

**HB**

**50**

**(File 4)**

**SFIN**

**FILE**

## Revenue Finance Subcommittee

Senator Leman, Chairman  
Senator Ward  
Senator Adams

FY 99 Authorization: \$10,731.2  
FY 99 Base: \$11,504.5 (FY 99 auth. - \$773.3 CH2 SLA 99)  
FY00 Allocation: \$11,352.5  
GF Reduction: (\$1,119.4)  
Other Fund Group Reduction: (\$417.4)

Note: Constitutional Budget Reserve funds are included in the general fund allocation amount.

The Senate Finance Subcommittee for the Department of Revenue recommends the following reductions to the FY00 Governor's requested, as amended, budget.

**BRU: Child Support Enforcement Division**  
**Comp: Child Support Enforcement Division**

Fund Source Change  
1003 GF/Match (\$1,945.0)  
1004 GF/Pgm Rcpt \$1,945.0

This fund change does not increase budgeted general funds and stabilizes revenue sources for the CSED.

*Language:*  
*The funds appropriated by this appropriation include so much, and no more, of the program receipts received during the fiscal year ending June 30, 2000, by the child support enforcement division as is necessary to provide the minimum amount of state funds necessary to secure federal funding appropriated for the child support enforcement program in this section.*

The GF/Program Receipt to Indirect Cost Reimbursement fund source change is recommended to follow the same funding mechanism that was approved in the FY99 supplemental.

Fund Source Change

1004 GF/Pgm Rcpt (\$386.0)

1133 Indir Cost Reim\$386.0

**BRU: Alaska Permanent Fund Corporation**

**Comp: Permanent Fund Corporation**

Reduction for improved office efficiencies

1104 PFund Rcpt (\$400.0)

\$400,000 represents slightly less than a 5% reduction in operations costs. The APFC operations budget has grown significantly during the past few years. Office efficiency measures should be applied to reduce the cost of the APFC's operations costs. One measure to be considered is the corporation's increasing cost of travel.

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**BRU: Alaska Mental Health Trust Authority**

**Comp: Alaska Mental Health Trust Authority**

Allow partial increment:

1094 AMHTA (\$17.4)

The annual cost for a twelve-month Welfare-to-Work employee is approximately \$20,000. The AMHTA's request for \$37,400 in the personal services line is reduced by \$17,400.

**BRU: Revenue Operations**  
**Comp: Oil and Gas Audit**

Reduction for improved office efficiencies

1004	Gen Fund	(\$400.0)
	Pers Svcs	(\$400.0)

*Intent Language:*

*It is the intent of the Legislature that the Oil and Gas Audit Division be combined with the Income and Excise Audit Division to improve work efficiencies and combine revenue audit and taxation functions for all of Alaska's resources and industries.*

With clearer regulations and law regarding financial reporting of oil and gas production and taxes, the workload for the division is decreasing. In FY98 the division participated in the Retirement Incentive Program and eliminated positions as they retired. At that time, the department anticipated that more individuals would be eligible to retire in FY00 or FY01. Attached letter from the department responds to the merger of the two divisions and plan for future reductions.

The House Finance Committee reduced the Oil and Gas Audit Division by \$100.0 for the third quarter savings if their merger with Income and Excise Audit Division occurred in April 2000. The additional \$300.0 reduction annualizes the savings of the merger if this action were to occur July 1, 1999.

Fund source change to Permanent Fund Corporation Receipts

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This fund source change directly responds to the requested fiscal note action in HB58 regarding royalty audits for oil and gas companies.

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	Pers Svcs	(\$100.0)

With the merger of the Oil and Gas Audit and Income and Excise Audit divisions, the department should be able to create improved office efficiencies.

Total proposed reductions for the Department of Revenue are:

General Fund Group(\$1,119.4)  
Federal Fund Group (\$0.0)  
Other Fund Group (\$417.4)

The proposed reductions do not include Investment Loss Trust Funds (ILTF) or Constitutional Budget Reserve (CBR) Funds. An additional \$18.6 reduction may need to be taken due to the reduction of ILTF in other agency budgets. The ILTF remains in the Department of Revenue budget for the costs of investing the ILTF in the Revenue Operations, Treasury Division. An additional \$18.6 reduction will need to be made to meet the Senate Finance Committee's allocation level.



# Alaska State Legislature

## SENATE

Official Business

State Capitol  
Juneau, AK 99801-1182

### MEMO

TO: Senator Sean Pamell, Co-Chairman  
Senate Finance Committee

FROM: Senator Loren Leman, Chairman  
DEC Finance Subcommittee

A handwritten signature in cursive script that reads "Loren Leman".

DATE: April 13, 1999

RE: Department of Environmental Conservation Finance Subcommittee

The Senate Finance subcommittee for the Department of Environmental Conservation recommends a general fund budget of \$11,326.3, a \$1.141.8 reduction from the Governor's amended FY 00 budget.

The attached budget documents explain the subcommittee's action.

**Department of Environmental Conservation – FY 00 Increment Requests and Suggested Decrements:**

FY 99 Auth: \$12,748.4 (\$213.0-CH2 SLA 99) FY 99 BASE: \$12,535.4

GF Reduction: (\$ 1, 683.4) includes CIP receipts

*FY00 Increment Requests:*

\$2,425.9 for 15 new positions requested from following sources:

CIP Rcpts (470 Fund) :	\$352.1	(\$155.8)	Fund: \$196.3	(4 positions)
CIP Rcpts (FC&O)	\$ 64.0	(\$ 64.0)	Fund: \$0	(1 position)
CIP Rcpts	\$ 80.0	(\$ 80.0)	Fund: \$0	(1 position)
GF	\$180.0	(\$180.0)	Fund: \$0	(4 positions)
GF/Prgm	\$200.0	(\$200)	Fund: \$0	(1 position)
Fed Rcpts	\$1,150.0	(0)	Fund: \$1,150.0	(4 positions)
GF Match	\$150.0	(\$150.0)	Fund: 0	
Clean Wtr/ADWF	<u>\$249.8</u>	<u>(0)</u>	<u>Fund: \$249.8</u>	
<b>TOTALS:</b>	<b>\$2,425.9</b>	<b>(\$829.8)</b>	<b>DENIED Fund: \$1,596.1</b>	

TOTAL GF NOT FUNDED: (\$749.8)

Additional Subcommittee Decrements to Spill Prevention/Storage Tank Assistance:

CIP Rcpts (470 Fund) – Decrease the up front appropriation into the O/H Substance Prevention Account	(\$580.3)	
I/A Rcpts:	(\$65.3)	(disallow transfer of PCN to storage tank division)
470 Fund:	<u>(\$227.2)</u>	Decrease the up front appropriation into the O/H Substance Prevention Account
<b>TOTAL:</b>	<b>(\$872.8)</b>	

TOTAL GF NOT FUNDED: (\$807.5)

Administration

**Administrative Services** \$64.0 CIP Receipts Fund 1 new position  
\$50.0/personal services; \$8.0/contractual; \$1.0/commodities; \$5.0/equipment

- Rationale: Increased support for FC&O grants

Senate Chairman Recommendation: **Deny increment.**

**GF DECREMENT:**

Reduce budget by amount of 2 Information Officers: (\$126,093)

- Rationale: Although the positions are paid for with all types of funds, it is assumed the Division will make adjustments for its remaining employees.

Senate Chairman Recommendation: **Approve (\$126,093/GF) decrement**

Environmental Health

**Food Safety & Sanitation** \$180.0 GF \$150.0 GF/PR Fund 4 new positions  
\$222.9/personal services; \$28.0/travel; \$48.5/contractual; \$5.6/commodities/ \$25/equipment

- Rationale: Increase inspection frequency

Senate Chairman Recommendation: Deny \$330.0 increment; Approve \$1.471.0 statutory program receipts; legislation being introduced to create local option.

DEC/Environmental Health Cont'd

**Drinking Water**                      \$50.0 GF/Prgrm Rct                      Fund 1 new position  
\$45.6/personal services; \$1.1/travel; \$0.5/commodities; \$2.8/equipment

- Rationale: Safe Drinking Water Act- Supply database information to community water systems for Federal reporting

Senate Chairman Recommendation: Deny increment (public water systems should maintain own records or access DEC database with their own personnel) DEC should keep data in a format that is readily accessible electronically.

Air and Water Quality

**Salmon Habitat Protection Increment**

\$1,150.0 Fed Rcpts    \$150.0/GF/Match    Funds 4 ncw positions

- Rationale: (According to DEC's detail book, (pg. 97); this increment includes increased Forest Practices Act, Best Management Practices to improve the science and data on watersheds.)

Senate Chairman Recommendation: Deny GF Match; Authorize Federal Authority only in contractual line

**NPDES Assumption Increment:**

\$80.0 CIP Rcpts    Funds 1 new position – THIS IS A MOVE

TOWARD PRIMACY FOR NPDES PERMITS, WOULD MEAN ADDING AT LEAST 3 MORE POSITIONS IN THE FUTURE IF THE STATE WANTS PRIMACY.

Senate Chairman Recommendation: **Deny increment (\$80.0)**. Solicit input from existing seasoned water quality personnel and permitted community on the merits of state assumption of primacy. Legislature should make this policy call during 2000 session.

DEC/Facility Construction and Operations

Facility Construction and Operations

**Replacement of Fed Funds &  
Increased Loan Audit/Serviceing**

\$9.0 Clean Wtr      \$240.8 ADWF

\$0/personal services; \$12.0/travel; \$235.8/contractual; \$1.0/commodities; \$1.0/equipment

- Rationale: To contract out loan accounting/auditing for Drinking Water Program

Senate Chairman Recommendation: **Approve increment**

**Increased Village Safe Water Project Management**

\$352.1/CIP Rcpts

\$267.8/personal services; \$40.3/travel; \$20.0/contractual; \$4.0/commodities; \$20.0/equipment

- Rationale: Management costs for increased projects due to increased Federal Village Safe Water money. DEC has agreed that it will seek contractual assistance to primarily handle the administrative work on 27 feasibility studies with communities. It is expected that the contractual line includes expenses for that work including travel. (NOTE: Division of Admin Services is seeking \$64.0 from CIP Rcpts. for increased administrative tasks due to increased VSW projects.)

Senate Chairman Recommendation: **Deny personal services increment (\$267.8); approve partial travel \$12.3; approve \$180.0/contractual; \$4.0/commodities; deny (\$20.0) equipment**



**SENATOR DAVE DONLEY**  
ALASKA STATE LEGISLATURE

**MEMORANDUM**

To: Senator Sean Parnell  
Co-Chair, Senate Finance Committee

From: Senator Dave Donley, Chair  
Senator Robin Taylor  
Senator Georgianna Lincoln  
Department of Public Safety Operating Budget Subcommittee

Re: Subcommittee Close-out Report for the Department of Public Safety

Date: April 13, 1999

The Senate GF target for the Department of Public Safety is \$77,689,100. The subcommittee closed \$96,900 under its target allocation at \$77,592,800. The attached spreadsheet indicates subcommittee action during the close-out on April 13 and a narrative of committee action is listed below.

**Fish & Wildlife Protection**

In this BRU, an increment of \$75,000 in General Funds to the Governor's request to offset a reduction in Fish & Game Fund receipts has been accepted. The Governor's General Fund increment request of \$309,500 for Fish & Wildlife Protection has been denied.

An increment of \$15,000 in General Funds to create a new **Fish & Wildlife Safeguard** component has been accepted.

**Fire Service Prevention**

In the **Fire Service Training** component, an increment of \$37,800 in statutory designated receipts has been accepted.

**Trooper Detachments**

In this BRU, the Governor's General Fund increment request of \$1,097,000 has been denied.

Vice-Chair, Senate Finance Committee • Chair, Capital Budget Subcommittee • Co-Chair, Anchorage Caucus  
MEMBER: Senate Judiciary Committee • Senate Labor & Commerce Committee • Legislative Council

January-May: STATE CAPITOL • JUNEAU, AK • 99801-1182 • (907) 465-3892 • FAX: (907) 465-6595  
June-December: 716 W. 4TH AVE., STE. 430 • ANCHORAGE, AK • 99501 • (907) 269-0234 • FAX: (907) 269-0238

Senator Parnell  
Page 2  
April 13, 1999

**Village Public Safety Officer Program**

In this BRU, the Governor's General Fund increment request of \$242,500 has been denied.

**Violent Crimes Compensation Board**

In this BRU, a decrement of \$253,800 to the Governor's General Fund request has been accepted. Additionally, an increment of \$413,800 in PFD receipts funding has been accepted.

**Council on Domestic Violence and Sexual Assault**

In this BRU, a decrement of \$15,000 to the Governor's General Fund request has been accepted. Additionally, an increment of \$15,000 in PFD receipts funding has been accepted.

A federal grant totaling \$562,800 has been accepted. The subcommittee allocated \$465,200 of this grant to the CDVSA and \$96,700 to Statewide Support, Laboratory Services.

**Batterers Intervention Program**

In this BRU, a \$120,000 federal grant has been accepted.

**Statewide Support**

In the **Commissioner's Office**, a decrement of \$22,300 to the Governor's General Fund request has been approved.

In the **Laboratory Services** component, the Governor's General fund increment request of \$329,100 has been denied. An increment of \$97,600 in federal funding from a CDVSA federal grant has been accepted.

In the **Alaska Public Safety Information Network** component, the Governor's General Fund increment request of \$90,600 has been denied.

**Victims for Justice**

In this BRU, an increment of \$100,000 to the Governor's General Fund request has been accepted.

Senator F. nelli  
Page 3  
April 13, 1999

If you have any questions, contact James Armstrong of my staff at 3887.

cc: Ken Bischoff, Department of Public Safety  
Brent Doult, Legislative Finance Division

DD/jja



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- Rationale: Increased support for FC&O grants

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Facility Construction and Operations

**Replacement of Fed Funds &  
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# Alaska State Legislature

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Juneau, AK 99801-1182

Senate Finance Subcommittee  
UNIVERSITY

Senator Leman, Chairman  
Senator Halford  
Senator Wilken  
Senator Adams

### MEMO

TO: Senator Sean Parnell, Co-Chairman  
Senate Finance Committee

FROM: Senator Loren Leman, Chairman  
Finance Subcommittee for University of Alaska

DATE: April 14, 1999

RE: Subcommittee closeout

A handwritten signature in cursive script that reads "Loren".

---

As requested by the Senate Finance Committee Co-Chairmen, we have closed out the University of Alaska budget authorizing:

\$460,190.7 for the total agency expenditure

\$63,434.2 in federal funds

\$166,333.0 in general funds

\$230,423.5 in other funds

This closeout meets your general fund allocation for the University.

# FY00 Subcommittee Recommendations--University of Alaska

(\$000)

Allocation: 166,333.0  
 Subcommittee Report: 166,333.0  
 Over (under): 0.0

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
		<b>Total</b>	<b>442,440.7</b>	<b>460,190.7</b>	<b>166,333.0</b>	<b>166,333.0</b>	<b>218,101.5</b>	<b>230,423.6</b>	<b>58,006.2</b>	<b>63,434.2</b>
		FY99 Supplemental	0.0		0.0		0.0		0.0	
		FY99 Base	442,440.7		166,333.0		218,101.5		58,006.2	
		FY00 - FY99		17,750.0		0.0		12,322.0		5,428.0
		% Change		4.01%		0.00%		5.65%		9.36%
University of Alaska		Unallocated Budget Reductions/Ad	(0.0)	17,750.0	0.0		0.0	12,322.0	0.0	5,428.0
University of Alaska		Budget Reductions/Additions - Sys	57.1	57.1	0.0		50.9	50.9	6.2	6.2
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	
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	
Statewide Programs and Services		ACCFT Contract Provisions	(0.0)	0.0	0.0		0.0		0.0	
Statewide Programs and Services		United Academics (UA) Contract Pr	0.0	0.0	0.0		0.0		0.0	
Statewide Programs and Services		CEA Contract Provisions	0.0	0.0	0.0		0.0		0.0	
Statewide Programs and Services		Salary Adjustment: Non-Covered E	0.0	0.0	0.0		0.0		0.0	
Statewide Programs and Services		United Academics - Adjuncts	0.0	0.0	0.0		0.0		0.0	
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 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 Anchorage		Kodiak College	2,555.0	2,555.0	1,700.3	1,700.3	854.7	854.7	0.0	
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 Anchorage		Prince William Sound Community C	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 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 Fairbanks		Bristol Bay Campus	1,193.5	1,193.5	715.2	715.2	478.3	478.3	0.0	
University of Alaska Fairbanks		Chukchi Campus	925.1	925.1	781.5	781.5	143.6	143.6	0.0	
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 Fairbanks		Fairbanks Organized Research	70,087.3	70,087.3	9,895.3	9,895.3	31,202.3	31,202.3	28,989.7	28,989.7
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	
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 Fairbanks		Northwest Campus	1,540.0	1,540.0	1,266.9	1,266.9	273.1	273.1	0.0	
University of Alaska Fairbanks		Rural College	3,025.3	3,025.3	2,048.4	2,048.4	976.9	976.9	0.0	
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 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 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 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

**Senate Finance Subcommittee Closeout Summary  
FY 00 Legislature's Operating Budget**

The Subcommittee recommends a \$379,200 reduction in the Legislature's FY 00 Budget, decreasing expenditures from the current year budget in the following areas:

Ombudsman - \$11,400

Administrative Services - \$147,300

Legislative Council and Subcommittees - \$135,100

Legal and Research Services - \$88,500

# FY00 Senate Finance Subcommittee Recommendations--Legislature

(\$000)

Allocation: 31,581.1  
 SubCommittee Report: 31,561.3  
 Over (under): -19.8

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	32,018.6	31,626.3	31,940.3	31,561.3	-379.0	78.3	85.0	0.0	0.0
		FY99 Supplemental	0.0		0.0			0.0		0.0	
		FY99 Base	32,018.6		31,940.3			78.3		0.0	
		FY00-FY99		-392.3		-379.0			-13.3		0.0
		% Change		-1.23%		1.19%			-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	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	0.0
Legislature	Budget and Audit Committee	Ombudsman	503.2	491.8	503.2	491.8	(11.4)	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	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	0.0
Legislature	Legislative Council	Administrative Services	6,890.1	6,732.8	6,845.1	6,697.8	(147.3)	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	3.3	33.3	30.0	0.0	0.0
Legislature	Legislative Council	Council and Subcommittees	709.3	574.2	709.3	574.2	(135.1)	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	(88.5)	0.0	0.0	0.0	0.0
Legislature	Legislative Council	Select Committee on Ethics	143.2	143.2	143.2	143.2	0.0	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	0.0

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

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

The subcommittee accepted the proposal from the Governor for FY 00 of 15,599.9. The Governor's FY 00 is reduced by 297.0 in "belt tightening" as follows:

**Component:** Executive Office  
**BRU:** Executive operations

Reduction of 98.6 in Governor's "belt tightening"

**Component:** Contingency Fund  
**BRU:** Executive operations

Reduction of 25.0 in Governor's "belt tightening"

**Component:** Lieutenant Governor  
**BRU:** Executive operations

Reduction of 19.5 in Governor's "belt tightening"

**Component:** Office of Management & Budget  
**BRU:** Office of Management & Budget

Reduction of 89.3 in Governor's "belt tightening"

**Component:** Governmental Coordination  
**BRU:** Office of management & Budget

Reduction of 26.6 in Governor's "belt tightening"

**Component:** Elective Operations  
**BRU:** Elections

Reduction of 30.0 in Governor's "belt tightening"

**Component:** Elective Operations  
**BRU:** General and Primary Elections

Reduction of 8.0 in Governor's "belt tightening"

\*\*\*\*\*

**The Governor's FY 00 request was 15,599.9**

**Less 297.0 belt tightening**

**The recommendations by the subcommittee 15,302.8**

# FY00 Senate Finance Subcommittee Recommendations--Office of the Governor

(\$000)

Allocation: 15,302.8  
 SubCommittee Report: 15,302.8  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	22,296.3	18,775.8	18,203.8	15,302.8	-2,901.0	1,019.7	400.2	3,072.8	3,072.8
		FY99 Supplemental	-297.0		-297.0			0.0		0.0	
		FY99 Base	21,999.3		17,906.8			1,019.7		3,072.8	
		FY00-FY99		-3,223.5		-2,604.0			-619.5		0.0
		% Change		-14.65%		-14.54%			-80.76%		0.00%
Governor	Commissions/Special Offices	Human Rights Commission	1,458.4	1,458.4	1,307.9	1,307.9	0.0	0.0	0.0	150.5	150.5
Governor	Commissions/Special Offices	Alaska Human Resources Investment C	1,019.7	400.2	0.0	0.0	0.0	1,019.7	400.2	0.0	0.0
Governor	Executive Operations	Executive Office	6,658.6	6,560.0	6,548.6	6,450.0	(98.6)	0.0	0.0	110.0	110.0
Governor	Executive Operations	Governor's House	318.0	318.0	318.0	318.0	0.0	0.0	0.0	0.0	0.0
Governor	Executive Operations	Contingency Fund	500.0	475.0	500.0	475.0	(25.0)	0.0	0.0	0.0	0.0
Governor	Executive Operations	Lieutenant Governor	894.0	874.5	894.0	874.5	(19.5)	0.0	0.0	0.0	0.0
Governor	Executive Operations	Equal Employment Opportunity	271.8	271.8	271.8	271.8	0.0	0.0	0.0	0.0	0.0
Governor	Executive Operations	Agencywide Reduction	0.0	0.0	0.0	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	(586.7)	0.0	0.0	0.0	0.0
Governor	Office of Management & Budget	Office of Management and Budget	2,374.9	2,127.6	2,374.9	2,127.6	(247.3)	0.0	0.0	0.0	0.0
Governor	Office of Management & Budget	Governor's Office of Management and Budget	4,277.3	4,250.7	1,465.0	1,438.4	(26.6)	0.0	0.0	2,812.3	2,812.3
Governor	Elective Operations	Elections	1,945.2	1,694.0	1,945.2	1,694.0	(251.2)	0.0	0.0	0.0	0.0
Governor	Elective Operations	General and Primary Elections	1,991.7	345.6	1,991.7	345.6	(1,646.1)	0.0	0.0	0.0	0.0

**FY00 Senate Finance Subcommittee Recommendations--Corrections**

(\$000)

Allocation: 143,705.9  
 SubCommittee Report: 143,705.9  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	152,541.0	165,572.2	139,872.8	143,705.9	3,733.2	5,425.8	14,773.3	7,142.6	7,092.6
		FY99 Supplemental	3,548.3		3,548.3			0.0		0.0	
		FY99 Base	156,089.3		143,520.9			5,425.8		7,142.6	
		FY00-FY99		9,482.9		185.0			9,347.3		-50.0
		% Change		6.06%		0.13%			172.29%		-0.70%
Corrections	Administration & Operations	Office of the Commissioner	1,580.1	947.8	930.1	843.9	(86.2)	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	
Corrections	Administration & Operations	Correctional Academy	664.4	664.4	664.4	564.4	0.0	0.0		0.0	
Corrections	Administration & Operations	Administrative Services	2,821.0	2,730.5	2,749.9	2,659.4	(90.5)	0.0		71.1	71.1
Corrections	Administration & Operations	Data and Word Processing	1,296.1	1,296.1	684.6	684.6	0.0	551.5	551.5	60.0	60.0
Corrections	Administration & Operations	Facility-Capital Improvement Unit	209.5	209.5	0.0		0.0	209.5	209.5	0.0	
Corrections	Administration & Operations	Inmate Health Care	15,402.1	15,756.7	14,812.1	15,314.3	502.2	590.0	442.4	0.0	
Corrections	Administration & Operations	Inmate Programs	2,839.6	2,839.6	2,011.4	961.4	(1,050.0)	828.2	1,878.2	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	
Corrections	Administration & Operations	Correctional Industries Product Cost	2,750.6	3,500.6	0.0		0.0	2,750.6	3,500.6	0.0	
Corrections	Administration & Operations	Institution Director's Office	814.2	867.9	692.1	595.8	(96.3)	222.1	272.1	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	
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	Feitbans 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	Matanuska-Susitna Correctional Center	2,711.6	2,711.6	2,711.6	2,711.6	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	
Corrections	Administration & Operations	Yukon-Kuskokwim Correctional Center	3,953.1	3,861.6	3,953.1	3,861.6	(91.5)	0.0		0.0	
Corrections	Administration & Operations	Institutional Reduction	0.0	0.0	0.0		0.0	0.0		0.0	
Corrections	Administration & Operations	Community Jails	4,800.3	4,766.6	4,800.3	4,766.6	(33.7)	0.0		0.0	
Corrections	Administration & Operations	Community Corrections Director's Office	733.8	701.9	733.8	701.9	(31.9)	0.0		0.0	
Corrections	Administration & Operations	Northern Region Probation	2,522.4	2,449.4	2,522.4	2,449.4	(73.0)	0.0		0.0	
Corrections	Administration & Operations	Southcentral Region Probation	4,433.6	4,189.9	4,433.6	4,189.9	(243.7)	0.0		0.0	
Corrections	Administration & Operations	Southeast Region Probation	961.5	961.5	961.5	961.5	0.0	0.0		0.0	
Corrections	Administration & Operations	Transportation and Classification	1,020.6	1,243.5	746.7	1,104.6	357.9	273.9	138.9	0.0	
Corrections	Administration & Operations	Facility Maintenance	0.0	7,780.5	0.0		0.0	0.0	7,780.5	0.0	
Corrections	Out of State Contracts	Out of State Contracts	14,512.3	18,149.0	12,245.6	15,482.3	3,236.7	0.0		2,266.7	2,666.7
Corrections	Existing Community Residential Centers	Existing Community Residential Centers	13,539.5	15,243.6	11,454.6	13,158.7	1,704.1	0.0		2,084.9	2,084.9
Corrections	Culturally Relevant CRC in Homer	Homer Culturally Relevant CRC	766.5	1,016.5	490.2	740.2	250.0	0.0		276.3	276.3
Corrections	Culturally Relevant CRC in Bethel	Bethel Culturally Relevant CRC	144.8	144.8	92.6	92.6	0.0	0.0		52.2	52.2
Corrections	Point MacKenzie	Point MacKenzie Rehabilitation Program	1,992.1	1,952.3	1,992.1	1,952.3	(59.8)	0.0		0.0	
Corrections	CRC Offender Supervision	Community Residential Center Offender Supervision	366.0	0.0	366.0		(366.0)	0.0		0.0	
Corrections	VPSO Parole Supervision Pilot Program	VPSO Parole Supervision Pilot Program	115.0	115.0	115.0	115.0	0.0	0.0		0.0	
Corrections	Alternative Institutional Housing	Alternative Institutional Housing	115.0	0.0	115.0	0.0	(115.0)	0.0		0.0	
Corrections	Alternative Institutional Housing	Food Services Apprenticeship Program	0.0	96.1	0.0	0.0	0.0	0.0		0.0	96.1



# NEA-ALASKA

*Affiliated with the National Education Association*

## NEA-ALASKA POSITION STATEMENT

### PUBLIC SCHOOL FUNDING

Public school teachers, school employees and parents express our thanks to the Finance Education Subcommittee for prioritizing public school funding by increasing the recommended funding level for public education at a most difficult time. Teachers, school employees, and parents understand the difficult position the 21<sup>st</sup> Legislature finds itself.

Parents and school employees seek smaller classes for students, greater student proficiency with computers and challenging curriculum. They want their children to attend schools that are safe and are modern. They want schools to implement quality initiatives to improve learning and accountability.

NEA-Alaska has historically lobbied to present the case for funding Alaska's public schools. Preparation of children for the challenges of the new century is critical to the economic development of Alaska and its improved quality of life. Jobs of the future will demand that our people have special technical and academic skills to master new challenges. Public schools are teaching those skills today.

In 2010, today's first graders will have completed twelve years of instruction. Some of today's first graders are children "at risk;" some come from secure loving families, some don't; some require special education, some don't; some suffer from Fetal Alcohol Syndrome, some don't; some come from dysfunctional families, some don't; and some experience domestic violence on a daily basis while some don't. The promise and responsibility of our public schools is to educate all children regardless of means or position in life.

Both parents and school employees recognize that problems confronting children in 1999 don't compare to the problems we experienced as children. The school of 1999 has a totally different set of challenges than the school of 1979 or '69 or '59.

In the past we have seen too many expectations demanded of our public schools that were not funded adequately. For the ten-year period 1983-1993, school enrollment in Alaska grew by more than 25,000 or slightly less than 26 percent. Alaska has historically ranked in the top ten states nationally in the percent increase in student enrollment from one year to the next. In 1983 Alaska ranked 8th nationally, and in 1996 we ranked fifteenth nationally in the percent change in public school enrollment from the previous year. In 1995, 22.5 percent of the state's population was 5-17 years old.

alternative programs. Even though districts hired more teachers, the pupil-teacher ratio increased. Alaska is a young state with many school-aged children. From 1997 to 1998 public school enrollment increased an estimated 1.92%. This represents the fifth largest percentage increase in the nation. The class size issue will remain for some time.

During 1987-88 when the new funding formula was put in place the Instructional Unit value was set at \$60,000 -- a level that was itself 8% lower than the rate of state support in the 1985-86 school year. The unit has been adjusted only one time -- in 1992, an increase of 1.6%. In 1998 a new formula was approved that funds instruction on a per student basis equal to \$3,940 with added funding for school size, district cost factor and special needs factor.

Even with this most recent increase, the costs of over ten years of inflationary have not been offset. For the 1996-97 school year the value of the instructional unit, after adjustment for inflation occurring since 1987 was worth \$45,888 in 1987 purchasing power. Inflation has been a cruel tax on educational opportunity. Even with the new formula the effects are felt.

To address inflation, NEA-Alaska has prioritized the need to inflation-proof funding for K-12 education. Failure to invest in our children will immediately shortchange their future and in time will shortchange our state's future.

The task of preparing our students for today and for the challenges of the new century is expensive, but the cost of not preparing them is greater. Our public schools, teachers, and school district support employees must continue to be successful in their efforts. By limiting necessary resources, the potential for success for every student is limited. Investment in our most precious resource - children - will cost a lot. However, if we don't spend our money on our public schools, we will be forced to spend even more on welfare, new prisons, jails, and public safety.

**We applaud the courage of the Finance Subcommittee on Education, in light of the difficult time, to recognize the importance of a sound education system for Alaskans.**



# Senate Majority News

Maggie Wall, Senate Majority Press Secretary  
State Capitol, Room 413  
Juneau, AK 99801  
Phone: (907) 465-4582

For Broadcast Actualities: (800) 478-6540  
Web Site: <http://www.akrepublicans.org>

For Immediate Release: April 15, 1999

Contact: Senator John Torgerson (907) 465-2828  
Senator Sean Parnell (907) 465-2995

## Senate Finance Bill Restructures Municipal Assistance Funding Program Minimizes Impact, Funds Basic Services

(Juneau)—Recognizing the benefits the state municipal assistance and revenue sharing program provides to Alaska's communities, the Senate Finance Committee introduced legislation Thursday that restructures the current program to focus on funding basic services including roads and emergency medical services.

Senator John Torgerson (R-Kasilof), Co-Chair of the Senate Finance Committee, said this legislation reflects the Senate Majority's commitment to reduce state funding by making structural, cost saving changes to government. It also protects important transportation and safety services in local communities.

"Any time we reduce state spending, the cuts are felt by someone," said Senator Torgerson. "Our goal with this legislation was to minimize the impact of reductions to local communities. The intent is to direct between \$18-22 million toward the most essential services funded under the previous municipal assistance and revenue sharing program."

Senate Bill 154 repeals the existing revenue sharing programs and establishes a new program that sets a minimum payment of \$35,000 for all municipalities.

SB 154 provides payments for the following essential services:

- **ROADS:** Municipalities that maintain gravel or paved roads will receive \$1,200 per mile.

Local road maintenance is a problem for both the local government official and the state elected official. Many local roads are driven by Alaskans from other areas, not just local residents. Complaints about potholes that swallow a whole truck are directed to state elected officials – not just members of the city council. Drivers facing winter's icy road conditions are not interested in which government entity provides maintenance – they just want it to be maintained for their safety. Local road maintenance is an issue for all of Alaska.

- **FIRE: Municipalities or communities that have a registered fire department will receive \$5.00 per capita of the area served.**

Fire departments in Alaska provide services which range from urban, special-purpose activities like dismantling explosive devices, to more standardized services of responding to residential dwelling fires. Despite the range of services, they all provide a basic service to the residents of Alaska – safety. Across Alaska, people depend upon the men and women of these departments, many of whom are volunteers, to protect their family and their property from fire.

- **EMS: Municipalities or communities that have an organization certified to provide emergency medical services will receive \$5.00 per capita of the area served.**

Emergency medical service organizations provide a critical human service to all Alaskans. They are the first responders to accidents in the home or to a vehicle collision on a state highway. These Alaskans, in many case volunteers, provide this service out of compassion for their fellow human beings and commitment to their communities. A basic service is provided to Alaskans, who depend on them for their very lives.

###

**BROADCAST NOTE: An Actuality from Senator John Torgerson is available on the Senate Actuality Line at 1-800-478-6540.**



Official Business

# Alaska State Legislature

## SENATE

State Capitol  
Juneau, AK 99801-1182

Senate Finance Subcommittee  
UNIVERSITY

Senator Leman, Chairman  
Senator Halford  
Senator Wilken  
Senator Adams

### MEMO

TO: Senator Sean Parnell, Co-Chairman  
Senate Finance Committee

FROM: Senator Loren Leman, Chairman  
Finance Subcommittee for University of Alaska

DATE: April 14, 1999

RE: Subcommittee closeout

A handwritten signature in cursive script that reads "Loren".

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As requested by the Senate Finance Committee Co-Chairmen, we have closed out the University of Alaska budget authorizing:

\$460,190.7 for the total agency expenditure

\$63,434.2 in federal funds

\$166,333.0 in general funds

\$230,423.5 in other funds

This closeout meets your general fund allocation for the University.

# FY00 Subcommittee Recommendations--University of Alaska

(\$000)

Allocation: 166,333.0  
 Subcommittee Report: 166,333.0  
 Over (under): 0.0

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
		<b>Total</b>	<b>442,440.7</b>	<b>460,190.7</b>	<b>166,333.0</b>	<b>166,333.0</b>	<b>218,101.5</b>	<b>230,423.5</b>	<b>68,006.2</b>	<b>63,434.2</b>
		FY99 Supplemental	0.0		0.0		0.0		0.0	
		FY99 Base	442,440.7		166,333.0		218,101.5		68,006.2	
		FY00-FY99		17,760.0		0.0		12,322.0		6,428.0
		% Change		4.01%		0.00%		6.65%		9.36%
University of Alaska		Unallocated Budget Reductions/Additions	(0.0)	17,750.0	0.0		0.0	12,322.0	0.0	5,428.0
University of Alaska		Budget Reductions/Additions - Systemwide	57.1	57.1	0.0		50.9	50.9	6.2	6.2
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	
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	
Statewide Programs and Services		ACCFT Contract Provisions	(0.0)	0.0	0.0		0.0		0.0	
Statewide Programs and Services		United Academics (UA) Contract Provisions	0.0	0.0	0.0		0.0		0.0	
Statewide Programs and Services		CEA Contract Provisions	0.0	0.0	0.0		0.0		0.0	
Statewide Programs and Services		Salary Adjustment: Non-Covered Employees	0.0	0.0	0.0		0.0		0.0	
Statewide Programs and Services		United Academics - Adjuncts	0.0	0.0	0.0		0.0		0.0	
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 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 Anchorage		Kodiak College	2,555.0	2,555.0	1,700.3	1,700.3	854.7	854.7	0.0	
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 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 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 Fairbanks		Bristol Bay Campus	1,193.5	1,193.5	715.2	715.2	478.3	478.3	0.0	
University of Alaska Fairbanks		Chukchi Campus	925.1	925.1	781.5	781.5	143.6	143.6	0.0	
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 Fairbanks		Fairbanks Organized Research	70,087.3	70,087.3	9,895.3	9,895.3	31,202.3	31,202.3	28,989.7	28,989.7
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	
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 Fairbanks		Northwest Campus	1,540.0	1,540.0	1,266.9	1,266.9	273.1	273.1	0.0	
University of Alaska Fairbanks		Rural College	3,025.3	3,025.3	2,048.4	2,048.4	976.9	976.9	0.0	
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 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 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 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

**Senate Finance Subcommittee Closeout Summary  
FY 00 Legislature's Operating Budget**

The Subcommittee recommends a \$379,200 reduction in the Legislature's FY 00 Budget, decreasing expenditures from the current year budget in the following areas:

Ombudsman - \$11,400

Administrative Services - \$147,300

Legislative Council and Subcommittees - \$135,100

Legal and Research Services - \$88,500

# FY00 Senate Finance Subcommittee Recommendations--Legislature

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Allocation: 31,581.1  
 SubCommittee Report: 31,561.3  
 Over (under): -19.8

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	32,018.6	31,626.3	31,940.3	31,561.3	-379.0	78.3	85.0	0.0	0.0
		FY99 Supplemental	0.0		0.0			0.0		0.0	
		FY99 Base	32,018.6		31,940.3			78.3		0.0	
		FY00-FY99		-392.3		-379.0			-13.3		0.0
		% Change		-1.23%		-1.19%			-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	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	0.0
Legislature	Budget and Audit Committee	Ombudsman	503.2	491.8	503.2	491.8	(11.4)	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	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	0.0
Legislature	Legislative Council	Administrative Services	6,890.1	6,732.8	6,845.1	6,697.8	(147.3)	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	3.3	33.3	30.0	0.0	0.0
Legislature	Legislative Council	Council and Subcommittees	709.3	574.2	709.3	574.2	(135.1)	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	(88.5)	0.0	0.0	0.0	0.0
Legislature	Legislative Council	Select Committee on Ethics	143.2	143.2	143.2	143.2	0.0	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	0.0

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

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

The subcommittee accepted the proposal from the Governor for FY 00 of 15,599.9. The Governor's FY 00 is reduced by 297.0 in "belt tightening" as follows:

**Component:** Executive Office  
**BRU:** Executive operations

Reduction of 98.6 in Governor's "belt tightening"

**Component:** Contingency Fund  
**BRU:** Executive operations

Reduction of 25.0 in Governor's "belt tightening"

**Component:** Lieutenant Governor  
**BRU:** Executive operations

Reduction of 19.5 in Governor's "belt tightening"

**Component:** Office of Management & Budget  
**BRU:** Office of Management & Budget

Reduction of 89.3 in Governor's "belt tightening"

**Component:** Governmental Coordination  
**BRU:** Office of management & Budget

Reduction of 26.6 in Governor's "belt tightening"

**Component:** Elective Operations  
**BRU:** Elections

Reduction of 30.0 in Governor's "belt tightening"

**Component:** Elective Operations  
**BRU:** General and Primary Elections

Reduction of 8.0 in Governor's "belt tightening"

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**The Governor's FY 00 request was 15,599.9**

**Less 297.0 belt tightening**

**The recommendations by the subcommittee 15,302.8**

# FY00 Senate Finance Subcommittee Recommendations--Office of the Governor

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Allocation: 15,302.8  
 Subcommittee Report: 15,302.8  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>22,296.3</b>	<b>18,775.8</b>	<b>18,203.8</b>	<b>15,302.8</b>	<b>-2,901.0</b>	<b>1,019.7</b>	<b>400.2</b>	<b>3,072.8</b>	<b>3,072.8</b>
		FY99 Supplemental	-297.0		-297.0			0.0		0.0	
		FY99 Base	21,999.3		17,906.8			1,019.7		3,072.8	
		FY00-FY99		-3,223.5		-2,804.0			-619.5		0.0
		% Change		-14.65%		-14.54%			-60.75%		0.00%
Governor	Commissions/Special Offices	Human Rights Commission	1,458.4	1,458.4	1,307.9	1,307.9	0.0	0.0	0.0	150.5	150.5
Governor	Commissions/Special Offices	Alaska Human Resources Investment C	1,019.7	400.2	0.0	0.0	0.0	1,019.7	400.2	0.0	0.0
Governor	Executive Operations	Executive Office	6,658.6	6,560.0	6,548.6	6,450.0	(98.6)	0.0	0.0	110.0	110.0
Governor	Executive Operations	Governor's House	318.0	318.0	318.0	318.0	0.0	0.0	0.0	0.0	0.0
Governor	Executive Operations	Contingency Fund	500.0	475.0	500.0	475.0	(25.0)	0.0	0.0	0.0	0.0
Governor	Executive Operations	Lieutenant Governor	894.0	874.5	894.0	874.5	(19.5)	0.0	0.0	0.0	0.0
Governor	Executive Operations	Equal Employment Opportunity	271.8	271.8	271.8	271.8	0.0	0.0	0.0	0.0	0.0
Governor	Executive Operations	Agencywide Reduction	0.0	0.0	0.0	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	(586.7)	0.0	0.0	0.0	0.0
Governor	Office of Management & Budget	Office of Management and Budget	2,374.9	2,127.6	2,374.9	2,127.6	(247.3)	0.0	0.0	0.0	0.0
Governor	Office of Management & Budget	Governmental Coordination	4,277.3	4,250.7	1,465.0	1,438.4	(26.6)	0.0	0.0	2,812.3	2,812.3
Governor	Elective Operations	Elections	1,945.2	1,694.0	1,945.2	1,694.0	(251.2)	0.0	0.0	0.0	0.0
Governor	Elective Operations	General and Primary Elections	1,991.7	345.6	1,991.7	345.6	(1,646.1)	0.0	0.0	0.0	0.0

**FY00 Senate Finance Subcommittee Recommendations--Corrections**

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Allocation: 143,705.9  
 SubCommittee Report: 143,705.9  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds		
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	152,541.0	165,572.2	139,972.8	143,705.9	3,733.1	5,425.8	14,773.7	7,142.8	7,092.8
		FY99 Supplements'	3,548.3		3,548.3			0.0		0.0	
		FY99 Base	158,992.7		143,520.9			5,425.8		7,142.8	
		FY00-FY99		9,482.9		185.0			9,347.9		-50.0
		% Change		6.08%		0.13%			172.29%		-0.70%
Corrections	Administration & Operations	Office of the Commissioner	1,580.1	947.8	930.1	843.9	(86.2)	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	
Corrections	Administration & Operations	Correctional Academy	664.4	664.4	664.4	664.4	0.0	0.0		0.0	
Corrections	Administration & Operations	Administrative Services	2,821.0	2,730.5	2,740.3	2,650.4	(91.5)	0.0		71.1	71.1
Corrections	Administration & Operations	Data and Word Processing	1,296.1	1,296.1	684.6	684.6	0.0	551.5	551.5	60.0	60.0
Corrections	Administration & Operations	Facility-Capital Improvement Unit	209.5	209.5	0.0		0.0	209.5	209.5	0.0	
Corrections	Administration & Operations	Inmate Health Care	15,402.1	15,756.7	14,912.1	15,314.3	502.2	690.0	442.4	0.0	
Corrections	Administration & Operations	Inmate Programs	2,839.6	2,819.6	2,011.4	961.4	(1,050.0)	828.2	1,878.2	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	
Corrections	Administration & Operations	Correctional Industries Product Cost	2,750.6	3,500.6	0.0		0.0	2,750.6	3,500.6	0.0	
Corrections	Administration & Operations	Institution Director's Office	914.2	867.9	692.1	595.8	(96.3)	222.1	272.1	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	
Corrections	Administration & Operations	Combined Highland 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	Matanuska-Susitna Correctional Center	2,711.6	2,711.6	2,711.6	2,711.6	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	
Corrections	Administration & Operations	Yukon-Kuskokwim Correctional Center	3,953.1	3,861.6	3,953.1	3,861.6	(91.5)	0.0		0.0	
Corrections	Administration & Operations	Institutional Reduction	0.0	0.0	0.0		0.0	0.0		0.0	
Corrections	Administration & Operations	Community Jails	4,800.3	4,766.6	4,800.3	4,766.6	(33.7)	0.0		0.0	
Corrections	Administration & Operations	Community Corrections Director's Office	733.8	701.9	733.8	701.9	(31.9)	0.0		0.0	
Corrections	Administration & Operations	Northern Region Probation	2,522.4	2,449.4	2,522.4	2,449.4	(73.0)	0.0		0.0	
Corrections	Administration & Operations	Southeastern Region Probation	4,433.6	4,189.9	4,433.6	4,189.9	(243.7)	0.0		0.0	
Corrections	Administration & Operations	Southeast Region Probation	961.5	961.5	961.5	961.5	0.0	0.0		0.0	
Corrections	Administration & Operations	Transportation and Classification	1,020.6	1,243.5	746.7	1,104.6	357.9	273.9	138.9	0.0	
Corrections	Administration & Operations	Facility Maintenance	0.0	7,780.5	0.0		0.0	0.0	7,780.5	0.0	
Corrections	Out of State Contracts	Out-of-State Contracts	14,512.3	18,149.0	12,245.6	15,482.3	3,236.7	0.0		2,266.7	2,666.7
Corrections	Existing Community Residential Centers	Existing Community Residential Centers	13,539.5	15,243.6	11,454.6	13,158.7	1,704.1	0.0		2,084.9	2,084.9
Corrections	Culturally Relevant CRC in Nome	Nome Culturally Relevant CRC	766.5	1,016.5	490.2	740.2	250.0	0.0		276.3	276.3
Corrections	Culturally Relevant CRC in Bethel	Bethel Culturally Relevant CRC	144.8	144.8	92.6	92.6	0.0	0.0		52.2	52.2
Corrections	Pont MacKenzie	Pont MacKenzie Rehabilitation Program	1,992.1	1,952.3	1,992.1	1,952.3	(39.8)	0.0		0.0	
Corrections	CRC Offender Supervision	Community Residential Center Offender Supervisor	366.0	0.0	366.0		(366.0)	0.0		0.0	
Corrections	VPSO Parole Supervision Pilot Program	VPSO Parole Supervision Pilot Program	115.0	115.0	115.0	115.0	0.0	0.0		0.0	
Corrections	Alternative Institutional Housing	Alternative Institutional Housing	115.0	0.0	115.0	0.0	(115.0)	0.0		0.0	
Corrections	Alternative Institutional Housing	Food Services Apprenticeship Program	0.0	96.1	0.0	0.0	0.0	0.0		0.0	96.1

**FY00 Senate Finance Subcommittee Recommendations--Administration**

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Allocation: 167,735.4  
 SubCommittee Report: 167,735.4  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>764,694.4</b>	<b>263,813.0</b>	<b>173,240.4</b>	<b>167,735.4</b>	<b>-5,505.0</b>	<b>78,881.3</b>	<b>88,234.8</b>	<b>6,993.7</b>	<b>7,042.9</b>
		FY99 Supplemental	880.2		880.2			0.0		0.0	
		FY99 Base	257,086.6		174,239.8			78,881.3		6,993.7	
		FY00-FY99		8,324.4		-4,804.2			12,381.2		49.1
		% Change		2.31%		-3.73%			16.32%		0.70%
Administration	Centralized Administrative Services	Office of the Commissioner	542.0	542.0	373.5	373.5	0.0	168.5	168.5	0.0	
Administration	Centralized Administrative Services	Tax Appeals	231.9	139.0	231.9	139.0	(92.9)	0.0		0.0	
Administration	Centralized Administrative Services	Administrative Services	1,514.3	1,514.3	600.6	550.6	(50.0)	913.7	963.7	0.0	
Administration	Centralized Administrative Services	DOA Information Technology Support	0.0	988.6	0.0		0.0	0.0	988.6	0.0	
Administration	Centralized Administrative Services	Finance	5,697.3	5,749.8	5,138.6	4,828.6	(310.0)	558.7	921.2	0.0	
Administration	Centralized Administrative Services	Personnel	2,202.9	2,180.0	1,903.4	1,903.4	0.0	299.5	276.6	0.0	
Administration	Centralized Administrative Services	Labor Relations	911.4	911.4	911.4	911.4	0.0	0.0		0.0	
Administration	Centralized Administrative Services	Alaska Professional Development Institute	675.9	675.9	112.0		(112.0)	563.9	675.9	0.0	
Administration	Centralized Administrative Services	Purchasing	1,061.1	1,061.1	1,020.0	1,061.1	41.1		41.1	0.0	
Administration	Centralized Administrative Services	Property Management	934.9	894.9	822.1	497.1	(125.0)	312.8	397.8	0.0	
Administration	Centralized Administrative Services	Central Mail	795.5	1,280.5	0.0		0.0	795.5	1,280.5	0.0	
Administration	Centralized Administrative Services	Retirement and Benefits	7,981.8	8,500.3	0.0		0.0	7,981.8	8,500.3	0.0	
Administration	Centralized Administrative Services	Group Health Insurance	10,553.3	11,900.3	0.0		0.0	10,553.3	11,900.3	0.0	
Administration	Leases	Leases	31,934.5	33,564.9	23,329.5	23,137.3	(192.2)	8,605.0	10,427.6	0.0	
Administration	Leases	Lease Administration	491.0	491.0	416.5	375.4	(41.1)	74.5	115.6	0.0	
Administration	Elected Public Officers Retirement System Benefits	Elected Public Officers Retirement System Benefits	1,111.5	1,111.5	1,111.5	1,111.5	0.0	0.0		0.0	
Administration	Information Services	Information Services	19,775.4	20,269.9	0.0		0.0	19,775.4	20,269.9	0.0	
Administration	Information Services	Information Service Fund Front Section	55.0	55.0	0.0		0.0	55.0	55.0	0.0	
Administration	Public Communications Services	Public Broadcasting Commission	57.0	57.0	57.0	57.0	0.0	0.0		0.0	
Administration	Public Communications Services	Public Broadcasting - Radio	2,613.9	2,599.9	2,613.9	2,599.9	(14.0)	0.0		0.0	
Administration	Public Communications Services	Public Broadcasting - T.V.	845.2	794.0	845.2	794.0	(51.2)	0.0		0.0	
Administration	Public Communications Services	Satellite Infrastructure	0.0	1,134.0	0.0	560.3	560.3	0.0	573.7	0.0	
Administration	Public Communications Services	Alaska Rural Communications Services	1,578.0	0.0	1,104.3		(1,104.3)	473.7		0.0	
Administration	Public Communications Services	AIRRES Grant	0.0	64.0	0.0	64.0	64.0	0.0		0.0	
Administration	Risk Management	Risk Management	21,955.0	22,405.0	0.0		0.0	21,955.0	22,405.0	0.0	
Administration	Longevity Bonus	Longevity Bonus Grants	63,499.4	57,702.1	63,499.4	57,702.1	(5,797.3)	0.0		0.0	
Administration	Alaska Longevity Programs	Pioneers Homes	30,501.7	32,625.2	30,435.3	32,491.2	2,055.9	66.4	134.0	0.0	
Administration	Alaska Longevity Programs	Alaska Longevity Programs Management	1,422.4	1,392.4	1,047.3	1,017.3	(30.0)	375.1	375.1	0.0	
Administration	Senior Services	Protection, Community Services, and Administration	4,266.7	4,428.2	1,591.9	1,741.9	150.0	1,359.8	1,371.1	1,315.2	1,315.2
Administration	Senior Services	Senior Services Grants	0.0	0.0	0.0		0.0	0.0		0.0	
Administration	Senior Services	Nutrition, Transportation and Support Services	5,514.3	5,514.3	1,655.3	1,655.3	0.0	0.0		3,859.0	3,859.0
Administration	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
Administration	Senior Services	Home and Community Based Care	3,587.7	3,573.0	2,973.0	2,973.0	0.0	614.7	600.0	0.0	
Administration	Senior Services	Senior Residential Services	1,015.0	1,015.0	1,015.0	1,015.0	0.0	0.0		0.0	
Administration	Senior Services	Home Health Services	1,734.0	1,734.0	1,628.3	1,628.3	0.0	105.7	105.7	0.0	
Administration	Senior Services	Citizens Foster Care Review Panel	296.8	0.0	296.8	0.0	(296.8)	0.0		0.0	
Administration	Legal and Advocacy Services	Office of Public Advocacy	8,141.5	8,318.8	8,047.8	8,047.8	0.0	61.7	239.0	32.0	32.0
Administration	Legal and Advocacy Services	Public Defender Agency	9,460.4	9,715.4	9,460.4	9,460.4	0.0	0.0	255.0	0.0	
Administration	Alaska Oil and Gas Conservation Commission	Alaska Oil and Gas Conservation Commission	1,658.7	1,850.2	1,558.5	1,790.0	231.5	0.0		100.2	100.2
Administration	Alaska Public Offices Comm	Alaska Public Offices Commission	783.0	733.0	783.0	733.0	(50.0)	0.0		0.0	
Administration	Division of Motor Vehicles	Administration	1,308.4	0.0	1,308.4		(1,308.4)	0.0		0.0	
Administration	Division of Motor Vehicles	Diner Services	1,436.9	0.0	1,338.9		(1,338.9)	20.9		77.1	
Administration	Division of Motor Vehicles	Field Services	5,091.3	0.0	5,869.6		(5,869.6)	121.8		0.0	
Administration	Division of Motor Vehicles	Financial Responsibility Act Enforcement	150.9	0.0	150.9		(150.9)	0.0		0.0	
Administration	Division of Motor Vehicles	Motor Vehicles	0.0	8,537.5	0.0	8,317.7	8,317.7	0.0	142.7	0.0	77.1
Administration	Pioneers' Homes Facilities Maintenance	Pioneers' Homes Facility Maintenance	0.0	2,125.0	0.0		0.0	0.0	2,125.0	0.0	
Administration	General Services Facilities Maintenance	General Services Facilities Maintenance	0.0	2,589.7	0.0		0.0	0.0	2,589.7	0.0	
Administration	ADGCC Facilities Maintenance	ADGCC Facilities Maintenance	0.0	49.3	0.0		0.0	0.0	49.3	0.0	
Administration	Information Technology Facilities Maintenance	ITG Facilities Maintenance	0.0	23.0	0.0		0.0	0.0	23.0	0.0	
Administration	Y2K Coordination Office	Y2K Coordination Office	0.0	305.0	0.0		0.0	0.0	305.0	0.0	

4/14/99  
 SFC Secretary

# Senate Finance Subcommittee on Administration

## Recommendations for FY00 Budget

Senator Gary Wilken  
Subcommittee Chair

Senator Lyda Green  
Member

Senator Kim Elton  
Member

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. During FY99, the department's funding was reduced by a belt-tightening proposal of \$636,200. At the request of the department, the continued belt-tightening was not distributed to the same components as in FY99.

The Longevity Bonus payments funded under *Longevity Bonus Grants*, totaling \$63,499,400 in FY99, are not addressed in this report, but will be discussed at a later date. Specific components not mentioned in this narrative were funded at the Governor's FY00 recommended level.

### Centralized Administrative Services

A hearing officer's position was eliminated from the *Tax Appeals* component for a reduction of \$75,000. At this time, given the present low number of tax appeals, this position is unnecessary.

Interagency Receipt Authority was increased by \$50,000 within the *Administrative Services* component to fund increased information technology support and costs associated with department-wide staff training. A corresponding General Fund reduction of \$50,000 was recommended.

The *Finance* component was reduced by 6 percent to realize a General Fund savings of \$310,000. Recently *Finance* has focused on enhancing the State's financial and administrative business processes to include electronic vendor payments, purchasing cards for small purchases, and other electronic commerce initiatives. The subcommittee hopes that this change in focus will result in savings to the State.

An increment of \$100,000 to support costs related to Workplace Alaska within *Personnel* was denied. As the public and state employees become more familiar

with Workplace Alaska, the subcommittee hopes that the savings realized through this efficient system will continue and possibly increase.

A fund source change moved \$112,000 General Fund/Program Receipt Authority for the Alaska Professional Development Institute to Statutory Designate Program Receipts. The department enters into individual contracts for a specific service offered by the Alaska Professional Development Institute and the SDPR classification more accurately reflects the nature of the funds collected.

The *Property Management* component is reduced by \$125,000. This amount is unneeded General Fund/Program Receipt Authority associated with the Kotzebue Armory. For several years this authority has been given to *Property Management* in the hopes that the Department of Military and Veterans Affairs would locate renters for the vacant National Guard Armory and the Department of Administration would collect the rent receipts. Unfortunately no renters were found and the receipt authority is unnecessary.

### Leases

At the request of the department, the *Leases* component proposed increment of \$1,974,300 was reduced by \$916,500. The relocation of three agencies from the Frontier Building to the Bank of America building prior to the expiration of their leases on January 31, 2000 makes a portion of these savings possible. The difference between the rent that the State would have paid on behalf of those agencies at the Frontier Building and the cost of their rent in the Bank of America building from February 1 through June 30, 2000 totals \$563,400. Savings realized in FY99 (\$353,100) were carried forward to total the \$916,500 reduction.

In addition, the increment request was reduced by \$1,250,000 to bring the *Leases* funding level slightly less than FY99. The real estate market in Alaska, primarily in Anchorage, is changing and therefore, it is difficult to make an accurate assessment of the cost of obtaining adequate space for state agencies. This reduction realizes the current fluctuation of the market as well as the potential further savings connected with the Frontier Building.

### Public Communications Services

In FY99 the Alaska Information Radio Reading Education Service (AIRRES) received a \$14,000 grant from *Public Broadcasting – Radio*. In this FY00 proposal, AIRRES receives \$64,000 under a separate appropriation. The *Public Broadcasting – Radio* component amount is reduced by \$14,000 to mirror the funding available for distribution in FY99.

*Public Broadcasting - TV* is reduced by \$51,200. This reduction funds this component at \$794,000; a level that is sufficient to maintain current federal funding and keep all public TV stations on the air.

As part of the transponder lease funded through *Satellite Infrastructure*, the satellite users pay a premium of \$444,000 for a "protection upgrade." The upgrade protects the users from an outage. With the advent of new fiber optic capacity the likelihood of an outage has diminished greatly over the past few years. The *Satellite Infrastructure* component is reduced by \$444,000 to reflect the fact that this "protection upgrade" is no longer necessary.

Because improved technology reduces the necessity to purchase a "protection upgrade," these savings were available to support the continuation of public TV. This method to fund public TV will have no effect on other state agencies.

In addition, Interagency Receipt Authority was increased by \$100,000 to allow an additional contribution by the University of Alaska for its distance delivery education courses carried over Alaska Three.

### **Alaska Longevity Programs**

The additional housing receipts collected from the residents of the *Pioneers' Homes* were recognized and added as an increment to the *Pioneers' Homes*, \$2,364,000. The increment will provide badly needed direct care staff. *Pioneers' Homes* and *Alaska Longevity Programs Management* are asked to absorb belt-tightening proposals of \$308,100 and \$30,000 respectively.

### **Senior Services**

An increment of \$150,000 was added to the *Protection, Community Services, and Administration* component to partially fund General Relief Grant payments. The consolidation of components into a single "Senior Service Grant" line was denied. It is important to maintain the current accountability to ensure program integrity.

The Citizen's Foster Care Review Panel was eliminated -- \$296,800. This program has failed to provide oversight statewide as was intended by the Legislature. Only through increased General Fund support will this program provide statewide oversight and the possibility of increased funding in the near future is slight.

## **Legal and Advocacy Services**

The *Office of Public Advocacy* is funded at the FY99 authorized level as the proposed increment was denied. The changes begun in FY99 to address alternative ways on how to offer public advocacy are positive steps in solving the problem of offering services within a reduced budget. However, the subcommittee chair recognizes that this funding level may cause a hardship for division and asks to be kept informed on the activities of the division.

The increment to the *Public Defender* component was denied, funding this component at the FY99 level. During the discussions centering on the department's FY99 supplemental request for the *Public Defender*, several efficiency proposals were offered. Although the changes will not be immediate, the subcommittee chair is committed to assist the department in any way possible.

## **Alaska Oil and Gas Conservation Commission**

Two increments totaling \$238,600 were added to the *Oil and Gas Conservation Commission* component. The two increments include funding for inspector overtime and program underfunding. As discussions continue regarding the proposed merger between ARCO and BP-AMOCO it is important to the State that the Oil and Gas Conservation Commission is fully-funded and prepared to meet this new challenge. This Commission is the state's watchdog to protect the public's interest in exploration and development of oil and gas resources.

## **Alaska Public Office Commission**

The *Alaska Public Office Commission* component was reduced by \$50,000. The subcommittee realizes that due to unusual circumstances this year the Alaska Public Office Commission may have to close offices for a short period of time in June. However, as FY00 is a non-election year for statewide candidates, the workload and effort may be less than the Commission experienced in FY99.

## **Division of Motor Vehicles**

The Governor's proposal to consolidate the components into one *Motor Vehicles* component was accepted. The total of this component, \$8,317,700, was reduced by 4 percent -- \$350,000. As technology improves and the public increases its use of the Internet, it is hoped that *Motor Vehicles* can realize savings.

## Conclusion

The subcommittee chair acknowledges that some of these budget reductions pose a challenge to the Department of Administration and, in some instances, may be difficult to meet. An increase in employee workload and effort may be felt by some. The efforts of the department to continue to provide quality service to the people of Alaska are appreciated.

**FY00 Senate Finance Subcommittee Recommendations--Commerce and Economic Development**

(\$000)

Allocation: 20,375.8  
 Subcommittee Report: 20,374.3  
 Over (under): -1.5

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>70,354.4</b>	<b>49,448.9</b>	<b>26,420.3</b>	<b>20,374.3</b>	<b>-4,046.0</b>	<b>40,284.0</b>	<b>25,422.5</b>	<b>3,650.1</b>	<b>3,650.1</b>
		<b>FY99 Supplemental</b>	<b>-457.1</b>		<b>-457.1</b>			<b>0.0</b>		<b>0.0</b>	
		<b>FY99 Base</b>	<b>69,897.3</b>		<b>25,963.2</b>			<b>40,284.0</b>		<b>3,650.1</b>	
		<b>FY00-FY99</b>		<b>-20,450.4</b>		<b>-5,588.9</b>			<b>-14,861.8</b>		<b>0.0</b>
		<b>% Change</b>		<b>-29.28%</b>		<b>-21.53%</b>			<b>-36.89%</b>		<b>0.00%</b>
Commerce & Economic Dev	Banking, Securities, and Corp	Banking, Securities and Corporations	1,654.9	1,735.5	1,646.8	1,733.8	87.0	8.1	1.7	0.0	0.0
Commerce & Economic Dev	Insurance Operations	Insurance Operations	4,561.6	4,278.4	4,535.9	4,278.4	(257.5)	25.7	0.0	0.0	0.0
Commerce & Economic Dev	Occupational Licensing	Occupational Licensing	0.0	5,399.3	0.0	4,993.6	4,993.6	0.0	405.7	0.0	0.0
Commerce & Economic Dev	Occupational Licensing	Operations	5,651.0	0.0	5,082.5	0.0	(5,082.5)	568.5	0.0	0.0	0.0
Commerce & Economic Dev	Occupational Licensing	Licensing Boards	183.2	0.0	183.2	0.0	(183.2)	0.0	0.0	0.0	0.0
Commerce & Economic Dev	Alaska Public Utilities Commission Operations	APUC Operations	4,923.5	4,699.2	0.0	0.0	0.0	4,923.5	4,699.2	0.0	0.0
Commerce & Economic Dev	Executive Administration and Development	Commissioner's Office	452.2	452.2	297.6	118.1	(179.5)	154.6	334.1	0.0	0.0
Commerce & Economic Dev	Executive Administration and Development	Trade and Development	2,649.6	2,946.6	1,362.5	1,729.1	366.6	1,137.0	1,067.4	150.1	150.1
Commerce & Economic Dev	Executive Administration and Development	Administrative Services	1,217.8	1,188.6	881.3	452.4	(228.9)	536.5	736.2	0.0	0.0
Commerce & Economic Dev	Alaska Science and Technology Foundation	Alaska Science and Technology Foundation	22,502.2	8,984.6	0.0	0.0	0.0	22,502.2	8,984.6	0.0	0.0
Commerce & Economic Dev	Investments	Investments	3,301.5	3,295.5	0.0	0.0	0.0	3,301.5	3,295.5	0.0	0.0
Commerce & Economic Dev	Tourism	Alaska Tourism Marketing Council	4,640.2	0.0	3,340.3	0.0	(3,340.3)	1,299.9	0.0	0.0	0.0
Commerce & Economic Dev	Tourism	Tourism Development	2,363.1	0.0	2,235.9	0.0	(2,235.9)	127.2	0.0	0.0	0.0
Commerce & Economic Dev	AIDEA	AIDEA Facilities Maintenance	0.0	73.0	0.0	0.0	0.0	0.0	73.0	0.0	0.0
Commerce & Economic Dev	AIDEA	Alaska Industrial Development and Export Auth	4,048.1	3,952.2	0.0	0.0	0.0	4,048.1	3,952.2	0.0	0.0
Commerce & Economic Dev	AIDEA	Alaska Energy Authority Operations and Mainte	1,049.5	1,049.5	0.0	0.0	0.0	1,049.5	1,049.5	0.0	0.0
Commerce & Economic Dev	Alaska Seafood Marketing Inst	Alaska Seafood Marketing Institute	10,554.3	10,568.9	7,054.3	7,068.9	14.6	0.0	0.0	3,500.0	3,500.0
Commerce & Economic Dev	Alaska Aerospace Devel Corp	Alaska Aerospace Development Corporation	601.7	823.4	0.0	0.0	0.0	601.7	823.4	0.0	0.0

**Senate Finance Subcommittee  
Department of Commerce & Economic Development  
Recommendations for FY 00 Budget**

**Senator Lyda Green, Subcommittee Chair**

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

The subcommittee work is based on growth from the FY99 authorized budget including Supplemental Appropriation passed in March 1999 and the transfer in of the International Trade Office from the Governor's Office. Components not mentioned below are funded at the Governor's FY00 requested level.

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.

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

Denied Securities Examiner position increment (\$74.0).  
Denied Hearing Officer Support increment (\$40.0).  
Denied Department of Law contractual increment (\$45.0).  
Accepted Analyst Programmer II position increment (\$51.6).

**Component: Insurance Operations**  
**BRU: Insurance Operations**

Denied increment for two positions in data processing support. One was an Analyst Programmer IV (\$66.4) and one was an Analyst Programmer II (\$51.8).

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

Accepted consolidation of components Operations and Licensing Boards into Occupational Licensing.

Denied License Database Programmer Support increment (\$51.6).

Nurse Aide Investigator reduced increment was accepted (\$78.3).

**Component:** Commissioner's Office  
**BRU:** Executive Administration and Development

Denied the FY1999 unbudgeted management increment (\$94.1).

**Component:** Trade & Development  
**BRU:** Executive Administration and Development

Deleted Development Specialist II position and funding (\$69.2).  
Deleted Development Specialist II position and funding (\$84.6).

Reduced foreign trade contracts in Japan & Korea by \$80.0.

**Component:** Administrative Services  
**BRU:** Executive Administration and Development

As part of the Cost Allocation Plan, Administrative Services requested a \$134,800 General Fund reduction. The subcommittee deleted an additional \$94.1 GF.

**Components:** Tourism Development and Alaska Tourism Marketing Council  
**BRU:** Tourism

The Tourism Development and Alaska Tourism Marketing Council components were deleted since these two components will be taken up by full Senate Finance Committee and addressed in a fiscal note.

<p><b>The subcommittee's general fund allocation was \$20,375.8</b> <b>The recommendations by the subcommittee total \$20,374.3</b></p>
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### FY00 Senate Finance Subcommittee Recommendations--Community and Regional Affairs

(\$000)

Allocation: 61,890.1  
 SubCommittee Report: 61,224.3  
 Over (under): -665.8

Agency	IBRU	Component	Total		GF/Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>161,581.9</b>	<b>165,063.6</b>	<b>70,012.1</b>	<b>61,224.3</b>	<b>-8,787.8</b>	<b>39,656.0</b>	<b>49,718.7</b>	<b>61,913.8</b>	<b>44,040.8</b>
		FY99 Supplemental	-1,913.3		-1,913.3			0.0		0.0	
		FY99 Base	159,668.6		68,098.8			39,656.0		61,913.8	
		FY00-FY99		-4,616.1		-4,674.6			10,132.7		-7,873.3
		% Change		-2.89%		-10.09%			25.55%		-16.17%
Community & Regional Affairs	Administration and Support	Office of the Commissioner	530.8	530.8	420.4	420.4	0.0	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	0.0	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	0.0	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	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	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	(300.0)	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	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	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	0.0
Community & Regional Affairs	Local Government Assistance	Local Government Management	9,272.6	2,583.8	1,825.6	1,425.6	(400.0)	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	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	0.0
Community & Regional Affairs	Local Government Assistance	Statewide Assistance	6,750.8	6,750.8	374.6	374.6	0.0	2,378.2	2,376.2	4,000.0	4,000.0
Community & Regional Affairs	Local Government Assistance	National Petroleum Reserve Program	50.0	50.0	0.0	0.0	0.0	0.0	0.0	50.0	50.0
Community & Regional Affairs	Community and Economic Development	Community and Economic Development	1,577.3	1,497.3	456.1	456.1	0.0	1,071.2	1,041.2	60.0	0.0
Community & Regional Affairs	Child Assistance	Child Care	3,555.1	1,028.4	2,128.4	195.7	(1,932.7)	1,406.7	726.7	20.0	106.0
Community & Regional Affairs	Child Assistance	Day Care Assistance Programs	18,966.1	21,635.1	7,211.1	1,696.0	(5,515.1)	11,669.0	19,939.1	86.0	0.0
Community & Regional Affairs	Child Assistance	Head Start Grants	5,929.2	6,029.2	5,729.2	5,114.2	(615.0)	50.0	765.0	150.0	150.0
Community & Regional Affairs	Employment Training/Rural Development	Job Training Partnership Act	15,875.4	14,361.4	84.2	70.2	(14.0)	56.6	56.6	15,734.6	14,234.6
Community & Regional Affairs	Employment Training/Rural Development	State Training and Employment	1,732.3	1,512.3	0.0	0.0	0.0	1,732.3	1,512.3	0.0	0.0
Community & Regional Affairs	Employment Training/Rural Development	Statewide Service Delivery	10,697.5	12,417.5	467.7	467.7	0.0	1,536.8	3,256.8	8,693.0	8,693.0
Community & Regional Affairs	Employment Training/Rural Development	Community Development Assistance	2,989.5	3,003.5	309.8	323.8	14.0	135.7	135.7	2,544.0	2,544.0
Community & Regional Affairs	Rural Energy Program--Energy Operation	Energy Operations	2,310.8	2,384.5	546.1	521.1	(25.0)	1,684.6	1,797.8	100.1	65.6
Community & Regional Affairs	Rural Energy Program--Energy Operation	Power Cost Equalization	17,000.0	17,000.0	0.0	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	0.0

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

Senator Pete Kelly, Subcommittee Chair

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This narrative describes the effect of the budget numbers proposed on the attached spreadsheet for the Department of Community and Regional Affairs.

The Committee deleted \$300,000 General Fund (GF) to fund the Renters' Equivalency Rebate. This program provided for reimbursement to Senior Citizens and Disabled Veterans who rent property that is subject to a local property tax.

A component name change was made in the Local Government Assistance BRU at the request of the Department. The Training and Development component is now known as the Local Government Management component.

In the Local Government Management component, \$400,000 General Fund Match (GFM) was eliminated for the RUBA program. The authority to receive \$807,000 in federal funds for this program remains intact with the understanding that the Division can fund the RUBA match with GF saved through cuts elsewhere within the Department.

Child Care Grants were eliminated through three separate reductions:

\$200,000	GF
\$880,000	tobacco settlement funds
<u>\$2,515,100</u>	I/A federal receipts from Health and Social Services
\$3,595,100	

The I/A receipts for Child Care Grants were moved to the Day Care Assistance Program, which is being funded at \$2,669,000 over the FY 99 level.

Head Start is being funded at \$100,000 over the FY 99 level.

The Division of Energy's Bioenergy Grant request of \$25,000 GFM has been denied along with the authority to receive \$34,500 in federal funds.

Components not specifically addressed were approved at the level of the Governor's FY 00 request. The above reductions from the Governor's FY 00 budget request equal \$4,952,700 GF.

# FY00 Senate Finance Subcommittee Recommendations--Corrections

(\$000)

Allocation: 143,705.9  
 Subcommittee Report: 143,705.9  
 Over (under): 0.0

Agency	BRU	Component	Total		GR Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>162,641.0</b>	<b>166,672.2</b>	<b>139,972.6</b>	<b>143,705.9</b>	<b>3,733.3</b>	<b>6,426.8</b>	<b>14,773.7</b>	<b>7,142.6</b>	<b>7,092.6</b>
		<b>FY99 Supplemental</b>	<b>3,548.3</b>		<b>3,548.3</b>			<b>0.0</b>		<b>-0.0</b>	
		<b>FY99 Base</b>	<b>168,089.3</b>		<b>143,520.9</b>			<b>6,426.8</b>		<b>7,142.6</b>	
		<b>FY00-FY99</b>		<b>9,482.9</b>		<b>165.0</b>			<b>9,347.9</b>		<b>-50.0</b>
		<b>% Change</b>		<b>6.08%</b>		<b>0.13%</b>			<b>172.29%</b>		<b>-0.70%</b>
Corrections	Administration & Operations	Office of the Commissioner	1,580.1	947.8	930.1	843.9	(86.2)	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	
Corrections	Administration & Operations	Correctional Academy	664.4	664.4	664.4	664.4	0.0	0.0		0.0	
Corrections	Administration & Operations	Administrative Services	2,821.0	2,730.5	2,749.9	2,659.4	(90.5)	0.0		71.1	71.1
Corrections	Administration & Operations	Data and Word Processing	1,296.1	1,296.1	684.8	684.6	0.0	551.5	551.5	60.0	60.0
Corrections	Administration & Operations	Facility-Capital Improvement Unit	209.5	209.5	0.0		0.0	209.5	209.5	0.0	
Corrections	Administration & Operations	Inmate Health Care	15,402.1	15,756.7	14,812.1	15,314.3	502.2	590.0	442.4	0.0	
Corrections	Administration & Operations	Inmate Programs	2,839.6	2,839.6	2,011.4	961.4	(1,050.0)	828.2	1,878.2	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	
Corrections	Administration & Operations	Correctional Industries Product Cost	2,750.6	3,500.6	0.0		0.0	2,750.6	3,500.6	0.0	
Corrections	Administration & Operations	Institution Director's Office	914.2	867.9	692.1	595.8	(96.3)	222.1	272.1	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	
Corrections	Administration & Operations	Combined Hiland 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	6,942.2	6,943.2	6,878.7	6,878.7	0.0	0.0		64.5	64.5
Corrections	Administration & Operations	Kotchikan 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	Matanuska-Susitna Correctional Center	2,711.6	2,711.6	2,711.6	2,711.6	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	
Corrections	Administration & Operations	Yukon-Kuskokwim Correctional Center	3,953.1	3,861.6	3,953.1	3,861.6	(91.5)	0.0		0.0	
Corrections	Administration & Operations	Institutional Reduction	0.0	0.0	0.0		0.0	0.0		0.0	
Corrections	Administration & Operations	Community Jails	4,800.3	4,766.6	4,800.3	4,766.6	(33.7)	0.0		0.0	
Corrections	Administration & Operations	Community Corrections Director's Office	733.8	701.9	733.8	701.9	(31.9)	0.0		0.0	
Corrections	Administration & Operations	Northern Region Probation	2,522.4	2,449.4	2,522.4	2,449.4	(73.0)	0.0		0.0	
Corrections	Administration & Operations	Southcentral Region Probation	4,433.6	4,189.9	4,433.6	4,189.9	(243.7)	0.0		0.0	
Corrections	Administration & Operations	Southeast Region Probation	961.5	961.5	961.5	961.5	0.0	0.0		0.0	
Corrections	Administration & Operations	Transportation and Classification	1,020.6	1,243.5	746.7	1,104.6	357.9	273.9	138.9	0.0	
Corrections	Administration & Operations	Facility Maintenance	0.0	7,780.5	0.0		0.0	0.0	7,780.5	0.0	
Corrections	Out of State Contracts	Out-of-State Contracts	14,512.3	18,149.0	12,245.6	15,482.3	3,236.7	0.0		2,266.7	2,666.7
Corrections	Existing Community Residential Centers	Existing Community Residential Centers	13,539.5	15,243.6	11,454.6	13,158.7	1,704.1	0.0		2,084.9	2,084.9
Corrections	Culturally Relevant CRC in Nome	Nome Culturally Relevant CRC	766.5	1,016.5	490.2	740.2	250.0	0.0		276.3	276.3
Corrections	Culturally Relevant CRC in Bethel	Bethel Culturally Relevant CRC	144.8	144.8	92.6	92.6	0.0	0.0		52.2	52.2
Corrections	Point MacKenzie	Point MacKenzie Rehabilitation Program	1,992.1	1,952.3	1,992.1	1,952.3	(39.8)	0.0		0.0	
Corrections	CRC Offender Supervision	Community Residential Center Offender Supervision	368.0	0.0	366.0		(366.0)	0.0		0.0	
Corrections	VPSO Parole Supervision Pilot Program	VPSO Parole Supervision Pilot Program	115.0	115.0	115.0	115.0	0.0	0.0		0.0	
Corrections	Alternative Institutional Housing	Alternative Institutional Housing	115.0	0.0	115.0	0.0	(115.0)	0.0		0.0	
Corrections	Alternative Institutional Housing	Food Services Apprenticeship Program	0.0	96.1	0.0	0.0	0.0	0.0		0.0	96.1

# FY00 Subcommittee Recommendations

(\$000)

Allocation: 741,716.6  
 Subcommittee Report: 741,701.6  
 Over (under): -15.0

Agency	BRU	Component	Total		GF/Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>986,567.1</b>	<b>988,886.0</b>	<b>725,949.2</b>	<b>741,701.6</b>	<b>15,752.4</b>	<b>101,243.5</b>	<b>104,908.0</b>	<b>139,374.4</b>	<b>142,276.4</b>
		Note: Supplemental austerity measures (-309) are included in FY99 authorized GF numbers.	0.0		0.0			0.0		0.0	
		FY99 Base	986,567.1		725,949.2			101,243.5		139,374.4	
		FY00-FY99		22,318.9		15,752.4			3,664.5		2,902.0
		% Change		2.31%		2.17%			3.62%		2.08%
						721.2	16,473.6				
Education	K-12 Support	Foundation Program	680,728.2	695,660.3	652,818.5	667,256.5	14,438.0	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	303.8	0.0		0.0	
Education	K-12 Support	Boarding Home Grants	185.9	185.9	185.9	185.9	0.0	0.0		0.0	
Education	K-12 Support	Youth in Detention	800.0	800.0	800.0	800.0	0.0	0.0		0.0	
Education	K-12 Support	Schools for the Handicapped	3,801.7	3,840.5	3,801.7	3,840.5	38.8	0.0		0.0	
Education	K-12 Support	Pupil Transportation	38,082.1	39,775.1	38,082.1	39,775.1	1,693.0	0.0		0.0	
Education	K-12 Support	Child Nutrition	28,000.0	26,000.0	0.0		0.0	0.0		26,000.0	26,000.0
Education	K-12 Support	Community Schools	500.0	500.0	500.0	500.0	0.0	0.0		0.0	
Education	School Debt Reimbursement	School Debt Reimbursement	76,133.6	71,923.3	0.0		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	0.0	209.6	209.6	48,275.3	48,275.3
Education	Teaching and Learning Support	Quality Schools	29,604.8	30,670.8	3,549.3	4,615.3	1,066.0	58.6	58.6	25,996.9	25,996.9
Education	Teaching and Learning Support	Education Special Projects	849.9	552.8	201.8	10.6	(191.0)	570.3	464.3	78.0	78.0
Education	Teaching and Learning Support	Teacher Certification	692.8	692.8	676.4	676.4	0.0	16.4	16.4	0.0	
Education	Teaching and Learning Support	Child Nutrition Administration	727.7	727.7	45.1	45.1	0.0	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	450.7	0.0	176.3	176.3	0.0	274.4	0.0	
Education	Executive Administration	Office of the Commissioner	470.7	0.0	196.3	0.0	(196.3)	274.4		0.0	
Education	Executive Administration	Administrative Services	1,365.3	1,365.3	724.7	724.7	0.0	640.6	640.6	0.0	
Education	Executive Administration	Unallocated Reduction		(84.0)		(84.0)	(84.0)				
Education	Executive Administration	Information Services	797.8	747.8	422.7	372.7	(50.0)	273.9	273.9	101.2	101.2
Education	School Finance	District Support Services	828.9	1,078.9	777.5	1,027.5	250.0	61.1	51.1	0.3	0.3
Education	School Finance	Educational Facilities Support	685.6	685.6	135.2		(135.2)	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	Alaska Central School	Alaska Central School	4,119.6	8,480.7	116.9	91.9	(25.0)	4,002.7	8,388.8	0.0	
Education	Commissions and Boards	Professional Teaching Practices Commission	187.4	187.4	187.4	187.4	0.0	0.0	0.0	0.0	
Education	Commissions and Boards	Alaska State Council on the Arts	1,157.9	1,107.9	464.8	464.8	0.0	50.0	50.0	643.1	593.1
Education	Kotzebue Technical Center	Kotzebue Technical Center Operations Grant	634.0	0.0	634.0		(634.0)	0.0	0.0	0.0	
Education	Alaska Vocational Technical Center	Alaska Vocational Technical Center Operations	4,919.0	5,358.1	4,217.7	3,347.7	(870.0)	626.3	1,845.4	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	150.0	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	13,415.0	3,161.2	3,172.8	11.6	185.0	215.0	8,194.2	10,027.2
Education	Vocational Rehabilitation	Federal Training Grant	58.3	56.3	5.8	5.6	0.0	0.0	0.0	50.7	50.7
Education	Vocational Rehabilitation	Vocational Rehabilitation Administration	1,124.0	1,383.0	167.5	167.5	0.0	0.0		956.5	1,215.5
Education	Vocational Rehabilitation	Independent Living Rehabilitation	1,273.5	1,348.5	592.4	592.4	0.0	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	(42.5)	120.0	120.0	1,269.4	1,269.4
Education	Vocational Rehabilitation	Assistive Technology	980.7	843.7	0.0		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	190.0	0.0	
Education	Alaska State Library	Library Operations	4,558.0	4,635.8	3,772.2	3,802.0	29.8	158.3	158.3	625.5	675.5

Education	Alaska State Library	Archives	649.4	689.4	555.0	555.0	0.0	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	47.8	10.1	10.1	30.0	30.0
Education	Alaska State Museums	Specific Cultural Programs	41.7	0.0	41.7		(41.7)	0.0		0.0	
Education	Alaska Postsecondary Education Commis	Program Administration	991.6	1,050.3	10.0	10.0	0.0	906.3	965.0	75.3	75.3
Education	Alaska Postsecondary Education Commis	Student Loan Operations	6,523.8	6,530.1	10.0	10.0	0.0	6,513.8	6,520.1	0.0	
Education	Alaska Postsecondary Education Commis	Western Interstate Commission for Higher Educ	83.0	85.0	83.0	85.0	2.0	0.0		0.0	
Education	Alaska Postsecondary Education Commis	WWAMI Medical Education	1,355.0	1,285.0	1,355.0	1,285.0	(70.0)	0.0		0.0	
Education	Alaska Postsecondary Education Commis	Federal Student Aid	80.0	0.0	0.0		0.0	0.0		80.0	
Please Note: All components under District Support Services BRU are moved to Executive Administration BRU and all components under the Alaska State Library and Alaska State Museums are under the new BRU Alaska Libraries and Museums.											

# Senate Finance Subcommittee on Education

## Recommendations for FY 00 Budget

Senator Gary Wilken  
Subcommittee Chair

Senator Randy Phillips  
Member

Senator Kim Elton  
Member

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 FY99 authorized budget. Alaska Housing Finance Corporation funds (\$17,444,000) that were used to fund department activities in FY99 have been reclassified as General Funds in the FY99 base. The formula programs funded under *K-12 Support*, totaling \$696,647,900 in FY99 (including AHFC funds), are not addressed in this report, but will be discussed at a later date.

### Teaching and Learning Support

The *Quality Schools* component was increased by \$1,096,000 to allow the Department of Education to continue, expand, and complete work that was begun in FY99 on the development of the State's Comprehensive Student Assessment System and the High School Graduation Qualifying Exam. The high level of financial support recommended by the subcommittee is indicative of the legislature's recognition of the importance of this endeavor.

The *Quality Schools* component was reduced by a belt-tightening proposal of \$33,200 and state funding for the preschool certification program was eliminated -- a \$30,000 reduction. The subcommittee requests the department to review the existing preschool certification program and propose ways to improve and fund this program.

At the request of the Department of Education the Alaska Career Information System (AKCIS) funding of \$141,000 GF/PRGM receipts was eliminated. The program did not generate the necessary receipts to function.

In the component *Education Special Projects*, the GF/Match for the Alaska Mineral and Energy Resource Education Fund (AMEREF) was eliminated. This reduction was not taken lightly by the subcommittee. It is the hope that another entity will be able to continue the educational benefits offered through AMEREF.

In *Teacher Certification*, a technical fund source change moved \$1,100 from the General Fund to General Fund/Program Receipts.

### **Executive Administration**

The *Commissioner's Office* and *Administrative Services* components were reduced by \$20,000 and \$20,200 respectively. An unallocated reduction, which totals \$84,000, targeted "travel expenses". All department employees are encouraged to reduce air travel and rely more on increased telecommunication contact with school districts and other clientele.

One position, a micro/network tech position, was eliminated from the *Information Services* component realizing a reduction of \$50,000. The subcommittee added \$250,000 to implement provisions outlined in SB 36 (passed in 1998) relating to fiscal accountability, monitoring, and updating cost factors. This needed addition is in the *District Support Services* component.

A department recommended belt-tightening proposal of \$47,300 continues.

*Educational Facilities Support*, the component that provides oversight for the statewide school construction program, was fully funded at \$135,200. The source of these funds was changed from General Fund to Interagency Receipts.

### **Alveska Central School**

*Alyeska Central School's* excess General Fund/Program Receipt Authority was reduced \$25,000. The remaining authority will still allow the department's centralized correspondence school to continue to receive receipts from its curriculum development and other services provided by the school.

### **Commissions and Boards**

The subcommittee approved and funded the requests of the *Professional Teaching Practices Commission* (\$187,400) and the *Alaska State Council on the Arts* (\$464,800). A technical fund source change moved a General Fund request of \$3,000 to General Fund/Program Receipts.

### **Alaska Technical Center**

A pass-through grant of \$634,000 to the Alaska Technical Center (otherwise known as the *Kotzebue Technical Center*) was eliminated. This grant supplemented other funds to help pay for instructional support staff, facility support and program administration for this vocational/technical training school. It is the hope of the subcommittee chair that other private or public entities within

the Northwest Arctic Borough or the University of Alaska will work with this institution to continue the necessary support of the Alaska Technical Center.

### **Alaska Vocational Technical Center**

The tuition and fees collected by the *Alaska Vocational Technical Center* were recognized as statutory designated program receipts. The subcommittee increased the school's receipt authority in order to accommodate a 10% increase in tuition and fees. The General Fund was reduced by the corresponding increase -- \$100,000.

The department's belt-tightening proposal of \$37,000 was continued.

### **Mt. Edgecumbe Boarding School**

The *Mt. Edgecumbe Boarding School* serves 301 students in three residential facilities managed by a private contractor. Since 1985, Dorm Management Services has provided 24 hour, 7 days per week, management and supervision of the residential students as well as cleaning the dorm facilities. An increment of \$150,000 was added to ensure adequate night coverage and enable the contractor to acknowledge long-term employees with a modest salary increase.

The belt-tightening recommendation of \$30,400 continues.

### **Vocational Rehabilitation**

The General Fund increment of \$190,000 for *Client Services - Vocational Rehabilitation* was denied. This division has proposed regulatory changes to allow clients to assist in payment for services based on the ability to pay. A portion of this denied increment may be absorbed through this proposed business practice change. The subcommittee recommends the division curb its travel to ensure that no direct services to clients are denied or reduced due to this small reduction. (The division's total travel budget is in excess of \$600,000.)

A belt-tightening proposal of \$72,500 continues in *Vocational Rehabilitation*.

The statewide coordinator for *Americans with Disabilities* funding source was changed from General Fund to Interagency Receipts. This funding source matches how the Department of Administration supports Equal Employment Opportunity investigations.

### **Alaska Library and Museums**

An increment of \$100,000 was added in *Library Operations* to enable the purchase of needed library materials. Centralized access to information is the

most cost-effective and efficient manner to ensure that current and accurate information is available to everyone. Excess General Fund/Program Receipt Authority within in *Library Operations* was reduced by \$50,000.

A 10% reduction in library grants is recommended -- \$71,200. The funding level of these grants has maintained constant for many years and it is the hope of the subcommittee that this small reduction can be absorbed through other fund sources available to the many libraries within the state.

The three designated grants within *Specific Cultural Programs*, \$41,700, were eliminated. Funding for these grants can be awarded through the Alaska State Museums competitive grant program

### **Alaska Postsecondary Education Commission.**

The *WWAMI Medical Education* component contains funding for the second, third, and fourth year students who attend and pay resident tuition and fees at the University of Washington's School of Medicine. A portion of these funds is used to pay the program administration at the University of Washington, School of Medicine, and for the community clinical sites in Alaska. Support for the WWAMI program administration and the community clinical sites in Alaska was reduced \$150,000. Student tuition support is not expected to be effected by this reduction.

**FY00 Senate Finance Subcommittee Recommendations--Environmental Conservation**

(\$000)

Allocation: 12,185.4  
 Subcommittee Report: 11,326.3  
 Over (under): -859.1

Agency	BRU	Component	Total		R/GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>44,916.2</b>	<b>47,877.7</b>	<b>12,744.4</b>	<b>11,326.3</b>	<b>-1,422.1</b>	<b>20,704.8</b>	<b>21,039.8</b>	<b>13,442.8</b>	<b>14,512.8</b>
		FY99 Supplemental	-119.8		-119.8			0.0		0.0	
		FY99 Base	44,796.4		12,864.2			20,704.8		13,442.8	
		FY00-FY99		878.4		-1,299.1			634.6		1,150.0
		% Change		1.97%		-4.85%			4.81%		8.54%
Environmental Conservation	Administration	Office of the Commissioner	391.8	391.8	290.1	290.1	0.0	0.0	0.0	101.7	101.7
Environmental Conservation	Administration	Administrative Services	3,484.2	3,338.1	1,071.9	945.6	(126.1)	1,425.7	1,425.7	966.6	966.6
Environmental Conservation	Administration	Exon Restoration	630.2	630.2	0.0	0.0	0.0	630.2	630.2	0.0	0.0
Environmental Conservation	Environmental Health	Environmental Health Director	188.4	168.4	168.4	168.4	0.0	0.0	0.0	0.0	0.0
Environmental Conservation	Environmental Health	Animal Industries	697.9	0.0	318.1	0.0	(318.1)	0.0	0.0	381.8	0.0
Environmental Conservation	Environmental Health	Seafood and Sanitation Inspections	2,783.3	0.0	2,496.0	0.0	(2,496.0)	175.0	0.0	112.3	0.0
Environmental Conservation	Environmental Health	Food Safety & Sanitation	0.0	3,201.2	0.0	1,516.1	1,516.1	0.0	1,471.0	0.0	404.1
Environmental Conservation	Environmental Health	Laboratory Services	2,259.3	2,232.7	1,309.3	1,309.3	0.0	193.6	193.6	756.4	729.8
Environmental Conservation	Environmental Health	Drinking Water	3,784.0	3,814.6	1,503.1	1,503.1	0.0	0.0	0.0	2,281.5	2,311.5
Environmental Conservation	Environmental Health	Solid Waste Management	0.0	1,078.3	0.0	1,051.7	1,051.7	0.0	0.0	0.0	26.6
Environmental Conservation	Environmental Health	Municipal Solid Waste	740.1	0.0	740.1	0.0	(740.1)	0.0	0.0	0.0	0.0
Environmental Conservation	Environmental Health	Industrial Solid Waste	311.6	0.0	311.6	0.0	(311.6)	0.0	0.0	0.0	0.0
Environmental Conservation	Statewide Public Services	Statewide Public Services	1,801.5	1,751.6	202.6	202.6	0.0	742.3	742.3	858.6	800.6
Environmental Conservation	Air and Water Quality	Air and Water Director	462.1	462.1	209.9	209.9	0.0	252.2	252.2	0.0	0.0
Environmental Conservation	Air and Water Quality	Air Quality	4,840.2	4,840.2	1,202.8	1,202.8	0.0	2,034.1	2,034.1	1,603.3	1,603.3
Environmental Conservation	Air and Water Quality	Water Quality	4,777.3	6,827.3	1,784.7	1,784.7	0.0	785.2	785.2	2,207.4	3,357.4
Environmental Conservation	Spill Prevention and Response	Spill Prevention and Response Director	193.1	193.1	0.0	0.0	0.0	193.1	193.1	0.0	0.0
Environmental Conservation	Spill Prevention and Response	Contaminated Sites	4,911.8	4,911.8	0.0	0.0	0.0	2,818.1	2,618.1	2,293.5	2,293.5
Environmental Conservation	Spill Prevention and Response	Storage Tank Program	2,310.2	1,502.7	0.0	0.0	0.0	1,534.8	727.3	775.4	775.4
Environmental Conservation	Spill Prevention and Response	Industry Preparedness and Pipeline Operations	2,407.8	2,407.8	0.0	0.0	0.0	2,399.3	2,399.3	8.5	8.5
Environmental Conservation	Spill Prevention and Response	Prevention and Emergency Response	3,109.9	3,109.9	0.0	0.0	0.0	3,109.9	3,109.9	0.0	0.0
Environmental Conservation	Spill Prevention and Response	Response Fund Administration	2,185.6	1,642.1	0.0	0.0	0.0	2,185.5	1,642.1	0.0	0.0
Environmental Conservation	Local Emergency Planning Committees	Local Emerg Planning Committees	0.0	543.4	0.0	0.0	0.0	0.0	543.4	0.0	0.0
Environmental Conservation	Facility Construction and Operations	Facility Construction and Operations	4,704.6	5,150.7	1,141.8	1,141.8	0.0	2,425.0	2,871.1	1,137.8	1,137.8

**FY00 Senate Finance Subcommittee Recommendations--Fish & Game**

(5000)

Allocation: 33,073.5  
 SubCommittee Report: 33,073.5  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>109,130.5</b>	<b>113,781.8</b>	<b>34,388.9</b>	<b>33,073.5</b>	<b>-1,315.4</b>	<b>42,048.4</b>	<b>48,788.8</b>	<b>32,893.2</b>	<b>33,939.2</b>
		FY99 Supplemental	-848.1		-848.1			0.0		0.0	
		FY99 Base	108,882.4		33,840.8			42,048.4		32,893.2	
		FY00-FY99		5,199.2		-767.3			4,720.5		1,248.0
		% Change		4.79%		-2.27%			11.23%		3.81%
Fish and Game	Commercial Fisheries	Southeast Region Fisheries Management	5,492.0	5,952.5	4,284.9	4,284.9	0.0	878.2	1,138.7	528.8	528.9
Fish and Game	Commercial Fisheries	Central Region Fisheries Management	6,120.8	6,165.8	5,158.7	5,203.7	45.0	962.1	962.1	0.0	0.0
Fish and Game	Commercial Fisheries	AYK Region Fisheries Management	4,258.9	4,258.9	4,091.8	4,091.8	0.0	167.1	167.1	0.0	0.0
Fish and Game	Commercial Fisheries	Westward Region Fisheries Management	6,677.0	9,327.5	5,621.9	5,624.9	3.0	1,055.1	3,702.6	0.0	0.0
Fish and Game	Commercial Fisheries	Headquarters Fisheries Management	4,048.3	3,636.3	4,048.3	2,869.0	(1,179.3)	0.0	383.6	0.0	383.7
Fish and Game	Commercial Fisheries	Fisheries Development	2,475.0	2,427.0	2,475.0	2,427.0	(48.0)	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	0.0	3,745.6	3,285.1	7,225.7	7,620.7
Fish and Game	Commercial Fisheries	Capital Improvement Position Costs	632.7	632.7	0.0	0.0	0.0	632.7	632.7	0.0	0.0
Fish and Game	Commercial Fisheries	EVOS Restoration Projects	1,112.8	626.2	0.0	0.0	0.0	1,112.8	626.2	0.0	0.0
Fish and Game	Glacier Bay Commercial/Subsistence Fish	Glacier Bay Commercial/Subsistence Fishing Legal L	100.0	0.0	100.0	0.0	(100.0)	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	0.0	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	0.0	220.0	220.0	180.4	180.4
Fish and Game	Wildlife Conservation	Wildlife Conservation	15,246.1	16,676.2	299.2	295.0	(4.2)	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	0.0	338.0	368.0	2,551.3	2,551.3
Fish and Game	Wildlife Conservation	Capital Improvement Position Costs	424.3	293.8	0.0	0.0	0.0	424.3	293.8	0.0	0.0
Fish and Game	Wildlife Conservation	EVCS Restoration Projects	539.4	539.4	0.0	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	0.0	200.7	200.7	0.0	0.0
Fish and Game	Wildlife Conservation	40 Mile Caribou Herd/GMU 19D Moose/Predator Mg	238.1	0.0	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	0.0	135.7	135.7	0.0	0.0
Fish and Game	Administration and Support	Administrative Services	4,675.0	4,755.1	1,084.6	1,068.7	(15.9)	1,924.0	2,887.4	1,666.4	800.0
Fish and Game	Administration and Support	Boards of Fisheries and Game	915.8	903.6	745.9	733.7	(12.2)	169.9	169.9	0.0	0.0
Fish and Game	Administration and Support	Advisory Committees	376.1	369.9	376.1	369.9	(6.2)	0.0	0.0	0.0	0.0
Fish and Game	State Facilities Maintenance	State Facilities Maintenance	0.0	694.3	0.0	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	0.0	41.9	81.9	258.6	218.6
Fish and Game	Subsistence	Subsistence	214.9	214.8	214.8	214.8	0.0	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	0.0	109.8	109.9	1,457.0	1,557.0
Fish and Game	Subsistence	EVOS Restoration Projects	563.8	563.8	0.0	0.0	0.0	563.8	563.8	0.0	0.0
Fish and Game	Subsistence Field Offices	Subsistence Field Offices	1,329.2	1,373.6	841.8	886.2	44.4	487.4	487.4	0.0	0.0
Fish and Game	Habitat	Habitat	1,169.3	1,648.3	160.3	160.3	0.0	541.8	1,281.7	467.2	206.3
Fish and Game	Habitat	Special Projects	1,489.3	2,692.8	38.0	38.0	0.0	925.4	1,701.8	525.9	953.0
Fish and Game	Habitat	Habitat Permitting/Title 16	2,405.7	2,627.0	1,610.8	1,610.8	0.0	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	0.0	6,601.0	4,621.0	0.0	0.0
Fish and Game	Limited Entry Program Administration	Limited Entry Program Administration	2,671.6	2,629.6	2,562.4	2,520.4	(42.0)	0.0	0.0	100.0	109.2

**Senate Finance Subcommittee Closeout Summary  
FY 00 Operating Budget  
Department of Fish & Game**

The challenge of developing operating budgets within the constraints of the State's projected billion dollar fiscal deficit has required careful review of every program and expenditure within the department's budget. Working closely with the department staff, the subcommittee developed a budget that we believe satisfies the basic needs of Alaskans who depend on services provided by the Department of Fish & Game.

When Legislative leaders recognized last fall that oil prices were showing no sign of improvement, they asked the Governor to take steps immediately to reduce state services provided with general funds, and lessen the strain on the growing budget gap. In response, the Department of Fish & Game tightened its general fund spending by \$548,100. Because the revenue outlook for FY 00 is no less bleak, the Senate Finance subcommittee has asked the department to extend those reductions into FY 00.

**Commercial Fisheries** – The subcommittee increased the FY 00 Test Fisheries budget by \$2,647,500. After the department reduced its FY 99 general fund spending in the Commercial Fisheries Division by over \$400,000, the subcommittee extended that austerity measure into FY 00. Also the subcommittee gave the department authority to use federal funds and Fish and Game Funds to supplant an additional \$767,300 reduction in Headquarters Fisheries Management. A proposed fee increase in commercial fishing crew licenses is expected to provide the necessary funding from the Fish & Game Fund.

**Glacier Bay Commercial/Subsistence Fishing Legal Defense** – The subcommittee eliminated this budget item with the expectation that a legal defense budget will not be necessary due to pending Congressional action.

**FY 99 austerity measures were extended into FY 00 in the following divisions:**  
**Wildlife Conservation** \$-4,200; **Administrative Services** \$-34,300.

**Subsistence** – The subcommittee adopted a transfer from the Legal Defense budget unit into the Field Office component, increasing the budget by \$44,400. After numerous discussions about the potential transfer of management of navigable waters to the federal government, the subcommittee elected to maintain the subsistence division with the expectation that the department will collaborate with appropriate entities to provide necessary subsistence information in a cost effective manner.

**Sport Fish** – The subcommittee approved a \$530,000 net increase to the division with no change in the general fund spending level.

**Habitat** – The division's general fund spending remains unchanged from the FY 99 level.

**Commissioner's Office** – The division was funded at the current year's budget level.

**FY00 Senate Finance Subcommittee Recommendations--Office of the Governor**

(\$000)

Allocation: 15,302.8  
 SubCommittee Report: 15,302.8  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds		
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>22,296.3</b>	<b>18,775.8</b>	<b>18,203.8</b>	<b>15,302.8</b>	<b>-2,901.0</b>	<b>1,019.7</b>	<b>400.2</b>	<b>3,072.8</b>	<b>3,072.8</b>
		FY99 Supplemental	-297.0		-297.0			0.0		0.0	
		FY99 Base	21,999.3		17,906.8			1,019.7		3,072.8	
		FY00-FY99		-3,223.5		-2,604.0			-619.5		0.0
		% Change		-14.85%		-14.54%			-60.75%		0.00%
Governor	Commissions/Special Offices	Human Rights Commission	1,458.4	1,458.4	1,307.9	1,307.9	0.0	0.0	0.0	150.5	150.5
Governor	Commissions/Special Offices	Alaska Human Resources Investment C	1,019.7	400.2	0.0	0.0	0.0	1,019.7	400.2	0.0	0.0
Governor	Executive Operations	Executive Office	6,658.6	6,560.0	6,548.6	6,450.0	(98.6)	0.0	0.0	110.0	110.0
Governor	Executive Operations	Governor's House	318.0	318.0	318.0	318.0	0.0	0.0	0.0	0.0	0.0
Governor	Executive Operations	Contingency Fund	500.0	475.0	500.0	475.0	(25.0)	0.0	0.0	0.0	0.0
Governor	Executive Operations	Lieutenant Governor	894.0	874.5	894.0	874.5	(19.5)	0.0	0.0	0.0	0.0
Governor	Executive Operations	Equal Employment Opportunity	271.8	271.8	271.8	271.8	0.0	0.0	0.0	0.0	0.0
Governor	Executive Operations	Agencywide Reduction	0.0	0.0	0.0	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	(586.7)	0.0	0.0	0.0	0.0
Governor	Office of Management & Budget	Office of Management and Budget	2,374.9	2,127.6	2,374.9	2,127.6	(247.3)	0.0	0.0	0.0	0.0
Governor	Office of Management & Budget	Governmental Coordination	4,277.3	4,250.7	1,465.0	1,438.4	(26.6)	0.0	0.0	2,812.3	2,812.3
Governor	Elective Operations	Elections	1,945.2	1,694.0	1,945.2	1,694.0	(251.2)	0.0	0.0	0.0	0.0
Governor	Elective Operations	General and Primary Elections	1,991.7	345.6	1,991.7	345.6	(1,646.1)	0.0	0.0	0.0	0.0

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

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

The subcommittee accepted the proposal from the Governor for FY 00 of 15,599.9. The Governor's FY 00 is reduced by 297.0 in "belt tightening" as follows:

**Component:** Executive Office  
**BRU:** Executive operations

Reduction of 98.6 in Governor's "belt tightening"

**Component:** Contingency Fund  
**BRU:** Executive operations

Reduction of 25.0 in Governor's "belt tightening"

**Component:** Lieutenant Governor  
**BRU:** Executive operations

Reduction of 19.5 in Governor's "belt tightening"

**Component:** Office of Management & Budget  
**BRU:** Office of Management & Budget

Reduction of 89.3 in Governor's "belt tightening"

**Component:** Governmental Coordination  
**BRU:** Office of management & Budget

Reduction of 26.6 in Governor's "belt tightening"

**Component:** Elective Operations  
**BRU:** Elections

Reduction of 30.0 in Governor's "belt tightening"

**Component:** Elective Operations  
**BRU:** General and Primary Elections

Reduction of 8.0 in Governor's "belt tightening"  
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**The Governor's FY 00 request was 15,599.9  
Less 297.0 belt tightening  
The recommendations by the subcommittee 15,302.8**

# FY00 Senate Finance Subcommittee Recommendations--Labor

(\$000)

Allocation: 7,847.1  
 SubCommittee Report: 7,847.1  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>57,508.5</b>	<b>57,862.0</b>	<b>8,321.2</b>	<b>7,847.1</b>	<b>-474.1</b>	<b>15,028.0</b>	<b>14,855.8</b>	<b>34,159.3</b>	<b>34,859.3</b>
		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		277.6		-380.0			-72.4		700.0
		% Change		0.48%		-4.27%			-0.48%		2.05%
Labor	Employment Security	Employment Services	9,906.6	11,009.2	0.0	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	0.0	915.8	343.3	16,848.3	16,537.8
Labor	Employment Security	Alaska Work Programs	1,873.4	0.0	130.9	0.0	(130.9)	1,742.5	0.0	0.0	0.0
Labor	Employment Security	Work Services	0.0	1,720.1	0.0	130.9	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	0.0	4,046.1	4,046.1	0.0	0.0
Labor	Data Processing	Data Processing	4,587.5	5,298.8	0.0	0.0	0.0	1,508.4	1,540.1	3,079.1	3,758.7
Labor	Administrative Services	Management Services	2,223.0	2,317.0	288.2	260.1	(28.1)	123.3	172.7	1,811.5	1,884.2
Labor	Administrative Services	Labor Market Information	3,359.6	2,919.1	561.9	506.9	(55.0)	1,546.2	1,160.7	1,251.5	1,251.5
Labor	Office of the Commissioner	Commissioner's Office	478.5	467.3	471.5	383.2	(88.3)	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	0.0
Labor	Fishermans Fund	Fishermans Fund	1,301.0	1,301.0	0.0	0.0	0.0	1,301.0	1,301.0	0.0	0.0
Labor	Workers' Compensation	Workers' Compensation	5,362.2	2,478.7	2,489.7	2,433.7	(56.0)	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	0.0	2,858.9	0.0	0.0
Labor	Labor Standards and Safety	Wage and Hour Administration	1,409.1	1,321.1	1,307.5	1,299.5	(8.0)	21.6	21.6	0.0	0.0
Labor	Labor Standards and Safety	Mechanical Inspection	1,836.1	1,681.3	1,429.5	1,270.8	(158.7)	406.6	410.5	0.0	0.0
Labor	Labor Standards and Safety	Occupational Safety and Health	2,931.4	2,931.4	1,131.1	1,131.1	0.0	23.1	23.1	1,777.2	1,777.2
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	0.0

**Senate Finance Subcommittee  
Department of Labor  
Recommendations for FY 00 Budget**

Senator Lyda Green, Subcommittee, Chair

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

The subcommittee work is based on growth from the FY99 authorized budget including Supplemental Appropriation, passed in March 1999. Components not mentioned below are funded at the Governor's FY00 request. The subcommittee also accepted the total position and funds transfer from the renamed Alaska Works Program to Work Services in the Employment Security BRU.

**Component:** Commissioner's Office  
**BRU:** Office of the Commissioner

Deleted Special Assistant to the Commissioner PCN:07-1003. Position is currently vacant. Total general fund decrement is \$103.3.

Funding transfer for Internal Auditor to Commissioner's Office was accepted.

**Component:** Wage & Hour Administration  
**BRU:** Labor Standards & Safety

Decrement to personal services line in the amount of \$88.0 with 2 positions deleted. The choice of elimination of two positions is left to the discretion of the department.

**Component:** Workers' Compensation  
**BRU:** Workers' Compensation

Decrement to personal services line for \$36.0 (position change from PFT to PPT).  
Decrement to contractual line for 20.0.

**Component:** Labor Market Information  
**BRU:** Administrative Services

Decrement to personal services for \$55.0 and one position (eliminates Labor Economist II).

**Component:** Management Services  
**BRU:** Administrative Services

Decrement to personal services for \$13.1 (downgrades a position when it becomes vacant).

**Component:** Mechanical Inspection  
**BRU:** Labor Standards & Safety

Denied an increment of \$80.0 for Fairbanks boiler inspector.

Decrement to personal services in the amount of \$122.5 with 2 positions being eliminated and a miscellaneous decrement of \$36.2. The choice of elimination of two positions is left to the discretion of the department.

<b>The subcommittee's general fund allocation was \$7,847.1.</b>
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**FY00 Senate Finance Subcommittee Recommendations--Law**

(\$000)

Allocation: 26,067.8  
 Subcommittee Report: 26,067.8  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>43,780.4</b>	<b>44,085.8</b>	<b>27,534.8</b>	<b>26,067.8</b>	<b>-1,467.0</b>	<b>15,789.5</b>	<b>17,841.7</b>	<b>476.1</b>	<b>476.1</b>
		FY99 Supplemental	-617.0		-617.0			0.0		0.0	
		FY99 Base	43,163.4		26,917.8			15,769.5		476.1	
		FY00-FY99		922.2		-850.0			1,772.2		0.0
		% Change		2.14%		-3.16%			11.24%		0.00%
Law	Criminal Division	First Judicial District	1,167.7	1,180.6	1,167.7	1,180.6	12.9	0.0		0.0	
Law	Criminal Division	Second Judicial District	822.5	818.4	822.5	818.4	(4.1)	0.0		0.0	
Law	Criminal Division	Third Judicial District; Anchorage	3,492.5	3,681.1	3,104.9	3,293.5	188.6	387.6	387.6	0.0	
Law	Criminal Division	Third Judicial District; Outside Anchorage	2,119.1	2,138.0	2,119.1	2,138.0	18.9	0.0		0.0	
Law	Criminal Division	Fourth Judicial District	2,715.6	2,683.9	2,715.6	2,683.9	(31.7)	0.0		0.0	
Law	Criminal Division	Criminal Justice Litigation	1,407.0	1,450.4	1,241.1	1,284.5	43.4	165.9	165.9	0.0	
Law	Criminal Division	Criminal Appeals/Special Litigation Component	2,495.3	2,495.3	1,486.8	1,486.8	0.0	532.4	532.4	476.1	476.1
Law	Civil Division	Deputy Attorney General's Office	202.8	77.8	202.8	77.8	(125.0)	0.0		0.0	
Law	Civil Division	Collections and Support	1,860.4	1,773.0	338.6	338.6	0.0	1,521.8	1,434.4	0.0	
Law	Civil Division	Commercial Section	1,486.9	1,674.8	271.7	271.7	0.0	1,215.2	1,403.1	0.0	
Law	Civil Division	Environmental Law	1,383.1	1,254.2	783.9	633.9	(150.0)	599.2	620.3	0.0	
Law	Civil Division	Fair Business Practices	1,092.9	1,451.3	417.7	531.1	113.4	675.2	930.2	0.0	
Law	Civil Division	Governmental Affairs Section	2,091.8	2,095.0	890.7	795.0	(95.7)	1,201.1	1,300.0	0.0	
Law	Civil Division	Human Services Section	3,049.9	3,548.8	2,532.1	2,937.6	405.5	517.8	611.2	0.0	
Law	Civil Division	Legislation/Regulations	495.4	495.4	369.5	369.5	0.0	125.9	125.9	0.0	
Law	Civil Division	Mental Health Lands	252.3	189.0	227.3	164.0	(63.3)	25.0	25.0	0.0	
Law	Civil Division	Natural Resources	1,344.6	1,281.2	1,065.8	1,002.4	(63.4)	278.8	278.8	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	
Law	Civil Division	Special Litigation	1,844.3	2,149.0	0.0		0.0	1,844.3	2,149.0	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	
Law	Civil Division	Timekeeping & Support	719.9	719.9	15.8	15.8	0.0	704.1	704.1	0.0	
Law	Statehood Defense	Statehood Defense	1,005.0	980.0	1,005.0	980.0	(25.0)	0.0		0.0	
Law	Oil and Gas Litigation and Legal Services	Oil & Gas Litigation	5,990.4	5,362.4	5,496.9	3,885.4	(1,611.5)	493.5	1,477.0	0.0	
Law	Oil and Gas Litigation and Legal Services	Oil & Gas Legal Services	375.7	295.7	375.7	295.7	(80.0)	0.0		0.0	
Law	Administration and Support	Office of the Attorney General	334.2	334.2	334.2	334.2	0.0	0.0		0.0	
Law	Administration and Support	Administrative Services	1,102.7	1,102.7	549.4	549.4	0.0	553.3	553.3	0.0	

## MEMORANDUM

To: Senator Sean Parnell  
Co-Chair, Senate Finance Committee

From: Senator Dave Donley, Chair  
Senator Tim Kelly  
Senator Johnny Ellis  
Department of Law Operating Budget Subcommittee

Re: Subcommittee Close-out Report for the Department of Law

Date: April 13, 1999

The Senate GF target for the Department of Law is \$26,067,800. The subcommittee met its target and closed at \$26,067,800. The attached spreadsheet indicates subcommittee action during the close-out on April 12 and a narrative of committee action is listed below.

### Criminal Division

In the **Third Judicial Anchorage Office**, a new prosecutor (\$145,000) has been funded.

In the **Third Judicial Anchorage Office**, the Governor's increment for one paraprofessional (\$95,700) has been accepted.

### Civil Division

In the **Deputy Commissioner's office**, the Governor's General Fund request has been reduced by (\$125,000). It is the intent of the subcommittee that this reduction apply to all sections of the division.

In the **Environmental Law** section, the Governor's General Funds/Programs Receipts request has been reduced by (\$100,000).

In the **Fair Business Practices** section, the Governor's increment (\$190,000) for one attorney, one half-time paraprofessional and one half-time secretary has been denied.

Senator Parnell  
Page 2  
April 13, 1999

An increment (\$180,000) in statutory designated receipt authority to increase consumer protection enforcement has been accepted.

In the **Governmental Affairs** section, the Governor's General Fund request has been reduced by (\$95,700).

In the **Human Services** section, the Governor's increment (\$291,000) for two attorneys has been accepted.

In the **Human Services** section, the Governor's increment for the annualization of positions hired in FY'99 has been accepted.

In the **Mental Health Lands** section, the Governor's General Fund request has been reduced by (\$47,000).

#### Statehood Defense

In this BRU, the Governor's General Fund request has been reduced by (\$25,000).

#### Oil and Gas Litigation and Legal Services

In the **Oil and Gas Litigation** section, the Governor's General Fund request has been reduced by (\$628,000). Additionally a fund source switch of \$983,500 from General Funds to Permanent Fund Corporate Receipts has been accepted.

In the **Oil and Gas Legal Services** section, the Governor's General Fund request has been reduced by (\$80,000). This \$80,000 reduction is a deletion of one vacant position and one telephone line.

If you have any questions, contact James Armstrong of my staff at 3887.

Attachment: one

cc: Kathryn Daughhete, Department of Law  
Phil Okeson, Legislative Finance Division

DD/jja

**The recommendations by the subcommittee total \$7,847.1.**

**FY00 Senate Finance Subcommittee Recommendations--Military and Veterans Affairs**

(\$000)

Allocation: 7,707.9  
 Subcommittee Report: 7,707.9  
 Over (under): 0.0

Agency	ERU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>36,373.7</b>	<b>34,440.7</b>	<b>8,009.6</b>	<b>7,707.9</b>	<b>-301.7</b>	<b>3,224.4</b>	<b>3,326.6</b>	<b>28,139.7</b>	<b>23,406.2</b>
		FY99 Supplemental	-125.7		-125.7			0.0		0.0	
		FY99 Base	36,248.0		7,883.9			3,224.4		28,139.7	
		FY00-FY99		-1,807.3		-178.0			102.2		-1,733.5
		% Change		-4.99%		-2.23%			3.17%		-4.90%
Military & Veterans Affairs	Disaster Planning & Control	Disaster Planning & Control	3,454.0	3,397.1	489.3	489.3	0.0	1,453.3	1,512.8	1,511.4	1,395.0
Military & Veterans Affairs	Disaster Planning & Control	Local Emergency Planning Committee Grants	534.4	543.4	0.0	0.0	0.0	534.4	543.4	0.0	0.0
Military & Veterans Affairs	Alaska National Guard	Office of the Commissioner	1,534.0	1,487.2	1,164.7	1,084.2	(80.5)	102.6	136.3	286.7	266.7
Military & Veterans Affairs	Alaska National Guard	National Guard Military Headquarters	196.4	196.2	196.2	196.2	0.0	0.0	0.0	0.2	0.0
Military & Veterans Affairs	Alaska National Guard	Army Guard Facilities Maintenance	11,734.2	10,234.2	2,374.8	2,374.8	0.0	1,019.1	1,019.1	8,340.3	6,840.3
Military & Veterans Affairs	Alaska National Guard	Air Guard Facilities Maintenance	4,665.7	4,665.7	830.6	830.6	0.0	0.0	0.0	3,835.1	3,835.1
Military & Veterans Affairs	Alaska National Guard	State Active Duty	115.0	115.0	0.0	0.0	0.0	115.0	115.0	0.0	0.0
Military & Veterans Affairs	Alaska National Guard	Youth Corps	3,467.0	3,350.1	1,281.0	1,281.0	0.0	0.0	0.0	2,188.0	2,069.1
Military & Veterans Affairs	Alaska National Guard	Unallocated Reduction		(301.7)		(301.7)	(301.7)		0.0		0.0
Military & Veterans Affairs	Alaska National Guard Benefits	Educational Benefits	28.5	28.5	28.5	28.5	0.0	0.0	0.0	0.0	0.0
Military & Veterans Affairs	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	0.0
Military & Veterans Affairs	Veterans' Affairs	Veterans' Services	540.0	620.5	540.0	620.5	80.5	0.0	0.0	0.0	0.0
Military & Veterans Affairs	Front Section Appropriation	Disaster Relief Fund	9,000.0	9,000.0	0.0	0.0	0.0	0.0	0.0	9,000.0	9,000.0

Senate Finance

Budget Subcommittee Report

**Department of Military and Veterans Affairs**

To: Senator Sean Parnell, Co-Chair  
Senate Finance Committee

From: Senator Randy Phillips, Chair  
Senator Dave Donley  
Senator Al Adams  
Senate Finance Subcommittee

Date: April 12, 1999

Re: Department of Military and Veterans Affairs Finance Subcommittee  
Closeout Report.

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The budget subcommittee for the Department of Military and Veterans Affairs recommends the following changes from FY 99 authorized and adjusted:

The subcommittee recommends an unallocated general fund reduction of 301.7 in the Office of the Commissioner. This reduction annualizes the Governor's "belt tightening" measure for FY 99.

The subcommittee also accepts the transfer of 80.5 in the Office of the Commissioner to Veterans Affairs as proposed by the Governor.

The GF recommendation for DMV&A is 7,707.9

The all-funds total for DMV&A is 34,440.7, a -1,933.0 change from FY99. This funds 219 full time positions, 2 part time positions and 5 non-perm positions.

**FY00 Senate Finance Subcommittee Recommendations--Natural Resources**

(\$000)

Allocation: 38,396.0  
 Subcommittee Report: 38,280.0  
 Over (under): -116.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>84,488.2</b>	<b>66,225.7</b>	<b>39,588.5</b>	<b>38,280.0</b>	<b>-1,308.5</b>	<b>14,188.0</b>	<b>15,518.4</b>	<b>10,693.7</b>	<b>11,429.3</b>
		FY99 Supplemental	-443.2		-443.2			0.0		0.0	
		FY99 Base	64,025.0		39,145.3			14,188.0		10,693.7	
		FY00-FY99		1,200.7		-868.3			1,330.4		735.6
		% Change		1.88%		-2.21%			9.38%		6.88%
Natural Resources	Management and Administration	Commissioner's Office	507.5	507.5	507.5	507.5	0.0	0.0	0.0	0.0	0.0
Natural Resources	Management and Administration	Administrative Services	2,103.8	2,103.8	1,540.2	1,540.2	0.0	563.6	563.6	0.0	0.0
Natural Resources	Management and Administration	Trustee Council Projects	2,114.0	2,114.0	0.0	0.0	0.0	2,114.0	2,114.0	0.0	0.0
Natural Resources	Information/Data Management	Recorder's Office/Uniform Commercial Code	2,314.3	2,314.3	2,314.3	2,314.3	0.0	0.0	0.0	0.0	0.0
Natural Resources	Information/Data Management	Information Resource Management	2,441.3	2,407.5	1,816.5	1,816.5	0.0	514.6	430.8	110.2	150.2
Natural Resources	Information/Data Management	Interdepartmental Data Processing Chargeback	353.1	481.4	353.1	353.1	0.0	0.0	128.3	0.0	0.0
Natural Resources	Resource Development	Oil and Hazardous Waste Spill Response Program	68.5	86.5	0.0	0.0	0.0	68.5	86.5	0.0	0.0
Natural Resources	Resource Development	Mental Health Trust Lands Administration	892.1	892.1	0.0	0.0	0.0	892.1	892.1	0.0	0.0
Natural Resources	Resource Development	Development - Special Projects	500.0	500.0	0.0	0.0	0.0	500.0	500.0	0.0	0.0
Natural Resources	Resource Development	Emergency Firefighters Non-Emergency Projects	250.0	250.0	0.0	0.0	0.0	250.0	250.0	0.0	0.0
Natural Resources	Land Development	Land Development	8,334.7	7,180.7	7,342.7	6,334.2	(1,008.5)	942.2	796.7	42.8	49.8
Natural Resources	Forest Management and Development	Forest Management and Development	8,885.9	8,623.3	7,151.7	7,151.7	0.0	31.6	330.6	1,416.6	1,141.0
Natural Resources	Oil and Gas Development	Oil & Gas Development	4,414.6	4,289.6	4,277.1	4,177.1	(100.0)	4.6	20.6	91.9	91.9
Natural Resources	Oil and Gas Development	Pipeline Coordinator	3,346.5	3,665.0	429.9	429.9	0.0	2,751.6	3,070.1	165.0	165.0
Natural Resources	Mining, Geological, Water Development	Mining Development	2,028.0	2,003.0	1,208.8	1,208.8	0.0	121.4	96.4	697.8	697.8
Natural Resources	Mining, Geological, Water Development	Geological Development	4,048.3	3,855.5	2,106.2	2,106.2	0.0	400.0	294.6	1,542.1	1,454.7
Natural Resources	Mining, Geological, Water Development	Water Development	1,223.1	1,051.1	1,021.1	896.1	(125.0)	180.5	180.5	21.5	21.5
Natural Resources	Parks and Recreation Management	State Historic Preservation Program	1,256.4	1,256.4	285.5	285.5	0.0	638.6	638.6	332.3	332.3
Natural Resources	Parks and Recreation Management	Parks Management	5,500.1	5,533.3	5,411.8	5,411.8	0.0	88.3	121.5	0.0	0.0
Natural Resources	Parks and Recreation Management	Parks Access	1,827.2	2,503.6	0.0	0.0	0.0	1,804.5	1,880.9	22.7	622.7
Natural Resources	Agricultural Development	Agricultural Development	1,159.8	1,158.4	320.8	245.8	(75.0)	718.2	693.2	120.8	219.4
Natural Resources	Agricultural Development	North Latitude Plant Material Center	1,453.9	1,803.9	14.4	14.4	0.0	636.1	636.1	803.4	1,153.4
Natural Resources	Agr Revolving Loan Pgm Admin	Agriculture Revolving Loan Program Administration	638.6	691.3	0.0	0.0	0.0	638.6	691.3	0.0	0.0
Natural Resources	Statehood Defense	Citizen's Advisory Commission on Federal Areas	93.2	93.2	93.2	93.2	0.0	0.0	0.0	0.0	0.0
Natural Resources	Statehood Defense	RS 2477/Navigability Assertions and Litigation Support	115.0	115.0	115.0	115.0	0.0	0.0	0.0	0.0	0.0
Natural Resources	Facilities Maintenance	Facilities Maintenance	0.0	1,100.0	0.0	0.0	0.0	0.0	1,100.0	0.0	0.0
Natural Resources	Facilities Maintenance	Fairbanks Office Building Chargeback	103.6	103.6	103.6	103.6	0.0	0.0	0.0	0.0	0.0
Natural Resources	Statewide Fire Suppression	Fire Suppression	8,494.7	8,494.7	3,175.1	3,175.1	0.0	0.0	0.0	5,319.6	5,319.6

Senate Finance  
Budget Subcommittee Report  
**Department of Natural Resources**

To: Senator Sean Parnell, Co-Chair  
Senate Finance Committee

From: Senator Randy Phillips, Chair  
Senator Pete Kelly  
Senator Georgianna Lincoln  
Senate Finance Subcommittee Department of Natural Resources

Date: April 12, 1999

Re: Department of Natural Resources Finance Subcommittee Closeout Report

The Senate budget subcommittee for DNR recommends the following changes; from **FY 99 authorized**. Four budget units are affected:

Land Development was reduced by 1,008.5. This is a 13.7% reduction to the Division of Land.

Oil and Gas Development was reduced by 100.0. This is a 2.3% reduction to the division.

Water Development, permit adjudication section, was reduced by 125.0.

In Agricultural Development the subcommittee accepted the proposed 75.0 reduction for the export certification program at UAF.

The Senate Finance GF target for the Department of Natural Resources is 38,396.0.

The subcommittee GF recommendation is 38,280.0.

The recommended all fund source total agency expenditure is 65,225.7. It provides for approximately 559 full time positions, 243 permanent part time positions, and 78 non-perm positions.

# FY00 Senate Finance Subcommittee Recommendations--Public Safety

(\$000)

Allocation: 77,689.1  
 Subcommittee Report: 77,592.8  
 Over (under): -96.3

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>84,791.5</b>	<b>96,999.4</b>	<b>77,693.9</b>	<b>77,592.8</b>	<b>-101.1</b>	<b>8,256.1</b>	<b>9,169.3</b>	<b>8,841.5</b>	<b>10,237.3</b>
		FY99 Supplemental	143.6		143.6			0.0		0.0	
		FY99 Base	84,935.1		77,837.6			8,256.1		8,841.5	
		FY00-FY99		2,064.3		-244.7			913.1		1,395.8
		% Change		2.17%		-0.31%			11.06%		15.79%
Public Safety	Fish and Wildlife Protection	Enforcement and Investigative Services Unit	11,042.8	11,042.8	10,379.5	10,454.5	75.0	663.3	588.3	0.0	0.0
Public Safety	Fish and Wildlife Protection	Director's Office	247.8	247.8	247.8	247.8	0.0	0.0	0.0	0.0	0.0
Public Safety	Fish and Wildlife Protection	Aircraft Section	1,629.8	1,629.8	1,427.3	1,427.3	0.0	202.5	202.5	0.0	0.0
Public Safety	Fish and Wildlife Protection	Marine Enforcement	2,928.0	2,928.0	2,526.9	2,526.9	0.0	401.1	401.1	0.0	0.0
Public Safety	Fish and Wildlife Protection	AK Fish & Wildlife Safeguard		15.0		15.0	15.0		0.0		0.0
Public Safety	Dalton Highway Protection	Dalton Highway Protection	90.2	90.2	90.2	90.2	0.0	0.0	0.0	0.0	0.0
Public Safety	Fire Prevention	Fire Prevention Operations	1,442.7	1,442.7	1,413.1	1,413.1	0.0	29.6	29.6	0.0	0.0
Public Safety	Fire Prevention	Fire Service Training	565.5	643.3	375.5	375.5	0.0	190.0	227.8	0.0	40.0
Public Safety	Highway Safety Planning Agency	Highway Safety Planning Operations	189.5	142.3	74.8	74.8	0.0	47.2	0.0	67.5	67.5
Public Safety	Highway Safety Planning Agency	Federal Grants	1,193.8	1,457.7	0.0	0.0	0.0	0.0	0.0	1,193.8	1,457.7
Public Safety	Alaska State Troopers	Special Projects	1,077.6	1,385.3	0.0	0.0	0.0	0.0	0.0	1,077.6	1,385.3
Public Safety	Alaska State Troopers	Criminal Investigations Bureau	3,211.7	3,211.7	3,136.5	3,136.5	0.0	75.2	75.2	0.0	0.0
Public Safety	Alaska State Troopers	Director's Office	651.8	651.8	651.8	651.8	0.0	0.0	0.0	0.0	0.0
Public Safety	Alaska State Troopers	Judicial Services-Anchorage	2,054.3	1,915.2	1,985.2	1,985.2	0.0	69.1	0.0	0.0	0.0
Public Safety	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	0.0
Public Safety	Alaska State Troopers	Search and Rescue	283.1	283.1	283.1	283.1	0.0	0.0	0.0	0.0	0.0
Public Safety	Alaska State Troopers	Rural Trooper Housing	528.9	540.2	477.8	477.8	0.0	51.1	62.4	0.0	0.0
Public Safety	Alaska State Troopers	Narcotics Task Force	3,224.9	3,224.9	439.6	439.6	0.0	0.0	0.0	2,785.3	2,785.3
Public Safety	Alaska State Troopers	Commercial Vehicle Enforcement	131.8	89.9	0.0	0.0	0.0	131.8	89.9	0.0	0.0
Public Safety	Alaska State Trooper Detachments	Alaska State Trooper Detachments	33,413.3	33,413.3	31,896.9	31,896.9	0.0	1,502.4	1,502.4	14.0	14.0
Public Safety	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	0.0
Public Safety	Village Public Safety Officer Program	Support	1,702.7	1,721.0	1,702.7	1,721.0	18.3	0.0	0.0	0.0	0.0
Public Safety	Village Public Safety Officer Program	Administration	271.8	253.5	271.8	253.5	(18.3)	0.0	0.0	0.0	0.0
Public Safety	Alaska Police Standards Council	Alaska Police Standards Council	846.4	846.4	846.4	846.4	0.0	0.0	0.0	0.0	0.0
Public Safety	Violent Crimes Compensation Board	Violent Crimes Compensation Board	1,271.5	1,456.9	253.8	0.0	(253.8)	732.7	1,146.5	205.0	310.4
Public Safety	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	8,592.6	9,057.8	3,969.1	3,954.1	(15.0)	2,254.9	2,269.9	2,368.6	2,833.8
Public Safety	Batterer's Intervention Program	Batterer's Intervention Program	200.0	320.0	0.0	0.0	0.0	200.0	200.0	0.0	120.0
Public Safety	Statewide Support	Commissioner's Office	654.9	632.6	654.9	632.6	(22.3)	0.0	0.0	0.0	0.0
Public Safety	Statewide Support	Training Academy	1,374.4	1,374.4	837.7	837.7	0.0	536.7	536.7	0.0	0.0
Public Safety	Statewide Support	Administrative Services	1,815.1	1,815.1	1,714.7	1,714.7	0.0	100.4	100.4	0.0	0.0
Public Safety	Statewide Support	Alaska Wing Civil Air Patrol	503.1	503.1	503.1	503.1	0.0	0.0	0.0	0.0	0.0
Public Safety	Statewide Support	Laboratory Services	2,005.4	2,103.0	1,965.3	1,965.3	0.0	40.1	40.1	0.0	97.6
Public Safety	Statewide Support	Alaska Public Safety Information Network	1,785.0	1,920.7	978.7	978.7	0.0	751.3	811.0	55.0	131.0
Public Safety	Statewide Support	Alaska Criminal Records and Identification	2,760.9	2,760.9	1,489.5	1,489.5	0.0	276.7	276.7	994.7	994.7
Public Safety	Statewide Support	Unallocated Reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Safety	Facility Maintenance	Facility Maintenance	0.0	608.8	0.0	0.0	0.0	0.0	608.8	0.0	0.0
Public Safety	Victims for Justice	Victims for Justice	100.0	200.0	100.0	200.0	100.0	0.0	0.0	0.0	0.0

# FY00 Senate Finance Subcommittee Recommendations--Revenue

(\$000)

Allocation: 11,352.5  
 Subcommittee Report: 11,388.4  
 Over (under): 35.9

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>148,140.3</b>	<b>143,240.0</b>	<b>11,604.6</b>	<b>11,388.4</b>	<b>-116.1</b>	<b>108,311.3</b>	<b>103,164.9</b>	<b>28,324.6</b>	<b>28,686.7</b>
		<b>FY99 Supplemental</b>	<b>773.3</b>		<b>773.3</b>			<b>0.0</b>		<b>0.0</b>	
		<b>FY99 Base</b>	<b>148,913.6</b>		<b>12,277.8</b>			<b>108,311.3</b>		<b>28,324.6</b>	
		<b>FY00-FY99</b>		<b>-3,873.6</b>		<b>-889.4</b>			<b>-3,146.4</b>		<b>362.2</b>
		<b>% Change</b>		<b>-2.60%</b>		<b>-7.24%</b>			<b>-2.96%</b>		<b>1.28%</b>
Revenue	Child Support Enforcement	Child Support Enforcement	16,746.2	16,162.8	2,413.5	2,887.7	474.2	3,958.6	2,500.0	10,374.1	10,775.1
Revenue	Alcohol Beverage Control Board	Alcohol Beverage Control Board	636.2	636.2	636.2	636.2	0.0	0.0		0.0	
Revenue	Municipal Bond Bank Authority	Municipal Bond Bank Authority	462.4	462.4	0.0		0.0	462.4	462.4	0.0	
Revenue	Permanent Fund Corporation	Permanent Fund Corporation	7,968.1	7,866.2	0.0		0.0	7,968.1	7,866.2	0.0	
Revenue	PFC Custody and Management Fees	PFC Custody and Management Fees	35,840.0	33,330.7	0.0		0.0	35,840.0	33,330.7	0.0	
Revenue	Alaska Housing Finance Corporation	Alaska Housing Finance Corporation	12,626.0	33,679.0			0.0	10,859.1	15,767.4	1,766.9	17,911.6
Revenue	Alaska Housing Finance Corporation	Rural Housing	3,194.3	0.0			0.0	2,871.3	0.0	323.0	
Revenue	Alaska Housing Finance Corporation	Public Housing	16,501.5	0.0			0.0	1,347.9	0.0	15,153.6	
Revenue	Alaska Housing Finance Corporation	Anchorage State Office Building	1,984.7	1,984.7			0.0	1,984.7	1,984.7	0.0	
Revenue	Alaska Mental Health Trust Authority	Alaska Mental Health Trust Authority	882.9	907.4	0.0		0.0	882.9	907.4	0.0	
Revenue	Revenue Operations	Income and Excise Audit	4,060.0	4,011.2	4,060.0	3,960.0	(100.0)	0.0	51.2	0.0	
Revenue	Revenue Operations	Oil and Gas Audit	2,763.3	2,363.3	2,745.6	2,111.7	(633.9)	17.7	251.6	0.0	
Revenue	Revenue Operations	Treasury Management	2,777.8	2,837.5	1,096.1	1,136.1	40.0	1,681.7	1,701.4	0.0	
Revenue	Revenue Operations	Alaska State Pension Investment B	3,450.5	3,200.5	0.0		0.0	3,450.5	3,200.5	0.0	
Revenue	Revenue Operations	ASPIB Bank Custody and Manager	29,213.6	29,213.6	0.0		0.0	29,213.6	29,213.6	0.0	
Revenue	Administration and Support	Commissioner's Office	1,253.5	947.1	54.4	163.0	108.6	776.5	784.1	422.6	
Revenue	Administration and Support	Administrative Services	1,100.2	808.3	498.7	493.7	(5.0)	317.2	314.6	284.3	
Revenue	Permanent Fund Dividend	Permanent Fund Dividend	4,679.1	4,829.1	0.0		0.0	4,679.1	4,829.1	0.0	
					10,792.9						
					2,144.4		AHFC receipts moved to "other" column				
					238.6						
					1,984.7						

**FY00 Senate Finance Subcommittee Recommendations--DOT&PF**

(\$000)

Allocation: 127,814.1  
 Subcommittee Report: 127,814.1  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>335,195.8</b>	<b>336,854.8</b>	<b>130,177.8</b>	<b>127,814.1</b>	<b>-2,363.8</b>	<b>203,008.1</b>	<b>207,412.5</b>	<b>1,311.8</b>	<b>1,428.2</b>
		FY99 Supplemental	-1,003.1		-1,003.1			0.0		0.0	
		FY99 Base	334,192.70		129,174.80			203,008.1		1,311.8	
		FY00-FY99		2,292.10		-1,340.70			3,504.4		116.4
		% Change		0.68%		-0.95%			1.72%		8.87%
Transportation & Public Fac	Statewide Programs	Commissioner's Office	1,423.7	840.3	1,289.3	662.2	(627.1)	134.4	178.1	0.0	0.0
Transportation & Public Fac	Statewide Programs	Contract Appeals and Statewide Procurement	0.0	394.3	0.0	266.0	266.0	0.0	128.3	0.0	0.0
Transportation & Public Fac	Administrative Services	Regional Administrative Services	3,076.0	3,402.4	1,532.4	1,532.4	0.0	1,543.8	1,870.0	0.0	0.0
Transportation & Public Fac	Administrative Services	Statewide Administrative Services	2,027.1	1,812.9	1,321.4	1,175.4	(146.0)	705.7	637.4	0.0	0.0
Transportation & Public Fac	Administrative Services	Statewide Information Systems	1,739.6	1,889.6	1,321.3	1,321.3	0.0	388.0	518.0	50.3	50.3
Transportation & Public Fac	Construction and CIP Support	Central Region Construction and CIP Support	12,510.4	12,988.1	389.3	260.0	(109.3)	12,141.1	12,728.1	0.0	0.0
Transportation & Public Fac	Construction and CIP Support	Northern Region Construction and CIP Support	10,380.8	10,515.2	338.9	307.0	(31.9)	10,041.9	10,208.2	0.0	0.0
Transportation & Public Fac	Construction and CIP Support	Southeast Region Construction	3,468.5	3,548.4	113.5	174.4	60.9	3,355.0	3,374.0	0.0	0.0
Transportation & Public Fac	Design and Engineering Services	Central Region Design and Engineering Services	10,754.1	10,475.2	365.4	404.5	39.1	10,389.7	10,071.7	0.0	0.0
Transportation & Public Fac	Design and Engineering Services	Northern Region Design and Engineering Services	9,468.9	9,320.3	229.5	261.6	32.1	9,239.4	9,058.7	0.0	0.0
Transportation & Public Fac	Design and Engineering Services	Southeast Region Design and Engineering Services	5,129.5	5,291.2	302.2	322.1	19.9	4,827.3	4,969.1	0.0	0.0
Transportation & Public Fac	Design and Engineering Services	Statewide Design and Engineering Services	5,911.7	6,014.0	975.8	935.3	(40.3)	4,938.1	5,078.7	0.0	0.0
Transportation & Public Fac	Equal Employment and Civil Rights	Equal Employment and Civil Rights	554.5	574.5	302.8	302.6	0.0	251.9	271.9	0.0	0.0
Transportation & Public Fac	Internal Review	Internal Review	684.5	684.5	131.7	131.7	0.0	552.8	552.8	0.0	0.0
Transportation & Public Fac	Measurement Standards & Commercial Vehicle	Measurement Standards & Commercial Vehicle Enforcement	3,994.6	3,785.4	3,611.0	3,435.4	(175.6)	0.0	350.0	383.8	0.0
Transportation & Public Fac	Planning	Central Region Planning	1,148.3	1,148.3	128.4	126.4	0.0	1,021.9	1,021.9	0.0	0.0
Transportation & Public Fac	Planning	Northern Region Planning	1,119.0	1,162.0	86.2	86.2	0.0	1,032.8	1,075.8	0.0	0.0
Transportation & Public Fac	Planning	Southeast Region Planning	459.0	608.8	21.1	21.7	0.6	437.9	587.1	0.0	0.0
Transportation & Public Fac	Planning	Statewide Planning	2,278.1	2,435.6	98.4	98.4	0.0	2,179.7	2,337.2	0.0	0.0
Transportation & Public Fac	Regional Support Services	Central Region Support Services	781.5	781.5	689.6	689.6	0.0	91.9	91.9	0.0	0.0
Transportation & Public Fac	Regional Support Services	Northern Region Support Services	1,066.3	1,066.3	787.3	767.3	0.0	299.0	299.0	0.0	0.0
Transportation & Public Fac	Regional Support Services	Southeast Region Support Services	2,243.5	2,137.3	467.0	467.0	0.0	1,776.5	1,670.3	0.0	0.0
Transportation & Public Fac	Statewide Aviation	Statewide Aviation	631.5	631.5	415.3	415.3	0.0	216.2	216.2	0.0	0.0
Transportation & Public Fac	Central Region Maintenance and Operations	Central Region Facilities	3,354.8	3,492.0	2,743.9	2,831.1	87.2	610.9	660.9	0.0	0.0
Transportation & Public Fac	Central Region Maintenance and Operations	Central Region Highways and Aviation	27,978.4	28,848.1	26,979.3	27,029.4	50.1	579.9	898.9	419.8	919.8
Transportation & Public Fac	Central Region Maintenance and Operations	Central Region Leasing and Property Management	582.9	582.9	512.7	512.7	0.0	70.2	70.2	0.0	0.0
Transportation & Public Fac	Central Region Maintenance and Operations	Central Region Maintenance and Operations Administration	265.9	0.0	237.5	0.0	(237.5)	28.4	0.0	0.0	0.0
Transportation & Public Fac	Central Region Maintenance and Operations	Traffic Signal Management	1,183.0	1,183.0	1,183.0	1,183.0	0.0	0.0	0.0	0.0	0.0
Transportation & Public Fac	Northern Region Maintenance and Operations	Northern Region Facilities	7,428.8	7,452.8	6,031.7	6,053.7	22.0	1,397.1	1,397.1	0.0	2.0
Transportation & Public Fac	Northern Region Maintenance and Operations	Northern Region Highways and Aviation	37,165.9	36,940.7	36,380.4	35,941.8	(438.6)	327.4	542.8	458.1	456.1
Transportation & Public Fac	Northern Region Maintenance and Operations	Northern Region Leasing and Property Management	630.2	602.3	473.2	545.3	72.1	57.0	57.0	0.0	0.0
Transportation & Public Fac	Northern Region Maintenance and Operations	Northern Region Maintenance and Operations Administration	564.8	0.0	549.0	0.0	(549.0)	15.8	0.0	0.0	0.0
Transportation & Public Fac	Southeast Region Maintenance and Operations	Southeast Region Facilities	3,898.3	3,768.5	3,687.9	3,558.1	(129.8)	210.4	210.4	0.0	0.0
Transportation & Public Fac	Southeast Region Maintenance and Operations	Southeast Region Highways and Aviation	9,599.5	9,117.6	9,014.4	8,865.7	(148.7)	585.1	251.9	0.0	0.0
Transportation & Public Fac	State Equipment Fleet	Central Region State Equipment Fleet	7,702.7	7,702.7	0.0	0.0	0.0	7,702.7	7,702.7	0.0	0.0
Transportation & Public Fac	State Equipment Fleet	Northern Region State Equipment Fleet	10,723.4	10,723.4	0.0	0.0	0.0	10,723.4	10,723.4	0.0	0.0
Transportation & Public Fac	State Equipment Fleet	Southeast Region State Equipment Fleet	1,892.5	1,892.5	0.0	0.0	0.0	1,892.5	1,892.5	0.0	0.0
Transportation & Public Fac	State Equipment Fleet	State Equipment Fleet Administration	2,274.3	2,274.3	0.0	0.0	0.0	2,274.3	2,274.3	0.0	0.0
Transportation & Public Fac	International Airports	International Airport Systems Office	392.9	295.7	0.0	0.0	0.0	392.9	295.7	0.0	0.0
Transportation & Public Fac	Anchorage International Airport	Anchorage Airport Administration	5,738.2	5,855.0	0.0	0.0	0.0	5,738.2	5,855.0	0.0	0.0
Transportation & Public Fac	Anchorage International Airport	Anchorage Airport Building Maintenance	5,683.5	5,683.5	0.0	0.0	0.0	5,683.5	5,683.5	0.0	0.0
Transportation & Public Fac	Anchorage International Airport	Anchorage Airport Custodial	3,232.7	3,232.7	0.0	0.0	0.0	3,232.7	3,232.7	0.0	0.0
Transportation & Public Fac	Anchorage International Airport	Anchorage Airport Equipment Maintenance	2,022.2	2,414.2	0.0	0.0	0.0	2,022.2	2,414.2	0.0	0.0

**FY00 Senate Finance Subcommittee Recommendations--DOT&PF**

(\$000)

Allocation: 127,814.1  
 SubCommittee Report: 127,814.1  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
Transportation & Public Fac	Anchorage International Airport	Anchorage Airport Field Maintenance	6,254.4	5,536.4	0.0	0.0	0.0	6,254.4	5,536.4	0.0	0.0
Transportation & Public Fac	Anchorage International Airport	Anchorage Airport Operations	1,480.1	1,681.1	0.0	0.0	0.0	1,480.1	1,681.1	0.0	0.0
Transportation & Public Fac	Anchorage International Airport	Anchorage Airport Safety	5,979.0	6,020.0	0.0	0.0	0.0	5,979.0	6,020.0	0.0	0.0
Transportation & Public Fac	Fairbanks International Airport	Fairbanks Airport Administration	1,349.4	1,349.4	0.0	0.0	0.0	1,349.4	1,349.4	0.0	0.0
Transportation & Public Fac	Fairbanks International Airport	Fairbanks Airport Building Maintenance	1,376.3	1,376.3	0.0	0.0	0.0	1,376.3	1,376.3	0.0	0.0
Transportation & Public Fac	Fairbanks International Airport	Fairbanks Airport Custodial	744.2	744.2	0.0	0.0	0.0	744.2	744.2	0.0	0.0
Transportation & Public Fac	Fairbanks International Airport	Fairbanks Airport Field Maintenance	2,494.4	2,494.4	0.0	0.0	0.0	2,494.4	2,494.4	0.0	0.0
Transportation & Public Fac	Fairbanks International Airport	Fairbanks Airport Operations	967.4	967.4	0.0	0.0	0.0	967.4	967.4	0.0	0.0
Transportation & Public Fac	Fairbanks International Airport	Fairbanks Airport Safety	2,349.3	2,349.3	0.0	0.0	0.0	2,349.3	2,349.3	0.0	0.0
Transportation & Public Fac	Marine Highway System	Marine Engineering	0.0	1,784.1	0.0	0.0	0.0	0.0	1,784.1	0.0	0.0
Transportation & Public Fac	Marine Highway System	Overhaul	1,698.4	1,698.4	0.0	0.0	0.0	1,698.4	1,698.4	0.0	0.0
Transportation & Public Fac	Marine Highway System	Engineering Management	299.6	(0.0)	0.0	0.0	0.0	299.5	(0.0)	0.0	0.0
Transportation & Public Fac	Marine Highway System	Capital Improvement Program	970.2	(0.0)	0.0	0.0	0.0	970.2	(0.0)	0.0	0.0
Transportation & Public Fac	Marine Vessel Operations	Reservations and Marketing	1,800.2	1,860.8	0.0	0.0	0.0	1,800.2	1,860.8	0.0	0.0
Transportation & Public Fac	Marine Vessel Operations	Southeast Shore Operations	2,991.2	2,991.2	0.0	0.0	0.0	2,991.2	2,991.2	0.0	0.0
Transportation & Public Fac	Marine Vessel Operations	Southeast Vessel Operations	40,588.5	53,502.7	0.0	0.0	0.0	40,588.5	53,502.7	0.0	0.0
Transportation & Public Fac	Marine Vessel Operations	Southwest Shore Operations	952.0	952.0	0.0	0.0	0.0	952.0	952.0	0.0	0.0
Transportation & Public Fac	Marine Vessel Operations	Southwest Vessel Operations	9,704.1	9,574.1	0.0	0.0	0.0	9,704.1	9,574.1	0.0	0.0
Transportation & Public Fac	Marine Vessel Operations	Vessel Operations Management	872.9	1,073.1	0.0	0.0	0.0	872.9	1,073.1	0.0	0.0
Transportation & Public Fac	Kennicott/Malaspina Vessel Operations	Kennicott/Malaspina Vessel Operations	12,938.8	0.0	0.0	0.0	0.0	12,938.8	0.0	0.0	0.0
Transportation & Public Fac	Front Section	Marine Highway Stabilization	27,509.5	27,129.5	27,500.5	27,129.5	(380.0)	0.0	0.0	0.0	0.0

**Senate Finance Subcommittee Closeout Summary  
FY 00 Operating Budget  
Department of Transportation and Public Facilities**

The challenge of developing operating budgets within the constraints of the State's projected billion dollar fiscal deficit has required careful review of every program and expenditure within the department's budget. Working closely with the department staff, the subcommittee developed a budget that we believe satisfies the basic needs of Alaskans who depend on services provided by the department.

When Legislative leaders recognized last fall that oil prices were showing no sign of improvement, they asked the Governor to take steps immediately to reduce state services provided with general funds, and lessen the strain on the growing budget gap. In response, the DOT/PF identified reductions in general fund spending \$900,500. Because the revenue outlook for FY 00 is no less bleak, the Senate Finance subcommittee has asked the department to extend many of those reductions into FY 00. The subcommittee attempted to spread the impact of a **\$2,290,000** general fund reduction from the Governor's FY 00 request among the three regions of the state.

- The subcommittee reduced snow hauling, street sweeping and use of calcium chloride by \$161,000.
- A transfer \$180,000 of highway striping will be made to federal funded projects in the capital budget.
- A grader and dump truck will be sent to surplus to avoid the cost of operation and maintenance, thereby saving \$50,000.
- Maintenance stations will be closed in Central and Northern regions at a total reduction level of \$250,000.
- The subcommittee will extend into FY 00 the department's suggested FY 99 austerity measure which allows the snowpack on certain highways to melt naturally in the spring for a savings of \$316,000. An authorization of \$150,000 in Statutory Designated Program Receipts was made to allow private entities to contract with the department to open roads early.
- Forty uninhabited miles of the Denali Highway will no longer be maintained by the State, resulting in a general fund spending reduction of \$100,000.

**Alaska Marine Highway System**

- With the intention of impacting service at a minimal level, \$326,000 in savings will be realized by extending the dry-dock time for two Marine Highway vessels.
- Replacement of linens, apron, and other supplies will be reduced by \$44,000.
- Repair and maintenance costs are reduced by \$10,000.

**Non-general fund sources** of funding supplanted proposed general fund expenditures in the following areas:

- \$700,000 from the Oil/Hazardous substance prevention fund will be used to fund the stormdrain monitoring program in Anchorage.
- \$500,000 in new federal funds will be used to operate and maintain Adak's Mitchell airfield.
- \$232,000 in new Statutory Designated Program Receipts (third party contract receipts) was appropriated for airline late night callouts and an airport operation and maintenance person at the Klawok airport.

**FY00 Senate Finance Subcommittee Recommendations--Court System**

(\$000)

Allocation: 49,725.3  
 SubCommittee Report: 49,725.3  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>49,717.7</b>	<b>50,040.3</b>	<b>49,717.7</b>	<b>49,725.3</b>	<b>7.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>315.0</b>
		FY99 Supplemental	7.6		7.6			0.0		0.0	
		FY99 Base	49,725.3		49,725.3			0.0		0.0	
		FY00-FY99		315.0		0.0			0.0		315.0
		% Change		0.63%		0.00%			#DIV/0!		#DIV/0!
Alaska Court System	Alaska Court System	Appellate Courts	3,980.4	3,980.4	3,980.4	3,980.4	0.0	0.0		0.0	
Alaska Court System	Alaska Court System	Trial Courts	38,531.9	38,839.5	38,531.9	38,539.5	7.6	0.0		0.0	300.0
Alaska Court System	Alaska Court System	Administration and Support	6,285.2	6,285.2	6,285.2	6,285.2	0.0	0.0		0.0	
Alaska Court System	Alaska Court System	Unallocated Reduction	0.0	0.0	0.0		0.0	0.0		0.0	
Alaska Court System	Commission on Judicial Conduct	Commission on Judicial Conduct	226.3	226.3	226.3	226.3	0.0	0.0		0.0	
Alaska Court System	Judicial Council	Judicial Council	673.9	688.9	673.9	673.9	0.0	0.0		0.0	15.0
Alaska Court System	Judicial Council	Courtwatch	20.0	20.0	20.0	20.0	0.0	0.0		0.0	

**Senate Finance Subcommittee on the**  
**Alaska Court System**  
**Recommendation for FY 00 Budget**

Senator Gary Wilken  
Subcommittee Chair

Senator Dave Donley  
Senator Robin Taylor  
Members

Senator Drue Pearce  
Senator Al Adams  
Members

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

The subcommittee recommends that the General Fund appropriation to the Alaska Court System operating budget be funded at \$49,725,300. This amount is \$7,600 over the FY99 authorized budget. (An accounting error failed to add this amount to the Alaska Court System budget. HB 405, "Fleeing or Evading a Police Officer," was passed in 1998 with a fiscal note of \$7,600.)

The Alaska Court System's authority to receive federal funds has been increased by \$315,000 to allow the Court System to receive this amount in federal dollars. These grant receipts do not fund constitutional or statutory mandates or functions.

# FY00 Senate Finance Subcommittee Recommendations--Legislature

(\$000)

Allocation: 31,581.1  
 SubCommittee Report: 31,561.3  
 Over (under): -19.8

Agency	BRU	Component	Total		GF Group		Other Funds		Federal Funds		
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>32,018.6</b>	<b>31,628.3</b>	<b>31,940.3</b>	<b>31,581.3</b>	<b>-379.0</b>	<b>78.3</b>	<b>85.0</b>	<b>0.0</b>	<b>0.0</b>
		FY99 Supplemental	0.0		0.0			0.0		0.0	0.0
		FY99 Base	32,018.6		31,940.3			78.3		0.0	0.0
		FY00-FY99		-392.3		-379.0			-13.3		0.0
		% Change		-1.23%		-1.19%			-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	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	0.0
Legislature	Budget and Audit Committee	Ombudsman	503.2	491.8	503.2	491.8	(11.4)	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	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	0.0
Legislature	Legislative Council	Administrative Services	6,890.1	6,732.8	6,845.1	6,697.8	(147.3)	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	3.3	33.3	30.0	0.0	0.0
Legislature	Legislative Council	Council and Subcommittees	709.3	574.2	709.3	574.2	(135.1)	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	(88.5)	0.0	0.0	0.0	0.0
Legislature	Legislative Council	Select Committee on Ethics	143.2	143.2	143.2	143.2	0.0	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	0.0

**Senate Finance Subcommittee Closeout Summary  
FY 00 Legislature's Operating Budget**

The Subcommittee recommends a \$379,200 reduction in the Legislature's FY 00 Budget, decreasing expenditures from the current year budget in the following areas:

Ombudsman - \$11,400

Administrative Services - \$147,300

Legislative Council and Subcommittees - \$135,100

Legal and Research Services - \$88,500

Allen E. Klein  
Virginia B. Ragle  
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April 15, 1999

Honorable Sean Parnell and John Torgerson  
Co-Chairs, Senate Finance Committee  
Alaska State Legislature

Re: Child care grants

Dear Co-Chairs Parnell and Torgerson,  
and Members of the Senate Finance Committee:

We are writing to urge the Senate Finance Committee to fund the child care grant program at at least its current level.

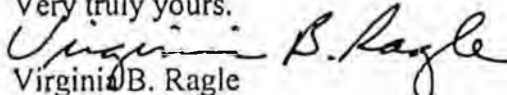
We understand that the Committee is considering transferring money that has historically been allocated to child care grants into the direct assistance program for low income families. The assistance program is certainly a valuable and worthy program that makes it possible for many low income families to obtain quality child care for their children. However, the grant program augments the direct assistance program, and also helps to provide better quality child care for all Alaskan children, regardless of whether they come from low income families or from middle income families that do not qualify for assistance.

Having used both a small in-home day care and a larger child care center, it is our experience that both charge "tuition" at a level the market will bear. Still, tuition is often not enough to cover all the expenses incurred in providing quality child care and preschool education. For example, at the Juneau Montessori Center that our son attends, some of the costs that are not covered by tuition are borne by parents and staff, who contribute hundreds of hours of volunteer work for fundraising and for maintaining the facility. A few parents who are financially able contribute cash, as well as volunteer time. A small but significant source of the school's funding is the State's grant program.

The approximately \$9,000 that the school anticipates receiving from the grant program provides staffing that benefits all of the school's children. Given the already-high level of volunteerism at the school, it is not likely that the school could replace the grant money through additional fundraising efforts. If the school is forced to raise tuition, clearly children of low income families will suffer first, and most. If a raise in tuition makes the school unaffordable and financially nonviable, then all of the children and families will suffer. Families that use other quality child care centers and licensed day care facilities around the state are at similar risk if this program is eliminated.

Thank you for your consideration.

Very truly yours,

  
Virginia B. Ragle

cc: Honorable Drue Pearce, President  
Alaska State Senate

## Senate Finance Subcommittee on Administration Recommendations for FY00 Budget

Senator Gary Wilken  
Subcommittee Chair

Senator Lyda Green  
Member

Senator Kim Elton  
Member

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. During FY99, the department's funding was reduced by a belt-tightening proposal of \$636,200. At the request of the department, the continued belt-tightening was not distributed to the same components as in FY99.

The Longevity Bonus payments funded under *Longevity Bonus Grants*, totaling \$63,499,400 in FY99, are not addressed in this report, but will be discussed at a later date. Specific components not mentioned in this narrative were funded at the Governor's FY00 recommended level.

### Centralized Administrative Services

A hearing officer's position was eliminated from the *Tax Appeals* component for a reduction of \$75,000. At this time, given the present low number of tax appeals, this position is unnecessary.

Interagency Receipt Authority was increased by \$50,000 within the *Administrative Services* component to fund increased information technology support and costs associated with department-wide staff training. A corresponding General Fund reduction of \$50,000 was recommended.

The *Finance* component was reduced by 6 percent to realize a General Fund savings of \$310,000. Recently *Finance* has focused on enhancing the State's financial and administrative business processes to include electronic vendor payments, purchasing cards for small purchases, and other electronic commerce initiatives. The subcommittee hopes that this change in focus will result in savings to the State.

An increment of \$100,000 to support costs related to Workplace Alaska within *Personnel* was denied. As the public and state employees become more familiar

with Workplace Alaska, the subcommittee hopes that the savings realized through this efficient system will continue and possibly increase.

A fund source change moved \$112,000 General Fund/Program Receipt Authority for the Alaska Professional Development Institute to Statutory Designate Program Receipts. The department enters into individual contracts for a specific service offered by the Alaska Professional Development Institute and the SDPR classification more accurately reflects the nature of the funds collected.

The *Property Management* component is reduced by \$125,000. This amount is unneeded General Fund/Program Receipt Authority associated with the Kotzebue Armory. For several years this authority has been given to *Property Management* in the hopes that the Department of Military and Veterans Affairs would locate renters for the vacant National Guard Armory and the Department of Administration would collect the rent receipts. Unfortunately no renters were found and the receipt authority is unnecessary.

### Leases

At the request of the department, the *Leases* component proposed increment of \$1,974,300 was reduced by \$916,500. The relocation of three agencies from the Frontier Building to the Bank of America building prior to the expiration of their leases on January 31, 2000 makes a portion of these savings possible. The difference between the rent that the State would have paid on behalf of those agencies at the Frontier Building and the cost of their rent in the Bank of America building from February 1 through June 30, 2000 totals \$563,400. Savings realized in FY99 (\$353,100) were carried forward to total the \$916,500 reduction.

In addition, the increment request was reduced by \$1,250,000 to bring the *Leases* funding level slightly less than FY99. The real estate market in Alaska, primarily in Anchorage, is changing and therefore, it is difficult to make an accurate assessment of the cost of obtaining adequate space for state agencies. This reduction realizes the current fluctuation of the market as well as the potential further savings connected with the Frontier Building.

### Public Communications Services

In FY99 the Alaska Information Radio Reading Education Service (AIRRES) received a \$14,000 grant from *Public Broadcasting - Radio*. In this FY00 proposal, AIRRES receives \$64,000 under a separate appropriation. The *Public Broadcasting - Radio* component amount is reduced by \$14,000 to mirror the funding available for distribution in FY99.

*Public Broadcasting - TV* is reduced by \$51,200. This reduction funds this component at \$794,000; a level that is sufficient to maintain current federal funding and keep all public TV stations on the air.

As part of the transport or lease funded through *Satellite Infrastructure*, the satellite users pay a premium of \$444,000 for a "protection upgrade." The upgrade protects the users from an outage. With the advent of new fiber optic capacity the likelihood of an outage has diminished greatly over the past few years. The *Satellite Infrastructure* component is reduced by \$444,000 to reflect the fact that this "protection upgrade" is no longer necessary.

Because improved technology reduces the necessity to purchase a "protection upgrade," these savings were available to support the continuation of public TV. This method to fund public TV will have no effect on other state agencies.

In addition, Interagency Receipt Authority was increased by \$100,000 to allow an additional contribution by the University of Alaska for its distance delivery education courses carried over Alaska Three.

### **Alaska Longevity Programs**

The additional housing receipts collected from the residents of the Pioneers' Homes were recognized and added as an increment to the *Pioneers' Homes*, \$2,364,000. The increment will provide badly needed direct care staff. *Pioneers' Homes* and *Alaska Longevity Programs Management* are asked to absorb belt-tightening proposals of \$308,100 and \$30,000 respectively.

### **Senior Services**

An increment of \$150,000 was added to the *Protection, Community Services, and Administration* component to partially fund General Relief Grant payments. The consolidation of components into a single "Senior Service Grant" line was denied. It is important to maintain the current accountability to ensure program integrity.

The Citizen's Foster Care Review Panel was eliminated -- \$296,800. This program has failed to provide oversight statewide as was intended by the Legislature. Only through increased General Fund support will this program provide statewide oversight and the possibility of increased funding in the near future is slight.

## **Legal and Advocacy Services**

The *Office of Public Advocacy* is funded at the FY99 authorized level as the proposed increment was denied. The changes begun in FY99 to address alternative ways on how to offer public advocacy are positive steps in solving the problem of offering services within a reduced budget. However, the subcommittee chair recognizes that this funding level may cause a hardship for division and asks to be kept informed on the activities of the division.

The increment to the *Public Defender* component was denied, funding this component at the FY99 level. During the discussions centering on the department's FY99 supplemental request for the *Public Defender*, several efficiency proposals were offered. Although the changes will not be immediate, the subcommittee chair is committed to assist the department in any way possible.

## **Alaska Oil and Gas Conservation Commission**

Two increments totaling \$232,600 were added to the *Oil and Gas Conservation Commission* component. The two increments include funding for inspector overtime and program underfunding. As discussions continue regarding the proposed merger between ARCO and BP-AMOCO it is important to the State that the Oil and Gas Conservation Commission is fully-funded and prepared to meet this new challenge. This Commission is the state's watchdog to protect the public's interest in exploration and development of oil and gas resources.

## **Alaska Public Office Commission**

The *Alaska Public Office Commission* component was reduced by \$50,000. The subcommittee realizes that due to unusual circumstances this year the Alaska Public Office Commission may have to close offices for a short period of time in June. However, as FY00 is a non-election year for statewide candidates, the workload and effort may be less than the Commission experienced in FY99.

## **Division of Motor Vehicles**

The Governor's proposal to consolidate the components into one *Motor Vehicles* component was accepted. The total of this component, \$8,317,700, was reduced by 4 percent -- \$350,000. As technology improves and the public increases its use of the Internet, it is hoped that *Motor Vehicles* can realize savings.

## Conclusion

The subcommittee chair acknowledges that some of these budget reductions pose a challenge to the Department of Administration and, in some instances, may be difficult to meet. An increase in employee workload and effort may be felt by some. The efforts of the department to continue to provide quality service to the people of Alaska are appreciated.

**Department of Administration  
Impact Statements in Response to  
Senate Finance Subcommittee Budget Proposals  
Date: April 15, 1999  
Prepared by: Sharon Barton**

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Tax Appeals	<b>Amount(s):</b>	<b>Source(s):</b>
	(75.0)	GF

**Impact Analysis:**

The reduction to the Office of Tax Appeals budget would eliminate the DOA hearing officer who has primary responsibility for reviewing and adjudicating all procurement appeals and contract controversies, and also hears longevity bonus appeals and personnel board matters. Providing full and timely review of bidder/vendor complaints concerning the procurement process is an important service that avoids costly litigation in court after contract award.

If one major oil and gas tax appeal is among the new appeals filed in FY 2000, the Administrative Law Judge, who is required by statute to give priority to tax appeals, would not be able to hear many procurement appeals. DOA would have to contract for hearing officers to hear the procurement and contract appeals or, alternatively, give those appeals only cursory review, in effect punting those matters to court for review, which may delay procurement in many instances and require the state and vendors to pay the higher costs of resolving contract disputes in court.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Administrative Services	<b>Amount(s):</b>	<b>Source(s):</b>
	(50.0)	GF

**Impact Analysis:**

This reduction will result in an across the board allocation to divisions within the Department of Administration. It therefore has the effect of an unallocated reduction.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Finance	<b>Amount(s):</b>	<b>Source(s):</b>
	(310.0)	GF

**Impact Analysis:**

The division will attempt to absorb this reduction through electronic efficiencies. If we are not successful, these costs may need to be charged out to all agencies in order to maintain necessary service levels.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Personnel	<b>Amount(s):</b>	<b>Source(s):</b>
	(100.0)	GF

**Impact Analysis:**

This reduction eliminates the 100.0 increment to pay Workplace Alaska chargeback costs for FY 2000. These costs are covered 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.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Property Management	<b>Amount(s):</b>	<b>Source(s):</b>
	(125.0)	GF/Prgm

**Impact Analysis:**

This reduction eliminates GF Program Receipts from the Property Management component that were earmarked for pass through to the Department of Military and Veterans Affairs (DMVA). The Property Management program managed the lease of a DMVA owned facility in Kotzebue. Management included collecting rent receipts and, after assessing a management fee, forwarding them to DMVA. Property Management has since delegated the necessary authority to DMVA to manage their facility leases. The budget authorization must now be added to DMVA's FY2000 budget.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Leases	<b>Amount(s):</b>	<b>Source(s):</b>
	(2,166.5)	GF

**Impact Analysis:**

Based on current projections, this funding level is 1,250.0 below projected FY 2000 costs. The department will continue to aggressively manage its leases to achieve every possible savings. However, this reduction may result in a supplemental request in FY2000.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
TV Grants	<b>Amount(s):</b>	<b>Source(s):</b>
	(51.2)	GF

**Impact Analysis:**

This is a continuation of the erosion of Public T.V. funding, the effect of which is to provide disincentive to productive and cost-beneficial changes that the system has undertaken. The reduction will either be applied across the board or to one of the grantees specifically. It begs the question about the APBC's continued support of four grantees. It may be time that the Commission consider funding only three of the grantees, rather than four, in order to maximize the deployment of increasingly limited funds. It could be that KYUK or KAKM will be examined for taking the entire reduction, KYUK because it is operating very minimally or KAKM because it has more non-state funding potential.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Satellite Infrastructure	<b>Amount(s):</b>	<b>Source(s):</b>
	(444.0)	GF

**Impact Analysis:**

This removes the guarantee of continued satellite service in the event of an AT&T fiber outage. While outages have not been frequent in the past two and a half years, the lack of guarantee is troublesome to the University, KTOO and KUAC who contract with customers on the basis of full-time service assurances. Moreover, it will be difficult to guarantee the system's ability to provide emergency alerts, especially in the event of an actual emergency where the fiber ceases to work. This will be less of a difficulty in September, when AT&T expects to have fiber redundancy in place, however, the lack of guarantees weakens the service and makes it less attractive to additional, potential users.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Satellite Infrastructure	<b>Amount(s):</b>	<b>Source(s):</b>
	(100.0)	GF
	100.0	I/A

**Impact Analysis:**

This is problematic. There is no guarantee that the University will be able to double its contribution to the Satellite Interconnection Project. The University's Chief Technology Officer explained in a meeting on April 14, 1999, of the SIP Management Group that he had not heard of such an arrangement prior to the subcommittee's close-out. The risk is that we will have a 100.0 deficit, given commitments to pay for uplinks, transponder space, and other associated costs.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Pioneers' Homes	<b>Amount(s):</b> (308.1)	<b>Source(s):</b> GF/Pr

**Impact Analysis:**

This reduction leaves an overall increment to the Pioneers' Homes of \$2,055.9 which funds 41 certified nurse aid positions (CNAs) and 11 nurses. This additional staff is inadequate to meet the projected need for CNAs and nurses during FY2000. We have an immediate need of 39.5 CNAs and 10 nurses. 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. If we do not have sufficient funds for adequate staff during FY2000, we would consider the following options: 1) request supplemental funding, which if not approved could result in 2) the department considering the elimination of the comprehensive services level of care in one or more homes; or 3) begin phased shut down of one or more wings in the homes.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Alaska Longevity Programs Management	<b>Amount(s):</b> (30.0)	<b>Source(s):</b> GF

**Impact Analysis:**

This reduction will result in reduced training for Pioneers' Homes staff, reductions in the purchase of computer related equipment, and increased vacancy of administrative staff positions.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Citizens Foster Care Review	<b>Amount(s):</b> (296.8) (123.8)	<b>Source(s):</b> GF 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 annual 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.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Office of Public Advocacy	<b>Amount(s):</b>	<b>Source(s):</b>
	(619.9)	GF

**Impact Analysis:**

The FY2000 Governor's Budget for the Office of Public Advocacy (OPA) was based on projected FY2000 caseload, which is projected to increase from FY1999. The reduction proposed by the Senate Finance Subcommittee would provide the OPA FY2000 funding at a level lower than has been appropriated for FY1999. The OPA has no ability to refuse cases assigned it by the court, even if it has insufficient funds to operate. Therefore, this reduction will result in the need for FY2000 supplemental funding.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Public Defender	<b>Amount(s):</b>	<b>Source(s):</b>
	(504.4)	GF

**Impact Analysis:**

The FY2000 Governor's Budget for the Public Defender (PD) was based on projected FY2000 caseload, which is projected to increase from FY1999. The reduction proposed by the Senate Finance Subcommittee would provide the PD FY2000 funding at a level just under that required for FY1999. The PD has no ability to refuse cases assigned it by the court, even if it has insufficient funds to operate. No systematic changes which might reduce PD costs for FY2000 have been put in motion. Therefore, this reduction will result in the need for FY2000 supplemental funding.

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

**Impact Analysis:**

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.

<b>Program Area:</b>	<b>Dollar</b>	<b>Fund</b>
Motor Vehicles	<b>Amount(s):</b> (350.0)	<b>Source(s):</b> GF

**Impact Analysis:**

The Senate Finance subcommittee has proposed a \$350.0 reduction for Division of Motor Vehicles (DMV) in FY 2000. To absorb this reduction DMV will eliminate 6 positions including 1 upper management position, which will result in a savings of approximately \$255.6. DMV will also eliminate funding available in the contractual line from recent efficiency improvements.

There is a feeling that the efficiency savings from the Internet and phone renewal systems will offset the reductions but that is not the case. The usage of both these systems is only 6% of the total registration renewal workload and this is only a small part of the total DMV workload. Any savings was to be used to offset the increases in number of vehicles and drivers coming into the state. Last year there were approximately 14,000 renewals done on the new system but the number of registered vehicles increased by 24,000 and the number of licensed drivers increased by 18,000. This is typical of the increases in recent years and the new technologies assist with the erosion of service caused by increasing populations but in no way do they offset it. DMV has enlisted a number of business partners such as car dealers and inspection stations but this does not mean a complete elimination of the work. There is a continuing need to train, monitor, and audit these partners which requires DMV staff time.

The major impact of this reduction will be in the public service offices as outlined below.

### Office Impact

- The Glennallen, Talkeetna, and Elmendorf offices were closed in FY 99 and these positions have been eliminated. These closures were part of the FY99 austerity reductions. The employees in Glennallen and Talkeetna were replaced with contract agents and this will be done with the Kotzebue office in the very near future. This shows as a reduction in the operating budget but the contract agents take their payment from revenue that would have been sent to the state so the overall gain to the state is very minimal.
- DMV work load increases during summer months and seasonal positions have been used to increase staffing during these months. These positions were used in the Anchorage, Fairbanks, Palmer, and Soldotna offices. The large amount of underfunding that remains in personal services will not allow the hiring of these positions as well as some of the full time positions that will need to be left vacant. This will result in unsatisfactory waiting periods for service in these offices.
- There have been requests for offices in North Pole and Wasilla but these cannot be put in place with the funding reductions. DMV will continue other options for service in these areas. DMV will continue to monitor work loads and may be required to close other offices just to meet the demand of services in high volume areas.



**Senate Finance Subcommittee  
Department of Commerce & Economic Development  
Recommendations for FY 00 Budget**

**Senator Lyda Green, Subcommittee Chair**

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

The subcommittee work is based on growth from the FY99 authorized budget including Supplemental Appropriation passed in March 1999 and the transfer in of the International Trade Office from the Governor's Office. Components not mentioned below are funded at the Governor's FY00 requested level.

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.

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

Denied Securities Examiner position increment (\$74.0).  
Denied Hearing Officer Support increment (\$40.0).  
Denied Department of Law contractual increment (\$45.0).  
Accepted Analyst Programmer II position increment (\$51.6).

**Component: Insurance Operations**  
**BRU: Insurance Operations**

Denied increment for two positions in data processing support. One was an Analyst Programmer IV (\$66.4) and one was an Analyst Programmer II (\$51.8).

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

Accepted consolidation of components Operations and Licensing Boards into Occupational Licensing.

Denied License Database Programmer Support increment (\$51.6).

Nurse Aide Investigator reduced increment was accepted (\$78.3).

**Component:** Commissioner's Office  
**BRU:** Executive Administration and Development

Denied the FY1999 unbudgeted management increment (\$94.1).

**Component:** Trade & Development  
**BRU:** Executive Administration and Development

Deleted Development Specialist II position and funding (\$69.2).  
Deleted Development Specialist II position and funding (\$84.6).

Reduced foreign trade contracts in Japan & Korea by \$80.0.

**Component:** Administrative Services  
**BRU:** Executive Administration and Development

As part of the Cost Allocation Plan, Administrative Services requested a \$134,800 General Fund reduction. The subcommittee deleted an additional \$94.1 GF.

**Components:** Tourism Development and Alaska Tourism Marketing Council  
**BRU:** Tourism

The Tourism Development and Alaska Tourism Marketing Council components were deleted since these two components will be taken up by full Senate Finance Committee and addressed in a fiscal note.

<p><b>The subcommittee's general fund allocation was \$20,375.8</b> <b>The recommendations by the subcommittee total \$20,374.3</b></p>
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**Department of Commerce and Economic Development**  
**Impact Statements in Response to**  
**Senate Finance Subcommittee Budget Proposals**  
**Date: April 14, 1999**  
**Prepared by: Tom Lawson, Director**

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

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
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.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
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 regulations 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: Insurance**

**Component: Insurance**

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Analyst Programmer II	(\$51.6)	GF/PR
Analyst Programmer IV	(\$78.3)	GF/PR

**Impact Analysis:**

This reduction deletes an Analyst Programmer IV and an Analyst Programmer II in the Division of Insurance. The impacts are as follows:

- No expansion or improvement of the information database interface with the conversion from WANG to ORACLE. No streamlining of the licensing process and expand on our search and reporting capabilities as a management tool to enhance our internal efficiency.
- Continued lack of access to the National Association of Insurance Commissioners (NAIC) database systems that include the following: Producer Database (PDB), a nationwide database; Complaints Database System (CDS), which records and retrieves complaint information on companies and producers; Special Activities Database (SAD) which records confidential information on ongoing investigations of persons and companies in insurance; Regulatory Information Retrieval System (RIRS) which records actions taken by state divisions of insurance against companies and producers; and System for Electronic Rate and Form Filing (SERFF) which receives and communicates regarding company policy from filings and company rate filings using electronic communication. Alaska is only minimally able to utilize these regulatory tools.
- No development of interactive databases (the ability to manipulate data accessed through webpages) or "online" services.

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

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Denial of Nurse Aide Investigator Equipment	(\$8.0)	GF/PR

**Impact Analysis:**

This action removes the one time equipment authorization requested in the fiscal note for Senate Bill 152. Although the division has never received this authorization, the additional equipment authorization should not be necessary in FY2000.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Denial License Database Programmer Support	(\$51.6)	GF/PR

**Impact Analysis:**

This reduction deletes an Analyst Programmer II in the Division of Occupational Licensing.

The division is responsible for maintaining extensive databases for the various occupational licensure and business licensing functions.

The data processing unit has recently completed a migration from a Wang minicomputer onto a state-of-the-art Oracle based client-server database network. The department is now in a position to standardize and greatly enhance the database applications for the Division of Banking, Securities and Corporations, Division of Occupational Licensing, and the Division of Insurance. The department is poised and prepared to begin making many of our programs and applications Internet accessible, but this will require both effective data processing management and adequate programming staff.

This reduction deletes an Analyst Programmer II that was intended to be an entry level training position to work with the current Analyst Programmer IV. It is becoming increasingly more difficult to find, hire, and keep qualified data processing staff in State government. This position is necessary to provide means for on the job training and professional training opportunities, a career ladder for staff, and cross training opportunities.

Without adequate data processing support, the division will be unable to adequately maintain or improve its license databases with its single computer programmer. Consumers and licensing boards would like to use the Internet to apply for licenses and find out if professionals have unrestricted licenses to practice. Requests for public data have increased. The addition of a second occupational licensing programmer to the Division of Administrative Services data processing staff would have helped the division meet its goals of easy access and prompt service.

**BRU: Executive Administration and Development  
Component: Administrative Services**

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
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**

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Delete Minerals Development Specialist-Juneau	(\$69.2)	GF

**Impact Analysis:**

Proposed budget would eliminate the position for a Minerals Development Specialist based in Southeast Alaska. The loss of this position would have the following impact:

- Eliminates economic development expertise for the review of mine plans, permits, rules and regulations that impact Southeast and South-central industry interests.
- Eliminates a central point of government contact and assistance for Southeast industry projects such as Niblack, Calder, Kensington, Palmer, Greens Creek, A-J, Treadwell, and Chichagof.
- Reduces the ability of the Alaska Minerals Commission to produce an annual report and to research and respond to mineral industry issues. The commission relies completely on division personnel for its staff work.
- Reduces mining trade show interactions by 50 percent with a resulting reduction in industry connections and interest in Alaska project opportunities. Less contacts and less follow-up will result in Alaska losing millions of dollars worth of business from mining companies that base operations or conduct exploration activities in Alaska.
- Sends a negative message to the international mining industry at a time when mining is an economic bright spot in Alaska's natural resource industry and becoming more competitive on an International level (legislative resource/industry panel, Jan. 1999, Fraser Institute Report, January 1999).

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Delete Industrial Development Specialist	(\$84.6)	GF

**Impact Analysis:**

Proposed budget would eliminate the position of the Development Specialist for Industrial Development. The position is dedicated to general business development programs including industrial attraction, promotion and marketing. The loss of this position would have the following impact:

- Eliminates technical, economic and feasibility analysis of projects proposing new uses or secondary processing of the state's natural resources and development of non-traditional sectors such as high technology, aerospace, communications, and general manufacturing.

- Eliminates business, finance and management expertise to facilitate business and industrial development.
- Eliminates technical expertise to corporations considering relocation or expansion to Alaska.
- Eliminates the state's contact for advanced technology business development and the staff liaison with the Alaska Aerospace Development Corporation.
- Eliminates state coordination of special projects such as Alaska participation in the QVC home shopping network, which exposed Alaska businesses to national marketing opportunities and resulted in approximately \$3 million additional business sales for Alaska businesses in FY1996 and FY1998. The FY1999 QVC project is ongoing with 86 businesses participating to date.
- Eliminates all general business recruitment and outreach efforts to Outside companies regarding Alaska's potential. Eliminates follow-up contacts and efforts on all corporate inquiries.
- Eliminates staff involved in working with trade publications that target companies interested in potential expansion or relocation opportunities. Eliminates arrangements for media advertising, and responses to requests for editorials, updated technical bulletins and annual surveys.
- Eliminates state review of companies to determine if they qualify for the Alaska Business Incentive Program, as passed by the Alaska Legislature in 1998. Regulations to carry out legislative intent were drafted and are now in review.
- Stops industrial marketing/corporate cold-calls based on response cards from advertising to cruise ship passengers.
- Eliminates business assistance for companies involved in developing Alaska water export operations.
- Eliminates staff expertise for the internal review of definitive publications that assist Alaska businesses. The publications, updated on a continuing basis both in hard copy and electronic versions, include "Establishing a Business in Alaska," "Alaska Business Facts," "Economic Indicators," and "Annual Economy Performance Report."

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Foreign Offices Reduction Japan/Korea	(\$80.0)	GF

## Impact Analysis:

Under the budget cut passed by the Senate Finance Subcommittee, the state's trade contracts in Japan and Korea would be reduced by \$80.0.

The DCED budget as passed by the Senate Finance Subcommittee would reduce Alaska's trade presence in Japan and Korea by 16%. This reduction represents a decrease in Alaska's trade promotion commitments in Japan, our largest market, and Korea, our second largest market. **The Japan and Korea markets together accounted for \$1.2 billion of Alaska exports in 1998, over 60% of our total exports.**

The budget passed by the Senate Finance Subcommittee represents a 16% reduction in funding for Alaska's trade presence in Japan, from \$250.0 to \$210.0. The current Japan contract is at approximately \$500.0 from the general fund, funded 50% by Division of Trade and Development (DTD) and 50% by Division of Tourism. The state created this combined contract two years ago, merging trade and tourism to reduce expenses. However, on the tourism side, there is legislation pending that would make major changes to the state's tourism marketing program, which may impact the availability of tourism funds to support the operations of the Japan office. If so, the combined actions would likely result in significant reduction of total state presence in Tokyo, from \$500.0 to \$210.0

The budget passed by the Senate Finance Subcommittee also represents a 16% reduction in funding for Alaska's trade presence in Korea. The current Korea contract is approximately \$250.0 from the general fund.

Alaska was the first American state to open a trade office in Japan (1965) and the first in Korea (1985). A retreat from these markets diminishes the long-term benefits of the experience, capabilities and investment the state has made over the past thirty years. Further, it sends a negative signal to the business communities of these countries, that Alaska no longer finds it as important to maintain trade and investment representation in their countries.

The reduction would mean the following:

- Reduced trade presence in Japan and Korea. In each country, the state currently works with a contractor functioning as Alaska's trade representative. This reduction will result in a 16% smaller contract, and less help available to Alaska businesses. This cut would be noticeable to Alaska companies using the services of our overseas contractors. Examples:
  - Reduce assistance to small and medium-sized Alaska businesses in export marketing and promotion, such as the Alaska Products Catalogs in both countries, the Tokyo International Gift Show and the American State Offices in Korea Catalog Show.
  - Increase response time for customized market reports on specific Alaska products – these reports are frequently requested by Alaska businesses to assist them in making educated decisions regarding whether or where to export.

- Reduce timely information to the state regarding energy (LNG, oil, coal) markets, Japanese and Korean government policies, etc., including quarterly energy market reports keeping Alaskan officials informed of the Japan and Korea markets.
- Reduce the state's ability to effectively promote Alaska LNG, oil and coal, currently accomplished through contact with Japanese and Korean government agencies, private industry, utility companies, and other possible trading partners. For example, state offices provide assistance to Marubeni Corp., a participant in the North Slope Gas Line Sponsor Group, and to Usibelli Coal Mine and Alaska Railroad in their recent successful negotiations with the Korea Electric Power Corporation and Hyundai Merchant Marine Corp. The Usibelli contract is currently the only export of Alaska's coal.
- Reduce the promotion of Alaska technical services. Environmental services and other technical services diversify our economic base and show great promise as potential exports from Alaska to Japan and Korea. Examples:
  - Japan: The division plans a mission to Alaska in July by representatives of the Petroleum Association of Japan to inspect Alaska's oil spill prevention and response systems. This will be a first step towards (1) establishing cooperative working relationship between Japanese oil companies and Alaska oil spill prevention/response industry and (2) marketing Alaska's oil spill services, technology and equipment to Japanese companies. With the reduction of the trade contract in Japan, follow-up to this mission would be jeopardized.
  - Korea: the division plans a mission to Alaska by interested potential customers of Alaska's services in the Korean public and private sectors in FY 2000. It will follow the successful 3/99 mission to Korea which initiated cooperative working relationships between Korean companies and Alaskan environmental industries, and likely sales of Alaska's services and technologies. Recruitment of Korean participants becomes more difficult, and a follow-up mission less likely.
- Reduce export promotion of Alaska seafood to Japan and Korea, including identification of new contacts, supplying information and market trends to Alaskans, and assistance to Alaska seafood suppliers by "matchmaking" between suppliers and customers. Although the Alaska Seafood Marketing Institute (ASMI) would maintain an Alaska presence in Japan and would continue its generic marketing of Alaska seafood, there would be no assistance to individual companies, nor promotion of regional exports or niche-market exports such as high-value, fresh/live products or value-added. ASMI currently does not maintain a presence in Korea.
- In Japan, the reduction, coupled with a loss of tourism funds, would mean a severe disruption to Alaska's presence. With office space at a premium, the trade contractor would likely move to a space even smaller than the current location, and less convenient for Alaska businesses.

**BRU: Tourism**  
**Component: Tourism Development**

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Delete Division	(\$1,895.4)	GF
	(\$355.3)	GF/PR
	(\$127.2)	IA Receipts

**Impact Analysis:**

This proposal deletes all funding for the division, contingent on passage of HB136, the tourism marketing privatization bill. The stated intent is that the Legislature would move the division's FY2000 operating budget into the fiscal note for the bill. If the bill does not pass or is vetoed, there would be no tourism development funded in FY2000.

**BRU: Tourism**  
**Component: Alaska Tourism Marketing Council**

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Delete ATMC	(\$3,337.4)	GF
	(\$0.2)	GF/PR
	(\$1,299.9)	Stat Des Rec

**Impact Analysis:**

This proposal deletes all funding for the ATMC, contingent on passage of HB136, the tourism marketing privatization bill. The stated intent is that the Legislature would budget for the ATMC's wind down year authorization through the fiscal note attached to the bill. If the bill does not pass or is vetoed, there would be no tourism marketing funded in FY2000.

**FY00 Senate Finance Subcommittee Recommendations--Commerce and Economic Development**

(\$000)

Allocation: 20,375.8  
 SubCommittee Report: 20,374.3  
 Over (under): -1.5

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	70,354.4	49,446.9	25,420.3	20,374.3	-6,046.0	40,284.0	25,422.5	3,850.1	3,650.1
		FY99 Supplemental	-457.1		-457.1			0.0		0.0	
		FY99 Base	69,897.3		25,863.2			40,284.0		3,850.1	
		FY00-FY99		-20,450.4		-5,568.9			-1,861.5		0.0
		% Change		-29.26%		-21.53%			-6.89%		0.00%
Commerce & Economic Dev	Banking, Securities, and Corp	Banking, Securities and Corporations	1,654.9	1,735.5	1,646.8	1,733.8	87.0	8.1	1.7	0.0	0.0
Commerce & Economic Dev	Insurance Operations	Insurance Operations	4,561.6	4,278.4	4,535.9	4,278.4	(257.5)	25.7	0.0	0.0	0.0
Commerce & Economic Dev	Occupational Licensing	Occupational Licensing	0.0	5,399.3	0.0	4,993.6	4,993.6	0.0	405.7	0.0	0.0
Commerce & Economic Dev	Occupational Licensing	Operations	5,651.0	0.0	5,082.5	0.0	(5,082.5)	568.5	0.0	0.0	0.0
Commerce & Economic Dev	Occupational Licensing	Licensing Boards	183.2	0.0	183.2	0.0	(183.2)	0.0	0.0	0.0	0.0
Commerce & Economic Dev	Alaska Public Utilities Commission Operations	APUC Operations	4,923.5	4,699.2	0.0	0.0	0.0	4,923.5	4,699.2	0.0	0.0
Commerce & Economic Dev	Executive Administration and Development	Commissioner's Office	452.2	452.2	297.6	118.1	(179.5)	154.6	334.1	0.0	0.0
Commerce & Economic Dev	Executive Administration and Development	Trade and Development	2,649.6	2,946.6	1,362.5	1,729.1	366.6	1,137.0	1,067.4	150.1	150.1
Commerce & Economic Dev	Executive Administration and Development	Administrative Services	1,217.8	1,188.6	681.3	452.4	(228.9)	536.5	736.2	0.0	0.0
Commerce & Economic Dev	Alaska Science and Technology Foundation	Alaska Science and Technology Foundation	22,502.2	8,984.6	0.0	0.0	0.0	22,502.2	8,984.6	0.0	0.0
Commerce & Economic Dev	Investments	Investments	3,301.5	3,295.5	0.0	0.0	0.0	3,301.5	3,295.5	0.0	0.0
Commerce & Economic Dev	Tourism	Alaska Tourism Marketing Council	4,640.2	0.0	3,340.3	0.0	(3,340.3)	1,299.9	0.0	0.0	0.0
Commerce & Economic Dev	Tourism	Tourism Development	2,363.1	0.0	2,235.9	0.0	(2,235.9)	127.2	0.0	0.0	0.0
Commerce & Economic Dev	AIDEA	AIDEA Facilities Maintenance	0.0	73.0	0.0	0.0	0.0	0.0	73.0	0.0	0.0
Commerce & Economic Dev	AIDEA	Alaska Industrial Development and Export Auth	4,048.1	3,952.2	0.0	0.0	0.0	4,048.1	3,852.2	0.0	0.0
Commerce & Economic Dev	AIDEA	Alaska Energy Authority Operations and Maint	1,049.5	1,049.5	0.0	0.0	0.0	1,049.5	1,049.5	0.0	0.0
Commerce & Economic Dev	Alaska Seafood Marketing Inst	Alaska Seafood Marketing Institute	10,554.3	10,568.9	7,054.3	7,068.9	14.6	0.0	0.0	3,500.0	3,500.0
Commerce & Economic Dev	Alaska Aerospace Devel Corp	Alaska Aerospace Development Corporation	601.7	823.4	0.0	0.0	0.0	601.7	823.4	0.0	0.0

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

Senator Pete Kelly, Subcommittee Chair

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This narrative describes the effect of the budget numbers proposed on the attached spreadsheet for the Department of Community and Regional Affairs.

The Committee deleted \$300,000 General Fund (GF) to fund the Renters' Equivalency Rebate. This program provided for reimbursement to Senior Citizens and Disabled Veterans who rent property that is subject to a local property tax.

A component name change was made in the Local Government Assistance BRU at the request of the Department. The Training and Development component is now known as the Local Government Management component.

In the Local Government Management component, \$400,000 General Fund Match (GFM) was eliminated for the RUBA program. The authority to receive \$807,000 in federal funds for this program remains intact with the understanding that the Division can fund the RUBA match with GF saved through cuts elsewhere within the Department.

Child Care Grants were eliminated through three separate reductions:

\$200,000	GF
\$880,000	tobacco settlement funds
<u>\$2,515,100</u>	I/A federal receipts from Health and Social Services
\$3,595,100	

The I/A receipts for Child Care Grants were moved to the Day Care Assistance Program, which is being funded at \$2,669,000 over the FY 99 level.

Head Start is being funded at \$100,000 over the FY 99 level.

The Division of Energy's Bioenergy Grant request of \$25,000 GFM has been denied along with the authority to receive \$34,500 in federal funds.

Components not specifically addressed were approved at the level of the Governor's FY 00 request. The above reductions from the Governor's FY 00 budget request equal \$4,952,700 GF.

**Department of Community and Regional Affairs**  
**Impact Statements in Response to**  
**Senate Finance Subcommittee Budget Proposals**  
**Date: April 15, 1999**  
**Prepared by: Yvonne M. Chase**

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Renters' Equivalency Rebate Renter's 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 who are not fortunate enough to own property and, instead, rent their home.

<b>Program Area:</b>	<b>Dollar Amount(s)</b>	<b>Fund Source</b>
Local Government Assistance Training and Development Component	(\$400.0)	GFM

**Impact Analysis:**

RUBA currently assists 36 communities by providing direct administrative and utility management training. RUBA provides assistance to small rural communities statewide that are preparing to receive new or upgraded sanitation systems. This reduction eliminates the GF Match initially identified by the department. If DCRA cannot find an

adequate match within other department programs, this program would be at risk of elimination.

<b>Program Area:</b>	<b>Dollar Amount(s)</b>	<b>Fund Source</b>
Child Care Child Care Education and Training	(\$200.0)	GF

**Impact Analysis:**

The elimination of these funds ends the program established to maintain quality child care through comprehensive training and instruction. Caregivers used these training sessions to achieve and maintain an understanding of and instruction in basic health and safety practices as well as concepts and methodologies in handling children and disruptive situations. Many of the child caregivers are self-employed individuals who do not have the financial support to obtain these services on their own and, as a consequence, the children of our state bear the burden of a less than optimal environment.

<b>Program Area:</b>	<b>Dollar Amount(s)</b>	<b>Fund Source</b>
Child Care Child Care Grants	(\$2,515.1)	IA

**Impact Analysis:**

This reduction totally eliminates the Child Care Grant program and subsequently removes our ability to ensure child care providers meet minimally acceptable health and safety standards and puts our children in care in a precarious position. Only through the Child Care Grant and the Day Care Assistance Program funding have we been able to maintain a defined level of quality child care for the state's youth. Without these programs we cannot ensure the health and well being of Alaska's children.

In addition, the Senate Subcommittee eliminated a portion of the required 4% of total funds that must be used for quality improvement. The lack of \$790.0 I/A Receipts jeopardizes the total Child Care Development Funds of \$26.5 million.

<b>Program Area:</b>	<b>Dollar Amount(s)</b>	<b>Fund Source</b>
Child Care Child Care Grants	(\$880.0)	GF

**Impact Analysis:**

These funds were to come from the Tobacco Settlement funds to provide an incentive to childcare providers to become licensed and meet the minimally acceptable health and safety standards as prescribed in statute.

<b>Program Area:</b>	<b>Dollar Amount(s)</b>	<b>Fund Source</b>
Day Care Assistance Day Care Assistance Program	(\$2,515.1)	GF

**Impact Analysis:**

This action supplants general funds with interagency receipts (from federal funds) to sustain this child care subsidy program. Under the auspices of the federal program from which these funds will come, we can no longer require providers become licensed in order to receive the funding.

<b>Program Area:</b>	<b>Dollar Amount(s)</b>	<b>Fund Source</b>
Head Start Head Start Grants	(\$622.6)	GF

**Impact Analysis:**

This proposal in essence negates all but \$127.4 of the additional funds requested to expand services. The total increment (\$750.0 Interagency Receipts) would have allowed Head Start to expand services to approximately 150+ children and their families.

<b>Program Area:</b>	<b>Dollar Amount(s)</b>	<b>Fund Source</b>
Rural Energy Program – Energy Operations		
Energy Operations	(\$25.0)	GFM
	(\$34.5)	Federal

**Impact Analysis:**

The Division of Energy's FY99 operating budget includes \$25 General Fund Match and for the Bio-energy program. This program, in concert with \$34.5 in Federal Receipt Authority, provides contracts and grants to communities seeking alternative, cost-effective and practical alternatives for energy production and waste management.

**FY00 Senate Finance Subcommittee Recommendations--Community and Regional Affairs**

(\$000)

Allocation: 61,890.1  
 Subcommittee Report: 61,224.3  
 Over (under): -665.8

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	161,581.8	155,053.6	70,012.1	61,224.3	-9,787.8	39,656.0	49,788.7	61,913.8	44,040.5
		FY99 Supplemental	-1,913.3		-1,913.3			0.0		0.0	
		FY99 Base	159,668.5		68,998.8			39,656.0		51,913.8	
		FY00-FY99		-4,615.1		-8,874.5			10,132.7		-7,873.3
		% Change		-2.89%		-10.09%			25.55%		-15.17%
Community & Regional Affairs	Administration and Support	Office of the Commissioner	530.8	530.8	420.4	420.4	0.0	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	0.0	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	0.0	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	0.0	3,000.0	3,000.0
Community & Regional Affairs	Administration and Support	State Facilities Maintenance	0.0	6.7	0.0	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	(300.0)	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	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	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	0.0
Community & Regional Affairs	Local Government Assistance	Local Government Management	9,272.6	2,583.8	1,825.6	1,425.6	(400.0)	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	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	0.0
Community & Regional Affairs	Local Government Assistance	Statewide Assistance	6,750.8	6,750.8	374.6	374.6	0.0	2,376.2	2,376.2	4,000.0	4,000.0
Community & Regional Affairs	Local Government Assistance	National Petroleum Reserve Program	50.0	50.0	0.0	0.0	0.0	0.0	0.0	50.0	50.0
Community & Regional Affairs	Community and Economic Development	Community and Economic Development	1,577.3	1,497.3	456.1	456.1	0.0	1,071.2	1,041.2	50.0	0.0
Community & Regional Affairs	Child Assistance	Child Care	3,555.1	1,028.4	2,128.4	195.7	(1,932.7)	1,406.7	726.7	20.0	106.0
Community & Regional Affairs	Child Assistance	Day Care Assistance Programs	18,966.1	21,635.1	7,211.1	1,696.0	(5,515.1)	11,669.0	19,939.1	86.0	0.0
Community & Regional Affairs	Child Assistance	Head Start Grants	5,929.2	6,029.2	5,729.2	5,114.2	(615.0)	50.0	765.0	150.0	150.0
Community & Regional Affairs	Employment Training/Rural Development	Job Training Partnership Act	15,875.4	14,361.4	84.2	70.2	(14.0)	56.6	56.6	15,734.6	14,234.6
Community & Regional Affairs	Employment Training/Rural Development	State Training and Employment	1,732.3	1,512.3	0.0	0.0	0.0	1,732.3	1,512.3	0.0	0.0
Community & Regional Affairs	Employment Training/Rural Development	Statewide Service Delivery	10,697.5	12,417.5	467.7	467.7	0.0	1,536.8	3,256.8	8,693.0	8,693.0
Community & Regional Affairs	Employment Training/Rural Development	Community Development Assistance	2,989.5	3,003.5	309.8	323.8	14.0	135.7	135.7	2,544.0	2,544.0
Community & Regional Affairs	Rural Energy Program--Energy Operations	Energy Operations	2,310.8	2,384.5	546.1	521.1	(25.0)	1,664.6	1,797.8	100.1	65.6
Community & Regional Affairs	Rural Energy Program--Energy Operations	Power Cost Equalization	17,000.0	17,000.0	0.0	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	0.0

**FY00 Senate Finance Subcommittee Recommendations--Corrections**

(3000)

Allocation: 143,705.9  
 Subcommittee Report: 143,705.9  
 Over (under): 0.0

Agency	SRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>163,541.0</b>	<b>165,572.2</b>	<b>139,972.6</b>	<b>143,705.9</b>	<b>3,733.3</b>	<b>6,425.8</b>	<b>14,773.7</b>	<b>7,142.6</b>	<b>7,092.8</b>
		FY99 Supplemental	3,548.3		3,548.3			0.0		0.0	
		FY99 Base	166,092.7		143,520.9			6,425.8		7,142.6	
		FY00-FY99		8,482.9		185.0			9,347.9		-50.0
		% Change		5.06%		0.13%			172.29%		-0.70%
Corrections	Administration & Operations	Office of the Commissioner	1,580.1	947.8	930.1	843.9	(86.2)	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	
Corrections	Administration & Operations	Correctional Academy	664.4	664.4	664.4	664.4	0.0	0.0		0.0	
Corrections	Administration & Operations	Administrative Services	2,821.0	2,730.5	2,749.9	2,659.4	(90.5)			71.1	71.1
Corrections	Administration & Operations	Data and Word Processing	1,298.1	1,296.1	684.6	684.6	0.0	551.5	551.5	60.0	60.0
Corrections	Administration & Operations	Facility Capital Improvement Unit	209.5	209.5	0.0		0.0	209.5	209.5	0.0	
Corrections	Administration & Operations	Inmate Health Care	15,402.1	15,756.7	14,812.1	15,314.3	502.2	590.0	442.4	0.0	
Corrections	Administration & Operations	Inmate Programs	2,839.6	2,839.6	2,011.4	961.4	(1,050.0)	828.2	1,873.2	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	
Corrections	Administration & Operations	Correctional Industries Product Cost	2,750.6	3,500.6	0.0		0.0	2,750.6	3,500.6	0.0	
Corrections	Administration & Operations	Institution Director's Office	914.2	867.9	692.1	595.8	(96.3)	222.1	272.1	0.0	
Corrections	Administration & Operations	Arrow Mountain Correctional Center	3,850.6	3,850.6	3,850.6	3,850.6	0.0	0.0		0.0	
Corrections	Administration & Operations	Combined Highland 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	9,110.1	9,119.1	7,871.8	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	2,576.2	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	Matanuska-Susitna Correctional Center	2,711.6	2,711.6	2,711.6	2,711.6	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	Widwood Correctional Center	8,177.1	8,177.1	8,177.1	8,177.1	0.0	0.0		0.0	
Corrections	Administration & Operations	Yukon-Kuskokwim Correctional Center	3,953.1	3,861.6	3,953.1	3,861.6	(91.5)	0.0		0.0	
Corrections	Administration & Operations	Institutional Reduction	0.0	0.0	0.0		0.0	0.0		0.0	
Corrections	Administration & Operations	Community Jails	4,800.3	4,766.6	4,800.3	4,766.6	(33.7)	0.0		0.0	
Corrections	Administration & Operations	Community Corrections Director's Office	733.8	701.9	733.8	701.9	(31.9)	0.0		0.0	
Corrections	Administration & Operations	Northem Region Probation	2,522.4	2,449.4	2,522.4	2,449.4	(73.0)	0.0		0.0	
Corrections	Administration & Operations	Southcentral Region Probation	4,433.6	4,189.9	4,433.6	4,189.9	(243.7)	0.0		0.0	
Corrections	Administration & Operations	Southeast Region Probation	961.5	961.5	961.5	961.5	0.0	0.0		0.0	
Corrections	Administration & Operations	Transportation and Classification	1,020.6	1,243.5	746.7	1,104.6	357.9	273.9	138.9	0.0	
Corrections	Administration & Operations	Facility Maintenance	0.0	7,780.5	0.0		0.0	0.0	7,780.5	0.0	
Corrections	Out of State Contracts	Out-of-State Contracts	14,512.3	18,149.0	12,245.6	15,482.3	3,236.7	0.0		2,266.7	2,666.7
Corrections	Existing Community Residential Centers	Existing Community Residential Centers	13,539.5	15,243.6	11,454.6	13,158.7	1,704.1	0.0		2,084.9	2,084.9
Corrections	Culturally Relevant CRC in Nome	Nome Culturally Relevant CRC	766.5	1,016.5	490.2	740.2	250.0	0.0		276.3	276.3
Corrections	Culturally Relevant CRC in Bethel	Bethel Culturally Relevant CRC	144.0	144.8	92.6	92.6	0.0	0.0		52.2	52.2
Corrections	Point MacKenzie	Point MacKenzie Rehabilitation Program	1,992.1	1,952.3	1,992.1	1,952.3	(39.8)	0.0		0.0	
Corrections	CRC Offender Supervision	Community Residential Center Offender Supervisor	366.0	0.0	366.0		(366.0)	0.0		0.0	
Corrections	VPSO Parole Supervision Pilot Program	VPSO Parole Supervision Pilot Program	115.0	115.0	115.0	115.0	0.0	0.0		0.0	
Corrections	Alternative Institutional Housing	Alternative Institutional Housing	115.0	0.0	115.0	0.0	(115.0)	0.0		0.0	
Corrections	Alternative Institutional Housing	Food Services Apprenticeship Program	0.0	96.1	0.0	0.0	0.0	0.0		0.0	96.1

**Senate Finance Subcommittee on the**  
**Alaska Court System**  
**Recommendation for FY 00 Budget**

Senator Gary Wilken  
Subcommittee Chair

Senator Dave Donley  
Senator Robin Taylor  
Members

Senator Drue Pearce  
Senator Al Adams  
Members

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

The subcommittee recommends that the General Fund appropriation to the Alaska Court System operating budget be funded at \$49,725,300. This amount is \$7,600 over the FY99 authorized budget. (An accounting error failed to add this amount to the Alaska Court System budget. HB 405, "Fleeing or Evading a Police Officer," was passed in 1998 with a fiscal note of \$7,600.)

The Alaska Court System's authority to receive federal funds has been increased by \$315,000 to allow the Court System to receive this amount in federal dollars. These grant receipts do not fund constitutional or statutory mandates or functions.

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

**Alaska Court System  
Date: April 14, 1999  
Prepared by: Bob Fisher**

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Appellate Courts	(74.0)	GF

**Impact Analysis:**

All increments were denied.

(Funding was not approved for replacement computers, software upgrades, and furniture or for ADA modifications to a courtroom.)

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Administration	(366.6)	GF

**Impact Analysis:**

All increments were denied.

(Funding was not approved 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.)

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Trial Courts	(2,012.1)	GF

**Impact Analysis:**

All increments were denied.

(Funding was not approved for the increased costs of operating and maintaining court facilities in Anchorage, Tok, St. Marys and 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 Senate Subcommittee granted authority for acceptance of federal grant receipts. These grant receipts do not fund constitutional or statutory mandates or functions. The Subcommittee approved an increase of \$7.6 to correct an accounting error in the FY 99 authorized budget amount.

#### **Alaska Judicial Council**

**Date: April 13, 1999**

**Prepared by: William Cotton**

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

#### **Impact Analysis:**

The Senate 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 13, 1999**

**Prepared by: Marla Greenstein, Executive Director**

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

**Impact Analysis:**

Maintains constitutionally mandated functions. The Senate 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 Senate 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.

# FY00 Senate Finance Subcommittee Recommendations--Court System

(\$000)

Allocation: 49,725.3  
 Subcommittee Report: 49,725.3  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	49,717.7	50,040.3	49,717.7	49,725.3	7.6	0.0	0.0	0.0	315.0
		FY99 Supplemental	7.6		7.6			0.0		0.0	
		FY99 Base	49,725.3		49,725.3			0.0		0.0	
		FY00-FY99		315.0		0.0			0.0		315.0
		% Change		0.63%		0.00%			#DIV/0!		#DIV/0!
Alaska Court System	Alaska Court System	Appellate Courts	3,980.4	3,980.4	3,980.4	3,980.4	0.0	0.0		0.0	
Alaska Court System	Alaska Court System	Trial Courts	38,531.9	38,839.5	38,531.9	38,539.5	7.6	0.0		0.0	300.0
Alaska Court System	Alaska Court System	Administration and Support	6,285.2	6,285.2	6,285.2	6,285.2	0.0	0.0		0.0	
Alaska Court System	Alaska Court System	Unallocated Reduction	0.0	0.0	0.0		0.0	0.0		0.0	
Alaska Court System	Commission on Judicial Conduct	Commission on Judicial Conduct	226.3	226.3	226.3	226.3	0.0	0.0		0.0	
Alaska Court System	Judicial Council	Judicial Council	673.9	688.9	673.9	673.9	0.0	0.0		0.0	15.0
Alaska Court System	Judicial Council	Courtwatch	20.0	20.0	20.0	20.0	0.0	0.0		0.0	

# Senate Finance Subcommittee on Education

## Recommendations for FY 00 Budget

Senator Gary Wilken  
Subcommittee Chair

Senator Randy Phillips  
Member

Senator Kim Elton  
Member

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 FY99 authorized budget. Alaska Housing Finance Corporation funds (\$17,444,000) that were used to fund department activities in FY99 have been reclassified as General Funds in the FY99 base. The formula programs funded under *K-12 Support*, totaling \$696,647,900 in FY99 (including AHFC funds), are not addressed in this report, but will be discussed at a later date.

### Teaching and Learning Support

The *Quality Schools* component was increased by \$1,096,000 to allow the Department of Education to continue, expand, and complete work that was begun in FY99 on the development of the State's Comprehensive Student Assessment System and the High School Graduation Qualifying Exam. The high level of financial support recommended by the subcommittee is indicative of the legislature's recognition of the importance of this endeavor.

The *Quality Schools* component was reduced by a belt-tightening proposal of \$33,200 and state funding for the preschool certification program was eliminated -- a \$30,000 reduction. The subcommittee requests the department to review the existing preschool certification program and propose ways to improve and fund this program.

At the request of the Department of Education the Alaska Career Information System (AKCIS) funding of \$141,000 GF/PRGM receipts was eliminated. The program did not generate the necessary receipts to function.

In the component *Education Special Projects*, the GF/Match for the Alaska Mineral and Energy Resource Education Fund (AMEREF) was eliminated. This reduction was not taken lightly by the subcommittee. It is the hope that another entity will be able to continue the educational benefits offered through AMEREF.

In *Teacher Certification*, a technical fund source change moved \$1,100 from the General Fund to General Fund/Program Receipts.

### **Executive Administration**

The *Commissioner's Office* and *Administrative Services* components were reduced by \$20,000 and \$20,200 respectively. An unallocated reduction, which totals \$84,000, targeted "travel expenses". All department employees are encouraged to reduce air travel and rely more on increased telecommunication contact with school districts and other clientele.

One position, a micro/network tech position, was eliminated from the *Information Services* component realizing a reduction of \$50,000. The subcommittee added \$250,000 to implement provisions outlined in SB 36 (passed in 1998) relating to fiscal accountability, monitoring, and updating cost factors. This needed addition is in the *District Support Services* component.

A department recommended belt-tightening proposal of \$47,300 continues.

*Educational Facilities Support*, the component that provides oversight for the statewide school construction program, was fully funded at \$135,200. The source of these funds was changed from General Fund to Interagency Receipts.

### **Alyeska Central School**

*Alyeska Central School's* excess General Fund/Program Receipt Authority was reduced \$25,000. The remaining authority will still allow the department's centralized correspondence school to continue to receive receipts from its curriculum development and other services provided by the school.

### **Commissions and Boards**

The subcommittee approved and funded the requests of the *Professional Teaching Practices Commission* (\$187,400) and the *Alaska State Council on the Arts* (\$464,800). A technical fund source change moved a General Fund request of \$3,000 to General Fund/Program Receipts.

### **Alaska Technical Center**

A pass-through grant of \$634,000 to the Alaska Technical Center (otherwise known as the *Kotzebue Technical Center*) was eliminated. This grant supplemented other funds to help pay for instructional support staff, facility support and program administration for this vocational/technical training school. It is the hope of the subcommittee chair that other private or public entities within

the Northwest Arctic Borough or the University of Alaska will work with this institution to continue the necessary support of the Alaska Technical Center.

### **Alaska Vocational Technical Center**

The tuition and fees collected by the *Alaska Vocational Technical Center* were recognized as statutory designated program receipts. The subcommittee increased the school's receipt authority in order to accommodate a 10% increase in tuition and fees. The General Fund was reduced by the corresponding increase -- \$100,000.

The department's belt-tightening proposal of \$37,000 was continued.

### **Mt. Edgecumbe Boarding School**

The *Mt. Edgecumbe Boarding School* serves 301 students in three residential facilities managed by a private contractor. Since 1985, Dorm Management Services has provided 24 hour, 7 days per week, management and supervision of the residential students as well as cleaning the dorm facilities. An increment of \$150,000 was added to ensure adequate night coverage and enable the contractor to acknowledge long-term employees with a modest salary increase.

The belt-tightening recommendation of \$30,400 continues.

### **Vocational Rehabilitation**

The General Fund increment of \$190,000 for *Client Services - Vocational Rehabilitation* was denied. This division has proposed regulatory changes to allow clients to assist in payment for services based on the ability to pay. A portion of this denied increment may be absorbed through this proposed business practice change. The subcommittee recommends the division curb its travel to ensure that no direct services to clients are denied or reduced due to this small reduction. (The division's total travel budget is in excess of \$600,000.)

A belt-tightening proposal of \$72,500 continues in *Vocational Rehabilitation*.

The statewide coordinator for *Americans with Disabilities* funding source was changed from General Fund to Interagency Receipts. This funding source matches how the Department of Administration supports Equal Employment Opportunity investigations.

### **Alaska Library and Museums**

An increment of \$100,000 was added in *Library Operations* to enable the purchase of needed library materials. Centralized access to information is the

most cost-effective and efficient manner to ensure that current and accurate information is available to everyone. Excess General Fund/Program Receipt Authority within in *Library Operations* was reduced by \$50,000.

A 10% reduction in library grants is recommended -- \$71,200. The funding level of these grants has maintained constant for many years and it is the hope of the subcommittee that this small reduction can be absorbed through other fund sources available to the many libraries within the state.

The three designated grants within *Specific Cultural Programs*, \$41,700, were eliminated. Funding for these grants can be awarded through the Alaska State Museums competitive grant program

### **Alaska Postsecondary Education Commission.**

The *WWAMI Medical Education* component contains funding for the second, third, and fourth year students who attend and pay resident tuition and fees at the University of Washington's School of Medicine. A portion of these funds is used to pay the program administration at the University of Washington, School of Medicine, and for the community clinical sites in Alaska. Support for the WWAMI program administration and the community clinical sites in Alaska was reduced \$150,000. Student tuition support is not expected to be effected by this reduction.

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

**Date: April 14, 1999**

**Prepared by: Karen Rehfeld**

<b>Program area:</b>	<b>Dollar amount(s):</b>	<b>Fund source(s):</b>
Quality Schools - Assessment	(\$404,000)	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 Senate 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.

<b>Program area:</b>	<b>Dollar amount(s):</b>	<b>Fund source(s):</b>
Austerity Measures	(\$240,600)	General Funds

**Impact Analysis:**

The Senate 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)
AVTEC Operations	(\$37.0)
Mt. Edgecumbe Boarding School	(\$30.4)
Client Services	(\$72.5)

<b>Program area:</b>	<b>Dollar amount(s):</b>	<b>Fund source(s):</b>
Preschool Certification	(\$30,000)	General Funds

**Impact Analysis:**

The Senate proposal eliminates general funds for preschool certification that support a portion of the position responsible for the certification program. Funding is not sufficient to do more than a cursory review of application for preschool certification or to validate the quality of a preschool program. Additional resources would be necessary to accomplish the preschool certification program as it is currently defined in AS 14.07.020(8) and 4 AAC 60.010-.180. The Senate proposal does not allow any funding to either phase out or transition this program.

<b>Program area:</b>	<b>Dollar amount(s):</b>	<b>Fund source(s):</b>
Alaska Career Information System	(\$141,000)	GFPR
	(\$106,000)	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 Senate 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.

<b>Program area:</b>	<b>Dollar amount(s):</b>	<b>Fund source(s):</b>
Alaska Minerals and Energy Resource Education Fund (AMEREF)	(\$50,000)	GF Match

**Impact Analysis:**

The AMEREF match provided funds for educational materials. The Senate proposal will eliminate these funds and the department will not be able to produce updates of the minerals education curriculum and materials for distribution to school districts.

<b>Program area:</b>	<b>Dollar amount(s):</b>	<b>Fund source(s):</b>
Unallocated Reduction	(\$84,000)	General Funds

**Impact Analysis:**

The Senate proposal includes an unallocated reduction of \$84,000 based on limiting travel across all department programs. The department will evaluate all travel and look for ways to accommodate that reduction.

<b>Program area:</b>	<b>Dollar amount(s):</b>	<b>Fund source(s):</b>
Kotzebue Technical Center Operations Grant	(\$634,000)	General Funds

**Impact Analysis:**

The Senate proposal eliminates funding for a pass-through grant that supports the operation of the Alaska Technical Center (ATC) in Kotzebue. The ATC offers vocational training in the areas of health and office occupations, business and industrial technology, industrial mine maintenance, and adult basic education. This funding represents approximately 50% of ATC's budget. Elimination of this funding will have significant impact on ATC's ability to operate vocational training programs and will impact the availability of other funding as a result.

<b>Program area:</b>	<b>Dollar amount(s):</b>	<b>Fund source(s):</b>
Client Services	(\$190,000)	General Funds

**Impact Analysis:**

The Senate proposal denies the increment request included in the Governor's FY2000 related to state maintenance of effort for receipt of federal rehabilitation services grant funds. This reduction, combined with the \$72,500 decrease for austerity measures, will result in a dollar for dollar loss of federal funds in the amount that the state fails to meet the MOE requirement. This will impact the Division of Vocational Rehabilitation's ability to continue to provide the level of quality services to clients and will require changes to service delivery to minimize the impact to clients.

<b>Program area:</b>	<b>Dollar amount(s):</b>	<b>Fund source(s):</b>
Library Operations	(\$71,200)	General Funds

**Impact Analysis:**

The Senate proposal reduces public library assistance grants by approximately 10%. This program has not received an increase since 1982 and was decreased in FY86. The amount of funding available to public libraries has also decreased as more libraries come into the program. The grant funding has remained consistent for almost 20 years. To the extent possible, public libraries will have to rely on local sources to make up the shortfall in the state grant.

<b>Program area:</b>	<b>Dollar amount(s):</b>	<b>Fund source(s):</b>
Specific Cultural Programs	(\$41,700)	General Funds

**Impact Analysis:**

The Senate 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.

<b>Program area:</b>	<b>Dollar amount(s):</b>	<b>Fund source(s):</b>
WWAMI Medical Education	(\$150,000)	General Funds

**Impact Analysis:**

The Governor's FY2000 budget included an increase for the WWAMI Medical Education Program contractual costs for 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> year program funding.

The impact of the proposed reduction of \$150,000 can only be determined by the University of Washington School of Medicine (UWSM). The stated intent of the Senate Finance Subcommittee is to reduce the costs for program administration and the community clinical sites. However, this budget item, while historically broken out in budget documents to indicate the various program expenses, is compensation for an integrated medical education program structure. Under the contract, a participating state is not given the option of identifying what components it elects to fund and what it does not.

# FY00 Subcommittee Recommendations--Department of Education

(5000)

Allocation: 741,716.6  
 Subcommittee Report: 741,701.6  
 Over (under): -15.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>968,567.1</b>	<b>988,888.0</b>	<b>725,949.2</b>	<b>741,701.6</b>	<b>15,752.4</b>	<b>101,243.5</b>	<b>104,908.0</b>	<b>139,374.4</b>	<b>142,278.4</b>
		Note: Supplemental austerity measures (-309) are included in FY99 authorized GF numbers.									
		FY99 Supplemental	0.0		0.0			0.0		0.0	
		FY99 Base	968,567.1		725,949.2			101,243.5		139,374.4	
		FY00-FY99		22,318.9		15,752.4			3,664.5		2,902.0
		% Change		2.31%		2.17%			3.62%		2.08%
					721.2	16,473.6					
Education	K-12 Support	Foundation Program	680,728.2	695,660.3	652,818.5	667,256.5	14,438.0	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	303.8	0.0		0.0	
Education	K-12 Support	Boarding Home Grants	185.9	185.9	185.9	185.9	0.0	0.0		0.0	
Education	K-12 Support	Youth In Detention	800.0	800.0	800.0	800.0	0.0	0.0		0.0	
Education	K-12 Support	Schools for the Handicapped	3,801.7	3,840.5	3,801.7	3,840.5	38.8	0.0		0.0	
Education	K-12 Support	Pupil Transportation	38,082.1	39,775.1	38,082.1	39,775.1	1,693.0	0.0		0.0	
Education	K-12 Support	Child Nutrition	26,000.0	26,000.0	0.0		0.0	0.0		26,000.0	26,000.0
Education	K-12 Support	Community Schools	500.0	500.0	500.0	500.0	0.0	0.0		0.0	
Education	School Debt Reimbursement	School Debt Reimbursement	76,133.6	71,923.3	0.0		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	0.0	209.6	209.6	48,275.3	48,275.3
Education	Teaching and Learning Support	Quality Schools	29,604.8	30,670.8	3,549.3	4,615.3	1,066.0	58.6	58.6	25,996.9	25,996.9
Education	Teaching and Learning Support	Education Special Projects	849.9	552.9	201.6	10.6	(191.0)	570.3	464.3	78.0	78.0
Education	Teaching and Learning Support	Teacher Certification	692.8	692.8	676.4	676.4	0.0	16.4	16.4	0.0	
Education	Teaching and Learning Support	Child Nutrition Administration	727.7	727.7	45.1	45.1	0.0	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	450.7	0.0	176.3	176.3	0.0	274.4	0.0	0.0
Education	Executive Administration	Office of the Commissioner	470.7	0.0	196.3	0.0	(196.3)	274.4		0.0	
Education	Executive Administration	Administrative Services	1,365.3	1,365.3	724.7	724.7	0.0	640.6	640.6	0.0	
Education	Executive Administration	Unallocated Reduction		(84.0)		(84.0)	(84.0)				
Education	Executive Administration	Information Services	797.8	747.8	422.7	372.7	(50.0)	273.9	273.9	101.2	101.2
Education	School Finance	District Support Services	828.9	1,078.9	777.5	1,027.5	250.0	51.1	51.1	0.3	0.3
Education	School Finance	Educational Facilities Support	685.6	685.6	135.2		(135.2)	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	8,480.7	116.9	91.9	(25.0)	4,002.7	8,388.8	0.0	
Education	Commissions and Boards	Professional Teaching Practices Commission	187.4	187.4	187.4	187.4	0.0	0.0	0.0	0.0	
Education	Commissions and Boards	Alaska State Council on the Arts	1,157.9	1,107.9	464.8	464.8	0.0	50.0	50.0	643.1	593.1
Education	Kotzebue Technical Center	Kotzebue Technical Center Operations Grant	634.0	0.0	634.0		(634.0)	0.0	0.0	0.0	
Education	Alaska Vocational Technical Center	Alaska Vocational Technical Center Operations	4,919.0	5,368.1	4,217.7	3,347.7	(870.0)	626.3	1,845.4	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	150.0	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	13,415.0	3,161.2	3,172.8	11.6	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	0.0	0.0	50.7	50.7
Education	Vocational Rehabilitation	Vocational Rehabilitation Administration	1,124.0	1,383.0	167.5	167.5	0.0	0.0		956.5	1,215.5
Education	Vocational Rehabilitation	Independent Living Rehabilitation	1,273.5	1,348.5	592.4	592.4	0.0	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	(42.5)	120.0	120.0	1,269.4	1,269.4
Education	Vocational Rehabilitation	Assistive Technology	980.7	843.7	0.0		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	190.0	0.0	
Education	Alaska State Library	Library Operations	4,556.0	4,635.8	3,772.2	3,802.0	29.8	158.3	158.3	625.5	675.5
Education	Alaska State Library	Archives	649.4	689.4	555.0	555.0	0.0	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	47.8	10.1	10.1	30.0	30.0
Education	Alaska State Museums	Specific Cultural Programs	41.7	0.0	41.7		(41.7)	0.0		0.0	
Education	Alaska Postsecondary Education Commis	Program Administration	991.6	1,050.3	10.0	10.0	0.0	906.3	965.0	75.3	75.3
Education	Alaska Postsecondary Education Commis	Student Loan Operations	6,523.6	6,530.1	10.0	10.0	0.0	6,513.6	6,520.1	0.0	
Education	Alaska Postsecondary Education Commis	Western Interstate Commission for Higher Educ	83.0	85.0	83.0	85.0	2.0	0.0		0.0	
Education	Alaska Postsecondary Education Commis	WWAMI Medical Education	1,355.0	1,285.0	1,355.0	1,285.0	(70.0)	0.0		0.0	
Education	Alaska Postsecondary Education Commis	Federal Student Aid	80.0	0.0	0.0		0.0	0.0		80.0	
<p><b>Please Note: All components under District Support Services BRU are moved to Executive Administration BRU and all components under the Alaska State Library and Alaska State Museums are under the new BRU Alaska Library and Museums.</b></p>											

**Department of Environmental Conservation – FY 00 Increment Requests and Suggested Decrements:**

FY 99 Auth: \$12,748.4 (\$213.0-CH2 SLA 99) FY 99 BASE: \$12,535.4

GF Reduction: (\$ 1, 683.4) includes CIP receipts

*FY00 Increment Requests:*

\$2,425.9 for 15 new positions requested from following sources:

CIP Rcpts (470 Fund) :	\$352.1	(\$155.8)	Fund: \$196.3	(4 positions)
CIP Rcpts (FC&O)	\$ 64.0	(\$ 64.0)	Fund: \$0	(1 position)
CIP Rcpts	\$ 80.0	(\$ 80.0)	Fund: \$0	(1 position)
GF	\$180.0	(\$180.0)	Fund: \$0	(4 positions)
GF/Prgm	\$200.0	(\$200)	Fund: \$0	(1 position)
Fed Rcpts	\$1,150.0	(0)	Fund: \$1,150.0	(4 positions)
GF Match	\$150.0	(\$150.0)	Fund: 0	
Clean Wtr/ADWF	<u>\$249.8</u>	<u>(0)</u>	<u>Fund: \$249.8</u>	
<b>TOTALS:</b>	<b>\$2,425.9</b>	<b>(\$829.8)</b>	<b>DENIED Fund: \$1,596.1</b>	

**TOTAL GF NOT FUNDED:** (\$749.8)

Additional Subcommittee Decrements to Spill Prevention/Storage Tank Assistance:

CIP Rcpts (470 Fund) – Decrease the up front appropriation into the O/H Substance Prevention Account  
(\$580.3)

I/A Rcpts: (\$65.3) (disallow transfer of PCN to storage tank division)

470 Fund: (\$227.2) Decrease the up front appropriation into the O/H Substance Prevention Account

**TOTAL:** **(\$872.8)**

**TOTAL GF NOT FUNDED:** **(\$807.5)**

Administration

**Administrative Services** \$64.0 CIP Receipts Fund 1 new position  
\$50.0/personal services; \$8.0/contractual; \$1.0/commodities; \$5.0/equipment

- Rationale: Increased support for FC&O grants

Senate Chairman Recommendation: **Deny increment.**

**GF DECREMENT:**

Reduce budget by amount of 2 Information Officers: (\$126,093)

- Rationale: Although the positions are paid for with all types of funds, it is assumed the Division will make adjustments for its remaining employees.

Senate Chairman Recommendation: **Approve (\$126,093/GF) decrement**

Environmental Health

**Food Safety & Sanitation** \$180.0 GF \$150.0 GF/PR Fund 4 new positions  
\$222.9/personal services; \$28.0/travel; \$48.5/contractual; \$5.6/commodities/ \$25/equipment

- Rationale: Increase inspection frequency

Senate Chairman Recommendation: Deny \$330.0 increment; Approve \$1.471.0 statutory program receipts; legislation being introduced to create local option.



DEC/Facility Construction and Operations

Facility Construction and Operations

**Replacement of Fed Funds &  
Increased Loan Audit/Servicing**

\$9.0 Clean Wtr      \$240.8 ADWF

\$0/personal services; \$12.0/travel; \$235.8/contractual; \$1.0/commodities; \$1.0/equipment

- Rationale: To contract out loan accounting/auditing for Drinking Water Program

Senate Chairman Recommendation: **Approve increment**

**Increased Village Safe Water Project Management**

\$352.1/CIP Rcpts

\$267.8/personal services; \$40.3/travel; \$20.0/contractual; \$4.0/commodities; \$20.0/equipment

- Rationale: Management costs for increased projects due to increased Federal Village Safe Water money. DEC has agreed that it will seek contractual assistance to primarily handle the administrative work on 27 feasibility studies with communities. It is expected that the contractual line includes expenses for that work including travel. (NOTE: Division of Admin Services is seeking \$64.0 from CIP Rcpts. for increased administrative tasks due to increased VSW projects.)

Senate Chairman Recommendation: **Deny personal services increment (\$267.8); approve partial travel \$12.3; approve \$180.0/contractual; \$4.0/commodities; deny (\$20.0) equipment**

DEC/Spill Prevention & Response

Spill Prevention & Response: \$872.8 Decrement

**Storage Tank Program – Reduce from 30 employees to 15. Consolidate this program with Contaminated Sites Program. Deadline for compliance with UST program was Dec. 1998. \$5.0 million in the Operating Budget as grants to tank owners who have cleaned up their tanks.**

Personal Services: (\$65.3) I/A Receipts (disallow transfer of PCN into Storage Tank Program) Position stays within Industry Preparedness & Pipeline Operations  
(\$227.2) O/H Substance "470" Fund (decrease the up front appropriation into the O/H Substance Prevention Account by \$227.2)

(\$580.3) CIP Receipts (470 Fund) (decrease the up front appropriation into the O/H Substance Prevention Account by \$580.3)

Senate Chairman Recommendation: **Approve Decrement (\$872.8)**

New BRU: Local Emergency Planning Committees funded at FY 99 level: \$543.4

Senate Chairman Recommendation: **Approve new BRU and funding level**

**Department of Environmental Conservation  
Impact Statements in Response to  
Senate Finance Subcommittee Budget Proposals  
Date: April 13, 1999**

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

<b>Program Area:</b>	<b>Amount(s):</b>	<b>Source(s):</b>
Administrative Services	(64.0)	CIP

**Impact Analysis:**

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.

The Division of Administrative Services provides administrative support to Facility Construction and Operation for its grant programs. The number of grants being issued by FCO are increasing substantially. Requirements for frequency of payments are also being increased at the director of Legislative Audit.

Existing staff in Administrative Services are fully utilized.

The department will not be able to meet express payment requests and timelines for the FCO program without this increment.

<b>Program Area:</b>	<b>Amount(s):</b>	<b>Source(s):</b>
Administrative Services	(126.1)	GF

**Impact Analysis:**

Information officers are an essential part of the department's efforts to work closely, effectively and in partnership with the industry we regulate and the communities where we protect public health. Communication with the general public is a critical element of the public health and emergency response services in the Department of Environmental Conservation. Failure to communicate accurately and timely could result in the loss of human life or property. The two information officers in the Division of Administrative Services are responsible for external communications. The Department of Environmental Conservation must keep Alaskans and other consumers informed to help protect health

and resources from illness, contaminants, polluted water, oil spills, dirty air, vermin and disease associated with solid and hazardous waste, and contaminated foods of all types. Federal amendments to the safe drinking water act include a requirement to provide public information about public water systems.

Information officers develop communication plans for regulations and major permits. For regulations, this ensures that the packages have been ground truthed with the affected constituencies and are common sense based. These efforts have successfully reduced the number of appeals and adjudicatory hearing.

The department's information officers issue press releases and public service announcements on issues vital to the state such as:

- Spills of oil and hazardous substances;
- Safe food and public health alerts; (such as paralytic shellfish poisoning)
- Air quality advisories;
- Recycling, solid and hazardous waste;
- Contaminated soil and groundwater;
- Water quality;
- Permit and regulatory information; and
- Criminal deterrents to environmental crime.

The department's information officers are funded through the indirect cost allocation plan, thus only a portion of the costs are paid with general funds.

The department has had at least two, and many times more than two information officers since 1989. Actual numbers by year are:

1989	4
1990	7
1991	6
1992	6
1993	3
1994	3
1995	2
1996	2
1997	2
1998	2
1999	2
FY 2000 Request	2

**Program Area:**

**Amount(s):**

**Source(s):**

Food Safety and Sanitation	(180.0)	GF
	(150.0)	GFPR

**Impact Analysis:**

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 staff are typically young with a very high turn-over rate.

<b>Program Area:</b>	<b>Amount(s):</b>	<b>Source(s):</b>
Food Safety and Sanitation	(887.0)	GF
	(584.0)	GFPR
	1,471.0	Stat Desig

**Impact Analysis:**

This fund source change does not impact service delivery. A small increase in fees will be necessary.

<b>Program Area:</b>	<b>Amount(s):</b>	<b>Source(s):</b>
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.

<b>Program Area:</b>	<b>Amount(s):</b>	<b>Source(s):</b>
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.

<b>Program Area:</b>	<b>Amount(s):</b>	<b>Source(s):</b>
Water Quality	(150.0)	GF Match

**Impact Analysis:**

The department submitted an increment request for 150,000 in general fund match which would allow the state to capture 1,150,000 in federal funds. The sub committee 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.

<b>Program Area:</b>	<b>Amount(s):</b>	<b>Source(s):</b>
Storage Tank Program - Transaction #1	65.3 (65.3)	I/A Rcpts CIP Rcpts
Storage Tank Program – Transaction #2	(65.3)	I/A Rcpts
Storage Tank Program – Transaction #3	(227.2) (580.3)	Resp Fund CIP Rcpts

#### **Impact Analysis:**

The cumulative impact of these transactions is to reduce the Storage Tank Program by 872.8 and 15 positions, about half of the total staff.

#### **Underground Storage Tank Clean Up Program**

- eliminates the state financial assistance program for storage tank clean up;
- less sites will be cleaned up, contamination will grow and migrate; and
- lower priority storage tanks sites will not be cleaned up; no further action reports will not be issued; and the property will not be available for economic reuse or property transfer.

#### **Above Ground Storage Tanks**

- eliminates prevention program for releases at small capacity above ground tanks;
- eliminates state program to ensure compliance at facilities threatened with closure by the federal government;
- increases the likelihood that releases will pollute nearby surface and drinking water supplies; and
- eliminates upgrade of state owned above ground tanks.

#### **Board of Storage Tank Assistance**

- eliminates all funding for the board; and
- the department will settle any disputes, prioritize funding, and modify regulations without the assistance of the board.

<b>Program Area:</b>	<b>Amount(s):</b>	<b>Source(s):</b>
Industry Preparedness and Pipeline Operations	65.3	I/A Rcpts

**Impact Analysis:**

This transaction moves inter agency receipts which are not collectible and a PCN back to Industry Preparedness and Pipeline Operations. There is no impact on service delivery.

<b>Program Area:</b>	<b>Amount(s):</b>	<b>Source(s):</b>
Response Fund Administration	(543.4)	Resp Fund

**Impact Analysis:**

This transaction moves funding to a separate allocation and appropriation for Local Emergency Planning Committees. The effect of this transaction will be to increase administrative work to prepare and manage a stand alone budget with no apparent benefits.

<b>Program Area:</b>	<b>Amount(s):</b>	<b>Source(s):</b>
Local Emergency Planning Committees	543.4	Resp Fund

**Impact Analysis:**

This transaction moves funding to a separate allocation and appropriation for Local Emergency Planning Committees. The effect of this transaction will be to increase administrative work to prepare and manage a stand alone budget with no apparent benefits.

<b>Program Area:</b>	<b>Amount(s):</b>	<b>Source(s):</b>
Village Safe Water	(155.8)	CIP

**Impact Analysis:**

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 sub committee proposal suggests that the department accomplish this work with contracts rather than employees. The department will pursue contracts but can not state for sure that the contracting option will be successful.

**FY00 Senate Finance Subcommittee Recommendations--Environmental Conservation**

(\$000)

Allocation: 12,185.4  
 Subcommittee Report: 11,326.3  
 Over (under): -859.1

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>46,916.2</b>	<b>47,577.7</b>	<b>12,744.4</b>	<b>11,326.3</b>	<b>-1,422.1</b>	<b>20,704.0</b>	<b>21,636.6</b>	<b>13,462.8</b>	<b>14,612.8</b>
		<b>FY99 Supplemental</b>	<b>-213.0</b>		<b>-213.0</b>			<b>0.0</b>		<b>0.0</b>	
		<b>FY99 Base</b>	<b>46,702.2</b>		<b>12,531.4</b>			<b>20,704.0</b>		<b>13,462.8</b>	
		<b>FY00-FY99</b>		<b>875.5</b>		<b>-1,209.1</b>			<b>934.6</b>		<b>1,150.0</b>
		<b>% Change</b>		<b>1.87%</b>		<b>-9.65%</b>			<b>4.51%</b>		<b>8.64%</b>
Environmental Conservation	Administration	Office of the Commissioner	391.8	391.8	290.1	290.1	0.0	0.0	0.0	101.7	101.7
Environmental Conservation	Administration	Administrative Services	3,464.2	3,338.1	1,071.9	945.8	(126.1)	1,425.7	1,425.7	966.6	966.6
Environmental Conservation	Administration	E Exxon Restoration	630.2	630.2	0.0	0.0	0.0	630.2	630.2	0.0	0.0
Environmental Conservation	Environmental Health	Environmental Health Director	168.4	168.4	168.4	168.4	0.0	0.0	0.0	0.0	0.0
Environmental Conservation	Environmental Health	Animal Industries	697.9	0.0	316.1	0.0	(316.1)	0.0	0.0	381.8	0.0
Environmental Conservation	Environmental Health	Sealood and Sanitation Inspections	2,783.3	0.0	2,496.0	0.0	(2,496.0)	175.0	0.0	112.3	0.0
Environmental Conservation	Environmental Health	Food Safety & Sanitation	0.0	3,481.2	0.0	1,516.1	1,516.1	0.0	1,471.0	0.0	494.1
Environmental Conservation	Environmental Health	Laboratory Services	2,259.3	2,232.7	1,309.3	1,309.3	0.0	193.6	193.6	750.4	729.8
Environmental Conservation	Environmental Health	Drinking Water	3,764.6	3,814.6	1,503.1	1,503.1	0.0	0.0	0.0	2,261.5	2,311.5
Environmental Conservation	Environmental Health	Solid Waste Management	0.0	1,078.3	0.0	1,051.7	1,051.7	0.0	0.0	0.0	26.6
Environmental Conservation	Environmental Health	Municipal Solid Waste	740.1	0.0	740.1	0.0	(740.1)	0.0	0.0	0.0	0.0
Environmental Conservation	Environmental Health	Industrial Solid Waste	311.6	0.0	311.6	0.0	(311.6)	0.0	0.0	0.0	0.0
Environmental Conservation	Statewide Public Services	Statewide Public Services	1,801.5	1,751.5	202.6	202.6	0.0	742.3	742.3	856.6	806.6
Environmental Conservation	Air and Water Quality	Air and Water Director	462.1	462.1	209.9	209.9	0.0	252.2	252.2	0.0	0.0
Environmental Conservation	Air and Water Quality	Air Quality	4,840.2	4,840.2	1,202.8	1,202.8	0.0	2,034.1	2,034.1	1,603.3	1,603.3
Environmental Conservation	Air and Water Quality	Water Quality	4,777.3	5,927.3	1,784.7	1,784.7	0.0	785.2	785.2	2,207.4	3,357.4
Environmental Conservation	Spill Prevention and Response	Spill Prevention and Response Director	193.1	193.1	0.0	0.0	0.0	193.1	193.1	0.0	0.0
Environmental Conservation	Spill Prevention and Response	Contaminated Sites	4,911.8	4,911.8	0.0	0.0	0.0	2,618.1	2,618.1	2,293.5	2,293.5
Environmental Conservation	Spill Prevention and Response	Storage Tank Program	2,310.2	1,502.7	0.0	0.0	0.0	1,534.8	727.3	775.4	775.4
Environmental Conservation	Spill Prevention and Response	Industry Preparedness and Pipeline Operation	2,407.8	2,407.8	0.0	0.0	0.0	2,399.3	2,399.3	0.5	0.5
Environmental Conservation	Spill Prevention and Response	Prevention and Emergency Response	3,109.9	3,109.9	0.0	0.0	0.0	3,109.9	3,109.9	0.0	0.0
Environmental Conservation	Spill Prevention and Response	Response Fund Administration	2,185.5	1,642.1	0.0	0.0	0.0	2,185.5	1,642.1	0.0	0.0
Environmental Conservation	Local Emergency Planning Committees	Local Emerg Planning Committees	0.0	543.4	0.0	0.0	0.0	0.0	543.4	0.0	0.0
Environmental Conservation	Facility Construction and Operations	Facility Construction and Operations	4,704.8	5,150.7	1,141.8	1,141.8	0.0	2,425.0	2,871.1	1,137.8	1,137.8

**Senate Finance Subcommittee Closeout Summary  
FY 00 Operating Budget  
Department of Fish & Game**

The challenge of developing operating budgets within the constraints of the State's projected billion dollar fiscal deficit has required careful review of every program and expenditure within the department's budget. Working closely with the department staff, the subcommittee developed a budget that we believe satisfies the basic needs of Alaskans who depend on services provided by the Department of Fish & Game.

When Legislative leaders recognized last fall that oil prices were showing no sign of improvement, they asked the Governor to take steps immediately to reduce state services provided with general funds, and lessen the strain on the growing budget gap. In response, the Department of Fish & Game tightened its general fund spending by \$548,100. Because the revenue outlook for FY 00 is no less bleak, the Senate Finance subcommittee has asked the department to extend those reductions into FY 00.

**Commercial Fisheries** – The subcommittee increased the FY 00 Test Fisheries budget by \$2,647,500. After the department reduced its FY 99 general fund spending in the Commercial Fisheries Division by over \$400,000, the subcommittee extended that austerity measure into FY 00. Also the subcommittee gave the department authority to use federal funds and Fish and Game Funds to replace an additional \$767,300 reduction in Headquarters Fisheries Management. A proposed fee increase in commercial fishing crew licenses is expected to provide the necessary funding from the Fish & Game Fund.

**Glacier Bay Commercial/Subsistence Fishing Legal Defense** – The subcommittee eliminated this budget item with the expectation that a legal defense budget will not be necessary due to pending Congressional action.

**FY 99 austerity measures were extended into FY 00 in the following divisions:  
Wildlife Conservation \$-4,200; Administrative Services \$ 34,300.**

**Subsistence** – The subcommittee adopted a transfer from the Legal Defense budget unit into the Field Office component, increasing the budget by \$44,400. After numerous discussions about the potential transfer of management of navigable waters to the federal government, the subcommittee elected to maintain the subsistence division with the expectation that the department will collaborate with appropriate entities to provide necessary subsistence information in a cost effective manner.

**Sport Fish** – The subcommittee approved a \$530,000 net increase to the division with no change in the general fund spending level.

**Habitat** – The division's general fund spending remains unchanged from the FY 99 level.

**Commissioner's Office** – The division was funded at the current year's budget level.

**Department of Fish and Game  
Impact Statements in Response to  
Senate Finance Subcommittee Budget Proposals  
Date: April 14, 1999  
Prepared by: Kevin Brooks**

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
<b>Austerity Measures</b>	<b>(506.1) ( 42.0)</b>	<b>GF GFPR</b>
<b>Additional Changes to Commercial Fisheries</b>	<b>(767.3)</b>	<b>GF</b>
<b>Federal Funds Offset</b>	<b>383.6</b>	<b>Federal</b>
<b>Fish and Game Fund Offset</b>	<b>383.7</b>	<b>F&amp;G Fund</b>

**Impact Analysis:**

The Senate proposal continues the FY99 Austerity Measures cuts which 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.

It also cuts an additional \$767.3 from the Commercial Fisheries Management budget. This additional reduction is offset by a fish and game fund increase of \$383.7 to be derived from an increase in the cost of a crewmember license, and increased federal receipt authority. The crewmember license fee increase will require a statutory change.

The division is concerned that additional federal funds will not be available by July 1, if at all. A large proportion of its expenditures occurs during the first quarter of the fiscal year. If the department is unsuccessful in reaching a contractual funding agreement with the federal government, the Division of Commercial Fisheries would be forced to reduce spending by an additional \$383.6 in FY2000, on top of the \$412.0 austerity measures reduction. The division has already described the potential impacts of a \$412.0 reduction to its management and stock assessment programs. A \$795.6 reduction would result in much greater impacts. At a minimum several area offices around the state would be closed and many longstanding stock assessment and fishery monitoring programs would be greatly reduced or eliminated (see following narrative). In addition, the division would be forced to reduce staff involvement with the North Pacific Fishery Management Council and the Alaska Board of Fisheries.

## 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 Senate'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 Senate 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 Senate 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 general fund reductions are applied to the following components:**

<b>Commercial Fisheries – Southeast Region</b>	<b>(68.9)</b>	<b>GF</b>
<b>Commercial Fisheries – Central Region</b>	<b>(83.0)</b>	<b>GF</b>
<b>Commercial Fisheries – AYK Region</b>	<b>(65.8)</b>	<b>GF</b>
<b>Commercial Fisheries – Westward Region</b>	<b>(90.4)</b>	<b>GF</b>
<b>Commercial Fisheries – Headquarters</b>	<b>(831.4)</b>	<b>GF</b>
<b>Commercial Fisheries – Development</b>	<b>(39.8)</b>	<b>GF</b>
<b>Glacier Bay Legal Defense</b>	<b>(45.0)</b>	<b>GF</b>
<b>Wildlife Conservation</b>	<b>( 4.2)</b>	<b>GF</b>
<b>Administrative Services</b>	<b>(15.9)</b>	<b>GF</b>
<b>Boards of Fish and Game</b>	<b>(12.2)</b>	<b>GF</b>
<b>Boards Advisory Committees</b>	<b>( 6.2)</b>	<b>GF</b>
<b>Commissioner's Office</b>	<b>(10.6)</b>	<b>GF</b>
<b>Limited Entry Program Administration</b>	<b><u>(42.0)</u></b>	<b>GFPR</b>
<b>Total</b>	<b>(1,315.4)</b>	

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

**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.

# FY00 Senate Finance Subcommittee Recommendations--Fish & Game

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Allocation: 33,073.5  
 Subcommittee Report: 33,073.5  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	109,130.5	113,781.6	34,388.9	33,073.5	-1,315.4	42,048.4	46,760.9	32,693.2	33,939.2
		FY99 Supplemental	-548.1		-548.1			0.0		0.0	
		FY99 Base	108,582.4		33,840.8			42,048.4		32,693.2	
		FY00-FY99		5,199.2		-767.3			4,720.5		1,246.0
		% Change		4.78%		-2.27%			11.23%		3.81%
Fish and Game	Commercial Fisheries	Southeast Region Fisheries Management	5,492.0	5,952.5	4,284.9	4,284.9	0.0	678.2	1,138.7	528.9	528.9
Fish and Game	Commercial Fisheries	Central Region Fisheries Management	6,120.8	6,165.8	5,158.7	5,203.7	45.0	962.1	962.1	0.0	0.0
Fish and Game	Commercial Fisheries	AYK Region Fisheries Management	4,258.9	4,258.9	4,091.8	4,091.8	0.0	167.1	167.1	0.0	0.0
Fish and Game	Commercial Fisheries	Westward Region Fisheries Management	6,877.0	9,327.5	5,621.9	5,624.9	3.0	1,055.1	3,702.6	0.0	0.0
Fish and Game	Commercial Fisheries	Headquarters Fisheries Management	4,048.3	3,636.3	4,048.3	2,869.0	(1,179.3)	0.0	381.6	0.0	383.7
Fish and Game	Commercial Fisheries	Fisheries Development	2,475.0	2,427.0	2,475.0	2,427.0	(48.0)	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	0.0	3,745.6	3,285.1	7,225.7	7,620.7
Fish and Game	Commercial Fisheries	Capital Improvement/Position Costs	632.7	632.7	0.0	0.0	0.0	632.7	632.7	0.0	0.0
Fish and Game	Commercial Fisheries	EVOS Restoration Projects	1,112.8	626.2	0.0	0.0	0.0	1,112.8	626.2	0.0	0.0
Fish and Game	Glacier Bay Commercial/Subsistence Fishing	Glacier Bay Commercial/Subsistence Fishing Legal De	100.0	0.0	100.0	0.0	(100.0)	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	0.0	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	0.0	220.0	220.0	180.4	180.4
Fish and Game	Wildlife Conservation	Wildlife Conservation	15,246.1	16,676.2	299.2	295.0	(4.2)	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	0.0	338.0	368.0	2,551.3	2,551.3
Fish and Game	Wildlife Conservation	Capital Improvement/Position Costs	424.3	293.8	0.0	0.0	0.0	424.3	293.8	0.0	0.0
Fish and Game	Wildlife Conservation	EVOS Restoration Projects	539.4	539.4	0.0	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	0.0	200.7	200.7	0.0	0.0
Fish and Game	Wildlife Conservation	40 Mile Caribou Herd/GMU 19D Moose/Predator Mgm	236.1	0.0	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	0.0	135.7	135.7	0.0	0.0
Fish and Game	Administration and Support	Administrative Services	4,675.0	4,756.1	1,084.6	1,068.7	(15.9)	1,924.0	2,887.4	1,666.4	800.0
Fish and Game	Administration and Support	Boards of Fisheries and Game	915.0	903.6	745.9	733.7	(12.2)	169.9	169.9	0.0	0.0
Fish and Game	Administration and Support	Advisory Committees	376.1	369.9	376.1	369.9	(6.2)	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	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	0.0	41.9	81.9	258.6	218.6
Fish and Game	Subsistence	Subsistence	214.9	214.8	214.8	214.8	0.0	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	0.0	109.8	109.9	1,457.0	1,557.0
Fish and Game	Subsistence	EVOS Restoration Projects	563.8	563.8	0.0	0.0	0.0	563.8	563.8	0.0	0.0
Fish and Game	Subsistence Field Offices	Subsistence Field Offices	1,329.2	1,373.6	841.8	866.2	44.4	487.4	487.4	0.0	0.0
Fish and Game	Habitat	Habitat	1,169.3	1,648.3	160.3	160.3	0.0	541.8	1,281.7	467.2	206.3
Fish and Game	Habitat	Special Projects	1,489.3	2,692.8	38.0	38.0	0.0	925.4	1,701.8	525.9	953.0
Fish and Game	Habitat	Habitat Permitting/Title 16	2,405.7	2,627.0	1,610.8	1,610.8	0.0	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	0.0	6,601.0	4,621.0	0.0	0.0
Fish and Game	Limited Entry Program Administration	Limited Entry Program Administration	2,671.6	2,629.6	2,562.4	2,520.4	(42.0)	0.0	0.0	109.2	109.2

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

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

The subcommittee accepted the proposal from the Governor for FY 00 of 15,599.9. The Governor's FY 00 is reduced by 297.0 in "belt tightening" as follows:

**Component:** Executive Office  
**BRU:** Executive operations

Reduction of 98.6 in Governor's "belt tightening"

**Component:** Contingency Fund  
**BRU:** Executive operations

Reduction of 25.0 in Governor's "belt tightening"

**Component:** Lieutenant Governor  
**BRU:** Executive operations

Reduction of 19.5 in Governor's "belt tightening"

**Component:** Office of Management & Budget  
**BRU:** Office of Management & Budget

Reduction of 89.3 in Governor's "belt tightening"

**Component:** Governmental Coordination  
**BRU:** Office of management & Budget

Reduction of 26.6 in Governor's "belt tightening"

**Component:** Elective Operations  
**BRU:** Elections

Reduction of 30.0 in Governor's "belt tightening"

**Component:** Elective Operations  
**BRU:** General and Primary Elections

Reduction of 8.0 in Governor's "belt tightening"  
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**The Governor's FY 00 request was 15,599.9  
Less 297.0 belt tightening  
The recommendations by the subcommittee 15,302.8**

**FY00 Senate Finance Subcommittee Recommendations--Office of the Governor**

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Allocation: 15,302.8  
 SubCommittee Report: 15,302.8  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	22,296.3	18,776.8	10,203.8	15,302.8	-2,901.0	1,019.7	400.2	3,072.8	3,072.8
		FY99 Supplemental	-297.0		-297.0			0.0		0.0	
		FY99 Base	21,999.3		17,906.8			1,019.7		3,072.8	
		FY00-FY99		-3,223.5		-2,604.0			-619.5		0.0
		% Change		-14.65%		-14.54%			-60.76%		0.00%
Governor	Commissions/Special Offices	Human Rights Commission	1,458.4	1,458.4	1,307.9	1,307.9	0.0	0.0	0.0	150.5	150.5
Governor	Commissions/Special Offices	Alaska Human Resources Investment C	1,019.7	400.2	0.0	0.0	0.0	1,019.7	400.2	0.0	0.0
Governor	Executive Operations	Executive Office	6,658.6	6,560.0	6,548.6	6,450.0	(98.6)	0.0	0.0	110.0	110.0
Governor	Executive Operations	Governor's House	318.0	318.0	318.0	318.0	0.0	0.0	0.0	0.0	0.0
Governor	Executive Operations	Contingency Fund	500.0	475.0	500.0	475.0	(25.0)	0.0	0.0	0.0	0.0
Governor	Executive Operations	Liautanant Governor	894.0	874.5	894.0	874.5	(19.5)	0.0	0.0	0.0	0.0
Governor	Executive Operations	Equal Employment Opportunity	271.8	271.8	271.8	271.8	0.0	0.0	0.0	0.0	0.0
Governor	Executive Operations	Agencywide Reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Governor	Office of Intomational Trade	Office of International Trade	586.7	0.0	586.7	0.0	(586.7)	0.0	0.0	0.0	0.0
Governor	Office of Management & Budget	Office of Management and Budget	2,374.9	2,127.6	2,374.9	2,127.6	(247.3)	0.0	0.0	0.0	0.0
Governor	Office of Management & Budget	Governmental Coordination	4,277.3	4,250.7	1,465.0	1,438.4	(26.6)	0.0	0.0	2,812.3	2,812.3
Governor	Elective Operations	Elections	1,945.2	1,694.0	1,945.2	1,694.0	(251.2)	0.0	0.0	0.0	0.0
Governor	Elective Operations	General and Primary Elections	1,991.7	345.6	1,991.7	345.6	(1,646.1)	0.0	0.0	0.0	0.0

**Senate Finance Subcommittee on Health and Social Services  
Recommendations for FY '00 Budget**

**Senator Pete Kelly, Chair  
Senator Sean Parnell  
Senator Mike Miller  
Senator Kim Elton**

This narrative lists all changes in the DHSS budget made by the House Finance Subcommittee, as well as changes made in the Senate Finance Subcommittee. The House and Senate have accepted components not specifically mentioned here from the Governor's FY '00 budget.

- **Public Assistance**

All Public Assistance components were **fully funded** at the level requested by the Governor.

**Adult Public Assistance**, a state-funded program that provides cash assistance to needy, aged, blind and disabled persons, is **fully funded** at the Governor's request - \$2,249.4 over the FY '99 budget.

- **Medical Assistance**

**Full funding** of Denali Kid Care will provide increased health coverage for children and pregnant women.

In **Chronic Acute Medical Assistance**, was **fully funded** at the FY '99 level.

In **Medicaid Services**, the Governor's *increment* for Medicaid 'Base Program' Entitlement Increase of \$12,791.0 (\$4,000.0 GF) has been denied.

- **Medical Assistance Administration**

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

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**

**Foster Care components have been funded \$19,280.7 over the FY '99 budget.**

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 has been **fully funded**.

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 **Foster Care – Alaska Youth Initiative**, the Governor's request for \$876.0 (\$476.0 GF and \$400.0 GF/MH) was **fully funded**.

- **Purchased Services (continued)**

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 has been **fully funded**.

**Project Succeed**, an effort to find permanent homes for children in State custody has been **fully funded** at the Governor's level of \$800.0.

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 \$900.0 (\$497.0 GF). \$100.0 MHTAAR monies will be appropriated for training residential child care providers who assist special needs and developmentally disabled children in the community.

- **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. However, **full funding** to annualize the cost of the 28 social workers added in the FY '99 budget helps in our efforts to reduce child abuse and neglect.

The Governor's *increment* for Anchorage/Bethel/Sitka Lease and WAN Cost of \$421.2 (\$315.9 GF) has been **fully funded**.

- **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 FY'00 of \$433.5 GF has been denied, delaying the opening until FY'01.

- **Youth Corrections (continued)**

In the **Nome Youth Facility**, the Governor's increment for Annualizing the cost for new staff partially funded in FY'99 of \$101.0 GF has been **fully funded**.

In the **Johnson Youth Facility**, the Governor's increment for annualizing the cost for a 22 bed treatment unit approved in FY'99 of \$571.0 GF has been **fully funded**.

In the **Mat-Su Youth Facility**, the Governor's increment for Opening and Staffing the facility for the last three months of FY'00 of \$461.4 (\$456.4 GF) has been denied, delaying the opening until FY'01.

In **Probation Services**, the Governor's increments for establishing a new Division of Juvenile Justice of \$297.3 GF and for Restructuring Management (\$43.9 GF) have been denied.

- **Kawerak Social Services**

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

- **Human Services Community Matching Grants**

Human Services community Matching Grants were **fully funded**. The Governor's increment for replacing School Based Underfunding of \$387.7 GF has had a fund source change to I/A receipts. In addition, language was added to the front section of the budget which allows the Department to award grants in a timely manner if the federal receipts fall short of the estimate.

- **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 addition, language was added to the front section

- **State Health Services (continued)**

of the budget which allows the Department to award grants in a timely manner if the federal receipts fall short of the estimate.

In **Healthy Families**, the Governor's increment for Healthy Families Expansion of \$978.0 GF has been denied. \$100.0 MHTAAR funds have been accepted to conduct a Control Group Study. A reduction of \$388.5 GF will return the program to the FY '98 actual expenditure level.

In the **Bureau of Vital Statistics**, the Governor's increment for Anchorage and Fairbanks office rent of \$70.0 GF has been denied. In both locations the Court System must give the Department one-year's notice before asking them to relocate, and that notice has not been given.

In **Health Services/Medicaid**, the GF for the CHIP (Denali Kid Care) Outreach program increment is denied. The Outreach program has been funded in Medical Assistance Administration with a grant and federal funds.

In **Community Health/EMS Services**, the Governor's increment for an Administrative Assistant, Range 13 (\$73.6 GF) to maintain the Marijuana Registry of 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. The Department is encouraged to continue those grants and programs currently in place that address Tobacco Prevention and Control.

- **Alcohol and Drug Abuse Services**

In **Administration**, the Governor's increment for \$1,120.0 in federal receipts has been accepted. A reduction of \$781.1 GF in this component is due to the large federal increment for Administration. In addition, an increment for \$60.0 for a Project Assistant for Village Based MH and

Substance Abuse was denied. Despite the reductions, there is a **20% growth** to this component over FY '99.

- **Alcohol and Drug Abuse Services (continued)**

In **Alcohol and Drug Abuse Grants**, the Governor's *increments* totaling \$1,339.9 GF have been denied. The Governor's *increment* for Substance Abuse Treatment for Women has been partially funded with \$706.0 federal funds. Additionally, there has been a reduction of \$461.3 GF. This component has been funded at 91% of the Governor's request and allows for a 6% increase over the FY '99 authorized amount.

In **Rural Services Grants**, the Governor's *increment* for Village Based Mental Health and Substance Abuse Services was funded at \$540.4, or 97% of the \$555.0 that was requested.

- **Community Developmental Disabilities Grants**

Developmental Disability Institutional Prevention received an *increment* of \$649.8 over the FY '99 budget, to assist providers in addressing areas that they determine will have the most impact on the safety and quality of services that they deliver. The funds will be used to target recruitment, training and retention of highly qualified staff.

- **Unallocated Reductions**

The Austerity Program/Belt Tightening in the FY '99 Supplemental budget has been annualized into the FY '00 budget (\$1,146.3). In addition, there will be an unallocated reduction of \$200.0 to this component.

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

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DH&SS FY2000 Budget Senate Subcommittee Highlights .....	1
FY 2000 Medicaid Base Program .....	2
CAMA Entitlement and Service Level Restoration .....	4
Foster Care Base Rate Caseload Growth .....	5
Foster Care Special Needs Caseload Growth.....	6
Subsidized Adoption/Guardianship Caseload Growth.....	7
Emergency Shelter & Treatment Care for Children.....	8
New Child Protection Staff – Moving to Zero Tolerance.....	9
Dual Track Differential Response to Child Protection .....	10
Independent Living Program.....	11
Therapeutic Foster Care .....	12
Family and Youth Services Staff Training.....	13
Open & Staff 30 Bed Detention Expansion at MYC .....	14
Three months funding for New Mat-Su Youth Facility .....	15
Separate DFYS-Establish New Division of Juvenile Justice .....	17
Restructuring Management Based on Passage of HB 6 In FY99.....	18
Additional Social Worker for Caseload Growth .....	19
Reduce authorization to FY98 Actual Level.....	20
Healthy Family Expansion .....	22
Deny Increment for Lease Cost Increase .....	23
Marijuana Registry .....	24
State Medical Examiner: HB375 Pathologist/Child Health.....	25
Comprehensive State Tobacco Prevention & Control Initiative .....	26
Reduction for office efficiencies and reprioritize projects.....	28
Grant Reduction .....	29
Substance Abuse Treatment for Women.....	31
Fetal Alcohol Syndrome (FAS), Alcohol Related Neurodevelopmental Disabilities.....	33
Project Assistant for Village Based Mental Health & Substance Abuse Services.....	35
Village Based Mental Health & Substance Abuse Services .....	36
DD Institutional Prevention .....	37
Annualizing Belt Tightening/Austerity Program .....	38
Unallocated travel reduction .....	39

## DH&SS FY2000 Budget Senate Subcommittee Highlights

The Senate 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.
- 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.
- No additional funds for **tobacco control** means none of the money from the landmark tobacco settlement will go to community-based tobacco control efforts.
- Reductions to **Alcohol and Drug Abuse** general fund base will substantially reverse efforts to enhance accountability and program improvement, reduce grant funding, and reduce federal funding.
- No additional funding for **substance abuse treatment** for children and pregnant women, and no additional progress on the Fetal Alcohol Syndrome prevention agenda.
- **Developmental Disability Institutional Prevention** increment is short-funded by \$361,000
- Lack of funds for formula growth in **Medicaid** will require a supplemental or significant cost containment action.

BRU	Medical Assistance			
Component	Medicaid Services			
Reduction Title	FY 2000 Medicaid Base Program			
Reduction Description	Deny increment for Medicaid Base Program Entitlement			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate Diff
	Total	\$12,791.0	0.0	(\$12,791.0)
	GF	\$4,000.0	0.0	(\$4,000.0)
	Federal	\$8,791.0	0.0	(\$8,791.0)
	Other			

**Explanation of Impact:**

The Governor's FY2000 Request for Medicaid "Base Program" Entitlement is intended to cover the cost of providing health services to individuals who are expected to become enrolled in Medicaid coverage in FY00. Most the requested funds are needed for health care services associated with new elderly and persons with disabilities. These people represent the fastest growing Medicaid beneficiary groups and their health care costs are between four to five times higher than for the children who account for the balance of the anticipated new enrollees.

*FY99 Costs Applied to Persons Newly Eligible in FY00*

	Elderly	Disabled	Children	Adults	Totals
Total FY99 Costs - New Eligibles	\$1,886,005	\$7,118,239	\$1,592,996	(\$214,011)	\$10,383,228
New Eligibles - FY99 to FY00	189	565	736	-82	1,409
Budgeted per Eligible - FY99	\$9,968	\$12,590	\$2,164	\$2,622	\$7,368

The Governor's "Base Program" Request did not include projected increases for price and utilization changes. The Department had planned to finance the increases by continuing and expanding existing cost containment and cost avoidance strategies.

To achieve the proposed funding reduction will require a combination of reimbursement and service cuts that could include:

- ◆ Elimination of optional services currently covered for the elderly, disabled, and other adults including all of the following service categories:

<u>Service Category</u>	<u>Expenditures - Jan-Jun 98</u>
Adult Dental Services	\$ 878.3
Direct Entry Midwives	\$ 222.8
Speech/Language Therapy	\$ 65.8
Vision Services	\$ 547.0
Occupational Therapy	\$ 4.1
Screening Mammography	\$ 24.9

Prosthetics - Med Equipment	\$ 1,528.8
Mental Health Clinic Services	\$ 6,376.5
Drug Rehab Services	\$ 913.5
<b>TOTAL REDUCTION TO ACHIEVE TARGET</b>	<b>\$10,561.7</b>

- ◆ Reductions to provider reimbursement rates that would primarily affect hospital, nursing home, pharmacy, physician, mental health clinic, transportation and waivers services providers.
- ◆ Restricting eligibility for services such as creating and maintaining wait-lists for home and community-based waivers services.

Actions that require changes in regulations take much longer to implement. This means that the effective period for achieving cost reductions would be limited to the second half of FY2000, forcing proportionally higher cuts to meet the \$4,000.0 general fund match reduction.

Aggressive cost management actions are expected to impact access to services for all Medicaid beneficiaries as providers withdraw from the program or otherwise cease taking new Medicaid patients.

BRU	Medical Assistance			
Component	Chronic Acute Medical Assistance			
Reduction Title	<b>CAMA Entitlement and Service Level Restoration</b>			
Reduction Description	Reduce CAMA increment to FY99 funding level with supplemental.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate Diff
	Total	\$1,637.5	\$1,145	(\$492.5)
	GF	\$1,637.5	\$1,145	(\$492.5)
	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 Senate Finance Subcommittee reduces the Governor's Request for FY00 to the amount approved for the FY99 (with 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.

BRU	Purchased Services			
Component	Foster Care Base Rate			
Reduction Title	<b>Foster Care Base Rate Caseload Growth</b>			
Reduction Description	Deny full funding of increment necessary to provide adequate payments to foster families.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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 Senate Finance, would also have very negative effects on this and other formula programs.

BRU	Purchased Services			
Component	Foster Care Special Needs			
Reduction Title	<b>Foster Care Special Needs Caseload Growth</b>			
Reduction Description	Deny full funding of increment necessary to provide adequate payments to foster families.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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	<b>Subsidized Adoption/Guardianship Caseload Growth</b>			
Reduction Description	Deny full funding of increment necessary to provide adequate payments to adoptive homes..			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate Diff
	Total	\$2,440.8	\$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 o., 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	<b>Emergency Shelter &amp; Treatment Care for Children</b>			
Reduction Description	Deny increment for additional residential care beds.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate Diff
	Total	\$1,368.4	\$900.0	(\$468.4)
	GF	\$1,065.4	\$497.0	(\$568.4)
	Federal	\$303.0	\$303.0	0.0
	MHTAAR		\$100.0	\$100.0
	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
➤ Bethel	1 bed	\$173/day	\$ <u>63.1</u> annual cost
	Total Cost		\$1,115.8 annual cost

- **Without this funding, the number of residential care beds will be reduced and 25 children will be displaced and lose safe places to stay.** This calculation is based on an average daily cost of \$142.50 and an average stay of 90 days.

BRU	Front Line Social Workers			
Component	Front Line Social Workers			
Reduction Title	<b>New Child Protection Staff – Moving to Zero Tolerance</b>			
Reduction Description	Deny funding for all new child protection staff.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate Diff
	Total	\$2,156.9	0.0	(\$2,156.9)
	GF	\$1,769.8	0.0	(\$1,769.8)
	Federal	\$387.1	0.0	(\$387.1)
	Other			

**Explanation of Impact:**

- With no additional front line social workers, the division will continue to “workload adjust” – unable to respond to low risk reports of child abuse and neglect reported to them. The additional positions were proposed to be located as follows:
  - 3 Palmer
  - 3 Bethel
  - 6 Fairbanks
  - 11 Anchorage
  - 3 Kenai
  - 2 Other communities
- Children entering foster care will increase because the division will not be able to intervene at an earlier point in time. Family situations will worsen before intervention occurs, leaving removal from home and placement in foster care the only option.
- Caseloads for front line social workers will continue to be high, which means children in foster care will not be regularly checked for safety, children will have longer stays in 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	Family Preservation			
Reduction Title	<b>Dual Track Differential Response to Child Protection</b>			
Reduction Description	Deny annualization cost for the Mat-Su project and deny expansion of services to Bethel.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate Diff
	Total	\$672.9	0.0	(\$672.9)
	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	<b>Independent Living Program</b>			
Reduction Description	Deny increment for Independent Living program			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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	<b>Therapeutic Foster Care</b>			
Reduction Description	Reduce general fund increment to 50% match ratio for federal funds in the increment.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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	<b>Family and Youth Services Staff Training</b>			
Reduction Description	Deny increment for employee training.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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	<b>Open &amp; Staff 30 Bed Detention Expansion at MYC</b>			
Reduction Description	Delay opening 30 bed detention expansion at MYC			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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	<b>Three months funding for New Mat-Su Youth Facility</b>			
Reduction Description	Delay opening the new Mat-Su Youth Facility			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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 who 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



BRU	Youth Corrections			
Component	Probation Services			
Reduction Title	<b>Separate DFYS-Establish New Division of Juvenile Justice</b>			
Reduction Description	Deny funding for new Division of Juvenile Justice.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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	<b>Restructuring Management Based on Passage of HB 6 In FY99</b>			
Reduction Description	Deny increment			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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	<b>Additional Social Worker for Caseload Growth</b>			
Reduction Description	Deny increment for one social worker.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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	<b>Reduce authorization to FY98 Actual Level</b>			
Reduction Description	Reduce authorization to FY 98 actual level.			
Funding	Fund Source	Gov. Request	Senate	Gov./Senate Diff
	Total	\$1,684.2	\$1,295.7	(\$388.5)
	GF	\$1,402.0	\$1,013.5	(\$388.5)
	Federal			
	Other	\$282.2	\$282.2	0.0

Explanation of Impact:

\$978.0 GF of this reduction is increments to the Healthy Family Program and the impact is discussed in the next impact statement.

The Healthy Families Alaska program budget for FY 99 is \$1,686.0. This funding is distributed to eight entities to deliver services at the local level. The Kenai Parent Support Program is delivered through the state public health nursing program and the remainder through non-profit grantees. The chart below lists each program, the FY 98 and 99 budgets and the number of families served each year.

Healthy Families Ak Grantces	FY98 Funding	FY98 Served	FY99 Funding	FY99 Served
Anchorage Center for Families - Mt. View	\$250,000	41	\$250,000	42
Bristol Bay Native Association - Dillingham	\$184,000	19	\$184,000	29
Catholic Community Services - Juneau	\$297,000	60	\$297,000	50
Kenai Parent Support Program **	\$209,200	55	\$229,700	40
Mat-Su Services for Children and Adults - Wasilla	\$310,000	75	\$310,000	85
Resource Center for Parents and Children - Fairbanks	\$225,000	32	\$225,000	38
RurAL CAP - Bethel	\$150,000	16	\$150,000	13
Southcentral Foundation *** - Anchorage Native	\$40,000	12	\$40,000	12
<b>TOTAL</b>	<b>\$1,665,200</b>	<b>310</b>	<b>\$1,685,700</b>	<b>309</b>
* <i>Families Served</i> refers to the number of families enrolled in the program at a given point in time during the fiscal year.				
** The Parent Support Program has lost staff and been reorganized into teams, thereby reducing the number of families it is able to serve.				
*** Southcentral Foundation's New Beginnings Program serves 45 additional families with non-state funding.				

The local programs have experienced different degrees of stability in their staffing, different levels of success in acceptance by the families offered the service and other variables that determine both the efficiency and effectiveness of their individual program. Since there are certain basic overhead costs related to operating any program, any reduction in financial support must be managed so as to maintain the greatest amount of service to the greatest number of families

Currently the individual annual cost for serving a family at the local level varies from \$11,538 for one rural program to \$3,587 for the Mat-Su Valley program. The average statewide is \$5,455.

**Option One:** Reduce all grants and the state-operated Kenai program. This would not be the most prudent choice because administrative and management costs would remain in order to operate the individual programs. All reductions would have to be in the direct service component, thus reducing dramatically the efficiencies within the individual programs.

**Option Two:** Eliminate approximately two of the smaller programs. While this is a very difficult choice, from a perspective of retaining services to the greatest number of families and operating in the most cost-effective manner, this seems to be the most viable option.

**Summary:**

These options translate to services being reduced by minimum of 25 children to more than 40 children. The cost of providing intensive, home visitation services to families at risk of abuse and neglect is not cheap. However, the long term financial and the societal costs of not preventing the abuse and neglect is significantly greater.

BRU	State Health Services			
Component	Healthy Families			
Reduction Title	<b>Healthy Family Expansion</b>			
Reduction Description	Deny increment for Healthy Family Program			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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	Bureau of Vital Statistics			
Reduction Title	<b>Deny Increment for Lease Cost Increase</b>			
Reduction Description	Deny funds for anticipated lease costs in Anchorage and Fairbanks.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate Diff
	Total	\$70.0	0.0	(\$70.0)
	GF	\$70.0	0.0	(\$70.0)
	Federal			
	Other			

**Explanation of Impact:**

Space in Anchorage and Fairbanks for the continuation of BVS services has not been identified once the Court System moves into their new buildings in Anchorage and Fairbanks.

Services presently provided in Anchorage and Fairbanks could be provided through telephonic or mail service but would be at greater inconvenience to the many residents served by these two communities.

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	Senate	Gov./Senate 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	<b>State Medical Examiner: HB375 Pathologist/Child Health</b>			
Reduction Description	Deny GF increment for addition of a full-time forensic pathologist and clerk positions.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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 medial 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	<b>Comprehensive State Tobacco Prevention &amp; Control Initiative</b>			
Reduction Description	Deny increment for Tobacco Prevention and Control Initiative			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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	<b>Reduction for office efficiencies and reprioritize projects</b>			
Reduction Description	Decrease general fund base.			
Funding	Fund Source	Gov. Request	Senate	Gov./Senate Diff
	Total	\$3,264.7	\$2,472.6	(\$792.1)
	GF	\$403.9	0.0	(\$403.9)
	GF/MH	\$1,107.3	\$719.1	(\$388.2)
	Federal	\$1,597.5	\$1,597.5	0.0
	Other	\$156.0	\$156.0	0.0

Explanation of Impact:

The impact of this cut would be:

- Lay-off of 10-13 full-time positions, 6 in Anchorage and the balance in Juneau
- 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
- Limited resources for monitoring SYNAR, compliance with federal block grant requirements and data collection and analysis efforts which could result in loss of federal funds.

\$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	ADA Grants			
Reduction Title	<b>ADA Grant Reduction</b>			
Reduction Description	Reduce general fund base for Alcohol and Drug Abuse grants.			
Funding	Fund Source	Gov. Amd. Request	Senate	Gov./Senate Diff
	Total	\$19,247.8	\$18,786.5	(\$461.3)
	General Fund	\$12,234.2	\$11,772.9	(\$461.3)
	Federal	\$5,706.9	\$5,706.9	0.0
	Other	\$1,306.7	\$1,306.7	0.0

Explanation of Impact:

- The governor's request includes two increments, Substance Abuse Treatment for Women (\$850.0 GF/MH) and Fetal Alcohol Syndrome (FAS), Alcohol Related Neurodevelopmental Disabilities (\$489.9 GF/MH), the impact of deleting these increments is listed separately. The balance of the reduction is \$461.3 to the general fund base. This reduction will translate to a pro rata reduction of 4 percent to grantees.

Examples based on the proposed funding level:

Fairbanks Native Association.....	(\$44.2)
Salvation Army in Anchorage.....	(\$31.0)
Nugen's Ranch in Wasilla.....	(\$33.2)
City and Borough of Juneau.....	(\$37.3)
Municipality of Anchorage .....	(\$17.0)

- The federal block grant requires Maintenance of Effort (MOE) with state funds. The requirement is based on a two year average of state expenditures. This decrease will have no impact in FY 2000 but will result in decreases to the federal block grant in the future.. If state expenditures fall below the two year average, there is a dollar for dollar penalty.

FFY Apply	State Average	Years included	State Exp.	MOE Penalty
1998	\$19,863.9	SFY 95-96	\$21,535.5	\$1,671.6
1999	\$21,133.3	SFY 96-97	\$22,993.6	\$1,860.3
2000	\$22,031.8	SFY 97-98	\$22,031.8	0.0
2001	\$22,264.6	SFY 98-99	\$22,031.8	(\$232.8)
2002	\$22,513.2	SFY 99-00	\$22,031.8	(\$481.4)

- The federal block grant does not allow supplanting of state funds. 45 CFR part 96.134(a) states "...The Block Grant shall not be used to supplant State funding of alcohol and other drug prevention and treatment programs." All other federal funds in this component are funds from competitive applications and are to be used only for the programs designated in the application.

For FY 2000 those programs are:

- Alaska Women's Resource Center in Anchorage ..... \$677.2
- City and Borough of Juneau..... \$98.8
- Yukon Kuskokwim Health Corporation..... \$436.0

BRU	Alcohol and Drug Abuse Services			
Component	Alcohol and Drug Abuse Grants			
Reduction Title	<b>Substance Abuse Treatment for Women</b>			
Reduction Description	Deletes the general fund portion of this increment.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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:

<b>Treatment Type</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
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	<b>Fetal Alcohol Syndrome (FAS), Alcohol Related Neurodevelopmental Disabilities</b>			
Reduction Description	Delete increment for general fund support for FAS services.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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	Administration			
Reduction Title	<b>Project Assistant for Village Based Mental Health &amp; Substance Abuse Services</b>			
Reduction Description	Remove increment to fund an expansion of mental health and substance abuses services in rural Alaska.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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	Rural Services Grants			
Reduction Title	<b>Village Based Mental Health &amp; Substance Abuse Services</b>			
Reduction Description	Remove increment to fund an expansion of mental health and substance abuses services in rural Alaska.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate Diff
	Total	\$405.0	\$390.4	(\$14.6)
	GF/MH	\$405.0	\$390.4	(\$14.6)
	Federal			
	Other			

Explanation of Impact:

This decrease in requested funding will result in a marginal reduction of the village based services expansion.

BRU	Community DD Grants			
Component	Community DD Grants			
Reduction Title	<b>DD Institutional Prevention</b>			
Reduction Description	Reduce GF/MH increment.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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	<b>Annualizing Belt Tightening/Austerity Program</b>			
Reduction Description	Decrease general fund in the base for administrative functions department wide.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate 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

BRU	Administrative Services			
Component	Reduction will be allocated to components throughout the department.			
Reduction Title	<b>Unallocated travel reduction</b>			
Reduction Description	Decrease general fund for travel department wide.			
Funding	Fund Source	Gov. Inc. Request	Senate	Gov./Senate Diff
	Total		(\$200.0)	(\$200.0)
	GF and GF/MH		(\$200.0)	(\$200.0)
	Federal			
	Other			

**Explanation of Impact:**

This travel reduction is in addition to a \$1,146.3 of unallocated reduction. Much of the department's travel is entirely or partially funded from non-GF dollars. Matching federal amounts may also be lost based on the final distribution of the reduction at the component level.

**Impacts on this reduction include:**

- ◆ reduced direct services travel which will reduce the effectiveness of the delivery of some departmental provided services (as an example, itinerant nursing services)
- ◆ reduced client and consumer interaction
- ◆ reduced on-site technical training for providers and grantees
- ◆ reduced on-site training for department staff in locations outside of the larger urban areas

FY00 Senate Finance Subcommittee Recommendations--Department of Health and Social Services

(\$000)

Allocation: 435,534.9  
 SubCommittee Report: 435,811.1  
 Over (under): 276.2

Agency	BRU	Component	Total		GF Fund			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	938,018.3	997,063.1	428,353.3	435,811.1	10,457.8	73,208.8	81,861.6	439,458.2	480,020.7
		FY99 Supplemental	2,386.2		400.0			0.0		1,986.2	
		FY99 Base	940,352.8		425,762.3			73,208.8		441,421.4	
		FY00-FY99		56,700.1		10,058.8			8,042.7		38,599.3
		% Change		6.03%		2.36%			10.99%		8.74%
Health & S	Public Assistance	Alaska Temporary Assistance Prog	82,470.9	77,853.4	40,608.0	37,417.2	(3,188.8)	9,007.0	8,103.0	42,857.9	32,333.2
Health & S	Public Assistance	Adult Public Assistance	47,491.0	49,740.4	43,592.0	45,592.0	2,000.0	2,955.0	3,214.4	934.0	934.0
Health & S	Public Assistance	General Relief Assistance	1,041.9	1,041.9	1,041.0	1,041.9	0.0	0.0		0.0	
Health & S	Public Assistance	Old Age Assistance-Alaska Longev	2,088.1	1,907.2	2,098.1	1,907.2	(190.9)	0.0		0.0	
Health & S	Public Assistance	Permanent Fund Dividend Hold Hu	19,100.7	18,688.9	0.0	0.0	0.0	19,100.7	18,688.9	0.0	
Health & S	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 & S	Public Assistance	Tribal Assistance	0.0	2,405.2	0.0	2,108.7	2,108.7	0.0	296.5	0.0	
Health & S	Medical Assistance	Medicaid Services	390,021.6	417,128.9	130,359.8	135,099.8	5,540.0	1,876.8	1,588.5	265,785.2	279,640.6
Health & S	Medical Assistance	Chronic Acute Medical Assistance	0.0	3,045.0	0.0	3,045.0	3,045.0	0.0		0.0	
Health & S	Catastrophic and Chronic Illness Assistan	Catastrophic and Chronic Illness A	1,900.0	0.0	1,900.0	0.0	(1,900.0)	0.0		0.0	
Health & S	Public Assistance Administration	Public Assistance Administration	1,692.3	1,525.0	996.2	803.9	(192.3)	0.0		696.1	721.1
Health & S	Public Assistance Administration	Quality Control	995.9	965.9	484.6	479.6	(5.0)	0.0		511.3	486.3
Health & S	Public Assistance Administration	Public Assistance Field Services	22,698.9	23,842.6	11,087.2	11,065.9	(21.3)	674.7	1,463.0	10,935.0	11,313.7
Health & S	Public Assistance Administration	Fraud Investigation	1,163.4	1,120.8	548.0	526.7	(21.3)	0.0		615.4	594.1
Health & S	Public Assistance Administration	Public Assistance Data Processing	4,903.4	4,823.4	2,472.1	2,472.1	0.0	141.4	61.4	2,289.9	2,289.9
Health & S	Public Assistance Administration	Alaska Work Programs	10,395.2	0.0	3,819.6	0.0	(3,819.6)	360.0		6,215.6	0.0
Health & S	Public Assistance Administration	Work Services	0.0	13,715.2	0.0	3,819.6	3,819.6	0.0	360.0	0.0	9,535.6
Health & S	Public Assistance Administration	Child Care Benefits	23,712.8	40,453.7	6,104.3	6,104.3	0.0	0.0		17,608.5	34,349.4
Health & S	Medical Assistance Administration	Medical Assistance Administration	1,256.9	1,091.2	848.6	405.5	(243.1)	0.0		608.3	685.7
Health & S	Medical Assistance Administration	Medicaid State Programs	14,688.3	15,914.5	2,369.5	2,359.9	(9.6)	0.0		12,310.8	13,554.6
Health & S	Medical Assistance Administration	Health Purchasing Group	15,525.3	15,273.6	4,921.8	4,746.4	(175.4)	0.0		10,603.5	10,527.2
Health & S	Medical Assistance Administration	Certification and Licensing	1,055.0	1,063.0	379.8	383.6	4.0	0.0		675.4	679.4
Health & S	Medical Assistance Administration	Hearings and Appeals	364.8	364.9	139.3	182.3	43.0	85.8		139.7	182.6
Health & S	Medical Assistance Administration	Audit	622.6	631.0	327.0	331.2	4.2	92.8	92.8	202.8	207.0
Health & S	Medical Assistance Administration	Children's Health Eligibility	1,408.6	2,701.5	490.4	923.4	433.0	0.0	405.0	918.2	1,373.1
Health & S	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 & S	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 & S	Purchased Services	Foster Care Base Rate	7,884.8	8,360.8	8,352.2	6,590.2	238.0	0.0		1,532.6	1,770.6
Health & S	Purchased Services	Foster Care Augmented Rate	1,228.5	2,520.6	1,162.8	1,162.0	0.0	0.0	1,079.4	65.7	278.4
Health & S	Purchased Services	Foster Care Special Need	2,866.7	3,558.1	2,714.7	2,931.0	216.3	50.0	185.0	102.0	442.1
Health & S	Purchased Services	Foster Care Alaska Youth Initiative	876.0	876.0	876.0	876.0	0.0	0.0		0.0	
Health & S	Purchased Services	Subsidized Adoptions & Guardians	6,917.8	9,920.6	5,288.4	6,948.3	1,059.9	0.0	590.4	1,829.4	2,381.9
Health & S	Purchased Services	Residential Child Care	10,720.4	11,570.4	10,198.4	10,695.4	497.0	200.0	250.0	322.0	625.0
Health & S	Front Line Social Workers	Front Line Social Workers	17,064.3	18,560.8	7,703.2	8,784.7	1,081.5	491.7	491.7	8,869.4	9,284.4
Health & S	Family and Youth Services Management	Family and Youth Services Manage	4,815.8	4,443.8	2,366.6	1,747.8	(618.8)	186.1	186.1	2,203.1	2,509.9
Health & S	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 & S	Child Protection Legal Assistance	Office of Public Advocacy	185.0	185.0	185.0	185.0	0.0	0.0		0.0	
Health & S	Child Protection Legal Assistance	Public Defender Agency	255.0	255.0	255.0	255.0	0.0	0.0		0.0	
Health & S	Youth Corrections	McLaughlin Youth Center	10,166.0	10,166.0	9,886.8	9,886.8	0.0	279.2	279.2	0.0	
Health & S	Youth Corrections	Fairbanks Youth Facility	2,820.1	2,820.1	2,751.1	2,751.1	0.0	69.0	69.0	0.0	

Health & S/Youth Corrections	Home Youth Center	574.5	675.5	574.5	675.5	571.0	0.0	24.0	24.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Johnson Youth Center	1,929.6	2,500.8	1,805.8	2,476.8	571.0	0.0	24.0	24.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Battell Youth Facility	1,940.7	1,903.3	1,903.3	1,903.3	0.0	37.4	37.4	37.4	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Mali-Su Youth Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Probation Services	6,239.7	7,390.2	6,114.1	6,558.8	444.7	125.6	125.6	125.6	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Human Services Community Matri	1,751.9	1,751.9	445.9	445.9	0.0	1,306.0	1,306.0	1,306.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Human Services Community Matri	843.9	843.9	843.9	843.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Mental Health Services	901.3	901.3	901.3	901.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Mental Health and Drug Abuse S	983.1	983.1	983.1	983.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Mental Health and Drug Abuse S	350.0	350.0	350.0	350.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Nonon Sound Social Services	62.2	62.2	62.2	62.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Nonon Sound Public Health Serv	1,370.2	1,370.2	1,370.2	1,370.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Nonon Sound Alcohol and Drug Ab	540.0	540.0	540.0	540.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Nonon Sound Mental Health and C	402.4	402.4	402.4	402.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Nonon Sound Sanitation	96.3	96.3	96.3	96.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Southeast Alaska Regional Health	120.1	120.1	120.1	120.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Southeast Alaska Regional Health	331.4	331.4	331.4	331.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Southeast Alaska Regional Health	125.2	125.2	125.2	125.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Southeast Alaska Regional Health	372.7	372.7	372.7	372.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Kenai Social Services	239.3	239.3	239.3	239.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Tanaa Child Conference Public H	497.5	497.5	497.5	497.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Tanaa Child Conference Alcohol	534.0	534.8	534.8	534.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Tanaa Child Conference Mental	186.6	186.6	186.6	186.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Tripp-Held Social Services	11.9	11.9	11.9	11.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Tripp-Held Alcohol and Drug Ab	907.4	907.4	907.4	907.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Yukon-Kuskokwim Health Corporat	959.3	959.3	959.3	959.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Yukon-Kuskokwim Health Corporat	907.4	907.4	907.4	907.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Yukon-Kuskokwim Health Corporat	13,549.3	14,616.0	8,395.7	8,395.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Yukon-Kuskokwim Health Corporat	20,542.2	20,542.2	0.0	0.0	0.0	4,198.1	5,204.8	1,015.5	1,115.5	1,115.5	0.0	0.0
Health & S/Youth Corrections	Women, Infants and Children	9,730.2	11,459.0	2,224.8	2,224.8	0.0	3,700.0	3,700.0	16,842.2	16,842.2	16,842.2	0.0	0.0
Health & S/Youth Corrections	Maternal, Child, and Family Health	1,691.2	1,295.7	1,022.0	1,013.5	(388.5)	1,733.8	2,020.6	5,771.5	7,213.2	7,213.2	0.0	0.0
Health & S/Youth Corrections	Healthy Families	809.0	936.4	504.9	132.3	(372.6)	182.2	282.2	77.0	304.1	804.1	0.0	0.0
Health & S/Youth Corrections	Public Health Administrative Ser. &	8,211.8	7,391.9	2,076.7	2,076.7	0.0	405.5	455.6	5,729.8	4,859.6	4,859.6	0.0	0.0
Health & S/Youth Corrections	Epidemiology	1,412.8	1,412.8	878.8	878.8	0.0	27.3	285.3	248.7	248.7	248.7	0.0	0.0
Health & S/Youth Corrections	Bureau of Vital Statistics	1,851.1	3,222.0	0.0	0.0	0.0	1,551.1	3,222.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Health Services/Physicid	2,681.7	3,019.7	884.4	777.5	93.1	326.5	326.4	1,670.8	1,915.8	1,915.8	0.0	0.0
Health & S/Youth Corrections	Community Health/Emergency Me	1,596.1	1,596.1	1,246.1	1,246.1	0.0	0.0	0.0	350.0	350.0	350.0	0.0	0.0
Health & S/Youth Corrections	Emergency Medical Services Gran	1,760.1	1,760.1	1,710.1	1,710.1	0.0	50.0	50.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	State Medical Examiner	1,074.5	1,074.5	1,074.5	1,074.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Initial Learning Program Grants	5,052.6	5,052.6	4,721.9	4,721.9	0.0	330.7	330.7	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Public Health Laboratories	2,846.6	2,846.6	2,165.1	2,165.1	0.0	0.0	0.0	468.0	213.5	213.5	0.0	0.0
Health & S/Youth Corrections	Radiological Health	284.6	284.6	136.2	136.2	0.0	0.0	0.0	148.4	148.4	148.4	0.0	0.0
Health & S/Youth Corrections	Tobacco Prevention and Control	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Alcohol and Drug Abuse Services	2,069.7	2,483.6	1,511.2	730.1	(781.1)	81.0	156.0	477.5	1,597.5	1,597.5	0.0	0.0
Health & S/Youth Corrections	Alcohol and Drug Abuse Services	1,093.6	1,093.6	1,093.6	1,093.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Alcohol and Drug Abuse Services	18,218.8	19,492.5	12,234.2	11,772.9	(461.3)	1,703.1	1,306.7	4,281.3	6,412.9	6,412.9	0.0	0.0
Health & S/Youth Corrections	Community Grant - Prevention	0.0	2,500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Community Action Against Substa	177.3	177.3	177.3	177.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Correctional AOA Grant Services	563.6	563.6	563.6	563.6	0.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Rural Services Grants	2,355.6	2,746.0	2,205.6	2,596.0	390.4	1,500.0	233.6	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	General Community Mental Health	1,013.7	1,007.4	773.8	773.8	0.0	239.9	233.6	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Psychiatric Emergency Services	7,005.4	6,510.9	6,005.4	6,005.4	0.0	1,000.0	426.3	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Services to the Chemically Mental	11,227.7	11,406.7	10,801.4	10,801.4	0.0	426.3	426.3	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Designated Evaluation and Treatm	1,046.3	2,143.3	1,046.3	1,046.3	0.0	0.0	0.0	1,350.0	1,097.0	1,097.0	0.0	0.0
Health & S/Youth Corrections	Community Mental Health Grants	7,556.4	7,556.4	6,218.4	6,218.4	0.0	1,337.0	852.4	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Community Mental Health Grants	19,389.3	20,039.1	18,581.9	19,167.7	604.8	807.4	852.4	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Community Mental Health Grants	4,316.3	4,835.7	2,837.5	2,673.3	(164.2)	1,446.2	1,937.3	32.6	225.1	225.1	0.0	0.0
Health & S/Youth Corrections	Community Developmental Disab	14,841.9	15,986.6	1,763.2	2,126.4	363.2	13,078.7	13,870.2	0.0	0.0	0.0	0.0	0.0
Health & S/Youth Corrections	Alaska Psychiatric Institute	2,298.6	2,359.6	0.0	0.0	0.0	250.1	321.1	2,048.5	2,048.5	2,048.5	0.0	0.0
Health & S/Youth Corrections	Federal Mental Health Projects	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Health & S	Mental Health Trust Boards	Alaska Mental Health Board	416.8	468.4	366.8	342.9	(24.0)	50.0	125.5	0.0	
Health & S	Mental Health Trust Boards	Governor's Council on Disabilities	979.5	1,690.5	15.0	10.0	(5.0)	543.0	726.0	421.5	954.5
Health & S	Mental Health Trust Boards	Advisory Board on Alcoholism and	311.2	294.4	311.2	294.4	(16.8)	0.0		0.0	
Health & S	Administrative Services	Unallocated Reduction	0.0	(200.0)	0.0	(200.0)	(200.0)	0.0		0.0	
Health & S	Administrative Services	Commissioner's Office	787.6	912.1	312.3	312.3	0.0	135.6	260.1	339.7	339.7
Health & S	Administrative Services	Personnel and Payroll	1,103.9	1,302.0	737.8	737.8	0.0	237.0	345.1	219.1	219.1
Health & S	Administrative Services	Administrative Support Services	3,023.8	3,342.3	1,949.5	2,002.1	52.6	246.9	308.4	825.4	1,031.8
Health & S	Administrative Services	Health Planning & Facilities Manag	926.6	981.9	233.8	181.2	(52.6)	565.3	709.3	127.5	91.4
Health & S	Administrative Services	COMMUNITY PARTNERSHIPS FOR ACCES	25.0	25.0	25.0	25.0	0.0	0.0		0.0	
Health & S	Children's Trust Programs	Children's Trust Programs	365.0	345.7	0.0		0.0	365.0	345.7	0.0	
Health & S	Facilities Maintenance	Facilities Maintenance	0.0	2,584.9	0.0		0.0	0.0	2,584.9	0.0	

**Senate Finance Subcommittee  
Department of Labor  
Recommendations for FY 00 Budget**

Senator Lyda Green, Subcommittee, Chair

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

The subcommittee work is based on growth from the FY99 authorized budget including Supplemental Appropriation, passed in March 1999. Components not mentioned below are funded at the Governor's FY00 request. The subcommittee also accepted the total position and funds transfer from the renamed Alaska Works Program to Work Services in the Employment Security BRU.

**Component:** Commissioner's Office  
**BRU:** Office of the Commissioner

Deleted Special Assistant to the Commissioner PCN:07-1003. Position is currently vacant. Total general fund decrement is \$103.3.

Funding transfer for Internal Auditor to Commissioner's Office was accepted.

**Component:** Wage & Hour Administration  
**BRU:** Labor Standards & Safety

Decrement to personal services line in the amount of \$88.0 with 2 positions deleted. The choice of elimination of two positions is left to the discretion of the department.

**Component:** Workers' Compensation  
**BRU:** Workers' Compensation

Decrement to personal services line for \$36.0 (position change from PFT to PPT).  
Decrement to contractual line for 20.0.

**Component:** Labor Market Information  
**BRU:** Administrative Services

Decrement to personal services for \$55.0 and one position (eliminates Labor Economist II).

**Component:** Management Services  
**BRU:** Administrative Services

Decrement to personal services for \$13.1 (downgrades a position when it becomes vacant).

**Component:** Mechanical Inspection  
**BRU:** Labor Standards & Safety

Denied an increment of \$80.0 for Fairbanks boiler inspector.

Decrement to personal services in the amount of \$122.5 with 2 positions being eliminated and a miscellaneous decrement of \$36.2. The choice of elimination of two positions is left to the discretion of the department.

The subcommittee's general fund allocation was \$7,847.1.  
The recommendations by the subcommittee total \$7,847.1.

**Department of Labor  
Impact Statements in Response to  
Senate Finance Subcommittee Budget Proposals  
Date: 4/14/99  
Prepared by: Remond Henderson, Director of ASD**

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
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 and to complete special projects for the Commissioner and the Governor. The position was also going to represent the Department of Labor on the Salmon Cabinet and other policy cabinets, serve as a back-up for legislative liaison duties, and handle constituent inquiries and complaints.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Wage and Hour	(88.0)	GF

**Impact Analysis:**

This reduction will result in the elimination of two Wage & Hour Technicians. The technicians handle all notifications of obligations to contractors on public works projects,

disseminate information to contractors, set up projects for monitoring, file all certified payroll received, conduct audits on certified payrolls and collect prevailing wages for payroll errors discovered in those audits. These functions would cease with the elimination of these positions. No audits of certified payrolls will be performed except by an investigator in conjunction with a formal investigation or complaint. Collections for underpaid workers, generated by technicians as a result of enforcement actions the technicians also initiate, will disappear. Historically this has amounted to approximately 15 to 20% of the total Title 36 collections which exceeded \$1.3 million in FY 98.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Labor Market Information	(55.0)	GF

**Impact Analysis:**

This is the first of a number of reductions to address the 124.1 of austerity reductions taken by the Executive Branch in FY 99 and extended by the Senate Finance Subcommittee in FY 2000. This particular reduction will result in the elimination of Labor Economist II position located in Juneau. This position is the primary support for the state demographer and the Population Estimates and Projections for the state. The individual compiles and maintains nearly all of the databases used in the annual production of population estimates and projections for the state. The individual in this position also provides basic information to the US Census Bureau that is used to maintain the state's position in the Federal State Cooperative for Population Estimates (FSCPE).

The work described above will have to be performed by a professional which will cause a delay in providing population estimates and projections when and where required.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source:</b>
Workers' Compensation	(36.0) (20.0)	GF GF Prgm Receipt

**Impact Analysis:**

This reduction also responds to the Senate Finance Subcommittee's FY 00 austerity reduction of 124.1. This particular reduction of 56.0 translates into 36.0 GF reduction, or one half of one hearing officer position, and a 20.0 reduction of GF Program Receipt authority.

The one half reduction of the hearing officer position translates into a loss of approximately 8.4% of the hearing officer staffing. The hearing officers act as the Commissioner's designee on panels of the Workers' Compensation Board. The Board

must make decisions when there is a contested case between an employee and an employer in regards to workers' compensation claims. The Board must hold hearings, render decisions, issue decisions and orders and approve or deny compromise and releases in regards to disputed cases. The hearing officer aids the Board in the application of the appropriate statutory, regulatory and case law that applies to a specific case and is in charge of writing decisions and orders pursuant to Board panel deliberations.

This will result in a reduction of approximately 8.4% of our abilities to conduct formal hearings, compromise and release hearings and processing of compromise and releases (settlements).

The current workload will remain the same but our ability to perform the statutory duties will be reduced. This will result in delays in obtaining a hearing date, decisions being rendered and compromise and releases being approved. The ultimate result will mean compensation payments to disabled injured workers, who often have no income, will be delayed.

The program receipt reduction is the equivalent of the FY99 reductions this division absorbed as a result of the Governor's austerity program. This was accomplished by absorbing this reduction in the Contractual and Supply lines.

<b>Program Area</b>	<b>Dollar Amount</b>	<b>Fund Source</b>
Management Services	(13.1)	GF

**Impact Analysis**

This reduction also responds to the Senate Finance Subcommittee's FY 00 austerity reduction of 124.1. This particular reduction will result in the downgrading of a full time position when a position becomes vacant.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Mechanical Inspection	(158.7) ( 80.0)	GF GF Prgm Receipt

**Impact Analysis:**

This reduction will result in the loss of two existing positions and one newly requested position with the following impact.

### Kenai Electrical Inspector and associated costs

The loss of this existing 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.

### Juneau Elevator Inspector

The loss of this existing position will result in elevator inspections changing from an annual to a biennial schedule through regulation change. This will expose the public to an increased potential for hazardous installations that will be undetected. One inspector can reasonably inspect about 250 units in a year. Biennial inspections may result in a higher incidence of accidents involving lifts, elevators, and/or escalators. However, older or problem elevators will continue to be inspected annually.

### Fairbanks Boiler/Pressure Vessel Inspector

A new Boiler/Pressure Vessel Inspector position and associated costs was requested in the FY 00 budget request for the Fairbanks regional office. The position was requested to keep up with the current inspection workload and help alleviate an existing backlog of boiler/pressure vessel inspections. Funding for this position was to be based on hourly fees for special inspections required by regulation. As a result of the denial of this request for a new position, the backlog of boiler/pressure vessel inspections will not be addressed nor will there be any assistance with the current inspection workload.

# FY00 Senate Finance Subcommittee Recommendations--Labor

(S000)

Allocation: 7,847.1  
 SubCommittee Report: 7,847.1  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	57,508.5	57,662.0	8,321.2	7,847.1	-474.1	15,028.0	14,955.6	34,159.3	34,859.3
		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		277.6		-350.0			-72.4		700.0
		% Change		0.48%		-4.27%			-0.48%		2.05%
Labor	Employment Security	Employment Services	9,906.6	11,009.2	0.0	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	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	(130.9)	1,742.5	0.0	0.0	0.0
Labor	Employment Security	Work Services	0.0	1,720.1	0.0	130.9	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	0.0	4,046.1	4,046.1	0.0	0.0
Labor	Data Processing	Data Processing	4,587.5	5,298.8	0.0	0.0	0.0	1,508.4	1,540.1	3,079.1	3,758.7
Labor	Administrative Services	Management Services	2,223.0	2,317.0	288.2	260.1	(28.1)	123.3	172.7	1,811.5	1,884.2
Labor	Administrative Services	Labor Market Information	3,359.6	2,919.1	561.9	506.9	(55.0)	1,546.2	1,160.7	1,251.5	1,251.5
Labor	Office of the Commissioner	Commissioner's Office	476.5	467.3	471.0	383.2	(88.3)	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	0.0
Labor	Fishermens Fund	Fishermens Fund	1,301.0	1,301.0	0.0	0.0	0.0	1,301.0	1,301.0	0.0	0.0
Labor	Workers' Compensation	Workers' Compensation	5,362.2	2,478.7	2,489.7	2,433.7	(56.0)	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	0.0	2,858.9	0.0	0.0
Labor	Labor Standards and Safety	Wage and Hour Administration	1,409.1	1,321.1	1,387.5	1,299.5	(88.0)	21.6	21.6	0.0	0.0
Labor	Labor Standards and Safety	Mechanical Inspection	1,836.1	1,681.3	1,429.5	1,270.8	(158.7)	406.6	410.5	0.0	0.0
Labor	Labor Standards and Safety	Occupational Safety and Health	2,931.4	2,931.4	1,131.1	1,131.1	0.0	23.1	23.1	1,777.2	1,777.2
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	0.0

## MEMORANDUM

To: Senator Sean Parnell  
Co-Chair, Senate Finance Committee

From: Senator Dave Donley, Chair  
Senator Tim Kelly  
Senator Johnny Ellis  
Department of Law Operating Budget Subcommittee

Re: Subcommittee Close-out Report for the Department of Law

Date: April 13, 1999

The Senate GF target for the Department of Law is \$26,067,800. The subcommittee met its target and closed at \$26,067,800. The attached spreadsheet indicates subcommittee action during the close-out on April 12 and a narrative of committee action is listed below.

### Criminal Division

In the **Third Judicial Anchorage Office**, a new prosecutor (\$145,000) has been funded.

In the **Third Judicial Anchorage Office**, the Governor's increment for one paraprofessional (\$95,700) has been accepted.

### Civil Division

In the **Deputy Commissioner's office**, the Governor's General Fund request has been reduced by (\$125,000). It is the intent of the subcommittee that this reduction apply to all sections of the division.

In the **Environmental Law** section, the Governor's General Funds/Programs Receipts request has been reduced by (\$100,000).

In the **Fair Business Practices** section, the Governor's increment (\$190,000) for one attorney, one half-time paraprofessional and one half-time secretary has been denied.

Senator Parnell  
Page 2  
April 13, 1999

An increment (\$180,000) in statutory designated receipt authority to increase consumer protection enforcement has been accepted.

In the **Governmental Affairs** section, the Governor's General Fund request has been reduced by (\$95,700).

In the **Human Services** section, the Governor's increment (\$291,000) for two attorneys has been accepted.

In the **Human Services** section, the Governor's increment for the annualization of positions hired in FY'99 has been accepted.

In the **Mental Health Lands** section, the Governor's General Fund request has been reduced by (\$47,000).

#### **Statehood Defense**

In this BRU, the Governor's General Fund request has been reduced by (\$25,000).

#### **Oil and Gas Litigation and Legal Services**

In the **Oil and Gas Litigation** section, the Governor's General Fund request has been reduced by (\$628,000). Additionally a fund source switch of \$983,500 from General Funds to Permanent Fund Corporate Receipts has been accepted.

In the **Oil and Gas Legal Services** section, the Governor's General Fund request has been reduced by (\$80,000). This \$80,000 reduction is a deletion of one vacant position and one telephone line.

If you have any questions, contact James Armstrong of my staff at 3887.

Attachment:     one

cc:             Kathryn Daughhete, Department of Law  
                  Phil Okeson, Legislative Finance Division

**Department of Law  
Impact Statements in Response to  
Senate Finance Subcommittee Budget Proposals  
Date: April 15, 1999  
Prepared by: Kathryn Daughhete**

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Civil Division Deputy Attorney General	(\$125.0)	GF

**Impact Analysis:**

This unallocated reduction would allow just \$77.8 in funds in this component. The subcommittee proposed this decrement to provide a large part of the funding for an increment of \$145.0 to the Criminal Division, Anchorage District Attorney's Office, in order to add an additional prosecutor position. The governor's budget does not include a request for an additional prosecutor for the Third Judicial District and the Department of Law does not support this approach to providing additional positions to the prosecution effort.

The Deputy Attorney General component consists of just two positions (the Deputy Attorney General for the Civil Division and a secretary). This reduction simply cannot be sustained. The Deputy Attorney General is the chief of operations for the agency, and as such, is critical to the goals and objectives of not only the Civil Division, but also the agency as a whole. The department will be forced to examine all of its general fund resources in order to restore the reduction to this component. Restored funding will occur at the expense of some other effort the Civil Division currently undertakes with general funds as detailed in the impact analysis for the Governmental Affairs program area.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Civil Division Governmental Affairs	(\$95.7)	GF

**Impact Analysis:**

This decrement reduces funding in order to fund a paralegal for the Criminal Division, Anchorage District Attorney's Office, requested by the department as part of the governor's Smart Start initiative. The offsetting decrement in this component, if carried

out, would require a reduction in attorney staff. The department does not support and cannot sustain additions to the Criminal Division budget at the expense of funding in the Civil Division.

The Governmental Affairs section provides legal assistance needed for governmental management, including budget, public finance, elections, employment, labor relations, civil rights, procurement, retirement programs, Medicaid rate disputes and investment of treasury and Permanent Fund Corporation funds, Alaska Industrial Development and Export Authority (AIDEA) and the Alaska Public Offices Commission (APOC). Additionally, legal assistance is provided for problems associated with institutional relationships within state government, including the separation of powers between the branches of government and interaction between the state and local governments. Even without this decrement this component's funding is barely adequate - the department is constantly forced to try to seek additional interagency receipts from those agencies requesting legal assistance. A reduction of this magnitude will severely impact the entire component.

As a result of reduced funding, the department may be forced to settle employment cases short of litigation, or very early in the litigation process, at a potentially higher cost to the state. Also, legal advice related to procurement, contracts and employment matters which has heretofore been provided by attorney staff in the Governmental Affairs section on behalf of the criminal justice agencies, may need to be transferred to Criminal Division attorney staff.

Again, the department may have to examine all of its general fund resources in order to restore the reduction to this component. Taken in conjunction with the reductions proposed by the Senate subcommittee in the Deputy Attorney General and Mental Health Lands components (to fund the prosecution position which the department did not request), this reduction could force a total reduction of two general fund attorney positions. Restored funding will occur at the expense of some other effort the Civil Division currently undertakes with general funds. The impact of reduced legal services will affect one or more of the following agencies: Administration (labor relations, leasing, and motor vehicles), Commerce (trade and development, banking and securities, alcohol and beverage control), Fish and Game (Boards of Fish, Game and other agency issues), Health and Social Services (child protection and juvenile delinquency), Natural Resources (land, water, mining and forestry), executive branch issues in governmental coordination, elections, and the APOC. Additionally, legal services related to consumer protection/antitrust, budgeting, public finance, treasury, general labor relations and personnel may be reduced.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Civil Division Fair Business Practices	(\$190.0)	Tobacco Settlement Revenue
	\$180.0	Statutory Designated Program Receipts

**Impact Analysis:**

This decrement and offsetting increment will substitute revenues from the multistate tobacco settlement award with statutory designated program receipts. The increment was requested in order to increase the level of consumer protection and antitrust services the department provides to protect consumers and ensure market competition in Alaska. The replacement funding is a restricted revenue funding source and will allow the department to increase its efforts in consumer protection to the extent that it is able to obtain amounts from settlements and awards.

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.

It is the department's position that language in agreements directing that some amount of a consumer protection settlement or award be directed to the State's consumer/antitrust effort, meets the definition of statutory designated program set forth in AS 37.05.146. Should the department not receive this increment, no additional resources will be available to fund consumer protection in FY 2000.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Mental Health Lands	(47.0)	GF

**Impact Analysis:**

This reduction represents a continuation of the austerity measure of \$25.0 into the FY 2000 budget, with an additional reduction of \$22.0 directed toward funding the Criminal Division prosecutor added by the Senate subcommittee. In and of itself, this reduction does not represent a serious threat to the Civil Division's general funds. However, viewed in conjunction with the reductions proposed by the Senate subcommittee in the Deputy

BUDGETARY INFORMATION

Attorney General and Governmental Affairs components, the additional reduction taken to fund the prosecution position could force a total reduction of two general fund attorney positions, as discussed in the impact analysis for the Governmental Affairs program area.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Oil & Gas Litigation	(708.0)	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 away from outside counsel 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 Senate Finance subcommittee's proposed net \$708.0 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. While the department has a greater ability to control its workload in this area than in others because it often initiates, rather than reacts, to matters, we are not the only party in the cases and cannot always delay or postpone matters without mutual agreement among the parties. Furthermore, the department is now assessing the impact of the ARCO/BP merger and we may require substantial resources to evaluate that transaction. These variables may change our projected budget needs.

The Senate subcommittee reduction amount increases the decrement proposed by the House by \$228.0. The additional amount represents the subcommittee's desire to fund an additional Civil Division, Human Services component, child protection attorney and to hold the Criminal Division harmless from the carryforward of any FY 1999 austerity measures. The department is unsure whether this additional reduction can be sustained in FY 2000.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Statehood Defense	(\$25.0)	GF

### **Impact Analysis:**

This reduction continues the austerity measures from 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 in areas such as navigability, RS 2477, the Pacific Salmon Treaty, Indian law issues, potential defense in Endangered Species Act cases, and ANILCA/ANCSA land entitlement issues.

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.

# FY00 Senate Finance Subcommittee Recommendations--Law

(\$000)

Allocation: 26,067.8  
 SubCommittee Report: 26,067.6  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	43,780.4	44,085.6	27,534.8	26,067.8	-1,467.0	16,769.6	17,541.7	476.1	476.1
		FY99 Supplemental	-617.0		-617.0			0.0		0.0	
		FY99 Base	43,163.4		26,917.8			16,769.5		476.1	
		FY00-FY99		922.2		-850.0			1,772.2		0.0
		% Change		2.14%		-3.16%			11.24%		0.00%
Law	Criminal Division	First Judicial District	1,167.7	1,180.6	1,167.7	1,180.6	12.9	0.0		0.0	
Law	Criminal Division	Second Judicial District	822.5	818.4	822.5	818.4	(4.1)	0.0		0.0	
Law	Criminal Division	Third Judicial District; Anchorage	3,492.5	3,681.1	3,104.9	3,293.5	188.6	387.6	387.6	0.0	
Law	Criminal Division	Third Judicial District; Outside Anchorage	2,119.1	2,138.0	2,119.1	2,138.0	18.9	0.0		0.0	
Law	Criminal Division	Fourth Judicial District	2,715.6	2,683.9	2,715.6	2,683.9	(31.7)	0.0		0.0	
Law	Criminal Division	Criminal Justice Litigation	1,407.0	1,450.4	1,241.1	1,284.5	43.4	165.9	165.9	0.0	
Law	Criminal Division	Criminal Appeals/Special Litigation Component	2,495.3	2,495.3	1,486.8	1,486.8	0.0	532.4	532.4	476.1	476.1
Law	Civil Division	Deputy Attorney General's Office	202.8	77.8	202.8	77.8	(125.0)	0.0		0.0	
Law	Civil Division	Collections and Support	1,860.4	1,773.0	338.6	338.6	0.0	1,521.8	1,434.4	0.0	
Law	Civil Division	Commercial Section	1,486.9	1,674.8	271.7	271.7	0.0	1,215.2	1,403.1	0.0	
Law	Civil Division	Environmental Law	1,383.1	1,254.2	783.9	633.9	(150.0)	599.2	620.3	0.0	
Law	Civil Division	Fair Business Practices	1,092.8	1,461.3	417.7	531.1	113.4	675.2	930.2	0.0	
Law	Civil Division	Governmental Affairs Section	2,091.8	2,095.0	890.7	795.0	(95.7)	1,201.1	1,300.0	0.0	
Law	Civil Division	Human Services Section	3,049.9	3,548.8	2,532.1	2,937.6	405.5	517.8	611.2	0.0	
Law	Civil Division	Legislation/Regulations	495.4	495.4	369.5	369.5	0.0	125.9	125.9	0.0	
Law	Civil Division	Mental Health Lands	252.3	189.0	227.3	164.0	(63.3)	25.0	25.0	0.0	
Law	Civil Division	Natural Resources	1,344.6	1,281.2	1,065.8	1,002.4	(63.4)	278.8	278.8	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	
Law	Civil Division	Special Litigation	1,844.3	2,149.0	0.0		0.0	1,844.3	2,149.0	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	
Law	Civil Division	Timekeeping & Support	719.9	719.9	15.8	15.8	0.0	704.1	704.1	0.0	
Law	Statehood Defense	Statehood Defense	1,005.0	980.0	1,005.0	980.0	(25.0)	0.0		0.0	
Law	Oil and Gas Litigation and Legal Services	Oil & Gas Litigation	5,990.4	5,362.4	5,496.9	3,885.4	(1,611.5)	493.5	1,477.0	0.0	
Law	Oil and Gas Litigation and Legal Services	Oil & Gas Legal Services	375.7	295.7	375.7	295.7	(80.0)	0.0		0.0	
Law	Administration and Support	Office of the Attorney General	334.2	334.2	334.2	334.2	0.0	0.0		0.0	
Law	Administration and Support	Administrative Services	1,102.7	1,102.7	549.4	549.4	0.0	553.3	553.3	0.0	

**Senate Finance Subcommittee Closeout Summary  
FY 00 Legislature's Operating Budget**

The Subcommittee recommends a \$379,200 reduction in the Legislature's FY 00 Budget, decreasing expenditures from the current year budget in the following areas:

Ombudsman - \$11,400

Administrative Services - \$147,300

Legislative Council and Subcommittees - \$135,100

Legal and Research Services - \$88,500

# FY00 Senate Finance Subcommittee Recommendations--Alaska Legislature

(\$000)

Allocation: 31,561.3  
 Subcommittee Report: 31,561.3  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		Total	32,018.6	31,626.3	31,940.3	31,561.3	-379.0	78.3	65.0	0.0	0.0
		FY99 Supplemental	0.0		0.0			0.0		0.0	
		FY99 Base	32,018.6		31,940.3			78.3		0.0	
		FY00-FY99		-392.3		-379.0			-13.3		0.0
		% Change		-1.23%		-1.19%			-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	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	0.0
Legislature	Budget and Audit Committee	Ombudsman	503.2	491.8	503.2	491.8	(11.4)	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	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	0.0
Legislature	Legislative Council	Administrative Services	6,890.1	6,732.8	6,845.1	6,697.8	(147.3)	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	3.3	33.3	30.0	0.0	0.0
Legislature	Legislative Council	Council and Subcommittees	709.3	574.2	709.3	574.2	(135.1)	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	(88.5)	0.0	0.0	0.0	0.0
Legislature	Legislative Council	Select Committee on Ethics	143.2	143.2	143.2	143.2	0.0	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	0.0

Senate Finance

Budget Subcommittee Report

**Department of Military and Veterans Affairs**

To: Senator Sean Parnell, Co-Chair  
Senate Finance Committee

From: Senator Randy Phillips, Chair  
Senator Dave Donley  
Senator Al Adams  
Senate Finance Subcommittee

Date: April 12, 1999

Re: Department of Military and Veterans Affairs Finance Subcommittee  
Closeout Report.

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The budget subcommittee for the Department of Military and Veterans Affairs recommends the following changes from FY 99 authorized and adjusted:

The subcommittee recommends an unallocated general fund reduction of 301.7 in the Office of the Commissioner. This reduction annualizes the Governor's "belt tightening" measure for FY 99.

The subcommittee also accepts the transfer of 80.5 in the Office of the Commissioner to Veterans Affairs as proposed by the Governor.

The GF recommendation for DMV&A is 7,707.9

The all-funds total for DMV&A is 34,440.7, a -1,933.0 change from FY99. This funds 219 full time positions, 2 part time positions and 5 non-perm positions.

**Department of Military and Veterans Affairs  
Impact Statements in Response to  
Senate Finance Subcommittee Budget Proposals  
Date: April 14, 1999  
Prepared by: Phillip Oates, Commissioner**

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
<b>Department unallocated reduction</b>	<b>(300.1)</b>	<b>GF</b>

**Impact Analysis:**

The Adjutant General of the Department of Military and Veterans Affairs is responsible for a state and a federal military mission. There are over 4000 employees with a multitude of diverse missions. The Department 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), the Department will be responding to numerous issues of great consequence to the State of Alaska.

The Department captures \$160.0 million in federal funds (of which \$23,406.2 is recognized on the state budget) by contributing \$8.0 million in state funds. We are able to do this by fulfilling our basic federal military mission and maintaining the facilities which house the federal and state employees.

The programs below represent the Department of Military and Veterans Affairs state budget. Because the department is so highly leveraged with federal funds, a reduction in general funds will reduce our ability to obtain the federal funds available. Therefore a \$300.1 reduction in state funding will have far more serious consequences than those dollars in and of themselves represent. The department is unable to apply the reduction without definitive direction from the Senate Finance Committee on which programs it wishes us to reduce.

**Air Guard Facilities Maintenance - 824.4 General Fund Match**

The general funds in this component capture \$3,835.1 in federal funds (75/25 match). One of DMVA's basic responsibilities is to maintain and operate the facilities that support close to 2000 federal jobs in the State. This is the underpinning of the Alaska Air Guard. Reductions in this area will lead to deferred maintenance and finally facility closures.

It is important to note that the Air Guard is planning substantial growth in missions (Clear Air Force Base and Alaska North American Air Defense missions). However, it will be difficult to take on new opportunities and job growth in the state without legislative support for these missions.

A reduction in this area will cause loss of \$3 for every \$1 in general funds and will most likely cause facility closures and impact the missions associated with those facilities. Impacting missions leads to loss of federal positions associated with the missions. Air Guard bases are located in Anchorage and Fairbanks.

**Army Guard Facilities Maintenance \$2,374.8 GF/GFM/GFPR**

The funds in this component capture \$6,840.3 in federal funds and represent the basic job of DMVA: to support the federal Army Guard missions in the State of Alaska. By performing this function the state gains a viable Alaska Guard to perform state missions. Reductions in this component will translate to facility closures and reprogramming or elimination of federal jobs and missions. Again, without support from the legislature, growth of Army Guard missions (National Ballistic Missile Initiative) leading to new jobs in the state will be difficult to obtain.

Reductions in this area will lead to deferred maintenance, facility closures and loss of missions. This area is also highly leveraged with federal funds. These facilities are located in over 76 communities in the state and provide federal jobs in the state.

**Disaster Planning and Control \$489.3 GFM**

This is my most serious responsibility and my highest priority. The general funds in this budget are highly leveraged (captures \$1,395.0 in federal funds) and provide a very important service to the citizens of Alaska. Reductions in this program would disrupt the current system of emergency management in the state. Before any reductions are taken in this area, substantial thought will be needed to ensure the continued safety of our Alaskan residents.

**Veterans Services \$620.5**

This component provides coordination of information, staff to the Veterans Advisory Council and grants to Veterans Service Officers. The grant pays for Veterans Service Officers at the American Legion, Veterans of Foreign Wars, and Disable Veterans organizations. They in turn provide support to individual veterans in receiving benefits from the federal government. With over 60,000 veterans in the state, DMVA believes it is important to provide this coordinated assistance. This program is the focal point for veterans in the state.

**Educational Benefits \$28.5**

This amount is the only money available to Guard members to assist in getting a college education. It is important in our retention efforts. Both Air and Army Guard are experiencing difficulties in this area.

**Retirement Benefits \$1,104.5**

This amount is the required state contribution to the National Guard Retirement System. A contract actuary determines the amount. The benefit is \$100 a month for members who have served for at least 20 years in the military with at least 5 years in the Alaska National Guard. This is a statutory requirement.

**Youth Corps \$1,281.0 General Fund**

Serves 16-18 year old at-risk youth. This program is both a Governor and Legislative priority. Any reductions in the component also impact our ability to meet our FY 2000 federal match requirements. The Youth Corps receives \$2,069.1 in federal funds.

**Departmental Management and Administration \$1,280.4 General Fund**

This component provides the management and administration of the Department of Military and Veterans Affairs. In the partnership the state has with National Guard Bureau, the state is required to provide for top management of the department while the federal government provides the majority of the funds to build and maintain facilities and the payroll and operating costs of the men and women in the Air and Army Guard.

This component also provides the accounting, payroll, human resources, budget, telecommunications, and other administrative functions that support a department with over 4000 employees.

**FY00 Senate Finance Subcommittee Recommendations--Military and Veterans Affairs**

(5000)

Allocation: 7,707.9  
 SubCommittee Report: 7,707.9  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>38,373.7</b>	<b>34,440.7</b>	<b>8,008.6</b>	<b>7,707.9</b>	<b>-301.7</b>	<b>3,224.4</b>	<b>3,326.6</b>	<b>25,139.7</b>	<b>23,408.2</b>
		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		-1,807.3		-176.0			102.2		-1,733.5
		% Change		-4.99%		-2.23%			3.17%		-6.90%
Military & Veterans Affairs	Disaster Planning & Control	Disaster Planning & Control	3,454.0	3,397.1	489.3	489.3	0.0	1,453.3	1,512.8	1,511.4	1,395.0
Military & Veterans Affairs	Disaster Planning & Control	Local Emergency Planning Committee Grants	534.4	543.4	0.0	0.0	0.0	534.4	543.4	0.0	0.0
Military & Veterans Affairs	Alaska National Guard	Office of the Commissioner	1,534.0	1,487.2	1,164.7	1,084.2	(80.5)	102.6	136.3	266.7	266.7
Military & Veterans Affairs	Alaska National Guard	National Guard Military Headquarters	196.4	196.2	196.2	196.2	0.0	0.0	0.0	0.2	0.0
Military & Veterans Affairs	Alaska National Guard	Army Guard Facilities Maintenance	11,734.2	10,234.2	2,374.8	2,374.8	0.0	1,019.1	1,019.1	8,340.3	6,840.3
Military & Veterans Affairs	Alaska National Guard	Air Guard Facilities Maintenance	4,665.7	4,665.7	830.6	830.6	0.0	0.0	0.0	3,835.1	3,835.1
Military & Veterans Affairs	Alaska National Guard	State Active Duty	115.0	115.0	0.0	0.0	0.0	115.0	115.0	0.0	0.0
Military & Veterans Affairs	Alaska National Guard	Youth Corps	3,467.0	3,350.1	1,281.0	1,281.0	0.0	0.0	0.0	2,186.0	2,069.1
Military & Veterans Affairs	Alaska National Guard	Unallocated Reduction		(301.7)		(301.7)	(301.7)		0.0		0.0
Military & Veterans Affairs	Alaska National Guard Benefits	Educational Benefits	28.5	28.5	28.5	28.5	0.0	0.0	0.0	0.0	0.0
Military & Veterans Affairs	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	0.0
Military & Veterans Affairs	Veterans' Affairs	Veterans' Services	540.0	620.5	540.0	620.5	80.5	0.0	0.0	0.0	0.0
Military & Veterans Affairs	Front Section Appropriation	Disaster Relief Fund	9,000.0	9,000.0	0.0	0.0	0.0	0.0	0.0	9,000.0	9,000.0

Senate Finance

Budget Subcommittee Report

**Department of Natural Resources**

To: Senator Sean Parnell, Co-Chair  
Senate Finance Committee

From: Senator Randy Phillips, Chair  
Senator Pete Kelly  
Senator Georgianna Lincoln  
Senate Finance Subcommittee Department of Natural Resources

Date: April 12, 1999

Re: Department of Natural Resources Finance Subcommittee Closeout Report

The Senate budget subcommittee for DNR recommends the following changes from **FY 99 authorized**. Four budget units are affected:

Land Development was reduced by 1,008.5. This is a 13.7% reduction to the Division of Land.

Oil and Gas Development was reduced by 100.0. This is a 2.3% reduction to the division.

Water Development, permit adjudication section, was reduced by 125.0.

In Agricultural Development the subcommittee accepted the proposed 75.0 reduction for the export certification program at UAF.

The Senate Finance GF target for the Department of Natural Resources is 38,396.0.

The subcommittee GF recommendation is 38,280.0.

The recommended all fund source total agency expenditure is 65,225.7. It provides for approximately 559 full time positions, 243 permanent part time positions, and 78 non-perm positions.

**Department of Natural Resources  
Impact Statements in Response to  
Senate Finance Subcommittee Budget Proposals  
Date: April 14, 1999**

<b>Program Area:</b> Commissioner's Office (Prepared by Marty Rutherford, Deputy Commissioner)	<b>Dollar Amount(s):</b> (\$76.2)	<b>Fund Source(s):</b> 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.

<b>Program Area:</b> Recorder's/UCC Component (Prepared by Sharon Young, State Recorder)	<b>Dollar Amount(s):</b> (\$300.0)	<b>Fund Source(s):</b> GFPR
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**Impact Analysis:**

The SFSC has included intent language that authorizes us to hire temporary employees when the workload warrants it and to request supplemental funding from the legislature for FY00 to fund it. This alleviates some of the impact of the loss of our increment request, however since the intent language only identifies personal services costs, there will still be impact to the overall operating budget.

This SFSC reduction eliminates a \$300.0 increment that is critical to the ongoing operation of the statewide recording system. The reduction fails to recognize the growing volume of land transactions in Alaska and the extreme workload pressures that continue to envelop the recording system. With the proposed reduction of \$300.0, 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 \$300.0 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 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 prior to implementation:

1. Evaluation of the Palmer Recorder's Office workload and transfer some of the functions 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. 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.

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 SFSC 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).

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Information Resource Management (Prepared by Rich McMahon, Chief, Land Records Information Section)	(\$225.0)	GF

**Impact Analysis:**

This analysis is broken into two parts, to discuss the total \$225.0 reduction.

**1. Information Technology position salary increases (\$75.0)**

This \$75.0 was requested as a transfer of GF within DNR to maintain status quo services in the Information Resource Management component. This is the cost of maintaining the same level of staffing with the increased salary cost as a result of a 7% increase in Information Technology positions statewide. 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, thus reducing funding available in the resource programs.

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. 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.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Interdepartmental DP Chargeback	(\$17.0)	GF

(Prepared by Rich McMahon, Chief, Land Records Information Section)

**Impact Analysis:**

This component has a \$145.0 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.

One of the reasons for the increased DP Chargeback costs is the higher level of public access. The House Finance Committee recognized this and authorized an increment of \$50.0 in statutory designated program receipts (SDPR) to allow the department to collect for DP usage through public access. We recommend the Senate Finance Committee increase this budget by \$50.0 in SDPR as well.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Division of Land	(\$858.5)	GF
(Prepared by Jane Angvik, Director)	(\$150.0)	GF/PR

**Impact Analysis:**

A reduction to the Division of Land's FY00 operating budget of (\$1008.5) will be crippling to DNR's ability to manage state land and resources. The cut backs will affect the Division's ability to provide services, which have already been strained by previous reductions and an FY00 vacancy factor to make up of 4.1% (an additional \$314.9). The Senate identified reductions in three areas.

**1. Reduction - allocate/planning land & resources (\$726.4)**

This reduction will completely eliminate all land planning functions within the Department and will be felt in the Fairbanks, Juneau and Anchorage offices of the Division. The focus will be:

- (1) land use planning; the foundation for authorizing land and resource use, and
  - (2) interaction with federal and municipal government planning programs where DNR protects state interests, such as our public access
- 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 participation protects access to state lands and management of state owned navigable rivers in National Parks (such as Denali and Katmai), Refuges (such as Togiak), and Wild and Scenic Rivers (such as Gulkana). DNR planners are currently actively involved in plans for the Gulkana River, Situk River, and Chugach National Forest and have just been invited to participate in the Fish and Wildlife Service's revision of 13 federal plans for 16 refuges in Alaska. DNR will have no staff to participate in these efforts.

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. Land plans enable private sector oil and gas, mining, forestry, and tourism on state lands.

- 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.

Without land use plans, every major 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. This will result in more uncertainty about how state land can be used, and ultimately less use of state lands.

DNR planning functions have been significantly reduced in past years. The planning staff has been eliminated from the Divisions of Parks and Forestry. DOL staff has provided planning services for these divisions on the Kenai River Plan and the ongoing Tanana Valley State Forest Plan.

Doing away with planning and classification would require a substantial change in the way in which the state manages land and resources. To eliminate the land use planning function for state-owned public domain land, many chapters of the Title 38 statutes would need to be changed or repealed. Additionally, there may be constitutional questions with regard to Article VIII, section 10 regarding the requirement for public notice prior to the disposal of state land or resources.

## **2. Reduction - Shore Fishery Program (\$ 150.0)**

The reduction of (\$150,000) from the shore fishery program will result in a restructuring of the current shore fishery leasing program under AS 38.05.082. It will change from a lease to a registration program that recognizes the unique features of the program requirements of the set-net fishing industry. The program would allow for a program participant to register their site through the Recorder's Office. Existing leases would be converted to the registration program at the time of expiration of their current leases. Registered sites would not require renewal and would be usable indefinitely, provided the fishers file an affidavit of annual site use and pay an annual site use fee. Failure to file an affidavit of annual use and the annual fee would constitute abandonment. DNR would not resolve site location conflicts but will establish the criterion to be used in site location conflict resolution through mediation or the judicial system. A rewrite of AS 38.05.082 and the associated regulations will be necessary. The Department will provide a rewrite of AS 38.05.082 to the legislature. The mariculture management program of the division is not affected by this reduction.

Please note that this restructuring of the shore fishery program has not undergone any public or other agency review.

**3. Reduction - Legislatively Designated Areas (\$ 132.1)**

Legislatively Designated Areas (LDAs) and Special Use Areas (SUAs) are created to recognize and protect uniquely valuable lands. Examples of LDAs and SUAs include: the North Slope Oil Fields, Hatcher Pass Management Area, Nelchina Public Use Area, Alyeska Ski Resort in Girdwood, Thompson Pass (World Extreme Skiing and Backcountry Helicopter Skiing), Petersville Road Public Use Mining Area, Caribou Creek Public Use Mining Area, public use areas including Goldstream Public Use Area, Nelchina Public Use Area, and Marmot Island. These areas are designated through a public process, managed for multiple-use, and provide special management attention for very high valued public resources in the public domain. In many cases increased revenue is gained to the state treasury through user and permit fees.

Management efforts in these areas provide equitable treatment of resource based activities and creates incentives for users to operate safely. Management standards created by the legislature and implemented by the division enhance and protect resource values in support of growing commercial recreation activities.

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.

	<b>Dollar</b>	<b>Fund</b>
<b>Program Area:</b>	<b>Amount(s):</b>	<b>Source(s)</b>
Division of Oil and Gas (Prepared by Ken Boyd, Director)	(\$300.0)	GF

**Impact Analysis:**

The combination of a series of small but consistent cuts by the Legislature, an 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 as well as \$100.0 unallocated reduction.

RESOURCES MANAGEMENT

\$100.0 of the \$200.0 was specifically sought to allow us to implement the exploration license program. Not funding the \$100.0 in contractual line (or not sending it to a CIP) will result in a delay in the Exploration License program in the Copper River Basin and will delay issuance of any future Exploration Licenses for several years. We have two current applicants for a License in Copper River and they will have to wait a year to 18 months to get their Finding. At best this delays any possible exploration/production (and associated jobs) for this area. At worst the applicants lose interest and withdraw their applications. In general, there will not be a viable, timely Exploration Licensing program; applicants may have to wait for years to get a Best Interest Finding in their area of interest.

Next, this impact statement will address the loss of the other \$200.0 GF. Since our budget is now over 93% "people money" there is no opportunity to make up this shortfall in the "other" line items. One way to meet the shortfall will be to lay off people. Cutting staff means something(s) won't get done. One option would be to take the \$200.0 from the Permitting and Compliance section. This would equate to the cutting of two and a half natural resource manager positions and all North Slope inspections. These positions conduct inspections of oil and gas activities across the entire North Slope and Cook Inlet 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.). This section is also in charge of implementing the shallow natural gas program.

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 revenue. At least fourteen companies or individuals have expressed interest in the shallow natural gas program. If that program is delayed, they will be disappointed and the state will lose 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. This could jeopardize the lease sale schedule and further antagonize industry.

Another option is to lay off part of the lease sale group by delaying or stopping some of our lease sales. The most likely candidate is the Foothills Areawide sale scheduled for May 2001. This action would certainly harm Anadarko Petroleum, a new independent in Alaska, and the private landowners who have leased private lands to Anadarko. A delay or cancellation of any sale would negatively impact all lease sales creating uncertainty. State revenues would be reduced.

Our last 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.

Cutting the division now seems particularly inappropriate. The division will play an instrumental role in evaluating the effects of 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.

We continue to ask for the additional \$200.0 increment as well as the restoration of the \$100.0 unallocated reduction 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.

<b>Program Area:</b>	<b>Dollar Amount's):</b>	<b>Fund Source(s):</b>
Mining Development (Mineral Property Management) (Prepared by Bob Loeffler, Director)	(\$50.0)	GF

**Impact Analysis:**

This reduction eliminates a \$50.0 increment proposed for FY2000, which 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.

	<b>Dollar</b>	<b>Fund</b>
<b>Program Area:</b>	<b>Amount(s):</b>	<b>Source(s):</b>
Water Management & Development;	(\$125.0)	GF
<i>Water Rights Adjudication – AS 46.15.040 - .970</i>		
(Prepared by Bob Loeffler, Director)		

#### **Impact Analysis:**

**Summary.** The proposed 25%, 3-person cut in the Water Resources 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.

- New small and intermediate water users, mostly individuals and small or medium-sized 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 water users may be in technical violation of state regulation, guilty of a misdemeanor. In the interim, development projects may be vulnerable to lawsuit.
- Revised regulations would allow larger quantities of water to be appropriated without a permit. This will mean that some withdrawals are not reviewed for effect on fish and wildlife habitat.

**Background.** A water right gives its holder the right to use water in spite of any withdrawal by those who may 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 or medium-sized-businesses. When a water withdrawal affects a water right holder, the Division staff works with parties to find an equitable solution. This help will no longer be available for all affected users. Finally, those individuals or businesses whose water right applications are not adjudicated will not secure firm title to the water. This may make it more difficult for these individuals and businesses to gain financing.

**Regulation Change Required.** Current laws and regulations require 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. Until the regulation is changed, those applicants whose requests are not being processed will be in technical violation of the law and will be guilty of a misdemeanor. The regulation change is unlikely to become effective until the fall of 2000, at the earliest. In the interim, development projects may be vulnerable to lawsuit. In addition, the regulation change would raise the threshold withdrawal of water for which a permit is required. This will mean that some withdrawals are not reviewed for effect on fish and wildlife habitat.

<b>Program Area:</b> Mental Health Trust (Prepared by Steve Planchon, Executive Director)	<b>Dollar Amount(s):</b> (\$46.4)	<b>Fund Source(s):</b> MHTAAR
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**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.

**FY00 Senate Finance Subcommittee Recommendations--Natural Resources**

(5000)

Allocation: 38,396.0  
 Subcommittee Report: 38,280.0  
 Over (under): -116.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>64,468.2</b>	<b>65,225.7</b>	<b>39,588.5</b>	<b>38,280.0</b>	<b>-1,308.5</b>	<b>14,166.0</b>	<b>15,516.4</b>	<b>10,693.7</b>	<b>11,429.3</b>
		FY99 Supplemental	-443.2		-443.2			0.0		0.0	
		FY99 Base	64,025.0		39,145.3			14,166.0		10,693.7	
		FY00-FY99		1,200.7		-665.3			1,330.4		735.6
		% Change		1.88%		-2.21%			9.38%		6.88%
Natural Resources	Management and Administration	Commissioner's Office	507.5	507.5	507.5	507.5	0.0	0.0	0.0	0.0	0.0
Natural Resources	Management and Administration	Administrative Services	2,103.8	2,103.8	1,540.2	1,540.2	0.0	563.6	563.6	0.0	0.0
Natural Resources	Management and Administration	Trustee Council Projects	2,114.0	2,114.0	0.0	0.0	0.0	2,114.0	2,114.0	0.0	0.0
Natural Resources	Information/Data Management	Recorder's Office/Uniform Commercial Code	2,314.3	2,314.3	2,314.3	2,314.3	0.0	0.0	0.0	0.0	0.0
Natural Resources	Information/Data Management	Information Resource Management	2,441.3	2,407.5	1,816.5	1,816.5	0.0	514.6	430.8	110.2	160.2
Natural Resources	Information/Data Management	Interdepartmental Data Processing Chargeback	353.1	481.4	353.1	353.1	0.0	0.0	128.3	0.0	0.0
Natural Resources	Resource Development	Oil and Hazardous Waste Spill Response Program	68.5	86.5	0.0	0.0	0.0	68.5	86.5	0.0	0.0
Natural Resources	Resource Development	Mental Health Trust Lands Administration	892.1	892.1	0.0	0.0	0.0	892.1	892.1	0.0	0.0
Natural Resources	Resource Development	Development - Special Projects	500.0	500.0	0.0	0.0	0.0	500.0	500.0	0.0	0.0
Natural Resources	Resource Development	Emergency Firefighters Non-Emergency Projects	250.0	250.0	0.0	0.0	0.0	250.0	250.0	0.0	0.0
Natural Resources	Land Development	Land Development	8,334.7	7,180.7	7,342.7	6,334.2	(1,008.5)	942.2	796.7	49.8	49.8
Natural Resources	Forest Management and Development	Forest Management and Development	8,885.9	8,623.3	7,151.7	7,151.7	0.0	317.8	330.6	1,416.6	1,141.0
Natural Resources	Oil and Gas Development	Oil & Gas Development	4,414.6	4,289.6	4,277.1	4,177.1	(100.0)	45.6	20.6	91.9	91.5
Natural Resources	Oil and Gas Development	Pipeline Coordinator	3,346.5	3,665.0	429.9	429.9	0.0	2,751.8	3,070.1	165.0	165.0
Natural Resources	Mining, Geological, Water Development	Mining Development	2,028.0	2,003.0	1,208.8	1,208.8	0.0	121.4	96.4	697.8	697.8
Natural Resources	Mining, Geological, Water Development	Geological Development	4,048.3	3,855.5	2,106.2	2,106.2	0.0	400.0	294.6	1,542.1	1,454.7
Natural Resources	Mining, Geological, Water Development	Water Development	1,223.1	1,098.1	1,021.1	896.1	(125.0)	180.5	180.5	21.5	21.5
Natural Resources	Parks and Recreation Management	State Historic Preservation Program	1,256.4	1,256.4	285.5	285.5	0.0	638.6	638.6	332.3	332.3
Natural Resources	Parks and Recreation Management	Parks Management	5,500.1	5,533.3	5,411.8	5,411.8	0.0	88.3	121.5	0.0	0.0
Natural Resources	Parks and Recreation Management	Parks Access	1,827.2	2,503.6	0.0	0.0	0.0	1,804.5	1,880.9	22.7	622.7
Natural Resources	Agricultural Development	Agricultural Development	1,159.8	1,158.4	320.8	245.8	(75.0)	718.2	693.2	120.8	219.4
Natural Resources	Agricultural Development	North Latitude Plant Material Center	1,453.9	1,803.9	14.4	14.4	0.0	636.1	636.1	803.4	1,153.4
Natural Resources	Agr Revolving Loan Pgm Admin	Agriculture Revolving Loan Program Administration	638.6	691.3	0.0	0.0	0.0	638.6	691.3	0.0	0.0
Natural Resources	Statehood Defense	Citizen's Advisory Commission on Federal Areas	93.2	93.2	93.2	93.2	0.0	0.0	0.0	0.0	0.0
Natural Resources	Statehood Defense	RS 2477/Navigability Assertions and Litigation Suppo	115.0	115.0	115.0	115.0	0.0	0.0	0.0	0.0	0.0
Natural Resources	Facilities Maintenance	Facilities Maintenance	0.0	1,100.0	0.0	0.0	0.0	0.0	1,100.0	0.0	0.0
Natural Resources	Facilities Maintenance	Fairbanks Office Building Chargeback	103.6	103.6	103.6	103.6	0.0	0.0	0.0	0.0	0.0
Natural Resources	Statewide Fire Suppression	Fire Suppression	8,494.7	8,494.7	3,175.1	3,175.1	0.0	0.0	0.0	5,319.6	5,319.6

## MEMORANDUM

To: Senator Sean Parnell  
Co-Chair, Senate Finance Committee

From: Senator Dave Donley, Chair  
Senator Robin Taylor  
Senator Georgianna Lincoln  
Department of Public Safety Operating Budget Subcommittee

Re: Subcommittee Close-out Report for the Department of Public Safety

Date: April 13, 1999

The Senate GF target for the Department of Public Safety is \$77,689,100. The subcommittee closed \$96,900 under its target allocation at \$77,592,800. The attached spreadsheet indicates subcommittee action during the close-out on April 13 and a narrative of committee action is listed below.

### Fish & Wildlife Protection

In this BRU, an increment of \$75,000 in General Funds to the Governor's request to offset a reduction in Fish & Game Fund receipts has been accepted. The Governor's General Fund increment request of \$309,500 for Fish & Wildlife Protection has been denied.

An increment of \$15,000 in General Funds to create a new **Fish & Wildlife Safeguard** component has been accepted.

### Fire Service Prevention

In the **Fire Service Training** component, an increment of \$37,800 in statutory designated receipts has been accepted.

### Trooper Detachments

In this BRU, the Governor's General Fund increment request of \$1,090,000 has been denied.

Senator Parnell  
Page 2  
April 13, 1999

**Village Public Safety Officer Program**

In this BRU, the Governor's General Fund increment request of \$242,500 has been denied.

**Violent Crimes Compensation Board**

In this BRU, a decrement of \$253,800 to the Governor's General Fund request has been accepted. Additionally, an increment of \$413,800 in PFD receipts funding has been accepted.

**Council on Domestic Violence and Sexual Assault**

In this BRU, a decrement of \$15,000 to the Governor's General Fund request has been accepted. Additionally, an increment of \$15,000 in PFD receipts funding has been accepted.

A federal grant totaling \$562,800 has been accepted. The subcommittee allocated \$465,200 of this grant to the CDVSA and \$96,700 to Statewide Support, Laboratory Services.

**Batterers Intervention Program**

In this BRU, a \$120,000 federal grant has been accepted.

**Statewide Support**

In the **Commissioner's Office**, a decrement of \$22,300 to the Governor's General Fund request has been approved.

In the **Laboratory Services** component, the Governor's General fund increment request of \$238,500 has been denied. An increment of \$97,600 in federal funding from a CDVSA federal grant has been accepted.

In the **Alaska Public Safety Information Network** component, the Governor's General Fund increment request of \$90,600 has been denied.

**Victims for Justice**

In this BRU, an increment of \$100,000 to the Governor's General Fund request has been accepted.

Senator Parnell  
Page 3  
April 13, 1999

If you have any questions, contact James Armstrong of my staff at 3887.

cc: Ken Bischoff, Department of Public Safety  
Brent Douth, Legislative Finance Division

DD/jja

Department of Public Safety  
Impact Statements in Response to  
Senate Finance Subcommittee Budget Proposals

April 14, 1999

Prepared by: Ken Bischoff

Program Area:	Dollar Amount(s)	Fund Source(s)
<b>Fish and Wildlife Protection</b>	<b>(309.5)</b>	<b>GF</b>

**Impact Analysis:**

Deletes GF increment funding of \$309.5 needed to continue 87 FWP Troopers (\$109.5) in FY 2000 and provide funding for essential support costs (\$200.0) e.g. 12 additional trooper moves, space and utility costs, radio circuits, local dispatch support, vehicles. A reduction of \$309.5 approximates 3 - 4 full time FWP Trooper positions. Depending upon the time of planned hire (spring or fall) this reduction will prevent the department from making approximately 6 - 8 hires during FY 00.

\$109.5 in Personal Services and \$200.0 in fixed supports cost funding is required....

- ✓ To continue 87 commissioned positions in FY 2000, increment funding is required to annualize the cost of additional positions hired with funding approved by the legislature in FY 99.
- ✓ To refill positions throughout Alaska due to the number of troopers eligible for retirement exercising their retirement option.
- ✓ To address space and utility costs in Talkeetna, Big Lake, Cantwell, McGrath and Dutch Harbor.
- ✓ To provide communications systems. The Troopers require information systems, communications networks, radios and pagers to meet 7X24 operational requirements. The Department of Administration must be paid to provide these services.

**FY 2000 Impact:** If increment funding is not approved and after absorbing fixed cost increases, there would be approximately 81 filled FWP Positions as of June 30, 2000 contrasted with 87 projected in the FY 2000 Governor's operating request. Under this scenario, the department will delete unfunded trooper positions; approximately 3-4 positions.

Program Area:	Dollar Amount(s)	Fund Source(s)
<b>Alaska State Trooper Detachments</b>	<b>(1,090.0)</b>	<b>GF</b>

**Impact Analysis:**

Deletes GF increment funding of \$1,090.0 to continue Sex Offender Registration Coordinator and maintain 240 Troopers (\$490.0) and provide funding for essential support costs (\$600.0) e.g. recruiting, vehicles, helicopter, DOA chargebacks for communications, risk management and data processing. A reduction of \$1,090.0 approximates 12 full time trooper positions.

Depending upon the time of hire (spring or fall) this reduction will prevent the department from making approximately 20 trooper hires during FY 00.

\$490.0 in personal services and \$600.0 in fixed support costs are required....

- ✓ To continue 240 commissioned positions in FY 2000, increment funding is required to annualize the cost of additional positions hired with funding approved by the legislature in FY 99.
- ✓ To ensure registration and tracking of sex offenders, a program coordinator is required. Without increment approval, this position is not funded. Both state and federal law require this program. Responsibility for this program will still fall to the Troopers who are required to verify the address of 891 offenders (required to register for life) every 90 days.
- ✓ To operate the Anchorage helicopter. In FY 98, the Anchorage based helicopter rescued 37 people, medivac'd 2 people, recovered 12 bodies and facilitated 5 arrests.
- ✓ To provide information and communications systems. The Troopers require information systems, communications networks, radios and pagers to meet 7X24 operational requirements. The Department of Administration must be paid to provide these services.
- ✓ To provide adequate enforcement travel. Troopers require additional travel funds to adequately respond to investigations and other enforcement issues.
- ✓ To attract qualified trooper applicants.

**FY 2000 Impact:** If increment funding is not approved and after absorbing fixed cost increases, there would be approximately 220 filled trooper positions as of June 30, 2000 contrasted with 240 projected in the FY 2000 Governor's operating request. Under this scenario, the department would delete trooper positions that are not funded; approximately 10 - 12 positions.

<b>Program Area:</b>	<b>Dollar Amount(s)</b>	<b>Fund Source(s)</b>
<b>Village Public Safety Officers</b>	<b>(242.5)</b>	<b>GF</b>

**Impact Analysis:**

Deletes GF increment of \$242.5 to fund 5% pay increase. 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.

<b>Program Area:</b>	<b>Dollar Amount(s)</b>	<b>Fund Source(s)</b>
<b>Laboratory Services</b>	<b>(238.5)</b>	<b>GF</b>
	<b>97.6</b>	<b>Fed</b>

**Impact Analysis:**

Deletes GF increment request of \$238.5 to restore toxicology services authorized by AS 44.41.035 and to fully implement DNA capabilities anticipated by AS 28.35.031 and AS 28.22.031.

The subcommittee draft adds \$97.6 in federal authorization to fund one position with intent that it be used to fill one of the DNA positions requested in the denied GF increment. The

department estimates \$66.0 in federal funds is available through the Violence Against Women Act STOP grant administered by the Council on Domestic Violence and Sexual Assault.

Toxicology services previously provided for testing blood samples of persons involved in serious injury and fatal vehicle accidents will not be performed. These tests are used to determine the presence of drugs. Consequently, local police agencies and the troopers will be required to pay private labs for this service or tests will not be performed in these cases.

There will be inadequate staff resources to effectively process the backlog of samples to establish a DNA database or participate in the FBI's CODIS network. Consequently, there will be little or no automated ability to identify criminals by comparing DNA samples from crime scenes with a database comprised of known violent offenders.

<b>Program Area:</b>	<b>Dollar Amount(s)</b>	<b>Fund Source(s)</b>
<b>Alaska Public Safety Information Network</b>	<b>(90.6)</b>	<b>GF</b>

#### **Impact Analysis:**

Deletes GF increment of \$90.6 to establish an analyst programmer position dedicated to providing support for projects directly related to state and federal laws and programs to protect children. There is no position dedicated to these types of projects. Significant interagency coordination and planning is required to implement information system capabilities necessary to protect children. If this increment funding is not approved, there will be only limited resources available to work on the following projects:

- ✓ Interfaces with other local state and national criminal justice and social service databases;
- ✓ Set flags in APSIN records involving risks to children
- ✓ Maintain domestic violence protective order archive;
- ✓ Make improvements to sex offender registry;
- ✓ Extend public access to non-confidential warrant/wanted person/missing person information;
- ✓ Automate community supervision status information so that offenders with "no contact orders" involving minors or specific children come to the attention of law enforcement immediately;
- ✓ Create an electronic photo database of offenders.

### FY00 Senate Finance Subcommittee Recommendations--Public Safety

(\$'000)

Allocation: 77,689.1  
 SubCommittee Report: 77,592.8  
 Over (under): -96.3

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>94,791.5</b>	<b>96,999.4</b>	<b>77,693.9</b>	<b>77,592.8</b>	<b>-101.1</b>	<b>8,250.1</b>	<b>9,168.3</b>	<b>8,841.5</b>	<b>10,237.3</b>
		FY99 Supplemental	143.6		143.8			0.0		0.0	
		FY99 Base	94,635.1		77,837			8,256.1		8,841.5	
		FY00-FY99		2,064.3		-244.7			913.2		1,395.8
		% Change		2.17%		-0.31%			11.06%		15.79%
Public Safety	Fish and Wildlife Protection	Enforcement and Investigative Services Unit	11,042.8	11,042.8	10,379.5	10,454.5	75.0	663.3	588.3	0.0	0.0
Public Safety	Fish and Wildlife Protection	Director's Office	247.8	247.8	247.8	247.8	0.0	0.0	0.0	0.0	0.0
Public Safety	Fish and Wildlife Protection	Aircraft Section	1,629.8	1,629.8	1,427.3	1,427.3	0.0	202.5	202.5	0.0	0.0
Public Safety	Fish and Wildlife Protection	Marine Enforcement	2,928.0	2,928.0	2,526.9	2,526.9	0.0	401.1	401.1	0.0	0.0
Public Safety	Fish and Wildlife Protection	AK Fish & Wildlife Safeguard		15.0		15.0	15.0		0.0		0.0
Public Safety	Dallon Highway Protection	Dallon Highway Protection	90.2	90.2	90.2	90.2	0.0	0.0	0.0	0.0	0.0
Public Safety	Fire Prevention	Fire Prevention Operations	1,442.7	1,442.7	1,413.1	1,413.1	0.0	29.6	29.6	0.0	0.0
Public Safety	Fire Prevention	Fire Service Training	585.5	643.3	375.5	375.5	0.0	190.0	227.8	0.0	40.0
Public Safety	Highway Safety Planning Agency	Highway Safety Planning Operations	189.5	142.3	74.8	74.8	0.0	47.2	0.0	67.5	67.5
Public Safety	Highway Safety Planning Agency	Federal Grants	1,193.8	1,457.7	0.0	0.0	0.0	0.0	0.0	1,193.8	1,457.7
Public Safety	Alaska State Troopers	Special Projects	1,077.6	1,385.3	0.0	0.0	0.0	0.0	0.0	1,077.6	1,385.3
Public Safety	Alaska State Troopers	Criminal Investigations Bureau	3,211.7	3,211.7	3,136.5	3,136.5	0.0	75.2	75.2	0.0	0.0
Public Safety	Alaska State Troopers	Director's Office	651.8	651.8	651.8	651.8	0.0	0.0	0.0	0.0	0.0
Public Safety	Alaska State Troopers	Judicial Services-Anchorage	2,054.3	1,985.2	1,985.2	1,985.2	0.0	69.1	0.0	0.0	0.0
Public Safety	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	0.0
Public Safety	Alaska State Troopers	Search and Rescue	283.1	283.1	283.1	283.1	0.0	0.0	0.0	0.0	0.0
Public Safety	Alaska State Troopers	Rural Trooper Housing	528.9	540.2	477.8	477.8	0.0	51.1	62.4	0.0	0.0
Public Safety	Alaska State Troopers	Narcotics Task Force	3,224.9	3,224.9	439.6	439.6	0.0	0.0	0.0	2,785.3	2,785.3
Public Safety	Alaska State Troopers	Commercial Vehicle Enforcement	131.8	89.9	0.0	0.0	0.0	131.8	89.9	0.0	0.0
Public Safety	Alaska State Trooper Detachments	Alaska State Trooper Detachments	33,413.3	33,413.3	31,896.9	31,896.9	0.0	1,502.4	1,502.4	14.0	14.0
Public Safety	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	0.0
Public Safety	Village Public Safety Officer Program	Support	1,702.7	1,721.0	1,702.7	1,721.0	18.3	0.0	0.0	0.0	0.0
Public Safety	Village Public Safety Officer Program	Administration	271.8	253.5	271.8	253.5	(18.3)	0.0	0.0	0.0	0.0
Public Safety	Alaska Police Standards Council	Alaska Police Standards Council	846.4	846.4	846.4	846.4	0.0	0.0	0.0	0.0	0.0
Public Safety	Violent Crimes Compensation Board	Violent Crimes Compensation Board	1,271.5	1,456.9	253.8	0.0	(253.8)	732.7	1,146.5	285.0	310.4
Public Safety	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	8,592.6	9,057.8	3,969.1	3,954.1	(15.0)	2,254.9	2,269.9	2,368.6	2,833.8
Public Safety	Batterer's Intervention Program	Batterer's Intervention Program	200.0	320.0	0.0	0.0	0.0	200.0	200.0	0.0	120.0
Public Safety	Statewide Support	Commissioner's Office	654.9	632.6	654.9	632.6	(22.3)	0.0	0.0	0.0	0.0
Public Safety	Statewide Support	Training Academy	1,374.4	1,374.4	837.7	837.7	0.0	536.7	536.7	0.0	0.0
Public Safety	Statewide Support	Administrative Services	1,815.1	1,815.1	1,714.7	1,714.7	0.0	100.4	100.4	0.0	0.0
Public Safety	Statewide Support	Alaska Wing Civil Air Patrol	503.1	503.1	503.1	503.1	0.0	0.0	0.0	0.0	0.0
Public Safety	Statewide Support	Laboratory Services	2,005.4	2,103.0	1,965.3	1,965.3	0.0	40.1	40.1	0.0	97.6
Public Safety	Statewide Support	Alaska Public Safety Information Network	1,785.0	1,920.7	978.7	978.7	0.0	751.3	811.0	55.0	131.0
Public Safety	Statewide Support	Alaska Criminal Records and Identification	2,760.9	2,760.9	1,489.5	1,489.5	0.0	276.7	276.7	994.7	994.7
Public Safety	Statewide Support	Unallocated Reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Safety	Facility Maintenance	Facility Maintenance	0.0	608.8	0.0	0.0	0.0	0.0	608.8	0.0	0.0
Public Safety	Victims for Justice	Victims for Justice	100.0	200.0	100.0	200.0	100.0	0.0	0.0	0.0	0.0

## Revenue Finance Subcommittee

Senator Leman, Chairman  
Senator Ward  
Senator Adams

FY 99 Authorization: \$10,731.2  
FY 99 Base: \$11,504.5 (FY 99 auth. - \$773.3 CH2 SLA 99)  
FY00 Allocation: \$11,352.5  
GF Reduction: (\$1,119.4)  
Other Fund Group Reduction: (\$417.4)

Note: Constitutional Budget Reserve funds are included in the general fund allocation amount.

The Senate Finance Subcommittee for the Department of Revenue recommends the following reductions to the FY00 Governor's requested, as amended, budget.

**BRU: Child Support Enforcement Division**  
**Comp: Child Support Enforcement Division**

Fund Source Change  
1003 GF/Match (\$1,945.0)  
1004 GF/Pgm Rcpt\$1,945.0

This fund change does not increase budgeted general funds and stabilizes revenue sources for the CSED.

*Language:*

*The funds appropriated by this appropriation include so much, and no more, of the program receipts received during the fiscal year ending June 30, 2000, by the child support enforcement division as is necessary to provide the minimum amount of state funds necessary to secure federal funding appropriated for the child support enforcement program in this section.*

The GF/Program Receipt to Indirect Cost Reimbursement fund source change is recommended to follow the same funding mechanism that was approved in the FY99 supplemental.

Fund Source Change  
1004 GF/Pgm Rcpt (\$386.0)  
1133 Indir Cost Reim\$386.0

**BRU: Alaska Permanent Fund Corporation**  
**Comp:Permanent Fund Corporation**

Reduction for improved office efficiencies  
1104 PFund Rcpt (\$400.0)

\$400,000 represents slightly less than a 5% reduction in operations costs. The APFC operations budget has grown significantly during the past few years. Office efficiency measures should be applied to reduce the cost of the APFC's operations costs. One measure to be considered is the corporation's increasing 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. As mentioned by APFC staff at the House Finance Committee budget closeout for the Department of Revenue, the APFC identified 29 areas where they could improve office efficiencies.

**BRU: Alaska Mental Health Trust Authority**  
**Comp:Alaska Mental Health Trust Authority**

Allow partial increment:  
1094 AMHTA (\$17.4)

The annual cost for a twelve-month Welfare-to-Work employee is approximately \$20,000. The AMHTA's request for \$37,400 in the personal services line is reduced by \$17,400.

**BRU: Revenue Operations**  
**Comp: Oil and Gas Audit**

Reduction for improved office efficiencies

1004	Gen Fund	(\$400.0)
	Pers Svcs	(\$400.0)

*Intent Language:*

*It is the intent of the Legislature that the Oil and Gas Audit Division be combined with the Income and Excise Audit Division to improve work efficiencies and combine revenue audit and taxation functions for all of Alaska's resources and industries.*

With clearer regulations and law regarding financial reporting of oil and gas production and taxes, the workload for the division is decreasing. In FY98 the division participated in the Retirement Incentive Program and eliminated positions as they retired. At that time, the department anticipated that more individuals would be eligible to retire in FY00 or FY01. Attached letter from the department responds to the merger of the two divisions and plan for future reductions.

The House Finance Committee reduced the Oil and Gas Audit Division by \$100.0 for the third quarter savings if their merger with Income and Excise Audit Division occurred in April 2000. The additional \$300.0 reduction annualizes the savings of the merger if this action were to occur July 1, 1999.

Fund source change to Permanent Fund Corporation Receipts

1004	Gen Fund	(\$233.4)
1104	PFund Rcpts	\$233.4

This fund source change directly responds to the requested fiscal note action in HB58 regarding royalty audits for oil and gas companies.

**BRU: Revenue Operations**  
**Comp: Income and Excise Audit**

Reduction for improved office efficiencies

1004	Gen Fund	(\$100.0)
	Pers Svcs	(\$100.0)

With the merger of the Oil and Gas Audit and Income and Excise Audit divisions, the department should be able to create improved office efficiencies.

Total proposed reductions for the Department of Revenue are:

General Fund Group(\$1,119.4)  
Federal Fund Group (\$0.0)  
Other Fund Group (\$417.4)

The proposed reductions do not include Investment Loss Trust Funds (ILTF) or Constitutional Budget Reserve (CBR) Funds. An additional \$18.6 reduction may need to be taken due to the reduction of ILTF in other agency budgets. The ILTF remains in the Department of Revenue budget for the costs of investing the ILTF in the Revenue Operations, Treasury Division. An additional \$18.6 reduction will need to be made to meet the Senate Finance Committee's allocation level.

Department of Revenue  
 Impact Statements in Response to  
 Senate Finance Subcommittee Budget Proposals  
 Date: April 13, 1999

Prepared by: Larry Persily, Acting Administrative Services Director

Program Area:	Dollar Amount(	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 paid to the state as reimbursement for indirect administrative and support services provided to the division.

The division supports the funding plan, which is accompanied by budget language allowing the child support division to draw on the public assistance program receipts to fully fund its legislatively authorized total budget. The program receipts would be available to cover any shortfall in federal indirect cost reimbursement or incentive funding. Access to the program receipts is crucial if the division is to have the stable funding necessary to fulfill its mission statement.

Program Area:	Dollar Amount(s):	Fund Source(s):
Permanent Fund Corporation	(\$400.0)	Perm. Fund Rcpt.
Reduction for improved office efficiencies		

**Impact Analysis:**

The Alaska Permanent Fund Corporation operations budget was cut on three separate reviews before submission to the Legislature. The operations budget reflects no new programs for FY2000 and only increases for inflation where appropriate and/or the result of new systems appropriated in past fiscal years becoming operational in FY 1998-99.

The House cut the corporation's operations budget by \$300,000. Further cuts beyond those made by the House (the additional \$100,000 proposed by the Senate subcommittee) will require termination of some existing programs and/or systems that are essential to successful management of Permanent Fund investments, e.g., market data services, credit reporting services or due diligence and attorney fees. Software costs, however, primarily reflect existing contractual obligations and cannot be easily terminated.

The potential loss of revenue to the Permanent Fund and the state is substantial if the budget cut remains at \$400,000.

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 by 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	(\$400.0)	General fund

**Impact Analysis:**

Such a substantial reduction to the Oil and Gas Audit Division would weaken the Department of Revenue at a time when Alaska faces the prospect of its two largest taxpayers merging into one. The BP/Arco merger will change the way the department does business, and we will need to have our tax divisions at their best to confront those changes. It's critical that the tax divisions operate from strength – not from a budget-cut position of weakness – as we sit across the table from what will be the world's second largest oil company. (The world's largest oil company, Exxon/Mobil, already has its seat at the table.)

The department agreed to the \$100,000 cut adopted by the House Finance Committee for this division and asks that the Senate Finance Committee adopt the same number. The department further agreed to merge the Oil and Gas and Income and Excise divisions by April 1, 2000, and to present additional savings for the FY 2001 budget. Imposing a \$400,000 reduction on the Oil and Gas Audit Division for FY 2000 would undermine the state's ability to enforce tax laws worth hundreds of millions of dollars a year.

To deal with a \$100,000 budget reduction, the divisions would:

Short term: Not replace employees who take early retirement, and try to make up for the loss with tax regulation changes reducing the number of personnel needed.

Long term: 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 revenues do not suffer from the merger.

Program Area:	Dollar Amount(s):	Fund Source(s):
Alaska Mental Health Trust Authority Allow partial increment	(\$17.4)	Mental Health Trust

Impact Analysis:

This would reduce from \$37,400 to \$20,000 the increment for the trust authority's welfare-to-work program. The department does not oppose this reduction.

# FY00 Senate Finance Subcommittee Recommendations--Department of Revenue

(\$000)

Allocation: 11,352.5  
 Subcommittee Report: 11,388.4  
 Over (under): 35.9

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>145,140.3</b>	<b>144,342.3</b>	<b>11,504.6</b>	<b>11,388.4</b>	<b>-116.1</b>	<b>106,311.3</b>	<b>103,164.9</b>	<b>28,324.5</b>	<b>29,788.0</b>
		FY99 Supplemental	773.3		773.3			0.0		0.0	
		FY99 Base	145,913.6		12,277.8			106,311.3		28,324.5	
		FY00-FY99		-2,571.3		-889.4			-3,146.4		1,464.5
		% Change		-1.75%		-7.24%			-2.96%		5.17%
Revenue	Child Support Enforcement	Child Support Enforcement	16,746.2	16,548.8	2,413.5	2,887.7	474.2	3,958.6	2,500.0	10,374.1	11,161.1
Revenue	Alcohol Beverage Control Board	Alcohol Beverage Control Board	636.2	636.2	636.2	636.2	0.0	0.0		0.0	
Revenue	Municipal Bond Bank Authority	Municipal Bond Bank Authority	462.4	462.4	0.0		0.0	462.4	462.4	0.0	
Revenue	Permanent Fund Corporation	Permanent Fund Corporation	7,968.1	7,866.2	0.0		0.0	7,968.1	7,866.2	0.0	
Revenue	PFC Custody and Management Fees	PFC Custody and Management Fees	35,840.0	33,330.7	0.0		0.0	35,840.0	33,330.7	0.0	
Revenue	Alaska Housing Finance Corporation	Alaska Housing Finance Corporation	12,626.0	33,679.0			0.0	10,859.1	15,767.4	1,766.9	17,911.6
Revenue	Alaska Housing Finance Corporation	Rural Housing	3,194.3	0.0			0.0	2,871.3	0.0	323.0	
Revenue	Alaska Housing Finance Corporation	Public Housing	16,501.5	0.0			0.0	1,347.9	0.0	15,153.6	
Revenue	Alaska Housing Finance Corporation	Anchorage State Office Building	1,984.7	1,984.7			0.0	1,984.7	1,984.7	0.0	
Revenue	Alaska Mental Health Trust Authority	Alaska Mental Health Trust Authority	882.9	907.4	0.0		0.0	882.9	907.4	0.0	
Revenue	Revenue Operations	Income and Excise Audit	4,060.0	4,011.2	4,060.0	3,960.0	(100.0)	0.0	51.2	0.0	
Revenue	Revenue Operations	Oil and Gas Audit	2,763.3	2,363.3	2,745.6	2,111.7	(633.9)	17.7	251.6	0.0	
Revenue	Revenue Operations	Treasury Management	2,777.8	2,837.5	1,096.1	1,136.1	40.0	1,681.7	1,701.4	0.0	
Revenue	Revenue Operations	Alaska State Pension Investment E	3,450.5	3,200.5	0.0		0.0	3,450.5	3,200.5	0.0	
Revenue	Revenue Operations	ASPIB Bank Custody and Manag	29,213.6	29,213.6	0.0		0.0	29,213.6	29,213.6	0.0	
Revenue	Administration and Support	Commissioner's Office	1,253.5	1,362.1	54.4	163.0	108.6	776.5	784.1	422.6	415.0
Revenue	Administration and Support	Administrative Service	1,100.2	1,109.6	498.7	493.7	(5.0)	317.2	314.6	284.3	301.3
Revenue	Permanent Fund Dividend	Permanent Fund Dividend	4,679.1	4,829.1	0.0		0.0	4,679.1	4,829.1	0.0	
					10,792.9						
					2,144.4	AHFC receipts moved to "other" column					
					238.6						
					1,984.7						

**Senate Finance Subcommittee Closeout Summary  
FY 00 Operating Budget  
Department of Transportation and Public Facilities**

The challenge of developing operating budgets within the constraints of the State's projected billion dollar fiscal deficit has required careful review of every program and expenditure within the department's budget. Working closely with the department staff, the subcommittee developed a budget that we believe satisfies the basic needs of Alaskans who depend on services provided by the department.

When Legislative leaders recognized last fall that oil prices were showing no sign of improvement, they asked the Governor to take steps immediately to reduce state services provided with general funds, and lessen the strain on the growing budget gap. In response, the DOT/PF identified reductions in general fund spending \$900,500. Because the revenue outlook for FY 00 is no less bleak, the Senate Finance subcommittee has asked the department to extend many of those reductions into FY 00. The subcommittee attempted to spread the impact of a **\$2,290,000** general fund reduction from the Governor's FY 00 request among the three regions of the state.

- The subcommittee reduced snow hauling, street sweeping and use of calcium chloride by \$161,000.
- A transfer \$180,000 of highway striping will be made to federal funded projects in the capital budget.
- A grader and dump truck will be sent to surplus to avoid the cost of operation and maintenance, thereby saving \$50,000.
- Maintenance stations will be closed in Central and Northern regions at a total reduction level of \$250,000.
- The subcommittee will extend into FY 00 the department's suggested FY 99 austerity measure which allows the snowpack on certain highways to melt naturally in the spring for a savings of \$316,000. An authorization of \$150,000 in Statutory Designated Program Receipts was made to allow private entities to contract with the department to open roads early.
- Forty uninhabited miles of the Denali Highway will no longer be maintained by the State, resulting in a general fund spending reduction of \$100,000.

**Alaska Marine Highway System**

- With the intention of impacting service at a minimal level, \$326,000 in savings will be realized by extending the dry-dock time for two Marine Highway vessels
- Replacement of linens, apron, and other supplies will be reduced by \$44,000.
- Repair and maintenance costs are reduced by \$10,000.

**Non-general fund sources** of funding supplanted proposed general fund expenditures in the following areas:

- \$700,000 from the Oil/Pollutant substance prevention fund will be used to fund the stormdrain monitoring program in Anchorage.
- \$500,000 in new federal funds will be used to operate and maintain Adak's Mitchell airfield.
- \$232,000 in new Statutory Designated Program Receipts (third party contract receipts) was appropriated for airline late night callouts and an airport operation and maintenance person at the Klawok airport.

**Department of Transportation and Public Facilities  
Impact Statements in Response to  
Senate Finance Subcommittee Budget Proposals  
Date: 4/14/99**

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Commissioner's Office	(47.4)	GF

**Description of Reduction:**

Extend FY99 Austerity Measures to FY00.

**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 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.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Central Region Highways & Aviation	(150.0)	GF

**Description of Reduction:**

Snow hauling and street sweeping.

**Impact Analysis:**

Anchorage is the only location where this is done on a routine basis. Any reduction in sweeping will be difficult since we are close to a PM 10 Environmental Protection Administration (EPA) non attainment status and any reduction will negatively impact our EPA permit and joint agreement with MOA regarding National Pollutant Discharge Elimination System (NPDES).

In Anchorage snow hauling averages between \$500,000 and \$1 million per year to haul snow by contract. The average is \$750,000 per winter with each cycle averaging \$100,000. The impact of this reduction is to cap the snow haul effort at \$650,000 per year. This is equivalent to 1 snowhaul. During each snow event we plow the through travel lanes onto the raised medians and adjacent sidewalks. This snow then needs to be hauled because it affects sight distance at intersections and causes pedestrians to walk in the street. If not removed, it melts into the street causing potholes and slick streets. Routes affected include Dimond, Muldoon, Tudor, Northern Lights, Benson, Fireweed, Ingra, Gambell, Old Glenn Hwy in Eagle River and others.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Central Region Highways & Aviation	(700.0)	GF
	+700.0	470 Funds

**Description of Reduction:**

Substitute funding source for NPDES – Oil and hazardous substance prevention fund.

**Impact Analysis:**

There is no impact to the Department by this change. We can not speak to the impact on the 470 fund itself or its other uses.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Central Region Highways & Aviation	(70.0)	GF

**Description of Reduction:**

Transfer striping to Capital budget to be paid with federal funds.

**Impact Analysis:**

We are hopeful that the federal government will approve our striping request. If this does not get approved, the ability to stripe roads will be further diminished. The Department already has trouble getting to the rural NHS roads in a timely manner and some parts don't get done yearly to ensure good reflectivity on rainy nights. Striping which is scraped off during winter snow removal operations will not be replaced. Also, the ability to spend on other high priority maintenance activities such as guardrail, sign, and culvert repairs that are not covered by the federal program may be lost.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Central Region Highways & Aviation	(50.0)	GF

**Description of Reduction:**

Surplus a grader and dump truck.

**Impact Analysis:**

Anchorage will turn in a back up grader and Soldotna will turn in a dump truck. Snow plowing will take longer and summer work will be impacted without the use of the truck.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Central Region Highways & Aviation	(125.0)	GF

**Description of Reduction:**

Close maintenance station.

**Impact Analysis:**

One highway maintenance station would be closed. Snowplowing, sanding, ice scraping, and other maintenance activities would be delayed until the operators can make it to a location which would be further removed from an active maintenance station. The active station's roads would also experience delays because fewer personnel will be available to service the same total road mileage. Local roads near the closed and active stations would experience the longest delays.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Central Region Highways & Aviation	(11.6)	GF

**Description of Reduction:**

Reduce use of calcium chloride.

**Impact Analysis:**

This represents about 25% reduction in calcium chloride for MatSu gravel roads. The impact will be that gravel roads in this area will become rough and dusty soon after they are bladed in the spring, thereby requiring increased major maintenance.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Central Region Highways & Aviation	+500.0	Federal Receipts

**Description of Reduction/Increase:**

\$500.0 increase in Federal Fund Receipt Authority for contracting services at Adak – intent language to specify no GF.

**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. 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.

We know of no contractors with the training and ability to take this on with short notice. The only way is to take qualified people from our existing stations and put them in Adak, further straining staffing needs at rural airports.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Central Region Highways & Aviation	+91.2	Statutory DPR

**Description of Reduction/Increase:**

Statutory Designated Program Receipts for late night callouts by airlines.

**Impact Analysis:**

Certificated airports which include Bethel, Cold Bay, Dillingham, Homer, Illiamna, King Salmon, Kodiak, Port Heiden, Sand Point, St. Paul and Unalaska would benefit. Planes that carry 30 passengers or more and some freight planes are not allowed to land at these airports from approximately 8 p.m. until 6 a.m. because the airports are not staffed.

Statutory designated program receipts would allow the Region to receive revenue from the airlines to accommodate landings between 8 p.m. and 6 a.m.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Northern Region Highways & Aviation	(316.0) +150.0	GF Statutory DPR

**Description of Reduction:**

Allow snow to melt on northern highways. Authorize \$150.0 in Statutory Designated Program Receipts.

**Impact Analysis:**

Includes these Northern roads: Taylor, Boundary Spur, McCarthy, Nome Teller, Denali, Nome Council, Glacier Stream Copper River, Fairbanks Creek, Tofty, Eureka, U.S. Creek, Kugarok, and Dexter Bypass. Road washouts could occur if culverts are not thawed. Miners, homeowners, tourism and other businesses will be impacted. Fuel and commodity deliveries will be delayed and, in some cases, will be more costly because ice bridges across rivers and streams will have melted. Designated program receipts will mitigate this impact by allowing affected businesses to contribute to the early opening of the roads.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Northern Region Highways & Aviation	(100.0)	GF

**Description of Reduction:**

Discontinue maintenance on 40 miles of Denali Highway.

**Impact Analysis:**

The Denali Highway is not maintained in the winter from mile 42 (Maclaren River) to mile 82 (Gracious House). This decrement would delete summer maintenance on that same section. Tourism, mining, business, and subsistence home owners would all be impacted. It is likely that the road could become impassable in just one season. There are two bridges in this section. If they are not maintained, they too will quickly deteriorate.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Northern Region Highways & Aviation	(60.0)	GF

**Description of Reduction:**

Transfer striping to Capital budget to be paid with federal funds.

**Impact Analysis:**

We are hopeful that the federal government will approve our striping request. If this does not get approved, the ability to stripe roads will be further diminished. The Department already has trouble getting to the rural NHS roads in a timely manner and some parts don't get done yearly to ensure good reflectivity on rainy nights. Striping which is scraped off during winter snow removal operations will not be replaced. Also, the ability to spend on other high priority maintenance activities such as guardrail, sign, and culvert repairs that are not covered by the federal program will be lost.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Northern Region Highways & Aviation	(125.0)	GF

**Description of Reduction:**

Close maintenance station.

**Impact Analysis:**

One highway maintenance station would be closed. Snowplowing, sanding, ice scraping, and other maintenance activities would be delayed until the operators can make it to a location which would be further removed from an active maintenance station. The active station's roads would also experience delays because fewer personnel will be available to service the same total road mileage. Local roads near the closed and active stations would experience the longest delays.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
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Northern Region Highways & Aviation

+49.6

Statutory DPR

**Description of Reduction/Increase:**

Statutory Designated Program Receipts for late night callouts by airlines.

**Impact Analysis:**

Certificated airports which include Nome, Valdez, Cordova, Kotzebue, Deadhorse, and Barrow would benefit. Planes that carry 30 passengers or more and some freight planes are not allowed to land at these airports from approximately 8 p.m. until 6 a.m. because the airports are not staffed. Statutory designated program receipts would allow the Region to receive revenue from the airlines to accommodate landings between 8 p.m. and 6 a.m.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Northern Region Facilities	+15.0	GF

**Description of Reduction/Increase:**

Annual maintenance cost for unused areas of Harborview Center.

**Impact Analysis:**

Assuming \$150,000 capital funding is appropriated to isolate the hospital portion of the building from the unused portion and the City or some other entity pays all utility bills, this amount should be adequate.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Southeast Region Construction	(310.0)	CIP

**Description of Reduction:**

Deny increment for \$310.0 personal services costs for HET positions.

**Impact Analysis:**

Southeast Region is expecting a 50% increase in project workload in FY00 compared to prior years. The large projects in the region will be:

- Ketchikan Third Ave. Extension
- Ketchikan Tongass Ave. Viaduct Rehab
- Sitka Airport Apron Expansion
- Haines 25.5 to Little Boulder Cr.
- Haines Big Boulder Cr. To Border
- Skagway Airport Expansion
- Yakutat Airport Overlay

Construction work on the Ketchikan and Skagway projects will be expected to continue all through the winter. Work on the Haines and Sitka projects is to continue well into the winter. The construction staff must be on the job site when the contractors are working. The combination of these two factors requires the Department to add personal services to cover the additional amount of time necessary to keep these seasonal positions on board and to provide overtime. 80% of the request is for regular wages and the remainder for overtime. The other option would be to add more staff.

Much of the additional workload at last year's funding level will be absorbed, but not all. The increment is specifically targeted to (in order of importance):

- Increase 6 Ketchikan-based technician positions from 9-month funding to 12-month funding, with a commensurate increase in overtime funding. (\$100.0)
- Increase 6 Haines-based technician positions from 6-month funding to 10-month funding, with a commensurate increase in overtime funding. (\$135.0)
- Increase 4 Sitka-based technician positions from 6-month funding to 9-month funding, with a commensurate increase in overtime funding. (\$60.0)
- Restore some overtime funding to 6 Juneau-based technicians that has been reduced in prior years. (\$15.0)

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Southeast Region Facilities	(120.0)	GF

**Description of Reduction/Increase:**

Reduce janitorial services to 3 days per week.

**Impact Analysis:**

To meet this target, janitorial services contracted with small private firms will be reduced to weekly vacuuming of offices, and three times/week cleaning of floor coverings at entryways, corridors, and elevator lobbies. Heavy cleaning will be correspondingly reduced—weekly services will be performed monthly, etc. Window-washing, dusting and light fixture cleaning will be discontinued. However, basic services, such as trash pickup throughout the buildings and restroom cleaning, will continue to be done on a daily basis.

It is probable that some firms performing our smaller contracts will not find it economically possible to continue at these reduced service levels. Therefore, we expect to combine some of the smaller contracts into larger ones covering two or more buildings, to achieve viable contracts with minimum dollar valuation. These new contracts must be in place by July 1, 1999, to achieve the full \$120.0 reduction for the entire fiscal year.

In summary, the existing low levels of cleanliness and appearance in Juneau and Ketchikan buildings will be further reduced. The buildings will look unkempt, and there will be a large increase in tenant agency complaints, which we will not be able to address.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Southeast Region Highways & Aviation	+72.0	Statutory DPR

**Description of Reduction/Increase:**

\$72.0 in Statutory Designated Program Receipts for aviation maintenance at the Klawock Airport.

**Impact Analysis:**

This increment would allow us to receive and spend receipts from commercial airline users of the Klawock airport. If receipts are collected, they would be used for the maintenance and operation of the Klawock airport. Without this increment the Department is unable to provide additional service at this airport. It is unknown at this time whether any commercial carriers will be generating this revenue.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Southeast Region Highways & Aviation	(50.0)	GF

**Description of Reduction:**

Transfer striping to Capital budget to be paid with federal funds.

**Impact Analysis:**

We are hopeful that the federal government will approve our striping request. If this does not get approved, the ability to stripe roads will be further diminished. The Department already has trouble getting to the rural NHS roads in a timely manner and some parts don't get done yearly to ensure good reflectivity on rainy nights. Striping which is scraped off during winter snow removal operations will not be replaced. Also, the ability to spend on other high priority maintenance activities such as guardrail, sign, and culvert repairs that are not covered by the federal program will be lost.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Southeast Region Highways & Aviation	+19.2	Statutory DPR

**Description of Reduction/Increase:**

Statutory Designated Program Receipts for late night callouts by airlines.

**Impact Analysis:**

Certificated airports which include Gustavus, Petersburg, Sitka, Wrangell, Klawock, and Yakutat would benefit. Planes that carry 30 passengers or more and some freight planes are not allowed to land at these airports from approximately 8 p.m. until 6 a.m. because the airports are not staffed. Statutory designated program receipts would allow the Region to receive revenue from the airlines to accommodate landings between 8 p.m. and 6 a.m.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Marine Highway Stabilization	(180.0)	GF

**Description of Reduction:**

Austerity Measures extended to FY00.

**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 FY99, which was an increase of two weeks over FY98.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Marine Highway Stabilization	(146.0)	GF

**Description of Reduction:**

Reduce M/V Taku service by one week.

**Impact Analysis:**

This Taku would be removed from one week of planned service in Southeast during September. This will reduce the number of ships providing service between Prince Rupert and Juneau by 33% during that week. Because it is at the end of summer, capacity on the remaining vessels should be sufficient to handle the passenger and vehicle demands for those ports.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Marine Highway Stabilization	(44.0)	GF

**Description of Reduction:**

Reduce replacement of linens, aprons, blankets, etc.

**Impact Analysis:**

This would reduce the purchase of linens, aprons, blankets, towels, and other soft goods used aboard the vessels by about 25%. Existing inventories would have to be re-used beyond their current useful life. Tattered, torn, and stained soft goods would need to be recycled.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Marine Highway Stabilization	(10.0)	GF

**Description of Reduction:**

Reduce vessel repair and maintenance.

**Impact Analysis:**

Minor repairs and maintenance to vessels would be postponed or not completed. This would include non-safety areas such as paint, worn carpet, damaged fixtures, etc.

<b>Program Area:</b>	<b>Dollar Amount(s):</b>	<b>Fund Source(s):</b>
Marine Highway Engineering	(165.0)	CIP

**Description of Reduction:**

Reduce increment from \$255.0 CIP with 3 PFT to \$90.0 CIP with 1 PFT.

**Impact Analysis:**

AMHS engineering will require all three positions and funding to successfully implement the projects contained in the federal TEA-21 over the next five years. However, there will be a ramping up of projects over the five-year period, so for FY00 only one position is necessary. There will be no impact to projects in FY00, but the additional positions will be needed as more projects come on-line in FY01 and beyond.

Senate Finance Subcommittee  
UNIVERSITY

Senator Lemar, Chairman  
Senator Halford  
Senator Wilken  
Senator Adams

MEMO

TO: Senator Sean Parnell, Co-Chairman  
Senate Finance Committee

FROM: Senator Loren Lemar, Chairman  
Finance Subcommittee for University of Alaska

DATE: April 14, 1999

RE: Subcommittee closeout

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As requested by the Senate Finance Committee Co-Chairmen, we have closed out the University of Alaska budget authorizing:

\$460,190.7 for the total agency expenditure

\$63,434.2 in federal funds

\$166,333.0 in general funds

\$230,423.5 in other funds

This closeout meets your general fund allocation for the University.

# IMPACT OF LEGISLATIVE ALLOCATION TO THE UNIVERSITY OF ALASKA

## UA's FY00 Operating Budget request of \$16.3 million 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 (\$0.75m),
- 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 Senate Finance Committee's legislative allocation of "zero" will force the university to eliminate \$8.9 million 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 University 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 \$3 million. 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 \$35 million. 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's 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 million reduction target, the university would have to effectively reduce \$12 million because it has ongoing financial commitments for 1-3 years on maintenance of vacant facilities, and contractual obligations to faculty and students.

# FY00 Subcommittee Recommendations--University of Alaska

(\$000)

Allocation: 166,333.0  
 SubCommittee Report: 166,333.0  
 Over (under): 0.0

Agency	BRU	Component	Total		GF Group			Other Funds		Federal Funds	
			FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00	Change	FY99 Authorized	Subcommittee Recommendation for FY00	FY99 Authorized	Subcommittee Recommendation for FY00
		<b>Total</b>	<b>442,440.7</b>	<b>480,190.7</b>	<b>166,333.0</b>	<b>166,333.0</b>	<b>0.0</b>	<b>218,101.5</b>	<b>230,423.5</b>	<b>58,006.2</b>	<b>63,434.2</b>
		FY99 Supplemental	0.0		0.0			0.0		0.0	
		FY99 Base	442,440.7		166,333.0			218,101.5		58,006.2	
		FY00-FY99		17,750.0		0.0			12,322.0		5,428.0
		% Change		4.01%		0.00%			5.65%		9.36%
University of Alaska	University of Alaska	Unallocated Budget Reductions/Ad	(0.0)	(16,263.2)	0.0	(16,263.2)	(16,263.2)	0.0	0.0	0.0	0.0
University of Alaska	University of Alaska	Budget Reductions/Additions - Syst	57.1	13,050.3	0.0	10,643.2	10,643.2	50.9	2,225.6	6.2	181.5
University of Alaska	Statewide Programs and Services	Statewide Services	20,888.4	20,788.4	7,312.2	7,212.2	(100.0)	13,676.2	13,576.2	0.0	
University of Alaska	Statewide Programs and Services	Statewide Networks	9,640.6	9,640.6	4,215.6	4,215.6	0.0	5,425.0	5,425.0	0.0	
University of Alaska	Statewide Programs and Services	ACCFT Contract Provisions	(0.0)	476.0	0.0	464.1	464.1	0.0	6.4	0.0	5.5
University of Alaska	Statewide Programs and Services	United Academics (UA) Contract Pr	0.0	1,683.8	0.0	1,566.8	1,566.8	0.0	62.0	0.0	55.0
University of Alaska	Statewide Programs and Services	CEA Contract Provisions	0.0	393.8	0.0	381.9	381.9	0.0	9.4	0.0	2.5
University of Alaska	Statewide Programs and Services	Salary Adjustment: Non-Covered E	0.0	3,637.5	0.0	2,928.3	2,928.3	0.0	519.5	0.0	189.7
University of Alaska	Statewide Programs and Services	United Academics - Adjuncts	0.0	278.9	0.0	278.9	278.9	0.0		0.0	
University of Alaska	University of Alaska Anchorage	Anchorage Campus	126,493.5	127,744.2	50,541.4	50,592.1	50.7	61,952.1	63,152.1	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	0.0	2,634.5	2,634.5	325.2	325.2
University of Alaska	University of Alaska Anchorage	Kodiak College	2,555.0	2,555.0	1,700.3	1,700.3	0.0	854.7	854.7	0.0	
University of Alaska	University of Alaska Anchorage	Matanuska-Susitna College	4,550.4	4,550.4	2,398.6	2,398.6	0.0	2,141.7	2,141.7	10.1	10.1
University of Alaska	University of Alaska Anchorage	Prince William Sound Community C	4,643.9	4,643.9	1,543.9	1,543.9	0.0	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	0.0	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	0.0	478.3	478.3	0.0	
University of Alaska	University of Alaska Fairbanks	Chukchi Campus	925.1	925.1	781.5	781.5	0.0	143.6	143.6	0.0	
University of Alaska	University of Alaska Fairbanks	Fairbanks Campus	146,212.2	146,261.5	59,610.0	59,660.1	49.3	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	83,287.3	9,895.3	9,895.3	0.0	31,202.3	39,402.3	28,989.7	33,989.7
University of Alaska	University of Alaska Fairbanks	Interior-Alutians Campus	1,723.1	1,723.1	1,046.1	1,046.1	0.0	677.0	677.0	0.0	
University of Alaska	University of Alaska Fairbanks	Kuskokwim Campus	3,383.7	3,383.7	1,856.6	1,856.6	0.0	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	0.0	273.1	273.1	0.0	
University of Alaska	University of Alaska Fairbanks	Rural College	3,025.3	3,025.3	2,048.4	2,048.4	0.0	976.9	976.9	0.0	
University of Alaska	University of Alaska Fairbanks	Tanana Valley Campus	5,044.5	5,044.5	1,968.1	1,968.1	0.0	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	0.0	8,919.5	8,919.5	1,500.0	1,500.0
University of Alaska	University of Alaska Southeast	Ketchikan Campus	2,785.5	2,795.5	1,462.3	1,462.3	0.0	1,283.2	1,283.2	50.0	50.0
University of Alaska	University of Alaska Southeast	Sitka Campus	4,708.7	4,858.7	1,762.3	1,762.3	0.0	2,646.4	2,796.4	300.0	300.0