deliver training to adoptive parents who have a subsidy agreement with the division.
- Without this funding, the department will be unable to provide this training and, because of the increasing complexity of adoptive situations and the growing numbers of placements, **special needs children are more likely to return to custody when the adoptive parents can no longer care or manage the child.**

BRU	Purchased Services			
Component	Family Preservation			
Reduction Title	Dual Track Differential Response to Child Protection			
Reduction Description	Deny annualization cost for the Mat-Su project and deny expansion of services to Bethel.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$672.9	0.0	(\$672.0)
	GF	\$635.9	0.0	(\$635.9)
	Federal	\$37.0	0.0	(\$37.0)
	Other			

Explanation of Impact:

Reduction in funding will reduce the ability of the Division of Family and Youth Services to respond to Priority 3 reports as quickly and effectively. The initial project in the Mat-Su Valley will be underfunded and no funding will be available to initiate the program in Bethel.

The Division of Family and Youth Services is required to investigate every report of harm received and take appropriate action to prevent further harm to the child. Due to extremely high number of reports received in certain geographic locations, however, DFYS has had to prioritize reports of harm in an attempt to devote limited resources to the most serious reports received. The Division recognizes the only way to effectively address the problems of child abuse and neglect results from community involvement and collaborative partnerships. The independent Child Protection Review Team appointed by the Governor recommended coordination of child protection resources be aggressively pursued. Annualization funds are needed to fully fund the new Dual Track efforts in DFYS.

In the Bethel area, the Division will work with the Division of Public Health to provide this differential response. With adequate funding and coordination of services, some of the Priority 3 reports received by DFYS would be referred to a Public Health Nurse in the Bethel region for the initial assessment, provision of direct services, or referral to available community services. In addition to providing the necessary assessment of reports of harm, Public Health Nurses would likely be viewed as less threatening agents than a child protection agency. There will be great benefit to maintaining the initial differential response program in the Mat-Su Valley, conducted by a non-profit agency, while contracting with the Division of Public Health to provide the program in the Bethel region. Both are considered pilot projects which will measure their effectiveness over time.

BRU	Purchased Services			
Component	Family Preservation			
Reduction Title	Independent Living Program			
Reduction Description	Deny increment for Independent Living program			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$200.0	0.0	(\$200.0)
	GF	\$200.0	0.0	(\$200.0)
	Federal			
	Other			

Explanation of Impact:

The purpose of independent living services is to provide adolescents who are making the transition from out-of-home care to independence an opportunity to learn the necessary skills to attain self-sufficiency. Once foster children reach age 18, the State can no longer help them.

Areas of instruction include: high school or equivalency completion through GED or correspondence; job search skills to include resume writing, completing applications, interviewing skills, work job habits, transportation; daily living skills to include how to look for suitable living quarters, first and last month rent requirements, deposits, utility hookups and maintenance; money management to include budgeting, establishing a checking account, working with a bank; general life skills to include self-esteem, personal hygiene, personal safety, and making good choices.

Failure to receive funding for independent living services will result in:

- future dependence upon public agencies for support;
- abused and neglected children not receiving appropriate independent living skills are more likely to perpetuate the cycle of abuse or neglect in raising their own children;
- failure to learn daily living skills and work skills results in increased criminal activity and incarceration;

- ill-prepared youth become the ill-prepared adults responsible for the success or failures of their families and communities.

BRU	Purchased Services			
Component	Foster Care Augmented Rate			
Reduction Title	Therapeutic Foster Care			
Reduction Description	Reduce general fund increment to 50% match ratio for federal funds in the increment.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$1,568.5	\$1,292.1	(\$276.4)
	GF	\$276.4	0.0	(\$276.4)
	Federal	\$212.7	\$212.7	0.0
	Other	\$1,079.4	\$1,079.4	0.0

Explanation of Impact:

- This increment is to implement the new Levels of Care system for the placement of children in foster homes that are appropriate to their needs. This new system will provide consistency and uniformity in the placement of children in out-of-care and establish therapeutic foster homes in Alaska communities for severely emotionally disturbed children with complex needs that would otherwise necessitate more expensive institutional care.
- The impact of this reduction is the Department will not be able to match federal funding for approximately \$276.4 resulting in a total loss of \$552.8 from this program. The net result is that the Department will not be able to implement the Levels of Care system as planned and leaving children in foster homes without adequate services.

BRU	FYS Staff Training			
Component	FYS Staff Training			
Reduction Title	Family and Youth Services Staff Training			
Reduction Description	Deny increment for employee training.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$145.9	0.0	(\$145.9)
	GF	\$145.9	0.0	(\$145.9)
	Federal			
	Other			

Explanation of Impact:

- The training BRU covers much more than training for new workers. In addition to training and orientation for new employees (TONE), the funding is used for

1. Regular, ongoing training for front line social work staff in special topics that keep their knowledge and skills current and increase their effectiveness in providing services for children and families. This year, social workers have received specialized training in concurrent planning, risk assessment, domestic violence, the new child abuse and neglect law, and the Indian Child Welfare Act.
 2. Recruiting qualified social workers by providing stipend support and real-world internship experience for senior-year Bachelor of Social Work students
- Trainers travel to hub cities when it is more cost-effective to deliver training.
 - Workers who travel to the Academy for training stay in UAA dorms, saving 50 percent or more of lodging costs.
 - The average cost of training each worker is \$1,860 using general funds only, and not counting stipend program and federal funds.
 - A substantial part of the FY2000 increment request is for supervisory training. Many supervisors are hired because they were good front line workers but they are never given the supervisory training needed to make the transition. The division is planning on utilizing the certified public manager program at UAA and the Department of Administration.
 - Additional special-topic training will be provided in FY 2000. This training includes more on risk assessment, adoption of children in foster care system, interviewing child sexual abuse victims, and the Indian Child Welfare Act.
 - Without this funding, supervisors will not be able to receive special supervisory training that is directly related to staff retention and morale. Providing supervisors with the skills they need will work towards keeping more front line workers working at the division. The funds will allow us to spend excess federal authority in the budget from last year when federal participation was over estimated.

BRU	Youth Corrections			
Component	McLaughlin Youth Center			
Reduction Title	Open & Staff 30 Bed Detention Expansion at MYC			
Reduction Description	Delay opening 30 bed detention expansion at MYC			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$433.5	0.0	(\$433.5)
	GF	\$433.5	0.0	(\$433.5)
	Federal			
	Other			

Explanation of Impact:

A delay in the award of the contract bid and the anticipated construction schedule make it likely this expansion project will be completed near the end of FY 00. The operating increment for the MYC expansion can be deferred until FY 01.

BRU	Youth Corrections			
Component	Mat-Su Youth Facility			
Reduction Title	Three months funding for New Mat-Su Youth Facility			
Reduction Description	Delay opening the new Mat-Su Youth Facility			
Funding	Fund Source	Gov. Inc. Revenue	House	Gov./House Diff
	Total	\$461.4	0.0	(\$461.4)
	GF	\$456.4	0.0	(\$456.4)
	Federal			
	Other	\$5.0	0.0	(\$5.0)

Explanation of Impact:

- Mat-Su is among the fastest growing population centers in the state. Delinquency referrals continue to increase in this geographic area and at any given time, the number of youth detained at McLaughlin Youth Center from the Mat-Su Valley account for 20 to 40% of the detention population at the Anchorage facility.
- McLaughlin Youth Center continues to operate beyond it's rated bed capacity and over the past 12 months has had a daily detention population count of 110% to 150% of capacity.
- The department has no control over the number of referrals to our youth corrections detention facilities and by law has a responsibility to ensure public safety and to provide appropriate care to offenders ordered detained by the courts.
- Over crowding at the McLaughlin facility results in increased overtime expenses related to the management of excess facility populations. Not opening the Mat-Su Youth Facility will contribute to increased transportation costs for law enforcement and contract guard hires that escort offenders to and from McLaughlin and the Mat-Su Valley. Inefficiencies will adversely impact department staff, prosecutors, public defenders, youth and victim advocates, and others when youth are detained outside of their home community.
- Construction of the Mat-Su facility is scheduled to be completed in the spring of 2000. Although opening could be delayed, this option should be considered within the context of the overall need for beds in the Youth Corrections system and the increasing need for detention beds from the Mat-Su area. Even if this facility were not opened, once construction was completed, there would be a minimum level of maintenance and security services required to protect the facility. To address these minimum levels of operations, the five probation officers in the Mat-Su juvenile probation office will be relocated to the office portion of the new facility. Their physical presence will increase the security of the facility.

- If the opening of the facility were delayed until FY 2001, at a minimum, a facility superintendent, a half time maintenance mechanic and funds for utility costs will be necessary to take care of the physical plant and to complete the steps necessary to insure the program can begin services at the start of FY 01. The superintendent position must be filled in FY 00 to direct activities related to staff recruitment, coordinate education services with the borough school district, and develop final program guidelines so the facility will be brought on line without further delay. To protect the capital investment in the facility it is essential that this increment fund the following:

Superintendent	\$20.0
1/2-time maintenance worker:	\$7.5
Three months utilities:	<u>\$7.5</u>
Total:	\$35.0

BRU	Youth Corrections			
Component	Probation Services			
Reduction Title	Separate DFYS-Establish New Division of Juvenile Justice			
Reduction Description	Deny funding for new Division of Juvenile Justice.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$297.3	0.0	(\$297.3)
	GF	\$297.3	0.0	(\$297.3)
	Federal			
	Other			

Explanation of Impact:

- The department moved to implement the philosophic and programmatic changes enacted by the legislature regarding youth correction services in Alaska. With greater emphasis on public safety, victim restoration and offender accountability there is an increasing need to provide administrative support for juvenile justice activities to meet the intent of the law.
- Recognizing the state can not shoulder this responsibility alone, greater efforts have been made to develop local resources in collaboration with the state to respond to juvenile crime. The department also increased its federal delinquency prevention grant receipts by 300% and has committed the largest portion of these funds to programs at the local, community level.
- To insure these local program services support the statutory juvenile justice mandates established by the legislature, there must be a sufficient administrative organization at the state level to coordinate and integrate these activities and services.
- **Without an adequate administrative component to oversee statewide juvenile justice activities, the department may be unable to meet the requirements to maintain**

federal grant receipts at their current level. The department would not be able to continue efforts to secure new grant or other funding receipts to support state and local delinquency prevention and intervention services.

BRU	Youth Corrections			
Component	Probation Services			
Reduction Title	Restructuring Management Based on Passage of HB 6 In FY99			
Reduction Description	Deny increment			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$43.9	0.0	(\$43.9)
	GF	\$43.9	0.0	(\$43.9)
	Federal			
	Other			

Explanation of Impact:

- Preservation of federal IV-E out of home client placement reimbursements required implementation of an administrative separation between Youth Corrections and Family Services Staff.
- Five positions fill key administrative and support positions insure the functioning of the Youth Corrections section. These positions function on a year round basis and are vital to the organization. These positions are necessary to allow the department to meet its mandates of the delinquency statutes and responsibilities as outlined in Title 47.
- **Failure to fund this annualized increment will result in reduced front line services. Funds would be diverted from the field or facilities to support state administrative functions or state level tasks would be assigned to direct service staff to ensure required functions are performed in response to demands for juvenile justice services around the state.**

BRU	Kawerak Social Services			
Component	Kawerak Social Services			
Reduction Title	Additional Social Worker for Caseload Growth			
Reduction Description	Deny increment for one social worker.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$63.2	0.0	(\$63.2)
	GF	\$63.2	0.0	(\$63.2)
	Federal			
	Other			

Explanation of Impact:

- Kawerak is responsible for providing all on-going services to Family and Youth Services in Nome and 15 villages in the surrounding area. Due to increase in the caseload, Kawerak workers cannot provide the necessary child protection services.
- This will result in workers not able to provide the necessary services to children in custody and they will remain in foster care for longer periods.

BRU	State Health Services			
Component	Healthy Families			
Reduction Title	Healthy Family Expansion			
Reduction Description	Deny increment for Healthy Family Program			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$978.0	0.0	(\$978.0)
	GF	\$978.0	0.0	(\$978.0)
	Federal			
	Other			

Explanation of Impact:

Alaska has unacceptably high levels of child abuse and neglect. Children who are abused and neglected often suffer long term consequences that place them at risk for mental health problems, antisocial behavior, prison, suicide, teen pregnancy and failure to complete basic education and or find employment.

Healthy Families Alaska (HFAK) is currently the only program with specific goals and objectives for preventing child abuse and neglect and other poor childhood outcomes. The HFAK increment for \$978,000 would have allowed for expansion of the existing programs that

are currently closed to new clients because of program funding limitations. An additional 231 families would have been served by this increment. Without it, no new families will be enrolled in the programs that have full caseloads and no new sites will be added. Currently the 8 funded programs are able to serve only 7% of the population that is eligible and willing to receive the service. This percentage will remain the same if we are unable to expand services to additional families.

BRU	State Health Services			
Component	Community Health/EMS Services			
Reduction Title	Marijuana Registry			
Reduction Description	Deny GF increment for operation of the Marijuana Registry (AS 17.35.010-AS 17.35.080)			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$73.6	0.0	(\$73.6)
	GF	\$73.6	0.0	(\$73.6)
	Federal			
	Other			

Explanation of Impact:

Initiative passed in November requires the Bureau of Vital Statistics process applications within 30 days. Without these funds the Bureau of Vital Statistics will process applications as quickly as possible, however, it is unlikely that we will be able to process within 30 days as required by law. This will result in automatic approval after 30 days with the review period gradually increasing. At some point the reapplication period will exceed the 1-year life of the card

BRU	State Health Services			
Component	State Medical Examiner			
Reduction Title	State Medical Examiner: HB375 Pathologist/Child Health			
Reduction Description	Deny GF increment for addition of a full-time forensic pathologist and clerk positions.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$193.0	0.0	(\$193.0)
	GF	\$193.0	0.0	(\$193.0)
	Federal			
	Other			

Explanation of Impact:

The medical examiner program has managed to stay within a budget that has equaled the spending rate experienced by the post mortem program that it replaced in 1995. They have been able to do this through the implementation of cost saving activities and controlling the type of cases that are autopsied. Doing their own laundry, local transportation of bodies, and the performance of embalming services are examples of these activities. The major cost control mechanism has been through the very strict prioritization of medical examinations, laboratory

testing, and autopsies. In essence, cases are currently being selected that have a clear-cut chance of being prosecuted. Cases that may be hiding a potential homicide or have far reaching public health implications are not done, increasing the potential danger to the health and safety of the Alaskan population.

The Medical Examiner program has been denying increasing numbers of examinations at a risk to their responsibility for public health and public safety. The passage by the 1998 legislature of HB 375 requiring a child death review board is intended to address an increasing concern for the need to identify deaths related to child abuse and neglect.

The increment requested in FY2000 for the Medical Examiner program would provide the staffing and system support required to meet the increasing demands for achieving our commitment to public health and public safety.

BRU	State Health Services			
Component	Tobacco Prevention and Control			
Reduction Title	Comprehensive State Tobacco Prevention & Control Initiative			
Reduction Description	Deny increment for Tobacco Prevention and Control Initiative			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$3,000.0	0.0	(\$3,000.0)
	GF	\$3,000.0	0.0	(\$3,000.0)
	Federal			
	Other			

Explanation of Impact:

Tobacco use is the number one cause of preventable death in the U.S. Approximately 500 Alaskans die annually from tobacco related illnesses. In Alaska, 26.7% of adults are current smokers, and 78% of Alaskans who smoke report that they want to quit. The smoking prevalence among high school students nationally is 34.8% and rising (1997). In Alaska, four thousand youth become daily cigarette smokers each year. Medical expenditures attributable to smoking total \$154 million annually in the state

The impact of cutting these programs will be far-reaching and costly in both medical costs and lives lost. Because of the tobacco settlement, Alaska has a historic opportunity to establish a comprehensive tobacco prevention and control program that will significantly reduce tobacco use and initiation. The Centers for Disease Control and Prevention guidelines recommend a minimum of \$8.7 million per year for a comprehensive program, so the \$3.0 million request represents a very minimum level of funding. Based on evaluations of effective programs such as California and Oregon, the projected impact of cutting Alaska's statewide program from the budget will be substantial.

- ◆ School-Based Programs –Cutting the comprehensive tobacco prevention programs for children and youth reduces this forum for access to prevention and cessation.

- ◆ Statewide Partnerships –Cutting this funding means no statewide quit-line, minimal outreach to special populations such as pregnant women and rural communities, and minimal communication and sharing of effective strategies between statewide partners.
- ◆ Local Community Programs – Cutting this program component will result in decreased access to the cessation programs necessary to reduce youth and adult tobacco use prevalence and prevent the establishment of community indoor air protection ordinances to decrease the exposure of non-smokers and children to environmental tobacco smoke.
- ◆ Enforcement –Cutting this program component will result in minimal diversion programs for youth caught using tobacco, minimal merchant education efforts, and minimal enforcement of existing state laws relating to sale and placement of tobacco products, as well as enforcement of the state tobacco tax.
- ◆ Counter- Marketing – Cutting this program component will result in the tobacco industry's ads and promotional events going unchallenged. Research shows that tobacco counter-marketing promotes quitting and decreases the likelihood of initiation.
- ◆ Surveillance and Evaluation – Built in evaluation ensures cost-effectiveness and efficiency. To improve services we must know if programs and policies, such as the tobacco tax, are effective.
- ◆ Program Coordination, Training, and Technical Support – Cutting this program component will result in minimal training, policy research, resources, and technical assistance to communities in area of tobacco prevention and control.

BRU	Alcohol and Drug Abuse Services			
Component	Administration			
Reduction Title	Project Assistant for Village Based Mental Health & Substance Abuse Services			
Reduction Description	Remove increment to fund an expansion of mental health and substance abuses services in rural Alaska.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$60.0	(\$60.0)	0.0
	GF/MH	\$60.0	(\$60.0)	0.0
	Federal			
	Other			

Explanation of Impact:

This increment provides administrative resources to manage an expansion of the mental health and substance abuse services in rural Alaska. The increment is tied to an increment in Alcohol and Drug Abuse Grants. That increment has also not been funded. See the impact statement for Village Based Mental Health & Substance Abuse Services for additional information on the impact of this budget action.

BRU	Alcohol and Drug Abuse Services			
Component	Administration			
Reduction Title	Reduce GF in component due to large federal increments			
Reduction Description	Decrease base funding of administrative costs of providing grants for alcohol and drug abuse prevention, treatment and aftercare and the Alaska Safety Action Program (ASAP).			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total		(\$270.0)	(\$270.0)
	General Fund		(\$270.0)	(\$270.0)
	Federal			
	Other			

Explanation of Impact:

The impact of this cut would be:

- Delayed or decreased grants awards resulting from an inability to monitor grant in aid programs, lack of staff to prepare and evaluate Requests for Proposals and amendments, inability to adequately oversee approved programs
- Decreased quality assurance activities
- Decreased technical assistance to grantees

\$170.0 of the SAMSHA Block Grant could be used to pay administrative costs but could be disallowed at a future date if auditors determine that these funds are being used to "supplant State funding of alcohol and other drug prevention and treatment programs".

The Division has taken on a new responsibility without any increase in funding. As of January 1999, the Division of Alcohol and Drug Abuse assumed responsibility for new duties resulting from the implementation of Juvenile ASAP Program (aka Youth, Education, Assessment and Referral Program). The Underage Drinking Grant has been able to allocate some funds to help the Division establish a position and implement the program, however these federal funds are time limited and the Division will not be able to absorb the cost of this program due to this proposed cut.

BRU	Alcohol and Drug Abuse Services			
Component	Substance Abuse Treatment for Women			
Reduction Title	Substance Abuse Treatment for Women			
Reduction Description	Deletes the general fund portion of this increment.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$1,556.0	\$706.0	(\$850.0)
	General Fund	\$850.0	0.0	(\$850.0)
	Federal	\$706.0	\$706.0	0.0
	Other			

Explanation of Impact:

Denial of this increment will result in:

- No ability to increase capacity need to provide Women and Children with treatment
- Increased number of children in DFYS custody due to parental substance abuse
- Increased length of stay for children in DFYS custody due to parental substance abuse

It is imperative that the system of service delivery consist of prevention, treatment, and aftercare. Our budget reflects this with increases in all three areas. Women with dependent children who leave a community for care return to that community. They need support to help maintain the gains made in treatment. They need assistance in working out parenting issues, working with DFYS and other agencies, and they need the support in maintaining their sobriety.

Women (pregnant women and women with dependent children) needing substance abuse treatment services present a unique challenge. There are many barriers that hinder access and completion of treatment. Women who abuse or are dependent on alcohol and drugs are often involved with the DFYS or criminal justice system or both. Women will not enter treatment if they feel they might lose their children or have to leave their children and enter treatment.

In the last legislative session, child custody laws were changed. As part of these changes treatment services must be more available for parents. This is necessary so parents can make the reasonable efforts required to change their behavior. Equally important is that the state has made a reasonable effort to ensure treatment capacity is available. This will be a unique challenge in rural parts of the state.

In the past several years the Division has been increasing services for women, primarily of childbearing age. This has been done by use of federal funds, MHTAAR funds, and last year an increase in state general funds for these services.

Results now being obtained from pilot projects between the Division, DFYS and grantee providers demonstrate significant increases in treatment referrals for women of childbearing age. This is also resulting in persons completing treatment and maintaining custody of their children.

During the period of March 1997 to November of 1998 the Alaska Women's Resource Center in Anchorage performed a total of 366 assessments to individuals and families who had contact with DFYS. Of the 366 assessments performed, 325 (89%) were referred for treatment. 41 individuals did not receive treatment services. The 325 assessments resulting in referrals for treatment consisted of 35 males and 290 females. The 325 referrals were referred for treatment as follows:

Treatment Type	Male	Female	Total
Outpatient Services/Continuing Care	0	3	3
Early Intervention	1	36	37
Medically-Managed Intensive Inpatient	0	3	3
Intensive Outpatient	26	125	151
Opioid Maintenance Therapy	1	2	3
Residential/Inpatient – Continuing Care	0	3	36
Residential/Inpatient – Intensive Care	7	85	92

Although these individuals may have previously entered the system through different means the dramatic numbers of increased assessment and treatment referrals by just one Anchorage area provider for this client population indicate a significant need that must be addressed.

BRU	Alcohol and Drug Abuse Services			
Component	Alcohol and Drug Abuse Grants			
Reduction Title	Fetal Alcohol Syndrome (FAS), Alcohol Related Neurodevelopmental Disabilities			
Reduction Description	Delete increment for general fund support for FAS services.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$489.9	0.0	(\$489.9)
	GF/MH	\$489.9	0.0	(\$489.9)
	Federal			
	Other			

Explanation of Impact:

Denial of this increment will result in:

- No expansion of the effort to prevent FAS.
- Services that will be reduced and/or eliminated due to this loss of funding include:
 - Community development grant program for "community developed and driven" FAS activities—to support local FAS efforts/activities.
 - Development of specialized services for children/youth affected by FAS/E and in state custody.
 - Increased specialized training for professionals working with affected individuals and their families—social workers, probation officers, educator's,

mental health clinicians, head start workers, public health staff, medical providers, etc.

- Production, duplication and distribution of FAS Guides for Alaska professionals and educational videotape for statewide school district mandatory FAS training.
- Funding to support the FAS Surveillance Project and Alaska Birth Defects Registry—to increase data related to the number of FAS births and tracking for improved service delivery.
- Increased funding for the FACTS grant, providing consultation, training and support to school districts across the state in educating children affected by prenatal exposure to alcohol.
- Delay the development/implementation of screening tools for earlier identification of children affected by FAS and other alcohol-related birth defects—early screening and identification is proven to improve the long-term outcomes for affected individuals.

It is imperative that the system of service delivery consists of prevention, treatment, and aftercare. Our budget reflects this with increases in all three areas. Within the last 18 months the State of Alaska began a focused and concentrated effort on the serious and devastating social problem of prenatal exposure to alcohol and the resulting birth defects of fetal alcohol syndrome (FAS) and other fetal alcohol-related conditions. It is estimated that Alaska has one of the highest [if not the highest] rates of fetal alcohol syndrome in the nation. FAS occurs as a result of a woman drinking alcohol during her pregnancy. FAS and other alcohol-related birth defects are **100% PREVENTABLE**.

Tremendous strides have been made in our state within the last year, raising public awareness, professional training, increased diagnostic capacity across the state, increased services for high-risk women needing substance abuse treatment and a particular focus on improved services for those individuals, and their families, affected by prenatal alcohol exposure.

Without the requested \$489.9 increment for FY2000, the momentum and progress we have begun to make will be seriously compromised

BRU	Alcohol and Drug Abuse Services			
Component	Rural Services Grants			
Reduction Title	Village Based Mental Health & Substance Abuse Services			
Reduction Description	Remove increment to fund an expansion of mental health and substance abuses services in rural Alaska.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$405.0	0.0	(\$405.0)
	GF/MH	\$405.0	0.0	(\$405.0)
	Federal			
	Other			

Explanation of Impact:

Denial of this increment will result in:

- No new programs in rural Alaska, which have no services currently.
- No expansion of village based services.
- Of the \$465.0 in Village Based Mental Health & Substance Abuse Services. \$60.0 was to be used to fund a project assistant in Administration and \$406.0 would provide grants to 7-10 agencies.
- 7-10 agencies would provide services to 20-30 new communities, providing direct services to 400-600 individuals.
- The emphasis on aftercare for women as part of an overall program to reduce FAS and children in the custody of DFYS would be severely diluted.

It is imperative that the system of service delivery consists of prevention, treatment, and aftercare. Our budget reflects this with increases in all three areas. In FY 2000 it will be necessary to continue the increase in capacity to provide women's treatment. This year will see a major focus on service development in rural areas of the state. Providing aftercare and motivating clients to continue in aftercare or peer supported self-help programs is relatively easier in urban areas. One major reason is more of these types of programs that allow a person to work, care for children and still find times of the day to be active in self-help programs.

However, even with the challenges presented by rural areas of Alaska we know that aftercare is essential. It will be our responsibility to ensure that it is available to persons returning to communities from treatment.

Recent research finalized by the Division (Treatment Outcome Study by New Standards) indicates that aftercare services are a major contributor to overall success of treatment. The following table shows that abstinence was significantly increased for those patients who were

able to receive aftercare. By investing in aftercare services the improvement of overall long term results are dramatic.

	Abstained the Full Year	
Full Year after Treatment	Residential	Outpatient
None	29%	28%
Some	32%	61%
Full	64%	74%

BRU	Community DD Grants			
Component	Community DD Grants			
Reduction Title	DD Institutional Prevention			
Reduction Description	Reduce GF/MH increment.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total	\$965.8	\$604.8	(\$361.0)
	GF/MH	\$965.8	\$604.8	(\$361.0)
	Federal			
	Other			

Explanation of Impact:

Without adequate funding to maintain and recruit qualified staff the basic Developmental Disability (DD) provider infrastructure will deteriorate. The results of this deterioration will be reduced quality of DD services, increased use of more costly alternatives and decreased consumer satisfaction.

This increment will enable the DD service delivery system to maintain and develop capacity. Funds will assist providers to address areas that they determine to have the most impact on the safety and quality of services that they deliver. The use of these funds will directly target recruitment, training, and retention of highly qualified staff, which is very important since there is no longer institutional services available in Alaska.

In the past, all new funds for the DD program have been allocated for serving people on the wait list. Increases have not been available for maintaining the basic provider infrastructure. As a consequence, staff turnover is high and recruitment of qualified staff has become very difficult. Without adequate, qualified staff, individuals are forced to seek services from nursing homes or hospitals, possibly committed to jails or sent to out of state institutions, at a far greater cost to the State than what it would be to improve the existing community infrastructure. The inability to attract and retain qualified staff affects the quality of services provided, basic safety, and community participation for individuals with developmental disabilities.

These funds will be used to:

- ◆ increase salary levels and benefits to attract and retain qualified staff;

- ◆ ensure that employees are furnished with adequate training to provide quality services in a safe and efficient manner; and
- ◆ ensure that programs meet or exceed program standards.

Increased funding will ensure individuals and families that programs have the financial resources to address local issues that impact the delivery of safe and beneficial services.

BRU	Administrative Services			
Component	Reduction will be allocated to components throughout the department.			
Reduction Title	Annualizing Belt Tightening/Austerity Program			
Reduction Description	Decrease general fund in the base for administrative functions department wide.			
Funding	Fund Source	Gov. Inc. Request	House	Gov./House Diff
	Total		(\$1,146.3)	(\$1,146.3)
	GF and GF/MH		(\$1,146.3)	(\$1,146.3)
	Federal			
	Other			

Explanation of Impact:

Some of this impact will be absorbed through automation, process improvement, reduced travel, increased vacancy, delaying equipment and supply purchases, however there will be impacts in the following areas:

- Decreased customer service and customer involvement,
- Delays in issuing regulations,
- Delays in issuing RFP's, grants, amendments and contracts,
- Longer turn around time for legislative requests and public information requests,
- Increased turn around time on payments and the processing of other fiscal documents,
- Delays in processing personal documents, hiring and recruiting.
- Increased appeals of contracts,
- Increased union grievances,
- Decreases in routine daily maintenance of buildings and equipment

Distribution of the Unallocated Reduction by Budget Request Unit (BRU)

DFYS Management	\$40.0
DMHDD Institutions & Administration	\$164.2
Medical Assistance Administration	\$326.4
Mental Health Trust Boards	\$45.8
Public Assistance Administration	\$197.3
State Health Services	<u>\$372.6</u>
	\$1,146.3

LABOR

LABOR A

AMENDMENT TO HB 50

BY: Rep. Austerman

*Adopted
4/9 eve*

Delete:

Department of Education
Alaska Vocational Technical Center
Alaska Vocational Technical Center Operations 770.5 GF/PR

Delete:

Department of Education
Alaska Vocational Technical Center
Alaska Vocational Technical Center Operations 29.5 GF

Add:

Department of Education
Alaska Vocational Technical Center
Alaska Vocational Technical Center Operations 800.0 SDPR

Add:

Department of Labor
Labor Standards and Safety
Occupational Safety and Health 800.0 GF
1,000.0 Federal Funds

LABOR #1

AMENDMENT
CS HB 50(FIN)

Representative Austerman

Department of Labor

Withdraw

Page 31, line 27

ADD

Department: Department of Labor

BRU: Labor Standards and Safety

Component: Occupational Safety and Health \$425.0 general funds

LABOR #2

A M E N D M E N T #

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CS HB 50 (FIN)

w/d

ADD

Department of Labor
Labor Standards & Safety BRU
Occupational Safety & Health Component \$ 425.0 GF

These funds would be used to provide minimal public sector occupational safety and health enforcement and consultation services for 56,000 state and local government employees. It is unknown at this time, whether or not the federal government will provide any matching funds to partially support this program. Without funding, there will be no public sector protection.

It is anticipated that the amount requested above would fund a program supervisor, two safety/health enforcement officers, one safety/health consultant, and one clerical support position; a conservative travel estimate, and operational fixed and other costs.

LABOR # 3

AMENDMENT#

OFFERED IN THE HOUSE FINANCE COMMITTEE

w/d

TO: CS HB 50 (FIN)

ADD

Department of Labor	
Labor Standards & Safety BRU	
Occupational Safety & Health Component	\$ 327.3 Federal
	\$ 327.3 GF/Match

This funding would allow more time for an organized transition of the Occupational Safety and Health private sector enforcement program to the federal government. Providing FY 2000 authorization will allow the state to utilize the remainder of the federal FY 99 grant and necessary matching funds for transitioning. In addition, this will provide federal OSHA time to secure additional federal budget authority for their fiscal year beginning October 1, 1999 for these functions, as well as, hiring new staff to perform these increased activities. In addition, without funding for public consultation and enforcement, the department needs adequate time to close-out pending cases; active variances; and other pending issues.

LABOR #4

AMENDMENT#

DAVID

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CS HB 50 (FIN)

Failed
4/19 eve

ADD:

Department of Labor

Labor Standards and Safety BRU

Occupational Safety & Health Component	1,309.2	Federal
	1,084.9	GFM
	23.1	I/A

Analysis:

The proposed addition to the Alaska Occupational Safety and Health Program (AKOSH) restores the State Plan program (23(g) Grant) for ensuring protection of Alaska workers and also restores the federal grant monies from EPA to provide oversight on asbestos work sites.

If the federal and general fund match for the (23(g)Grant) program are not restored it will mean that Alaska will no longer enforce occupational and health standards in the work place, private or public. Without enforcement, situations may exist that put workers at risk of injury, such as the recent incident at the Alaska Office Building where employees were transported to the hospital due to air quality. The OSH staff performed analysis sampling to determine the cause, risk and plan for remediation before employees could return to the building. Although the federal government would take over private sector enforcement, public employers and employees (municipal and state) would not be covered unless the State was to continue to provide general funds. Failure to continue to provide a state funded public sector consultation and enforcement program would result in 56,000 state and local government workers and their employers having no protection or assistance.

Additionally, if this funding is not restored, safety standards that are unique to Alaska will not be operative under federal enforcement, e.g. helicopter logging, petroleum processing, night blasting and confined spaces. Finally, enforcement of state asbestos worker certification will be lost.

The elimination of all funding does not allow sufficient resources for transitioning of an orderly federal takeover by July 1, 1999, thus causing confusion for employees and employers throughout the private sector. The only other case of a state returning a

program to OSHA was the State of California in 1987, and lack of a coherent transition was largely responsible for a voter's initiative that restored the state program one year later.

The appeal process for employers would change drastically since the federal process differs from Alaska. Currently, initial appeals are heard by our Review Board comprised of a representative from industry, labor and the public. Federal OSHA uses an Administrative Law Judge for the initial appeal process, and if it is denied at that level, it is then forwarded to a Federal OSHA Review Board. There is a potential impact to employers and employees due to out-of-state hearings such as out-of state- travel, long distance phone, fax costs and other related costs.

Receipts from citation fines of approximately \$280.0 per year are currently deposited into the general fund, but would no longer be available due to the loss of public sector enforcement and the return of private sector enforcement to Federal OSHA.

There are 31 positions associated with the 23(g) program funding. Program staff includes enforcement officers, consultation and training staff, review and non-discrimination, administrative, clerical, and information system support positions. Positions are located in Anchorage, Fairbanks, Juneau, Kenai, and Ketchikan. Four of the 31 positions are Director's Office staff.

Of the four Director's Office staff, the primary management position affected by this reduction is the Division Director. The AKOSH program currently funds salary costs of \$62.0 plus associated costs. These costs will be borne by the other programs in the Division since the position is an integral part of on-going operations. Loss of funding will also impact the other three Director's Office positions (Administrative Manager, Administrative Assistant, and Secretary). These positions assist the Director in the on-going operations of the division by providing oversight and support in matters pertaining to budget, financial management, legislation, personnel, purchasing, regulations, public inquiries, etc.

Interagency Receipts for this component, which were also eliminated, are for administrative oversight by the Administrative Manager of Wage and Hour, and Mechanical Inspection; administrative oversight by AKOSH staff to the Alaska Safety Advisory Council; program work on asbestos; and participation in the State Emergency Response Commission (SERC).

LABOR # 5

AMENDMENT#

Gussendorf

Failed

OFFERED IN THE HOUSE FINANCE COMMITTEE

419 eve

TO: CS HB 50 (FIN)

ADD:

Department of Labor
Labor Standards and Safety BRU
Mechanical Inspection Component

79.3 general funds

Analysis:

This amendment responds to a portion of the Subcommittee's reduction of 124.1 that was originally part of the FY 99 one-time belt tightening reduction. The Subcommittee extended this reduction into FY 00 by reducing the Commissioner's Office 124.1. The department proposed the elimination of a Fairbanks Wage & Hour Technician to address part of the 124.1 reduction (44.8) and the elimination of a Kenai Electrical Inspector for the remaining portion of the reduction (79.3).

This amendment restores the Kenai Electrical Inspector. Loss of this position will require the two remaining inspectors to cover the inspection areas currently assigned to the Kenai inspector. This position performed 410 inspections in FY 98 on the Kenai Peninsula, in Western Alaska and the chain. The Wasilla inspector is extremely busy with the valley, performing 670 inspections in FY 98 while the Juneau inspector performed 352 in all of Southeast Alaska. It is expected that the Juneau position would have to absorb the lion's share of the Kenai inspections, traveling to the peninsula, the chain and some of the west coast.

It would be physically impossible for two inspectors to be able to produce the same amount of inspections now performed by three. The annual goal for each inspector is 400. This goal has been met, or nearly so by the Kenai and Juneau inspectors and far exceeded by the Wasilla inspector. In all likelihood, the Wasilla inspector will continue to cover the valley and will travel to some other areas, while the other inspector performs most of the inspections in outlying areas.

The overall inspection output will be reduced by an estimated 350 inspections or approximately 25% of the FY 98 production level. The impact to the public will be a

greater number of electrical installations in new construction and repairs across Alaska that are not code-compliant resulting in hazardous and unsafe conditions.

Line # 6

AMENDMENT#

OFFERED IN THE HOUSE FINANCE COMMITTEE

Gussendorf
TO: CS HB 50 (FIN)

Failed

4/19 eve

ADD:

Department of Labor
Labor Standards and Safety BRU
Wage and Hour component

44.8 general funds

Analysis:

This amendment responds to a portion of the Subcommittee's reduction of 124.1 that was originally part of the FY 99 one-time belt tightening reduction. The Subcommittee extended this reduction into FY 00 by reducing the Commissioner's Office 124.1. The department proposed the elimination of a Fairbanks Wage & Hour Technician to address part of the 124.1 reduction (44.8) and the elimination of a Kenai Electrical Inspector for the remaining portion of the reduction (79.3). This amendment restores the Fairbanks Wage & Hour Technician position. The loss of this position will require the agency to abandon timely auditing of all certified payrolls. Currently, the technician routinely audits certified payrolls as the information is received. With reduced staffing, payrolls will be filed immediately (with no auditing) and the filing will have to be performed by the remaining staff (investigators and one clerk). Only in cases where complaints are received, or where investigations have been opened, will audits of certified payrolls be performed. These audits will now have to be performed by the investigator for the Title 36 program.

The investigator responsible for the Title 36 program is already backlogged with his investigations. Having to perform the audits of certified payrolls will increase his case backlog by 50% to 75%. Presently he can turn his audits over to a technician while he performs his various investigative functions, both routine and specific. Having to perform his own audits will not only extend the time required to complete investigations, it will reduce the time available for on-site inspections.

If this position is not restored, the overall impact will result in reduced effectiveness of the enforcement program by fewer investigations being conducted and increased time for each investigation to be concluded. This in turn can result in a delayed collection process for overdue wages owed employees.

LABOR # 7

AMENDMENT#

OFFERED IN THE HOUSE FINANCE COMMITTEE

w/D

TO: CS HB 50 (FIN)

ADD:

Department of Labor
Office of the Commissioner BRU
Commissioner's Office Component

93.5 general funds

Analysis:

This amendment restores the budgeted funding of 93.5 for the Special Assistant to the Commissioner position. If this position is not restored, one of only three management positions in the Commissioner's Office for the Department of Labor would be eliminated. This will seriously degrade the Office's ability to oversee and support the department's programs. It will also impact the ability to respond to public and legislative information requests.

With the transfer of the primary legislative liaison responsibilities to the Deputy Commissioner, this position was to assume responsibility for development of legislation and regulations affecting the Department. The position also performs special projects for the Commissioner and the Governor, represents the Department of Labor on the Salmon Cabinet and other policy cabinets, performs back-up legislative liaison duties, and handles constituent inquiries and complaints.

Agency Totals - FY00 Operating Budget

Agency: Department of Labor

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	56,680.7	57,508.5	56,216.1	55,571.5	-1,937.0	-3.4%
<u>Objects of Expenditure:</u>						
Personal Services	34,159.3	36,850.9	35,701.2	33,691.2	-3,159.7	-8.6%
Travel	1,104.6	1,048.1	1,098.2	1,039.8	-8.3	-0.8%
Contractual	15,475.3	13,292.5	15,132.6	14,735.3	1,442.8	10.9%
Commodities	566.7	769.9	800.7	751.5	-18.4	-2.4%
Equipment	1,062.9	748.3	779.6	774.0	25.7	3.4%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	4,311.9	4,798.8	4,703.8	4,703.8	-95.0	-2.0%
Miscellaneous	0.0	0.0	0.0	-124.1	-124.1	%
<u>Funding Sources:</u>						
1002 Fed Rcpts	33,150.3	34,159.3	34,859.3	33,550.1	-609.2	-1.8%
1003 G/F Match	1,732.2	1,621.4	1,606.4	521.5	-1,099.9	-67.8%
1004 Gen Fund	5,714.9	5,797.0	5,822.5	5,595.1	-201.9	-3.5%
1005 GF/Prgm	876.4	892.3	972.3	972.3	80.0	9.0%
1007 I/A Rcpts	7,433.3	5,811.2	5,744.2	5,721.1	-90.1	-1.6%
1031 Sec Injury	2,817.7	2,853.0	2,853.0	2,853.0	0.0	0.0%
1032 Dis Fisher	604.4	1,301.0	1,301.0	1,301.0	0.0	0.0%
1049 Trng/Bldg	306.9	572.5	572.5	572.5	0.0	0.0%
1053 Invst Loss	59.4	10.5	-0.0	0.0	-10.5	-100.0%
1054 Empl Trng	3,867.4	4,046.1	4,046.1	4,046.1	0.0	0.0%
1061 CIP Rcpts		93.1	87.7	87.7	-5.4	-5.8%
1108 Stat Desig	117.8	351.1	351.1	351.1	0.0	0.0%
<u>Positions:</u>						
Perm Full Time	567.0	564.0	561.0	524.0	-40.0	-7.1%
Perm Part Time	103.0	111.0	96.0	96.0	-15.0	-13.5%
Non-Perm	0.0	0.0	2.0	2.0	2.0	%

**House Finance Subcommittee
Department of Labor
Recommendations for FY 00 Budget**

Representative Alan Austerman, Subcommittee Chair

The following describes subcommittee recommendations from the budget closeout hearing, March 29, 1999. The base has been adjusted to incorporate changes from HB 100 (FY99 Supplemental), along with the austerity measures offered for FY99 by the Governor. These cuts have been applied in the FY00 subcommittee recommendation column on the attached spreadsheet. Components not mentioned below are funded at the Governor's FY00 request.

Office of the Commissioner Component changes: reduced for FY00 austerity reductions equal to FY 99 \$-124.1. FY99 belt-tightening reductions ordered by the Governor were taken from various components and accounts. The subcommittee acknowledged that the department was in the best position to assign the FY00 austerity decrements based on current priorities.

Deleted Special Assistant to the Commissioner PCN: 07-1003. This position is vacant following the promotion of the former Special Assistant to the Deputy Commissioner position. Total general fund decrement was \$-103.3.

Labor Standards and Safety Division, Occupational Safety and Health Component deleted. An amendment was passed to restore a grant received by the component referred to as 7(c)(1), which is a 90% federal/10% state match. The grant program provides consultation services, including training and education, relating to occupational safety and health, to private sector employers. Assistance is provided in identifying any safety and health hazards in workplaces, and establishing or improving workplace safety and health programs. Total general funds for this component were reduced by \$-1,084.9. Federal funds to component were reduced by \$-1,309.2. "Other" funds were deleted \$-23.1.

Mechanical Inspection Component. The Fairbanks Boiler Inspector position increment was added to the base. Funding is general fund program receipts \$80.0.

FY00 Department of Labor Subcommittee Recommendations

(\$000)

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	57,508.5	55,571.5	8,321.2	7,088.9	15,028.0	14,932.5	34,159.3	33,550.1
		FY99 Supplemental	-124.1		-124.1		0.0		0.0	
		FY99 Base	57,384.4		8,197.1		15,028.0		34,159.3	
		FY00-FY99		-1,812.9		-1,108.2		-95.5		-608.2
		% Change		-3.16%		-13.52%		-0.64%		-1.78%
Labor	Employment Security	Employment Services	9,908.6	11,009.2	0.0	0.0	515.9	1,438.4	9,390.7	9,570.8
Labor	Employment Security	Unemployment Insurance	17,765.1	16,881.1	0.0	0.0	915.8	343.3	16,849.3	16,537.8
Labor	Employment Security	Alaska Work Programs	1,873.4	0.0	130.9	0.0	1,742.5	0.0	0.0	0.0
Labor	Employment Security	Work Services	0.0	1,720.1	0.0	130.9	0.0	1,589.2	0.0	0.0
Labor	Employment Security	State Training Employment Program	4,046.1	4,046.1	0.0	0.0	4,046.1	4,046.1	0.0	0.0
Labor	Administrative Services	Management Services	2,223.0	2,330.1	288.2	273.2	123.3	172.7	1,811.5	1,884.2
Labor	Administrative Services	Labor Market Information	3,359.6	2,974.1	561.9	501.9	1,546.2	1,160.7	1,251.5	1,251.5
Labor	Data Processing	Data Processing	4,587.5	5,298.8	0.0	0.0	1,508.4	1,540.1	3,079.1	3,758.7
Labor	Office of the Commissioner	Commissioner's Office	476.5	343.2	471.5	259.1	5.0	5.0	0.0	79.1
Labor	Office of the Commissioner	Alaska Labor Relations Agency	324.2	324.2	324.2	324.2	0.0	0.0	0.0	0.0
Labor	Workers' Compensation	Workers' Compensation	5,362.2	2,534.7	2,489.7	2,489.7	2,872.5	45.0	0.0	0.0
Labor	Workers' Compensation	Second Injury Fund	0.0	2,858.9	0.0	0.0	0.0	2,858.9	0.0	0.0
Labor	Fishermens Fund	Fishermens Fund	1,301.0	1,301.0	0.0	0.0	1,301.0	1,301.0	0.0	0.0
Labor	Labor Standards and Safety	Wage and Hour Administration	1,409.1	1,409.1	1,387.5	1,387.5	21.6	21.6	0.0	0.0
Labor	Labor Standards and Safety	Mechanical Inspection	1,836.1	1,920.0	1,429.5	1,509.5	406.6	410.5	0.0	0.0
Labor	Labor Standards and Safety	Occupational Safety and Health	2,931.4	514.2	1,131.1	46.2	23.1	0.0	1,777.2	468.0
Labor	Labor Standards and Safety	Alaska Safety Advisory Council	106.7	106.7	106.7	106.7	0.0	0.0	0.0	0.0

Department of Labor
Impact Statements in Response to
House Finance Subcommittee Budget Proposals

Date: 4/2/99

Prepared by: Remond Henderson, Director

Program Area:	Dollar Amount(s):	Fund Source(s):
Commissioner's Office	(103.3)	GF

Impact Analysis:

This reduction deletes not only the budgeted funding of 93.5 for the Special Assistant to the Commissioner position but also removes an additional 9.8 as "savings" from appointing the former Special Assistant to the Deputy Commissioner position at a lower than budgeted salary step. This extra reduction will make absorbing the component's vacancy factor and future step increases even more difficult. Aside from changes in administration the Commissioner's Office historically experiences very little vacancy and most years there is none.

The reduction would eliminate one of only three management positions in the Commissioner's Office for the Department of Labor. This will seriously degrade the Office's ability to oversee and support the department's programs. It will also impact the ability to respond to public and legislative information requests.

With the transfer of the primary legislative liaison responsibilities to the Deputy Commissioner, this position was to assume responsibility for development of legislation and regulations, special projects for the Commissioner and the Governor, representing the Department of Labor on the Salmon Cabinet and other policy cabinets, back-up legislative liaison duties, and handling constituent inquiries and complaints.

Program Area:	Dollar Amount(s):	Fund Source(s):
Wage and Hour	(44.8)	GF

Impact Analysis:

This reduction responds to the Subcommittee's reduction of 124.1 that was originally part of the FY 99 one-time belt tightening reduction. This cut will result in the elimination of the Fairbanks Wage & Hour Technician. The loss of this position will require the agency to abandon timely auditing of all certified payrolls. Currently, the technician routinely audits certified payrolls as the information is received. With reduced staffing, payrolls will be filed immediately (with no auditing) and the filing will have to be performed by the remaining staff (investigators and one clerk). Only in cases where complaints are received, or where investigations have been opened, will audits of certified payrolls be performed. These audits will now have to be performed by the investigator for the Title 36 program.

The investigator responsible for the Title 36 program is already backlogged with his investigations. Having to perform the audits of certified payrolls will increase his case backlog by 50% to 75%. Presently he can turn his audits over to a technician while he performs his various investigative functions, both routine and specific. Having to perform his own audits will not only extend the time required to complete investigations, it will reduce the time available for on-site inspections.

The overall impact will result in reduced effectiveness of the enforcement program by fewer investigations being conducted and increased time for each investigation to be concluded. This in turn can result in a delayed collection process for overdue wages owed employees.

Program Area:	Dollar Amount(s):	Fund Source(s):
Mechanical Inspection	(79.3)	GF

Impact Analysis:

This reduction responds to the Subcommittee's reduction of 124.1 that was originally part of the FY 99 one-time belt tightening reduction. This reduction will result in the elimination of the Kenai Electrical Inspector and some associated costs. Loss of this position will require the two remaining inspectors to cover the inspection areas currently assigned to the Kenai inspector. This position performed 410 inspections in FY 98 on the Kenai Peninsula, in Western Alaska and the chain. The Wasilla inspector is extremely busy with the valley, performing 670 inspections in FY 98 while the Juneau inspector performed 352 in all of Southeast Alaska. It is expected that the Juneau position would have to absorb the lion's share of the Kenai inspections, traveling to the peninsula, the chain and some of the west coast.

It would be physically impossible for two inspectors to be able to produce the same amount of inspections now performed by three. The annual goal for each inspector is 400. This goal has been met, or nearly so by the Kenai and Juneau inspectors and far exceeded by the Wasilla inspector. In all likelihood, the Wasilla inspector will continue to cover the valley and will travel to some other areas, while the other inspector performs most of the inspections in outlying areas.

The overall inspection output will be reduced by an estimated 350 inspections or approximately 25% of the FY 98 production level. The impact to the public will be a greater number of electrical installations in new construction and repairs across Alaska that are not code-compliant resulting in hazardous and unsafe conditions.

Program Area:	Dollar Amount(s):	Fund Source(s):
Occupational Safety & Health	(1,309.2)	Federal
	(1,084.9)	GFM
	(23.1)	I/A

Impact Analysis:

The proposed budget cut to the Alaska Occupational Safety and Health Program (AKOSH) eliminates the State Plan program (23(g) Grant) for ensuring protection of Alaska workers and receipt of federal grant monies from EPA to provide oversight on asbestos work sites.

Elimination of federal and general fund match for the (23(g)Grant) program will mean that Alaska will no longer enforce occupational and health standards in the work place, private or public. Without enforcement, situations may exist that put workers at risk of injury , such as the recent incident at the Alaska Office Building where employees were transported to the hospital due to air quality. The OSH staff performed analysis sampling to determine the cause, risk and plan for remediation before employees could return to the building. Failure to continue to provide a state funded public sector consultation and enforcement program would result in 56,000 state and local government workers and their employers having no protection or assistance. (It is possible, but not certain, that a 50% match program for public sector enforcement and consultation could be arranged with federal OSHA.)

Safety standards that are unique to Alaska will not be operative under federal enforcement, e.g. helicopter logging, petroleum processing, night blasting and confined spaces. In addition, enforcement of state asbestos worker certification will be lost.

The elimination of all funding by July 1, 1999 does not allow for sufficient closure in the transitioning period. The abruptness of the federal program takeover will create confusion for employees and employers throughout the private sector. The only other case of a state returning a program to OSHA was the State of California in 1987, and lack of a coherent transition was largely responsible for a voter's initiative that restored the state program one year later.

The House Subcommittee restoration of funding for Private Consultation and Training will fund approximately four safety or industrial health consultants, but the overall effect of the remaining cut to the 23(g) program will reduce state-wide consultation and training services by half. (Under the federal grant agreement we cannot collect fees for this to make it self-supporting.)

The appeal process for employers would change drastically since the federal process differs from Alaska. Currently, our Review Board comprised of a representative from industry, labor and the public hears initial appeals. Federal OSHA uses an Administrative Law Judge for the initial appeal process, and if it is denied at that level, it is then forwarded to a Federal OSHA Review Board. For an employer or employee this process may require out-of state travel, long distance phone and fax costs and other related costs.

Receipts from citation fines of approximately \$280.0 per year are currently deposited into the general fund, but would no longer be available due to the loss of public sector enforcement and the return of private sector enforcement to Federal OSHA.

There are 31 positions associated with the 23(g) program funding. Program staff includes enforcement officers, consultation and training staff, review and non-discrimination, administrative, clerical, and information system support positions. Positions are located in Anchorage, Fairbanks, Juneau, Kenai, and Ketchikan. Four of the 31 positions are Director's Office staff.

Of the four Director's Office staff, the primary management position affected by this reduction is the Division Director. The AKOSH program currently funds salary costs of \$62.0 plus associated costs. These costs will be borne by the other programs in the Division since the position is an integral part of on-going operations. Loss of funding will also impact the other three Director's Office positions (Administrative Manager, Administrative Assistant, and Secretary. These positions assist the Director in the on-going operations of the division by providing oversight and support in matters pertaining to budget, financial management, legislation, personnel, purchasing, regulations, public inquiries, etc.

Interagency Receipts for this component, which were also eliminated, are for administrative oversight by the Administrative Manager of Wage and Hour, and

Mechanical Inspection; administrative oversight by AKOSH staff to the Alaska Safety Advisory Council; program work on asbestos; and participation in the State Emergency Response Commission (SERC).

LAW

LAW #1

AMENDMENT

ADD

Department of Law

BRU: Civil Division

Component:

Human Services

\$100.0 General Fund

adopted

DELETE

Department of Law

BRU: Civil Division

Component:

Environmental Law

(\$100.0) General Fund Program Receipts

Agency Totals - FY00 Operating Budget

Agency: Department of Law

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	50,149.3	43,780.4	45,051.3	43,710.6	-69.8	-0.2%
<u>Objects of Expenditure:</u>						
Personal Services	30,063.2	30,576.2	31,437.1	30,838.4	262.2	0.9%
Travel	1,129.5	1,181.7	1,122.3	1,110.1	-71.6	-6.1%
Contractual	15,264.3	11,338.5	11,822.2	11,261.7	-76.8	-0.7%
Commodities	477.2	635.5	638.0	628.4	-7.1	-1.1%
Equipment	282.5	48.5	31.7	0.0	-48.5	-100.0%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	2,932.6	0.0	0.0	0.0	0.0	%
Miscellaneous	0.0	-0.0	-0.0	-128.0	-128.0	%
<u>Funding Sources:</u>						
1002 Fed Rcpts	271.6	476.1	476.1	476.1	0.0	0.0%
1003 G/F Match	90.4	157.3	157.3	157.3	0.0	0.0%
1004 Gen Fund	30,588.4	26,716.7	26,831.7	25,129.2	-1,587.5	-5.9%
1005 GF/Prgm	438.3	568.3	568.3	568.3	0.0	0.0%
1007 I/A Rcpts	16,357.9	14,684.8	15,293.5	15,248.5	563.7	3.8%
1024 Fish/Game	103.7	125.8	125.8	125.8	0.0	0.0%
1037 GF/MH	62.8	63.0	63.0	63.0	0.0	0.0%
1044 Debt Ret	216.5				0.0	%
1053 Invst Loss	167.9	29.5	0.0	0.0	-29.5	-100.0%
1055 IA/OIL HAZ	437.5	465.4	465.4	465.4	0.0	0.0%
1103 AHFC Rcpts	320.8				0.0	%
1105 PFund Rcpt	493.5	493.5	493.5	1,477.0	983.5	199.3%
1119 Tobac Sell			576.7	0.0	0.0	%
<u>Positions:</u>						
Perm Full Time	427.0	443.0	451.0	446.0	3.0	0.7%
Perm Part Time	11.0	14.0	14.0	11.0	-3.0	-21.4%
Non-Perm	0.0	0.0	0.0	0.0	0.0	%

**House Finance Subcommittee
Department of Law
Recommendations for FY 00 Budget**

Representative Vic Kohring, Chairman

This narrative describes the effect of the budget numbers proposed for the Department of Law on the attached spreadsheet. The subcommittee work is based from the FY 99 authorized budget.

The subcommittee recommended a total budget of \$42,727,100 including \$25,917,500 in General Funds. Total funding for the department decreased by \$1.05 million and the General Fund budget declined by \$1.617 million compared to the authorized FY 99 budget.

The Criminal Division budget decreased slightly, consisting of miscellaneous adjustments made internally by the Department and a reduction in equipment expenses. This division will not be impacted.

The Civil Division's General Funds decreased by \$20,700. The division's overall budget increased from various other fund sources, primarily from other departments. (This division provides legal services to all state agencies.) Legal staff hired during 1999 to address child protection issues received additional funding for FY 00.

Statehood Defense was decreased by \$25,000, only a 2.5% reduction. The FY 00 budget ensures that State rights issues, such as fishing rights in Glacier Bay, will be addressed.

With the winding down of many years of legal battles with oil companies over payments due to the State, the subcommittee significantly reduced the Oil & Gas Litigation & Legal Services budget. \$1.46 million was reduced in the General Fund budget. The subcommittee acted on the concerns raised by the recent announcement of the BP-ARCO merger by placing over \$900,000 from other fund sources into this budget. This funding will be needed if State action is taken addressing the merger.

FY00 House Finance Department of Law Subcommittee Recommendations

(\$000)

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	43,780.4	43,710.6	27,534.8	25,917.8	15,769.5	17,316.7	476.1	476.1
		FY99 Supplemental	-617.0	Suppl distrib below	-617.0	Suppl distrib below	0.0		0.0	
		FY99 Base	43,163.4		26,917.8		15,769.5		476.1	
		FY00-FY99		547.2		-1,000.0		1,547.2		0.0
		% Change		1.27%		-3.72%		9.81%		0.00%
Law	Criminal Division	First Judicial District	1,167.7	1,180.6	1,167.7	1,180.6	0.0	0.0	0.0	0.0
Law	Criminal Division	Second Judicial District	822.5	818.4	822.5	818.4	0.0	0.0	0.0	0.0
Law	Criminal Division	Third Judicial District; Anch	3,492.5	3,440.4	3,104.9	3,052.8	387.6	387.6	0.0	0.0
Law	Criminal Division	Third Judicial District; Outsi	2,119.1	2,138.0	2,119.1	2,138.0	0.0	0.0	0.0	0.0
Law	Criminal Division	Fourth Judicial District	2,715.6	2,683.9	2,715.6	2,683.9	0.0	0.0	0.0	0.0
Law	Criminal Division	Criminal Justice Litigation	1,407.0	1,368.2	1,241.1	1,202.3	165.9	165.9	0.0	0.0
Law	Criminal Division	Criminal Appeals/Special Li	2,495.3	2,492.4	1,486.8	1,473.9	532.4	532.4	476.1	476.1
Law	Civil Division	Deputy Attorney General's	202.8	202.8	202.8	202.8	0.0	0.0	0.0	0.0
Law	Civil Division	Collections and Support	1,860.4	1,773.0	338.6	338.6	1,521.8	1,434.4	0.0	0.0
Law	Civil Division	Commercial Section	1,486.9	1,674.8	271.7	271.7	1,215.2	1,403.1	0.0	0.0
Law	Civil Division	Environmental Law	1,383.1	1,354.2	783.9	733.9	599.2	620.3	0.0	0.0
Law	Civil Division	Fair Business Practices	1,092.9	1,236.3	417.7	531.1	675.2	705.2	0.0	0.0
Law	Civil Division	Governmental Affairs Sectio	2,091.8	2,190.7	890.7	890.7	1,201.1	1,300.0	0.0	0.0
Law	Civil Division	Human Services Section	3,049.9	3,138.9	2,532.1	2,527.7	517.8	611.2	0.0	0.0
Law	Civil Division	Legislation/Regulations	495.4	495.4	369.5	369.5	125.9	125.9	0.0	0.0
Law	Civil Division	Mental Health Lands	252.3	236.0	227.3	211.0	25.0	25.0	0.0	0.0
Law	Civil Division	Natural Resources	1,344.6	1,281.2	1,065.9	1,002.4	278.8	278.8	0.0	0.0
Law	Civil Division	Oil and Gas and Mining	3,033.1	2,948.2	0.0	0.0	3,033.1	2,948.2	0.0	0.0
Law	Civil Division	Special Litigation	1,844.3	2,149.0	0.0	0.0	1,844.3	2,149.0	0.0	0.0
Law	Civil Division	Transportation Section	1,895.3	1,895.3	0.0	0.0	1,895.3	1,895.3	0.0	0.0
Law	Civil Division	Timekeeping & Support	719.9	719.9	15.8	15.8	704.1	704.1	0.0	0.0
Law	Statehood Defense	Statehood Defense	1,005.0	980.0	1,005.0	980.0	0.0	0.0	0.0	0.0
Law	Oil and Gas Litigation and Leg	Oil & Gas Litigation	5,990.4	5,590.4	5,496.9	4,113.4	493.5	1,477.0	0.0	0.0
Law	Oil and Gas Litigation and Leg	Oil & Gas Legal Services	375.7	295.7	375.7	295.7	0.0	0.0	0.0	0.0
Law	Administration and Support	Office of the Attorney Gene	334.2	334.2	334.2	334.2	0.0	0.0	0.0	0.0
Law	Administration and Support	Administrative Services	1,102.7	1,102.7	549.4	549.4	553.3	553.3	0.0	0.0

Department of Law
Impact Statements in Response to
House Finance Subcommittee Budget Proposals

Date: March 31, 1999

Prepared by: Kathryn Daughhete

Program Area:	Dollar Amount(s):	Fund Source(s):
Criminal Division Criminal Justice Litigation	(\$82.2)	GF

Impact Analysis:

This reduction carries the FY 1999 austerity measures in this component into the FY 2000 budget. There is significant uncertainty as to whether the department will be able to sustain this reduction beyond FY 1999. The FY 1999 reduction was made possible only through an abnormally high level of attrition. If similar levels of attrition in budgeted attorney positions are not experienced overall in FY 2000, the department would need to hold one additional attorney position vacant in order to operate within budget constraints. Should this additional vacancy be required, a total of five prosecutor positions would not be filled. Although Anchorage has seen the largest rise in felony cases over the last several years, the Anchorage office would absorb the additional vacancy because it has the greatest number of positions. This vacancy probably would be sustained by the felony property unit, which means fewer prosecutions for burglary, theft, and malicious destruction of property.

Program Area:	Dollar Amount(s):	Fund Source(s):
Criminal Division Third Judicial District	(\$95.7)	Tobacco Settlement Revenue

Impact Analysis:

This reduction denies the Child Protection increment the department requested. This increment would have funded a paralegal position to work more closely with victims of child sexual and physical abuse and their families. Without this position, the Anchorage District Attorney's office will be unable to respond adequately to the increase in such

cases resulting from more social workers and a renewed emphasis on crimes against children under the Smart Start program.

Program Area:	Dollar Amount(s):	Fund Source(s):
Civil Division Fair Business Practices	(\$190.0)	Tobacco Settlement Revenue

Impact Analysis:

This reduction denies the increment requested in order to increase the level of consumer protection and antitrust services the department provides. The increment would have allowed the department to add an additional attorney, half-time paraprofessional, and half-time secretary. Alaska is a target state for many types of consumer fraud. Many Alaskans are cheated by telemarketing operations and other "scam artists" who attempt to sell deceptive home business opportunities, promote fraudulent sweepstakes and prize giveaways, engage in unfair or deceptive advertising and market a variety of bogus retail products and services. This reduction would force the Department of Law to continue to decline many legitimate cases of consumer fraud and to limit investigation to situations most substantially affecting the public interest. Even with such limitations imposed, there are not enough resources for all situations involving a large number of consumers or large dollar amounts.

Using existing resources the department has developed a self-help consumer information packet and established a database to track consumer complaints. The packet includes a form for individuals to file a complaint with the Attorney General's Office. Additionally, the state also relies on the Better Business Bureau to help protect consumer interests. Without adequate resources to pursue leads, investigate complaints, and bring enforcement actions, however, information from the BBB will not lead to better protection for Alaska's consumers.

Program Area:	Dollar Amount(s):	Fund Source(s):
Civil Division Human Services	(\$118.9)	GF

Impact Analysis:

This reduction denies the Child Protection increment that would have completed funding for positions added and partially funded in FY 1999. The Civil Division's Human Services section represents the Division of Family and Youth Services (DFYS) in all

cases where the division seeks legal or temporary custody of a child or termination of parental rights. Legal intervention to remove a child to a safe location can be a temporary measure until the family situation improves, or a permanent measure when all efforts to improve the home situation have failed and the child's best interests warrant it.

In FY 1999, three new full-time attorneys and one full-time paraprofessional were authorized to respond to child protection caseload increases generated by policy, legal, and budgetary changes. The FY 1999 funding request intended for the staff additions to be staggered, in conjunction with DFYS plans for hiring social workers, with full funding to be requested in FY 2000. The Department of Law requested \$134.0 to annualize the funding.

At the recommended House subcommittee level, one full-time attorney position in Fairbanks will be funded to handle only a half-time child protection caseload. In addition, the department's efforts to manage an overwhelming child protection caseload in Bethel, Anchorage, Kenai, Palmer, and Dillingham will be seriously impaired by the funding shortfall.

Caseloads have increased more than anticipated. Changes in state and federal laws have accelerated the schedule of child protection cases to more quickly achieve permanency in the lives of the affected children. The department is working on a backlog of cases with the new deadlines, and new cases arrive daily. The new deadlines also require the attorneys to spend more time in court, at the expense of other necessary casework.

Attorneys simply cannot manage these caseloads without trial postponements and other delays. This crisis control management is not good for the children, and is not permitted under the new state and federal law.

Without this funding, the department will have an extraordinarily difficult time attempting to comply with deadlines in termination cases. Although it was the wish of House subcommittee to fund this increment, such funding would only have been made possible through an offsetting reduction to some other area of the department's existing funds. The department is unable to increase efforts in this critical area at the expense of other work we are currently required to do as a matter of statute, public interest, or public safety.

Program Area:	Dollar Amount(s):	Fund Source(s):
Civil Division Human Services	(\$291.0)	Tobacco Settlement Revenue
Impact Analysis:		

This reduction denies the increase in child protection legal services requested as part of the Governor's Smart Start initiative. The department requested \$291.0 for two attorney positions for child protection legal services. This request was in response to steadily increasing caseloads and recent changes in the law that shorten child protection deadlines and thus intensify the attorneys' duties.

Five additional attorney positions and one paraprofessional position requested in FY 1999 were not funded. Because of the staggered hiring of DFYS social workers funded in FY 1999, and the relatively recent effective date of the new state child protection law, the department did not request the full increment again in FY 2000. The department decided instead to reassess the effect of the law in a few months. However, events in the past year have underscored the need for some additional child protection legal services.

Staff attorneys are being exhausted by large, intense caseloads maintained over an extended period of time. Anchorage Human Services has seen a high turnover rate attributable to this "burn out". Since October 1998, four experienced trial attorneys have left the section, and two newly hired attorneys quit - one within two months of starting. While no attorneys in the other offices have left the section, complaints about their heavy caseloads and trial schedules are common.

Legal caseloads will continue to increase. In October 1997, DFYS projected that legal intervention would be necessary in 7.5 percent of the reports of harm assigned for investigation during FY 1999. Actual data for FY 1998 was well above that estimate - 10.6 percent, before any new social workers were funded and hired. New projections estimate an 11 percent rate for FY 1999, for a total of 313 more children requiring legal services than in FY 1997. Anchorage Human Services alone has had 128 more new cases filed in the first eight months of the fiscal year - many involving more than one child - than during the same period in FY 1997.

As stated in the impact statement on the Annualization increment, attorneys simply cannot handle caseloads this high. The result will be more burn out, and/or delays in meeting scheduled deadlines in older cases. Without this funding, the Department of Law will be another bottleneck in the child protection system.

Program Area:	Dollar Amount(s):	Fund Source(s):
Oil & Gas Litigation	(480.0)	GF

Impact Analysis:

The Department of Law recognizes the need to reduce state expenditures. Since FY 1994, the Oil and Gas Litigation appropriation has been reduced from over \$31 million to \$6 million. This reduction has been accomplished in part by concluding a huge backlog of major tax and royalty cases. Further reduction is due to the development of in-house expertise, allowing the department to move prosecution of the smaller tax, royalty, and tariff cases away from expensive outside counsel to in-house legal staff in most cases. This transition has been a long-term goal, and the department is close to achieving it. However, some outside counsel and, to a greater extent, expert witnesses will continue to be necessary.

The House Finance Subcommittee's proposed net \$480.0 reduction to the FY 2000 Oil and Gas Litigation budget will speed up this transition. It will preclude the planned use of outside counsel with years of experience with the issues the state is facing in certain selected cases. Recent changes in the scope of anticipated litigation appear to allow this. The department believes it can sustain this level of reduction with its current anticipated caseload. However, the department has yet to assess the impact of the ARCO/BP merger and may require substantial resources to evaluate it. This effort may change our projected budget needs.

Program Area:	Dollar Amount(s):	Fund Source(s):
Statehood Defense	(\$25.0)	GF

Impact Analysis:

This reduction carries the austerity measures made by the department in FY 1999 into the FY 2000 budget. Statehood Defense will not be able to sustain this reduction and maintain the current level of services it provides. Moreover, in FY 2000, it is anticipated that Statehood Defense will have a substantial increase in caseload demands on its limited resources. Foremost among the demands is the attorney time required to sustain and support the Glacier Bay/Tongass Submerged Lands Quiet Title lawsuit. It is anticipated that the Glacier Bay/Tongass litigation will require the full time work of two attorneys and one paralegal for the state to research and construct its litigation claims thoughtfully and strategically. In addition, *Alaska v. United States* (RS 2477 Harrison Creek/ Portage Creek Trail) is likely to go to trial in FY 2000. This case would ensure continued access to one of Alaska's historic mining districts. The trial will require at a minimum the full time work of one and a half attorneys. With these increased demands for its legal services, sustaining this reduction will mean that Statehood Defense will not be able to maintain its current caseload responsibilities in areas such as navigability, other RS 2477 cases, the Pacific Salmon Treaty, Indian law issues, potential defense in Endangered Species Act cases, and ANILCA/ANCSA land entitlement issues.

LEGIS.

Agency Totals - FY00 Operating Budget

Agency: Legislature

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	30,986.5	32,018.6	32,018.6	31,626.3	-392.3	-1.2%
<u>Obiects of Expenditure:</u>						
Personal Services	22,502.8	22,976.6	22,976.6	23,285.7	309.1	1.3%
Travel	2,495.2	2,419.1	2,419.1	2,430.4	11.3	0.5%
Contractual	4,879.2	5,631.8	5,631.8	4,898.8	-733.0	-13.0%
Commodities	531.7	678.2	678.2	642.3	-35.9	-5.3%
Equipment	577.6	312.9	312.9	369.1	56.2	18.0%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	0.0	0.0	0.0	0.0	0.0	%
Miscellaneous	0.0	-0.0	-0.0	-0.0	-0.0	%
<u>Funding Sources:</u>						
1004 Gen Fund	30,694.7	31,680.9	31,814.0	31,437.3	-243.6	-0.8%
1005 GF/Prgm	134.2	126.3	126.3	124.0	-2.3	-1.8%
1007 I/A Rcpts	99.7	78.3	78.3	65.0	-13.3	-17.0%
1053 Invst Loss	57.9	133.1	-0.0	-0.0	-133.1	-100.0%
<u>Positions:</u>						
Perm Full Time	217.0	218.0	218.0	219.0	1.0	0.5%
Perm Part Time	270.0	271.0	271.0	274.0	3.0	1.1%
Non-Perm	0.0	0.0	0.0	0.0	0.0	%

**House Finance Subcommittee on
the Legislature
Recommendations for FY 00 Budget**

Representative Eldon Mulder, Subcommittee Chair

This narrative describes the effect of the budget numbers proposed for the Legislature on the attached spreadsheet.

The subcommittee limited all components to FY 99 levels. In addition, it accepted the Legislative Council's recommendation for reductions in the amount of 371.2.

The proposed budget represents approximately 1.2% reduction from the FY 99 budget.

March 31, 1999

FY00 House Finance Legislature Subcommittee Recommendations

(5000)

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	32,018.8	31,626.1	31,940.3	31,661.1	78.3	55.0	0.0	0.0
		FY99 Supplemental	0.0		0.0		0.0		0.0	
		FY99 Base	32,018.8		31,940.3		78.3		0.0	
		FY00-FY99		-392.7		-379.2		-13.3		0.0
		% Change		-1.23%		-1.18%		-16.99%		#DIV/0!
Legislature	Budget and Audit Committee	Legislative Audit	2,602.0	2,602.0	2,602.0	2,602.0	0.0	0.0	0.0	0.0
Legislature	Budget and Audit Committee	Legislative Finance	2,959.1	2,959.1	2,959.1	2,959.1	0.0	0.0	0.0	0.0
Legislature	Budget and Audit Committee	Ombudsman	503.2	491.8	503.2	491.8	0.0	0.0	0.0	0.0
Legislature	Budget and Audit Committee	Committee Expenses	143.2	143.2	143.2	143.2	0.0	0.0	0.0	0.0
Legislature	Legislative Council	Salaries and Allowances	4,162.1	4,162.1	4,162.1	4,162.1	0.0	0.0	0.0	0.0
Legislature	Legislative Council	Administrative Services	6,890.1	6,732.8	6,845.1	6,697.8	45.0	35.0	0.0	0.0
Legislature	Legislative Council	Session Expenses	5,947.0	5,947.0	5,913.7	5,917.0	33.3	30.0	0.0	0.0
Legislature	Legislative Council	Council and Subcommittees	709.3	574.2	709.3	574.2	0.0	0.0	0.0	0.0
Legislature	Legislative Council	Legal and Research Services	2,239.3	2,150.8	2,239.3	2,150.8	0.0	0.0	0.0	0.0
Legislature	Legislative Council	Select Committee on Ethics	143.2	143.0	143.2	143.0	0.0	0.0	0.0	0.0
Legislature	Legislative Operating Budget	Legislative Operating Budget	5,720.1	5,720.1	5,720.1	5,720.1	0.0	0.0	0.0	0.0
		March 30, 1999 5:00PM								

DMVA # 1

House Finance

w/D

Department of Military and Veterans Affairs

Disaster Planning and Control

DELETE \$630.2 interagency receipts

ADD \$630.2 general fund

Restores funding that was formerly obtained through Interagency receipt from the Disaster Relief Fund, which has no money,

Agency Totals - FY00 Operating Budget

Agency: Department of Military and Veterans Affairs

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	34,746.7	36,373.7	34,742.4	34,616.7	-1,757.0	-4.8%
<u>Objects of Expenditure:</u>						
Personal Services	11,446.1	11,570.9	12,206.7	12,206.7	635.8	5.5%
Travel	642.6	492.9	549.3	549.3	56.4	11.4%
Contractual	7,379.2	11,490.5	10,217.4	10,217.4	-1,273.1	-11.1%
Commodities	966.4	1,328.8	1,366.4	1,366.4	37.6	2.8%
Equipment	513.3	228.2	229.7	229.7	1.5	0.7%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	13,799.1	2,262.4	1,172.9	1,172.9	-1,089.5	-48.2%
Miscellaneous	0.0	9,000.0	9,000.0	8,874.3	-125.7	-1.4%
<u>Funding Sources:</u>						
1002 Fed Rcpts	21,623.0	25,139.7	23,406.2	23,406.2	-1,733.5	-6.9%
1003 G/F Match	2,238.1	2,130.5	2,130.5	2,130.5	0.0	0.0%
1004 Gen Fund	7,731.8	5,845.8	5,850.7	5,725.0	-120.8	-2.1%
1005 GF/Prgm	19.6	28.4	28.4	28.4	0.0	0.0%
1007 I/A Rcpts	1,488.4	1,774.7	1,863.9	1,863.9	89.2	5.0%
1036 Cm Fish Ln	125.0				0.0	%
1053 Invst Loss		4.9	0.0	0.0	-4.9	-100.0%
1055 IA/OIL HAZ	1,013.3	1,121.2	1,134.2	1,134.2	13.0	1.2%
1061 CIP Rcpts	503.6	313.5	313.5	313.5	0.0	0.0%
1108 Stat Desig	3.9	15.0	15.0	15.0	0.0	0.0%
<u>Positions:</u>						
Perm Full Time	203.0	210.0	219.0	219.0	9.0	4.3%
Perm Part Time	1.0	1.0	3.0	3.0	2.0	200.0%
Non-Perm	17.0	17.0	5.0	5.0	-12.0	-70.6%

House Finance Subcommittee on the Department of Military and Veterans Affairs Recommendations for FY00

Representative Richard Foster, Subcommittee Chair

This narrative describes the effect of the budget numbers proposed for the Department of Military and Veterans Affairs on the attached spreadsheet.

The Subcommittee work is based on growth from the FY 99 authorized budget, adjusted to include changes to the base from the Supplemental Appropriation passed in March 1999.

The Department of Military and Veterans Affairs is funded at the FY 99 level with a 125.7 decrement that carries forward the Governor's "Belt Tightening" measures for FY 99.

Contracting/Project Management Branch

To provide specified and unspecified minor construction services supporting new construction, maintenance and repair, and to implement energy conservation measures that will enable the Alaska Army National Guard to meet established Department of Defense energy goals.

Operations and Maintenance Branch

To provide maintenance, repair, minor construction and operational services in support of facilities of the Department of Military and Veterans Affairs and other governmental agencies in a cost-effective manner.

Major Construction Branch

To provide major construction services for safe, secure, high quality facilities, training areas and ranges for the Alaska Army National Guard on a cost effective basis which meet or exceed unit mission requirements, environmental compliance standards, energy efficiencies and plan for future major construction and Real Property needs.

Alaska Air National Guard

Global Mission: To provide strategically positioned units in Alaska that are effective and highly trained for rapid global response and joint operations as a part of our nation's total force policy.

Alaska Mission: To provide our communities and state with effective, top quality units and people who protect life and property, preserve peace and order, enhance public safety and participate in programs that add value to America.

Alaska Army National Guard

Global Mission: To organize, man, equip and train units as a part of our nation's total force policy that are capable of rapid response from Alaska's strategic location to conduct tactical, stability, and joint operations in support of worldwide U.S. military missions.

Alaska Mission: To organize, man, equip and train quality units capable of rapid air and land response for State emergency missions.

Alaska National Guard Youth Corps

To use proven United States Military methodology and techniques to motivate 16 to 18 year old "at risk" youth to become productive and successful citizens (AS 44.35.020(b)).

FY00 Subcommittee Recommendations
House Finance Subcommittee on Military and Veterans Affairs

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	36,373.7	36,248.0	6,009.6	7,883.9	3,224.4	3,224.4	25,139.7	25,139.7
		FY99 Supplemental	-125.7		-125.7		0.0		0.0	
		FY99 Base	36,248.0		7,883.9		3,224.4		25,139.7	
		FY00-FY99		0.0		0.0		0.0		0.0
		% Change		0.00%		0.00%		0.00%		0.00%
Military & V	Disaster Planning & Control	Disaster Planning & Control	3,454.0	3,454.0	489.3	489.3	1,453.3	1,453.3	1,511.4	1,511.4
Military & V	Disaster Planning & Control	Local Emergency Planning Commil	534.4	534.4	0.0	0.0	534.4	534.4	0.0	0.0
Military & V	Alaska National Guard	Office of the Commissioner	1,534.0	1,408.3	1,164.7	1,039.0	102.6	102.6	266.7	266.7
Military & V	Alaska National Guard	National Guard Military Headquar	196.4	196.4	196.2	196.2	0.0	0.0	0.2	0.2
Military & V	Alaska National Guard	Army Guard Facilities Maintenance	11,734.2	11,734.2	2,374.8	2,374.8	1,019.1	1,019.1	8,340.3	8,340.3
Military & V	Alaska National Guard	Air Guard Facilities Maintenance	4,665.7	4,665.7	830.6	830.6	0.0	0.0	3,835.1	3,835.1
Military & V	Alaska National Guard	State Active Duty	115.0	115.0	0.0	0.0	115.0	115.0	0.0	0.0
Military & V	Alaska National Guard	Youth Corps	3,467.0	3,467.0	1,281.0	1,281.0	0.0	0.0	2,186.0	2,186.0
Military & V	Alaska National Guard Benefits	Educational Benefits	28.5	28.5	28.5	28.5	0.0	0.0	0.0	0.0
Military & V	Alaska National Guard Benefits	Retirement Benefits	1,104.5	1,104.5	1,104.5	1,104.5	0.0	0.0	0.0	0.0
Military & V	Veterans' Affairs	Veterans' Services	540.0	540.0	540.0	540.0	0.0	0.0	0.0	0.0
Military & V	Front Section Appropriation	Disaster Relief Fund	9,000.0	9,000.0	0.0	0.0	0.0	0.0	9,000.0	9,000.0

Department of Military and Veterans Affairs
Impact Statements in Response to
House Finance Subcommittee Budget Proposals

Date: April 2, 1999

Prepared by: Phillip Oates, Commissioner

Program Area:	Dollar Amount(s):	Fund Source(s):
Commissioner's Office	(\$125.7)	GF

Impact Analysis:

Unallocated budget reduction applied to the Commissioner's Office by the House Finance Budget Subcommittee. No direction was given on program areas to reduce.

The Commissioner's Office in the Department of Military and Veterans' Affairs includes the Division of Administrative Services and has a general fund budget of \$798.7 and a general fund match amount of \$285.5. The general fund match amount is applicable to the Division of Administrative Services. A reduction of \$125.7 in the general fund portion of the Commissioner's Office represents a 16% reduction.

The reduction would require the elimination of three positions in the Commissioner's office leaving the Commissioner/Adjutant General without either secretarial, telecommunications, mail processing for headquarters, or special project support. The Adjutant General is responsible for a state mission and a federal military mission. The staff in the commissioner's office respond to work related to both the federal and state side. There are over 4000 employees with a multitude of issues. The commissioner is also the point of contact for state officials with the Active Military, coordinating issues of joint concern. With the many changes that may be coming to Alaska in the future (National Ballistic Missile program and BRAC deliberations), it would be unwise for the Department to eliminate the staff that support the Commissioner in enabling these many projects to proceed.

The Department believes it is unrealistic to apply the entire reduction to the Commissioner's Office. In order to respond to this reduction, the following services will be reduced.

Reprogram coordination of Veterans Services: Reassign grant responsibilities to the Division of Administrative Services for contract management; support to the Veterans

Advisory Council and individual veterans will be divided among Air and Army Guard and the Deputy Commissioner. There will be no focal point in the Department for veterans seeking assistance from the department or airing of veterans concerns. The Veterans Service Grant is retained (\$80.5).

Air Guard will hold vacant one position for 12 months. This position is a storekeeper and provides inventory control and maintenance. Maintenance projects will be deferred as others pick up the duties of these vacant positions. (\$12.4)

Eliminate remaining maintenance at the Juneau Armory due to planned replacement in next two years. (\$7.0)

Reduce Administrative Services and increase allocation of costs to programs for accounting services. (\$25.8)

NAT. RES.

NAT R A

By Kohring

AMENDMENT 8A

ADD

Department of Natural Resources

BRU: Land Management

Component: Land Management
(Planning)

100.0 GF

Adopted

4/9 eve

DELETE

Department of Natural Resources

BRU: Land Management

Component: Land Management
(Shore Fisheries)

100.0 PR

NAT R B

By Kohring

AMENDMENT 9A

ADD

Department of Natural Resources

BRU: Parks and Recreation Management

Component: State Historic Preservation Program

100.0 GF Match

adopted

4/19 eve

DELETE

Department of Natural Resources

BRU: Land Management

Component: Land Management
(Shore Fisheries)

100.0 PR

NAT R # 1

By Kohring

AMENDMENT

ADD

Department of Natural Resources

BRU: Information/Data Management

accepted
4/19 eve

INTENT:

It is the intent of the legislature for the Recorder's Office to be able to fulfill its statutory responsibilities under AS 40.17.070, including the creation and maintenance of a daily log and index for recorded documents to their owners after recording. If workload impacts the ability of the existing Recorder's Office staff to index documents within 24 hours of recording, then it is the intent of the legislature that the Recorder's Office should hire non-permanent employees to assist with the workload and request supplemental funding for fiscal year '00.

NATR #2

By Kohring

AMENDMENT

ADD

Department of Natural Resources

BRU: Resource Development

Component: Mental Health Trust Lands Administration \$46.4 MHTAAR

Withdrawn

Replacement

HOUSE BILL 50(FIN)

DNR # 3

AMENDMENT NO _____

BY Rep. Richard Foster

Withdrawn

Agency Natural Resources
BRU Information Management
Component Recorders Office/UCC #802

DECREASE:

Personal Services General Fund	\$32.6
Travel	.8
Contractual	7.5
Supplies	1.0

ADD

BRU Nome Recorders Office
Component Recorders Office

Personal Services General Fund	\$32.6
Travel	.8
Contractual	7.5
Supplies	1.0

Replacement NAT R#4

Amendment

Representative John Davies

ADD

Department of Natural Resources

BRU: Mining, Geological and Water Development

Component: Water Development \$135. SDPR

Failed
4191 eve

NAT R # 5

AMENDMENT # _____

OFFERED IN HOUSE FINANCE COMMITTEE

TO CSHB 50(FIN)

Withdrawn

ADD

Department of Natural Resources
Mining, Geological, Water Development
Water Development

135,000 general funds

Restore funding to cover Water Rights Adjudication program.

(Note: Page 34, line 27 and line 31)

NAT R # 6

Amendment

Representative John Davies

ADD

Failed

Department of Natural Resources

4/9 eve

BRU: Information / Data Management

Component: Information Resources Management

\$100 GF

Nat R # 7

w/d

Amendment

Representative John Davies

ADD

Department of Natural Resources

BRU: Information Data Management

Component: Records Office

\$308. GF / PR

NAT R # 8

Amendment

Representative John Davies

ADD

Department of Natural Resources

BRU: Land Development

Component: Land Development

\$600.2 GF

Withdrawn

NAT R # 9

Amendment

Representative John Davies

ADD

Department of Natural Resources

BRU: Parks and Recreation Management

Component: State Historic Preservation Program \$100.GFM

Withdrawn

Agency Totals - FY00 Operating Budget

Agency: Department of Natural Resources

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	86,682.2	64,468.2	67,280.6	65,607.6	1,139.4	1.8%
<u>Objects of Expenditure:</u>						
Personal Services	48,633.4	42,463.5	43,478.3	43,006.0	542.5	1.3%
Travel	1,172.1	1,280.3	1,304.0	1,312.0	31.7	2.5%
Contractual	30,287.5	17,247.9	19,244.5	19,156.6	1,908.7	11.1%
Commodities	4,329.1	2,320.6	2,530.2	2,477.6	157.0	6.8%
Equipment	2,079.7	865.3	698.6	698.6	-166.7	-19.3%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	180.4	290.6	25.0	25.0	-265.6	-91.4%
Miscellaneous	0.0	-0.0	-0.0	-1,068.2	-1,068.2	%
<u>Funding Sources:</u>						
1002 Fed Rcpts	12,380.4	10,693.7	11,429.3	11,429.3	735.6	6.9%
1003 G/F Match	407.0	409.4	409.4	309.4	-100.0	-24.4%
1004 Gen Fund	51,950.8	31,598.3	32,049.8	30,014.5	-1,583.8	-5.0%
1005 GF/Prgm	7,297.5	7,529.3	7,829.3	7,521.3	-8.0	-0.1%
1007 I/A Rcpts	5,349.6	2,314.6	4,174.1	4,165.8	1,851.2	80.0%
1018 EVOSS	1,425.2	2,114.0	2,114.0	2,114.0	0.0	0.0%
1021 Agric Loan	1,477.9	1,785.4	1,785.4	1,785.4	0.0	0.0%
1053 Invst Loss		51.5	0.0	-0.0	-51.5	-100.0%
1055 IA/OIL HAZ	115.7	64.5	82.5	82.5	18.0	27.9%
1061 CIP Rcpts	2,685.1	3,028.9	2,427.6	2,427.6	-501.3	-19.9%
1066 Pub School		432.5	0.0	0.0	-432.5	-100.0%
1092 MHTAAR	661.3	892.1	938.5	892.1	0.0	0.0%
1105 PFun Rcpt				600.0	600.0	%
1108 Stat Desig	2,931.7	3,554.0	4,040.7	4,265.7	711.7	20.0%
<u>Positions:</u>						
Perm Full Time	555.0	556.0	578.0	569.0	13.0	2.3%
Perm Part Time	240.0	247.0	243.0	243.0	-4.0	-1.6%
Non-Perm	815.0	816.0	78.0	78.0	-738.0	-90.4%

**House Finance Subcommittee
Department of Natural Resources
Recommendations for FY 00 Budget**

Rep. Vic Kohring, Chair

This narrative describes the effect of the budget numbers proposed for the Department of Natural Resources on the attached spreadsheet. The subcommittee work is based from the FY 99 authorized budget.

The subcommittee recommended a total budget of \$65,807,700 including \$37,845,200 in General Funds. The General Fund budget declined by \$1.84 million compared to the authorized FY 99 budget. Six budget units were affected:

General Funds in the Information/Data Management unit was reduced by \$33,000. This reduction will not impact existing services.

Forest Management was reduced by \$200,000 in recognition of savings resulting from the pending consolidation of offices and fire fighting facilities into Palmer.

The Land Development component was reduced \$600,000. This line item was reduced due to low land sales revenues compared to the costs of making the sales. The subcommittee also recognized the high costs to the state for infrastructure needs to many of those sold lands.

General Funds for the Oil & Gas Division were reduced \$600,000 and were replaced by other funds. The fund replacement will ensure that certain department activities relating to royalty and oil leases will continue.

The State Historic Preservation program was reduced \$100,000. These funds were transferred into the Water Development unit to ensure that past water rights activities would be continued.

A net of \$135,000 reduced Water Development. This unit provided many free information services to large industries.

The subcommittee also restored funding for the Citizens Advisory Commission on Federal Areas, which the Administration had been cut from the budget.

FY00 House Finance DNR Subcommittee Recommendations

(\$000)

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	64,468.2	65,607.6	39,588.5	37,845.2	14,186.0	16,333.1	10,693.7	11,429.3
		FY99 Supplemental	-443.2		-443.2		0.0		0.0	
		FY99 Base	64,025.0		39,145.3		14,186.0		10,693.7	
		FY00-FY99		1,582.6		-1,300.1		2,147.1		735.6
		% Change		2.47%		-3.32%		15.14%		6.88%
Natural Resource	Management and Administration	Commissioner's Office	507.5	507.5	507.5	507.5	0.0	0.0	0.0	0.0
Natural Resource	Management and Administration	Administrative Services	2,103.8	2,103.8	1,540.2	1,540.2	563.6	563.6	0.0	0.0
Natural Resource	Management and Administration	Trustee Council Projects	2,114.0	2,114.0	0.0	0.0	2,114.0	2,114.0	0.0	0.0
Natural Resource	Information/Data Management	Recorder's Office/Uniform Commercial Code	2,314.3	2,306.3	2,314.3	2,306.3	0.0	0.0	0.0	0.0
Natural Resource	Information/Data Management	Information Resource Management	2,441.3	2,382.5	1,818.5	1,791.5	514.6	430.8	110.2	160.2
Natural Resource	Information/Data Management	Interdepartmental Data Processing Chargeback	353.1	523.1	353.1	353.1	0.0	170.0	0.0	0.0
Natural Resource	Resource Development	Oil and Hazardous Waste Spill Response Plan	68.5	86.5	0.0	0.0	68.5	86.5	0.0	0.0
Natural Resource	Resource Development	Mental Health Trust Lands Administration	892.1	892.1	0.0	0.0	892.1	892.1	0.0	0.0
Natural Resource	Resource Development	Development - Special Projects	500.0	500.0	0.0	0.0	500.0	500.0	0.0	0.0
Natural Resource	Resource Development	Emergency Firefighters Non-Emergency Projects	250.0	250.0	0.0	0.0	250.0	250.0	0.0	0.0
Natural Resource	Land Development	Land Development	8,334.7	7,739.0	7,342.7	6,742.5	942.2	946.7	49.8	49.8
Natural Resource	Forest Management and Development	Forest Management and Development	8,885.9	8,423.3	7,151.7	6,951.7	317.6	330.6	1,416.6	1,141.0
Natural Resource	Oil and Gas Development	Oil & Gas Development	4,414.6	4,389.6	4,277.1	3,677.1	45.6	620.6	91.9	91.9
Natural Resource	Oil and Gas Development	Pipeline Coordinator	3,346.5	3,665.0	429.9	429.9	2,751.6	3,070.1	165.0	165.0
Natural Resource	Mining, Geological, Water Development	Mining Development	2,028.0	2,003.0	1,208.8	1,208.8	121.4	96.4	697.8	697.8
Natural Resource	Mining, Geological, Water Development	Geological Development	4,048.3	3,855.5	2,106.2	2,106.2	400.0	294.6	1,542.1	1,454.7
Natural Resource	Mining, Geological, Water Development	Water Development	1,223.1	1,088.1	1,021.1	886.1	180.5	180.5	21.5	21.5
Natural Resource	Parks and Recreation Management	State Historic Preservation Program	1,256.4	1,156.4	285.5	185.5	638.6	638.6	332.3	332.3
Natural Resource	Parks and Recreation Management	Parks Management	5,500.1	5,533.3	5,411.8	5,411.8	88.3	121.5	0.0	0.0
Natural Resource	Parks and Recreation Management	Parks Access	1,827.2	2,503.6	0.0	0.0	1,804.5	1,880.9	22.7	622.7
Natural Resource	Agricultural Development	Agricultural Development	1,159.8	1,183.4	320.8	245.8	718.2	718.2	120.8	219.4
Natural Resource	Agricultural Development	North Latitude Plant Material Center	1,453.9	1,803.9	14.4	14.4	636.1	636.1	803.4	1,153.4
Natural Resource	Agr Revolving Loan Pgm Admin	Agriculture Revolving Loan Program Administration	638.6	691.3	0.0	0.0	638.6	691.3	0.0	0.0
Natural Resource	Statehood Defense	Citizen's Advisory Commission on Federal Affairs	93.2	93.1	93.2	93.1	0.0	0.0	0.0	0.0
Natural Resource	Statehood Defense	RS 2477/Navigability Assertions and Litigation	115.0	115.0	115.0	115.0	0.0	0.0	0.0	0.0
Natural Resource	Facilities Maintenance	Facilities Maintenance	0.0	1,100.0	0.0	0.0	0.0	1,100.0	0.0	0.0
Natural Resource	Facilities Maintenance	Fairbanks Office Building Chargeback	103.6	103.6	103.6	103.6	0.0	0.0	0.0	0.0
Natural Resource	Statewide Fire Suppression	Fire Suppression	8,494.7	8,494.7	3,175.1	3,175.1	0.0	0.0	5,319.6	5,319.6

**Department of Natural Resources
Impact Statements in Response to
House Finance Subcommittee Budget Proposals**

Date: April 5, 1999

Program Area: Commissioner's Office (Prepared by Marty Rutherford, Deputy Commissioner)	Dollar Amount(s): (\$76.2)	Fund Source(s): GF
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Impact Analysis:

The Governor's budget requested a transfer of \$76.2 GF into the Commissioner's Office to restore funding the legislature removed in the FY99 budget. The funding reduction was associated with the O&G stakeholders work on the proposed Cook Inlet areawide oil and gas lease sales. The Commissioner's Office cannot operate fully without this level of funding.

The DNR Commissioner's Office is one of the leanest organizations in State Government, with only the Commissioner, Deputy Commissioner, Special Assistant and four staff to support the Commissioner's operations in both the Juneau and Anchorage locations. If this reduction is not restored, the impact will be the inability of the Commissioner's Office to adequately manage and guide the department responsible for managing the State of Alaska's natural resource programs, including its Oil & Gas, Mining, Forestry, Geology, Land, Parks and Agriculture programs.

Options to be considered include:

- Eliminate one position (out of a total of seven). Only three positions cost more than the \$76.2 cut; the Commissioner, Deputy Commissioner, and Special Assistant. To meet this cut any other way would require the elimination of two of the remaining four positions.
- Reduce all seven positions to 10-month seasonal status.
- Charge DNR resource programs for Commissioner's Office services. This would reduce funding available for the individual resource programs.
- Some combination of the above.

Program Area: Recorder's/UCC Component (Prepared by Sharon Young, State Recorder)	Dollar Amount(s): (\$308.0)	Fund Source(s): GFPR
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Impact Analysis:

This HFSC reduction eliminates a \$300.0 increment that is critical to the ongoing operation of the statewide recording system, and includes an additional reduction of \$8.0. These reductions fail to recognize the growing volume of land transactions in Alaska and the extreme workload pressures that continue to envelope the recording system. With the proposed reduction of \$308.0, the component will find it difficult to continue basic recording services to the public in FY00.

The volume of real estate recordings and UCC filings has increased significantly in recent years. During FY98, volumes statewide increased more than 11 per cent over FY97. For the first half of FY99, volumes increased an additional 13 per cent over the same period in FY98. Most of the increase has occurred in the state's three largest recording offices - Anchorage, Fairbanks, and Palmer - where spikes in volume have occasionally topped 20 to 30 per cent and higher at various times in the past two years. For example, in the first two months of the current calendar year, the Anchorage office processed a 22 per cent higher workload than in the same period last year. The trend continues upward.

The impact of this \$308.0 reduction is that the component will not have the minimum staffing, contractual and supply resources necessary to continue basic recording services to the public. The component's options for handling a budget at this level with the projected workload are limited and will result in immediate impacts for the public at large. These options include implementation of one or more of the following stopgap measures, which we will review with our key customers and industries:

1. Closure of the Palmer Recorder's Office and transfer of the districts handled by that office to Anchorage.

The Palmer office currently has an authorized staff of four permanent employees, one non-perm employee, and one program service aide. Four title companies located in the Valley would need to transmit their recordings daily to Anchorage instead of to Palmer. The volume of recordings would not decline under this option, but would merely shift to the larger office where it is easier to reallocate resources to handle the volume. Closing the Palmer office would result in some savings in contractual and supply costs, DOA's lease costs, and some personnel savings, although most of the staff would have to be transferred to Anchorage. It would, however, increase costs for the public at large to travel to Anchorage for recording or research.

2. Reduced public hours or weekly closures of one day or more in Anchorage, Fairbanks, Palmer, and Kenai.

Reduced public hours and/or periodic closures will be necessary in order to continue operating a Recorder's Office in each location. The volume of work would not be reduced under reduced hours because the workload is entirely governed by external factors. The impacts of reduced hours are less staff time to process the workload and less time for the public to conduct research in these offices. Initially, the component would close these offices at noon daily so as to allow a full half-day for data entry without customer interruptions. If this proved insufficient, the component would switch to closing to the public at least one day per week in order to address the growing workload.

3. Delayed reception reports and daily indexing.

Without adequate staffing to support the workload in Anchorage, Fairbanks, Palmer and Kenai, there may be significant delays in indexing new information into the public record. This can and will result in delayed reception report information being made available to the public in those offices. If title companies are unable to date down with current information, real estate closings in the private sector may have to be deferred, resulting in increased interest costs and delayed funding of loans for the general public, particularly in those four communities.

4. Delayed return of original documents to customers.

Customers in Anchorage, Fairbanks and Palmer can expect delays of six months or more in the return of original documents. Alaska already has the worst turnaround time in the nation for return of original documents, according to a study issued by the Real Estate Guide, a national publication. That publication found that Alaska routinely exceeds a thirty-day turnaround for return of originals to customers. The turnaround time will worsen significantly in high volume offices if the increment is not funded as the component would not have the necessary personnel to perform neither this function nor the additional funding to cover increased postage costs.

5. Delayed completion of UCC searches in larger offices.

UCC searches cannot be performed when there are backlogs in indexing and verification of the information into the public record. Failure to certify UCC searches on a prompt turnaround of 48 hours or less will adversely affect lending institutions who require the search information in order to close loan transactions. During the severe backlogs in the latter part of 1998, the Anchorage office experienced up to a two-month backlog in completion and certification of searches. Such delays could reoccur if the component does not receive the increment funding to assist with this function.

6. Delayed receipt of film images for public research in the larger offices.

Delays in indexing (number two above) will also impact the component's ability to produce daily film images of the recorded documents in a timely manner. The public will not be able to research film of recently recorded documents in Anchorage, Fairbanks, Palmer and Kenai while the backlogs persist.

7. Delayed production of conformed and certified copies.

With insufficient staffing, the component may have to delay production of conformed and certified copies at the time of recording. This would have significant adverse impact for lending institutions who require these copies in order to disburse funds on loan transactions.

8. Inability to pay DP chargeback costs for system operation.

Failure to fund the increment will mean that the component will have no resources available to fund the approximately \$40.0 annual operating cost of the indexing system on the state's mainframe. In order to free up funds to pay this expense, the component may have to consider one or more personnel layoffs during FY00. The component can ill afford to lose additional personnel when it is already critically understaffed for the current workload.

The above demonstrates that the impact of the HFSC reduction is far reaching and severely damaging to the general public who utilize our services, as well as totally demoralizing to the dedicated employees in the recording system who desire to provide excellence in customer service but are not given the resources to do so. The amount of the requested increment is small in comparison to the greatly increased revenues the component has produced as a result of the increased workload (FY98 excess was \$2.2 million; FY99 excess is projected to approach the \$3 million mark).

Program Area:	Dollar	Fund
	Amount(s):	Source(s):
Information Resource Management	(\$250.0)	GF

(Prepared by Rich McMahon, Chief, Land Records Information Section)

Impact Analysis:

This analysis is broken into three parts, to discuss the total \$250.0 reduction.

1. Information Technology position salary increases (\$75.0)

It is essential that we keep the computer programming staff to maintain the state's business programming systems. A reduction of \$75.0 will require us to assess all DNR programs for this function.

The loss of the \$75.0 would equate to funding of one full-time Analyst Programmer III. Such a position supports the department's mainframe business applications including the Land Administration System and the Revenue and Billing Sub-System. The loss of funding for this programmer position would make it more difficult to keep DNR business systems fully functional and responsive to the department's needs. This programmer directly supports numerous DNR business systems. For example, receipt of title from BLM, Oil & Gas leasing records, mining claim records, land sales and municipal entitlements. Data integrity would suffer from the lack of programming staff needed to maintain record types and code structures for changing business practices.

2. Mining Records (\$25.0)

The loss of \$25.0 from our FY99 authorized base equates to half a cartographer position. The groups most affected by this cut are placer and hard rock miners.

IRM Cartographer's maintain the state status plat, the graphic record of state property rights and dispositions. Mining claims and prospecting sites are documented on the state plats as part of the public process to protect valid and existing property rights. These records represent the majority of our work in terms of volume and numbers.

In the past year, the department stopped updating Prospecting Sites on plats because Mining Division and IRM could not update records fast enough. This was not well received by the industry because plats no longer conveyed current state land status. We are seeking ways to put Prospecting Sites back on the plats using more automation.

In FY99 we will process over 17,000 changes in the status of mining claims (adds about 12,000; deletions about 5000). Loss of funding for cartography will increase our backlog (currently 3-6 months under normal filing conditions, not acceptable to the industry). We want to shorten the time it takes to update our plats. This cut means updates will take more time.

We strongly recommend this cut be restored until we succeed with our goals of automating most mining record updates (approximately FY02). We are working with Mining Industry and Division of Mining on statute changes and rule changes to advance automated record processing and mapping. Federal funds from the Mineral Information at Risk Program are helping to pay for the advances in automation, we need IRM cartographers to keep the records current as we fold in labor saving automation strategies.

Current and clear land records protect property rights for the state, for industry, and for individual Alaskans.

3. DNR Better Business Practices Plan (Electronic Commerce) (\$150.0)

DNR requested an increment of \$150.0 GF to bring electronic commerce to the department and thereby allow industry, agencies, the public, and vendors to conduct business transactions with the department electronically.

The loss of the \$150.0 GF increment for the DNR Better Business Practices Plan means that the department effort to take advantage of the cost savings offered from electronic commerce will be stalled. The three objectives were electronic receipting for Oil and Gas Royalty Lessees, electronic payments on mining claims, and expanding electronic commerce for routine business transactions. It costs more money to process paperwork than electronic files; this funding would be a low cost way to build electronic interfaces to our billing and accounting systems. Loss of this funding means DNR efforts to invest in new Internet technologies which attract competitive businesses to our state, reduce transaction processing costs, and provide convenience to the customer will be put on hold.

We have built a partnership with the federal BLM to promote electronic transaction processing of federal and state mining land records. We will continue to pursue federal funding to advance better business practices.

	Dollar	Fund
Program Area:	Amount(s):	Source(s):
Interdepartmental DP Chargeback	(\$17.0)	GF

(Prepared by Rich McMahon, Chief, Land Records Information Section)

Impact Analysis:

This component has a projected budget shortfall for FY2000 before this reduction is made. The component provides funding to pay DOA for DP Chargeback costs incurred by the department. Elimination of \$17.0 in GF results in the need to go to the resource programs within the department and ask them to pay more to cover these charges. Chargeback rates have risen more than 10% per year for the last two years; DNR usage has remained relatively constant. Increased deficits may force information systems from the mainframe and enterprise environment to internal department systems. This could contribute to a more fractured approach to statewide information systems.

Program Area:
Division of Land
(Prepared by Jane Angvik, Director)

**Dollar
Amount(s):**
(\$600.2)

**Fund
Source(s):**
GF

Impact Analysis:

A reduction to the Division of Land's FY00 operating budget of <\$600.2> will have the following immediate, and very specific, affect:

DNR will not complete the Central and Southern Southeast Area Plan - this will impede future timber harvest on state lands, prevent future land sales in this area, and prevent possible Wrangell and Petersburg boroughs from receiving municipal entitlement lands.

DNR will not complete the Kenai Area Plan - although nearing completion, if staff are eliminated in FY00, there will be no staff to complete this plan through its final drafting and appeals process. This plan is essential to fulfill municipal entitlements to the Kenai Borough, for state land sales, and land for timber harvest in the Kenai Borough. The time 200 people devoted to participation in planning meetings and the over 500 written comments on the plan will be for naught.

DNR will not do plan updates, which are necessary to accommodate new municipal entitlements. Without plan revisions, DNR will not be able to process most of the remaining selection applications for the Kenai, Aleutians East, Lake and Peninsula, Yakutat, and Denali Boroughs.

DNR will not do plan updates to encourage tourism and timber harvest. Plan updates to the Southwest Prince of Wales Island Area Plan (underway) and Susitna Area Plan (planned) are essential to several proposed economic development projects.

DNR will not participate in and review federal land use plans. DNR planning staff review all federal land use plans and federal polices and regulations that impact state land interests. Currently, DNR planners are actively involved in plans for the Gulkana River, Situk River, and Chugach National forest. As a result of this reduction, DNR will have no staff to participate in these efforts. The state will lose control over issues such as insuring the provision of access to state lands and management of state owned rivers that flow through National Wild and Scenic Rivers.

DNR will not review municipal plans and will have less through reviews of coastal management plans, some of which have the potential to restrict the use and development of state lands. Without DNR planning review, these documents will restrict opportunities on state land.

This reduction to the Division of Land's FY00 operating budget of <\$600.2> focuses upon

- (1) land use planning; the very foundation for authorizing land and resource use of state owned land, and
- (2) government interactions, another key effort in protecting state interests, such as our public access, in decisions being made by the federal government.

The State of Alaska cannot sell or lease land unless it has been classified through an Area Plan. Therefore, these cuts will significantly reduce the ability of the state to develop and use its land and resources and will result in lost revenue and lost economic development opportunities to the state. Many of the proposed cuts support oil and gas, mining, forestry, tourism, and other development on state lands.

The Division has already significantly reduced its services due to past budget cuts. The number of employees will have been reduced in half in the past ten years, from almost 200 in 1990 to 110 in the House budget. This proposal eliminates all land use planning and inter-agency coordination within DNR. The following are some of the generic impacts that will result from these cuts:

- DNR will be unable to conduct land sales, timber sales, land leases (including for tourism facilities), issue rights-of-way, gravel sales, or other disposal actions in areas with ongoing or no land use plan. This includes the Kenai Peninsula, Central and Southern Southeast, and the 37% of state land areas where DNR does not currently have a land use plan (the Brooks Range, Kodiak, and the middle and upper Yukon areas). Regional plans or site-specific plans are required prior to any disposal in these areas.
- DNR will be unable to conduct timber sales on state land in the Ketchikan, Petersburg and Wrangell areas (Central-Southern Southeast plan) and will not be able to increase the timber base for sustained yield in these areas.
- DNR will be unable to process over 450,000 acres of municipal land entitlements for the Kenai, Aleutians-East, Denali, Lake and Peninsula, Northwest Arctic, North Slope, and Yakutat boroughs.

- DNR will not be able to accommodate new commercial recreation in Prince William Sound. Therefore, the US Forest Services' Chugach planning process, rather than state planning, will drive decisions about where development can and cannot occur in the Sound.
- DNR will lose control over state lands that are subject to federal and certain local planning efforts. DNR currently participates in, or reviews, federal or local planning that impacts state land. This allows the State of Alaska to ensure that these plans protect state interests. These cuts also eliminates DNR's participation in planning and management of state owned navigable waters in National Parks (such as Denali and Katmai), Refuges (such as Togiak), and Wild and Scenic Rivers (such as Gulkana).
- DNR will be unable to secure ownership of the state's outstanding land selections from the federal government.

Additional effects of Budget Reduction

- eliminates public participation in land use decisions;
- defers conflict resolution;
- creates haphazard land use patterns with no long term guidance to assure a balance of uses;
- it forces the public to appeal or litigate land-use decisions (versus using an established administrative adjudication process), thereby potentially further clogging our Court System.

The Division of Land budget has already been cut beyond the critical point. Current demand for the use of state land and resources far exceeds the ability of the division to meet the services requested. The Division of Land has three basic functions. They are:

- (1) Facilitate the use of state land and resources;
- (2) Provide for the allocation and use of state land and resources; and
- (3) Acquire title and defend Alaska's interests in state land and resources.

The Division of Land activities are integral to the state's economic engines, whether its oil and gas development, tourism, fisheries, forestry, mining, transportation, or conveying land to municipalities or selling land to the public through land disposal programs. These activities cannot occur on state land if the Division of Lands is unable to plan and dispose of lands due to a lack of staff. Without land use plans, DNR cannot sell or lease land or transfer land to municipalities under the municipal entitlement program. Without land use plans, every significant decision about mining, recreation, tourism, agriculture, grazing, and habitat protection will be hashed out on a project specific basis between those who want to develop the project and those who oppose the development. This means there will

be contentious ad hoc, time consuming and inefficient processes for each decision. In addition to being less efficient, these processes may fail to withstand appeals and legal challenges. This will result in more uncertainty about how state land can be used, and ultimately less use of state lands.

A \$600.2 reduction will completely eliminate all land planning functions within the Department. The positions to be eliminated include 5 positions that are located in Anchorage and assigned to area plan development. (a portion of their time is also allocated to represent the state on federal planning projects). This cut also eliminates a position in Juneau and one position in Fairbanks allocated to site-specific plan development for projects proposed in unplanned areas (areas without Area Plans). This cut would also eliminate two support staff (a graphics person and a clerk) that support the professionals noted above.

Finally, it should be noted that the DNR planning functions have been significantly reduced in past years. The planning staff has been eliminated from the Divisions of Parks and Forestry, who manage large tracts of state land. Division of Land planning staff have provided essential planning services for these divisions, including the Kenai River plan update and the ongoing Tanana Valley State Forest Management Plan revision. DNR planning unit is 1/3 the size it was ten years ago.

If the Legislature intends to reduce the Division of Land's budget in this amount, in this particular area, it will be necessary to amend Title 38. This will ensure that the resulting impacts do not halt DNR's ability to dispose of state lands. We will provide a package identifying those areas requiring statutory change.

	Dollar	Fund
Program Area:	Amount:	Source:
Forest Mgmt. & Development (Presuppression)	(\$200.0)	GF

(Prepared by Jeff Jahnke, Director)

Impact Analysis:

A decrement of \$200.0 to the Division of Forestry's Wildland Fire Program will have a serious impact on the presuppression program. Presuppression or preparedness funding is utilized to accomplish the myriad of activities required by the Division to be prepared for Alaska's annual wildland fire season. Wildland fire season in the state has been starting earlier in the last few years and the Division must be prepared to meet its responsibilities as mandated in AS 41.15.010 starting in early April and lasting through September.

Some of the more serious impacts will be:

- The loss of approximately 45 staff-months of preparedness, fire prevention, and initial attack activities across the state.
- Cancellation of critical urban interface training opportunities for the Division's wildland firefighters as well as opportunities for local government cooperators.
- Cancellation of fire prevention and education visits to Alaskan schools across the state.
- Initial attack fire engines will not be ready to fight fires as early as the Division's firefighters require them.
- Critical warehouse, equipment maintenance, and other preparedness activities will have to be delayed until they can be funded against already burning fires.
- The Division will be unprepared to respond to early season wildland fires forcing local government cooperators to accomplish the Division's responsibilities. Local government cooperators are not adequately funded or trained for this added workload which will negatively impact their structure protection responsibilities.
- Safety of fire personnel, the general public, and improvements will be compromised because the Division will be less prepared to adequately respond to wildland fires in a timely manner.

The consequence of these serious impacts will be that more wildland fires will escape initial attack and become larger and more difficult to safely control and extinguish. These larger extended attack and project fires will ultimately cost the State of Alaska more money. The potential for loss of private property due to wildland fires escaping initial attack will also be greatly increased.

Program Area:	Dollar	Fund
Division of Oil and Gas	Amount(s):	Source(s)
(Prepared by Ken Boyd, Director)	(\$200.0)	GF

Impact Analysis:

The combination of a series of small but consistent cuts by the Legislature, and unrealistic vacancy factor, rising "overhead" costs, and the normal erosion from inflation (COLA,

merit increases, etc.) will result in a budget shortfall of about \$160.0 for FY00. To alleviate the shortfall and to meet program needs, particularly the exploration licensing program, we sought a \$200.0 increment. The subcommittee eliminated the increment in the operating budget. They indicated that they recommend including \$100.0 GF of that increment for exploration licensing in the capital budget.

On the assumption that \$100.0 for exploration licensing activities will be in the capital budget, this impact statement will address the net loss of \$100.0 GF. Since our budget is now over 93% "people money" there is no opportunity to make up this shortfall in the "other" line items. Without an increment, one way to meet the shortfall will be to lay off people. Cutting staff means something(s) won't get done. The most likely cut would be to take the \$100.0 from the Permitting and Compliance section. This would equate to the cutting of one and a half natural resource manager positions (\$86.0) and cutting 14 of 20 North Slope inspections (\$14.0). These positions conduct inspections of oil and gas activities across the entire North Slope to ensure compliance with permit and lease terms. Additionally, these positions issue all lease and unit operations approvals for all surface activities on oil and gas lands on the North Slope (Badami, Northstar, Alpine, etc.).

The consequence of cutting these positions is that certain permits will not be issued and other permits will be delayed. Industry may miss seasonal construction windows and the state may suffer a loss of revenues. Another consequence is that the lack of inspections will jeopardize the credibility of the leasing program with the environmental community and we can expect more time delaying lawsuits. Moreover, deleting these positions may require that the best interest findings for the state oil and gas leasing program be revised as they presently reference inspection and monitoring. This could jeopardize the lease sale schedule and further antagonize industry.

Our other option is to shut the division down and force some or all employees to be on leave without pay. This also would result in delay of Division work. Delaying oil and gas activities or actions will almost always have some negative financial impact. In general our activities have statutorily (or regulatory) mandated time lines and deadlines. Failure to meet these time constraints may have fiscal and legal consequences.

The expectation of continued low oil prices is certainly one reason for fiscal concern and constraint. However, we must remember that oil prices are low everywhere-in all oil producing states and nations. Moreover, given the recent announcements by OPEC, some prices have surged. OPEC cuts are aimed to lift prices to a \$17 - 19 (Brent crude) level. Hobbling the division that conducts the lease sales, forms the Units, and counts the state royalties (among other things) is not a prudent way to save a few dollars. The consequences of slowing down, or stopping, any of our functions will have the effect of sending a very unfortunate message to industry. We are the focal point for our most

important resource; we simply must continue to effectively and efficiently maintain our oil and gas programs.

We continue to ask for the additional \$100.0 increment just to keep us whole. We have received any number of unfunded mandates from the legislature in the last few years-new programs, more work-but no funding.

With about \$90 million in recent sales and with new programs coming on-line our workload is going to increase. Sales of these leases will lead to increased exploration. Hopefully, this will lead to increased discoveries and ultimately to new production.

Cutting the division now seems particularly inappropriate. The division will play an instrumental role in evaluating the effects on the state of the proposed BP and Arco merger. The division should be kept whole so that it can protect the state's interest during this critical time in the history of Alaska oil and gas development and into the future.

Program Area:	Dollar Amount(s):	Fund Source(s):
Mining Development (Mineral Property Management) (Prepared by Bob Loeffler, Director)	(\$50.0)	GF

Impact Analysis:

The \$50.0 increment proposed for FY2000 was intended to add one additional staff to the Mineral Property Management Project for the Division of Mining and Water Management. The increment would have decreased processing time for new mineral locations from approximately 12 weeks to six weeks.

In the years before 1995, the historic level of new locations -- 2,000 to 3,000 per year -- was approximately balanced by the number of locations abandoned. As a result, the overall pool of mining locations remained approximately the same from year to year. This changed in 1995. Beginning in that year, Alaska experienced a claim-staking boom. The number of new locations increased from its historic level of 2,000 to 3,000 locations per year to over 10,000 in each of FY 96, 97, 98, and 99. The number of locations abandoned remained approximately at historic levels. As a result, staff is now required to process this large number of new locations as well as update a growing pool of existing locations for rental, royalty, annual labor, and ownership transfers. The claim-staking boom is expected to continue over the next few years despite low metal prices.

In FY95, new mining locations were processed in approximately six weeks. Deleting the increment from the FY2000 budget will mean that locations will be processed in approximately 12 weeks. The consequences of such an increase are greater uncertainty in mineral land tenure. In many cases, new locations will not be able to be processed within the same field season as they are staked. This will increase the cost and uncertainty for the mineral industry. Secure land tenure is fundamental to the mining industry. Maintaining an efficient and secure land tenure system is important for maintaining the high level of interest and investment by the industry.

Program Area:	Dollar Amount(s):	Fund Source(s):
Water Management & Development; <i>Water Rights Adjudication – AS 46.15.040 - .970</i> (Prepared by Bob Loeffler, Director)	(\$135.0)	GF

Impact Analysis:

Summary. The proposed 25%, 3-person cut in the water management section would leave the section unable to adjudicate all new water rights. This would produce the following impacts:

- Individuals and businesses that hold and have paid for existing water rights would not be protected from all new water withdrawals.
- Small and intermediate new users, mostly individuals and small businesses, would not be able to gain secure title to water needed for use and development.
- Revising the water management program to be consistent with available staff will require a change in regulation. Until new regulations become effective, intermediate users may be in technical violation of state regulation, guilty of a misdemeanor. In the interim, development projects may be vulnerable to lawsuit.

Background. A water right gives its holder the right to use water in spite of any withdrawal by those who acquire a later water right. When a new water withdrawal is proposed, the Division adjudicates the proposed withdrawal to ensure that it does not diminish use of water by existing water rights holders.

Effect on Existing Water Rights and New Applicants. The proposed budget reduction would leave the program without enough staff to adjudicate all of the 350 annual new water rights applications. Instead, staff would concentrate on those larger withdrawals that are most likely to affect existing rights holders. As a result, people and business that hold and have paid for water rights will not be protected from competing withdrawals that are not adjudicated. Those most likely to be affected are individuals and small business owners. When a water withdrawal affects a water right holder, Division

hydrologists work with parties to find an equitable solution. This help will no longer be available for all affected users. Finally, those individuals or business whose water rights applications are not adjudicated will not secure firm title to the water. This is most likely to affect individuals and small business, and may make it more difficult for the businesses to gain financing.

Regulation Change Required. Current law and regulation requires water users above a certain threshold to acquire a water right or permit before withdrawing water. Lack of staff will force the Division to raise the threshold via a regulation revision. Until the regulation is changed, those applicants whose requests are not being processed will be in technical violation of the law and be guilty of a misdemeanor. The regulation change is unlikely to become effective until fall 2000, at the earliest. In the interim, development projects may be vulnerable to lawsuit.

Program Area:	Dollar Amount(s):	Fund Source(s):
State Historic Preservation Program (Prepared by Judy Bittner, Chief SHPP)	(\$100.0)	GFM

Impact Analysis:

A \$100.0 GFM budget cut to the State Historic Preservation Program, which is a 35% cut of the state's general fund support, means a loss of an additional \$150.0 in federal Historic Preservation Fund matching money. The total reduction is \$250.0 (\$100.0 GFM + \$150.0 fed. match) to the State Historic Preservation Program.

Although the Governor's budget for the State Historic Preservation Program component is \$1256.4, all but \$285.5 is authorization to receive non-state funds (primarily federal and interagency receipts). The Office of History and Archaeology has successfully leveraged the state's \$285.5 General Fund match allocation into a million-dollar program through partnerships, matching funds and reimbursable services projects. The \$100.0 cut puts the whole program at risk by jeopardizing the ability to maintain federal certification and thereby receive federal matching funds. Without federal certification, the Department of Interior will take over the historic preservation programs now run by the state. With the elimination of this program, Alaska will be the only state in the nation without a State Historic Preservation Office. Alaska will be the only state to give up control of these programs to the federal government.

The federal government provides a 60% matching grant to certified states. To be certified, states are required to administer the broad range of programs. Therefore, the \$100.0 cut jeopardizes the entire \$437.0 federal Historic Preservation Fund appropriation

and certification to Alaska. This \$100.0 cut will mean the direct loss of three positions, half of the professional staff who administer the State Historic Preservation Office programs. Without appropriate staffing, Alaska will not be able to carry out mandated responsibilities, will lose its federal certification, and resulting federal funds. The result is a loss of 5 additional jobs for a total job loss of 8 positions associated with this \$100.0 reduction.

Projects using federal dollars or permits, such as highway, port, and mining development, are required to be reviewed by the State Historic Preservation Program. This is a federal requirement that cannot be waived. If Alaska cannot provide this review locally, Alaskans will be required to submit projects to federal agencies in Colorado and Washington, D. C., whose staff do not now deal with the day-to-day work of the state historic preservation programs and do not have the State's best interest in mind.

Over 2500 development projects are reviewed each year by the State Historic Preservation Office. If the federal government takes over the program, State interests will no longer be taken into consideration during mandated reviews of impacts to historic properties and archaeological sites caused by federal undertakings. Local governments, a partner in the historic preservation program, will also lose their ability to directly participate in project reviews and address their concerns on how resources in their communities are impacted and managed. Major delays and a substantial increase in permitting costs will result. Assistance to developers with the federal regulatory compliance process will no longer be available. Some federal projects might be canceled.

Private industry and federal agencies are dependent on the State Historic Preservation Office to carry out environmental reviews, make financial incentives available to historic property owners, educate the public and agencies, and make sure the state's historic resources are taken into account before an action takes place that might destroy them. The cut increases the probability of litigation when historic and archaeological sites are not protected, particularly when there is an emergency. Litigation will cause projects to be delayed or halted, causing Alaskans to lose their jobs.

Program Area:	Dollar Amount(s):	Fund Source(s):
Mental Health Trust (Prepared by Steve Planchon, Executive Director)	(\$46.4)	MHTAAR

Impact Analysis:

The Trust Land Office (TLO) was established by the Legislature in 1994 to maximize revenue from Trust Land over time. The TLO, in consultation with the Alaska Mental Health Trust Authority, proceeded with a phased approach to building its staff to match

the long-term revenue goals of the Trust Authority. The \$46.4 increment approved by the Trustees in the FY2000 budget is the final step in this phased effort. The increment is intended to improve essential information management capabilities of the TLO, including those associated with land title records and revenue accounting. Without this improvement, information will be processed slower, resulting in delays to revenue-generating transactions. Such delays would be inconsistent with the increasing demand to produce revenue in a timely manner from Trust Land.

PUBLIC

SAFETY

PS #1

By Representative Davis

4/8/99 am

adopted

AMENDMENT TO HOUSE BILL 50

REPLACE:

Department: Department of Public Safety

BRU: Council on Domestic Violence and Sexual Assault

Component: Council on Domestic Violence and Sexual Assault

Replace General Fund \$15,000 with PFD Fund \$15,000.

ADD:

Department: Department of Public Safety

BRU: Fish and Wildlife Protection

New Component: Alaska Fish and Wildlife Safeguard add \$15,000 General Fund Grants

This new component is for a grant to be made to Alaska Fish and Wildlife Safeguard to be used for payment of rewards for information leading to the investigation and prosecution of violations of state fish and game laws.

PS #2

Failed
4/8/99

AMENDMENT

OFFERED IN THE HOUSE

BY Guesendorf

TO: CSHB 50 (FIN)

ADD

Department of Public Safety

BRU: Statewide Support

Component:

Alaska Public Safety Information Network

90.6 Gen Fund

PS #3

Amendment

TO: CS HB 50(Fin)

BY: Representative

Department of Public Safety

Gruessendorf

BRU: Village Public Safety Officer Program

Component: Contracts

Withdrawn

Restore \$242.5 GF

This amendment would restore a 5% pay increase for Village Public Safety Officers as proposed in the Governor's FY00 operating budget.

Agency Totals - FY00 Operating Budget

Agency: Department of Public Safety

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	90,452.2	94,791.5	98,597.8	98,129.1	3,337.6	3.5%
<u>Objects of Expenditure:</u>						
Personal Services	51,350.4	55,530.5	55,674.6	55,492.1	-38.4	-0.1%
Travel	4,039.5	4,135.4	4,393.6	4,368.5	233.1	5.6%
Contractual	19,849.5	21,211.4	17,745.6	17,717.2	-3,494.2	-16.5%
Commodities	3,070.3	2,805.1	2,967.4	2,965.7	160.6	5.7%
Equipment	2,311.5	551.7	566.2	557.7	6.0	1.1%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	9,831.0	10,557.4	17,250.4	17,027.9	6,470.5	61.3%
Miscellaneous	0.0	0.0	-0.0	-0.0	0.0	%
<u>Funding Sources:</u>						
1000 Restrtd GF	253.9				0.0	%
1002 Fed Rcpts	6,767.0	8,841.5	10,117.3	10,237.3	1,395.8	15.8%
1003 G/F Match	541.0	527.3	527.3	527.3	0.0	0.0%
1004 Gen Fund	73,905.5	75,006.2	77,135.4	76,232.9	1,226.7	1.6%
1005 GF/Prgm	1,491.6	2,077.3	2,077.3	2,077.3	0.0	0.0%
1007 I/A Rcpts	3,878.5	4,002.4	4,524.0	4,524.0	521.6	13.0%
1024 Fish/Game	885.0	1,135.7	1,060.7	1,060.7	-75.0	-6.6%
1050 PFD Fund	2,119.1	2,905.2	2,905.2	3,219.0	313.8	10.8%
1053 Invst Loss	481.6	83.1	0.0	0.0	-83.1	-100.0%
1055 IA/OIL HAZ	45.2	49.3	49.3	49.3	0.0	0.0%
1108 Stat Desig	83.9	163.5	201.3	201.3	37.8	23.1%
<u>Positions:</u>						
Perm Full Time	738.0	757.0	746.0	745.0	-12.0	-1.6%
Perm Part Time	27.0	28.0	27.0	27.0	-1.0	-3.6%
Non-Perm	0.0	1.0	1.0	1.0	0.0	0.0%

House Finance Subcommittee on Public Safety Recommendations for the FY00 Budget

Representative Gary Davis, Subcommittee Chair

This narrative describes the effect of the budget allocations proposed for the Department of Public Safety on the attached spreadsheet.

The subcommittee work is based on growth from the FY99 authorized budget including the Supplemental Appropriation passed in March 1999. Changes to the Governor's proposed budget are addressed at the BRU level. Components not mentioned are funded at the Governor's FY00 recommended level.

Fish & Wildlife Protection – Funded at the Governor's requested level minus \$22,000 in moving expenses.

AST Detachments – Increased \$1,044,900 from FY99 level. This will fully fund 240 troopers.

Violent Crimes Compensation Board – the \$253,800 GF was moved to PFD Fund

Council on Domestic Violence & Sexual Assault – There was a \$125,000 GF reduction to CDVSA and a \$100,000 fund switch from GF to PFD Fund. Although the Council's GF was reduced by \$125,000 there will be no effect on CDVSA programs. The Council had committed to granting the Batterers Intervention Program \$125,000 GF which would have reduced their direct services by that amount. The subcommittee provided the money to the Batterers Intervention Program component through another fund source. The subcommittee accepted the \$562,800 increase in Federal receipts.

Batterers Intervention Programs – Funded at \$65,000 GF, \$160,000 PFD Fund and an additional \$120,000 Federal receipts.

Statewide Support – Commissioner's Office was reduced by \$22,300 GF. The reduction reflects a change in one of the two special assistant's positions from a range 21 to range 18.

Laboratory Services was increased by \$172,500 GF to provide for two DNA Criminalist positions.

**The subcommittee's General Fund allocation for FY00 was \$78,837,500.
The recommendations by the subcommittee total \$78,837,500.**

FY00 House Finance Public Safety Subcommittee Recommendations

(\$000)

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	94,791.5	98,129.1	77,693.9	78,837.5	8,256.1	9,054.3	8,841.5	10,237.3
		FY99 Supplemental	143.6		143.6		0.0		0.0	
		FY99 Base	94,935.1		77,837.5		8,256.1		8,841.5	
		FY00-FY99		3,194.0		1,000.0		798.2		1,395.8
		% Change		3.36%		1.28%		9.67%		15.70%
DPS	Fish and Wildlife Protection	Enforcement and Investigative Services	11,042.8	11,330.1	10,379.5	10,741.8	663.3	588.3	0.0	0.0
DPS	Fish and Wildlife Protection	Director's Office	247.8	247.8	247.8	247.8	0.0	0.0	0.0	0.0
DPS	Fish and Wildlife Protection	Aircraft Section	1,629.8	1,629.8	1,427.3	1,427.3	202.5	202.5	0.0	0.0
DPS	Fish and Wildlife Protection	Marine Enforcement	2,928.0	2,928.0	2,526.9	2,526.9	401.1	401.1	0.0	0.0
DPS	Dalton Highway Protection	Dalton Highway Protection	90.2	90.2	90.2	90.2	0.0	0.0	0.0	0.0
DPS	Fire Prevention	Fire Prevention Operations	1,442.7	1,442.7	1,413.1	1,413.1	29.6	29.6	0.0	0.0
DPS	Fire Prevention	Fire Service Training	565.5	643.3	375.5	375.5	190.0	227.8	0.0	40.0
DPS	Highway Safety Planning Agency	Highway Safety Planning Operations	189.5	142.3	74.8	74.8	47.2	0.0	67.5	67.5
DPS	Highway Safety Planning Agency	Federal Grants	1,193.8	1,457.7	0.0	0.0	0.0	0.0	1,193.8	1,457.7
DPS	Alaska State Troopers	Special Projects	1,077.6	1,385.3	0.0	0.0	0.0	0.0	1,077.6	1,385.3
DPS	Alaska State Troopers	Criminal Investigations Bureau	3,211.7	3,211.7	3,136.5	3,136.5	75.2	75.2	0.0	0.0
DPS	Alaska State Troopers	Director's Office	651.8	651.8	651.8	651.8	0.0	0.0	0.0	0.0
DPS	Alaska State Troopers	Judicial Services-Anchorage	2,054.3	1,985.2	1,985.2	1,985.2	69.1	0.0	0.0	0.0
DPS	Alaska State Troopers	Prisoner Transportation	1,476.7	1,476.7	1,476.7	1,476.7	0.0	0.0	0.0	0.0
DPS	Alaska State Troopers	Search and Rescue	283.1	283.1	283.1	283.1	0.0	0.0	0.0	0.0
DPS	Alaska State Troopers	Rural Trooper Housing	528.9	511.2	477.8	477.8	51.1	62.4	0.0	0.0
DPS	Alaska State Troopers	Narcotics Task Force	3,224.9	3,224.9	439.6	439.6	0.0	0.0	2,785.3	2,785.3
DPS	Alaska State Troopers	Commercial Vehicle Enforcement	131.8	89.9	0.0	0.0	131.8	89.9	0.0	0.0
DPS	Alaska State Trooper Detachments	Alaska State Trooper Detachments	33,413.3	34,458.2	31,896.9	32,941.8	1,502.4	1,502.4	14.0	14.0
DPS	Village Public Safety Officer Program	Contracts	5,523.5	5,523.5	5,523.5	5,523.5	0.0	0.0	0.0	0.0
DPS	Village Public Safety Officer Program	Support	1,702.7	1,721.0	1,702.7	1,721.0	0.0	0.0	0.0	0.0
DPS	Village Public Safety Officer Program	Administration	271.8	253.5	271.8	253.5	0.0	0.0	0.0	0.0
DPS	Alaska Police Standards Council	Alaska Police Standards Council	846.4	846.4	846.4	846.4	0.0	0.0	0.0	0.0
DPS	Violent Crimes Compensation Board	Violent Crimes Compensation Board	1,271.5	1,296.9	253.8	0.0	732.7	986.5	285.0	310.4
DPS	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	8,592.6	9,030.4	3,969.1	3,744.1	2,254.9	2,354.9	2,368.6	2,931.4
DPS	Batterer's Intervention Program	Batterers Intervention Program	200.0	345.0	0.0	65.0	200.0	160.0	0.0	120.0
DPS	Statewide Support	Commissioner's Office	654.9	632.6	654.9	632.6	0.0	0.0	0.0	0.0
DPS	Statewide Support	Training Academy	1,374.4	1,374.4	837.7	837.7	536.7	536.7	0.0	0.0
DPS	Statewide Support	Administrative Services	1,815.1	1,815.1	1,714.7	1,714.7	100.4	100.4	0.0	0.0
DPS	Statewide Support	Alaska Wing Civil Air Patrol	503.1	503.1	503.1	503.1	0.0	0.0	0.0	0.0
DPS	Statewide Support	Laboratory Services	2,005.4	2,177.9	1,965.3	2,137.8	40.1	40.1	0.0	0.0
DPS	Statewide Support	Alaska Public Safety Information Network	1,785.0	1,920.7	978.7	978.7	751.3	811.0	55.0	131.0
DPS	Statewide Support	Alaska Criminal Records and Identification	2,760.9	2,760.9	1,489.5	1,489.5	276.7	276.7	994.7	994.7
DPS	Statewide Support	Unallocated Reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DPS	Facility Maintenance	Facility Maintenance	0.0	608.8	0.0	0.0	0.0	608.8	0.0	0.0
DPS	Victims for Justice	Victims for Justice	100.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0

Department of Public Safety
Impact Statements in Response to
House Finance Subcommittee Budget Proposals

April 1, 1999

Prepared by: Ken Bischoff

Program Area:	Dollar Amount(s):	Fund Source(s):
VPSO Contracts	(242.5)	GF

Impact Analysis:

Deletes a proposed 5% pay increase for Village Public Safety Officers. The intention of this increment is to provide a viable income to VPSOs; helping to address an excessive turnover rate in the program. This increase will not provide for an expansion of overtime, increases in overhead or inflationary costs.

Program Area:	Dollar Amount(s):	Fund Source(s):
Violent Crimes Compensation Board	(253.8)	GF
	253.8	PFD

Impact Analysis:

Funding source switch from GF to PFD funds. With the adoption of this change the entire program will be supported by non-general funds.

Program Area:	Amount(s):	Source(s):
Council on Domestic Violence & Sexual Assault	(225.0)	GF
	<u>100.0</u>	PFD
	(125.0)	

Impact Analysis:

\$100.0 funding source switch from GF to PFD funds. \$125.0 of Batterer's Intervention Program funding, currently budgeted in CDVSA, is transferred to the Batterer's BRU. CDVSA anticipates no program impacts to shelters.

Program Area:	Amount(s):	Source(s):
Batterer's Intervention Program	65.0	GF
	100.0	Fed
	<u>(40.0)</u>	PFD Fund
	125.0	

Impact Analysis:

\$40.0 funding source switch from PFD to GF. Further, Batterer's Intervention Program funding is being consolidated in this BRU by the transfer of \$125.0 from CDVSA. The proposed federal funding level of \$100.0 is only tentative pending approval from grant administrators of a change in project scope.

Program Area:	Amount(s):	Source(s):
APSIN	(90.6)	GF

Impact Analysis:

Deletes Smart Start Increment. The proposed Analyst Programmer position would be dedicated, full-time, to providing technical support for projects directly related to state and federal laws and programs to protect children. This new position is critical in providing state, local and federal child protection agencies with electronic access, and sharing capabilities to records regarding sexual predators, domestic violence offenders and others who pose risks to children.

REVENUE

Replacement REU #1

AMENDMENT

Submitted by: Legislative Finance Division

Bunde.

Adopted
2/17/99

TECHNICAL AMENDMENT

CSHB50 (fin) version G, Section 36, Page 37, Line 14

Department of Revenue
Child Support Enforcement
Child Support Enforcement

DELETE	\$2,331.0	1004	General Fund
INSERT	\$2,331.0	1005	General Fund / Program Receipts
DELETE	Lines 15 and 16		Intent Language

Comment:

This fund change will correct an inadvertent fund code classification from General Fund to General Fund / Program Receipts. There is no difference in the total amount of general funds available to the Department of Revenue.

Intent language is no longer needed if the amended front section language is approved.

REPLACEMENT 2 FRONT #1

1-GH1020\G.2
4/7/99 Utermohle/
4/7/99

IB

Revenue Language
adopted

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE BUNDE

TO: CSHB 50(FIN); Draft Version "G"

1 Page 37, following line 14:

2 Insert "The funds appropriated by this appropriation include so much, and no more,
3 of the ~~amount and unobligated amount of~~ program receipts received during the fiscal year
4 ending June 30, 2000, by the child support enforcement division as is necessary to provide
5 the minimum ^{amount} ~~match~~ of state funds necessary to secure federal funding for the child support
6 enforcement program."

appropriated

in this section.

Replacement

REU #2

AMENDMENT

Bunde

Submitted by: Representative Bunde

Adopted

4/7/97

CSHB50 (fin) version G, Section 36, Page 37, Line 31

Department of Revenue
Revenue Operations
Oil and Gas Audit Division

DELETE:	\$414.5	1004	General Fund
INSERT:	\$414.5	1105	PF Corp Rcpts

Comment:

This fund change reflects the level of participation that the Oil and Gas Audit Division spends on Permanent Fund related audits and reviews.

REV # 3

Adopted
4/7/99

AMENDMENT

OFFERED IN THE HOUSE

BY Therriault

TO: CSHB 50 (FIN)

ADD

Department of Revenue

BRU: Permanent Fund Corporation

Component:

Permanent Fund Corporation	800.0	PFund Rcpt
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Agency Totals - FY00 Operating Budget

Agency: Department of Revenue

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	122,746.3	144,936.7	145,259.7	144,242.3	-694.4	-0.5%
<u>Objects of Expenditure:</u>						
Personal Services	44,152.2	45,010.4	46,352.7	46,135.3	1,124.9	2.5%
Travel	1,377.9	1,717.1	1,691.5	1,639.8	-77.3	-4.5%
Contractual	72,391.4	95,013.5	93,879.6	93,701.3	-1,312.2	-1.4%
Commodities	1,757.0	1,671.5	1,705.2	1,705.2	33.7	2.0%
Equipment	1,561.4	909.2	1,015.7	995.7	86.5	9.5%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	1,506.4	615.0	615.0	615.0	0.0	0.0%
Miscellaneous	0.0	0.0	0.0	-550.0	-550.0	%
<u>Funding Sources:</u>						
1001 CBR Fund	529.2				0.0	%
1002 Fed Rcpts	26,583.2	28,324.5	29,403.0	28,686.7	362.2	1.3%
1003 G/F Match	1,884.2	1,807.2	1,945.0	-0.0	-1,807.2	-100.0%
1004 Gen Fund	7,597.0	7,454.1	7,962.8	9,321.8	1,867.7	25.1%
1005 GF/Prgm	1,443.3	1,438.4	2,582.7	2,582.7	1,144.3	79.6%
1007 I/A Rcpts	4,073.4	2,763.4	2,788.6	2,788.6	25.2	0.9%
1011 Educ Trust	17.4	19.2	19.2	19.2	0.0	0.0%
1016 Fed Incent	3,057.5	3,528.3	2,500.0	2,500.0	-1,028.3	-29.1%
1017 Ben Sys	67.8	3,405.5	105.5	105.5	-3,300.0	-96.9%
1027 Int Airprt	30.4	31.1	31.1	31.1	0.0	0.0%
1029 P/E Retire	16,199.8	18,937.3	20,919.8	20,919.8	1,982.5	10.5%
1034 Teach Ret	8,747.3	10,123.8	11,191.3	11,191.3	1,067.5	10.5%
1042 Jud Retire	119.3	157.6	157.6	157.6	0.0	0.0%
1045 Nat Guard	37.0	39.9	39.9	39.9	0.0	0.0%
1046 Stdnt Loan	21.9	22.2	22.2	22.2	0.0	0.0%
1050 PFD Fund	4,564.4	4,643.0	4,793.0	4,793.0	150.0	3.2%
1053 Invst Loss	95.3	31.5	17.3	17.3	-14.2	-45.1%
1061 CIP Rcpts	1,101.2	1,302.4	1,353.6	1,353.6	51.2	3.9%
1066 Pub School	74.8	67.7	67.7	67.7	0.0	0.0%
1094 MHT Admin	881.9	882.9	924.8	907.4	24.5	2.8%
1098 ChildTrErn	33.0	34.0	34.0	34.0	0.0	0.0%
1103 AHFC Rcpts	14,475.9	15,160.6	15,849.7	15,849.7	689.1	4.5%
1104 MBB Rcpts	434.2	462.4	462.4	462.4	0.0	0.0%
1105 PFund Rcpt	30,676.9	43,808.1	41,596.9	40,796.9	-3,011.2	-6.9%
1108 Stat Desig		491.6	491.6	491.6	0.0	0.0%
1133 IndCostRe				1,102.3	1,102.3	%

Positions:

Agency Totals - FY00 Operating Budget

Agency: Department of Revenue

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Perm Full Time	786.0	782.0	790.0	790.0	8.0	1.0%
Perm Part Time	33.0	32.0	30.0	30.0	-2.0	-6.3%
Non-Perm	72.0	55.0	58.0	58.0	3.0	5.5%

House Finance Committee on Dept. of Revenue Recommendations for FY 00 Budget

Representative Con Bunde, Subcommittee Chair

This narrative describes the effect of the budget numbers proposed for the Department of Revenue on the attached spreadsheet.

The subcommittee based its work on growth from the FY 99 authorized budget adjusted to changes to the base from the Supplemental Appropriations passed in March 1999.

The Department of Revenue is reduced by \$586,000 in General Funds for FY 00. The cuts are distributed as follows:

\$100,000 General Fund reduction to personal services in the Oil and Gas Audit Division.
\$100,000 General Fund reduction in personal services to the Income and Excise Audit Division.

Oil and Gas Audit and Income and Excise Audit Divisions will be merged for efficiency and savings. The merger will be complete by April 1, 2000. This will give the department time to plan and to finish a rewrite of regulation that is already underway.

The subcommittee supported a \$386,000 Funding source change: General Fund to Indirect Cost Reimbursement in Child Support Enforcement. The funding source change makes use of the excess in federal funding paid to the state as reimbursement for indirect administrative and support services provided to the child support division.

The front section of the budget will include language allowing the Child Support Division to retain the state's share of collections on public assistance cases to cover all of its need for General Fund program receipts. The division will then use these program receipts to obtain its 2-for-1 federal matching funds. The balance of these program receipts--*after the child support division has taken what it needs to reach its authorized spending level for FY 2000*--will be passed on to the Department of Health and Social Services. Further, the child support division will be allowed to draw on those same program receipts--*if needed*-- at a level sufficient to cover any unanticipated shortfall in Indirect Cost Reimbursement or other federal funding, so long as the division does not exceed its legislatively authorized total spending level for FY 2000.

In addition to GF reductions from the Department of Revenue's budget the subcommittee reduced the increment for the Alaska Mental Health Trust Authority's welfare-to-work program by \$17,400 for FY 2000; this reduction is taken from personal services. The annual cost for a twelve-month Welfare-to-Work employee is approximately \$20,000. The AMHTA's request for \$37,400 is reduced, but does allow for the hiring of two Welfare-to-Work interns.

The Alaska Permanent Fund Corporation is reduced by \$800,000 dollars. This reduction is less than 10% of their operating costs and is taken out of PF receipts. The Permanent Fund Corporation operations budget has grown significantly for the past few years. Office efficiency measures should be applied to reduce the cost of the APFC's operations. The subcommittee suggests that the APFC consider decreasing the cost of travel. Videoconferencing equipment was purchased two years ago with the intent to videoconference board meetings and reduce travel. The new boardroom was remodeled last year to provide a better facility for videoconferencing.

The Chair and the subcommittee members thank the Department of Revenue Commissioner and staff for their willingness to work with the committee and for their effective communication with the committee.

FY00 REVENUE SUBCOMMITTEE RECOMMENDATIONS
(\$000)

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	145,788.9	177,845.0	11,153.1	11,926.8	106,311.3	102,531.5	28,324.5	28,686.7
		FY99 Supplemental	0.0		0.0		0.0		0.0	
		FY99 Base	145,788.9		11,153.1		106,311.3		28,324.5	
		FY00-FY99		26,156.1		773.7		-3,779.8		362.2
		% Change		17.94%		6.94%		-3.56%		1.28%
16	Revenue	Child Support Enforcement	16,746.2	16,162.8	2,413.5	2,887.7	2,958.6	2,500.0	10,374.1	10,775.1
17	Revenue	Alcohol Beverage Control Board	636.2	636.2	636.2	636.2	0.0		0.0	
18	Revenue	Municipal Bond Bank Authority	462.4	462.4	0.0		462.4	462.4	0.0	
19	Revenue	Permanent Fund Corporation	7,988.1	7,466.2	0.0		7,988.1	7,466.2	0.0	
20	Revenue	PFC Custody and Management Fees	35,840.0	33,330.7	0.0		35,840.0	33,330.7	0.0	
21	Revenue	Alaska Housing Finance Corporation	12,028.0	33,679.0			10,859.1	15,767.4	1,768.8	17,911.6
22	Revenue	Alaska Housing Finance Corporation	3,194.3	0.0			2,871.3		323.0	
23	Revenue	Alaska Housing Finance Corporation	16,501.5	0.0			1,347.9		15,153.6	
24	Revenue	Alaska Housing Finance Corporation	1,984.7	1,984.7			1,984.7	1,984.7	0.0	
25	Revenue	Alaska Mental Health Trust Authority	882.9	907.4	0.0		882.9	907.4	0.0	
26	Revenue	Revenue Operations	4,060.0	4,011.2	4,060.0	3,960.0	0.0	51.2	0.0	
27	Revenue	Revenue Operations	2,783.3	2,663.3	2,745.8	2,645.1	17.7	18.2	0.0	
28	Revenue	Revenue Operations	2,317.8	2,837.5	836.1	1,136.1	1,881.7	1,701.4	0.0	
29	Revenue	Revenue Operations	3,450.5	32,005.5	0.0		3,450.5	3,200.5	0.0	
30	Revenue	Revenue Operations	29,213.6	29,213.6	0.0		29,213.6	29,213.6	0.0	
31	Revenue	Administration and Support	1,362.1	947.1	163.0	163.0	776.5	784.1	422.6	
32	Revenue	Administration and Support	1,100.2	808.3	498.7	498.7	317.2	314.6	284.3	
33	Revenue	Permanent Fund Dividend	4,679.1	4,829.1	0.0		4,679.1	4,829.1	0.0	
34					10,792.9					
35					2,144.4					
37					238.6					
38					1,984.7					
39										

AHFC receipts moved to "other" column

Department of Revenue
Impact Statements in Response to
House Finance Subcommittee Budget Proposals

Date: April 2, 1999

Prepared by: Larry Persily, Acting Administrative Services Director

Program Area:	Dollar Amount(s):	Fund Source(s):
Child Support Enforcement Division	(\$1,945.0)	GF/Match
Fund source switch	\$1,559.0	GF/Prog. Rcpts.
	\$386.0	Indirect cost reimb.

Impact Analysis:

Total dollars available to the division would be unchanged. The fund source switch would allow the division for the first time to use the state's share of child support collections from public assistance cases. Using these program receipts would allow the division to reduce its need for General Fund Match. The other fund switch also would allow the division to reduce its need for General Fund Match by using the excess in federal funding that is paid to the state as reimbursement for indirect administrative and support services provided to the division.

The division supports the funding switch as long as front-section language in the budget is clear in its instructions that the child support division is allowed to draw on the program receipts to fully fund its legislatively authorized total budget. Only after the division has fulfilled its funding needs -- including using the program receipts to cover any shortfall in federal incentive funding or indirect cost reimbursement -- would the remaining program receipts be disbursed to the Department of Health and Social Services for its needs.

Program Area:	Dollar Amount(s):	Fund Source(s):
Permanent Fund Corporation	(\$250.0)	Perm. Fund Rcpt.
Operations increment denied		
Permanent Fund Corporation	(\$550.0)	Perm. Fund Rcpt.
Reduction for improved office efficiencies		

Impact Analysis:

The Permanent Fund Corporation operating budget was cut in three separate reviews before submission to the Legislature. The operating budget as submitted reflects no new programs for FY2000 and includes increases only for inflation, where appropriate, and/or the result of new

systems appropriated in past fiscal years becoming operational in FY98-99. Cuts of the magnitude approved by the House subcommittee (i.e., \$800,000) will require termination of some existing programs and/or systems, e.g., market data services, credit reporting services, or due diligence and attorney fees. Software costs primarily reflect existing contractual obligations and cannot be easily terminated. If these cuts stand, we will have to re-evaluate and change the basic nature of Permanent Fund management.

Program Area:	Dollar Amount(s):	Fund Source(s):
Income and Excise Audit Division General reduction	(\$100.0)	General Fund

Impact Analysis:

The reduction will be absorbed almost entirely from personal services. The public will not see any changes in services provided by the division. The impact will come in the areas of audit and compliance follow-up. These are discretionary programs that the division undertakes to ensure voluntary compliance with the tax laws it administers.

The Income and Excise Audit Division will merge with the Oil and Gas Audit Division on April 1, 2000. We expect some additional savings from the merger for the FY 2001 budget.

Program Area:	Dollar Amount(s):	Fund Source(s):
Oil and Gas Audit Division General reduction	(\$100.0)	General fund

Impact Analysis:

(1) Short term: We will not replace employees who take early retirement, and we will try to make up for the loss with tax regulation changes reducing the number of personnel needed.

(2) In anticipation of the April 1, 2000, merger between the Income and Excise and Oil and Gas audit divisions, we will have a year to figure out and implement those changes -- both in the tax law and in the way we do business. Changes will be necessary to ensure that we gain, rather than lose, efficiency, and that tax revenues do not suffer from the merger.

TRANS.

DOT #1

Department: DOT & PF

Dawson
Failed
4/8/98
am

Amendment #

Offered by

Decrease the following amount: (in thousands)

BRU:	Northern Region Maintenance and Operations
Component:	Northern Region Facilities
GF	(220.0)

Add the following amounts into the components listed:

BRU:	Central Region Maintenance and Operations
Component	Central Region Highways & Aviation
GF	150.0

BRU:	Northern Region Maintenance and Operations
Component:	Northern Region Highways and Aviation
GF	70.0

DOT #2

Amendment #

Department: DOT&PF

Offered by Rep. Williams

Delete:

DOT&PF
BRU Planning
Component Statewide Planning
GF (2.1)

4/8/98
Adopted

Delete:

DOT&PF
BRU Design and Engineering Services
Component Statewide Design and Engineering Services
GF (9.6)

Delete:

DOT&PF
BRU Construction and C.I.P. Support
Component Central Region Construction and C.I.P. support
GF (4.8)

Delete:

DOT&PF
BRU Measurement Standards and Commercial Vehicle Enforcement
Component Measurement Standards and Commercial Vehicle Enforcement
GF (11.1)

ADD:

DOT&PF
BRU Administration and Support
Component Commissioner's Office
GF 27.6

This amendment transfers an unallocated reduction within the Department to all appropriations not otherwise affected by specific general fund reductions.

DOT #3

Amendment

Adopted 4/8/99

Offered in House Finance
To: CS for HB 50 (FIN)

By: REP. GRUSSENDORF

Transfer:

1 Permanent full-time position from Southeast Region Support Services to Southeast Regional Planning

Add:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
Page 39, line 8				
Planning		<u>5,284,500</u> [5,184,500]	332,700	<u>4,951,800</u> [4,851,800]
Page 39, line 12				
Southeast Region Planning		<u>608,800</u> [508,800]		

This amendment provides a position and \$100,000 CIP receipt authority (personal services) within the Department of Transportation & Public Facilities for a coordinator to oversee the implementation of the Southeast Alaska Transportation Plan. This position will work with Southeast communities, regional transportation authorities such as the Inter-island Ferry Authority (IFA), and transportation staff to facilitate development of separate projects required to implement the plan. Funding will be provided from SE Plan projects appropriated within the capital budget.

Agency Totals - FY00 Operating Budget

Agency: Department of Transportation/Public Facilities

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	321,437.7	335,395.8	337,774.1	336,921.6	1,525.8	0.5%

Objects of Expenditure:

Personal Services	194,503.6	205,710.5	208,024.5	207,934.3	2,223.8	1.1%
Travel	2,953.5	3,006.8	2,958.7	2,958.7	-48.1	-1.6%
Contractual	61,818.3	64,883.0	64,703.8	64,527.5	-355.5	-0.5%
Commodities	32,787.0	33,558.0	33,959.2	33,693.2	135.2	0.4%
Equipment	1,935.3	728.0	618.4	618.4	-109.6	-15.1%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	0.0	0.0	0.0	0.0	0.0	%
Miscellaneous	27,440.0	27,509.5	27,509.5	27,189.5	-320.0	-1.2%

Funding Sources:

1002 Fed Rcpts	990.6	1,311.8	928.2	1,428.2	116.4	8.9%
1003 G/F Match	172.5	177.1	74.8	74.8	-102.3	-57.8%
1004 Gen Fund	123,040.4	124,225.3	124,817.6	123,571.6	-653.7	-0.5%
1005 GF/Prgm	4,791.4	5,632.2	5,211.7	5,211.7	-420.5	-7.5%
1007 I/A Rcpts	6,887.0	4,917.1	4,947.3	4,911.0	-6.1	-0.1%
1026 Hwy Capitt	20,902.2	22,385.7	22,385.7	22,385.7	-0.0	-0.0%
1027 Int Airprt	39,231.0	40,040.0	41,292.0	41,292.0	1,252.0	3.1%
1053 Invst Loss	725.7	143.3	-0.0	0.0	-143.3	-100.0%
1061 CIP Rcpts	55,625.3	61,596.5	63,150.0	63,079.8	1,483.3	2.4%
1076 Marine Hwy	68,890.7	74,667.9	74,667.9	74,667.9	0.0	0.0%
1108 Stat Desig	180.9	298.9	298.9	298.9	0.0	0.0%

Positions:

Perm Full Time	2,716.0	2,735.0	2,822.0	2,821.0	86.0	3.1%
Perm Part Time	651.0	647.0	645.0	645.0	-2.0	-0.3%
Non-Perm	1.0	1.0	1.0	1.0	0.0	0.0%

**House Finance Subcommittee on Transportation & Public Facilities
Recommendations for FY 00 Budget
Representative Williams, Subcommittee Chair**

FY 00 Governor Amended GF Request: \$130,104.1
FY 00 House Finance GF Allocation: \$129,101.0
FY 00 HF DOT&PF Subcommittee Recommendation: \$128,858.1
Total GF reduction from FY 00 Governor Amended: (\$1,246.0)

Highlights: funded the opening of the Taylor and other roads/highways that are normally opened in the spring. Funded the O/M costs to keep the Valdez hospital open at the Harborview facility. Approved transfers that allow weigh stations to operate longer hours and provide for increased vehicle inspections, translating into safer roadways. Approved various transfers which helps DOT&PF become more efficient (i.e. created contract appeals & statewide procurement component)

Note: in working with the Department on the maintenance station closures, it is the Subcommittee's understanding that roads that are currently maintained will continue to be maintained after certain station closures. The GF reductions to supplies (paint, striping) can be supplanted by federal dollars (\$500,000 of federal money is programmed in the FY00 S.T.I.P. for striping)

General Fund Changes

Commissioner's Office: (\$75,000) Funds: 1004 GF Line: Miscellaneous
Miscellaneous General Fund reduction to meet FY 00 Target.

Central Region Highways & Aviation: (\$701,000) Funds: 1004 GF Line: Various
General Fund reduction to meet FY 00 Target. Close maintenance stations: (\$400.0) miscellaneous. Reduce contractual services for snow hauling and street sweeping: (\$100.0) contractual. Reduce supplies such as paint, calcium chloride, salt, sand, etc: (\$201.0) supplies.

Northern Region Facilities: \$235,000 Funds: 1004 GF Line: Miscellaneous
Miscellaneous General Fund increment for Harborview facility.

Northern Region Highways & Aviation: (\$400,000) Funds: 1004 GF Line: Miscellaneous
Miscellaneous General Fund reduction to meet FY 00 Target. Close maintenance stations: (\$400.0).

Southeast Region Facilities: (\$60,000) Funds: 1004 GF Line: Contractual
General Fund reduction to meet FY 00 Target. Reduce janitorial service in Ketchikan/Juneau to 4 days/week.

Southeast Region Highways & Aviation: (\$65,000) Funds: 1004 GF Line: Supplies
General Fund reduction to meet FY 00 Target. Reduce supplies such as paint and deicing chemicals (\$65.0).

Marine Highway Stabilization: (\$180,000) Funds: 1004 GF Front Section
General Fund reduction to meet FY 00 Target. Keep PWS service to Cordova same as FY99 (2 weeks more than FY98)

Other Changes

Statewide Planning: (\$70,200) Funds: 1061 CIP Line: Personal Services
Partially deny increment of \$140.5 CIP Receipts to fund Planner III to help with capital budget workload.

Central Region Highways & Aviation: \$500,000 Funds: 1002 Federal Line: Miscellaneous
Increment federal receipt authority for contract to keep Adak airport open.

Intent Language Adopted by the Subcommittee

It is the intent of the Legislature that the Department analyze the existing maintenance stations and close the number required to realize savings of \$400,000 in both the Northern and Central Regions. These maintenance station closures should not result in any roads that are currently maintained to go unmaintained.

It is the intent of the Legislature that the Department open the state highways and roads in the spring that have customarily been opened by the Department. (Taylor Highway, Boundary Spur, McCarthy Road, Nome/Teller Road, Nome/Council Road, Glacier Creek/Nome, Fairbanks Creek Road, Tofty Road/Manly, Eureka/Rampart, etc)

\$500,000 of the amount appropriated from federal receipts for Central Region Highways and Aviation is for maintenance and operation of Mitchell Field at Adak and is contingent upon receipt of federal receipts for maintenance and operation of Mitchell Field and the execution of a long-term agreement between the Department of Transportation and Public Facilities and either the Adak Reuse Corporation or the City of Adak regarding the maintenance and operation of Mitchell Field.

March 31, 1999 11:35 a.m.

FY00 House Finance Public Safety Subcommittee Recommendations

(\$000)

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	94,791.5	98,129.1	77,693.9	78,837.5	8,256.1	9,054.3	8,841.5	10,237.3
		FY99 Supplemental	143.6		143.6		0.0		0.0	
		FY99 Base	94,935.1		77,837.5		8,256.1		8,841.5	
		FY00-FY99		3,194.0		1,000.0		798.2		1,395.8
		% Change		3.36%		1.28%		9.67%		15.79%
DPS	Fish and Wildlife Protection	Enforcement and Investigative Services	11,042.8	11,330.1	10,379.5	10,741.8	663.3	588.3	0.0	0.0
DPS	Fish and Wildlife Protection	Director's Office	247.8	247.8	247.8	247.3	0.0	0.0	0.0	0.0
DPS	Fish and Wildlife Protection	Aircraft Section	1,629.8	1,629.8	1,427.3	1,427.3	202.5	202.5	0.0	0.0
DPS	Fish and Wildlife Protection	Marine Enforcement	2,928.0	2,928.0	2,526.9	2,526.9	401.1	401.1	0.0	0.0
DPS	Dalton Highway Protection	Dalton Highway Protection	90.2	90.2	90.2	90.2	0.0	0.0	0.0	0.0
DPS	Fire Prevention	Fire Prevention Operations	1,442.7	1,442.7	1,413.1	1,413.1	29.6	29.6	0.0	0.0
DPS	Fire Prevention	Fire Service Training	565.5	643.3	375.5	375.5	190.0	227.8	0.0	40.0
DPS	Highway Safety Planning Agency	Highway Safety Planning Operations	189.5	142.3	74.8	74.8	47.2	0.0	67.5	67.5
DPS	Highway Safety Planning Agency	Federal Grants	1,193.8	1,457.7	0.0	0.0	0.0	0.0	1,193.8	1,457.7
DPS	Alaska State Troopers	Special Projects	1,077.6	1,385.3	0.0	0.0	0.0	0.0	1,077.6	1,385.3
DPS	Alaska State Troopers	Criminal Investigations Bureau	3,211.7	3,211.7	3,136.5	3,136.5	75.2	75.2	0.0	0.0
DPS	Alaska State Troopers	Director's Office	651.8	651.8	651.8	651.8	0.0	0.0	0.0	0.0
DPS	Alaska State Troopers	Judicial Services-Anchorage	2,054.3	1,985.2	1,985.2	1,985.2	69.1	0.0	0.0	0.0
DPS	Alaska State Troopers	Prisoner Transportation	1,476.7	1,476.7	1,476.7	1,476.7	0.0	0.0	0.0	0.0
DPS	Alaska State Troopers	Search and Rescue	283.1	283.1	283.1	283.1	0.0	0.0	0.0	0.0
DPS	Alaska State Troopers	Rural Trooper Housing	528.9	540.2	477.8	477.8	51.1	62.4	0.0	0.0
DPS	Alaska State Troopers	Narcotics Task Force	3,224.9	3,224.9	439.6	439.6	0.0	0.0	2,785.3	2,785.3
DPS	Alaska State Troopers	Commercial Vehicle Enforcement	131.8	89.9	0.0	0.0	131.8	89.9	0.0	0.0
DPS	Alaska State Trooper Detachments	Alaska State Trooper Detachments	33,413.3	34,458.2	31,896.9	32,941.8	1,502.4	1,502.4	14.0	14.0
DPS	Village Public Safety Officer Program	Contracts	5,523.5	5,523.5	5,523.5	5,523.5	0.0	0.0	0.0	0.0
DPS	Village Public Safety Officer Program	Support	1,702.7	1,721.0	1,702.7	1,721.0	0.0	0.0	0.0	0.0
DPS	Village Public Safety Officer Program	Administration	271.8	253.5	271.8	253.5	0.0	0.0	0.0	0.0
DPS	Alaska Police Standards Council	Alaska Police Standards Council	846.4	846.4	846.4	846.4	0.0	0.0	0.0	0.0
DPS	Violent Crimes Compensation Board	Violent Crimes Compensation Board	1,271.5	1,296.9	253.8	0.0	732.7	986.5	285.0	310.4
DPS	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	8,592.6	9,030.4	3,969.1	3,744.1	2,254.9	2,354.9	2,368.6	2,931.4
DPS	Batterer's Intervention Program	Batterer's Intervention Program	200.0	345.0	0.0	65.0	200.0	160.0	0.0	120.0
DPS	Statewide Support	Commissioner's Office	654.9	632.6	654.9	632.6	0.0	0.0	0.0	0.0
DPS	Statewide Support	Training Academy	1,374.4	1,374.4	837.7	837.7	536.7	536.7	0.0	0.0
DPS	Statewide Support	Administrative Services	1,815.1	1,815.1	1,714.7	1,714.7	100.4	100.4	0.0	0.0
DPS	Statewide Support	Alaska Wing Civil Air Patrol	503.1	503.1	503.1	503.1	0.0	0.0	0.0	0.0
DPS	Statewide Support	Laboratory Services	2,005.4	2,177.9	1,965.3	2,137.8	40.1	40.1	0.0	0.0
DPS	Statewide Support	Alaska Public Safety Information Network	1,785.0	1,920.7	978.7	978.7	751.3	811.0	55.0	131.0
DPS	Statewide Support	Alaska Criminal Records and Identification	2,760.9	2,760.9	1,489.5	1,489.5	276.7	276.7	994.7	994.7
DPS	Statewide Support	Unallocated Reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DPS	Facility Maintenance	Facility Maintenance	0.0	608.8	0.0	0.0	0.0	608.8	0.0	0.0
DPS	Victims for Justice	Victims for Justice	100.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0

**Department of Transportation and Public Facilities
Impact Statements in Response to
House Finance Subcommittee Budget Proposals**

Date: 4/2/99

Prepared by: Nancy J. Slagle

Program Area:	Dollar Amount(s):	Fund Source(s):
Commissioner's Office	(75.0)	GF

Impact Analysis:

This unallocated reduction would be spread in the Administration and Support appropriation. The proposed structure does not allow the department to spread the cut to divisions that were not assessed reductions.

The reduction would result in the loss of a Division Director position in the *Commissioner's Office* component with a savings of \$38.7 GF (total cost of the position is \$106,000, the remainder of the funding coming from interagency receipts). This position is responsible for the oversight and coordination of maintenance and operations activities in the department and is instrumental in assuring that the department's focus and approach to meeting transportation needs is consistent throughout the state. Loss of this position will result in less hands-on management and coordination of M&O activities.

The remainder of the reduction would impact the *Statewide Information Systems* component. Purchase costs for software licenses, routers and the like would be charged back to department programs. This will impact a program's ability to provide services.

Program Area:	Dollar Amount(s):	Fund Source(s):
Central Region Highways & Aviation	(701.0)	GF

Impact Analysis:

- 1). \$ 400,000 / Close maintenance stations:

The proposed budget reduction will result in closure of several maintenance stations. No closure can be made without a corresponding reduction in service. The department will consider closing stations with the least impact to the travelling public.

We will totally close some maintenance stations and layoff some operators and transfer others. Some of the equipment would be transferred to other stations and some would be eliminated.

The impact of this action has several consequences. One, people would be laid off. Two, the level of service (snowplowing, sanding and etc.) to an area would be delayed until the operators can make it to a location which would be further removed from an active maintenance station. Fewer personnel will be available to service the same total road mileage and there will be greater distances to travel, this will result in it taking longer to get to side roads. There would be days when people will not be able to get to work.

Providing services will require more travel time; the result will be a slower response for plowing, and poorer road conditions. For example, in a transition area between maritime and interior climates, mid winter rain storms and subsequent cooling trends can build heavy roadway ice. This cut may decrease our ice control program and result in roads with more ice pack and poor traction.

Much of the freight transported by truck travels at night. In order to accommodate the freight haul, we sometimes put night operators on to plow as we have had several occasions of night closures and/or poor conditions without night coverage. This service would be deleted. Sidewalks and Priority II and III roads will see delays in snow removal and sanding operations. Some roads are subject to severe drifting due to heavy winds. Drifts can close the roads within hours. Without the surveillance of a local crew, we can expect to see more road closures. Response time to avalanches will also be considerably slower.

2). \$ 100,000 / Reduce Contracted Services:

In Anchorage, the average snow haul cost in the winter is approximately \$750,000. Contracted snow removal can range from \$500,000 to \$1,000,000. The average cost of one complete snow haul is approximately \$100,000. We will eliminate the equivalent of one complete snow haul. Due to this reduction and other budget erosion over the years, we will establish a firm cap of \$650,000 on snow haul.

The impact will be that snow will accumulate longer on the sidewalks and pathways before it is removed. This increased amount of snow may impair the sight distance at intersections and impair pedestrians' ability to use the sidewalks.

This additional accumulation may result in spring snow melt sheet flowing across the road creating additional pot holes and cause mass icing during nightfall. The routes that will be affected are Dimond Blvd., Muldoon/Tudor Road, Northern Lights, Benson Blvd., Fireweed Lane, Gambell/Ingra, and A-C couplet among others.

3). \$201,000 / Reduce Commodities purchased:

- a.) In Anchorage, we will eliminate our new liquid Magnesium Chloride (De-Icing product) Program. The result is a net savings of approximately \$100,000.

The impact will be the increased use of the cheaper sand product but it will decrease air quality in the Anchorage Bowl. The decreased air quality could potentially result in our violation of PM (particulate matter) 10 laws and make it considerably more difficult to comply with the EPA and NPDES permits and regulations. The existing NPDES permit compliance costs us \$700,000 per year and may cost more if additional sand is used in lieu of Magnesium Chloride.

- b.) In the Mat-Su Area and Kenai Peninsula Area, we will eliminate all use of Calcium Chloride (Dust Control) on gravel roads. The result is a net saving of approximately \$101,000.

The impact will be that gravel roads in these areas will become rough and dusty soon after they are bladed in the spring, thereby requiring increased major maintenance. This additional maintenance will be nearly impossible to perform due to the summer operating budget having been reduced to its current level. The roads that will be effected are Old Matanuska, Buffalo Mine, Hatcher Pass, Davis, Hayfield, Dimond Ridge, Olson Mountain, East End, North Fork, Anchor River and Old Sterling.

Program Area:	Dollar Amount(s):	Fund Source(s):
Northern Region Facilities	235.0	GF

Impact Analysis:

This increment will provide funding for maintenance of the Harborview Development Center in Valdez. A reduced amount of funds could be used to segregate and mothball the unused portion of the building, leaving responsibility for the hospital to the City of Valdez.

Program Area:	Dollar Amount(s):	Fund Source(s):
Northern Region Highways & Aviation	(400.0)	GF

Impact Analysis:

1.) \$ 400,000 / Close maintenance stations:

The Department recommended a reduction to the FY99 budget of \$316,000 to eliminate the plowing open of Northern Region seasonally closed roads. That reduction remains the Department's first choice as it has the least overall impact to the travelling public. If we were to choose not to open the roads in the spring we could reduce the number of maintenance station closures. We recommend adding \$132,000 in designated program receipts to allow private contribution to the early opening of the roads.

The proposed budget reduction will result in closure of several maintenance stations. No closure can be made without a corresponding reduction in service. The department will consider closing stations with the least impact to the travelling public.

We will totally close some maintenance stations and layoff some operators and transfer others. Some of the equipment would be transferred to other stations and some would be eliminated.

The impact of this action has several consequences. One, people would be laid off. Two, the level of service (snowplowing, sanding and etc.) to an area would be delayed until the operators can make it to a location which would be further removed from an active maintenance station. Fewer personnel will be available to service the same total road mileage and there will be greater distances to travel, this will result in it taking longer to get to side roads. There would be days when people will not be able to get to work.

Providing services will require more travel time; the result will be a slower response for plowing, and poorer road conditions. For example, in a transition area between maritime and interior climates, mid winter rain storms and subsequent cooling trends can build

heavy roadway ice. This cut may decrease our ice control program and result in roads with more ice pack and poor traction.

Much of the freight transported by truck travels at night. In order to accommodate the freight haul, we sometimes put a night operators on to plow as we have had several occasions of night closures and/or poor conditions without night coverage. This service would be deleted. Sidewalks and Priority II and III roads will see delays in snow removal and sanding operations. Some roads are subject to severe drifting due to heavy winds. Drifts can close the roads within hours. Without the surveillance of a local crew, we can expect to see more road closures. Response time to avalanches will also be considerably slower.

Program Area:	Dollar Amount(s):	Fund Source(s):
Southeast Region Facilities	(60.0)	GF

Impact Analysis:

Janitorial services would be reduced to four days per week in offices; however, restrooms and building entryways and other high-traffic areas will continue to be cleaned daily. Some heavy cleaning services will be performed less frequently or eliminated altogether. Floor coverings will exhibit accelerated wear from less-frequent cleaning.

Note: In order to realize this reduction, we need to have a decision by mid- to late May, so that 14 contracts can be renegotiated or rebid by July 1, 1999.

Program Area:	Dollar Amount(s):	Fund Source(s):
Southeast Region Highways & Aviation	(65.0)	GF

Impact Analysis:

This action will result in a reduction in application of paint and de-icing chemicals on Southeast Highways and impact the safety of motorists. The annual cycle of painting of roads in smaller Southeastern communities (Gustavus, Hoonah, Angoon and Prince of Wales Island) will be deferred to a two-year cycle. Also smaller volume roads in Juneau, Haines and Ketchikan will also converted to a two-year cycle. Application of deicing chemicals(magnesium chloride) in all Southeastern communities will be reduced. This will result in snow and ice pack accumulation, longer snow removal times and icier roads.

Program Area:	Dollar Amount(s):	Fund Source(s):
Marine Highway Stabilization	(180.0)	GF

Impact Analysis:

This will reduce the amount of general funds appropriated to the Marine Highway Fund by \$180.0. In order to offset this reduced funding with decreased expenditures, we will reduce the operating weeks of service provided by the system. The Kennicott will be removed from approximately two weeks of planned service in the Prince William Sound area. This will provide the same level of service in the Southwest system as in FY 99, which was an increase of two weeks over FY 98.

Program Area:	Dollar Amount(s):	Fund Source(s):
Statewide Planning	(70.2)	CIP

Impact Analysis:

Three main issues which contribute to the need for \$70.2 in CIP Receipt authority to fund a Planner III position in support of the Capital Budget Section are:

- 1. Greater State capital budget complexity** - the Legislature changed the department's capital budget structure in FY 99. The appropriation and allocation of preconstruction and state match by project has significantly increased the paperwork requirement and number of budget actions required throughout the year. The final cost of the environmental and design work is particularly hard to estimate as they are the first project tasks to be undertaken, and as a result the design effort must often be increased or decreased after the project has started.
- 2. Greater federal program complexity** - The new federal transportation legislation, TEA-21 has several new funding sources and many new discretionary programs (in addition to all the original programs authorized under ISTEA) which have increased the complexity of the STIP and capital budgeting processes.
- 3. Larger federal program** - Alaska's federally funded program under TEA-21 has increased from about \$220 million per year to nearly \$400 million per year. There is a concurrent increase in the number of projects in the program, each with state and federal budget and paperwork requirements.

With the legislative appropriation of the capital budget now on a project by project basis, it is difficult to absorb natural program changes within this structure. TEA21 has brought with it a dramatic increase in new and changing funding sources with various match ratios that further complicate this process. Without this requested staffing, it is doubtful we will be able to maintain the high level of performance that last year resulted in a bonus combined with redistributed funds amounting to \$2.9 million. The FY99 capital budget production and ongoing management of the capital budget has become more complex and time consuming than the current staff can absorb. The impact of this reduction would be mitigated if the FY00 capital budget structure is changed.

Program Area:	Dollar Amount(s):	Fund Source(s):
Central Region Highways & Aviation	500.0	Federal

Impact Analysis:

This addition provides partial year federal fund receipt and expenditure authority for the maintenance and operation of the Adak airport at the request of Adak Reuse Corporation. It is unknown exactly how much funding will be necessary to maintain this facility, how much or when federal funds will be available to cover those costs, whether good equipment will be available for use at this facility, when the military will actually leave the airport.

Program Area:	Dollar Amount(s):	Fund Source(s):
Budget Structures		

Impact Analysis:

This proposed budget structure places Northern, Central, and Southeast Facilities Components and Northern and Central's Leasing & Property Management Components under Statewide *Facility* M&O BRU and Statewide *Facility* M&O Appropriation. Previously they were under Statewide *M&O* BRU and *Statewide* Programs Appropriation. Similarly, Northern, Central, and Southeast's State Equipment Fleet Components would be in an appropriation with fewer components. The Highways & Aviation Components underwent the same type of change in FY99. The tight compartmentalization of these budget request units would result in less efficiency in managing those budgets. We propose that all of the Maintenance and Operations Components, including Highways and Aviation, be put under three regional Maintenance and Operation Appropriations.

UNIV.
OF AK

UGA

w/D 4/9/99

Amendment

Representative John Davies

ADD

University of Alaska

16.3 million GF

U of A #2

Amendment

Representative John Davies

Failed
4/9/99

ADD

University of Alaska

10,689 million GF

U of A #3

w/d

Amendment

Representative John Davies

ADD

University of Alaska

10,689 million PFER

UgA #4

Amendment

Representative John Davies

ADD

University of Alaska

10,689 million CBR

Agency Totals - FY00 Operating Budget

Agency: University of Alaska

	<u>FY98 Act</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>HseDraft</u>	<u>FY99Auth to HseDraft</u>	
Totals for Agency	385,949.8	442,440.7	465,810.7	460,190.7	17,750.0	4.0%
<u>Objects of Expenditure:</u>						
Personal Services	216,489.2	232,794.6	249,021.6	243,401.6	10,607.0	4.6%
Travel	9,683.7	8,481.4	8,759.1	8,759.1	277.7	3.3%
Contractual	83,172.5	109,133.2	122,635.6	122,635.6	13,502.4	12.4%
Commodities	40,420.5	46,962.6	49,348.3	49,348.3	2,385.7	5.1%
Equipment	8,661.6	4,655.1	6,051.0	6,051.0	1,395.9	30.0%
Lands/Buildings	7,344.1	15.0	131.5	131.5	116.5	776.7%
Grants, Claims	13,164.3	11,304.8	11,512.8	11,512.8	208.0	1.8%
Miscellaneous	7,013.9	29,094.0	18,350.8	18,350.8	-10,743.2	-36.9%
<u>Funding Sources:</u>						
1002 Fed Rcpts	44,788.5	58,006.2	63,434.2	63,434.2	5,428.0	9.4%
1003 G/F Match	2,777.3	2,777.3	2,777.3	2,777.3	0.0	0.0%
1004 Gen Fund	161,766.5	163,354.9	168,974.9	163,354.9	-0.0	-0.0%
1006 GF/MHTIA	200.8				0.0	%
1007 I/A Rcpts	28,557.5	34,105.0	34,564.9	34,564.9	459.9	1.3%
1010 UA/INT INC	2,884.6	3,330.0	3,339.6	3,339.6	9.6	0.3%
1015 UA/DFA SVC	23,832.4	32,202.7	33,395.3	33,395.3	1,192.6	3.7%
1025 Sci/Tech	2,630.0	2,630.0	2,630.0	2,630.0	0.0	0.0%
1037 GF/MH		200.8	200.8	200.8	0.0	0.0%
1038 UA/STF SVC	49,419.2	57,499.6	59,043.9	59,043.9	1,544.3	2.7%
1039 UA/ICR	13,378.4	19,330.0	19,382.2	19,382.2	52.2	0.3%
1048 Univ Rcpt	52,886.5	65,438.1	74,491.3	74,491.3	9,053.2	13.8%
1053 Invst Loss	166.4				0.0	%
1061 CIP Rcpts	2,661.7	3,566.1	3,576.3	3,576.3	10.2	0.3%
<u>Positions:</u>						
Perm Full Time	3,471.0	3,387.0	3,444.0	3,387.0	0.0	0.0%
Perm Part Time	242.0	233.0	233.0	233.0	0.0	0.0%
Non-Perm	0.0	0.0	0.0	0.0	0.0	%

**House Finance Subcommittee
University of Alaska
Recommendations for FY 00 Budget**

Representative Alan Austerman, Subcommittee Chair

The following describes subcommittee actions from the budget closeout session March 31, 1999 (spreadsheet attached). The subcommittee concentrated on the general fund - FY 2000 column of the worksheet. Components not mentioned below are funded at the Governor's FY00 request.

Historically, reductions or additions to the University of Alaska's budget have been made in a lump sum to the Unallocated Reductions/Additions component and applied within the University system by the Administration.

The subcommittee's final recommendation was to pass a Letter of Intent (see attached) along with a zero growth general fund budget recommendation. The attached spreadsheet for FY00 holds general funds at the FY99 authorized level of \$166.3 million.

FY00 University of Alaska Subcommittee Recommendations

(\$000)

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	442,440.7	465,181.7	168,333.0	168,333.0	216,101.5	230,414.5	58,006.2	68,434.2
		FY99 Supplemental	0.0		0.0		0.0		0.0	
		FY99 Base	442,440.7		168,333.0		216,101.5		58,006.2	
		FY00 FY99		22,741.0		0.0		12,313.0		10,428.0
		% Change		5.14%		0.00%		5.65%		17.98%
University of Alaska	University of Alaska	Unallocated Budget Reductions/Additions	(0.0)	17,750.0	0.0	0.0	0.0	12,322.0	0.0	5,428.0
University of Alaska	University of Alaska	Budget Reductions/Additions - Systemwide	57.1	57.1	0.0	0.0	50.9	50.9	6.2	6.2
University of Alaska	Statewide Programs and Services	Statewide Services	20,888.4	20,888.4	7,312.2	7,312.2	13,576.2	13,576.2	0.0	0.0
University of Alaska	Statewide Programs and Services	Statewide Networks	9,640.6	9,640.6	4,215.6	4,215.6	5,425.0	5,425.0	0.0	0.0
University of Alaska	Statewide Programs and Services	ACCFI Contract Provisions	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
University of Alaska	Statewide Programs and Services	United Academics (UA) Contract Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
University of Alaska	Statewide Programs and Services	CEA Contract Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
University of Alaska	Statewide Programs and Services	Salary Adjustment: Non-Covered Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
University of Alaska	Statewide Programs and Services	United Academics - Adjuncts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
University of Alaska	University of Alaska Anchorage	Anchorage Campus	126,493.5	126,493.5	50,541.4	50,541.4	61,952.1	61,952.1	14,000.0	14,000.0
University of Alaska	University of Alaska Anchorage	Kenai Peninsula College	6,286.2	6,286.2	3,326.5	3,326.5	2,634.5	2,634.5	325.2	325.2
University of Alaska	University of Alaska Anchorage	Kodiak College	2,555.0	2,546.0	1,700.3	1,700.3	854.7	845.7	0.0	0.0
University of Alaska	University of Alaska Anchorage	Matanuska-Susitna College	4,550.4	4,550.4	2,398.6	2,398.6	2,141.7	2,141.7	10.1	10.1
University of Alaska	University of Alaska Anchorage	Prince William Sound Community College	4,643.9	4,643.9	1,543.9	1,543.9	3,025.0	3,025.0	75.0	75.0
University of Alaska	University of Alaska Fairbanks	Alaska Cooperative Extension	6,064.4	6,064.4	2,678.2	2,678.2	386.2	386.2	3,000.0	3,000.0
University of Alaska	University of Alaska Fairbanks	Bristol Bay Campus	1,193.5	1,193.5	715.2	715.2	478.3	478.3	0.0	0.0
University of Alaska	University of Alaska Fairbanks	Chukchi Campus	925.1	925.1	781.5	781.5	143.6	143.6	0.0	0.0
University of Alaska	University of Alaska Fairbanks	Fairbanks Campus	146,212.2	146,212.2	59,610.8	59,610.8	77,120.7	77,120.7	9,480.7	9,480.7
University of Alaska	University of Alaska Fairbanks	Fairbanks Organized Research	70,087.3	75,087.3	9,895.3	9,895.3	31,202.3	31,202.3	28,989.7	33,989.7
University of Alaska	University of Alaska Fairbanks	Interior-Aleutians Campus	1,723.1	1,723.1	1,046.1	1,046.1	677.0	677.0	0.0	0.0
University of Alaska	University of Alaska Fairbanks	Kuskokwim Campus	3,383.7	3,383.7	1,856.6	1,856.6	1,307.8	1,307.8	219.3	219.3
University of Alaska	University of Alaska Fairbanks	Northwest Campus	1,540.0	1,540.0	1,266.9	1,266.9	273.1	273.1	0.0	0.0
University of Alaska	University of Alaska Fairbanks	Rural College	3,025.3	3,025.3	2,048.4	2,048.4	976.9	976.9	0.0	0.0
University of Alaska	University of Alaska Fairbanks	Tanana Valley Campus	5,044.5	5,044.5	1,968.1	1,968.1	3,026.4	3,026.4	50.0	50.0
University of Alaska	University of Alaska Southeast	Juneau Campus	20,622.3	20,622.3	10,202.8	10,202.8	8,919.5	8,919.5	1,500.0	1,500.0
University of Alaska	University of Alaska Southeast	Ketchikan Campus	2,795.5	2,795.5	1,462.3	1,462.3	1,283.2	1,283.2	50.0	50.0
University of Alaska	University of Alaska Southeast	Sitka Campus	4,708.7	4,708.7	1,762.3	1,762.3	2,646.4	2,646.4	300.0	300.0

UNIVERSITY OF ALASKA IMPACT OF HOUSE FINANCE COMMITTEE SUBCOMMITTEE RECOMMENDATIONS

UA's request of 16.3m will fund:

- contractual and other obligated salary increases (\$5.6m),
- general fixed cost increases such as, utilities, commodities and library materials (\$3.3m),
- twenty-seven faculty in core programs to ensure academic quality (\$2.0m),
- instructional technology and support to keep pace with technology (\$2.0m),
- retention initiatives and financial aid, admissions, and recruitment staff (\$.75m),
- faculty to meet employment needs in health, teacher education, vocational (\$1.3m),
- faculty to strengthen Alaska's economy through basic and applied research (\$1.3m).

The legislative cap of zero will force the university to eliminate \$8.9m from current university offerings to cover fixed cost increases. Additionally, the University will forego enhancements necessary to expand and improve existing programs. The University has reallocated, reorganized, re-engineered, and reduced to the point where the only option for meeting the fixed cost needs is to abandon certain key functions and services important to Alaskans and Alaska's economic development.

The University's ability to generate revenue on its own -- nearly \$.60 cents for every \$1 dollar in instructional appropriations, and \$4 for every \$1 dollar in research appropriations -- has hit the point of diminishing returns. The restricted funds in the early 90's forced the University to aggressively raise non-general fund revenues: tuition more than doubled; indirect cost recoveries increased by 80%; federal receipts, university receipts and auxiliary receipts each increased by close to 40%. There clearly was headroom for increasing the University's self-generated share of its total budget, and the University responded, shifting its reliance on state general fund from nearly 60% to 42%.

Since 1996, over \$11 million in administrative costs have been reallocated to cover unfunded fixed costs, leaving many academic and administrative support areas in a significant shortfall. Faculty are the engine for generating revenue -- they teach the classes, they write the grants, they attract the students and the research. The engine is in serious disrepair. Since 1996, 149 faculty positions have been lost. With the loss of faculty, hundreds of course sections have been eliminated, enrollment has declined, federal receipts and the associated indirect cost revenues have significantly diminished. Without a regular infusion of state resources, the machine will cease to function at an acceptable level.

The Board of Regents will be charged with making the difficult determination of what programs and services must be abandoned to meet the budget shortfall, but the following

scenarios give a sense of what a reduction of this magnitude would mean to the university:

- If reductions were taken in instruction it would mean eliminating 100 faculty and associated costs thus cutting 700 course sections and reducing tuition revenue by over \$3m. UA has a contractual agreement with students to offer the courses necessary to complete their programs, thus limiting the choices of which faculty can be eliminated. Also, faculty contracts require a year notice for layoff limiting the savings available in the first year.
- If reductions were taken in research, external funding to the university and therefore the economy of Alaska would be reduced by \$35m. For every one state appropriated research dollar the university returns \$4 in external funding. External research funding employees 480 regular faculty and staff and 300 temporary employees. This reduction would eliminate about half of those jobs and virtually eliminate the university ability to compete for future research funding opportunities.
- If reductions were taken at extended sites, operation of eight campuses would have to be eliminated. To reach the \$8.9 reduction target, the university would have to effectively reduce \$12m because it has ongoing financial commitments for 1-3 years on maintenance of vacant facilities, and contractual obligations to faculty and students.