

HB

103/104

(File 3)

HFIN

FILE

Agency Summary - FY 02 Operating Budget - House Structure

<u>Agency</u>	<u>HB103/4</u>	<u>Hse Sub</u>	<u>HB103/4 to Hse Sub</u>	
Department of Administration	273,694.5	280,194.3	6,499.8	2.4 %
Department of Community and Economic Development	130,169.6	147,012.1	16,842.5	12.9 %
Department of Corrections	168,966.2	172,875.9	3,909.7	2.3 %
Department of Education and Early Development	915,629.0	934,032.4	18,403.4	2.0 %
Department of Environmental Conservation	49,255.2	50,797.4	1,542.2	3.1 %
Department of Fish and Game	117,366.8	127,776.0	10,409.2	8.9 %
Office of the Governor	20,136.1	19,049.4	-1,086.7	-5.4 %
Department of Health and Social Services	1,088,467.3	1,193,015.9	104,548.6	9.6 %
Department of Labor and Workforce Development	114,081.9	119,029.6	4,947.7	4.3 %
Department of Law	44,987.2	45,107.4	120.2	0.3 %
Department of Military and Veterans Affairs	27,739.5	29,825.1	2,085.6	7.5 %
Department of Natural Resources	68,606.0	70,293.3	1,687.3	2.5 %
Department of Public Safety	99,221.4	102,338.0	3,116.6	3.1 %
Department of Revenue	163,533.5	169,605.1	6,071.6	3.7 %
Department of Transportation/Public Facilities	322,068.9	327,533.2	5,464.3	1.7 %
University of Alaska	514,756.6	546,264.7	31,508.1	6.1 %
Alaska Court System	50,870.8	51,924.9	1,054.1	2.1 %
Legislature	37,347.0	37,640.2	293.2	0.8 %
Total - Operating Budget	4,206,897.5	4,424,314.9	217,417.4	5.2 %
Gen Purpose	2,112,005.6	2,143,269.1	31,263.5	1.5 %
Fed Restricted	972,837.8	1,131,315.9	158,478.1	16.3 %
Other Funds	1,122,054.1	1,149,729.9	27,675.8	2.5 %

HB 103

22-LS0410.L
Utermohle
3/2/01

adopted 3/11/01

CS FOR HOUSE BILL NO. 103(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

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

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

6 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

1 * **Section 1.** The following appropriation items are for operating expenditures from the general fund or
 2 other funds as set out in the fiscal year 2002 budget summary for the operating budget by funding source to
 3 the agencies named for the purposes expressed for the fiscal year beginning July 1, 2001 and ending June
 4 30, 2002, unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated
 5 reduction set out in this section may be allocated among the appropriations made in this section to that
 6 department, agency, or branch.

	Allocations	Appropriation Items	General Funds	Other Funds
	*****	*****		
	*****	Department of Administration	*****	
	*****	*****		
12	Centralized Administrative	40,446,600	9,439,200	31,007,400
13	Services			
14	Office of the Commissioner	480,200		
15	Tax Appeals	241,800		
16	Administrative Services	1,548,500		
17	DOA Information Technology	1,116,800		
18	Support			
19	Finance	5,904,800		
20	Personnel	2,502,700		
21	Labor Relations	983,000		
22	Purchasing	1,003,000		
23	Property Management	815,500		
24	Central Mail	1,134,200		
25	Retirement and Benefits	10,294,500		
26	Group Health Insurance	14,371,600		
27	Labor Agreements	50,000		
28	Miscellaneous Items			
29	Leases	31,155,000	20,664,600	10,490,400
30	Leases	30,720,200		
31	Lease Administration	434,800		

1		Appropriation	General	Other
2	Allocations	Items	Funds	Funds
3	State Owned Facilities	8,567,900	1,129,600	7,438,300
4	Facilities	7,263,200		
5	Facilities Administration	221,900		
6	Non-Public Building Fund	1,082,800		
7	Facilities			
8	Administration State Facilities	440,800	440,800	
9	Rent			
10	Special Systems	1,111,500	1,111,500	
11	Unlicensed Vessel Participant	75,000		
12	Annuity Retirement Plan			
13	Elected Public Officers	1,036,500		
14	Retirement System Benefits			
15	Information Technology Group	21,049,100		21,049,100
16	Information Services Fund	705,000	650,000	55,000
17	Public Communications Services	4,584,400	3,910,700	673,700
18	Public Broadcasting Commission	54,200		
19	Public Broadcasting - Radio	2,469,900		
20	Public Broadcasting - T.V.	754,300		
21	Satellite Infrastructure	1,306,000		
22	AIRRES Grant	150,000	150,000	
23	Risk Management	23,353,800		23,353,800
24	Longevity Bonus Grants	52,558,600	52,558,600	
25	Alaska Longevity Programs	25,563,800	12,593,000	12,970,800
26	Management			
27	Pioneers Homes	24,263,200		
28	Alaska Longevity Programs	1,300,600		
29	Management			
30	Senior Services	18,414,900	8,161,700	10,253,200
31	Protection, Community	6,562,500		
32	Services, and Administration			
33	Nutrition, Transportation and	6,139,300		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Support Services			
4	Senior Employment Services	1,857,600		
5	Home and Community Based Care	1,101,400		
6	Senior Residential Services	1,015,000		
7	Home Health Services	1,739,100		
8	Alaska Oil and Gas Conservation	3,420,000		3,420,000
9	Commission			
10	The amount appropriated by this appropriation includes the unexpended and unobligated balance on June			
11	30, 2001, of the receipts of the Department of Administration, Alaska Oil and Gas Conservation			
12	Commission receipts account for regulatory cost charges under AS 31.05.093 and permit fees under AS			
13	31.05.090.			
14	Legal and Advocacy Services	19,089,000	17,885,500	1,203,500
15	Office of Public Advocacy	8,532,600		
16	Public Defender Agency	10,556,400		
17	Alaska Public Offices Commission	752,600	752,600	
18	Motor Vehicles	9,143,500	8,706,900	436,600
19	Pioneers' Homes Facilities	2,125,000		2,125,000
20	Maintenance			
21	General Services Facilities	39,700		39,700
22	Maintenance			
23	AOGCC Facilities Maintenance	34,000		34,000
24	ITG Facilities Maintenance	23,000		23,000
25	*****		*****	
26	***** Department of Community and Economic Development *****			
27	*****		*****	
28	Executive Administration and	2,989,300	1,532,100	1,457,200
29	Development			
30	Commissioner's Office	676,800		
31	Administrative Services	2,312,500		
32	Community Assistance & Economic	10,916,600	5,941,900	4,974,700
33	Development			

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Community and Business	8,814,000		
4	Development			
5	International Trade and	2,102,600		
6	Market Development			
7	Municipal Revenue Sharing	45,493,400	28,493,400	17,000,000
8	State Revenue Sharing	12,855,200		
9	Municipal Assistance	15,638,200		
10	National Program Receipts	16,000,000		
11	Fisheries Business Tax	1,000,000		
12	Qualified Trade Association	4,655,400	4,605,300	50,100
13	Contract			
14	Investments	3,356,400		3,356,400
15	Alaska Aerospace Development	13,649,200		13,649,200
16	Corporation			
17	Alaska Aerospace Development	858,100		
18	Corporation			
19	The amount appropriated by this appropriation includes the unexpended and unobligated balance on June			
20	30, 2001, of corporate receipts of the Department of Community and Economic Development, Alaska			
21	Aerospace Development Corporation.			
22	Alaska Aerospace Development	12,791,100		
23	Corporation Facilities			
24	Maintenance			
25	Alaska Industrial Development	7,170,800		7,170,800
26	and Export Authority			
27	Alaska Industrial Development	5,941,900		
28	and Export Authority			
29	Alaska Industrial Development	177,000		
30	Corporation Facilities			
31	Maintenance			
32	Alaska Energy Authority	1,051,900		
33	Operations and Maintenance			

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Rural Energy	18,251,000	489,700	17,761,300
4	Energy Operations	2,251,000		
5	Circuit Rider	300,000		
6	Power Cost Equalization	15,700,000		
7	Alaska Science and Technology	10,491,900		10,491,900
8	Foundation			
9	Alaska Seafood Marketing	10,530,200		10,530,200
10	Institute			
11	The amount appropriated by this appropriation includes the unexpended and unobligated balance on June			
12	30, 2001, of the receipts from the salmon marketing tax (AS 43.76.110), from the seafood marketing			
13	assessment (AS 16.51.120), and from program receipts of the Alaska Seafood Marketing Institute.			
14	Banking, Securities and	1,903,200		1,903,200
15	Corporations			
16	Insurance Operations	4,609,600		4,609,600
17	The amount appropriated by this appropriation includes the unexpended and unobligated balance on June			
18	30, 2001, of the Department of Community and Economic Development, division of insurance, program			
19	receipts from license fees and service fees.			
20	Occupational Licensing	6,863,100	545,000	6,318,100
21	The amount appropriated by this appropriation includes the unexpended and unobligated balance on June			
22	30, 2001, of the Department of Community and Economic Development, division of occupational			
23	licensing, receipts from occupational licensing fees under AS 08.01.065(a), (c), and (f).			
24	Regulatory Commission of Alaska	5,594,100		5,594,100
25	The amount appropriated by this appropriation includes the unexpended and unobligated balance on June			
26	30, 2001, of the receipts of the Department of Community and Economic Development, Regulatory			
27	Commission of Alaska receipts account for regulatory cost charges under AS 42.05.254 and AS 42.06.286.			
28	DCED State Facilities Rent	537,900	359,900	178,000
29	*****	*****		
30	***** Department of Corrections *****			
31	*****	*****		
32	Administration & Operations	131,095,200	109,943,300	21,151,900
33	Office of the Commissioner	620,000		

		Appropriation	General	Other
		Allocations	Funds	Funds
1				
2				
3	Correctional Academy	750,200		
4	Administrative Services	2,611,900		
5	Data and Word Processing	1,501,900		
6	Facility-Capital Improvement	213,800		
7	Unit			
8	Inmate Health Care	11,264,800		
9	It is the intent of the Legislature to request that the Department of Corrections review the level of health			
10	service currently being offered to inmates and the expenditures associated with these services. The			
11	legislature also requests that the Department of Corrections compare the current level of health care			
12	coverage with that required under ACA or appropriate national standards. The final review should be made			
13	available to the legislature no later than December 15, 2001.			
14	Inmate Programs	2,929,900		
15	Correctional Industries	1,187,400		
16	Administration			
17	Correctional Industries	4,150,600		
18	Product Cost			
19	Institution Director's Office	1,652,700		
20	Anchorage Jail	3,383,000		
21	Anvil Mountain Correctional	3,956,700		
22	Center			
23	Combined Hiland Mountain	7,451,400		
24	Correctional Center			
25	Cook Inlet Correctional Center	9,587,500		
26	Fairbanks Correctional Center	6,944,900		
27	Ketchikan Correctional Center	2,695,400		
28	Lemon Creek Correctional	6,069,800		
29	Center			
30	Matanuska-Susitna	2,674,000		
31	Correctional Center			
32	Palmer Correctional Center	8,351,700		
33	Sixth Avenue Correctional	3,230,900		

		Appropriation	General	Other
		Items	Funds	Funds
	Allocations			
1				
2				
3	Center			
4	Spring Creek Correctional	13,839,500		
5	Center			
6	Wildwood Correctional Center	8,158,500		
7	Yukon-Kuskokwim Correctional	4,056,200		
8	Center			
9	Community Jails	4,718,700		
10	Community Corrections	751,100		
11	Director's Office			
12	Northern Region Probation	2,410,000		
13	Southcentral Region Probation	4,738,900		
14	Southeast Region Probation	989,300		
15	Transportation and	1,515,900		
16	Classification			
17	Electronic Monitoring	821,800		
18	Facility Maintenance	7,780,500		
19	DUC State Facilities Rent	86,300		
20	Parole Board	483,400	483,400	
21	Community Residential Centers	16,181,800	12,479,000	3,702,800
22	Existing Community	14,264,500		
23	Residential Centers			
24	Nome Culturally Relevant CRC	1,016,500		
25	Bethel Culturally Relevant CRC	144,800		
26	Community Residential Center	756,000		
27	Offender Supervision			
28	Out-of-State Contractual	17,698,900	15,032,200	2,666,700
29	Point MacKenzie Rehabilitation	2,157,600	2,157,600	
30	Program			
31	Alternative Institutional Housing	170,000	170,000	
32	VPSO Parole Supervision Program	95,000	95,000	

		Appropriation	General	Other
		Items	Funds	Funds
	Allocations			
1				
2				
3	*****		*****	
4	***** Department of Education and Early Development *****			
5	*****		*****	
6	K-12 Support	673,343,900	640,740,100	32,603,800
7	Foundation Program	665,017,700		
8	Tuition Students	2,225,000		
9	Boarding Home Grants	185,900		
10	Youth in Detention	1,100,000		
11	Schools for the Handicapped	4,315,300		
12	Community Schools	500,000		
13	Pupil Transportation	48,099,300	48,099,300	
14	Executive Administration	490,500	44,100	446,400
15	State Board of Education	144,600		
16	Commissioner's Office	345,900		
17	Teaching and Learning Support	98,147,300	4,701,900	93,445,400
18	Special and Supplemental	56,321,500		
19	Services			
20	Quality Schools	36,525,100		
21	Education Special Projects	4,612,100		
22	Teacher Certification	688,600		
23	The amount appropriated by this appropriation includes the unexpended and unobligated balance on June			
24	30, 2001, of the Department of Education and Early Development receipts from teacher certification fees			
25	under AS 14.20.020(c).			
26	Early Development	73,700,900	8,534,800	65,166,100
27	Child Nutrition	28,037,400		
28	Child Care Assistance &	35,825,300		
29	Licensing			
30	Head Start Grants	9,338,200		
31	Children's Trust Programs	573,000		573,000
32	Education Support Services	3,560,500	2,139,200	1,421,300
33	Administrative Services	1,191,600		

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Information Services	652,500		
4	District Support Services	1,027,600		
5	Educational Facilities Support	688,800		
6	Alyeska Central School		5,025,000	91,200
7	Commissions and Boards		1,370,000	462,700
8	Professional Teaching	187,300		
9	Practices Commission			
10	Alaska State Council on the	1,182,700		
11	Arts			
12	Kotzebue Technical Center		609,000	609,000
13	Operations Grant			
14	Alaska Vocational Technical		6,103,500	3,380,400
15	Center Operations			2,723,100
16	Mt. Edgecumbe Boarding School		4,635,800	2,640,100
17	State Facilities Maintenance		1,914,600	260,700
18	State Facilities Maintenance	1,653,900		
19	EED State Facilities Rent	260,700		
20	Alaska Library and Museums		6,947,200	5,856,600
21	Library Operations	4,765,900		
22	Archives	735,600		
23	Museum Operations	1,445,700		
24	Alaska Postsecondary Education		9,301,000	1,444,200
25	Commission			7,856,800
26	Program Administration	1,071,200		
27	Student Loan Operations	6,623,500		
28	Western Interstate Comm. for	99,000		
29	Higher Education-Student			
30	Exchange Program			
31	WWAMI Medical Education	1,507,300		

		Appropriation	General	Other
		Items	Funds	Funds
	Allocations			
1				
2				
3	*****		*****	
4	***** Department of Environmental Conservation *****			
5	*****		*****	
6	Administration	4,081,800	1,106,000	2,975,800
7	Office of the Commissioner	405,100		
8	Administrative Services	3,043,900		
9	Exxon Restoration	632,800		
10	Environmental Health	12,946,000	7,179,000	5,767,000
11	Environmental Health Director	265,800		
12	Food Safety & Sanitation	3,478,400		
13	Laboratory Services	2,162,100		
14	Drinking Water	3,928,100		
15	Solid Waste Management	1,220,400		
16	Statewide Public Services	1,891,200		
17	Air and Water Quality	9,957,200	3,539,900	6,417,300
18	Air and Water Director	220,700		
19	Air Quality	5,050,200		
20	Water Quality	4,686,300		
21	Non-Point Source Pollution	2,269,400		2,269,400
22	Control			
23	Spill Prevention and Response	15,445,700		15,445,700
24	Spill Prevention and Response	197,900		
25	Director			
26	Contaminated Sites Program	7,204,900		
27	Industry Preparedness and	3,123,100		
28	Pipeline Operations			
29	Prevention and Emergency	3,135,400		
30	Response			
31	Response Fund Administration	1,784,400		
32	Local Emergency Planning	310,900		310,900
33	Committees			

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Facility Construction and	5,786,400	1,032,900	4,753,500
4	Operations			
5	*****	*****		
6	***** Department of Fish and Game *****			
7	*****	*****		
8	Commercial Fisheries	47,992,700	24,644,400	23,348,300
9	Southeast Region Fisheries	5,432,400		
10	Management			
11	The amount appropriated by this appropriation includes the unexpended and unobligated balance on June			
12	30, 2001, of the Department of Fish and Game receipts from commercial fisheries test fishing operations			
13	receipts under AS 16.05.050(a)(15).			
14	Central Region Fisheries	6,158,800		
15	Management			
16	AYK Region Fisheries	4,203,500		
17	Management			
18	Westward Region Fisheries	7,825,500		
19	Management			
20	Headquarters Fisheries	4,048,200		
21	Management			
22	Fisheries Development	2,256,600		
23	Commercial Fisheries Special	16,666,400		
24	Projects			
25	Commercial Fish Capital	1,155,200		
26	Improvement Position Costs			
27	Commercial Fish EVOS	246,100		
28	Restoration Projects			
29	Sport Fisheries	26,831,400	20,000	26,811,400
30	Sport Fisheries	22,655,300		
31	Sport Fisheries Special	4,176,100		
32	Projects			
33	Crystal Lake Hatchery	192,700		192,700

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
3	Wildlife Conservation	24,841,800	253,700	24,588,100
4	Wildlife Conservation	17,840,700		
5	CARA Implementation	1,510,000		
6	It is the intent of the legislature that the Department seek approval of the Legislative Budget and Audit			
7	Committee to receive and expend additional federal receipts in the event Conservation And Restoration Act			
8	funding is reauthorized in Congress.			
9	Wildlilfe Conservation	4,437,600		
10	Special Projects			
11	Wildlife Conservation Capital	302,700		
12	Improvement Position Costs			
13	Wildlife Conservation EVOS	544,800		
14	Restoration Projects			
15	Assert/Protect State's Rights	206,000		
16	Administration and Support	6,859,300	2,021,000	4,838,300
17	Public Communications	135,700		
18	Administrative Services	4,987,400		
19	Boards of Fisheries and Game	1,194,500		
20	Advisory Committees	541,700		
21	State Facilities Maintenance	1,260,000	169,600	1,090,400
22	State Facilities Maintenance	1,008,800		
23	Fish and Game State	251,200		
24	Facilities Rent			
25	Commissioner's Office	860,700	551,200	309,500
26	Subsistence	2,780,000	219,300	2,560,700
27	Subsistence	219,300		
28	Subsistence Special Projects	2,191,800		
29	Subsistence EVOS Restoration	368,900		
30	Projects			
31	Subsistence Research & Monitoring	1,398,300	906,700	491,600
32	Habitat	11,862,400	1,949,700	9,912,700
33	Habitat	5,228,800		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Habitat Special Projects	2,701,600		
4	Exxon Valdez Restoration	3,932,000		
5	Commercial Fisheries Entry		2,896,700	2,896,700
6	Commission			
7	*****		*****	
8	***** Office of the Governor *****			
9	*****		*****	
10	Human Rights Commission		1,527,100	1,338,400
				188,700
11	Executive Operations		8,593,200	8,483,200
				110,000
12	Executive Office	6,681,100		
13	Governor's House	343,200		
14	Contingency Fund	410,000		
15	Lieutenant Governor	877,900		
16	Equal Employment Opportunity	281,000		
17	Governor's Office State		416,000	416,000
18	Facilities Rent			
19	Office of Management and Budget		1,761,500	1,761,500
20	Governmental Coordination		4,694,800	1,480,900
				3,213,900
21	Elections		2,056,800	2,056,800
22	*****		*****	
23	***** Department of Health and Social Services *****			
24	*****		*****	
25	Public Assistance		141,945,600	86,144,800
				55,800,800
26	Alaska Temporary Assistance	50,116,400		
27	Program			
28	Adult Public Assistance	53,400,900		
29	General Relief Assistance	829,300		
30	Old Age Assistance-Alaska	1,760,000		
31	Longevity Bonus (ALB) Hold			
32	Harmless			
33	Permanent Fund Dividend Hold	16,147,300		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Harmless			
4	Energy Assistance Program	12,000,000		
5	Tribal Assistance Programs	7,691,700		
6	Medicaid Services	532,263,800	127,138,600	405,125,200
7	No money appropriated in this appropriation may be expended for an abortion that is not a mandatory			
8	service required under AS 47.07.030(a).			
9				
10	Catastrophic and Chronic Illness	4,000,000	4,000,000	
11	Assistance (AS 47.08)			
12	Public Assistance Administration	86,556,200	21,792,800	64,763,400
13	Public Assistance	6,866,600		
14	Administration			
15	Quality Control	1,067,600		
16	Public Assistance Field	25,083,100		
17	Services			
18	Public Assistance Data	4,818,800		
19	Processing			
20	Work Services	15,618,100		
21	Child Care Benefits	33,102,000		
22	Fraud Investigation	1,365,600	748,500	617,100
23	Medical Assistance Administration	38,799,000	9,738,200	29,060,800
24	Medical Assistance	1,919,900		
25	Administration			
26	Medicaid State Programs	18,522,500		
27	Health Purchasing Group	16,797,000		
28	Certification and Licensing	1,152,700		
29	Hearings and Appeals	406,900		
30	Children's Health Eligibility	2,632,800	889,100	1,743,700
31	Purchased Services	45,464,400	29,368,700	16,095,700
32	Family Preservation	7,131,700		
33	Foster Care Base Rate	10,011,100		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Foster Care Augmented Rate	3,185,500		
4	Foster Care Special Need	2,451,300		
5	Foster Care Alaska Youth	150,000		
6	Initiative			
7	Subsidized Adoptions &	12,968,200		
8	Guardianship			
9	Residential Child Care	9,066,600		
10	Court Orders and	500,000		
11	Reunification Efforts			
12	Front Line Social Workers		20,769,900	10,447,400
13	Balloon Project		1,546,600	1,386,600
14	Family and Youth Services		4,358,700	1,443,700
15	Management			
16	Family and Youth Services Staff		1,233,500	436,500
17	Training			797,000
18	Child Protection Legal Assistance		440,000	440,000
19	Office of Public Advocacy	185,000		
20	Public Defender Agency	255,000		
21	Juvenile Justice		33,563,000	28,755,500
22	McLaughlin Youth Center	11,807,900		
23	Fairbanks Youth Facility	2,795,400		
24	Nome Youth Facility	684,900		
25	Johnson Youth Center	2,494,200		
26	Bethel Youth Facility	2,120,000		
27	Mat-Su Youth Facility	1,425,300		
28	Ketchikan Regional Youth	1,001,500		
29	Facility			
30	Delinquency Prevention	3,292,000		
31	Probation Services	7,941,800		
32	Human Services Community		1,716,900	410,900
33	Matching Grant			1,306,000

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Maniilaq		2,172,900	83,000
4	Maniilaq Social Services	843,900		
5	Maniilaq Public Health	901,300		
6	Services			
7	Maniilaq Alcohol and Drug	510,700		
8	Abuse Services			
9	Norton Sound		1,624,300	67,600
10	Norton Sound Social Services	62,200		
11	Norton Sound Public Health	1,271,900		
12	Services			
13	Norton Sound Alcohol and Drug	357,800		
14	Abuse Services			
15	Southeast Alaska Regional Health		299,900	11,000
16	Consortium			
17	Southeast Alaska Regional	120,100		
18	Health Consortium Public			
19	Health Services			
20	Southeast Alaska Regional	190,800		
21	Health Consortium Alcohol and			
22	Drug Abuse			
23	Kawerak Social Services		372,700	
24	Tanana Chiefs Conference		517,900	16,500
25	Tanana Chiefs Conference	239,300		
26	Public Health Services			
27	Tanana Chiefs Conference	295,100		
28	Alcohol and Drug Abuse			
29	Services			
30	Tlingit-Haida		192,500	
31	Tlingit-Haida Social Services	186,600		
32	Tlingit-Haida Alcohol and	5,900		
33	Drug Abuse Services			

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Yukon-Kuskokwim Health	1,498,200	1,416,300	81,900
4	Corporation			
5	Yukon-Kuskokwim Health	907,400		
6	Corporation Public Health			
7	Services			
8	Yukon-Kuskokwim Health	590,800		
9	Corporation Alcohol and Drug			
10	Abuse Services			
11	State Health Services	96,009,800	24,487,000	71,522,800
12	Nursing	16,356,500		
13	Women, Infants and Children	20,542,200		
14	Maternal, Child, and Family	12,867,200		
15	Health			
16	Healthy Families	1,200,600		
17	Public Health Administrative	1,368,700		
18	Services			
19	Epidemiology	7,928,300		
20	Bureau of Vital Statistics	1,845,800		
21	Health Information & System	439,800		
22	Support			
23	Health Services/Medicaid	3,952,800		
24	Community Health/Emergency	17,540,400		
25	Medical Services			
26	Community Health Grants	1,575,200		
27	Emergency Medical Services	1,760,100		
28	Grants			
29	State Medical Examiner	1,234,400		
30	Infant Learning Program Grants	1,899,300		
31	Public Health Laboratories	4,098,500		
32	Tobacco Prevention and Control	1,400,000		
33	Alcohol and Drug Abuse Services	23,349,100	5,728,900	17,620,200

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Administration	2,564,500		
4	Alcohol Safety Action Program	1,112,800		
5	(ASAP)			
6	Alcohol and Drug Abuse Grants	10,962,500		
7	Community Grants - Prevention	8,250,200		
8	Community Action Against	177,300		
9	Substance Abuse Grants			
10	Correctional ADA Grant	281,800		
11	Services			
12	Community Mental Health Grants		6,660,900	6,660,900
13	General Community Mental	64,000		
14	Health Grants			
15	Psychiatric Emergency Services	1,554,500		
16	Services to the Chronically	2,399,100		
17	Mentally Ill			
18	Designated Evaluation and	1,448,600		
19	Treatment			
20	Services for Seriously	1,194,700		
21	Emotionally Disturbed Youth			
22	Community Developmental		837,500	837,500
23	Disabilities Grants			
24	Institutions and Administration		13,573,400	13,563,300
25	Mental Health/Developmental	3,572,100		
26	Disabilities Administration			
27	Alaska Psychiatric Institute	10,001,300		
28	Mental Health Trust Boards		1,825,500	1,825,500
29	Alaska Mental Health Board	20,500		
30	Governor's Council on	1,805,000		
31	Disabilities and Special			
32	Education			
33	Administrative Services		7,183,200	3,363,100

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
3	No money appropriated in this appropriation may be expended for an abortion that is not a mandatory			
4	service required under AS 47.07.030(a).			
5				
6	Commissioner's Office	931,900		
7	Personnel and Payroll	1,364,700		
8	Administrative Support	3,601,900		
9	Services			
10	Health Planning & Facilities	1,007,200		
11	Management			
12	Audit	277,500		
13	Facilities Maintenance		452,200	2,822,100
		3,274,300		
14	Facilities Maintenance	2,584,900		
15	HSS State Facilities Rent	689,400		
16	*****		*****	
17	*****	Department of Labor and Workforce Development		*****
18	*****		*****	
19	Employment Security		3,725,500	76,875,600
		80,601,100		
20	Employment Services	16,802,400		
21	Unemployment Insurance	18,067,900		
22	Job Training Programs	30,292,300		
23	Adult Basic Education	2,599,800		
24	DOL State Facilities Rent	277,100		
25	Data Processing	6,137,100		
26	Management Services	3,009,900		
27	Labor Market Information	3,414,600		
28	Office of the Commissioner		4,482,300	10,022,300
		14,504,600		
29	Alaska Human Resources	407,900		
30	Investment Council			
31	Commissioner's Office	555,900		
32	Alaska Labor Relations Agency	332,300		
33	Fishermens Fund	1,307,800		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Workers' Compensation	2,558,000		
4	Second Injury Fund	3,178,600		
5	Wage and Hour Administration	1,348,200		
6	Mechanical Inspection	1,574,600		
7	Occupational Safety and Health	3,133,800		
8	Alaska Safety Advisory Council	107,500		
9	The amount appropriated by this appropriation includes the unexpended and unobligated balance on June			
10	30, 2001, of the Department of Labor, Alaska Safety Advisory Council receipts under AS 18.60.840.			
11	Vocational Rehabilitation	23,923,900	4,020,300	19,903,600
12	Client Services	12,218,600		
13	Federal Training Grant	56,300		
14	Vocational Rehabilitation	1,447,300		
15	Administration			
16	Independent Living	1,500,200		
17	Rehabilitation			
18	Disability Determination	5,088,500		
19	Special Projects	2,855,700		
20	Assistive Technology	565,300		
21	Americans With Disabilities	192,000		
22	Act (ADA)			
23		*****	*****	
24		*****	Department of Law	*****
25		*****	*****	
26	Criminal Division	14,747,800	13,145,900	1,601,900
27	First Judicial District	1,216,200		
28	Second Judicial District	807,400		
29	Third Judicial District:	3,475,100		
30	Anchorage			
31	Third Judicial District:	2,218,700		
32	Outside Anchorage			
33	Fourth Judicial District	2,725,600		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Criminal Justice Litigation	1,818,800		
4	Criminal Appeals/Special	2,486,000		
5	Litigation Component			
6	Civil Division	22,892,200	7,217,100	15,675,100
7	Deputy Attorney General's	206,300		
8	Office			
9	Collections and Support	1,688,300		
10	Commercial Section	1,850,700		
11	Environmental Law	1,268,900		
12	Fair Business Practices	1,555,700		
13	The amount appropriated by this appropriation includes the unexpended and unobligated balance on June			
14	30, 2001, of designated program receipts and general fund program receipts of the Department of Law, fair			
15	business practices section.			
16	Governmental Affairs Section	2,695,600		
17	Human Services Section	3,833,200		
18	Legislation/Regulations	502,400		
19	Natural Resources	1,268,000		
20	Oil, Gas and Mining	2,867,900		
21	Special Litigation	2,354,300		
22	Transportation Section	2,065,800		
23	Timekeeping and Support	735,100		
24	Statehood Defense	1,095,400	1,095,400	
25	Oil and Gas Litigation and Legal	4,732,400	3,255,400	1,477,000
26	Services			
27	Oil & Gas Litigation	4,436,700		
28	Oil & Gas Legal Services	295,700		
29	Administration and Support	1,575,800	896,000	679,800
30	Office of the Attorney General	338,200		
31	Administrative Services	1,237,600		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	*****		*****	
4	***** Department of Military and Veterans Affairs *****			
5	*****		*****	
6	Disaster Planning and Control		681,900	4,159,700
		4,841,600		
7	Disaster Planning & Control	4,530,700		
8	Local Emergency Planning	310,900		
9	Committee Grants			
10	Alaska National Guard		6,200,000	17,251,500
		23,451,500		
11	Office of the Commissioner	1,686,500		
12	National Guard Military	331,900		
13	Headquarters			
14	Army Guard Facilities	10,619,900		
15	Maintenance			
16	Air Guard Facilities	5,406,400		
17	Maintenance			
18	State Active Duty	320,700		
19	Alaska Military Youth Academy	5,086,100		
20	Alaska National Guard Benefits		908,300	
		908,300		
21	Educational Benefits	28,500		
22	Retirement Benefits	879,800		
23	Veterans' Services		623,700	
		623,700		
24	*****		*****	
25	***** Department of Natural Resources *****			
26	*****		*****	
27	Management and Administration		2,058,100	2,725,900
		4,784,000		
28	Commissioner's Office	547,700		
29	Administrative Services	2,141,100		
30	Public Services Office	348,400		
31	Trustee Council Projects	1,746,800		
32	Information/Data Management		4,590,900	885,400
		5,476,300		
33	Recorder's Office/Uniform	2,392,200		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Commercial Code			
4	Information Resource	2,277,900		
5	Management			
6	Interdepartmental Data	806,200		
7	Processing Chargeback			
8	Resource Development	750,000		750,000
9	Development - Special Projects	500,000		
10	Emergency Firefighters Non-	250,000		
11	Emergency Projects			
12	Forest Management and Development	8,935,700	7,020,100	1,915,600
13	The amount appropriated by this appropriation includes the unexpended and unobligated balance on June			
14	30, 2001, of the timber receipts account (AS 38.05.110).			
15	Oil and Gas Development	8,097,300	3,655,000	5,042,300
16	Oil & Gas Development	4,851,400		
17	Pipeline Coordinator	3,845,900		
18	Minerals, Land, and Water	16,425,600	9,582,800	6,842,800
19	Development			
20	Geological Development	4,035,800		
21	Water Development	1,260,600		
22	Claims, Permits & Leases	6,872,500		
23	Land Sales & Municipal	2,705,000		
24	Entitlements			
25	Title Acquisition & Defense	1,082,300		
26	Director's Office/Mining,	469,400		
27	Land, & Water			
28	Parks and Recreation Management	9,062,900	5,750,100	3,312,800
29	State Historic Preservation	1,331,000		
30	Program			
31	Parks Management	5,660,400		
32	Parks & Recreation Access	2,071,500		
33	Agricultural Development	3,363,100	16,000	3,347,100

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Agricultural Development	1,228,000		
4	North Latitude Plant Material	2,135,100		
5	Center			
6	Agriculture Revolving Loan		707,900	707,900
7	Program Administration			
8	RS 2477/Navigability Assertions		115,000	115,000
9	and Litigation Support			
10	Facilities Maintenance		2,475,400	1,372,200
11	Facilities Maintenance	1,100,000		
12	Fairbanks Office Building	103,600		
13	Chargeback			
14	DNR State Facilities Rent	1,271,800		
15	Fire Suppression		8,516,900	3,195,900
16		*****	*****	
17		*****	*****	
18		*****	*****	
19	Fish and Wildlife Protection		16,991,400	15,850,200
20	Enforcement and Investigative	11,677,200		
21	Services Unit			
22	Director's Office	260,400		
23	Aircraft Section	1,930,900		
24	Marine Enforcement	3,122,900		
25	Fire Prevention		3,073,400	1,611,100
26	Fire Prevention Operations	2,024,500		
27	Fire Service Training	1,048,900		
28	Alaska Fire Standards Council		221,500	221,500
29	Alaska State Troopers		14,909,400	8,136,400
30	Special Projects	3,423,600		
31	It is the intent of the legislature that five new troopers funded with a federal grant of \$1.4 million in the			
32	FY02 budget will continue to be funded with federal money in all future years.			

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Criminal Investigations Bureau	3,115,400		
4	Director's Office	668,900		
5	Judicial Services-Anchorage	1,946,400		
6	Prisoner Transportation	1,476,700		
7	Search and Rescue	283,100		
8	Rural Trooper Housing	688,300		
9	Narcotics Task Force	3,216,600		
10	Commercial Vehicle Enforcement	90,400		
11	Alaska State Trooper Detachments		34,333,700	33,764,500
12	Village Public Safety Officer		7,628,000	7,533,000
13	Program			
14	Contracts	5,618,500		
15	Support	1,739,900		
16	Administration	269,600		
17	Alaska Police Standards Council		959,800	959,800
18	The amount appropriated by this appropriation includes the unexpended and unobligated balance on June			
19	30, 2001, of the receipts collected under AS 12.25.195(c), AS 12.55.039, AS 28.05.151, and AS 29.25.074			
20	and receipts collected under AS 18.65.220(7).			
21	Violent Crimes Compensation Board		1,579,100	1,579,100
22	Council on Domestic Violence and		9,241,000	288,900
23	Sexual Assault			8,952,100
24	Batterer's Intervention Program		320,000	120,000
25	Statewide Support		9,605,600	5,723,400
26	Commissioner's Office	645,200		
27	Training Academy	1,463,600		
28	Administrative Services	1,852,500		
29	Alaska Wing Civil Air Patrol	503,100		
30	Alaska Public Safety	2,045,700		
31	Information Network			
32	Alaska Criminal Records and	3,095,500		
33	Identification			

1		Appropriation	General	Other
2	Allocations	Items	Funds	Funds
3	Laboratory Services	2,507,300	2,375,000	132,300
4	Facility Maintenance	608,800		608,800
5	DPS State Facilities Rent	113,000	113,000	
6	Victims for Justice	246,000	246,000	
7	*****	*****		
8	***** Department of Revenue *****			
9	*****	*****		
10	Child Support Enforcement	18,075,200	3,047,600	15,027,600
11	Alcohol Beverage Control Board	696,000	696,000	
12	Municipal Bond Bank Authority	521,200		521,200
13	Permanent Fund Corporation	7,703,000		7,703,000
14	PFC Custody and Management Fees	47,585,800		47,585,800
15	Alaska Housing Finance	39,514,900		39,514,900
16	Corporation			
17	Alaska Housing Finance	37,530,200		
18	Corporation Operations			
19	Anchorage State Office	1,984,700		
20	Building			
21	Revenue Operations	46,844,100	7,549,000	39,295,100
22	Other funds include 125,000 from the Constitutional Budget Reserve Fund.			
23	Treasury Management	3,333,600		
24	Alaska State Pension	3,195,500		
25	Investment Board			
26	ASPIB Bank Custody and	33,713,600		
27	Management Fees			
28	Tax Division	6,601,400		
29	Administration and Support	2,682,400	724,700	1,957,700
30	Commissioner's Office	1,403,400		
31	Administrative Services	1,072,400		
32	REV State Facilities Rent	206,600		
33	Permanent Fund Dividend	5,021,200		5,021,200

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	*****	*****	
4	***** Department of Transportation/Public Facilities *****		
5	*****	*****	
6	Administration and Support	17,237,100	7,818,500
7	Commissioner's Office	995,500	
8	Contracting, Procurement and	491,500	
9	Appeals		
10	Equal Employment and Civil	602,800	
11	Rights		
12	Internal Review	739,300	
13	Statewide Administrative	1,783,600	
14	Services		
15	Statewide Information Systems	1,952,700	
16	State Equipment Fleet	2,356,000	
17	Administration		
18	Regional Administrative	3,598,900	
19	Services		
20	Central Region Support	821,700	
21	Services		
22	Northern Region Support	1,076,000	
23	Services		
24	Southeast Region Support	2,141,500	
25	Services		
26	Statewide Aviation	677,600	
27	Planning	5,891,000	342,700
28	Statewide Planning	2,846,100	
29	Central Region Planning	1,205,700	
30	Northern Region Planning	1,213,400	
31	Southeast Region Planning	625,800	
32	Design and Engineering Services	35,095,700	1,920,400
33	Statewide Design and	8,163,300	

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Engineering Services			
4	Central Design and	11,211,300		
5	Engineering Services			
6	Northern Design and	9,739,200		
7	Engineering Services			
8	Southeast Design and	5,981,900		
9	Engineering Services			
10	Construction and Capital	29,770,600	742,900	29,027,700
11	Improvement Program Support			
12	Central Region Construction	13,915,600		
13	and CIP Support			
14	Northern Region Construction	11,452,100		
15	and CIP Support			
16	Southeast Region Construction	4,402,900		
17	Statewide Facility Maintenance	14,458,200	11,429,300	3,028,900
18	and Operations			
19	Traffic Signal Management	1,183,000		
20	Central Region Facilities	3,535,300		
21	Northern Region Facilities	7,651,700		
22	Southeast Region Facilities	863,000		
23	Central Region Leasing and	610,500		
24	Property Management			
25	Northern Region Leasing and	614,700		
26	Property Management			
27	State Equipment Fleet	19,568,700		19,568,700
28	Central Region State	7,559,900		
29	Equipment Fleet			
30	Northern Region State	10,287,700		
31	Equipment Fleet			
32	Southeast Region State	1,721,100		
33	Equipment Fleet			

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
3	Measurement Standards & Comm	4,645,900	2,016,400	2,629,500
4	Vehicle Enforcement			
5	Measurement Standards &	4,634,500		
6	Commercial Vehicle Enforcement			
7	DOT State Facilities Rent	11,400		
8	Highways and Aviation	77,984,100	73,380,800	4,603,300
9	Since the Operating Budget appropriations substantially fund the current level of operations for highway			
10	and aviation maintenance, it is the intent of the Legislature that the spring road openings be maintained at			
11	the FY01 level.			
12				
13	Since continued operation of the functioning maintenance stations is included in FY01 operating plan, it is			
14	the intent of the Legislature that they remain open during FY02.			
15				
16	The appropriation for Highways and Aviation shall lapse into the general fund on August 31, 2002.			
17	Central Region Highways and	30,611,500		
18	Aviation			
19	Northern Region Highways and	37,825,200		
20	Aviation			
21	Southeast Region Highways and	9,547,400		
22	Aviation			
23	International Airports	43,367,500		43,367,500
24	International Airport Systems	375,000		
25	Office			
26	Anchorage Airport	6,313,000		
27	Administration			
28	Anchorage Airport Facilities	9,674,300		
29	Anchorage Airport Field and	8,727,500		
30	Equipment Maintenance			
31	Anchorage Airport Operations	2,167,600		
32	Anchorage Airport Safety	5,907,300		
33	Fairbanks Airport	1,561,200		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Administration			
4	Fairbanks Airport Facilities	2,287,200		
5	Fairbanks Airport Field and	2,822,300		
6	Equipment Maintenance			
7	Fairbanks Airport Operations	1,145,400		
8	Fairbanks Airport Safety	2,386,700		
9	Marine Highway System	79,514,400		79,514,400
10	A substantial portion of the Governor's requested \$29,182,000 transfer from the General Fund, to the			
11	Marine Highway Stabilization Fund in the language section of the budget is based on higher fuel prices.			
12	The Department is projecting the depletion of the fund prior to the end of the 02 fiscal year and anticipates			
13	that there may be a need to reduce services if that amount is not funded. It is the intent of the Legislature			
14	that the Department should take measures to reduce operating costs and increase revenues. If those			
15	measures in combination with an expected decline in fuel prices, does not allow for the projected 293 to			
16	298 weeks of service, the Department should request a supplemental appropriation.			
17	Marine Engineering	2,141,000		
18	Overhaul	1,698,400		
19	Vessel Operations Management	1,344,400		
20	Southeast Shore Operations	3,028,900		
21	Southeast Vessel Operations	57,496,600		
22	Southwest Shore Operations	1,045,200		
23	Southwest Vessel Operations	10,669,300		
24	Reservations and Marketing	2,090,600		
25		*****	*****	
26		*****	University of Alaska	*****
27		*****	*****	
28	University of Alaska	545,963,900	193,299,200	352,664,700
29	Budget Reductions/Additions -	32,510,100		
30	Systemwide			
31	Statewide Services	34,159,300		
32	Statewide Networks	10,188,700		
33	Anchorage Campus	141,571,600		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Kenai Peninsula College	6,582,400		
4	Kodiak College	2,710,000		
5	Matanuska-Susitna College	4,902,700		
6	Prince William Sound	4,772,800		
7	Community College			
8	Alaska Cooperative Extension	6,411,900		
9	Bristol Bay Campus	1,308,100		
10	Chukchi Campus	679,700		
11	Fairbanks Campus	155,270,400		
12	Fairbanks Organized Research	95,935,600		
13	Interior-Aleutians Campus	2,166,900		
14	Kuskokwim Campus	3,524,100		
15	Northwest Campus	1,583,300		
16	Rural College	3,704,500		
17	Tanana Valley Campus	5,603,100		
18	Juneau Campus	24,394,300		
19	Ketchikan Campus	2,993,400		
20	Sitka Campus	4,991,000		
21		*****	*****	
22		*****	*****	
23		*****	*****	
24	Alaska Court System		50,674,500	49,974,800
25	Appellate Courts	4,051,200		
26	Trial Courts	40,249,000		
27	Administration and Support	6,378,700		
28	Commission on Judicial Conduct		236,600	236,600
29	Judicial Council		780,100	780,100
30	Judicial Council	750,100		
31	Courtwatch	30,000		

	Appropriation		General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	*****	*****		
4	*****	Legislature	*****	
5	*****	*****		
6	Budget and Audit Committee	7,876,500	7,626,500	250,000
7	Legislative Audit	2,929,200		
8	Legislative Finance	3,674,000		
9	Ombudsman	513,500		
10	Committee Expenses	654,400		
11	Legislature State Facilities	105,400		
12	Rent			
13	Legislative Council	22,539,200	22,427,100	112,100
14	Redistricting Board	600,000		
15	Salaries and Allowances	4,212,500		
16	Administrative Services	7,498,500		
17	Session Expenses	6,375,700		
18	Council and Subcommittees	1,490,900		
19	Legal and Research Services	2,216,300		
20	Select Committee on Ethics	145,300		
21	Legislative Operating Budget	7,224,500	7,224,500	
22	* Sec. 2. The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.			
23	Department of Administration			
24	Federal Receipts		9,000,300	
25	General Fund Match		1,291,400	
26	General Fund Receipts		130,783,800	
27	General Fund/Program Receipts		6,079,500	
28	Inter-Agency Receipts		45,244,000	
29	Benefits Systems Receipts		17,285,700	
30	FICA Administration Fund Account		112,700	
31	Public Employees Retirement Fund		5,123,400	
32	Surplus Property Revolving Fund		403,800	
33	Teachers Retirement System Fund		2,022,600	

1	Judicial Retirement System	25,100
2	National Guard Retirement System	95,400
3	Capital Improvement Project Receipts	130,900
4	Information Services Fund	21,049,100
5	Statutory Designated Program Receipts	941,200
6	Public Building Fund	6,951,400
7	Receipt Supported Services	12,870,600
8	Alaska Oil & Gas Conservation Commission Rcpt	3,317,300
9	*** Total Agency Funding ***	\$262,728,200
10	Department of Community and Economic Development	
11	Federal Receipts	21,038,600
12	General Fund Match	707,900
13	General Fund Receipts	40,681,400
14	General Fund/Program Receipts	578,000
15	Inter-Agency Receipts	7,462,600
16	Science & Technology Endowment Income	11,058,100
17	Veterans Revolving Loan Fund	107,400
18	Commercial Fishing Loan Fund	2,698,800
19	Real Estate Surety Fund	273,800
20	Small Business Loan Fund	3,400
21	Capital Improvement Project Receipts	1,378,800
22	Power Project Loan Fund	807,500
23	Mining Revolving Loan Fund	5,100
24	Child Care Revolving Loan Fund	6,000
25	Historical District Revolving Loan Fund	2,500
26	Fisheries Enhancement Revolving Loan Fund	332,600
27	Alternative Energy Revolving Loan Fund	151,700
28	Bulk Fuel Revolving Loan Fund	49,300
29	Power Cost Equalization Fund	15,700,000
30	Alaska Aerospace Development Corporation Receipts	12,900,600
31	Alaska Industrial Development & Export Authority Receipts	4,055,300
32	Alaska Energy Authority Corporate Receipts	1,051,900
33	Statutory Designated Program Receipts	60,000

1	Fishermens Fund Income	115,000
2	International Trade and Development Fund Earnings Reserve	496,400
3	RCA Receipts	5,594,100
4	Receipt Supported Services	19,695,300
5	*** Total Agency Funding ***	\$147,012,100
6	Department of Corrections	
7	Federal Receipts	8,518,500
8	General Fund Match	129,600
9	General Fund Receipts	138,405,500
10	General Fund/Program Receipts	1,825,400
11	Inter-Agency Receipts	8,183,700
12	Permanent Fund Dividend Fund	3,259,000
13	Correctional Industries Fund	4,150,600
14	Capital Improvement Project Receipts	221,400
15	Statutory Designated Program Receipts	168,400
16	Receipt Supported Services	3,019,800
17	*** Total Agency Funding ***	\$167,881,900
18	Department of Education and Early Development	
19	Federal Receipts	140,637,200
20	General Fund Match	3,903,100
21	General Fund Receipts	714,569,100
22	General Fund/Program Receipts	532,100
23	Inter- gency Receipts	29,539,000
24	Donated Commodity/Handling Fee Account	302,700
25	Public Law 81-874	20,791,000
26	Capital Improvement Project Receipts	129,200
27	Public School Fund	11,812,800
28	Children's Trust Fund Earnings	473,000
29	Alaska Post-Secondary Education Commission Receipts	7,717,600
30	Statutory Designated Program Receipts	566,100
31	Art in Public Places Fund	75,600
32	Alaska Commission on Postsecondary Education Dividend	63,100
33	Receipt Supported Services	2,709,900

1	*** Total Agency Funding ***	\$933,821,500
2	Department of Environmental Conservation	
3	Federal Receipts	16,223,800
4	General Fund Match	2,925,600
5	General Fund Receipts	6,676,100
6	General Fund/Program Receipts	3,256,100
7	Inter-Agency Receipts	1,096,200
8	Exxon Valdez Oil Spill Settlement	632,800
9	Commercial Fishing Loan Fund	175,000
10	Oil/Hazardous Response Fund	13,107,000
11	Capital Improvement Project Receipts	2,245,900
12	Alaska Clean Water Loan Fund	462,800
13	Storage Tank Assistance Fund	957,500
14	Clean Air Protection Fund	2,266,400
15	Alaska Drinking Water Fund	527,200
16	Statutory Designated Program Receipts	245,000
17	*** Total Agency Funding ***	\$50,797,400
18	Department of Fish and Game	
19	Federal Receipts	43,220,200
20	General Fund Match	680,800
21	General Fund Receipts	30,042,900
22	General Fund/Program Receipts	11,900
23	Inter-Agency Receipts	9,279,400
24	Exxon Valdez Oil Spill Settlement	5,091,800
25	Fish and Game Fund	24,799,700
26	Inter-agency/Oil & Hazardous Waste	67,700
27	Capital Improvement Project Receipts	2,782,500
28	Statutory Designated Program Receipts	3,236,100
29	Test Fisheries Receipts	4,010,800
30	Receipt Supported Services	4,552,200
31	*** Total Agency Funding ***	\$127,776,000
32	Office of the Governor	
33	Federal Receipts	3,512,600

1	General Fund Match	1,304,000
2	General Fund Receipts	14,227,900
3	General Fund/Program Receipts	4,900
4	*** Total Agency Funding ***	\$19,049,400
5	Department of Health and Social Services	
6	Federal Receipts	613,635,900
7	General Fund Match	180,555,600
8	General Fund Receipts	170,331,800
9	General Fund/Program Receipts	2,021,700
10	Inter-Agency Receipts	51,473,300
11	Alcoholism & Drug Abuse Revolving Loan	2,000
12	Permanent Fund Dividend Fund	16,147,300
13	Capital Improvement Project Receipts	1,079,500
14	Statutory Designated Program Receipts	29,024,000
15	Tobacco Settlement	10,870,000
16	Receipt Supported Services	1,085,100
17	*** Total Agency Funding ***	\$1,076,226,200
18	Department of Labor and Workforce Development	
19	Federal Receipts	82,255,800
20	General Fund Match	3,127,700
21	General Fund Receipts	8,145,700
22	General Fund/Program Receipts	954,700
23	Inter-Agency Receipts	10,673,700
24	Second Injury Fund Reserve Account	3,173,800
25	Disabled Fishermens Reserve Account	1,307,800
26	Training and Building Fund	682,600
27	State Employment & Training Program	5,060,100
28	Capital Improvement Project Receipts	75,000
29	Statutory Designated Program Receipts	638,500
30	Vocational Rehabilitation Small Business Enterprise Fund	365,000
31	Workers Safety and Compensation Administration Account	2,569,200
32	*** Total Agency Funding ***	\$119,029,600
33	Department of Law	

1	Federal Receipts	480,400
2	General Fund Match	158,600
3	General Fund Receipts	24,971,800
4	General Fund/Program Receipts	479,400
5	Inter-Agency Receipts	16,370,800
6	Inter-agency/Oil & Hazardous Waste	470,800
7	Alaska Permanent Fund Corporation Receipts	1,477,000
8	Statutory Designated Program Receipts	507,800
9	Fish and Game Duplicated Expenditures	127,000
10	*** Total Agency Funding ***	\$45,043,600
11	Department of Military and Veterans Affairs	
12	Federal Receipts	16,883,000
13	General Fund Match	3,592,600
14	General Fund Receipts	4,792,900
15	General Fund/Program Receipts	28,400
16	Inter-Agency Receipts	2,436,400
17	Inter-agency/Oil & Hazardous Waste	810,300
18	Capital Improvement Project Receipts	320,300
19	Statutory Designated Program Receipts	961,200
20	*** Total Agency Funding ***	\$29,825,100
21	Department of Natural Resources	
22	Federal Receipts	11,215,200
23	General Fund Match	415,200
24	General Fund Receipts	29,844,000
25	General Fund/Program Receipts	7,096,900
26	Inter-Agency Receipts	4,694,500
27	Exxon Valdez Oil Spill Settlement	1,596,400
28	Agricultural Loan Fund	1,846,900
29	Inter-agency/Oil & Hazardous Waste	95,800
30	Capital Improvement Project Receipts	2,843,200
31	Alaska Permanent Fund Corporation Receipts	2,129,000
32	Statutory Designated Program Receipts	4,652,000
33	State Land Disposal Income Fund	2,601,000

1	Timber Sale Receipts	280,000
2	*** Total Agency Funding ***	\$69,310,100
3	Department of Public Safety	
4	Federal Receipts	10,819,800
5	General Fund Match	458,600
6	General Fund Receipts	75,056,400
7	General Fund/Program Receipts	246,500
8	Inter-Agency Receipts	6,102,100
9	Permanent Fund Dividend Fund	5,375,500
10	Inter-agency/Oil & Hazardous Waste	49,000
11	Statutory Designated Program Receipts	754,200
12	Fish and Game Duplicated Expenditures	848,300
13	AK Fire Standards Council Receipts	221,500
14	Receipt Supported Services	2,406,100
15	*** Total Agency Funding ***	\$102,338,000
16	Department of Revenue	
17	Federal Receipts	32,407,200
18	General Fund Receipts	7,561,400
19	General Fund/Program Receipts	4,455,900
20	Inter-Agency Receipts	3,013,800
21	Alaska Advance College Tuition Payment Fund	28,500
22	Federal Incentive Payments	2,537,900
23	Benefits Systems Receipts	99,000
24	International Airport Revenue Fund	31,600
25	Public Employees Retirement Fund	23,936,700
26	Teachers Retirement System Fund	12,505,600
27	Judicial Retirement System	268,400
28	National Guard Retirement System	99,400
29	Student Revolving Loan Fund	22,500
30	Permanent Fund Dividend Fund	4,989,200
31	Investment Loss Trust Fund	17,600
32	Capital Improvement Project Receipts	1,513,800
33	Public School Fund	154,600

1	Power Cost Equalization Fund	86,100
2	Children's Trust Fund Earnings	43,200
3	Alaska Housing Finance Corporation Receipts	17,195,200
4	Alaska Municipal Bond Bank Receipts	521,200
5	Alaska Permanent Fund Corporation Receipts	55,525,900
6	Statutory Designated Program Receipts	494,300
7	Indirect Cost Reimbursement	1,081,600
8	Retiree Health Ins/Major Medical	19,900
9	Retiree Health Ins Fund/Long-Term Care Fund	33,300
10	*** Total Agency Funding ***	\$168,643,800
11	Department of Transportation/Public Facilities	
12	Federal Receipts	1,716,400
13	General Fund Receipts	93,949,000
14	General Fund/Program Receipts	3,702,000
15	Inter-Agency Receipts	4,476,000
16	Highway Working Capital Fund	22,588,100
17	International Airport Revenue Fund	45,275,300
18	Oil/Hazardous Response Fund	700,000
19	Capital Improvement Project Receipts	71,776,900
20	Marine Highway System Fund	80,461,000
21	Statutory Designated Program Receipts	1,082,200
22	Receipt Supported Services	1,806,300
23	*** Total Agency Funding ***	\$327,533,200
24	University of Alaska	
25	Federal Receipts	94,116,000
26	General Fund Match	2,777,300
27	General Fund Receipts	190,521,900
28	Inter-Agency Receipts	43,476,700
29	University of Alaska Interest Income	3,928,300
30	U/A Dormitory/Food/Auxiliary Service	35,334,400
31	Science & Technology Endowment Income	2,630,000
32	U/A Student Tuition/Fees/Services	55,041,100
33	U/A Indirect Cost Recovery	22,937,700

1	University Restricted Receipts	91,624,200
2	Capital Improvement Project Receipts	3,576,300
3	*** Total Agency Funding ***	\$545,963,900
4	Alaska Court System	
5	Federal Receipts	516,000
6	General Fund Receipts	50,991,500
7	Inter-Agency Receipts	188,100
8	*** Total Agency Funding ***	\$51,695,600
9	Legislature	
10	General Fund Receipts	37,169,100
11	General Fund/Program Receipts	109,000
12	Inter-Agency Receipts	362,100
13	*** Total Agency Funding ***	\$37,640,200
14	***** Total Budget *****	\$4,282,315,800

15 (SECTION 3 OF THIS ACT BEGINS ON PAGE 42)

1 * **Sec. 3. ALASKA CHILDREN'S TRUST.** The portion of the fees listed in this section
2 that is collected during the fiscal year ending June 30, 2002, is appropriated to the Alaska
3 children's trust (AS 37.14.200):

4 (1) fees collected under AS 18.50.225, less the cost of supplies, for the
5 issuance of birth certificates;

6 (2) fees collected under AS 18.50.272, less the cost of supplies, for the
7 issuance of heirloom marriage certificates; and

8 (3) fees collected under AS 28.10.421(d) for the issuance of special request
9 Alaska children's trust license plates, less the cost of issuing the license plates.

10 * **Sec. 4. ALASKA HOUSING FINANCE CORPORATION.** (a) The board of directors
11 of the Alaska Housing Finance Corporation has estimated that \$103,000,000 will be available
12 in each of the fiscal years 1999 through 2006, for the repayment of bonds authorized under
13 sec. 2, ch. 129, SLA 1998, and under sec. 10, ch. 130, SLA 2000, for repayment of debt
14 authorized under ch. 26, SLA 1996, for expenditures on corporate funded capital projects, and
15 for transfer to the general fund.

16 (b) The money described in (a) of this section for the fiscal year ending June 30,
17 2002, is used for the following purposes in the following estimated amounts in the operating,
18 capital, and mental health budgets for the fiscal year ending June 30, 2002:

19 (1) \$52,000,000 for capital projects;

20 (2) \$37,988,000 for debt service on the bonds authorized under sec. 2, ch. 129,
21 SLA 1998;

22 (3) \$1,000,000 for debt service on University of Alaska, Anchorage dormitory
23 construction authorized under ch. 26, SLA 1996;

24 (4) \$6,012,000 for debt service on the bonds authorized under sec. 10, ch. 130,
25 SLA 2000.

26 (c) All unrestricted mortgage loan interest payments, mortgage loan commitment fees,
27 and other unrestricted receipts received by or accrued to the Alaska Housing Finance
28 Corporation during fiscal year 2002 and all income earned on assets of the corporation during
29 that period are appropriated to the Alaska Housing Finance Corporation to hold as corporate
30 receipts for the purposes described in AS 18.55 and AS 18.56. The corporation shall allocate
31 its corporate receipts among the Alaska housing finance revolving fund (AS 18.56.082), the

1 housing assistance loan fund (AS 18.56.420), and the senior housing revolving fund
2 (AS 18.56.710) in accordance with procedures adopted by the board of directors.

3 (d) The following amounts are appropriated to the Alaska Housing Finance
4 Corporation (AHFC) from the sources indicated and for the following purposes:

PURPOSE	AMOUNT	SOURCE
Housing loan programs	\$798,000,000	AHFC corporate receipts
not subsidized by AHFC	70,000,000	AHFC corporate receipts
and projects subsidized		derived from arbitrage
by AHFC		earnings
Housing assistance payments	27,500,000	Federal receipts
Section 8 program		

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12 * Sec. 5. ALASKA NATIONAL GUARD. The sum of \$250,000 from the fiscal year 2002
13 dividend that is declared by the Alaska Commission on Postsecondary Education is
14 appropriated from the student loan fund (AS 14.42.210) to the Alaska Commission on
15 Postsecondary Education for payment in fiscal year 2002 to the Alaska National Guard to pay
16 the University of Alaska for course credits for continuing educational benefits to members of
17 the Alaska National Guard.

18 * Sec. 6. ALASKA PERMANENT FUND CORPORATION. (a) The amount authorized
19 for transfer by the Alaska Permanent Fund Corporation under AS 37.13.145(b) is
20 appropriated from the earnings reserve account (AS 37.13.145) to the dividend fund
21 (AS 43.23.045(a)) for the payment of permanent fund dividends and administrative and
22 associated costs.

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

27 (c) The amount required to be deposited under AS 37.13.010(a)(1) and (2) during
28 fiscal year 2002 is appropriated to the principal of the Alaska permanent fund in satisfaction
29 of that requirement.

30 (d) The interest earned during fiscal year 2002 on revenue from the sources set out in
31 AS 37.13.010 while the revenue is held in trust, escrow, or otherwise before receipt by the

1 state is appropriated to the principal of the Alaska permanent fund.

2 * **Sec. 7. CHILD SUPPORT ENFORCEMENT.** The minimum amount of program
3 receipts received during the fiscal year ending June 30, 2002, by the child support
4 enforcement division that is required to secure the federal funding appropriated for the child
5 support enforcement program in sec. 1 of this Act is appropriated to the Department of
6 Revenue, child support enforcement division, for the fiscal year ending June 30, 2002.

7 * **Sec. 8. CONSTITUTIONAL BUDGET RESERVE FUND.** (a) Deposits in the budget
8 reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for fiscal year 2001 that
9 were made from subfunds and accounts other than the operating general fund (state
10 accounting system fund number 11100) by operation of art. IX, sec. 17(d), Constitution of the
11 State of Alaska, to repay appropriations from the budget reserve fund are appropriated from
12 the budget reserve fund to the subfunds and accounts from which they were transferred.

13 (b) If the unrestricted state revenue available for appropriation in fiscal year 2002 is
14 insufficient to cover the general fund appropriations made for fiscal year 2002, the amount
15 necessary to balance revenue and general fund appropriations is appropriated to the general
16 fund from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

17 (c) The sum of \$125,000 is appropriated from the budget reserve fund (art. IX,
18 sec. 17, Constitution of the State of Alaska) to the Department of Revenue, treasury division,
19 for the fiscal year ending June 30, 2002, for investment management fees for the budget
20 reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

21 (d) The appropriations in (a) - (c) of this section are made under art. IX, sec. 17(c),
22 Constitution of the State of Alaska.

23 * **Sec. 9. DISASTER RELIEF AND FIRE SUPPRESSION.** (a) Federal receipts received
24 for disaster relief during the fiscal year ending June 30, 2002, are appropriated to the disaster
25 relief fund (AS 26.23.300).

26 (b) Federal receipts received during the fiscal year ending June 30, 2002, for fire
27 suppression are appropriated to the Department of Natural Resources for fire suppression
28 activities for the fiscal year ending June 30, 2002.

29 * **Sec. 10. FEDERAL AND OTHER PROGRAM RECEIPTS.** (a) Federal receipts,
30 designated program receipts as defined in AS 37.05.146(b)(3), receipts of commercial
31 fisheries test fishing operations under AS 37.05.146(b)(4)(U), corporate receipts of the Alaska

1 Aerospace Development Corporation, and program receipts of the Alaska Science and
2 Technology Foundation that exceed the amounts appropriated by this Act are appropriated
3 conditioned on compliance with the program review provisions of AS 37.07.080(h).

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

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

11 * **Sec. 11. FISH AND GAME ENFORCEMENT.** (a) To increase enforcement of the fish
12 and game laws of the state, the amount deposited in the general fund during the fiscal year
13 ending June 30, 2001, from criminal fines, penalties, and forfeitures imposed for violations of
14 AS 16 and its implementing regulations and from the sale of forfeited property or alternative
15 damages collected under AS 16.05.195 is appropriated to the fish and game fund
16 (AS 16.05.100).

17 (b) Appropriations totaling the estimated amount of the deposits described in (a) of
18 this section and the remaining unappropriated balances from prior year transfers for these
19 purposes are made in sec. 1 of this Act to the Department of Public Safety and the Department
20 of Law for increased enforcement, investigation, and prosecution of state fish and game laws.
21 If the receipts appropriated to the fish and game fund (AS 16.05.100) from the sources
22 described in (a) of this section during fiscal year 2002 and the remaining unappropriated
23 balances from prior year transfers for these purposes fall short of the estimates appropriated
24 by this Act, the amount of each department's appropriations set out in sec. 1 of this Act that is
25 appropriated from the fish and game fund is reduced proportionately.

26 * **Sec. 12. FISH AND GAME FUND.** The following revenue is appropriated to the fish
27 and game fund (AS 16.05.100):

28 (1) that portion of receipts from the sale of crewmember fishing licenses
29 (AS 16.05.480(a)) during the fiscal year ending June 30, 2002, that is not deposited into the
30 fishermen's fund under AS 23.35.060;

31 (2) range fees collected at shooting ranges operated by the Department of Fish

1 and Game (AS 16.05.050(a)(16)) during the fiscal year ending June 30, 2002;

2 (3) fees collected during the fiscal year ending June 30, 2002, at boating and
3 angling access sites described in AS 16.05.050(a)(7) and managed by the Department of
4 Natural Resources, division of parks and outdoor recreation, under a cooperative agreement;
5 and

6 (4) receipts from the sale of Chitina dip net fishing permits
7 (AS 16.05.340(a)(22)) during the fiscal year ending June 30, 2002.

8 * **Sec. 13. INSURANCE AND BOND CLAIMS.** (a) The amount necessary to fund the
9 uses of the state insurance catastrophe reserve account described in AS 37.05.289(a) during
10 the fiscal year ending June 30, 2002, is appropriated from that account to the Department of
11 Administration for those uses.

12 (b) The amounts to be received in settlement of claims against bonds guaranteeing the
13 reclamation of state land during the fiscal year ending June 30, 2002, are appropriated from
14 the general fund to the agency secured by the bond for the purpose of reclaiming state land
15 affected by a use covered by the bond.

16 * **Sec. 14. LEARNING OPPORTUNITY GRANTS.** The sum of \$6,187,000 is
17 appropriated from the general fund to the Department of Education and Early Development
18 for the fiscal year ending June 30, 2002, for payment as learning opportunity grants to school
19 districts based on the school district's average daily membership to pay for supplemental
20 student instructional programs intended to improve student performance on the high school
21 graduation examination or benchmark examinations.

22 * **Sec. 15. MARINE HIGHWAY SYSTEM FUND.** The sum of \$27,909,700 is
23 appropriated from the general fund to the Alaska marine highway system fund
24 (AS 19.65.060).

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

28	Special highway fuel tax account (AS 43.40.010(g))	\$25,500,000
29	Special aviation fuel tax account (AS 43.40.010(e))	5,800,000

30 * **Sec. 17. OFFICE OF THE GOVERNOR.** The sum of \$947,400 from the fiscal year 2002
31 dividend that is declared by the board of directors of the Alaska Housing Finance Corporation

1 is appropriated from Alaska Housing Finance Corporation corporate receipts to the Office of
2 the Governor, division of elections, for reapportionment implementation costs for the fiscal
3 year ending June 30, 2002.

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

8 (1) the balance of the oil and hazardous substance release prevention
9 mitigation account (AS 46.08.020(b)) in the general fund on July 1, 2001, not otherwise
10 appropriated by this Act;

11 (2) the amount collected for the fiscal year ending June 30, 2001, estimated to
12 be \$9,400,000, from the surcharge levied under AS 43.55.300.

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

17 (1) the balance of the oil and hazardous substance release response mitigation
18 account (AS 46.08.025(b)) in the general fund on July 1, 2001, not otherwise appropriated by
19 this Act;

20 (2) the amount collected for the fiscal year ending June 30, 2001, from the
21 surcharge levied under AS 43.55.201.

22 * Sec. 20. RETAINED FEES AND BANKCARD SERVICE FEES. (a) The amount
23 retained to compensate the collector or trustee of fees, licenses, taxes, or other money
24 belonging to the state during the fiscal year ending June 30, 2002, is appropriated for that
25 purpose to the Department of Administration, Department of Fish and Game, Department of
26 Natural Resources, and the Alaska Court System.

27 (b) The amount retained to compensate the provider of bankcard or credit card
28 services to the state during the fiscal year ending June 30, 2002, is appropriated for that
29 purpose to each agency of the executive, legislative, and judicial branches that accepts
30 payment by bankcard or credit card for licenses, permits, goods, and services provided by that
31 agency on behalf of the state, from the funds and accounts in which the payments received by

1 the state are deposited.

2 * **Sec. 21. SALMON ENHANCEMENT TAX.** The salmon enhancement tax collected
3 under AS 43.76.010 - 43.76.028 in calendar year 2000 and deposited in the general fund
4 under AS 43.76.025(c) is appropriated from the general fund to the Department of
5 Community and Economic Development for payment in fiscal year 2002 to qualified regional
6 associations operating within a region designated under AS 16.10.375.

7 * **Sec. 22. SHARED TAXES AND FEES.** The amount necessary to refund to local
8 governments their share of taxes and fees collected in the listed fiscal years under the
9 following programs is appropriated to the Department of Revenue from the general fund for
10 payment in fiscal year 2002:

11 REVENUE SOURCE	FISCAL YEAR COLLECTED
12 fisheries taxes (AS 43.75)	2001
13 fishery resource landing tax (AS 43.77)	2001
14 aviation fuel tax (AS 43.40.010)	2002
15 electric and telephone cooperative tax (AS 10.25.570)	2002
16 liquor license fee (AS 04.11)	2002

17 * **Sec. 23. STATE DEBT AND OTHER OBLIGATIONS.** (a) The amount required to pay
18 interest on any revenue anticipation notes issued by the commissioner of revenue under
19 AS 43.08 is appropriated from the general fund to the Department of Revenue for payment of
20 the interest on those notes.

21 (b) The amount required to be paid by the state for principal and interest on all issued
22 and outstanding state-guaranteed bonds is appropriated from the general fund to the
23 appropriate bond redemption accounts for payment of principal and interest on those bonds.

24 (c) The sum of \$39,678,400 is appropriated from the general fund to the Alaska debt
25 retirement fund (AS 37.15.011).

26 (d) The sum of \$12,430,000 is appropriated from the Alaska debt retirement fund
27 (AS 37.15.011) to the state bond committee for trustee fees and lease payments relating to
28 certificates of participation issued for real property.

29 (e) The sum of \$16,750,008 is appropriated from the International Airports Revenue
30 Fund (AS 37.15.430) to the International Airports Revenue Bond Redemption Fund
31 (AS 37.15.440) for payment of debt service and trustee fees on outstanding international

1 airports revenue bonds.

2 (f) The sum of \$57,020,500 is appropriated to the Department of Education and Early
3 Development for state aid for costs of school construction under AS 14.11.100 from the
4 following sources:

5 Alaska debt retirement fund (AS 37.15.011) \$27,971,400

6 School fund (AS 43.50.140) 29,049,100

7 (g) The sum of \$3,555,700 is appropriated from the general fund to the Department of
8 Administration for payment of obligations to the Municipality of Anchorage for the
9 Anchorage Jail.

10 (h) The sum of \$3,549,400 is appropriated from the general fund to the Department of
11 Administration for payment of obligations to the Alaska Housing Finance Corporation for the
12 Robert B. Atwood Building in Anchorage.

13 (i) The sum of \$1,680,000 is appropriated from interest earnings of the Alaska clean
14 water fund (AS 46.03.032) to the Alaska clean water fund revenue bond redemption fund
15 (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees,
16 if any, on bonds issued by the state bond committee under AS 37.15.560.

17 (j) The sum of \$850,000 is appropriated from interest earnings of the Alaska drinking
18 water fund (AS 46.03.036) to the Alaska drinking water fund revenue bond redemption fund
19 (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees,
20 if any, on bonds issued by the state bond committee under AS 37.15.560.

21 (k) The sum of \$723,000 is appropriated from the investment earnings of the Palmer
22 South Zone facilities account to the Alaska debt retirement fund (AS 37.15.011).

23 * Sec. 24. STATE TRAINING AND EMPLOYMENT PROGRAM. The lapsing balance
24 of the employment assistance and training program account (AS 23.15.625) on June 30, 2001,
25 is appropriated to the employment assistance and training program account for the fiscal year
26 ending June 30, 2002.

27 * Sec. 25. STATUTORY BUDGET RESERVE FUND. If the unrestricted state revenue
28 available for appropriation in fiscal year 2002 is insufficient to cover the general fund
29 appropriations made for fiscal year 2002, the amount necessary to balance revenue and
30 general fund appropriations is appropriated to the general fund from the budget reserve fund
31 (AS 37.05.540).

1 * **Sec. 26. STORAGE TANK ASSISTANCE FUND.** (a) The sum of \$1,872,774 is
2 appropriated from the oil and hazardous substance release prevention account
3 (AS 46.08.010(a)(1)) to the storage tank assistance fund (AS 46.03.410).

4 (b) The amount of storage tank registration fees collected under AS 46.03.385 during
5 the fiscal years ending June 30, 2001, and June 30, 2002, is appropriated to the storage tank
6 assistance fund (AS 46.03.410).

7 * **Sec. 27. STUDENT LOAN PROGRAM.** The amount from student loan borrowers of the
8 Alaska Commission on Postsecondary Education that is assessed for loan origination fees for
9 the fiscal year ending June 30, 2002, is appropriated to the origination fee account
10 (AS 14.43.120(u)) within the student loan fund of the Alaska Student Loan Corporation for
11 the purposes specified in AS 14.43.120(u).

12 * **Sec. 28. UNIVERSITY OF ALASKA SALARY AND BENEFIT ADJUSTMENTS.** (a)
13 The operating budget appropriations made to the University of Alaska in sec. 1 of this Act
14 include amounts to implement the monetary terms of the collective bargaining agreements
15 listed in (b) of this section and for salary and benefit adjustments for university employees
16 who are not members of a collective bargaining unit.

17 (b) Funding for the following collective bargaining agreements is included in the
18 appropriations made to the University of Alaska in sec. 1 of this Act:

19 (1) Alaska Higher Education Crafts and Trades Employees, representing
20 certain employees of the University of Alaska;

21 (2) Alaska Community College Federation of Teachers, representing certain
22 employees of the University of Alaska;

23 (3) United Academics, representing certain employees of the University of
24 Alaska;

25 (4) United Academics-Adjuncts, representing certain employees of the
26 University of Alaska.

27 * **Sec. 29. NONLAPSE OF APPROPRIATIONS.** The appropriations made by secs. 3,
28 6(b), 6(c), 6(d), 9(a), 11(a), 12, 15, 18, 19, 23(c), 23(i), 23(j), 23(k), 26, and 27 of this Act are
29 for the capitalization of funds and do not lapse.

30 * **Sec. 30.** This Act takes effect July 1, 2001.

HB 104

22-LS0411\C
Utermohle
3/1/01

Adopted 3/11/01

CS FOR HOUSE BILL NO. 104(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

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

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

4 **(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)**

1 * **Section 1.** The following appropriation items are for operating expenditures from the general fund or
 2 other funds as set out in the fiscal year 2002 budget summary for the operating budget by funding source to
 3 the agencies named for the purposes expressed for the fiscal year beginning July 1, 2001 and ending June
 4 30, 2002, unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated
 5 reduction set out in this section may be allocated among the appropriations made in this section to that
 6 department, agency, or branch.

	Allocations	Appropriation Items	General Funds	Other Funds
	*****	*****		
	*****	Department of Administration	*****	

12	Alaska Longevity Programs	10,405,100	10,405,100	
13	Management			
14	Pioneers Homes	10,340,800		
15	Alaska Longevity Programs	64,300		
16	Management			
17	Senior Services	5,435,200	2,782,200	2,653,000
18	Protection, Community	1,690,300		
19	Services, and Administration			
20	Home and Community Based Care	3,693,600		
21	Home Health Services	51,300		
22	Legal and Advocacy Services	1,625,800	1,530,800	95,000
23	Office of Public Advocacy	1,495,500		
24	Public Defender Agency	130,300		
25		*****	*****	
26		*****	Department of Corrections	*****
27		*****	*****	
28	Data and Word Processing	65,000		65,000
29	Administration & Operations	4,929,000	4,471,500	457,500
30	Inmate Health Care	4,243,900		

1	Appropriation	General	Other
2	Allocations	Funds	Funds
3	It is the intent of the House Finance Subcommittee on Corrections to request that the Department of		
4	Corrections review the level of health service currently being offered to inmates and the expenditures		
5	associated with these services. The subcommittee also requests that the Department of Corrections		
6	compare the current level of health care coverage with that required under ACA or appropriate national		
7	standards. The final review should be made available to the subcommittee no later than December 15,		
8	2001.		
9	Inmate Programs	685,100	
10	*****	*****	
11	***** Department of Education and Early Development *****		
12	*****	*****	
13	Special and Supplemental Services	210,900	110,900
14	*****	*****	100,000
15	***** Department of Health and Social Services *****		
16	*****	*****	
17	Medical Services	29,333,100	29,333,100
18	No money appropriated in this appropriation may be expended for an abortion that is not a mandatory		
19	service required under AS 47.07.030(a).		
20			
21	Purchased Services	6,154,200	5,604,200
22	Family Preservation	450,000	
23	Foster Care Augmented Rate	500,000	
24	Foster Care Special Need	747,900	
25	Foster Care Alaska Youth	400,000	
26	Initiative		
27	Residential Child Care	4,056,300	
28	Front Line Social Workers	148,500	148,500
29	Juvenile Justice	289,400	289,400
30	McLaughlin Youth Center	159,500	
31	Fairbanks Youth Facility	79,900	
32	Bethel Youth Facility	50,000	
33	Manilaq	872,400	872,400

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Maniilaq Alcohol and Drug	522,400		
4	Abuse Services			
5	Maniilaq Mental Health and	350,000		
6	Developmental Disabilities			
7	Services			
8	Norton Sound		732,900	732,900
9	Norton Sound Public Health	98,300		
10	Services			
11	Norton Sound Alcohol and Drug	232,200		
12	Abuse Services			
13	Norton Sound Mental Health	402,400		
14	and Developmental			
15	Disabilities Services			
16	Southeast Alaska Regional Health		265,800	265,800
17	Consortium			
18	Southeast Alaska Regional	140,600		
19	Health Consortium Alcohol and			
20	Drug Abuse			
21	Southeast Alaska Regional	125,200		
22	Health Consortium Mental			
23	Health Services			
24	Tanana Chiefs Conference		737,200	737,200
25	Tanana Chiefs Conference	202,400		
26	Alcohol and Drug Abuse			
27	Services			
28	Tanana Chiefs Conference	534,800		
29	Mental Health Services			
30	Tlingit-Haida Alcohol and Drug		6,000	6,000
31	Abuse Services			
32	Yukon-Kuskokwim Health		1,325,900	1,325,900
33	Corporation			

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Yukon-Kuskokwim Health	418,500		
4	Corporation Alcohol and Drug			
5	Abuse Services			
6	Yukon-Kuskokwim Health	907,400		
7	Corporation Mental Health			
8	Services			
9	State Health Services		4,206,500	3,955,800
10	Maternal, Child, and Family	253,200		
11	Health			
12	Healthy Families	100,000		
13	Infant Learning Program Grants	3,853,300		
14	Alcohol and Drug Abuse Services		13,616,700	12,483,400
15	Administration	1,131,000		
16	Alcohol and Drug Abuse Grants	9,607,900		
17	Correctional ADA Grant	281,800		
18	Services			
19	Rural Services Grants	2,596,000		
20	Community Mental Health Grants		29,028,500	26,990,000
21	General Community Mental	1,323,800		
22	Health Grants			
23	Psychiatric Emergency Services	6,775,600		
24	Services to the Chronically	13,363,400		
25	Mentally Ill			
26	Designated Evaluation and	1,346,300		
27	Treatment			
28	Services for Seriously	6,219,400		
29	Emotionally Disturbed Youth			
30	Community Developmental		19,196,700	18,626,700
31	Disabilities Grants			570,000
32	Institutions and Administration		9,486,800	8,602,200
33	Mental Health/Developmental	3,093,400		

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Disabilities Administration			
4	Alaska Psychiatric Institute	6,393,400		
5	Mental Health Trust Boards		648,600	690,500
6	Alaska Mental Health Board	513,900		
7	Governor's Council on	465,000		
8	Disabilities and Special			
9	Education			
10	Advisory Board on Alcoholism	360,200		
11	and Drug Abuse			
12	Health Planning & Facilities		50,000	50,000
13	Management			
14	No money appropriated in this appropriation may be expended for an abortion that is not a mandatory			
15	service required under AS 47.07.030(a).			
16				
17		*****	*****	
18		***** Department of Law *****		
19		*****	*****	
20	Human Services Section		63,800	63,800
21		*****	*****	
22		***** Department of Natural Resources *****		
23		*****	*****	
24	Mental Health Trust Lands		983,200	983,200
25	Administration			
26		*****	*****	
27		***** Department of Revenue *****		
28		*****	*****	
29	Alaska Mental Health Trust		961,300	961,300
30	Authority			
31		*****	*****	
32		***** University of Alaska *****		
33		*****	*****	

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	University of Alaska	300,800	200,800	100,000
4	Budget Reductions/Additions -	-2,000		
5	Systemwide			
6	Anchorage Campus	200,800		
7	Fairbanks Campus	102,000		
8	*****	*****		
9	***** Alaska Court System *****			
10	*****	*****		
11	Trial Courts	229,300	79,300	150,000
12	* Sec. 2. The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.			
13	Department of Administration			
14	General Fund / Mental Health	14,718,100		
15	Mental Health Trust Authority Authorized Receipts	2,748,000		
16	*** Total Agency Funding ***	\$17,466,100		
17	Department of Corrections			
18	General Fund / Mental Health	4,471,500		
19	Mental Health Trust Authority Authorized Receipts	522,500		
20	*** Total Agency Funding ***	\$4,994,000		
21	Department of Education and Early Development			
22	General Fund / Mental Health	110,900		
23	Mental Health Trust Authority Authorized Receipts	100,000		
24	*** Total Agency Funding ***	\$210,900		
25	Department of Health and Social Services			
26	General Fund / Mental Health	110,622,100		
27	Mental Health Trust Authority Authorized Receipts	6,167,600		
28	*** Total Agency Funding ***	\$116,789,700		
29	Department of Law			
30	General Fund / Mental Health	63,800		
31	*** Total Agency Funding ***	\$63,800		
32	Department of Natural Resources			
33	Mental Health Trust Authority Authorized Receipts	983,200		

1	*** Total Agency Funding ***	\$983,200
2	Department of Revenue	
3	Mental Health Trust Administration	961,300
4	*** Total Agency Funding ***	\$961,300
5	University of Alaska	
6	General Fund / Mental Health	200,800
7	Mental Health Trust Authority Authorized Receipts	100,000
8	*** Total Agency Funding ***	\$300,800
9	Alaska Court System	
10	General Fund / Mental Health	79,300
11	Mental Health Trust Authority Authorized Receipts	150,000
12	*** Total Agency Funding ***	\$229,300
13	***** Total Budget *****	\$141,999,100
14	(SECTION 3 OF THIS ACT BEGINS ON PAGE 9)	

1 * **Section 3.** The following appropriation items are for capital projects and grants from the general fund or
 2 other funds as set out in section 4 of this Act by funding source to the agencies named for the purposes
 3 expressed and lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
	Allocations	Items	Funds
4			
5			
6	*****	*****	
7	***** Department of Administration *****		
8	*****	*****	
9	Pioneers' Homes Emergency	350,000	100,000
10	Repairs and Maintenance (ED 99)		250,000
11	Pioneers' Homes Alzheimer's	250,000	
12	Disease and Related Disabilities		
13	Modifications (ED 10-25)		
14	Adult Day Facility Prototype	30,000	30,000
15	Design for Dementia Clients		
16	(ED 99)		
17	*****	*****	
18	***** Department of Health and Social Services *****		
19	*****	*****	
20	Alaska Psychiatric Institute	379,500	379,500
21	Stop - Gap Repairs (ED 10-25)		
22	Housing Modifications for Trust	250,000	250,000
23	Beneficiaries and People with		
24	Disabilities (ED 99)		
25	Substance Abuse Treatment for	500,000	250,000
26	Rural Women with Children (ED 99)		250,000
27	Deferred Maintenance, Americans	900,000	400,000
28	with Disabilities Improvements		500,000
29	to Service Providers for		
30	Beneficiaries, People with		
31	Disabilities (ED 99)		

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	Program Equipment Grants to	250,000	250,000
4	Service Providers for Trust		
5	Beneficiaries and People with		
6	Disabilities (ED 99)		
7	Recovery Camps (ED 99)	100,000	100,000
8	Hearing Screening Assistive	100,000	100,000
9	Technology (ED 99)		
10	Consumer Designed and Managed	175,000	175,000
11	Projects (ED 99)		
12	Micro Enterprise Funds (ED 99)	150,000	150,000
13	Provider Resource Sharing and	150,000	150,000
14	Coordination (ED 99)		
15	MH Urban Transition Housing	200,000	200,000
16	Facility (ED 10-25)		
17	*****	*****	
18	***** Department of Natural Resources *****		
19	*****	*****	
20	Mental Health Trust Land	950,000	950,000
21	Development and Value		
22	Enhancement (ED 99)		
23	*****	*****	
24	***** Department of Revenue *****		
25	*****	*****	
26	AHFC Homeless Assistance Program	450,000	450,000
27	(ED 99)		
28	AHFC Beneficiary and Special	1,500,000	1,500,000
29	Needs Housing (ED 99)		
30	*****	*****	
31	***** Department of Transportation/Public Facilities *****		
32	*****	*****	
33			

1	Appropriation	General	Other
2	Allocations	Funds	Funds
3	Statewide Federal Programs		
4	Coordinated Transportation and	500,000	250,000
5	Vehicles (ED 99)		250,000
6	* Sec. 4. The following sets out the funding by agency for the appropriations made in sec. 3 of this Act.		
7	Department of Administration		
8	General Fund / Mental Health	100,000	
9	Mental Health Trust Authority Authorized Receipts	280,000	
10	AHFC Dividends	250,000	
11	*** Total Agency Funding ***	\$630,000	
12	Department of Health and Social Services		
13	General Fund / Mental Health	1,029,500	
14	Mental Health Trust Authority Authorized Receipts	2,025,000	
15	AHFC Dividends	100,000	
16	*** Total Agency Funding ***	\$3,154,500	
17	Department of Natural Resources		
18	Mental Health Trust Authority Authorized Receipts	950,000	
19	*** Total Agency Funding ***	\$950,000	
20	Department of Revenue		
21	Mental Health Trust Authority Authorized Receipts	200,000	
22	AHFC Dividends	1,750,000	
23	*** Total Agency Funding ***	\$1,950,000	
24	Department of Transportation/Public Facilities		
25	General Fund / Mental Health	250,000	
26	Mental Health Trust Authority Authorized Receipts	250,000	
27	*** Total Agency Funding ***	\$500,000	
28	The following summarizes the funding sources for the appropriations made in section 3 of this act.		
29	General Fund / Mental Health	1,379,500	
30	Mental Health Trust Authority Authorized Receipts	3,705,000	
31	AHFC Dividends	2,100,000	
32	***** Total Budget *****	\$7,184,500	

(SECTION 5 OF THIS ACT BEGINS ON PAGE 12)

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

3 * Sec. 6. NONGENERAL FUND RECEIPTS. (a) Alaska Mental Health Trust Authority
4 authorized receipts or administration receipts that exceed the amounts appropriated by this
5 Act are appropriated conditioned upon compliance with the program review provisions of
6 AS 37.07.080(h).

7 (b) If Alaska Mental Health Trust Authority authorized receipts or administration
8 receipts fall short of the estimates appropriated in this Act, the affected appropriation is
9 reduced by the amount of shortfall in receipts.

10 * Sec. 7. This Act takes effect July 1, 2001.

LANGUAGE
SECTION

Administration

HOUSE FINANCE BUDGET SUBCOMMITTEE
DEPARTMENT OF ADMINISTRATION
FEBRUARY 27, 2001

The House Finance Budget Subcommittee on Administration has held six meetings to review the department's budget submission, including recent amendments. A department overview and specific testimony was taken on each of the appropriations/allocations. Based on that review, these recommendations are passed onto the full House Finance Committee.

The FY02 budget for the Department of Administration as recommended by the House Finance Subcommittee is comprised of the following:

General Funds	Federal Receipts	Other Funds	Total Funds
\$152,872,800	\$9,404,100	\$117,917,400	\$280,194,300

As reflected in these recommendations, all costs for negotiated labor contracts by the State of Alaska are honored. One-time funding (ILTF/SDPR) for the first year labor costs, therefore, have been replaced with general funds totaling \$599,300.

The Subcommittee recommendations also include the acceptance of all agency transfers (\$1,092,000 GF increase to this budget) into the Department of Administration) to complete the reorganization of the Public Facilities program. (The overall effect to the state budget is net zero since these funds were transferred from other existing maintenance budgets.)

Highlights of the Subcommittee's Recommendations include funding for the following items:

- Case Management Software and Equipment Replacement for the Tax Appeals Section (\$17,800 GF)
- Records Center relocation for the Division of Personnel (\$35,000 GF)
- Additions to the Division of Retirement and Benefits for various system enhancements and increases due to retiree and benefit programs (\$713,900 Other Funds)
- Increase of \$53,800 for retirement system litigation (Other Funds)
- Addition of \$50,000 GF for supervisory unit training as per the SU Labor Agreement
- Increase of \$148,800 (Other Funds) for State Owned Facilities Maintenance
- Information Technology Group Increased Bandwidth (\$178,900 Other Funds)
- Emergency Communications Infrastructure Support (\$650,000 GF)
- Increase to the Alaska Information Radio Reading and Education Services(AIRRES) Grant to a total of \$150,000 GF (\$74,000 increase over FY01)

- Upgrades for Nursing Positions at the Pioneers Homes (\$745,000 GF)
- Senior Services additions of \$902,100 in General Purpose Funds, \$1,589,300 Federal Receipts, and \$959,600 Other funds include additions for
 - Medicaid Waiver Processing
 - Assisted Living Licensing
 - Assisted Living Rate Increase
 - Addition of an Assistant Long-Term Care Ombudsman Position
 - Federal Receipts for Grants to Support Family Caregivers
 - Robert Wood Johnson Foundation Grant Award
 - Mental Health Trust Authority increases for substance abuse treatment for seniors, innovative respite, family caregiver support, ADRD training for in-home providers, and adult day quality improvements.
- Alaska Oil and Gas Conservation Commission increases for lease costs, database development, implementation, data management, and administrative costs as well as funding for engineer and geologist salary increases (\$500,100 Other Funds).
- Increases for the Office of Public Advocacy to keep up with the Child in Need of Aid Caseload Increase (\$250,000 General Purpose) and Trust Fund Accounting contractual services (\$100,000 Other Funds).
- Additions for the Public Defender Agency to maintain critical services in light of caseload growth (\$457,400 General Purpose)

Although the subcommittee did not take formal action, on the Governor's language section amendment to include Information Services Fund in the appropriation of federal and other program receipts, it is the subcommittee's intent that the full Finance Committee will review this section and adopt it in the work draft.

**Department of Administration
Impact Statements in Response to
House Finance Subcommittee Budget Proposals
Date: March 2, 2001
Prepared by: Dan Spencer**

Program Area: Commissioner's Office	Dollar Amount(s): (\$31.2) (\$62.8)	Fund Source(s): General Funds Inter-Agency Receipts
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Impact Analysis:

This reduction would eliminate a Special Assistant position in the Commissioner's Office. This position is responsible for legislative liaison duties including coordinating legislative testimony, fiscal note preparation, and working with legislative committee staff on the many bills (currently about 100) affecting the Department. This position also assists with the development of legislative proposals, participates in inter-agency legislative coordination efforts, coordinates drafting legislation and reviews of passed legislation.

The Special Assistant also serves as the Department's regulations coordinator and helps to ensure that the regulations review process is completed timely.

The Department has 17 divisions with very diverse functions, ranging from Pioneers' Homes to public broadcasting to inspecting oil and gas production facilities. The Commissioner's Office has only one part-time and five full-time positions to manage this broad array of responsibilities. The loss of the special assistant position would have a serious detrimental impact on the overall management of the department.

Program Area: Leases	Dollar Amount(s): (\$1,900.0)	Fund Source(s): General Funds
--------------------------------	---	---

Impact Analysis:

Failure to approve full funding will create a situation whereby the state will be unable to meet its contractual obligations (rental payments) to lessors in communities throughout Alaska. As these are legal obligations, supplemental funding will be requested in the coming fiscal year. This will mark the 12th consecutive fiscal year that supplemental funding will be needed for the leasing program.

Program Area: Lease Administration	Dollar Amount(s): (\$13.5)	Fund Source(s): General Funds
--	--	---

(\$55.7)

Inter-Agency
Receipts

Impact Analysis:

This reduction would eliminate one contracting officer position within the Division of General Services, leaving only three contract officers to deal with the nearly 350 leases currently under contract in all areas of the state. These contract officers deal with all aspects of leasing, including bidding, negotiating with offerors, dealing with amendments and renewals, working with client state agencies, and ensuring compliance with existing leases.

Reducing the number of contract officers would have the effect of inhibiting the State's ability to reduce leasing costs over the long term because there simply would be less time for each contracting officer to spend on bidding preparation and negotiations.

Program Area:	Dollar Amount(s):	Fund Source(s):
Pioneers' Homes	(\$2,474.7)	General Funds
	(\$2,633.0)	Receipt Supported Services

Impact Analysis:

This reduction eliminates the funding related to the Governor's proposal to give a veterans' admission preference and rename the homes to the Pioneers' and Veterans' Homes. The subcommittee's action is apparently due to an intent to provide funding for this proposal as a fiscal note if the legislation is passed.

Program Area:	Dollar Amount(s):	Fund Source(s):
Satellite Infrastructure	(\$1,600.0)	General Funds

Impact Analysis:

The satellite infrastructure component of the budget provides funding to contract for satellite transponder services to provide statewide public television, Gavel to Gavel, distance education programs from the University of Alaska, Alaska rural Communications Services to 248 villages and communities, emergency alert capability, and public radio channels.

This \$1.6 million budget increase was based on a preliminary estimate of increased costs provided by the satellite owner in October, 2000. However, the actual cost is not yet known. When negotiations with the vendor are complete, the Department will propose a supplemental appropriation to cover any increased contractual cost for this service.

There is a possible problem with cash-flow if the increased cost approaches the \$1.6 million dollar estimate; in that event the department will work with the legislature to avoid interruptions of service to the extent possible.

Program Area: Senior Services General Relief	Dollar Amount(s): (\$447.3)	Fund Source(s): General Funds
--	---	---

Impact Analysis:

This budget amendment was proposed based upon the latest projections for the general relief program, which provides assistance to vulnerable adults. These are persons aged 21 or older who are vulnerable because they are subject to neglect, including self-neglect, because of competency issues, or because they are subject to physical or emotional abuse. The funds for this program are used to place these adults in some type of protective care, such as assisted living facilities, if other avenues of custody or care are not available from family members or community or non-profit programs.

The cost of this program is entirely dependent on caseload. In the event that the approved budget is inadequate, the department will propose a supplemental appropriation for this program during the next legislative session.

Program Area: Office of Public Advocacy	Dollar Amount(s): (\$600.0)	Fund Source(s): General Funds
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Impact Analysis:

This reduction will leave the FY2002 budget for the Office of Public Advocacy (OPA) well below the level of funding needed for the current fiscal year. All cases handled by the OPA are assigned by the courts; OPA cannot control the number, type, or timing of cases assigned to it. If the same level of activity carries over into FY2002, the OPA will be more than \$1.5 million underfunded and will need to request a supplemental appropriation during the next legislative session. OPA has needed supplemental funding in 15 of the last 16 fiscal years.

Nearly 60% of OPA's costs are payments to private attorneys who contract with OPA at rates far below market rates, in part because OPA pays its bills timely. OPA may see its pricing advantage disappear if it becomes necessary to defer payment of bills.

A shortfall of this magnitude would affect all OPA services, including Child In Need of Aid cases, the guardian ad litem (children) and public guardian (adult) programs, and criminal defense cases.

Program Area:	Dollar	Fund
Public Defender Agency	Amount(s):	Source(s):
	(\$825.0)	General Funds

Impact Analysis:

A Legislative Audit concluded in May, 1998 indicated that there is a need for more Public Defender resources. The audit specifically recommended that the Public Defender agency look first to solving workload issues with better use of technology and a staffing configuration that provided more investigative and paralegal support for the attorneys. This increment would provide the additional resources recommended in the audit: 8 paralegal; an additional investigator in Kodiak; and additional computer/case management support; as well as needed travel for attorneys to participate in trials in rural court locations to ensure that rural clients receive equitable treatment. Failure to fund the increment will not allow the Public Defender to keep pace with other agencies in providing timely legal counsel to its clients, and may result in delay, inconvenience, turnover of staff, and reversal of cases.

Program Area:	Dollar	Fund
Division of Motor Vehicles	Amount(s):	Source(s):
	(\$370.0)	General Funds
	(\$118.5)	General Fund/ Program Receipts

Impact Analysis:

The House Finance Subcommittee proposal eliminates two proposed budget increases and makes one general reduction.

The reduction of 118.5 GF Program Receipts means the DMV will not add two staff to conduct performance and financial audits of 704 private vendor partners, including 3rd party testers, auto, boat, and snow machine dealers, and commission agents. Failure to receive funding for these additional positions will force DMV to limit future expansion of the partnering program. Performance audits for 3rd party tester (commercial driver licenses) programs must be hands-on audits, not paper reviews. These audits are needed to ensure federal certification of the Commercial Driver License program.

A budget amendment to provide 170.0 GF for increased costs of a renewed contract with Polaroid to provide photo driver licenses is not funded. This means the DMV may need to renew licenses with a sticker instead of issuing a new picture and license after using up existing supplies of license pouches (the plastic covering) and film. The alternative would be to lay-off or not fill up to four entry level positions.

An additional 200.0 GF reduction to the Division's existing budget would mean that an additional 5 entry level positions would be held vacant. This will almost certainly reducing service to all customers and may increase the wait time for most in-person services.

The net effect of these reductions will inevitably be less timely service to all DMV customers.

COMMUNITY +
ECONOMIC
DEVELOPMENT

House Finance Budget Subcommittee
Department of Community and Economic Development
February 27, 2001

The House Finance Budget Subcommittee for the Department of Community and Economic Development has held seven meetings to review the department's budget submission. The department overview and testimony was taken on each of the appropriations/allocations. Based on this information and review, the following recommendations are passed on to the full House Finance Committee.

The FY02 budget for the Department of Community and Economic Development as recommended by the House Finance Subcommittee is comprised of the following:

General Funds	Federal Receipts	Other Funds	Total
\$41,967,300	\$ 21,038,600	\$ 84,006,200	\$ 147,012,100

As reflected in these recommendations, all costs for negotiated labor contracts by the State of Alaska are honored, therefore, one-time funding (ILTF/SDPR) for the first year of labor costs has been replaced.

Highlights of the Subcommittee include funding for the following items:

- Agency transfer of \$1,003,100 (\$387,400 in GF) from Governor's Office to International Trade and Market Development is approved. In addition, a \$151,200 transfer from DCED's State Facilities Rent to DOA is approved.
- Transfer in of \$1,103,400 (\$ 1,098,100GF) from International Trade to International Trade and Market Development is approved.
- A fund source change of \$99,800 from RDIF to GF was approved for technical assistance positions in rural areas of Alaska for the Community and Business Development component.
- \$100,000(GF) in matching funds for an Economic Development Administration Planning Grant to leverage US Economic Development Administration funds
- \$40,000. Increment in SPDR in the Community and Business Development component to allow the expenditure of funds from the sale of advertisements and registration fees.
- Increase Federal Block Grants to Communities \$200,000 (Federal Restricted Funds)
- Increase Alaska Marine Education Association \$15,000 (Other Funds)
- Remain a status quo for the Municipal Revenue Sharing and Municipal Assistance. It is recommended that in the future, this program could be enhanced. It would provide funding for unfunded mandates, set out by the state or federal government.
- A decrease of \$ 199,800 (GF) in the Qualified Trade Association Contract
- Increase Alaska Aerospace Development Corporation \$ 202,700 (Other Funds) (Personnel)
- Increase Alaska Aerospace Development Corporation Facilities Maintenance \$11,500,000 (Other Funds)
- Replace \$100,000 Federal Restricted Funds with \$100,000 General Funds in the Circuit Rider Component

- Increase the Spending Authority for Alaska Science and Technology Foundation Grants line item \$1,500,000
- Increase Banking, Securities and Corporations \$101,500 (Other Funds) (Personnel)

Department of Community and Economic Development
Impact Statements in Response to
House Finance Subcommittee Budget Proposals
Date: March 1, 2001
Prepared by: Tom Lawson, Director
Division of Administrative Services

Program Area:	Dollar Amount(s):	Fund Source(s):
Regulatory Commission of Alaska Addition of seven new positions	(352.9)	RCA Receipts

Impact Analysis:

Seven new positions are needed to ensure that the RCA continues to maintain a high level of service to the utility industries and their consumers in the face of substantial and increasing workload.

- * Agency caseload has increased dramatically, without a corresponding increase in staffing levels.
- * Agency caseload is expected to continue to increase due to developments in the pipeline, water and sewer, and telecommunications industries.
- * "Excessive workload" has been cited in exit interviews as a reason for employee turnover.
- * Despite a heavy and increased workload, until recently staffing levels have remained lower than FY85 levels.

Since its 1999 inception, the RCA has maintained a high current caseload while addressing the large backlog of cases left from its predecessor agency, the Alaska Public Utilities Commission. The seven positions requested as an increment in the Governor's FY02 budget are needed to ensure that the RCA continues to maintain a high level of service.

Although the backlog has been significantly reduced, the agency's caseload continues to increase. The number of new cases filed each year has increased from an average of 90 (FY82-85) to 115 (FY92-95) to 215 (FY97-00). Historically, the Commission has had an active caseload of 235 (FY82-85) to 183 (FY92-95) to 449 (FY97-00). The RCA staff handled more than twice as many cases in FY00, with the same level of agency staffing that the APUC had in 1985. Based on recent industry events and trends, we believe that our caseload will continue to be high.

The RCA has implemented a series of management and procedural improvements to move cases to disposition in a more timely basis, without sacrificing the quality of decision-making. A number of indicators show that the RCA's caseload management has been substantially improved.

Immediately following its inception, the RCA discovered that the APUC's case backlog was far higher than initially thought, 750 instead of 550. All of the old cases have been analyzed, and many of them have since been resolved. With hard work, the RCA has reduced the number of pending cases from approximately 750 to 422. Those that remain are new cases (208 in 2000) or those that have statutory requirements for further action.

There will be a negative impact to industry and consumers if these positions are not approved. The RCA will have to delay processing of all cases that do not have statutory and regulatory processing deadlines in order to meet those deadlines. Industry and consumers will see delays in the time it takes to issue decisions and process applications. Delays in certification will severely impact rural water and sewer utilities, which must obtain certification from the RCA in order to be eligible for federal grants and loans to construct facilities in their communities.

Without sufficient technical support, the RCA may not be able to implement the Management Information System as planned. This system is designed to provide electronic information to the public about cases almost as soon as they are filed and make the agency's internal processes more efficient. If the MIS system is not implemented, the RCA will not be able to meet the industry and public demand for more instant information.

Without the seven positions, the backlog will grow again due to the increasing workload. This will be frustrating to industry which only started getting more timely responses within the last year and a half and demoralizing to the staff who worked so hard to reduce it.

The requested increment would be funded by the Regulatory Cost Charge paid by utility customers. The impact of this increase on customers will be minimal, about 7 percent, and will not be assessed until fall, 2001. A telecommunications customer will see an increase of less than a penny on their monthly bill.

QTA Impact Statement
Prepared by Tina Lindgren, President
Alaska Travel Industry Association

Program Area:	Dollar Amount(s):	Fund Source(s):
Qualified Trade Association	(199.8)	General Fund

Impact Analysis:

A reduction of \$199.8 from the tourism marketing contract will result in a loss of television advertising and further erosion of the state's ability to compete with other destinations. In addition, the contract requires this amount to be matched by \$85.6 from the private sector for a total loss to the program of \$285.4.

The private sector has increased its contribution. The private sector has already committed to raising increased dollars to offset a decade of decline in state spending for tourism. To replace the general fund dollars lost by this additional reduction, the contributions from 1,000 small businesses, which make up the majority of the visitor industry, would need to double in size.

Alaska continues to lose market share. This proposed reduction comes as other states have increased their marketing programs, by 15% last year alone. Alaska has now slipped from 7th place in spending for state tourism marketing programs to 33rd. The result has been a steadily declining growth rate.

National television advertising is needed. Due to budget reductions the state has eliminated television advertising. In the mid-1990s the state was spending \$3 million on TV. Currently the only national television ads promoting Alaska are cruise-related. A television schedule is important to the state's local convention and visitor bureaus and businesses that cannot afford to run Alaska national image advertising.

SPECIFIC RESULT OF PROPOSED BUDGET REDUCTION

- Loss of a national cable television buy that would be seen by over 22 million viewers.
- Loss of 10.5 million households that would be exposed to the vacation planning website address. The website links businesses throughout Alaska to visitors.
- Loss of approximately 13,300 requests for the state vacation planner, which is a primary marketing tool for small businesses.

Program Area:	Dollar Amount(s):	Fund Source(s):
Community and Business Development Made in Alaska Program Receipts	(15.0)	General Fund/ Program Receipts

Impact Analysis:

A \$15.0 general fund program receipts increment in the FY02 Community and Business Development budget requested additional authorization from the Made in Alaska (MIA) permits receipts.

The MIA program is the largest of Alaska's three "product identification programs" followed by the Silver Hand program (representing Alaska Native Artists) and Alaska Grown (representing Alaska's agriculture producers). Each program plays an important role in communicating the importance of purchasing Alaska made and grown products to residents and visitors. MIA participants pay a \$25.00 annual fee to display the mother bear/baby bear emblem on their products produced in Alaska. A contractor administers the MIA program. Historically, the contract has been funded by 50.0 GF and 25.0 in MIA permit revenues.

When the division was established in the FY01 budget, the functions of three former divisions were combined. Many budget adjustments were made and in the end, only 20.0 in general fund program receipts authorization remained when previously there was a much larger general fund program receipt authorization. This immediately created problems for the division. The MIA program traditionally raised 20.0 to 30.0 in program receipts from permit revenues. The FY02 budget request is in part an effort to correct the error of insufficient program receipts authorization and provide the opportunity for the MIA contractor to raise additional revenues to expand the program.

Without the MIA program increment, the remaining budget impacts the state's and contractor's ability to provide the current level of services to Alaska businesses represented by the 1,218 MIA permits. In addition, the existing budget level precludes any expansion of the program, since new participants necessarily result in additional program receipts and expenditures that current funding cannot support. Without services such as on-site inspections and program promotion, the integrity of the program would decline.

CORRECTIONS

House Finance Subcommittee on Corrections

Budget Narrative

The House Finance Subcommittee on Corrections has made the following budget recommendations to be submitted to the full House Finance Committee. These recommendations are a result of previous subcommittee meetings and numerous discussions with representatives of the Department of Corrections. This budget will provide the means to aggressively manage the inmate population through an expanded Electronic Monitoring program and the opening of the new Anchorage Jail.

The Subcommittee's budget recommendation takes into consideration the hard work and dedication of the hundreds of frontline Correctional Employees who do an outstanding job protecting the public's safety by confining and rehabilitating Alaska inmates.

Key factors in the budget recommendation include the following:

A three year funding agreement with the Mental Health Trust Authority to establish the Spring Creek Correctional Center Initiative. This will include funding for a Sub-Acute Care Unit at Spring Creek Correctional Center to treat up to 50 seriously mentally ill men as well as a Juvenile treatment Unit that will focus on the education and treatment of inmates between the ages of 16 and 21.

A three year funding agreement with the Mental Health Trust Authority to help the Department develop a data collection system and provide the local training necessary to identify the nature and needed responses to the large number of Title 47 holds in communities across the state.

Funding for a new substance abuse assessment specialist who will work with correctional staff to assess inmates for the purpose of moving them to the programs they most need. This will help ensure that inmates are getting the maximum benefit of the programs provided by the department.

Increased product cost authorization for the Alaska Correctional Industries to provide the supplies needed to keep up with increased sales. This program is designed to provide inmates with marketable work skills they can use to find jobs when they are released from incarceration.

Over 3 million dollars for the initial funding of the new 400 bed Anchorage Jail. This new facility will allow the department to consolidate a majority of their pre-sentenced population in Anchorage rather than spreading them out among the outlying centers in the Anchorage/Mat-Su area. This consolidation will allow the Department to reduce the number of inmates being housed at the Arizona facility, thereby reducing both contractual costs and transportation fees associated with the out-of-state inmates.

Increased receipt funded services authorization of \$110.0 for the Electronic Monitoring Program to allow the Department to expand this highly successful program statewide.

**Department of Corrections
Impact Statement in Response to
House Finance Subcommittee Budget Proposal
Date: March 1, 2001
Prepared by: Dwayne B. Peoples**

Program Area:	Dollar Amount(s):	Fund Source(s):
Anchorage Jail	(\$230.0)	Statutory Designated Program Receipts
	(\$650.5)	General Funds

Impact Analysis:

\$880.5 is needed for the new Anchorage Jail component to begin operations in FY02. Maintenance Staff will be hired at the beginning of the fiscal year and brought into the facility to begin learning and working with the contractor on all the facility support systems of the new facility; security staff will be hired and begin training in October of 2001. Upon completion of training these security staff will work in the new facility helping to prepare cells and dorms for operations, getting to know every inch of the new facility and its support mechanisms. In February and March, full operations of the facility will begin. Prisoners will be transferred in from other correctional facilities holding Anchorage prisoners. Without this \$880.5 the new Anchorage Jail facility will not be able to open as scheduled in FY02 resulting in significant overcrowding in the state correctional facilities. Failure to open this facility will result in overcrowding at state institutions which could threaten final resolutions of the Cleary lawsuit and result in re-imposition of court monitoring and fines.

Program Area:	Dollar Amount(s):	Fund Source(s):
Sixth Avenue Correctional Center	(\$670.0)	General Funds

Impact Analysis:

The Sixth Avenue Correctional Center requires \$670.0 of general funds to enable it to operate fully in its final year of operations as a state-operated correctional center. When the final construction on the new Anchorage Jail is completed, all Sixth Avenue operations (staff, prisoners, and operating funds) will be transferred to the new Anchorage Jail to enable full operations of the new facility. Without this \$670.0 of general funds, the new Anchorage Jail facility will be short funded and unable to cover operational needs.

Program Area:	Dollar Amount(s):	Fund Source(s):
Existing Community Residential Centers	(900.0)	General Fund
Reduce Contracts		

Impact Analysis:

Federal grant funding from the Violent Offender Incarceration/Truth in Sentencing (VOI/TIS) Program has been reduced from previous years. The DOC expects a \$500.0 federal funds shortfall from the VOI/TIS program in the Existing Community Residential Center Component in FY02. General funds are needed to offset this loss. Additionally, \$400.0 of general funds are needed to fund renegotiated contracts at Anchorage's Cordova Center (108 Beds) and Midtown Center (32 Beds) and the Fairbanks Northstar Center (99 Beds). Together these two items total \$900.0 of general funds that DOC needs to continue support for approximately 40 Alaska prisoners in CRC contract sites for FY02. Failure to procure these beds will result in overcrowding at state institutions which could threaten final resolutions of the Cleary lawsuit and result in re-imposition of court monitoring and fines.

Program Area:	Dollar Amount(s):	Fund Source(s):
Out of State Contracts	(\$890.0)	General Funds

Impact Analysis:

Federal grant funding from the Violent Offender Incarceration/Truth in Sentencing program has been reduced from previous years. The DOC expects a \$500.0 federal funds shortfall from the VOI/TIS program in the Out of State Contracts Component in FY02. General Funds are needed to offset this loss. Additionally, \$390.0 in general funds is needed to continue to purchase housing for Alaska prisoners at the Central Arizona Detention Center. Together these two items total \$890.0 of general funds that the DOC needs to continue support for approximately 40 Alaska prisoners in the Out Of State CADDC facility for FY02. Failure to procure these beds will result in overcrowding at state institutions which could threaten final resolutions of the Cleary lawsuit and result in re-imposition of court monitoring and fines.

Program Area:	Dollar Amount(s):	Fund Source(s):
Community Jails	(\$400.0)	General Funds

Impact Analysis:

\$400.0 of general funds is needed in the Community Jails component to support 15 Local Community Jails under contract to the Agency. These contract facilities provide up to 57,000 mandays of prisoner incarceration capability for the State of Alaska. Contract amounts were set in FY96 and have not increased in over 6 years yet the contractors have had to absorb 15.00 % of labor cost increases and 10.5% of U.S. Consumer Price Increases on their Goods and Services. Without these funds, several local jails may be in serious financial difficulty and could close their facilities. The department does not have the empty beds to absorb these prisoners nor the funding to transport them to correctional centers across the state. Many of the prisoners are pending local court actions and need to remain at the arrest site. Others are short-term misdemeanor offenders. Housing is not available at state correctional facilities to support these prisoners.

Program Area:	Dollar Amount(s):	Fund Source(s):
Inmate Substance Abuse Treatment	(\$226.0)	General Fund/ Mental Health

Impact Analysis:

The impact of not funding \$226.0 for the Inmate Substance Abuse Treatment (ISAT) program is that the department can not sustain current service levels. A significant number of inmates are incarcerated due to alcohol related behavior issues. Alcohol is a public health problem and the department needs to pursue continued treatment rather than reduced treatment. These funds do not create new programs but sustain services at the current level. The services include assessments, education, treatment in individual and group settings, and post release planning for aftercare in the community. The public is pursuing greater penalties and more substance abuse programming for incarcerated felony DWI cases. It is a step backward to cut ISAT programs.

Program Area:	Dollar Amount(s):	Fund Source(s):
Inmate Health Care	(\$654.0)	General Funds
Reduce funding for Nursing Salary Increases		

Impact Analysis:

Due to difficulties in recruiting and retaining some of the 84 health care professionals, \$654.5 general funds is needed in the Inmate Health Component to enable the Agency to provide a two-range salary increase to all Nurses, Licensed Practical Nurses, and Health Practitioners working at correctional institutions. Alaska is not competitive in wages paid to health practitioners or skilled and semi-skilled nursing positions. The two-range increase will place the State of Alaska in the competitive arena, but not on the leading edge. Without this funding the department will have to reduce medical staff in 24-hour institutions by approximately 12 to 14 positions.

Program Area:	Dollar Amount(s):	Fund Source(s):
Office of the Commissioner	(\$205.6)	General Funds

Eliminate Strategic Planner and Special Assistant

Impact Analysis:

These funds support a Strategic Planner and Special Assistant to the Commissioner positions.

The Strategic Planner position is responsible for supervising several critical public policy issues including the implementation of HB 214 which was enacted into law last year (the Prisoner Litigation Reform Act). This legislation and the Department's commitment to compliance with court mandates in the Cleary suit make this position essential to continue with department efforts to implement PLRA and prevent court oversight of institutional activities. In this role, the position was the principal writer of the Department's Long-Range Plan and is the person tasked with coordination of American Correctional Association (ACA) accreditation of our institutions in order to mitigate against future lawsuits such as Cleary.

The Special Assistant position is critical to the Office of the Commissioner. The position is tasked with many special projects including policy and procedures, freedom of information act, subpoena for records and legal actions, human resource complaints, media relations, public contacts and responses to legislative inquiries.

Without these positions, the department will not have adequate management staff to implement PLRA and ACA standards and prevent court oversight.

Program Area:	Dollar Amount(s):	Fund Source(s):
Institutions Director's Office	(\$200.0)	General Funds

Eliminate Two Assistant Directors, Division of Institutions

Impact Analysis:

The Division of Institutions oversees 12 Institutions, 10 Community Residential Center contract sites, 15 Community Jail contracts, Electronic Monitoring Programs, Inmate Health Care, Out of State Contracts and Inmate Programs providing incarceration and supervision of approximately 4,500 inmates a month. The Director of Institutions utilizes the two Assistant Director positions to provide Division management oversight of the above program areas as well as bringing the Anchorage Jail on-line. In addition, these positions assist the Division in development, implementation and operations of juvenile and women's programs within Institutions. These two programs are the fastest growing segments of institutional service demands. The Director of Institutions requires assistance from these positions to provide overall management. Consistent management and oversight are critical to the safety and security of prisoners incarcerated throughout the state and in out-of-state contract facilities and to the delivery of rehabilitative services.

COURT SYSTEM

House Finance Subcommittee Alaska Court System FY 02 Operating Budget

The purpose of this memorandum is to describe the effect of the budget recommendations of the House Finance Subcommittee ("Subcommittee") for the Alaska Court System, Alaska Judicial Council and the Commission on Judicial Conduct.

The Subcommittee closed out its consideration of the budget at the February 22, 2001, meeting. The Subcommittee based its work on the FY 01 Management Plan reflected in HB 103/104. The Subcommittee's budget recommendations are within the allocation for this department.

The Subcommittee recommends maintaining the budget for the Alaska Court System at the FY 01 level except for seven transactions. Those seven transactions are set out in the attached spreadsheet

The Subcommittee recommends the Alaska Court System receive the following three increments which involve use of general funds:

1. \$337,700 for maintenance and operations of the new Fairbanks Courthouse;
2. \$125,000 for data processing chargebacks or "WAN" fees; and
3. \$22,300 for a court clerk position in Barrow.

Further, the Subcommittee recommends the Alaska Court System receive three additional increments in its authority to receive funds from sources other than general funds:

1. \$150,000 by transfer from the Mental Health Trust Authority for a court coordinated resources project to assist mentally ill persons who have been convicted of a misdemeanor crime;

2. \$188,100 of interagency receipt authority to receive funds from the Department of Revenue, Child Support Enforcement Division to establish a pro se center. The pro se center will assist litigants in family matters both before and after court proceedings; and

3. A \$216,000 increase in the authority of the Alaska Court System to receive federal funds to continue the Anchorage Drug Court pilot program.

Finally, the Subcommittee recommends that the Commission on Judicial Conduct receive an increment of \$15,000 in general funds to reduce the level of underfunding in its personnel budget.

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

**Alaska Court System
Date: March 2, 2001
Prepared by: Rhonda McLeod**

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

Impact Analysis:

Increased funding was not approved for replacement computers, software upgrades and workstations.

Program Area:	Dollar Amount(s):	Fund Source(s):
Administration	(274.3)	General Fund

Impact Analysis:

Increased funding was not approved for a Computer Support Specialist, two Computer Training Specialists or a Library Assistant I. Funding for computers and micrographics equipment was not approved.

Program Area:	Dollar Amount(s):	Fund Source(s):
Trial Courts	(4,221.8)	General Fund

Impact Analysis:

The House Subcommittee approved GF funds for increased costs for operating and maintaining the new Fairbanks Courthouse, increased costs associated with access to the state's wide area network and for a part-time court clerk for the Barrow court.

The House Subcommittee also recommended approval of funding from Mental Health Trust Authority Authorized Receipts for a court coordinated resources project to benefit

Mental Health Trust Authority beneficiaries and approval for using interagency receipts to support a pro se center to assist un-represented litigants in family matters.

The House Subcommittee also recommended approval of the Anchorage Drug Court pilot program, which will be funded using federal receipts.

Funding was not approved for travel to improve judicial services in rural Alaska, a full-time in-court clerk in Barrow, a court clerk in Juneau, a court clerk in St. Mary's or for a part-time court clerk in Cordova. Increased funding was not approved for security screening in Kenai and Palmer, leasehold improvements to the Unalaska court, increased juror pay, or for additional court security officers.

Alaska Judicial Council

Date: March 2, 2001

Prepared by: William Cotton (by Teri Carns)

Program Area:	Dollar Amount(s):	Fund Source(s):
Alaska Judicial Council	(39.2)	General Fund

Impact Analysis:

The House subcommittee approved continuation funding for the Judicial Council. The continuation level of funding does not, in itself, cover the Council's essential expenses. The Council expects to use federal grants and RSAs for work performed for other agencies to fund the remainder of its costs.

The subcommittee denied an increment to complete a research project that would inform the legislature, courts and other agencies about how felony offenses are charged and sentenced. The project would provide up-to-date analysis that could be used for policy and program decisions. It also would address the reasons for disproportionate numbers of Alaska Natives and other minorities in Alaska's courts and jails. The courts and executive branch agencies have provided full support for this project by making files and data available.

The Council has pursued funding for this study, which is recommended both by the Supreme Court's Fairness and Access committee and the Criminal Justice Assessment Commission, for the past two years. This year, the Council has narrowed the scope of the study, and is collecting the data in the current fiscal year to reduce the funds needed to complete the work. The court system will mail case files to Anchorage, eliminating travel expenses. Despite substantial and continuing efforts to obtain federal funding to complete the work, no grants have been available. The requested increment will make it possible to

provide information about charging and sentencing, minority disproportions, and the characteristics of Alaska offenders by 2002.

Commission on Judicial Conduct

Date: March 2, 2001

Prepared by: Marla Greenstein

Program Area:	Dollar Amount(s):	Fund Source(s):
Commission on Judicial Conduct	-0-	General Funds

Impact Analysis:

The Commission on Judicial Conduct was funded at the request level.

EDUCATION +

EARLY

DEVELOPMENT

House Finance Budget SubCommittee on Education

SubCommittee Report FY02 March 1, 2001

The House Finance Budget SubCommittee on Education has adopted the attached summary of budget recommendations using as its starting point the FY2001 Management Plan agreed on by both the Legislative and Executive branch at the close of the 21st Legislative Session. The FY2001 Base includes year two of the labor costs agreed upon.

The quest for excellence in Alaska's educational system directed the subcommittee's initiative to improve and enhance the educational opportunities for Alaskan students. In these times of allocating scarce state resources, the subcommittee has encouraged savings within the department and stayed within its allocation.

Department of Education and Early Development House Budget SubCommittee FY02 Highlights

- combination of fund changes increases the DEED budget by \$18,590,500
- within the \$18.6 million increase, nearly \$16 million in new grant funds will be distributed to Alaskan communities
- the SubCommittee Budget includes \$725,302,300 of General Purpose Funds
- K-12 Foundation Formula Program is fully funded (\$671,204,800) based on DEED's estimated average daily membership for the 2001-02 school year
- Learning Opportunity Grants are fully funded at \$6,187,100
- Pupil Transportation's one-time AIDEA funding replaced by \$4,400,000 GF
- \$2,000,000 increment authorizes federal grant increases and carry forward for Special Education and Title I programs
- increment of \$1,200,000 for RightStart, bringing the annual appropriation to over \$32,000,000 for the Alaska Quality School Initiative
- increment of \$1,717,000 for Child Care Development Fund
- increment of \$2,000,000 for ChildCare Quality Initiative
- increased support for HeadStart training and Family Wellness models
- new position to provide staffing/coordination for new HeadStart activities
- increment of \$3,000,000 to fund Child Care Subsidy
- increment of \$100,000 for mini-grants to address child abuse and neglect
- authorized expansion of vocational training programs in construction, nursing and mining trades at Seward's AVTEC and Kotzebue's ATC
- increment of \$200,000 for Mount Edgecumbe Boarding School dormitory services and management contracts.
- increment of \$98,700 to fund a Network Specialist position to support libraries participating in the Gates Foundation Project

**Department of Education & Early Development
Impact Statements in Response to
House Finance Subcommittee Budget Proposals**

Date: March 2, 2001

Prepared by: Karen J. Rehfeld

Program Area: Head Start	Dollar Amount(s): (\$662.4)	Fund Source(s): General Fund
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Impact Analysis:

The House Finance Subcommittee did not include an increase in state general funds that would support Alaska's Head Start grantees in applying for and receiving a projected \$3,312.0 available in federal program expansion funds. These federal funds are provided directly to the Head Start Grantees and require a 20% match. These new federal expansion funds will be used to expand services to approximately 325 children in 6-8 communities. Absence of increased state funds will require grantees to locate local sources to meet the match requirements.

Program Area: District Support Services	Dollar Amount(s): (\$350.0)	Fund Source(s): General Fund
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Impact Analysis:

The House Finance Subcommittee did not include funding requested by the Governor's Education Funding Task Force for a District Cost Factor Study. The task force agreed that the current district cost factor methodology is flawed because it is based on what school districts spent over time, and during a time of scarcity, rather than on the actual costs of operating schools. The task force recommends the governor seek funds necessary to develop a new and appropriate methodology, and prepare statistically defensible district cost factors. These funds will be used to contract for development of a methodology that can be used to update district cost factors and make recommendations to the legislature. Without these funds, the department will be unable to comply with the statutory requirement to recommend updates to district cost factors on a biennial basis.

Program Area: Pupil Transportation	Dollar Amount(s): (\$2,464.7)	Fund Source(s): General Fund
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Impact Analysis:

The House Finance Subcommittee recommendation funds pupil transportation at 95% of the amount needed to fully fund reimbursable transportation costs in FY2002 for a

total of \$48,099.3. Based on school district projections, the total amount needed in FY2002 to provide reimbursement for pupil transportation costs is \$50,564.0. Without full reimbursement, school districts will have to direct funds they would otherwise use for school operations to transportation services.

Program Area:	Dollar	Fund
Commissioner's Office	Amount(s):	Source(s):
	(\$33.5)	General Fund
	(\$31.4)	Inter-Agency Receipts

Impact Analysis:

By eliminating funding for the part-time special assistant in the commissioner's office, the House Finance Subcommittee is imposing an unallocated cut to department programs. If the department reinstates the position through charging program divisions to cover the cost, divisions will have to find additional dollars to support the costs. The commissioner's office is far from overstaffed with only four full-time positions and one part-time special assistant. This position provides a very necessary communication link between the various education organizations, the legislative offices, the governor's offices, and within the department. We feel it is appropriate for this work to be done and to be part of the commissioner's office.

Program Area:	Dollar	Fund
Commissioner's Office	Amount(s):	Source(s):
	(\$50.0)	General Fund

Impact Analysis:

The House Finance Subcommittee recommendation of a department-wide travel reduction will have to be spread to other divisions and programs that have general funds budgeted in the travel line. Most of the department's travel funds are related to specific federal program requirements including the provision of technical assistance, compliance reviews, and professional development.

Program Area:	Dollar	Fund
Quality Schools	Amount(s):	Source(s):
	(\$177.7)	General Fund

Impact Analysis:

The House Finance Subcommittee did not include funding for a position to administer the gifted and talented (GT) program and the statewide correspondence program.

The department does not currently have the resources to administer these programs including review and approval of district applications, providing technical assistance related to GT and statewide correspondence program development, responding to

questions from parents, teachers, administrators and the public, or conducting on-site GT and statewide correspondence program reviews, when necessary.

This funding would also provide for the training of GT complaint investigators and due process hearing officers when complaints and requests for due process hearings are received at the department.

Program Area:	Dollar	Fund
Quality Schools	Amount(s):	Source(s):
	(\$2,000.0)	General Fund

Impact Analysis:

The House Finance Subcommittee did not include funding requested by the Governor's Education Funding Task Force for Incentives for High Performing Schools. Based on the state school designator system, schools identified as high performing would earn financial incentives. Awards would range from \$10,000 to \$100,000 annually depending on the type and size of school. The task force recommended \$2 million in funding for the first year of the plan, with \$400,000 increases annually. The reason for the increase is the expectation that a growing number of schools annually will reach the goal of improving student achievement. Over time, they will receive the state designation as a high performing school, making them eligible for this program. The task force estimated 50 schools in the first year with a average incentive of \$40,000 with 10 additional schools designated high performing each year.

Program Area:	Dollar	Fund
Quality Schools	Amount(s):	Source(s):
	(\$2,000.0)	General Fund

Impact Analysis:

The House Finance Subcommittee did not include funding requested by the Governor's Education Funding Task Force for Assistance for Low Performing Schools. The task force recommended that schools designated as low performing be able to access funds based on a plan of improvement approved by the State Board of Education & Early Development. Awards would range from \$10,000 to \$100,000 annually depending on the type and size of school. The task force recommended funding this program at \$2 million the first year and decreasing the appropriation by \$200,000 each year over the remaining four years of the plan. The reason for the decrease in funding is the expectation that fewer numbers of schools annually will receive the state designation as a low-performing school, so fewer schools will need this program. Beginning in 2002, students must pass a competency exam to receive a diploma in Alaska. In order to be legally defensible, the state must demonstrate that intervention activities have been provided for those students at risk of not receiving a diploma.

Program Area:	Dollar	Fund
Quality Schools	Amount(s):	Source(s):
	(\$2,000.0)	General Fund

Impact Analysis:

The House Finance Subcommittee did not include funding requested by the Governor's Education Funding Task Force for the Center For School Excellence. The Center for School Excellence will provide technical assistance to schools, analyze data on school improvement and student achievement, and conduct research to determine the effectiveness of efforts to improve instruction for all students. The center would place a priority on low-performing schools.

The center would be formed using a consortium model and be comprised of school districts, the Department of Education & Early Development, public and private Alaska universities, employers, professional education organizations and other entities. While the center would have only a modest number of full-time staff, the training cadre would be supplemented with contract staff matched to the particular need of the school requesting assistance. The task force recommended funding the center at \$2 million in the first year with \$200,000 annual increases.

Beginning in 2002, students must pass a competency exam to receive a diploma in Alaska. In order to be legally defensible, the state must demonstrate that intervention activities have been provided for those students at risk of not receiving a diploma.

Program Area:	Dollar	Fund
Quality Schools	Amount(s):	Source(s):
	(\$730.0)	General Fund

Impact Analysis:

The House Finance Subcommittee did not include funding requested by the Governor's Education Funding Task Force for an increase in the department's capacity to gather and report data for schools and to provide support to schools in the collection and reporting of information. The statewide assessment system implemented in statute, has provided expanded information on the performance of students at various grades levels and has also expanded the reporting requirements. Collecting and reporting the data in a consistent manner and understanding what the data means will be critical to assist schools in improving student performance. The request includes two new technical positions to support the data collection effort and contractual funds to provide research and analysis of the data.

Program Area:	Dollar	Fund
Education Special Projects	Amount(s):	Source(s):
	\$80.1	Federal Receipts
	\$2,822.0	Federal Receipts

\$42.5	General Fund Match
\$.5	General Fund
\$924.0	Inter-Agency Receipts
\$70.7	Statutory Designated Program Receipts

Impact Analysis:

The House Finance Subcommittee recommends the transfer of Special Programs from Early Development into the Teaching & Learning Support Division including: the Alaska State Community Service Commission (Americorps), Homeless, Evenstart, and SEED. The department does not agree with the proposed transfers. When the legislation passed incorporating early development programs in the Department of Education, the governor and the legislature recognized the importance of early learning and development to the future of all children. The department has organized programs and services to address early development by targeting age groups rather than traditional grade level groups. For example, children from birth to age 8 are considered under the early childhood arena. The focus on these areas is on the social, emotional and developmental elements of a child's development, which is substantially different from the educational focus on cognitive development.

The location of Americorps under the Early Development Division is directly related to the history of the program under the former Department of Community & Regional Affairs and the benefit of having staff familiar with the program requirements. It is a requirement in the National Trust Act that there be a close alliance with the Department of Education.

The department has structured the budget and programs to support these priority areas and believes that the current organization signals the importance of early development

Program Area:	Dollar	Fund
Child Care Subsidy	Amount(s):	Source(s):
	(\$427.6)	General Fund

Impact Analysis:

The House Finance Subcommittee reduces the FY2002 estimate of full funding for the child care subsidy program. This reduction represents the state general fund portion of the FY2002 budget request which also includes \$3 million from welfare reform savings. If the level of funding proposed is not sufficient to provide child care subsidy to eligible families, the department will seek supplemental funding in FY2002.

Program Area:	Dollar	Fund
Special Programs	Amount(s):	Source(s):
	(\$35.0)	General Fund Match

Impact Analysis:

The House Finance Subcommittee reduction in general funds impacts the ability of the Alaska State Community Service Commission to meet the match for administrative funds for this federally funded community service/volunteerism program. Approximately \$2 million in federal grant funds are available to Alaska for this program with a very small administrative match. This reduction will impact the commission's ability to administer these funds and meet the federal program requirements.

Program Area: Special Programs	Dollar Amount(s): (\$1,000.0)	Fund Source(s): General Fund
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Impact Analysis:

The House Finance Subcommittee did not include funding requested by the governor to support parent education and professional development to improve children's literacy development, education, and over all health and development. Community Head Start agencies, school districts and parents would work together to implement/coordinate this program. The \$1,000,000 parent involvement request is an effort to provide resources to parents so that they can do their best job in helping their children to grow and learn. Many states are expanding their efforts to provide resources including materials to families with newborn babies on appropriate ways to stimulate the early development of children as newborns, toddlers, and preschoolers. These resources can make a big difference in children's social, emotional, and physical development.

Program Area: Special Programs	Dollar Amount(s): (\$80.1) (\$2,822.0) (\$42.5) (\$0.5) (\$924.0) (\$70.7)	Fund Source(s): Federal Receipts Federal Receipts General Fund Match General Fund Inter-Agency Receipts Statutory Designated Program Receipts
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Impact Analysis:

See Education Special Projects for analysis.

Program Area: Alyeska Central School	Dollar Amount(s): (\$1,000.0)	Fund Source(s): General Fund
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Impact Analysis:

The House Finance Subcommittee did not include funding requested by the Governor's Education Funding Task Force for distance delivered core courses based on state standards to be offered to high schools with fewer than 50 students. Courses developed and offered by Alyeska Central School would support students and teachers in these high schools. The courses would enable students to have better access to subject matter specialists while still having on-site teachers serve as facilitators and coaches to make sure students get the extra help they need. These courses would be offered free to qualifying schools. These funds will provide the instructional and support staff necessary to develop and deliver the core courses.

ENVIRONMENTAL CONSERVATION

House Finance Subcommittee
 Department of Environmental Conservation
 FY02 Operating Budget

The House Finance Department of Environmental Conservation Subcommittee has adopted the attached transaction sheets. The Subcommittee worked from the FY01 Management Plan reflected in HB 103. The budget recommendations are within the General Fund allocation of \$12,761.5 for the Department with one special exception. A net zero transaction of \$96.3 was transferred into D.E.C. from H.S.S. to cover food safety and sanitation services in the Norton Sound area

The following chart illustrates the Subcommittee's recommendation of increased investment to help D.E.C. in its' mission of protecting human health and the environment.

General Funds	Federal Funds	Other Funds	Total Funds	
12,857.8	16,223.8	21,715.8	50,797.4	FY02

Recommended Increments Include:

- ◆ Full funding of labor costs, including all salary increases for FY02
- ◆ \$554,000 in increased federal receipts in non-point source pollution funds to make grants for our highest priority water quality needs
- ◆ \$109,400 in oil/haz funds for the contaminated sites program for coordination and oversight of contaminated sights
- ◆ \$500,000 in oil/haz funds for oversight of the environmental and community commitments outlined in the BP charter
- ◆ \$77,500 as a one-time item to fund the administration of financial responsibility activities for the non-tank vessels and railroad cars program
- ◆ \$165,100 in CIP receipts for small drinking water system operator training and certification to help small communities maintain safe systems
- ◆ \$400,000 in federal receipts to fund the Aleutian/Pribilof remote maintenance worker program to maintain rural sewer and water systems
- ◆ \$75,200 in general funds to the solid waste program to help reduce fees

The Subcommittee also adopted various position transfers recommended by the Department in an effort to help the Department become more efficient and deliver better service to the public.

**Department of Environmental Conservation
 Impact Statements in Response to
 House Finance Subcommittee Budget Proposals
 Date: March 1, 2001
 Prepared by: Janice Adair**

Program Area: Commissioner's Office	Dollar Amount(s): (\$300.0)	Fund Source(s): General Fund
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Impact Analysis:

This funding is a new request to provide the state with a systematic monitoring program of heavy metals and/or persistent organic pollutants in Alaska's seafood products. The safety of seafood products is a growing concern in the United States and Europe.

Without a systematic monitoring program, Alaska will be unable to respond to questions from commercial buyers of Alaska seafood or recreational and subsistence users as to the safety of our seafood products.

We will also be unable to respond to federally issued consumption advisories because we will lack the scientific data to dispute them. Our inability to credibly challenge these consumption advisories will ultimately impact the marketing of Alaska's seafood products, which currently enjoy a major marketing advantage over other seafood products because of the perceived purity of our environment.

Alaska is one of the few states without some kind of routine monitoring program for heavy metals and/or persistent organic pollutants in its fishery resource.

Program Area: Food Safety and Sanitation	Dollar Amount(s): \$167.6 (\$167.6) (\$ 53.7)	Fund Source(s): Statutory Designated Program Receipts General Fund General Fund
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Impact Analysis:

This reduction is of two requests proposed in the FY2002 Governor's Amended budget, the first to supplant \$167.6 of unrealized statutory designated program receipts with general funds, and the second an increment of \$53.7. The objective of these two requests is to increase the number of routine inspections of high risk food operations that are inspected once a year without increasing fees. Current funding only allows the

program to inspect 54% of high risk food operations and 39% of high risk public facilities once a year. The target result of this increment and associated fund source change is to increase inspection percentages of high risk food operations performed annually. With the reduction, the state will not be able to inspect the 3,241 high-risk food facilities once each year. This means Alaska will continue to see increasing numbers of food borne illnesses as food operators go without inspection by and interactions with food safety specialists who can provide them with needed information about proper food storage, handling and preparation methods.

Program Area:	Dollar Amount(s):	Fund Source(s):
Food Safety and Sanitation	\$379.2	General Fund/ Program Receipts
	(\$379.2)	General Fund

Impact Analysis:

Approval of this no net cost request would decrease fees paid by retail food establishments, such as restaurants, grocery stores, and markets, by 31%.

As a result of the request being denied, these fees will not be decreased.

FISH GAME

House Finance Subcommittee
Department of Fish and Game

FY02 Operating Budget

The House Finance Subcommittee for the Department of Fish and Game closed out at the February 27, 2001 meeting. The budget recommendations are within the \$50.0 General Fund allocations for this department and do not exceed the \$30,735.6 General Fund Operating Budget allocation.

To provide for continuation of service at the Kenai River Center, the subcommittee approved an increment of \$88.3 to the Division of Habitat to pay for a biologist that would have been let go due to dwindling EVOS funds that had been used to fund the position before.

To increase administrative efficiency within the Division of Habitat and Restoration, the subcommittee approved a proposal to merge the Title 16 Permitting and the Habitat components into a single Habitat component within the Division.

The subcommittee recommends funding those salary increments that were funded with one-time money last year with General Fund dollars. Additionally, any position adjustments and transfer of general fund dollars within the department that did not increase the overall general fund amount were approved.

Increases in federal receipt authority include a 1.2 million dollars increase for Steller sea lion and harbor seal research projects and one million dollars to fund federal subsistence projects. An additional one million dollars in receipt supported services to fund various fishery projects across the state was also approved.

The FY02 subcommittee recommendations reflect approval of the non-General Fund increments requested by the department, with the exception of CARA funds described below.

The Division of Wildlife Conservation will have the authority to receive \$1,510.0 in federal receipts for the Conservation and Reinvestment Act (CARA) implementation for FY 02 spending level with the following intent language:

It is the intent of the legislature that the Department seeks approval of the Legislative Budget and Audit Committee to receive and expend additional federal receipts in the event Conservation and Restoration Act funding is reauthorized in Congress.

The subcommittee thanks the Department of Fish and Game for their work in developing this budget.

Department of Fish and Game
Impact Statements in Response to
House Finance Subcommittee Budget Proposals
Date: March 2, 2001
Prepared by: Kevin Brooks

Program Area:	Dollar Amount(s):	Fund Sources:
Habitat and Restoration	(\$100.0)	General Fund

Impact Analysis:

Oil and gas exploration, leasing, and development on the North Slope have increased dramatically in the last several years due in part to high oil prices, but also related to advances in technology (improved 3-D seismic), the opening of new areas such as NPR-A to exploration, and increased interest in potential gas reserves in the northern foothills of the Brooks Range. Some examples include increased exploration drilling by Phillips and BP in NPR-A and the Colville River Delta; and gas exploration by Anadarko in the foothills.

Fish and wildlife issues and local concerns have increased as oil and gas exploration and development expands to these new areas. The department's early involvement in working with industry to identify and resolve issues has become even more essential to ensuring environmentally sound and timely development of oil and gas resources. Increased field presence also is required as exploration and development enters new areas. Our participation in development of plans for rehabilitation of abandoned or contaminated pads will increase as industry begins to implement conditions of the Charter Agreement between the state and the oil industry. The department's role to ensure adequate fish and wildlife protection is equally important in demonstrating the state's ability to wisely develop the oil and gas resources within its boundaries. Ultimately, progress made on mitigation of impacts while allowing oil and gas extraction is tied to development of new, and as yet unauthorized areas such as the Arctic National Wildlife Refuge.

This reduction of \$100.0 will continue to leave the department in a position where we cannot fully participate in the review and permitting of oil and gas exploration and development projects. Our existing budget is not adequate to conduct the field reviews required before, during, and after project activities. This has limited our ability to work cooperatively with industry when project designs are in the early stages of development, a time when the department's input is often the most important. The department's early involvement results in the least economic impact to industry, and provides for the highest level of protection for fish and wildlife resources, while still allowing development to occur.

Program Area:	Amount(s):	Source(s):
Boards Support Section	(\$121.7)	General Fund

Impact Analysis:

During the course of the year, the Board of Fisheries normally meets five times, the Board of Game meets three times, and the Joint Board meets once. There are also work groups and additional meetings held by teleconference. Funding is also provided for advisory committee chairs to attend Board meetings that deal with issues in their area, and represent the members of their committee. This general fund cut will continue to result in fewer meeting days by the Boards and an overall decrease in the effectiveness and efficiency of the state's regulatory system related to fish and wildlife resources.

During the current fiscal year, reduced funding required the Board of Fisheries to combine meetings scheduled for Dillingham (Bristol Bay issues) in November, Bethel (AYK issues) in December, and Anchorage (Alaska Peninsula/Finfish issues in January, and Statewide issues in February), into a single 23-day meeting in Anchorage from January 9th through February 1st. While this single meeting allowed the Boards section to live within their budget, the cost to the public and other department employees was increased. The impact to the affected components are detailed below:

Boards of Fisheries and Game Component (\$76.7)

The Board of Fisheries has traditionally held meetings at or near the fishing grounds whenever possible, to give opportunity for input to those whose livelihoods are dependent upon the board's decision. The board will not be able to have full board meetings for fishing communities. The decision may be made again to change the board cycle. This will curtail public input, increase costs for other meeting participants, and the meetings will be shorter and not held in fishing communities most impacted by the issues.

Advisory Committees Component (\$45.0)

Currently, participation from all Advisory Committees is limited due to lack of funding. This prevents both boards from receiving the full community input that the Advisory Committees were statutorily designed to provide. Some of the existing advisory committees are inactive because funding has not been available to promote activity. This cut will continue to limit participation in the board process due to lack of travel funds.

GOVERNOR

House Finance Subcommittee Governor's Office

Adopted March 1, 2001

The attached reports are subcommittee recommendations to the House Finance Committee. The recommendations match the Governor's request with three exceptions. First, an original request for \$8.35 million federal funds and an amended request for an additional \$4.5 million for coastal impact assistance were reduced to \$100,000. That amount will allow planning activities to proceed but will require the Governor's Office to seek additional authorization before spending all money made available by the Conservation and Reinvestment Act. Second, the request for additional funds for the Division of Elections will be addressed in the language section. Third, the additional FTE in DGC will be addressed after the issue is decided in the fast track supplemental.

The recommendations reflect acceptance of transactions as follows:

- A reduction of five temporary positions in Elections and one PPT in the Human Rights Commission
- Five line item transfers that have no impact on the bottom line
- Transfers of 3.9 GF in (from the Legislature) for facilities rent and 17.4 GF out (to Labor and Workforce Development) for facilities rent
- A transfer of all International Trade and Market Development funding (1,003.1) to the Department of Community and Economic Development
- A transfer of 17.2 GF (associated with HB 361, Fees for Services) from OMB to Governmental Coordination
- Replacement of 93.0 ILTF and 25.8 SDPR (nonrepeatable funding for labor costs) with GF
- The following Decrements/One-Time Item Reductions
 - 24.4 federal receipts (HUD education and outreach grant) in the Human Rights Commission
 - 50.0 ILTF (transferred to DOA, where it may be replaced with GF) for supervisory training
 - .1 GF, 94.0 ILTF and .1 AHFC (FY01 statewide labor costs) in OMB
 - 980.0 GF (FY00 reappropriation used for contingency funding) in Executive Operations
 - 1,629.0 GF (election year funding) in Elections
 - 1.5 GF (ballot initiative funding) in Elections

Under the subcommittee recommendations, GF appropriations would be 15,536.8, which equals the allocation set by the Finance Committee. Federal funds would be 3,512.6 and other funds would be zero.

**Office of the Governor
Division of Governmental Coordination
Impact Statements in Response to
House Finance Subcommittee Budget Proposals
Date: 03/02/2001
Prepared by: Gabrielle LaRoche**

Program Area:	Dollar Amount(s):	Fund Source(s):
Coastal Impact Assistance	(\$12,750.0)	Federal

Impact Analysis:

Congress recently appropriated funds for Coastal Impact Assistance to oil producing states, including Alaska. Alaska's share is \$12,850.0 of which 35% or \$4,500.0 is directed to county-equivalent coastal political subdivisions (i.e., boroughs and Coastal Resource Service Areas) based on a formula contained in the bill. The remaining \$8,350.0 is to be used for a wide range of purposes related to planning, coordination, implementation, conservation, protection and restoration of coastal resources.

The Office of the Governor/Division of Governmental Coordination (DGC) requested \$8,350.0 in federal funds in the Governor's Budget and submitted an amendment for the additional \$4,500.0 in federal funds. The amendment was based on direction from the U.S. Department of Commerce that Coastal Impact Assistance funds for the coastal political subdivisions would pass through the State of Alaska for distribution to the coastal political subdivisions rather than directly by the federal government.

The Governor must submit a Coastal Impact Assistance Plan for the entire amount, including the coastal political subdivision plans, to the Secretary of Commerce by July 1, 2001. Following approval by the Secretary of Commerce, the federal funds will be made available to the State of Alaska beginning on October 1, 2001.

The DGC is seeking these incremental federal funds to implement Alaska's Coastal Impact Assistance plan. The House Finance subcommittee did include \$100.0 in federal funds for the development of the plan. If the full amount of federal funds is not included in the FY2002 DGC budget, the division will seek incremental federal funds through the Legislative Budget and Audit Committee sometime in the fall. This may delay the distribution of these funds to coastal political subdivisions and other parties involved in implementing Alaska's Coastal Impact Assistance Plan.

Program Area:	Dollar Amount(s):	Fund Source(s):
Alaska Coastal Management Program (ACMP)	(\$ 66.6)	General Fund

Impact Analysis:

The Office of the Governor/Division of Governmental Coordination (DGC) requested a general fund increment for the addition of a Project Review Coordinator. This position would be responsible for determining consistency with the ACMP for oil and gas related projects.

Beginning in the month of October 2000, the average number of new oil and gas consistency reviews received by DGC ballooned to 7 per month, up from an average of two per month in 1999. Currently there are 8 oil and gas projects under ACMP consistency review and 7 more in pre-application. On average, oil and gas projects require 100 hours of staff time to complete an ACMP consistency review. The major oil companies have informed the DGC that they intend to increase oil and gas exploration and development projects. Additionally, independent oil companies have been showing more interest in North Slope and Cook Inlet area projects.

The DGC does not have sufficient project review staff to meet this incremental demand. During this permitting season, the start-up of important exploration and development projects have been delayed due to DGC's increased oil and gas workload including projects in the Colville River delta and the National Petroleum Reserve-Alaska. Without the addition of a Project Review Coordinator, focused on oil and gas projects, the DGC will be unable to deliver the usual problem solving services that arise during a multi-agency review. This will result in delays in completing future oil and gas project reviews.

HEALTH +
SOCIAL SERVICES

House Finance Subcommittee on Health and Social Services

Budget Narrative

The House Finance Subcommittee on DHSS submits the following recommendations to the full Finance Committee for its consideration. Clearly, the requests of the department to expand its menu of services are greater than a prudent budget allocation would allow. However, the subcommittee recommends increasing the department's budget by \$104.7 million for the total budget, with more than \$19.3 million in general funds,

After numerous committee meetings and discussion with department personnel, the committee successfully crafted a DHSS budget that captures the maximum in federal dollars possible, while allowing for increments in some programs. In addition, some of the innovative proposals put forth by the Governor and the Mental Health Trust were funded.

The Department of Health and Social Services employs more than 2400 dedicated, hardworking Alaskans who provide an array of services to promote and protect the health and welfare of the people of Alaska. These are constitutionally-mandated missions, in which the department serves 100s of thousands of Alaskans (as well as many visitors). These missions were at the forefront of the minds of the subcommittee members as they considered the DHSS budget, which, at \$1,192,532,300.00, is the largest of any administrative department.

Using the FY 01 management plan as our starting point, the subcommittee recommends the following changes:

Please note the subcommittee accepted all of the administration's requests for increased labor costs due to labor contracts approved in May of 2000.

1. Public Assistance	
Adult Temporary Assistance Program	- 8,050.2 GF
Adult Public Assistance	+ 630.0 GF
Longevity Bonus Hold Harmless	- 340.3 GF
PFD Hold Harmless	- 1,370.8 PFD Fund
Energy Assistance Program	+ 6,483.9 Fed. Rcpt.
Tribal Assistance Program	+ 2,850.2 GF

The lower cost of ATAP reflects the effectiveness of Alaska's welfare reform of three years ago, as fewer Alaskans are staying on temporary assistance.

The subcommittee funded a reasonable rate of growth for Adult Public Assistance.

The Longevity Bonus hold harmless is dropping as recipients pass away or otherwise leave the program.

PFD hold harmless likewise reflects the drop in welfare recipients. While it is not a savings in GF, this \$1.37 million savings will be seen in each PFD check. The federally-funded energy assistance program has received a substantial increase in funding due to the rising cost of residential heating. Tribal assistance has increased because a third tribal entity, Association of Village Council Presidents, has agreed to run the ATAP program for its people. This GF match is a portion of the state's maintenance of effort for federal funds.

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| 2. Medical Assistance | |
| Medical Services | + 24,133.6 GF match
+ 50,450.9 Fed. Rcpt. |

The substantial growth in the Medicaid entitlement program reflects growing demand, increased medical and pharmaceutical costs, and a wider array of qualified recipients, among other things.

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| 3. Catastrophic & Chronic Illness Assistance | |
| Catastrophic & Chronic Illness Assistance | - 304.4 GF |

The subcommittee reduced the funding for this appropriation to free up GF to be used in other high priority programs.

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| 4. Public Assistance Administration | |
| Quality Control | + 100. GF |
| PA Field Services | - 186.2 GF |
| Work Services | + 1,861.7 Fed. Rcpt. |
| Child Care Benefits | + 1,500.0 Fed. Rcpt. |

Quality Control will use \$100.0 GF for training to satisfy a USDA food stamp program penalty levied for high rate of error on food stamp applications.

The subcommittee agreed to remove \$200.0 from Field Services and place in fraud investigations to help get caseloads under control in that area.

Work Services will use the new federal money (from ATAP) for Families Work Initiative.

Child Care Benefits will use TANF funds in RSA to Dept. of Education and Early Development to increase Alaskans' moving from welfare to work.

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| 5. Fraud Investigations | |
| Fraud Investigations | + 209.4 GF |

Transferred from PA field services to bolster fraud investigation efforts.

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| 6. Purchased Services | |
| Subsidized Adoptions & Guardianships | + 1,000.0 GF
+ 393.6 GF Match
+ 1,366.2 Fed. Rcpt. |

The subcommittee allowed a \$1 million transfer from ATAP to pay for child protection services. In addition, this valuable program for children will be bolstered by an increase in federal support and the match to go with it.

7. **Front Line Social Workers**
Front Line Social Workers + 1,095.6 GF
+ 1,580.6 Fed. Rcpt.

The subcommittee allowed a modest rate of growth in this appropriation, but moved the social workers attached to the Balloon Project to a new BRU of its own. The subcommittee also approved an increment to continue the psychiatric nurse program.

8. **Balloon Project**
Balloon Project + 1,386.6 GF

By making the Balloon Project its own BRU, the Legislature will be better able to keep track of this special project and the funding it provides to the effort to place long-term and hard-to-place children.

9. **DFYS Management**
DFYS Management + 138.0 Fed. Rcpt.

10. **Juvenile Justice**
McLaughlin Youth Center + 120.8 GF
+ 506.0 GF/MH
Johnson Youth Center - 42.8 GF
Bethel Youth Facility + 88.9 GF
Mat-Su Youth Facility + 190.8 GF
Ketchikan Regional Youth Facility + 905.9 GF

Increases for McLaughlin include an increment to annualize funding.

Johnson Youth Center reflects the subcommittee's expectation that lower costs will obtain when youth offenders from Ketchikan are placed in the new facility in their home town.

The subcommittee approved an increment to address overcrowding stress problems at the Bethel facility.

The increment for Mat-Su is substantially to annualize funding for this facility.

The subcommittee provided most of what the administration requested to open the new Ketchikan facility, but asked the department to stair-step new hires.

11. **Norton Sound**
Norton Sound Sanitation - 96.3

Norton Sound sanitation was transferred to the DEC budget.

12. State Health Services	
Nursing	+ 1,214.8 GF
Epidemiology	+ 244.4 GF
Community Health/EMS	+ 11,749.6 Fed. Rcpts.
State Medical Examiner	+ 65.9 GF
Public Health Labs	+ 510.8 GF
	+ 150.6 Fed. Rcpts.

The Nursing increment includes funding for a better facility in Bethel, approximately 1/3 of the administration's request to increase the Back-to-Basics program, increased labor costs, and annualization of maintenance costs of Kenai Health Center.

The subcommittee funded Epidemiology an increase for Back-to-Basics.

Community Health/EMS reflects a significant new federal effort of \$10 million for "Frontier Health."

The subcommittee agreed with annualization of a third pathologist for the State Medical Examiner's office to meet growing caseload.

Increments for the Public Health Labs include Back-to-Basics and annualization of the Anchorage lab.

14. Alcohol and Drug Abuse Services	
Alcohol and Drug Abuse Grants	+ 760.0 GF/MH
Community Action Grants – Prevention	+ 400.0 Fed. Rcpts.
General Community Mental Health Grants	+ 64.0 Fed. Rcpts
	+ 100.0 MHTAAR
Psychiatric Emergency Services	+ 1,070.5 GF/MH
Services to Chronically Mentally Ill	+ 1,263.8 GF/MH
	+ 1,578.3 Fed. Rcpts.
Designated Evaluation and Treatment	+ 100.0 GF/MH
	+ 200.0 MHTAAR
Alaska Psychiatric Institute	+1,466.2 GF/MH
Gov.'s Council on Disabilities & Special Ed.	+ 549.5 Fed. Rcpts.

The subcommittee increased ADA grants to backfill an unusable fund source from last year (Federal FAS/FAE grant), to approve an increment for domiciliary care in Fairbanks, and to add \$100.0 to the spirit/recovery camp effort.

The subcommittee approved an increase in federal dollars for prevention grants targeted at teenagers.

General community mental health grants will receive \$64.0 carried forward from last year's federal projects BRU, plus \$100.0 in MHTAAR money for deaf and hearing impaired.

The subcommittee supported the effort in psychiatric emergency services to increase funding for clinician services in small communities. The \$305.5 increment will allow each of the communities to be funded at \$200.0.

Increments for the Chronically Mentally Ill include funding for an assisted living home rate increase required under last year's SB 73, as well as Katmai extended care.

The subcommittee approved increments for DET due to increased use of this program by community hospitals.

Increment for API is substantially for disproportionate share to pay the costs of services provided to indigents.

The Governor's Council on Disabilities and Special Education was given an increment to address Medicaid services to working Alaskans with disabilities.

**Department of Health and Social Services
Impact Statements in Response to
House Finance Subcommittee Budget Proposals
Date: March 2, 2001
Prepared by: Janet Clarke, Administrative Services Director**

Program Area

BRU: Public Assistance
Component: Adult Public Assistance

Dollar	Fund
Amount(s):	Source(s):
(\$1,205.1)	General Fund
(\$ 85.0)	Inter-Agency Receipts

Impact Analysis:

Reduction Title: Formula Growth projected at 4.7% over FY2001

Impact: The APA budget request estimated the APA caseload would continue to grow by about 4.7% to 14,617 persons in FY2002. The House Finance Subcommittee budget funds an APA population increase of less than 2%. The Department has no discretionary control over formula program service demand or the number eligible. If the APA authorization is insufficient to meet program demand, the Department would request supplemental funding. This reduction is a combination of denying a transfer of \$240.3 and reducing the formula increment.

The Adult Public Assistance program was established with the purpose of furnishing financial assistance to needy aged, blind and disabled persons to cover basic living expenses such as shelter, clothing and food. The elderly and disabled poor are the most vulnerable citizens. With few options to improve or even maintain their quality of life these citizens tend to be heavily dependent upon state assistance to provide basic necessities.

Any potential reduction in the APA benefit takes away from the income around which these Alaskans have structured their lives. A reduction in APA benefits could destabilize the living arrangements of a poor disabled or elderly person who is living independently, forcing them into institutional care at greater public expense, or into homelessness.

Program Area

BRU: Medicaid Assistance
Component: Medicaid Services

Dollar
Amount(s):
(\$300.0)

Fund
Source(s):
General Fund

Impact Analysis:

Reduction Title: Court Ordered Abortion Coverage

Impact: On the September 18, 2000, the Alaska Superior Court issued an order in Planned Parenthood of Alaska v. Karen Perdue, requiring the State to pay for abortion procedures for Medicaid eligible women.

Program Area

BRU: Public Assistance

Component: Old Age Assistance-Alaska Longevity Bonus (ALB) Hold Harmless

Dollar
Amount(s):
(\$100.0)

Fund
Source(s):
General Fund

Impact Analysis:

Reduction Title: Potential Decrease in caseload

Impact: The ALB program is closed to new applicants and we are now seeing OAA-ALB Hold harmless expenditures begin a sustained decrease as the number of APA and SSI recipients – who also receive the ALB – drops off. The FY02 request assumed the OAA-ALBHH caseload decline would result in savings of \$240.3 GF (a transfer to Adult Public Assistance that was denied, see impact above). The House Finance Subcommittee proposed budget assumes program savings of \$340.3 GF. If the FY2002 OAA-ALBHH authorization is insufficient to meet program demand, the Department would have no option other than to request supplemental funding to meet actual formula expenditures.

Program Area

BRU: Medicaid Assistance

Component: Catastrophic and Chronic Illness Assistance

Dollar
Amount(s):
(\$734.4)

Fund
Source(s):
General Fund

Impact Analysis:

Reduction Title: Utilization Growth at 10% (\$430.0)
Cut Payments to Hospitals (\$304.4)

Impact: The Chronic Acute Medical Assistance (CAMA) program provides a very limited package of health services to extremely needy individuals with an immediate need for medical care who are unable to secure other private or public assistance. Personal income is limited to \$300.00 per month. Total resources, excluding a vehicle and a home, cannot exceed \$500.00.

CAMA assistance is available only to Alaskans with terminal illnesses, who are undergoing chemotherapy, or who have one of four chronic illnesses: diabetes, seizure disorder, chronic mental illness, or hypertension. Medical services provided are limited to necessary prescription drugs, a fixed number of physician visits, and required hospital care for no more than 8 days per year. In FY 2000, the CAMA program provided these services to 1,153 Alaskan.

The \$734.4 reduction in funding is to be applied to hospital payments. Many of Alaska's hospitals, particularly the smaller facilities, cannot absorb 100% of the cost to provide these necessary services at the current level of care and will be forced to cut services.

Program Area

BRU: Public Assistance Administration
Component: Public Assistance Field Services

Dollar	Fund
Amount(s):	Source(s):
(\$200.0)	General Fund

Impact Analysis:

Reduction Title. Field Services Reduction (Eliminate Fee Agent Services)

Impact: Fee Agent services cannot be eliminated due to a court settlement in 1978. Furthermore, since fee agent activity supports federal Food Stamps, ATAP, and Medicaid program eligibility, it is financed mostly with federal funding. Currently the entire budget for fee agents is \$200.0 of which 90% is funded with federal and GF Match sources; only \$21.0 is general fund. Therefore, a \$200.0 general fund reduction would have to come from the only source of non-matching general fund in this component, funding for caseworkers who serve the Adult Public Assistance population.

This \$200.0 general fund reduction would have the unintended impact of cutting four existing APA case workers statewide that collectively manage an average monthly caseload of 1,200 APA cases. The impact of insufficient APA field services staff would be needy elderly and disabled Alaskans not receiving timely benefits that provide basic needs including shelter, food and clothing.

The APA population has been growing at an annual rate of 4-5 percent. The Division has not asked for increased general funds for field workers to add staff for the growing casework. We have absorbed APA caseload increases by streamlining business

practices, but this is reaching a limit where additional APA caseloads will probably require additional staff in the future. We cannot absorb the work increases and endure staff cuts without a serious reduction in APA case services.

Program Area

BRU: Public Assistance Administration
Component: Public Assistance Field Services

Dollar
Amount(s):
(\$200.0)

Fund
Source(s):
General Fund

Reduction Title: Transfer funding to increase Fraud Investigations

Impact: The Department is not opposed to enhancing Fraud Investigation efforts. However, any increase in Fraud control should not be funded by large reductions in essential PA Field Services allocations needed for basic program eligibility work and direct client services.

The Public Assistance Field Services component provides basic eligibility services for ATAP, Food Stamps, Medicaid, Adult Public Assistance (APA) and General Relief from 17 locations statewide. Eligibility workers and clerical support review applications, verify information, assess the household's needs, explore personal and community resources available to meet those needs, make referrals, determine initial and ongoing eligibility, authorize benefits and deliver services. For ATAP and Food Stamp households subject to work activities, the staff performs case management functions focused on moving families to self-sufficiency. Any permanent general fund reduction will impact services.

The state and federal government share in the costs of Field Services. This includes the administrative cost for field staff salaries, travel, contractual support and supplies. About 10% of all field activity is associated with eligibility work supporting the APA. This work is funded by state-only GF and the brunt of any GF reduction would need to be absorbed by APA.

A general fund reduction to the PA Field Services budget would cut basic core services in local field offices for public assistance clients. Specifically, a reduction of \$200.0 general fund would result in elimination of funding for about 4 positions statewide that collectively manage an average monthly caseload of 1,200 APA cases. We cannot absorb the APA casework increases and endure staff cuts without a serious reduction in client services.

Program Area

BRU: Public Assistance Administration
Component: Fraud Investigation

**Dollar
Amount(s):**
\$200.0

**Fund
Source(s):**
General Fund

Impact Analysis:

Reduction Title: Increased Fraud Investigation

The Department is not opposed to enhancing Fraud Investigation efforts. However, any increase in Fraud control should not be funded by the large reductions in essential PA Field Services allocations needed for basic program eligibility work and direct client services. Costs due to increased payment errors due to cutbacks in Field Services may erase any savings due to fraud recoveries.

There is a backlog in fraud investigation cases partially due to higher than normal staff vacancy rates last year. Now at full staff, the backlog is expected to decrease. Nevertheless, the Division could use another fraud investigator in the Fairbanks office.

Program Area

BRU: Purchased Services
Component: Foster Care Base Rate

**Dollar
Amount(s):**
(\$193.2)

**Fund
Source(s):**
General Fund

Impact Analysis:

Reduction Title: Foster Care Caseload Growth

Impact: The Foster Care caseload increased 16.8% in FY1998 and by another 16.4% in FY1999. Due to the success of the State permanency planning Initiative, The Balloon Project, the foster care caseload began to level out.

In FY2000 the foster care caseload grew by only 5.8%; in FY2001 there has been a net decrease in the foster care caseload as children have transitioned out of foster care and into permanent adoptive and guardian homes.

At the current time (FY2001) Foster Care growth rates and the number of children are below FY2000 levels. If this trend continues in FY2002, funding at this level will not be a problem. If the number of children in Foster Care increases above this budget level, DFYS cannot restrict taking children into state custody for their own protection and would have to come back to the Legislature for a supplemental.

Program Area

BRU: Purchased Services
Component: Foster Care Augmented Rate

**Dollar
Amount(s):**
(\$227.2)

**Fund
Source(s):**
General Fund

Impact Analysis:

Reduction Title: Foster Care Caseload Growth – Augmented Rate

Impact: The Foster Care caseload increased 16.8% in FY1998 and by another 16.4% in FY1999. Due to the success of the State permanency planning Initiative, The Balloon Project, the foster care caseload began to level out.

In FY2000 the foster care caseload grew by only 5.8%; in FY2001 there has been a net decrease in the foster care caseload as children have transitioned out of foster care and into permanent adoptive and guardian homes.

At the current time (FY2001) Foster Care growth rates and the number of children are below FY2000 levels. If this trend continues in FY2002, funding at this level will not be a problem. If the number of children in Foster Care increases above this budget level, DFYS cannot restrict taking children into state custody for their own protection and would have to come back to the Legislature for a supplemental.

Program Area

BRU: Purchased Services
Component: Foster Care Special Needs

**Dollar
Amount(s):**
(\$557.6)

**Fund
Source(s):**
General Fund

Impact Analysis:

Reduction Title: Foster Care Caseload Growth – Special Needs

Impact: Foster Care Special Needs funds reimburses foster care providers for one-time or short-term approved expenses authorized by AS 47.14 that are not covered by the Foster Care Base Rate. These costs include: initial purchase of clothing for a new placement; required food for special diets as prescribed by a physician; extraordinary laundry due to medical or psychological reasons; personal incidentals such as sports equipment, field trips, shop supplies, music lessons; one-time items such as a baby crib or bed; travel costs for family visits; long-distance phone cards to allow children to maintain family contact.

The Foster Care caseload increased 16.8% in FY1998 and by another 16.4% in FY1999. Due to the success of the State permanency planning Initiative, The Balloon Project, the foster care caseload began to level out.

In FY2000 the foster care caseload grew by only 5.8%; in FY2001 there has been a net decrease in the foster care caseload as children have transitioned out of foster care and into permanent adoptive and guardian homes.

At the current time (FY2001) Foster Care growth rates and the number of children are below FY2000 levels. If this trend continues in FY2002, funding at this level will not be a problem. If the number of children in Foster Care increases above this budget level, DFYS cannot restrict taking children into state custody for their own protection and would have to come back to the Legislature for a supplemental.

Program Area

BRU: Purchased Services
Component: Foster Care Special Needs

Dollar
Amount(s):
(\$150.0)

Fund
Source(s):
General Fund

Impact Analysis:

Reduction Title: Citizen Review and Participation in Six-month Review Conferences

Impact: Federal law requires that the cases of children in foster care be reviewed every six months by either a court or by administrative review. The purpose of the review is to determine the safety of the child, the continuing necessity for and appropriateness of the placement, the extent of compliance with the case plan, and the extent of progress which has been made toward alleviating or mitigating the causes necessitating placement in foster care, and to project a likely date by which the child may be returned to and safely maintained in the home or placed for adoption or legal guardianship. Since the closure of the Foster Care Review Board, more required reviews have been absorbed by the Division.

DFYS performs "Administrative Reviews" which, according to Federal law, are open to the participation of the parents of the child. They are conducted by a panel of appropriate persons, at least one of whom is not responsible for the case management of or delivery of services to either the child or the parents who are subject of the review.

The Division has worked hard to maintain public input and involvement in the Foster Care Review process. The Division believes that public participation in six-month case reviews bridges the gap between perception and reality and is a crucial element in maintaining the public's trust and confidence in DFYS.

The Division's goal is to have at least one community member that will participate in every six-month review conference held. Most offices try to have one public citizen, but it is very difficult to find someone who is willing to donate time every week. Since community members may have varying knowledge about subjects which benefit their participation in the review conference, DFYS is planning on implementing a statewide

training program for individuals who are interested in serving as community members at case review conferences.

Funding of this increment request is crucial to ensure continued public participation in this case review process. Community representatives have expenses in connection with participating in a case review conference, such as childcare, parking, or transportation to the case review conference. Telephone costs may also be incurred in situations where a community member is not available in the community where the case review conference takes place, but a community member from another community participates via telephone.

DFYS wants to provide a stipend, similar to the honorarium for jury duty, to community members who participate in six months conferences to help paying for these costs, and to create an incentive for public citizens to participate and provide input. The Division will also develop a statewide committee, made up of one citizen who participates in six-month review conferences, from each region to share experience and recommend overall system improvements.

Program Area

BRU: Purchased Services

Component: Subsidized Adoption & Guardianship

**Dollar
Amount(s):
(\$1,069.9)**

**Fund
Source(s):
General Fund**

Impact Analysis:

Reduction Title: Subsidized Adoption & Guardianship Caseload Growth

Impact: The number of children provided permanent homes through the Subsidized Adoptions & Guardianship program has increased significantly over the past several years. From FY1992 to FY2000 the number of children removed from the Foster Care system and placed in a permanent home increased 294% from 338 to 1,332.

This caseload increase is in large part attributable to the success of State permanency planning initiatives, Project SUCCEED and the Balloon Project. The Balloon Project, implemented in July 1999, provides funds to DFYS, the Attorney General's office, the Public Defender Agency, and the Office of Public Advocacy to increase the State's ability to comply with State and Federal permanency planning mandates and to focus on legal proceedings needed for children who have been in custody the longest period of time.

The proposed reduction by the House Finance Subcommittee of \$1,069.9 General Funds from the FY2002 caseload growth increment could result in insufficient funding for approximately 137 children per month if the Department's amended FY2002 projected caseload is accurate, resulting in the need for an FY2002 supplemental.

Program Area

BRU: Front Line Social Workers

Component: Front Line Social Workers

Dollar
Amount(s):
(\$450.0)

Fund
Source(s):
General Fund

Impact Analysis:

Reduction Title: Case Note Transcription Services for Social Workers

Impact: Failure to implement new technologies via statewide implementation of Transcription Services reduces the Division's ability to protect abused and neglected children and to provide vital services to their families. Statewide implementation of Transcription Services (estimated incremental cost of \$450.0 General Fund) would be cost effective. This service brings all case documentation to real time, which is critical in developing appropriate and timely services. Transcription services will minimize delays in case documentation and the potential for lost or duplicated work efforts by other staff due to a worker being sick or out of the office for other unavoidable reasons. Currently, DFYS Social Workers spend at least 30 percent of their time completing necessary case documentation, assessments and court reports. This limits the amount of time Social Workers can spend providing services to abused and neglected children and their parents.

DFYS initiated a Pilot Transcription Project in January 2000. Eight social workers in three DFYS offices participated in the pilot project. Preliminary review of this pilot project shows that workers using transcription services spend on average 7.5 hours, or one work day per week, less completing paperwork. Other states, including Utah, have implemented Transcription Services for their social workers and have seen an immediate decrease in the amount of time the social workers spend completing documentation, as well an improvement in the timeliness and accuracy of case documentation.

Statewide implementation of Transcription Services would enable DFYS Social Workers to spend more time working with children and families. This proactive approach has the potential to reduce the number of foster care and other out-of-home placements. As well as the increase in client time, implementation of the Transcription Services will greatly improve documentation in case files. Documentation in case files will be more current. This will allow for improved communication with the court system, Attorneys General, Guardians Ad Litem and other system partners. It will also improve the timeliness and accuracy of DFYS data in the PROBER data system.

Program Area

BRU: Front Line Social Workers

Component: Front Line Social Workers

Dollar
Amount(s):
(\$241.8)

Fund
Source(s):
General Fund

Impact Analysis:

Reduction Title: Continue Balloon Project

Impact:

The Balloon Project is a collaborative effort of the Department of Health and Social Services, the Department of Law, the Alaska Court System, the Office of Public Advocacy and the Public Defenders Agency to move children who have lingered in the child protection system for more than three years into permanent placements.

The Balloon Project has been extremely successful in reducing the foster care caseload backlog. One measure of the Balloon Project's success can be seen in the reduction of the growth of the foster care case caseload. Prior to implementation of the Balloon Project (July 1, 1999), the Foster Care caseload was increasing dramatically. The Foster Care caseload increased 16.8% in FY1998 and by another 16.4% in FY1999. In FY2000, the first year of the Balloon Project, the Foster Care caseload began to level out and the growth rate decreased to 5.8%. In FY2001, the Division has actually seen a decline in the Foster Care caseload due, in large part, to children transitioning to permanent adoptive and guardian homes.

The proposed \$241.8 reduction could result in either a reduced number of Social Worker positions that DFYS would be able to dedicate to the Balloon Project or would reduce the amount of funds available to the Division's legal partners. Either situation would potentially reduce the effectiveness of the Balloon Project to transition children out of foster care and into permanent homes. Continued full funding of the Balloon Project will serve to further reduce backlogged cases and prevent future backlogs from occurring.

Program Area

BRU: Front Line Social Workers

Component: Front Line Social Workers

Dollar
Amount(s):
(\$200.0)

Fund
Source(s):
General Fund

Impact Analysis:

Reduction Title: Implementation of Risk and Safety Assessment Tool

Impact: In March 1998, the State Division of Legislative Audit issued a report based on an audit of DFYS. This audit identified the need for DFYS to redesign the Risk and

Safety Assessment Tool, to involve social workers in the project, and to provide adequate training to all field staff on the use of the new tool. The Risk and Safety Assessment Tool is a guideline which utilizes defined criteria to help Social Workers evaluate the risk of a child remaining at home with their parents. The Division is currently working with a contractor on developing a new Risk and Safety Assessment tool for use by DFYS social workers. This new Risk and Safety Assessment Tool will be utilized by DFYS social workers during the screening, investigation of Reports of Harm and on-going case management of DFYS cases.

Funding of the Division's increment request is critical to ensure that Social Workers receive the training they need to properly use this new tool. Failure to provide this funding will diminish the Division's ability to provide the necessary training and will ultimately reduce the utility or value of the Risk and Safety Assessment Tool. The intent of the Risk and Safety Assessment Tool, to protect abused and neglected children, will be diminished without requisite training.

Background: During the course of an investigation and throughout the life of a DFYS case, the social workers and supervisors make many critical decisions. These critical decisions are made in an effort to ensure children's safety. The decisions start in the investigation process by determining if there is a need to provide support services to the family, remove the child(ren) from the home, or close the case after investigation. The critical decisions continue throughout the life of the case and include the identification of appropriate services, parents' ability to protect and nurture the child(ren) after treatment and with or without supportive services, the appropriateness of placement out of home, need for continued intervention, and identification of permanent placement. These are difficult as well as critical decisions.

The Risk and Safety Assessment Tool is a process/guideline for the social workers to be used with all Reports of Harm and on-going cases to identify the basis for response, the level of response, and necessary intervention by DFYS. The guidelines are based on consistent interpretation of jurisdiction, identification of risks to a child(ren)'s safety, and identification of parent/caregiver's ability to protect the child(ren). The Risk and Safety Assessment Tool will be useful throughout the life of a DFYS case in assessing risk and safety factors within a family or placement. The Risk and Safety Assessment Tool will incorporate remedial actions on the part of the caregiver, engagement of appropriate supportive services, and current behavior and attitude of the parents/caregiver and child(ren), as well as historical family information that impacts risk and safety assessment.

Program Area

BRU: Front Line Social Workers
 Component: Front Line Social Workers

Dollar	Fund
Amount(s):	Source(s):
(\$600.0)	General Fund

Impact Analysis:

Reduction Title: Eias - Fund Change Due to Title XX 4.25% Limit

Impact: The Division submitted a proposal to transfer in \$947.8 in General Funds from the Division of Public Assistance to the Front Line Social Workers component to preserve the current level of child protective services. This transfer would replace funding which was previously derived from transfers from Federal TANF funds to fund child protective services under program guidelines established by Federal Title XX Social Services Block Grant (SSBG)

Program Area

BRU: Juvenile Justice
Component: McLaughlin, Fairbanks, Johnson, Bethel, Mat-Su, and Ketchikan Regional Youth Facilities

Dollar	Fund
Amount(s):	Source(s):
(\$70.6)	General Fund

Impact Analysis:

Reduction Title: Nursing Position Reclassification

Impact: Without the \$70.6 requested, the ability of the Division of Juvenile Justice to recruit and retain qualified nurses to serve residents detained in youth facilities will be impaired. The Division has ten nursing positions that provide comprehensive medical care for residents in six youth facilities. The services include emergency first aid services and staff training, intake screening and triage referrals, blood-borne pathogen and sexually transmitted disease control and training, and daily monitoring of resident health and hygiene.

The State of Alaska does not offer competitive wages for skilled and semi-skilled nursing positions. There are both national and statewide shortages of registered nurses. The nursing reclassification will begin to get nursing position salaries more in line with those offered by other employers and will hopefully improve the Division's ability to attract qualified applicants.

Program Area

BRU: Juvenile Justice
Component: McLaughlin Youth Center (MYC)

Dollar	Fund
Amount(s):	Source(s):
(213.5)	General Fund/ Mental Health

Impact Analysis:

Reduction Title: Alternative to Institutionalization

Impact: Without the \$213.5 requested, the increasing number of youth within the juvenile justice system that require intensive and specialized services due to their mental health and/or co-occurring substance abuse needs will not be served. The Division cannot divert this population from a locked juvenile institution without adequate community based alternatives, which will not be developed without the specialized probation officer positions funded by this increment. Lack of treatment staff within McLaughlin Youth Center will result in these mentally ill youth not receiving adequate resources, which will put both treatment center youth, as well as institutional staff, at risk for injury and potential harm. Over the long run it will cost the state more to institutionalize this population than it would to provide treatment options. Lastly, increasing numbers of youth with mental health and alcohol dependency issues will likely continue to result in increased overtime needs for youth counselor positions at MYC.

Program Area

BRU: Juvenile Justice
Component: McLaughlin Youth Center (MYC)

Dollar Amount(s): (292.5)
Fund Source(s): Gen Fund/Mental Health

Impact Analysis:

Reduction Title: Youth Offender/ Adolescent Treatment Bundle

Impact: Without the \$292.5 requested, youth in the Anchorage area with mental health and/or co-occurring substance abuse disorders will continue to be underserved. This will most likely result in inappropriate and/or longer use of locked detention for this population due to the lack of available front-end services. Youth within the treatment institution will not receive the individualized treatment services that their diagnoses require. Those youth being released from secure institutionalization will be at much higher risk of re-offending and/or requiring psychiatric intervention due to inadequate community based transition services, which will continue to be unavailable without the resources that would be provided by this increment.

Program Area

BRU: Juvenile Justice
Component: Johnson Youth Center

Dollar Amount(s): (50.0)
Fund Source(s): General Fund

Impact Analysis:

Reduction Title: Cut Budget because of Ketchikan Opening

Impact: This reduction is based on the assumption that there will be reduced costs at the Johnson Youth Center because of the opening of the Ketchikan Regional Youth Facility. Any reductions in the facility population due to the opening of the Ketchikan Youth Facility would only impact the detention unit. A preliminary analysis of the overtime savings is \$13.0, leaving a reduction to basic operations of \$37.0. The detention unit has 8 beds and the treatment program has 22 beds. This means that the smaller detention unit operation is expected to generate the majority of savings anticipated in this reduction. While the division would exercise prudent management, we are uncertain about whether the \$13.0 in savings could be generated. While overcrowding contributes to overtime costs, the facility will in all likelihood continue to operate at or near capacity after the opening of the Ketchikan Regional Youth Facility and will still require the core staffing and services required in a 24 hour per day, 7 day per week institution.

Program Area

BRU: Juvenile Justice
Component: Ketchikan Regional Youth Facility

Dollar	Fund
Amount(s):	Source(s):
(300.0)	General Fund

Impact Analysis:

Reduction Title: Annualize funding for the Ketchikan Youth Facility

Impact: The facility will provide detention of youth who are awaiting court hearings or who are court ordered into this facility for a brief period of time (up to 30 days), residential diagnostic and treatment for emotionally disturbed and mentally ill youth, and protective custody/observation beds. Construction is scheduled to be completed by July 1, 2001. The appropriation of less than a full year's operating funding will require a staggered opening of the Ketchikan Facility. The staggered opening will result in delays in hiring staff and accepting residents into the facility, leaving the division with the undesirable option of continuing to send juvenile offenders from Ketchikan and surrounding communities to the Johnson Youth Center Detention Unit.

Program Area

BRU: Juvenile Justice
Component: Probation Services

Dollar	Fund
Amount(s):	Source(s):
(564.5)	General Fund

Impact Analysis:

Reduction Title: Add Juvenile Probation Officers/Victim Services to reduce highest case to officer ratio

Impact: The Division will be unable to provide services to victims of juvenile crime and will increasingly fail to provide them with opportunities to exercise their constitutional and statutory rights to participate in the judicial and restitution processes. The division would have located these additional juvenile probation officers in those areas with the highest caseload and programmatic need as follows: Anchorage (2), Bethel, Barrow, Dillingham, Kenai, Ketchikan, Kodiak, and Valdez. This was to have been the first year of a three-year initiative to intervene earlier and more effectively with juveniles before they penetrate further into the formal juvenile justice system - in other words, to prevent juveniles from entering one of the state's six youth facilities.

If offense referrals continue at current levels or increase by any amount at our rural offices, the delinquency response will be limited to only the most serious felony cases. Early intervention and effective diversion activities will be reduced, eliminated or not initiated due to continued lack of resources. There will be fewer consequences for young offenders who commit minor crimes; this, in turn, will increase the likelihood that juveniles will offend due to the lack of accountability for their inappropriate behavior.

Without additional probation resources, the Division will not have the personnel to support continuation or expansion of community-based intervention or prevention programs. Without adequate support from the Division, many community programs will cease to function. This, in turn, will mean that there are fewer services to meet the needs of offenders, their families, and communities. Over time, as these needs go unmet, the undesirable behaviors of some youth will escalate. The system will be compelled to intervene and will very likely need to place these youth in out-of-home care or institutionalize them for long term treatment. This is a much more expensive option than prevention and intervention.

Program Area

BRU: Juvenile Justice
Component: Probation Services

Dollar Amount(s): (93.5)
Fund Source(s): General Fund

Impact Analysis:

Reduction Title: Victim's Services Coordinator

Impact: The expansion of restorative justice services to victims will slow and could diminish without a victim's services coordinator. Communities that want to develop programs to support victims of juvenile crime will have to depend on adult service system providers who see the impact of delinquency as inconsequential and as a lower priority concern. There will be no one to voice the concerns of the juvenile justice

system as the state, communities, and victim advocacy groups work to expand services and support to crime victims. Victims of juvenile crime will be underserved as the Departments of Law and Corrections move forward to meet the needs of victims of adult crime.

Program Area

BRU: State Health Services
Component: Nursing

**Dollar
Amount(s):**
(\$852.2)

**Fund
Source(s):**
General Funds

Impact Analysis:

Reduction Title: Back to Basics: TB/Hepatitis/STD Initiative

Impact: The 67% reduction in the increment requested for Public Health Nursing significantly reduces the necessary improvements in Alaska's disease control efforts. The communicable disease problems addressed in Back to Basics such as TB, HIV, Hepatitis, sexually transmitted diseases, and loss in immunization coverage remain threats to the public's health.

The reduction from 11 public health nurses requested to 4 public health nurses and one aide funded means some areas will continue to experience disease problems that could have been identified, treated and controlled with adequate nursing personnel. The original proposal for 11 nurses and 4 support staff was modest in terms of the work to be done in our state with current disease loads such as TB, Chlamydia, HIV, and Hepatitis A/B/C and the needs for identifying and protecting people who may have already been exposed. With the partial funding of Back to Basics, there will be the addition of a few staff in some critical areas to begin addressing some of the most serious gaps in disease control.

Areas previously identified with major disease control gaps that would have been addressed with full funding in the Back to Basics Nursing request will continue to struggle with disease control demands. Those areas include the Anchorage area (Municipality), Mat-Su, Kenai Peninsula, Bristol Bay area, Delta Junction and Interior Region, Valdez, Aleutian Chain communities, or other areas that might experience increased disease control problems. The disease burdens in these areas are likely to continue or increase without increased public health control efforts.

This partial incremental improvement begins to improve Alaska's public health response capability to protect our citizens, and to uphold the state's mandate to protect the public's health.

Program Area

BRU: State Health Services
Component: Nursing

Dollar Amount(s):	Fund Source(s):
(\$198.3)	GF Match
(\$330.4)	General Funds
(\$ 30.4)	GF/Program Receipts
(\$559.1)	

Impact Analysis:

Reduction Title: Partial Budget Amendment-Nurse Salary Increase

Impact: The Nurses' salary increase is essential to recruit and retain qualified nurses who provide public health nursing care and services to every community in Alaska. There are 129 nursing positions in State Health Services. There is a shortage of nurses across the state and the nation. State employed nurses' salaries have not kept up with other nurse employers in Alaska. For public health nursing that means extended vacancies, and hiring less experienced entry-level nurses who require more training and supervision. This results in reduced services and less public health protection for Alaska's citizens. Alaska, if it is to remain healthy and have essential public health services and protections such as immunizations, infectious disease control, and health care for vulnerable children, elderly and their families, must be able to compete with employers in the lower 48 in salary and benefits. Alaska does not produce nearly the number of nurses needed each year to staff hospitals and clinics. Without an adequate nursing workforce, who will provide the screening and treatment services for diseases that threaten the health and safety of our children, our vulnerable elderly and all citizens? The management strategies for dealing with such a large shortfall in staff funding would include extended vacancies and service reductions.

Program Area

BRU: State Health Services
Component: Maternal, Child and Family Health

Dollar Amount(s):	Fund Source(s):
(\$150.0)	General Funds

Impact Analysis:

Reduction Title: Birth Defects Registry

Impact: Birth defects are a leading cause of infant mortality in Alaska, contributing to about one-half of the neonatal infant deaths that occur annually. During 1995, DHS promulgated regulations establishing the Birth Defects Registry effective as of January 1996. These regulations require all hospitals, physicians, and other health care practitioners who have identified a patient from birth through age one with a birth defect or defects to report the patient to the Alaska Division of Public Health within three months of the date of diagnosis or treatment. Birth defects registries have value in

improving the health of children by identifying service needs and improving service delivery to children with birth defects, by identifying areas for targeting interventions designed to prevent birth defects [such as folic acid supplementation to prevent neural tube defects], and by providing information necessary to identify the causes of birth defects. Currently, 8,634 children are in the Registry, having been reported as having a birth defect with dates from 1990 forward. Of this figure 5,953 have major anomalies.

The impact of not funding the Registry would mean that we would not be able to conduct birth defects surveillance for the state of Alaska, which includes Fetal Alcohol Syndrome (FAS) surveillance. Primary cases for the FAS Surveillance project, by definition, come directly from the birth defects registry. Eliminating the birth defects registry would result in an inability to identify the number of children statewide that have congenital anomalies, describe the severity of the conditions these children experience, identify the children who are accessing available services, and identify system needs that are not being met by the services currently available. Furthermore, we will be unable to identify areas in the state that have higher than expected rates of preventable birth defects. Therefore, we will not be able to target or improve prevention and intervention services in those areas. We will not be able to monitor trends of birth defects over time, including the ability to identify possible environmental factors contributing to birth defects.

Even preliminary data from the Birth Defects Registry has demonstrated that the prevalence of Alaska's birth defects is different from that of the US. Birth defects such as heart anomalies, Hirschsprung's disease, and cleft lip and palate are higher in Alaska than in some other states.

The State's current folic acid campaign is an excellent example of the use and value of data from the Birth Defects Registry to target prevention activities. A woman taking adequate folic acid in her diet can prevent neural tube defects. These birth defects are being targeted by an ongoing folic acid campaign to educate the public about the importance of the B vitamin folic acid. This is a collaborative campaign by Maternal, Child and Family Health, the Centers for Disease Control and Prevention, March of Dimes and other local health care organizations.

Program Area

BRU: State Health Services
 Component: Epidemiology

Dollar Fund
 Amount(s) Source(s)
 (\$200.0) General Funds

Impact Analysis:

Reduction Title: Public Health Evaluation of Environmental Contaminants

Impact: Since the submission of this increment, the US Food and Drug Administration and US Environmental Protection Agency have issued national warnings against eating seafood due to concerns over exposure to methylmercury. The Department of Environmental Conservation and the Department of Health and Social Services responded by contacting federal agency staff and challenging the scientific basis of this national blanket warning. Limited data, available to the Department of Environmental Conservation and Department of Health and Social Services, was sufficient to convince the federal agencies to modify their warning. They had to agree that Alaska seafood had much lower levels of methylmercury and could be safely consumed in amounts far greater than the national warning advised.

Only by establishing an ongoing joint monitoring program will Alaska be able to provide credible evidence upon which to reassure the public and Alaska residents in the future of the safety of locally harvested seafood. We proposed a "source to fork" fish monitoring program by Department of Environmental Conservation and a complementary "fork to tissue" monitoring program Department of Health and Social Services.

In the absence of the \$200.0 funding, there will be no Department of Health and Social Services monitoring program of actual human exposures to methylmercury. Both the Environmental Protection Agency and Federal Drug Administration are planning to launch a major, national program to educate the public about the dangers of methylmercury and the need to restrict consumption of seafood. Alaska will not be able to effectively counter these national messages without scientific data from our proposed program.

Program Area

BRU: State Health Services
 Component: Epidemiology

Dollar	Fund
Amount(s)	Source(s):
(\$439.0)	General Funds

Impact Analysis:

Reduction Title: Back to Basics: Positions to eradicate infectious diseases (Tuberculosis, Chlamydia, Hepatitis, Sexually Transmitted Diseases)

Impact: The 67% reduction in the Back to Basics requested increment and the proposed funding level will mean that we will not be able to meet the demands to provide public health services to protect against emerging infectious diseases.

Just this week, the Centers for Disease Control and Prevention released national data on the incidence of tuberculosis in the US. Alaska led the nation with the highest rate of increase of 77% in 2000. We have about 700 Alaskans who have been recently

infected with tuberculosis and are at increased risk of developing active and infectious tuberculosis for which preventive antibiotic therapy is indicated. Our goal is to provide these medications using direct observed therapy; to do so, we would need to have the increment fully funded. We will also not be able to respond to the needs of persons infected with HIV, sexually transmitted diseases, hepatitis C, and other infectious diseases, and to oversee and respond to reports of food or water borne illness in a timely manner.

Case management is personnel-intensive and requires a skilled team of nurses, laboratory staff, and epidemiology and medical professional staff to be effective. Similarly, the cuts to the Nursing and Laboratory Sections will compromise our ability to case manage in the field and to obtain diagnostic specimens and process them in a timely manner.

Program Area

BRU: State Health Services
 Component: Infant Learning Program Grants

Dollar Amount(s): (\$700.0)
Fund Source(s): General Funds

Impact Analysis:

Reduction Title: Fund change for ILP grants from Interagency Receipts to General Fund/Mental Health

Impact: This reduction will mean that over 300 children under 3 years old that are currently on the waitlist for Infant Learning Program/Early Intervention services will not receive the services. Research has shown that these children show the greatest gain in function when intervention services are started early. These requested funds would have eliminated the waitlist. A child that does not receive these services while they are very young may never be able to overcome the deficits of the early years. These children may then require the more expensive adolescent or adult services.

Program Area

BRU: State Health Services
 Component: Public Health Laboratories

Dollar Amount(s): (\$235.0)
Fund Source(s): General Funds

Impact Analysis:

Reduction Title: Back to Basics: TB/Hepatitis/STD

Impact: The 67% reduction to the Back to Basics initiative will result in the elimination of one proposed microbiologist position and a 50% reduction in much needed

commodities. Failure to provide adequate professional staff significantly hinders the timely diagnosis of such diseases as tuberculosis, hepatitis and sexually transmitted diseases. Additionally, delay of appropriate treatment will result in either spread of these infectious diseases or secondary results such as respiratory failure, childbirth complications and liver failure. For example, the federal Centers for Disease Control and Prevention recommends 2.5 full-time equivalent (FTE) employees for the volume of tuberculosis testing we currently do. Budget constraints limit staff to 1.5 FTE for TB testing. Our current staff is already stretched to the limit. Should another significant outbreak occur (such as the recent hepatitis outbreak in Homer), significant delays will occur.

The reduction in commodities funding will also impact laboratory operations. Reagent costs and increased test volume have resulted in as much as a 200% cost increase for certain testing (e.g. hepatitis). For the past several years, the laboratory has run short of reagents for chlamydia and Hepatitis C testing by the third quarter.

Program Area

BRU: Alcoholism and Drug Abuse Services
 Component: Alcohol Safety Action Program

Dollar	Fund
Amount(s):	Source(s):
(\$1,366.1)	General Fund

Impact Analysis:

Reduction Title: Stabilization & Restoration of Adult ASAP

Impact: This increment is part of the Governor's Public Safety initiative. In the past year Alaskans have been shocked by the death and destruction caused by drunken drivers on our highways. For the Alaska law enforcement community, these headlines have simply highlighted what has long been known: alcohol is the single biggest contributing factor to crime in Alaska. Approximately \$450.0 would fund increases in the Anchorage ASAP office, \$415.0 would reestablish five community grantee offices, and \$500.0 would increase funding at ten other grantee Alcohol Safety Action Program (ASAP) locations.

The basic ASAP function is to provide case management and accountability for Driving While Intoxicated (DWI) and other alcohol and drug related misdemeanor cases. This involves screening cases referred from the district court into drinker classification categories, as well as managing and monitoring cases throughout education and/or treatment requirements.

The Criminal Justice Assessment Commission (comprised of judges, prosecutors, defense attorneys, treatment programs and victim's organizations) consistently expressed the need to efficiently and effectively monitor misdemeanor offenders to ensure compliance with sentencing recommendations imposed by the Court. Helping

the offender to complete recommended treatment increases the probability that criminal behavior will not be repeated.

The impact of not funding this expansion will be:

- Rural and other small locations in the state (Barrow, Cordova, Nome, Seward, Sitka and Valdez) that have expressed the need for the restoration of ASAP will not receive such services.
- There will be an increase in the amount of time before an offender must appear for screening and referral to education or treatment from 1-2 weeks to a minimum of 1-2 months.
- Reporting noncompliance to the prosecutor and the Court will be less effective, as there will be a backlog of approximately 2000-3000 cases.
- Linking the repeat DWI, Domestic Violence Assault and other offenders to needed services and intensively monitoring them in the ASAP system will be eliminated.
- There will be an overall decrease in the efficiency and effectiveness of both the criminal justice system and substance abuse treatment throughout the state.
- There will be an increase in the number of repeat DWI, Domestic Violence Assault and other offenders in the system. A majority of these offenders will require an increase in jail time and space utilization at the Department of Corrections.
- The training, technical assistance and grant reviews provided by the Anchorage ASAP office to other locations in the state will be reduced substantially.

The major outcome evaluations of the ASAP program over time have shown ASAP's effectiveness in preventing repeat offenses. In the last evaluation done by the University of Alaska, Anchorage, one of the strongest recommendations made was to concentrate on the "high-risk" ASAP client. This is the group of clients who comprise 30-35% of the client population, but utilize an enormous amount of services throughout the system. Since a number of these clients are repeat DWI offenders, it was recommended that intensive monitoring and other strategies be employed to deal effectively with this population.

Program Area

BRU: Alcoholism and Drug Abuse Services

Component: Alcohol Safety Action Program

Dollar
Amount(s):
(\$63.5)

Fund
Source(s):
General Fund

Impact Analysis:

Reduction Title: Underage Drinking, Establish Juvenile ASAP Assessment and Referrals

Impact: This increment is part of the Governor's Public Safety initiative. The existing Alcohol Safety Action Program does not serve juveniles. Funding was requested for a full-time Juvenile Probation Officer to administer the new program.

Not funding this position will result in the continuation of an inadequate response from the Division of Alcoholism and Drug Abuse to the growing demand for help dealing with the increasing numbers of minor consuming and other juvenile alcohol-related crime.

Emergency rooms and trauma centers have recorded a slow but steady increase in alcohol-related injuries to youth between 1991 and 1998. Early intervention with minors who are known to use alcohol would likely reduce future demands on both the juvenile and adult criminal justice systems.

Program Area

BRU: Alcoholism and Drug Abuse Services
Component: Alcohol/Drug Abuse Grants

Dollar	Fund
Amount(s):	Source(s):
(1,500.0)	General Fund

Impact Analysis:

Reduction Title: Fund Switch to replace anticipated loss of federal funding (SYNAR)

Impact: Under federal law, known as the Synar Amendment, States receiving a Substance Abuse and Mental Health Services Administration Block grant must meet predetermined targets for enforcing sales of tobacco to minors. The federal mandate for the reporting period federal fiscal year (FFY) 2000 could not exceed 20%. During this period Alaska's non-compliance rate was 34%. This means that minors participating in compliance checks were successful in buying cigarettes 34% of the time. As a result, the State of Alaska has recently been found in non-compliance with Synar and stands to lose up to \$1.5 million in federal substance abuse treatment funds. A Congressional proposal has been approved which allows for new State tobacco funding as an alternative "penalty".

The impact of the loss of federal funding (\$1.5 million) and denial of this requested switch to General Funds would result in an 8% reduction of grant funds across all ADA grants to service providers. For programs with level or declining funds, an 8% decrease will be significant. They will have no source from which to make up the funding, so treatment capacity will be lost. The following would be the likely impact in terms of beds lost during FY 02:

- Eliminate 5 detoxification beds
- Eliminate 19 co-ed, 8 women only and 2 adolescent intermediate care beds
- Eliminate 8 adult and 2 adolescent long-term care beds

The reductions in outpatient capacity are difficult to calculate but would be significant.

The demand for substance abuse treatment continues to grow. The child protective services system, criminal justice system, juvenile justice system and public assistance programs have all identified needs for additional treatment funding. The loss of existing substance abuse treatment capacity will be a significant setback for all of these agencies and programs.

Program Area

BRU: Alcoholism and Drug Abuse Services
Component: Alcohol/Drug Abuse Grants

Dollar	Fund
Amount(s):	Source(s):
(\$2,000.0)	General Fund

Impact Analysis:

Reduction Title: Adult Alcohol Treatment Services Expansion

Impact: Alcohol is the single greatest contributor to crime in Alaska. It is also a major factor in child abuse, domestic violence, health problems and poor educational achievement. We need to provide intervention and prevention services and impose tough, unavoidable consequences on offenders. The intent of this increment is to eliminate the waitlists for substance abuse treatment by increasing outpatient and residential treatment capacity with a specific priority placed on individuals involved with the criminal justice system. Outpatient and residential care services for the adult misdemeanor and felony offender population is in high demand.

Approximately \$800.0 would be used to increase outpatient treatment capacity by adding 18 outpatient counselors within grantee agencies and approximately \$1,200.0 would increase residential treatment capacity by fully funding 54 treatment beds.

The impact of not funding this increment will be:

- the continuation of long waitlists for treatment,
- the inability of the courts to get a person into treatment on a timely basis and avoid incarceration, and
- continued inadequate response to the impacts that alcohol abuse has on Alaskans.

In May 2000, the *Final Report of the Alaska Criminal Justice Assessment Commission* reaffirmed the connection between alcohol and crime. In addition to the carnage caused by drunken drivers in Alaska, the report notes that:

- Alcohol is implicated in most homicides resulting from arguments or disputes and is often a contributing factor in incest, child abuse, spousal abuse, robbery with injury, and family violence;

- Crime-related costs of offenders who do not receive alcohol treatment far exceed the costs of treatment; and
- Recidivism rates for offenders who receive clinically appropriate treatment are significantly less than for offenders who receive no treatment or inadequate treatment.

Program Area

BRU: Alcoholism and Drug Abuse Services
 Component: Alcohol/Drug Abuse Grants

Dollar	Fund
Amount(s):	Source(s):
(\$1,010.5)	General Fund

Impact Analysis:

Reduction Title: Juvenile Alcohol Treatment Services Expansion

Impact: In the 1998 Household Survey of Drug Abuse conducted by the Substance Abuse and Mental Health Services Administration (SAMHSA), 30.6% of youth ages 12 to 20 report being current users of alcohol, 15.2% report binge drinking and 6.9% report consistent heavy use. When the age group is narrowed to high school students, the Youth Risk Behavior Survey (YRBS) found that 50% of students were current users.

Failure to fund this increment will result in the continuation of an inadequate response from the Division of Alcoholism and Drug Abuse to the growing demand for help dealing with the increasing numbers of minor consuming, other juvenile alcohol-related crime and continuing demand for adolescent treatment.

Local communities, Native organizations and the Governor have called for renewed action on prevention of suicides. Research indicates that youth suffering from substance abuse frequently suffer from depression and that substance abuse increases the risk for suicide. The need for treatment expansion is critical. Currently treatment providers are at capacity and have large waitlists.

Research shows that youth who begin to consume alcohol before the age of 15 are four times more likely to develop alcohol dependency (alcoholism) than people who wait until after the age of 21 to begin drinking. In 1999 more than 2,200 citations were issued for minors under the age of 18 consuming alcohol according to the Alaska Court System.

The demand for alcohol treatment for youth currently exceeds the availability of services. Youth residential treatment is only available in Anchorage, Fairbanks, and Sitka and all providers have large waitlists. Outpatient treatment for youth is available in Wasilla, Anchorage, Juneau, and Fairbanks. As early intervention becomes more available through the establishment of Juvenile Alcohol Safety Action Program Services, the need for treatment will become more pronounced.

This funding would be utilized to provide grant funding for approximately 22 youth outpatient and continuing care counselors statewide.

Program Area

BRU: Alcoholism and Drug Abuse Services

Component: Alcohol/Drug Abuse Grants

**Dollar
Amount(s):**
(\$257.0)

**Fund
Source(s):**
General Fund/
Mental Health

Impact Analysis:

Reduction Title: Spirit/Recovery Camp Development

Impact: This increment is part of the Governor's Public Safety initiative. The intent is to expand the capacity for culturally appropriate family treatment especially in rural Alaska and to identify methodology for improving treatment outcomes for rural Alaskans. The original request of \$357.0 would allow ADA to fund grants for 8-12 camps, each a minimum of 30 days duration. This project will require significant resources from local communities, the Alaska Native Tribal Health Consortium and other tribal entities.

The impact of the decrease from \$357.0 to \$100.0 would reduce the number of grants to 2-4 camps, each of a minimum of 30 days duration.

Local communities, Native organizations and the Governor have called for renewed action on prevention of suicides and to aid those communities that have had major impacts due to suicides. Recovery Camps target families impacted by substance abuse. As substance abuse, depression and suicide go hand in hand, this program, by involving families, has the potential to help those at risk for suicide and those who otherwise might become at risk in the future.

Program Area

BRU: Alcoholism and Drug Abuse Services

Component: CAASA Grants

**Dollar
Amount(s):**
(\$426.0)

**Fund
Source(s):**
General Fund

Impact Analysis:

Reduction Title: Underage Drinking, Establish Juvenile ASAP Assessment and Referrals

Impact: Research shows that youth who begin to consume alcohol before age 15 are four times more likely to develop alcohol dependency than people who wait until age 21.

In 1999 the Alaska Court System recorded over 2,200 citations for minors under the age of 18 consuming alcohol. The existing Alcohol Safety Action Program, (ASAP) does not serve minors. No mechanism currently exists to require minors cited for consuming or possessing alcohol to be screened and assessed for alcohol dependency. This is true even for youth who have been cited on numerous occasions. Early intervention with minors who are known to use alcohol would likely reduce future demands on both the juvenile and adult criminal justice systems.

The impact of not funding these grants will be:

- Approximately eight communities, including Anchorage and Mat-Su, who are experiencing the most problems with minor consuming, will not receive juvenile ASAP services through grants with community based agencies.
- Increase in the number of repeat juvenile offenders who progress to levels necessitating increased supervision and space utilization.
- Repeat juvenile offenders will eventually enter the adult system (Department of Corrections) resulting in more costly jail time or felony supervision.
- Across time, not funding these grants will increase the number of new DWI, Domestic Violence Assault and other alcohol/other drug related offenses statewide due to lack of early intervention.

In the Detention Unit at McLaughlin Youth Center, it is estimated that 39% of the youth report substance use that would be classified as dependence on the Substance Abuse Subtle Screening Inventory (SASSI).

In addition, proposals before the legislature for "graduated sanctions" for minor consuming will not be able to operate as envisioned unless there are adequate services in the local community.

Local communities, Native organizations and the Governor have called for renewed action on prevention of suicides. Juvenile ASAP programs would be an ideal place to screen for depression among high-risk youth (those who get into legal trouble by use of alcohol and other drugs).

Program Area

BRU: Alcoholism and Drug Abuse Services
 Component: Rural Service Grants

Dollar	Fund
Amount(s):	Source(s):
(\$750.0)	GF/Mental Health

Impact Analysis:

Reduction Title: Rural Human Services Program Expansion – Alcohol Substance Abuse Counselors

Impact: This increment is part of the Governor's Public Safety initiative. This proposal will fund the salaries, training and supervision, clinical space, supplies and support for ten additional workers. Today, there are 98 human service workers in 75 communities. This expansion would increase the number of workers from 98 to 108 while the number of communities served by Rural Human Service Workers would increase from 75 to 85.

The Rural Human Services program trains community residents, primarily from rural Alaska, to provide alcohol and mental health services in their communities. This program has proven to be successful because it provides the opportunity for local residents to combine their cultural knowledge with alcohol and mental health counseling and intervention skills.

Unless this increment is funded, these additional programs will not be funded and the additional need for these services will not be met.

Local communities, Native organizations and the Governor have called for renewed action on prevention of suicides. Trained village-based counselors are the front line of suicide prevention.

Program Area

BRU: Institutions and Administration

Component: Alaska Psychiatric Institute

**Dollar
Amount(s):**
(609.9)

**Fund
Source(s):**
General Funds

Impact Analysis:

Reduction Title: Nurse Salary Increases

Impact: Without the \$609.9 the ability of API to recruit and retain qualified nurses to serve residents of the facilities will be impaired. The Division has over 100 nursing positions that provide comprehensive medical care for residents in a 24-hour facility.

The State of Alaska does not offer competitive wages for skilled and semi-skilled nursing positions. There are both national and statewide shortages of registered nurses. The proposed nursing reclassification will begin to get nursing position salaries more in line with those offered by other employers and will hopefully improve the facility's ability to attract qualified applicants.

Additionally, Hospital accreditation standards and federal Health Care Financing Administration licensing standards set forth minimal requirements for patient units which must be met in order to retain accreditation and be eligible for Medicare and Medicaid reimbursement. In order to maintain a patient unit open, there must be at least one RN on every patient unit for every shift. These are the minimum requirements; these standards are then to be adjusted by each hospital based on a hospital's patient acuity

rating system, which assists in determining appropriate staffing levels for both RNs and ancillary nursing staff (psychiatric nurse aides).

Because API must provide patient care 24 hours a day and because there is a shortage of qualified nursing staff, API must rely on the use of mandatory overtime. If, for any reason, a patient unit lacks RN coverage and no RN is willing to volunteer to work overtime, then we are forced to turn to our mandatory overtime list.

Program Area

BRU: Mental Health Trust Boards
Component: Alaska Mental Health Board

Dollar	Fund
Amount(s):	Source(s):
(56.5)	GF/Mental Health

Impact Analysis:

Reduction Title: AMHB Statewide Children's Coordinator Funding Change

Impact: The position's mission is coordinating development of a unified system of care for children in Alaska. The position facilitates integrated service delivery by coordinating planning and implementation targeting collaboration across multiple systems of care; needs of children in custody (including out-of-state placement); leveraging resources for service and system change; and strategies to improve transition to adult services. The position serves a statewide role including staffing the AMHB Children's Subcommittee and DHSS children's initiative's efforts, and coordinating the Children's Mental Health Conference.

The FY02 GF/MH increment of 56.5 represents the first year of a two-year transition from MHTAAR funding. The AMHB's two-year plan adopted by the AMHTA includes a 60.5 GF/MH increment in FY03. Without the FY02 increment, funding for the position is limited to 56.5 MHTAAR, half the FY01 level. This would reduce the position to half-time, requiring abandoning or delaying key projects and initiatives:

- **Staffing:** The position would no longer staff the Children's Work Group or Transition Services Task Force or chair 2001 Health Summit Mental Health Track planning efforts.
- **Liaison:** The coordinator's duties would be severely curtailed, depriving the AMHB and DMHDD of links to key organizations such as the Infant Toddler Behavioral Health Institute, the State Transition Policy Team, Home Visiting Collaboration Committee, Healthy Stable Families, and Family Voices.
- **Planning/Implementation:** Half-time status would require reprioritizing program and planning activities. Lost would be key contributions to planning the 2001 Pathways Conference, drafting and implementing the Mental Health Block Grant, implementing the Memorandum of Agreement (MOA) between Division of Juvenile Justice (DJJ) and DMHDD, developing an integrated service delivery system for children involved

with DJJ, implementing the MOA between DMHDD and the Department of Education and Early Development, and developing an integrated service delivery system for children involved in school special education programs.

The end result will be delay in crucial and long-overdue integration and development of a more effective and unified children's system of care.

LABOR + WORKFORCE DEVELOPMENT

**House Finance Subcommittee Recommendation
FY02 Operating Budget Request
Department of Labor and Workforce Development**

The subcommittee adopts the attached summary and transaction worksheets. The subcommittee began their consideration at the FY01 Base level reflected in HB 103. These budget recommendations reflect our general fund allocation for FY02 of \$12,228.1. This represents a reduction of \$859.6 from last year's (FY01) general fund level. The subcommittee concurs in general with all transactions occurring between the FY01 Management Plan and the FY02 Adjusted Base. These transactions are necessary to accommodate departmental consolidations and implementation of HB 378, which transitions the general fund support of OSHA and Workers' Compensation programs towards a fees-based Workers' Safety account. In addition, at our final meeting on February 22nd, there was consideration of the Governor's Amended Budget items effecting the Department of Labor and Workforce Development. The approved amendments are included in the subcommittee recommendation column.

Overall growth in the department's budget for all fund sources is 4.34%. This is composed of a general fund decrease of -6.57%, an increase in federal funds of 5.56% due in part to consolidations in the Employment Security Division relating to Job Training programs, as well as a 6.38% increase in "other funds" due substantially to the transition to the Workers' Safety fund source for OSHA and Workers' Compensation divisions. Vocational Rehabilitation Division received the largest overall percentage increase gaining nearly \$1.5 million through increased federal program funds.

The subcommittee recommended reducing general funds in the Commissioner's Office by \$40.0. The current Deputy Commissioner vacancy in the Commissioner's Office allowed for a general fund decrease of \$10.0 allocating a total of \$93.0 to allow for replacement of this critical position. Also in the Commissioner's Office, the subcommittee recommended replacing \$30.0 in general funds with interagency receipt authority in the same amount for a position that compiles regulations dealing with agency, state, and federal programs.

Increased expectations effecting Workers' Safety fund receipts available through implementation of HB 378 is the recommended source for funding the Workers' Compensation hearing officer general fund increment in the Governor's budget request for \$100.0. The subcommittee recommends increasing the receipt authority from the Workers' Safety fund source an additional \$41.5, and authorizing \$58.5 in general funds to add an additional hearing officer to assist in addressing the backlog and minimizing extremely long delays for hearings in injured worker cases.

The subcommittee concurs in the transactions represented as occurring between the FY02 Adjusted Base and the FY02 Governor's Request phases with the above exceptions. The recommendation funds the second year of labor contract cost increases and replenishes the one-time funds depleted by funding the first year of contract costs from various fund sources.

FY02 Budget Amendments

The subcommittee concurs with the Governor's amended operating budget requests effecting the Employment Security Division. Two increment requests have been incorporated in our budget recommendation spreadsheet totaling \$600.0 entirely from "other funds." These include \$100.0 of increased expenditure authority from the Training and Building Fund to train data processing staff in new technologies; as well as \$500.0 increased authorization from STEP funds to serve 200 additional participants statewide. Concerning the Governor's amendment request for \$90.0 in general funds to support the State Independent Living Council, the subcommittee supported the

idea to expand rural outreach to approximately 65 additional disabled individuals offering assistance with such independent living skills, personal care assistance and accessing necessary home modifications. The subcommittee pursued locating a non-general fund source to fund this increment. However, no adequate non-general fund sources were identified, either by the department or through interagency receipts with other agencies. Therefore the subcommittee could not add this item to their recommendations.

Approved: Representative Bill Hudson, Chair
Representative Jeannette James
Representative Lisa Murkowski
Representative Kevin Meyer
Representative Joe Hayes
Representative Harry Crawford

Date: February 22, 2001

**Department of Labor & Workforce Development
Impact Statements in Response to
House Finance Subcommittee Budget Proposals
Date: 03/01/01
Prepared by: Remond Henderson**

Program Area:	Dollar Amount(s):	Fund Source(s):
Worker's Compensation	(\$41.5) \$41.5	General Fund Workers Safety Fund
Occupational Safety & Health	(\$27.7) \$27.7	General Fund Workers Safety Fund

Impact Analysis:

If sufficient Workers Safety Fund receipts are available there will be no impact from this fund source change. However, as this is the first year of the fund the department can only estimate the amount that will be received and available for expenditure.

If the funds received are not sufficient to support these expenditures the department will be unable to hire the additional Worker's Compensation Hearing Officer needed to reduce the hearing backlog. The backlog currently causes a delay in scheduling hearings of over four months. In addition the department would be unable to provide the 40% matching funds necessary to secure federal funds for a position to address two Annual Performance Goals that the USDOL has cited us for in the past two annual evaluations of our State Plan. The goals are to better target Occupational Safety efforts and to implement a system to evaluate program performance.

Program Area:	Dollar Amount(s):	Fund Source(s):
Independent Living Rehabilitation	(\$90.0)	General Fund

Impact Analysis:

Without these funds the department will be unable to expand outreach services to persons with disabilities in rural Alaska. This means that some rural communities and some areas of the state, such as Western Alaska, that have been under served or not served at all, will remain that way. Also the state will continue to see the higher costs for institutional and primary care programs for individuals from these areas.

For example, 85% of all persons who are placed in long-term institutions are Medicaid funded, at an average cost of more than \$90,000 per individual per year. In FY99, Alaskan Centers for Independent Living were directly responsible for successfully relocating 18 people from nursing homes to their chosen communities. Another 165 individuals received services that helped avoid their being sent to long-term care facilities. The one-year savings in Medicaid costs alone for those 183 individuals are estimated to be over \$10 million.

Program Area:	Dollar Amount(s):	Fund Source(s):
Commissioner's Office	(\$40.0) \$30.0	General Fund Inter-Agency Receipts

Impact Analysis:

The department will attempt to find non-general funds to replace the funds cut. However, if unsuccessful, this reduction will result in an additional unallocated reduction that will negatively impact departmental programs by reducing their ability to provide services.

LAW

House Finance Subcommittee
Department of Law
FY02 Operating Budget

The House Finance Subcommittee on the Department of Revenue closed out review of the budget at the February 28, 2001 meeting, adopting the attached summary and transaction sheets. The subcommittee worked from the FY01 Management plan reflected in HB 103, which included full funding for the salary increases approved by the 21st Legislature.

The subcommittee recommendations are aligned with the House Finance Committee's General Operating Budget allocation of \$25,673.6 and provide a stable level of funding for the department while authorizing general fund dollars to replace the one-time monies supporting the negotiated labor contracts.

In addition to the baseline management plan, the subcommittee approved general fund allocations for the following:

- \$137.0 for an additional Juvenile Delinquency Attorney position in Anchorage to handle the significant increase in the number of cases over the past two years;
- \$90.0 for an Associate Attorney position (paralegal) to conduct specialized research and assist within the Governmental Affairs Division;
- \$135.9 to the Victim Witness Notification and Support program to provide for more reliable notification of victims.

**Department of Law
Impact Statements in Response to
House Finance Subcommittee Budget Proposals
Date: March 1, 2001
Prepared by: Kathryn Daughhettee**

Program Area:	Dollar Amount(s):	Fund Source(s):
Civil Division – Collections and Support Victim Restitution	(306.5)	General Fund

Impact Analysis:

The Victim Restitution Project funding would allow the Collections Unit to handle the collection and payment of restitution on behalf of crime victims. The Unit currently has a collections database that provides a method for efficient and streamlined collection of debts owed to the state. With some modifications, this database and related collections procedures could be used to collect restitution owed on behalf of victims. This funding would allow the purchase of necessary computer hardware and computer programming to achieve the data base modifications and cover the cost of an additional associate attorney, administrative clerk, and secretary to oversee the collections process. The governor's budget included \$250.0 and the governor's amended budget added another \$56.5 for this project. The subcommittee did not consider the governor's amended budget, but did consider the \$250.0 request. The entire amount of requested funds for Victim Restitution are currently contained in a fiscal note in conjunction with HB 133 and SB 107. It was agreed that if the legislature passes this legislation and fully funds the fiscal note, the Department of Law would be able to undertake the collection and payment of victim restitution.

Program Area:	Dollar Amount(s):	Fund Source(s):
Civil Division – Governmental Affairs Bank of America	(250.0)	General Fund

Impact Analysis:

The state is proceeding with its claim regarding the alleged mismanagement by the Bank of America and other affiliated banks serving either as trustee or fiscal paying agency on over 1200 bond issues of state and municipal agencies. Nearly all the participating municipalities, the AHFC, and AIDEA have paid their share of the prorated costs. Those funds plus an original general fund appropriation in the amount of \$250.0 made in FY 1998 have been exhausted. The Department of Law is currently seeking both a FY 2001 supplemental and this increment, which will be needed to pay the state's share of litigation costs that will arise in FY 2002. This request was included in the governor's amended budget, which was not taken up by the subcommittee.

If the case proceeds to litigation and there are no general funds appropriated for the state's share of the costs that would be incurred in FY 2002, it could jeopardize the state's claim and dramatically reduce the amount of money we may otherwise recover.

Program Area:	Dollar Amount(s):	Fund Source(s):
Criminal Division – Third Judicial District Alcohol Interdiction	(200.0)	Inter-Agency Receipts
Criminal Division – Fourth Judicial District Alcohol Interdiction	(300.0)	Inter-Agency Receipts

Impact Analysis:

Alcohol is at the root of a number of problems in Alaska. The correlation between alcohol and crime is significant, and alcohol is related to a number of accidental deaths and injuries. In addition, many children are born with FAS or FAE because their mothers consumed alcohol during pregnancy.

A federal grant to The Department of Public Safety funds \$1.4 million (\$500.0 of which has been earmarked for prosecution) for the first year of a proposal intended to significantly reduce violent crime, accidental deaths, and incidence of FAS and FAE by cutting off the easy availability of alcohol through aggressive investigation and prosecution of bootlegging offenses.

The project will be a joint effort between the Departments of Public Safety and Law. Additional troopers to be placed in Bethel, Nome, Kotzebue and the Anchorage International Airport will aggressively investigate bootlegging in and into rural Alaska. They will work closely with local law enforcement agencies and the United States Postal Service. A new prosecutor position will be located in Bethel to handle prosecution of bootlegging in the Bethel region. A prosecutor in Anchorage will obtain cross-designation as an Assistant United States Attorney to obtain federal search warrants to search packages shipped via the US mail, to handle the prosecutions in Anchorage, Nome, and Kotzebue, to provide legal advice during investigations, and to respond to motions and appeals in bootlegging cases. In addition, money is requested for a paralegal in the Bethel District Attorney's Office to handle subpoenas, witness travel, and other tasks.

This increment was included in the governor's amended budget, which was not considered by the subcommittee. However, the Department of Public Safety's subcommittee did consider and approve the \$1.4 million of federal funds requested by that agency, which is the source of the inter-agency receipts requested in this increment.

LEGISLATURE

House Finance Subcommittee

Legislature

March 1, 2001

FY02 GF appropriation is the same overall level as FY 01. An appropriation summary, agency total and transaction reports are attached. The House Subcommittee FY02 budget for the Legislature is identical to HB 103 (i.e., FY01 Mgt Plan) with the following exceptions:

- 1) Legislative Audit has added 250.0 I/A to formalize an RSA with DOA for auditing executive branch agencies. There is no real change in funding; the RSA was unbudgeted in FY01 (and prior year).
- 2) Transfers of 11.1 (to Admin Services for dues increases at NCSL, CS&G and the Energy Council) and 10.1 (to facilities rent for rate increases in the SOB (Legislative Audit and Legislative Finance), Court Plaza (Ombudsman) and Community Building (print shop)) from LB&A Committee Expenses.
- 3) A transfer of 3.9 GF to the Governor's Office to fix incorrect FY01 billing for facilities rent. This was in the Governor's budget.
- 4) Addition of one PFT (data processing personnel) in the Admin Services component of Legislative Council.
- 5) LITs in Salaries and Allowances and in Admin Services.
- 6) An increment of 60.0 I/A in Admin Services (for increased print shop receipts).
- 7) Replacement of 15.0 GFPR with GF in Admin Services (reduced receipts expected).
- 8) A decrement of 12.9 I/A in Session Expenses (reduced receipts for copies of statutes).

MILITARY +
VETERAN'S
AFFAIRS

**House Finance Subcommittee
Department of Military and Veterans' Affairs
Subcommittee Report FY 02**

The House Finance Subcommittee for the Military and Veterans' Affairs closed out at the February 19, 2001 meeting. The subcommittee worked from the FY01 Management Plan reflected in HB 103. The budget recommendations are within the House Finance Committee's \$667.0 General Fund increment and do not exceed the \$8,413.9 General Fund Operating Budget allocation.

The Department of Military and Veterans' Affairs is funded through 4 BRUs; Disaster Planning & Control; Alaska National Guard; Alaska National Guard Benefits and Veterans' Affairs.

Budget Summary

The budget changes recommended by the subcommittee are reflected on the budget summary page.

Recommended General Fund Increment Distribution

- a) Fund the \$200,000 requested by Gen. Oates to allow 24 hour staffing of the Emergency Coordination Center.
- b) Fund the requested \$69,000 state match for increased federal funding Army Guard facility maintenance.
- c) Fund the requested \$163,900 state match for increased space and federal funding for Air Guard facility maintenance.
- d) Fund \$199,300 of the \$311,100 in General Fund increments requested for the Alaska Military Youth Academy, which does meet the full 40 percent match. Other state funds can be identified to make up the additional match required. One example would be foundation funds from the state correspondence program.
- e) Adopt the Governor's Proposed Amendments and incorporate them into the committee report.

Recommendations to Full Committee

The full Finance Committee should consider funding Tuition Assistance from sources other than General Funds.

The full Finance Committee should address Local Emergency Planning Committee Grants. Since OMB has eliminate the funding source, which has been 1055 IA/OIL HAZ funds, the committee should decide whether the program should be continued with General Funds, transferred to DEC, or continue to be funded from the same funding source. Since this is not one of the primary missions of DMVA it was the subcommittee's position, that it should not come out of the General Fund increment allocated.

Other changes reflect needed adjustments to reflect changes in funding source and/or receipt authority and do not impact the General Fund total for the recommended budget.

The subcommittee's recommendations will allow the Department to:

- a) Bring an estimated \$320 million Federal dollars into Alaska's economy through military related programs;
- b) Maintain over 4,000 jobs in communities across the State;
- c) Continue to provide a Missile Defense Project Coordinator to facilitate new mission possibilities that could potentially bring as many as 100 new National Guard related jobs to Alaska;
- d) Provide the needed 25% State Match for maintenance and operations of the new facilities at Kulis AFB and other Alaska Air National Guard facilities.
- e) Provide the needed 25% State Match for increased Alaska Army National Guard facilities.
- f) Continue the Veterans outreach program at it current level. During the past year, this program helped Alaska Veterans identify and secure \$27.5 million in Federal assistance.
- g) Allow the Alaska Military Youth Academy to change personnel to permanent status and to meet its 40 percent State Match Funds requirement.

In Summary, for an investment of \$8,413.9 in General Funds, the Department of Military and Veterans Affairs creates over 4000 jobs and brings in \$3.0 million in Federal funds through military payroll, veterans' benefits and other Federal connected funds.

FY 2001 Supplemental HB 116

***Sec. 9. INCREASED FUEL COSTS**

(2) the sum of \$109,400 to the Department of Military and Veterans' Affairs, Army Guard facilities maintenance;

This should be a once time item since increased fuel costs are reflected in the 02 proposed budget recommendations.

*Sec. 5. DISASTER RELIEF FUND. The sum of \$680,000 transferred from the general fund to the disaster relief fund for core emergency preparedness and operations costs.

The requested fund transfer is a fund designation issue and does not reflect on the operating budget for Disaster Planning and Control.

FY 2001 Supplemental HB 117

*Sec. 9. DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS. The sum of \$500,000 is appropriated from the general fund to the Department of Military and Veterans' Affairs, . . . for 2001 Special Olympics World Winter Games, Alaska for operating costs of those games . . .

This is not a typical Department cost. It should be a one time appropriation and does not reflect on the 2002 operating budget.

**Department of Military & Veterans Affairs
Impact Statements in Response to
House Finance Subcommittee Budget Proposals**

Date: March 1, 2001

Prepared by: Carol Carroll, Director Administrative Services

Program Area:	Dollar Amount(s):	Fund Source(s):
State Active Duty		
Rural Affairs	(\$107.0)	General Fund

Impact Analysis:

DMVA believes that the Alaska National Guard will see a further erosion of its ability to recruit and retain members from rural areas of the state without a concerted effort in that direction. The Alaska National Guard Scouts have had a long history with the Guard. They are unique in the nation. The Department is losing ground in these areas and believes this request to fund an Office of Rural Affairs will assist in the continuation of the Alaska Scouts in this area.

The focus would be to improve the image of the National Guard, in particular the Alaska Army National Guard, in rural Alaska while providing a service to rural students, schools, village members, and others in the communities. The office would form a team of Guard and DMVA key personnel that will provide a mechanism to educate the youth in rural communities on safety, drug demand reduction, and opportunities in the Alaska Military Youth Academy. Also, the team would provide information to veterans and promote opportunities in the National Guard.

This would be a joint federal/state team. The federal team would consist of a Rural Affairs Colonel and a Lieutenant (federally funded). These officers would coordinate the National Guard federal missions involved in rural affairs to include recruiting and retention, drug demand reduction, etc.

The state portion of the team would include State Active Duty for three Regimental Elder Sergeants Major from rural battalion areas who have previously served in the Alaska Army National Guard and an administrative clerk. The Regimental Sergeants Major would "drill" two days a month with the unit and advise unit commanders locally, or at a specified unit location, on a host of issues ranging from training to cultural issues. The administrative clerk would serve as an assistant to the Colonel/Rural Affairs Coordinator and support those aspects of the program purely of a state nature.

Funding to support the pay for the Regimental Sergeants Major (\$16,300) and administrative support position (\$34,000) is \$50,300. Travel, supplies, and other services support for the program is \$56,700.

Program Area: Educational Benefits	Dollar Amount(s): (\$100.0)	Fund Source(s): General Fund
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Impact Analysis:

The House Finance Subcommittee referred this request to the full House Finance committee for review and consideration of funding from sources other than general fund.

Without the \$100.0 the department will be impacted in two areas:

- Advancement and retention of Guard members will be negatively impacted if we cannot reimburse them for costs to complete or meet educational requirements for the next rank.
- Recruitment in rural areas will be impacted. Last year's funding was a big incentive and aided recruiting efforts. For FY02, a partnership with the University of Alaska and other educational institutions in the Yukon, Kuskokwim and Norton Sound areas was anticipated.

Program Area: Local Emergency Planning Committee Grants	Dollar Amount(s): (\$90.8)	Fund Source(s): General Fund
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Impact Analysis:

The House Finance Subcommittee referred this request to the full House Finance committee for review with the comment that this is not one of DMVA's primary missions and should not come out of the general fund allocation for DMVA.

The Governor's budget supported replacing general funds for the FY02 projected shortfall of \$69.8 in Oil & Hazardous Response Funding (OHRF). The shortfall is based on the statutory level of 3% funding from the OHRF. In addition the Governor's budget addressed the issue of the LEPCs looking at all hazards by adding \$21.0 more in general funds compared to last year's budget.

Without the \$90.8 in general funds each of the LEPC budgets would have to be reduced proportionately. The consequence of that action would be that the LEPCs would be meeting less and that the State and the various communities would be less prepared to respond to disasters.

Prepared by: Tim Jones, Director, AK Military Youth Academy

	Dollar	Fund
Program Area:	Amount(s):	Source(s):
Alaska Military Youth Academy	(\$111.8)	General Fund Match

Impact Analysis:

Reducing the Food Service increment by \$111.8 in GF Match will have a significant impact on the Military Youth Academy.

This reduction diminishes the Academy's chance to have adequate funding for the employees who prepare and serve meals to the cadets in the program. The \$111.8 is needed to help solve the long term staffing problem at the dining facility.

If the reduction remains, the Academy will have to take drastic measures to assure it stays within its overall budget authorization and may have to consider switching to serving a cold breakfast, a hot lunch, and a sack dinner. We may have to serve only two meals a day, one sack and one hot. This cut would cause a significant disruption to the cadet's training schedule, physical training, and academics, and cause us to delete the cadet's cooperative work experience in which the cadet learns culinary skills in our dining facility.

Prepared by: Carol Carroll, Director, Administrative Services

	Dollar	Fund
Program Area:	Amount(s):	Source(s):
Air Guard Facilities Maintenance Retirement Records	(\$60.0)	General Fund

Impact Analysis:

The Air Guard Facilities Maintenance component requested an increment of \$60.0 for the management of all state retirement records for Air and Army National Guard employees. Currently, there is no State of Alaska employee to manage this state program.

The Air and Army National Guard maintains an active record base of over 3800 members. They also maintain over 108,000 inactive records. The scope of state records management is extensive. Each time a personnel action occurs during the

career of an Alaska National Guard member, a corresponding change must occur in that person's state retirement record. Records management also encompasses calculation of retirement eligibility, performing periodic state records audits, and writing and filing any state awards. Perhaps the most critical duty in records maintenance is calculating accurate retirement points for computing guard members retirement benefits.

So far this federal fiscal year, 500 records transactions were filed for Air Guard members alone. Many of these transactions take hours to accomplish. Federal employees, to the detriment of their primary duties, have performed these actions to date.

It is critical to establish a State of Alaska employee to administer this state program. If not funded, state retirement information for Guard members will continue to be a burden on federal employees that maintain the records when they can. Lack of adequate attention to these records has the potential to cause late retirement payments to members of the Guard.

NATURAL RESOURCES



**Alaska State
Legislature**
Representative Bill Hudson
House Finance Committee

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**House Finance Subcommittee
Department of Natural Resources
Recommendations
FY 02 Operating Budget**

The House Finance Subcommittee for the Department of Natural Resources has adopted the attached summary and transaction sheets. The subcommittee worked from the FY 01 Management Plan reflected in HB 103. The budget recommendations are within the House Finance Committee's General Fund Operating Budget Allocation of \$37,356.1.

The Department of Natural Resources has demonstrated their role in ensuring economic growth in the State of Alaska, through responsible resource development. The subcommittee has expressed support in funding the requested increments that contribute to continued economic development and revenue producing activities within the department.

Budget Summary

The budget changes recommended by the subcommittee are reflected on the attached budget summary report pages.

Recommended General Fund Increment Distribution:

- a) Fund \$400,000 requested by the Division of Oil and Gas. It is the will of the committee to fund this increment in order to maintain a competitive leasing program and ensure that the State is receiving proper royalties.
- b) Fund \$300,000 for Water Development – Adjudication and Permitting activities. It is the committee's intent for the full finance committee to view this increment as a one-time general fund increment in that it is one-part of a three-part solution to "fix" the water permitting program. The Governor has indicated that he will be presenting both statutory and regulatory changes as part of the comprehensive solution, which will need to be reviewed by the full House Finance Committee.
- c) Recommend full funding of labor costs, which includes salary increases for FY 02 and the replacement funding of the one-time ILTF and SDPR sources used to fund labor in FY 01.

Additional Recommendations:

- a) Allocate Permanent Fund Receipts to support activities within divisions that generate revenue for the Permanent Fund. It is recommended that the Division of Oil & Gas be supported by Permanent Fund Receipts at a 30% level for a total of \$1,455.4 (currently at \$1,070.2) and that the Division of Mining, Land & Water in Permits, Claims and Leases be supported at a 10% level for a total of \$673.6 (currently at 0.) .
- b) Grant authorization for the use of \$280,000 in Timber Receipts to support value-added timber sales.
- c) Authorize \$248,000 from the State Land Disposal Income Fund to facilitate the Division of Mining, Land and Water's ability to proceed with surveying new subdivisions and offer new land sales in accordance with SB 283 and the State Land Disposal Program..
- d) The full Finance Committee may consider the Governor's House Bill 108 – which would switch the Recorder's Office from a GF Program Receipts funding source to a Receipt Supported Services funding source. It is the recommendation of this committee, if this legislation is passed from the House Finance Committee, that the fiscal notes accompanying it shall be all inclusive in representing the true costs needed to run the Recorder's Office including leases, data processing, etc. Passage of this bill would offer an estimated reduction of \$2,392.2 GF/PR in the DNR budget and \$375.7 GF in the DOA budget by switching these fund sources to Receipt Supported Services.
- e) Other modifications within this budget indicate needed adjustments to reflect changes in funding source and/or receipt authority and do not adversely impact the General Fund allocation of this budget.

DNR Funding Impact on State Economy

In Summary, for an investment of \$37,356.1 in General Funds, the Department of Natural Resources creates jobs in the resource industries, generates revenues of over \$1 billion for the State of Alaska and brings in \$13 million in Federal Funds.

The subcommittee's recommendations will allow the Department to:

- a) Stimulate Alaska's economy by conveying oil and gas rights through the competitive oil & gas lease sales and issuing oil and gas exploration licenses and shallow gas leases.
- b) Address serious concerns within the water adjudication permitting for both commercial and residential water needs.
- c) Assure a sustained yield in the timber industry by reinvesting timber sales revenues into the program for continued support in timber sales, access to harvest areas and reforestation.
- d) Maintain a stable workforce by fully funding the negotiated salary increases.

Language Sections:

It is recommended that the following language section also be included in HB 103:

Disaster Relief and Fire Suppression.

Federal receipts received for fire suppression are appropriated to the Department of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2002.

This language section allows DNR to receive federal receipts for fire suppression activities above the budgeted level of \$5,321.0, if necessary. For example, if the fire season is high in the lower 48 and Alaska Emergency Firefighter crews are requested, DNR needs to have federal receipt authorization to receive federal funds to pay the fire crews. This authorization pertains only to Federal Funds.

FY 2002 – Governor's Operating Budget Amendments:

The subcommittee has reviewed these amendments and has chosen not to fund the requested increments. Nonetheless, it is recommended that the salary increases within the Division of Oil & Gas be reviewed at the full House Finance Committee level in conjunction with other sectors within the State that are alleging an inadequate workforce due to non-competitive salaries.

FY 2001 Supplemental HB 116 – Fast Track:

*Sec. 10. DEPARTMENT OF NATURAL RESOURCES. The sum of \$600,000 is appropriated from the general fund to the Department of Natural Resources, state pipeline coordinator's office, for gas pipeline development and related activities.

This appropriation has been adopted by the Full House Finance Committee. It is considered to be a start up cost related to expedite research and other pre-application state responsibilities in the development of the gas pipeline.

FY 2001 Supplemental HB 117 – Regular:

*Sec. 9. DEPARTMENT OF NATURAL RESOURCES. The sum of \$100,000 is appropriated from the general fund to the Department of Natural Resources, recorder's office, for operating costs for the fiscal year ending June 30, 2001.

This is to cover increased costs of the Palmer and Fairbanks Recorder's Office leases which expire this fiscal year.

It is the recommendation that this increment be reviewed in conjunction with other supplemental lease costs before the full House Finance Committee.

**Department of Natural Resources
Impact Statements in Response to
House Finance Subcommittee Budget Proposals**

Date: March 2, 2001

Prepared by: Mark Myers, Director, Oil & Gas

Program Area:	Dollar Amount(s):	Fund Source(s):
Oil and Gas Development	(\$425.0)	General Fund

Impact Analysis:

The division of oil and gas requested an amendment to the FY02 Operating budget for an additional \$425,000 increment. The purpose of the request is to fund salary increases for key positions in the exempt service. Funding this increment will make the division's professional oil and gas salaries competitive with the salaries of its counterparts in the federal government, but still significantly less than those in the oil and gas industry.

Without this increment the division will not be able to retain or attract the qualified personnel necessary to perform its required core business functions. Our single asset team made up of petroleum geologists, petroleum geophysicists, petroleum reservoir engineers, land managers, and petroleum business analysts performs these core functions. The division needs these experts because subtle changes in interpretation of geologic and engineering data has the effect of changing the state royalty revenue by **hundreds of millions of dollars per oil field**. Retaining and recruiting people with necessary skills and experience could greatly effect the return to the permanent fund and general fund.

The division has recently lost 20% of our core professionals and is at immediate risk of losing an additional one-third that are actively considering jobs within the petroleum industry or other government agencies. These losses are magnified by the small size of the division. The magnitude of the problem is illustrated by the division's recent losses of the director, deputy director/petroleum investment manager and three key lease sales personnel. Of that group, those that have sought immediate employment have gotten salary increases of 50-100% in the petroleum industry or as consultants. These losses come at a high cost to the state.

The division's most valuable asset is its people. The oil and gas industry offers division employees the combination of high demand, high pay, better working conditions, and better access to technology. This has and will continue to result in the loss of the division's best people unless we respond. As we lose people we will not be able to replace them with qualified applicants nor will we be able to train people to reasonable replacement standards. The impact of not funding this requested increment is a substantial decrease in the state's ability to manage its oil and gas resources along with

the associated loss of income, a general slow down in the leasing and field development processes, and a delay in the effective implementation of new programs.

Prepared by: Nic J Bus

Program Area: Information Resource Management	Dollar Amount(s): (\$72.5)	Fund Source(s): General Fund
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Impact Analysis:

The Land Status Graphic Record system is used by the public and government agencies to access land status information. Although land status records are available on-line (www.dnr.state.ak.us/landrecords), this access is of limited use due to a 9-month backlog of updates.

Annually, the department receives an average of 15,000 land transactions that need to be entered in to the Land Status Graphic Record system. The existing average backlog of 9 months is unacceptable to both internal and external users who need records to be current within 30 days. The projected FY2002 backlog is over 11,000 pending actions.

By adding one additional cartographer, the backlog workload can be cut about 25% per year.

The primary users of the graphic land records include:

- Mining industry for managing mineral property rights;
- Oil and gas industry to assure public notification of leases, right-of-ways, water rights, and material sales;
- Forest products industry for state timber sales;
- Alaskans looking for land to purchase or lease;
- Agricultural industry for locating specially designated agriculture lands and agriculture land sales; and
- All resource managers, especially DNR managers and staff, who rely on plats for day-to-day permitting decision support and documentation.

Each of these important resource based user communities suffer when dependable land records are not available from the State.

Operating staff in the Status Graphic Unit were steadily reduced from 19 positions in 1990 to 10.2 in FY01. While automation has permitted fewer staff to accomplish more work, it cannot fully compensate for the staff reductions. Although each cartographer now produces 50% more output than 12 years ago, an additional cartographer is needed to reduce the backlog. A reduction in the backlog, resulting in more current

land records, will have a direct and positive impact on permitting of economic development activities.

Program Area:	Dollar Amount(s):	Fund Source(s):
Interdepartmental Data Processing Chargeback	(\$57.5)	General Fund

Impact Analysis:

Technology changes are driving improvements in government business practices; technical expertise is essential for finding reliable solutions to problems identified by DNR staff and the public. Conversely, inadequate staffing means slow response times to solving users' network or computer issues which in turn cuts worker productivity and limits the value of DNR's services and information to the public. This funding would add one additional data processing technician.

This position is needed to assure an acceptable level of computer support for the Palmer and MatSu staff, especially during the high demand fire season. There are about 93 network devices in Palmer alone, about half of them are at the new Forestry fire facility, the others are in the Recorder's Office, State Parks, and the Division of Agriculture. Also, the Division of Agriculture's Plant Material Center is projected to increase their staffing due to an influx of federal monies and thus will require more computer support.

This increment request only addresses the demands that are critical for maintaining DNR's widely distributed computing and data communications network. DNR staff now support an average of 192 network devices per technical person. An acceptable industry average is 75 devices per technical person. DNR network staff have 2.5 times the industry average workload. Personal computers now have a central role in our office environments, 949 devices are supported across the department; 766 of these are covered by the Computer Information Center staff. One additional position will drop the ratio to only twice the industry average (vs. the current 2.5 times the industry average).

Without the requested position, the Anchorage staff will have to continue to support the MatSu/Palmer areas. This doesn't provide responsive action to the timing needs of the Palmer Offices and is an inefficient and cumbersome use of the Anchorage staff.

Prepared by: Bob Loeffler, Director, Mining, Land & Water

Program Area:
Claims, Permits & Leases

**Dollar
Amount(s):**
(\$160.0)

**Fund
Source(s):**
General Fund

Impact Analysis:

Results of recent geophysical exploration indicate the potential for a significant deposit of minerals in the Denali Block area. As the public became aware that DNR recently requested the entitlement of the eastern portion of the Denali Block area to be on BLM's conveyance priority list, the mining industry has communicated considerable interest in assuring that this conveyance occurs. That is, the industry has reinforced the importance of the area to upcoming exploration and expenditures.

The area has great archaeological importance and is used extensively for recreation and subsistence.

The Tangle Lakes Archaeological district, specifically the 226,660 acres between mileposts 17 and 37 along the Denali Highway, is rich in historic and prehistoric remains. The district contains more than 400 archaeological sites, making it one of the densest concentrations of archaeological resources in the North American Subarctic.

The area is also used very heavily for hunting, camping and recreation. It is a part of the range of the Nelchina Caribou herd and is important for sport hunting and subsistence.

With Ownership Comes Responsibility:

Because of the sensitivity of the Archaeological District, the state must manage the area so that use does not degrade the cultural resources or wildlife habitat, nor generally degrade the views and landscape that have made the area so valuable to Alaskans.

The anticipated mining exploration involves minimal disturbance and is expected to be done by a few large, reputable companies. Exploration requires planning to ensure that it occurs consistent with the cultural, wildlife, and recreational resources, but that activity is relatively easy to control. The recreation and hunting use is much more difficult. Unregulated public use will almost certainly result in impacts to the ubiquitous cultural resources. BLM has established strict regulations within the archaeological district to protect the resources. With ownership comes the responsibility for the state to protect those resources. That is, the state cannot replace BLM as the land manager without replacing the service that BLM has been able to provide Alaskans.

Our concerns were reinforced once we learned that BLM's regional solicitor was reviewing this conveyance against their cultural resource protection laws. It appears that they are looking to ensure that the state has the ability to accept conveyance in a manner that protects the cultural resources. If they are not satisfied, they may not complete the conveyance.

The impact of not receiving funding to provide the management presence needed is a delay in the conveyance of this property until oversight funding is received in a future year. Delay in the state receiving conveyance of this land results in a slow down of mineral exploration and associated economic development.

Prepared by: Jim Stratton, Director, Parks

Program Area: Parks Management	Dollar Amount(s): (\$160.0)	Fund Source(s): General Fund
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Impact Analysis:

(\$100.0) for Wood-Tikchik State Park

America's largest state park, Wood-Tikchik, will continue to be staffed at an embarrassingly low level. Currently one staff person manages an area larger than the state of Delaware, 1.6 million acres. Park use in the past 10 years has steadily climbed and additional ranger staff, assigned to year-round responsibilities, is desperately needed. Without this new position, there will continue to be no routine patrolling in over half the park. This increment also included funds for maintenance of an aircraft (aircraft to be secured through the Department of Public Safety at no cost to Parks). Without an aircraft and a ranger/pilot, the upper lake systems will not see regular patrol. The increased conflicts between hunting guides, and between guides and private hunters will continue with no possibility of resolution. Recommendations from the revision of the park management plan to resolve the hunter conflicts and resource impacts from both guided and non-guided park visitors cannot be implemented without a field presence.

Search & Rescue needs will continue to increase without additional staff to make contact with an ever increasing number of non-guided visitors from the Lower 48, as well as Alaskans not experienced in wilderness travel. Publicity in national magazines (Outside and Alaska) has drawn attention to Wood-Tikchik as an easily accessible wilderness experience. Air taxi operators rent boats and gear, making travel by those with little or no wilderness experience easy. Contact with visitors before they get into trouble with wildlife, private property, or the weather is the cheapest form of insurance.

Three years ago, the native allotment issue in Wood-Tikchik was solved when conservation easements were offered to the over 100 park inholders. Virtually all the allotment holders took the easement, which allowed the Bureau of Land Management to move forward with conveying the land. Every month, additional patented private land is being conveyed and park staff has a dual responsibility regarding these lands. Many people assume all the land in the park is public land. It is important for many reasons that park visitors understand that there are over 100 parcels of private property averaging 80 acres each. It is also important to monitor the conservation easements to

ensure that they are being implemented properly. This, in and of itself, would be a full time job for someone. But it is just one of the many responsibilities of our current sole park ranger.

Revenue generation opportunity at the new boat ramp at Lake Aleknagik will suffer without regular attention to fee compliance. With only one ranger, there will be far less time spent at the boat ramp than if there were two rangers. The boat ramp is the most heavily used facility in the park and ranger presence is needed to ensure smooth operation of a facility that can see upwards of 400 trucks and trailers on a busy weekend. With the needs of the boat ramp taking the current ranger's time and attention, there will be less backcountry patrol.

There is currently NO presence in the park during the winter months. Winter use in the park is growing as snowmachine use becomes more reliable and people discover the ease with which one can travel on a frozen lake. Ranger contact with these recreators before they leave (most will leave from the boat launch) to ensure proper equipment and understanding of the weather and terrain could prevent most winter search and rescue operations. Winter activities, such as dog races, are starting to occur in the park and NO staff is available to administer these programs and permits. At risk are park resources.

By legislative direction, the management of Wood-Tikchik is by a management council consisting primarily of local residents. Without someone locally available to keep in touch with these management council members, it is difficult to secure a quorum for meetings. For each meeting held, at least four are cancelled because of quorum problems. This is a highly inefficient use of staff and volunteer time. A year-round staff person in Dillingham would increase the participation by the council through regular in-person contact.

With no staff at the boat launch in the winter, we expect vandalism. From our experience at other sites accessible in the winter, a year-round ranger presence would greatly deter vandalism.

(\$60.0) for Park Maintenance

The general condition of the state parks in Alaska is terrible and we are hearing that statement from the public regularly. State Parks has identified \$42 million in deferred maintenance needs in our 120 park units. Last year, one of the outhouses was so rotten a woman fell through and a park road was so bad it broke a motorhome axle. While we attempt to keep up with the worst situations, we are now unable to do so. All of the maintenance staff are seasonal. This funding would extend their seasons so they can address more of the maintenance needs of the park system. This increase in person months will be spread throughout the park system and will compliment a CIP request for Park Emergency Repairs. Without this increment, we will simply continue to defer maintenance needs with the hope that those needs involving health and safety don't result in a visitor injury. This increment does not address all of the park maintenance needs, but at this point, even a small amount of additional funding will be

immediately put to good use on those problems that can cause the most injury to park visitors and the most liability to the state.

Prepared by: Jeff Jahnke, Director, Forestry

Program Area: Fire Suppression	Dollar Amount(s): (\$350.0)	Fund Source(s): General Fund
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Impact Analysis:

Not funding this increment request will have negative impacts on safe and cost effective suppression of wildland fires in Alaska. This increment is needed to supplement the Division's current staff of initial attack firefighters with a trained, qualified and mobile cadre of firefighters. The Division does not have adequate staffing in its forest technician series (initial attack firefighters) to meet its responsibility of suppressing wildland fires in the wildland-urban interface areas of the state. During periods of normal fire activity the Division currently relies on inexperienced emergency firefighters (EFF) to routinely staff its initial attack engines and helicopters. These EFF are not as well-trained and experienced as forest technicians because they can only be hired when there are fires to fight. They do not have the opportunity to receive the same level of training and experience as forest technicians.

Trained and highly skilled firefighters have a much better chance of successfully and safely carrying out an initial attack on wildland fires and suppressing them at minimal acres burned and minimal cost. A typical wildland fire in the urban interface can cost anywhere from \$300 to \$5000 if the initial attack is successful. When a wildland fire escapes initial attack and becomes an extended attack or project fire, the costs to suppress them increase exponentially. The 2,777-acre Clear Fire (located near Nenana) that occurred last summer cost \$2.6 million to suppress. Large fires, like the Miller's Reach Fire in 1996 can easily cost \$500,000 to \$1,000,000 per day and can last two to three weeks. The suppression cost for the Miller's Reach Fire was \$15.0 million.

Wildland fire fighting is a dangerous profession and the use of minimally trained and inexperienced firefighters is ill advised. Consequently, when there is a shortage of firefighters and the Division is forced to rely on EFF, we are also forced to be less aggressive on initial attack because we will not compromise the safety of any firefighter on initial attack or any other related fire suppression operations. The end result of this fact is that there could be more escaped fires in the urban interface areas. An escaped fire can cost millions of dollars to suppress and result in significant potential loss of public and private property.

The population in Alaska continues to move into and develop the wildland-urban interface areas of the state. Currently the MatSu Valley is the fastest growing area of Alaska and a great deal of the valley has the potential for more costly urban interface fires like the Miller's Reach Fire in 1996, and Helmaur Road Fire in 1999. An added fire risk is the catastrophic spruce beetle infestation that has decimated timber stands in several areas in the state including the Anchorage Bowl and the Kenai Peninsula. These spruce beetle killed stands of timber overlap with the urban interface areas of the state thereby increasing the potential for a disastrous wildland fire should it escape initial attack.

Prepared by: Nico Bus

Program Area:
Fire Suppression

Dollar
Amount(s):

Fund
Source(s):

Impact Analysis: (There is no reduction in base funding for fire suppression. This statement is not a discussion of impact as a result of action taken by the House Finance Subcommittee, but rather an informational paper discussing the process of funding fire suppression).

The House Finance Subcommittee recommended \$3,195.9 in general funds for FY2002. The Governor's budget requested that amount as base funding, plus a \$350.0 increment.

The 15-year average annual general fund expenditure for fire suppression is \$11.4 million. General fund fixed costs for FY2002 are estimated at \$5.7 million. An initial appropriation of approximately \$3.2 million is typically requested by the Governor and approved by the legislature, with the intent that when that amount is expended or obligated, DNR requests the Governor declare a disaster emergency to allow access to additional funding as necessary to continue fire fighting activity. This practice of initially under-funding general fund for fire suppression has been in place for years.

This process of funding fire suppression follows a typical cycle:

1. Initial appropriation received July 1, in the middle of a fire season. Fixed costs and actual suppression costs typically exhaust the initial \$3.2 million appropriation by the end of July or early August, depending on the fire season.
2. The Governor makes a "Declaration of Disaster Emergency" (see note below) to allow DNR access to funding to pay for the remaining fixed costs for the fiscal year as well as estimated costs of actual suppression activities for the remainder

of the fire season (August/September). Costs of suppressing fires in the spring at the beginning of the next fire season are NOT included at this time.

3. The amount of general funds used under the "Declaration of Disaster Emergency" outlined in #2 are included in a supplemental funding request to the legislature in February.
4. Spring fire season starts in April/May; costs of actual suppression for the remainder of the fiscal year are estimated, and the Governor makes another "Declaration of Disaster Emergency". Actual suppression costs are determined after June 30, and the amount expended under the spring "Declaration" are included as a ratification item for a prior fiscal year in the supplemental funding request put forward to the legislature the following February.

Note: Current statute allows for a "Declaration of Disaster Emergency" to remain in effect for 30 days only (A.S. 26.23.020(c)). Due to the ongoing nature of fire suppression activities and fixed costs funded through the declaration process, once a declaration has been made, a "new" declaration must be prepared by the Governor every 30 days. New funding is typically not needed under these 30-day declarations, they are simply an extension of the original declaration, allowing DNR to continue funding fixed costs and suppression activities as necessary.

In summary, during each legislative session a supplemental funding bill is requested which includes a "supplemental" appropriation for the July through September fire season suppression and fixed costs incurred in the current fiscal year and a "ratification" amount for the prior fiscal year's spring fire costs incurred after the legislature has adjourned the prior session.

While this funding mechanism works, it is administratively cumbersome and does not portray an accurate projection of the cost of fire suppression in the annual budget presentation.

PUBLIC
SAFETY

**House Finance Subcommittee
Department of Public Safety
FY 02 Operating Budget**

The House Finance Subcommittee for the Department of Public Safety adopted the attached summary transaction sheets. The Subcommittee worked from the FY01 Management Plan contained in HB 103. General funds in this budget were obtained from the following sources:

1. A \$650,000 general fund increase to the department's base budget was added by the House Finance Committee.
2. \$950,000 of general funds was added to the base by supplanting \$500,000 of Felony Permanent Fund Dividend money and \$450,000 of federal receipts for general funds in the CDVSA BRU.
3. A one time item of \$15,000 was added back into the FY 02 budget as general funds. The money is shown in the Alaska State Trooper Criminal Investigation BRU.
4. The total general funds available for the FY02 Department of Public Safety budget is \$1,615,000.

The general fund increments funded in the subcommittee's recommendations are:

1. Labor, workers comp benefits and administrative costs	\$413,800
2. A revenue shortfall in the Fish and Game Fund	\$150,000
3. Working capital fund rate increases.	\$170,000
4. Crime Lab statewide forensic support	\$250,000
5. 2 new Fish and Wildlife Troopers	\$320,000
6. 1 new Alaska State Trooper	\$160,000
7. Law enforcement recruitment effort	\$127,000
8. Facilities Rent	\$ <u>24,300</u>
TOTAL	\$1,615,400*

*\$400 is subtracted due to two technical fund changes within the Alaska Fire Standards Council (0.1 and 0.3)

The subcommittee in the form of federal grants, interagency receipts and receipt services adopted additional increments. The adoption of these increments allowed the subcommittee to distribute all available general funds in the most efficient manner possible.

The subcommittee supported giving the Department of Public Safety the authority to use a \$1.4 million federal grant for the Alcohol Interdiction Program. The federal grant will pay for five new state troopers plus items in the Department of Law that are necessary to support the department's use of these funds

It is the desire of the subcommittee members to support the Department of Public Safety in the use of the Alcohol Interdiction Program Grant. The subcommittee supports the hiring of five new state troopers with federal funds. However, the members of the subcommittee expressed concern regarding the future of the federal grant and the new state troopers paid from the grant. The subcommittee adopted intent language that will make the future extensions of the Alcohol Interdiction Grant a priority and also expresses the desire of the subcommittee to continue to pay the five new state troopers from federal funds only.

In an effort to increase the efficiency of the Division of Fish and Wildlife Protection, the Dalton Highway BRU was collapsed into the Fish and Wildlife Protection BRU. This will give Fish and Wildlife Protection the ability to relocate a trooper to another area when there is need.

The Department of Public Safety Budget Subcommittee was able to maximize the use of the modest amount of available general funds in the budget by recognizing a federal grant that was not visible in the Governor's FY 02 budget request. The subcommittee recognized a 15 million-dollar grant that will go directly to AFN for the raises and hiring of new VPSO's throughout Alaska. This federal grant will more than cover the Governor's request for a 15% pay raise for existing VPSO's and the hiring of new VPSO's. The subcommittee is supportive of this grant and hopes that the public safety needs of villages in Alaska are met with this money.

The Council on Domestic Violence and Sexual Assault budget was held steady at the FY 01 level by the subcommittee. The subcommittee agreed that the Council has experienced general fund growth over past years. Due to the modest amount of general fund money available for the overall Department of Public Safety Budget in FY 02 funding state employee pay raises and fixed costs within the department took priority.

It is not the intention of the subcommittee to place any hardship on the Council on Domestic Violence and Sexual Assault. The subcommittee supports the Council's continued efforts to stop domestic violence in Alaska.

The House Finance Department of Public Safety Budget Subcommittee thanks the Department for communicating well with the subcommittee members and for the hours of hard work that they have put into helping the subcommittee members maximize the general funds allocated by the House Finance Committee.

The total budget for the Department of Public Safety is \$75,761,500 for FY02

**Department of Public Safety
Impact Statements in Response to
House Finance Subcommittee Budget Proposals
Date: March 2, 2001
Prepared by: Kenneth Bischoff**

Program Area: Fish and Wildlife Protection	Dollar Amount	Fund Source
FWP State Troopers	(1,280.0)	General Fund

Impact Analysis:

Two of the ten FWP State Troopers requested by the Governor are funded by this subcommittee proposal. Without approval of all ten FWP troopers, improving resource protection in important but minimally patrolled regions of the state will not be possible. Fundamental fish and game management objectives will not be achieved in those enforcement areas unable to be patrolled. Resource users will continue to access these areas without adequate patrol and user contact made by Fish and Wildlife Troopers. Locations where additional FWP enforcement is needed include Dillingham, Saint Marys, Ninilchik, Whittier, Nenana, Anchorage, Yakutat, Wrangell and Juneau.

Program Area: Alaska State Troopers	Dollar Amount	Fund Source
Alaska State Troopers	(1,440.0)	General Fund
Constable Program	(838.0)	General Fund
Avalanche Public Education, Rescue Equipment	(350.0)	General Fund
Trooper vehicles	(100.0)	General Fund

Impact Analysis:

One of ten new Alaska State Troopers requested by the Governor to be funded by general funds is included under the subcommittee proposal. Without the additional troopers, the Alaska State Troopers field operations will continue as it has in the past, which is in a purely "reactive" mode. The new trooper positions would have allowed AST to become "proactive" and get involved in "community policing". This would have given AST a much better chance at crime reduction rather than just responding to crime. Areas where these troopers are needed include Anchorage Criminal Investigations Bureau – Statewide Drug Enforcement Unit, Sitka, Bethel, King Salmon, McGrath, Galena, Talkeetna, Glennallen, Soldotna and Homer.

The impact of reduction of \$838.0 GF provides no funding for eight new constables requested by the Governor. The intent of this increment request was to establish a local certified police officer presence in rural areas of AST jurisdiction. The Department of

Public Safety has long advocated that successful law enforcement is dependent upon an effort that includes a traditional and regular law enforcement presence as well as other pro-active programs that address educational, social and community concerns. The constables, through their long-term residency in communities promote that concept. Education on important topics such as alcohol, drug and inhalant abuse, boating safety, search and rescue, and domestic violence help build an efficient and responsive public safety presence, thereby improving service and the relationships with individuals in these communities.

Failure to fund \$350.0 GF provides no funding for avalanche public education and training, search and rescue equipment, and a pilot avalanche information network system study. In the last 13 months, 9 people have been killed in avalanche incidents around the state. The lack of this funding will not allow the avalanche public education and training to expand.

The subcommittee proposal to reduce \$100.0 in GF will provide no funding to purchase 3 new trooper vehicles. These new vehicles were to help replace an aging emergency response vehicle fleet.

Program Area: Village Public Safety Officers	Dollar Amount	Fund Source
VPSO Salaries	(828.5)	General Fund
New VPSOs	(1152.1)	General Fund
VPSO Support Costs	(60.4)	General Fund

Impact Analysis:

The impact of this proposal is that there will be no salary increase for VPSOs and the number of funded VPSOs will continue at present levels. Turnover rates among VPSOs have been very high. Several actions are needed: (1) improved trooper oversight; (2) better equipment; and (3) a much-needed salary increase. In the past few years, AST has beefed up "oversight" support of the VPSOs, offered more training, and has purchased better equipment for the current VPSOs. This has in part caused the turnover rate to drop from a rate of 41% in FY1998 to a rate of 29.6% in FY2000. A salary increase is needed to reduce this rate further.

Currently, there are 73 communities without a VPSO or an Alaska Police Standards Council (APSC) certified law enforcement officer. Without the 20 new VPSOs with support costs, up to 20 rural villages will not have the resident "first responder" to public safety emergencies.

Program Area: Council On Domestic Violence and Sexual Assault	Dollar Amount	Fund Source
Victim Services	500.0	PFD Fund
Violence Against Women Act	450.0	Federal Fund

Victim Services

(950.0) General Fund

Impact Analysis:

The subcommittee approved Governor's requested increments of \$500.0 in PFD and \$450.0 federal Violence Against Women Act funding. The subcommittee also cut \$950.0 in general funds from this program. Accordingly, CDVSA will be unable to provide an additional \$500.0 in direct victims services requested by the Governor. Additionally, unless at least \$270.0 in state funding is provided, victims services will be reduced below current year levels as explained in the following paragraph.

The \$450.0 federal increment based on the Violence Against Women Act approved by the subcommittee is not available to provide victim services previously funded by \$450.0 in state general funds. Subsequent to subcommittee closeout, the Council received notice on February 28 that an additional unanticipated \$180.0 will be available in FY 02 from the Family Violence Prevention and Services federal grant program. This increase can be used for providing victim services. Accordingly, victim services provided by statewide shelter programs will be reduced from current year levels if at least \$270.0 in general funds are not restored. The Council has reviewed existing and potential federal grant programs and has been unable to identify any other federal funds authorized for these purposes that would address this FY 2002 funding problem.

REVENUE

House Finance Subcommittee
Department of Revenue
FY02 Operating Budget

The House Finance Subcommittee on the Department of Revenue closed out review of the budget at the February 21, 2001 meeting, adopting the attached summary and transaction sheets, and language amendment. The subcommittee worked from the FY01 Management plan reflected in HB 103, which included full funding for the salary increases approved by the 21st Legislature. The budget recommendations are aligned with the House Finance Committee's General Operating Budget allocation of \$ 2,017,300 and meet the Governor's request for funding.

The Subcommittee recommended a budget that maintains overall funding at a consistent level, while bringing in additional federal dollars that will allow AHFC to help Alaskans obtain affordable housing with 370 new Section 8 vouchers. The subcommittee also approved an increase in federal funding for Child Support Enforcement, a portion of which will pass through to the Alaska Court System to assist persons involved in family proceedings, with the remainder going to improve the automated child support phone system.

Finally, the subcommittee adopted language needed in the operating budget, that would guarantee the appropriation of program receipts, which may be needed to secure the amount of federal funding appropriated for FY02.

**Department of Revenue
Impact Statements in Response to
House Finance Subcommittee Budget Proposals
Date: February 28, 2001
Prepared by: Larry Persily, Deputy Commissioner**

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

There are no significant differences between the House Finance Subcommittee budget recommendations and the department's Fiscal 2002 budget request.

The department submitted three Fiscal 2002 budget amendments after the subcommittee had closed out the budget. We anticipate those amendments will be reviewed by the full House Finance Committee. The amendments cover the Permanent Fund Dividend Division, the Alaska Mental Health Trust Authority, and technical amendments regarding the Constitutional Budget Reserve Fund and Alaska Housing Finance Corporation.

TRANSPORTATION
+ PUBLIC
FACILITIES

**House Finance Subcommittee
Department of Transportation and Public Facilities
Subcommittee Report FY 02**

Budget Summary

The budget changes recommended by the subcommittee are reflected on the budget summary page.

Recommended General Fund Increment Distribution will:

- a) Fund the requested increments for Highway and Aviation Maintenance in order to keep maintenance at the current level.
- b) Fund the increments for increased contract costs for Rural Airport maintenance and snow removal.
- c) Fund increments for the needed state match for Federal highway and aviation construction and maintenance funds used in the operating budget.
- d) Fund with General Fund, those portions of salary increments that were funded with one-time funding sources in the 01 Management Plan.
- e) Adopt the Governor's Proposed Amendments and incorporate them into the committee report.
- f) Fund the Marine Highway Stabilization Fund, in the language section, at the \$27,909 general fund level. This is the 01 Management Plan level which is 980.2 above the original, 26,929.5, FY01 general fund contribution.
- g) Deny the funding source change that would have converted \$350.0, 1052 Oil/Haz fund to 1004 General Fund for the NPDES program.
- h) Reflect needed adjustments in funding source and/or receipt authority that are non-general fund.

Recommended Intent Language

- a) A substantial portion of the Governor's requested \$29,182.0 transfer from the General Fund, to the Marine Highway Stabilization Fund in the language section of the budget is based on higher fuel prices. The Department is projecting the depletion of the fund prior to the end of the 02 fiscal year and anticipates that there may be a need to reduce services if the amount is not funded. It is the intent of the Legislature that the Department should take measures to reduce operating costs and increase revenues. If those measures in combination with expected decline in fuel prices does not allow the projected 293 to 298 service weeks of service, the Department should request a supplemental appropriation.
- b) Since the Operating Budget appropriations substantially fund the current level of operations for highway and aviation maintenance, it is the intent of the Legislature that the spring road openings be maintained at the FY01 level.
- c) Since continued operation of the functioning maintenance stations is included in the FY0-1 operating plan, it is the intent of the Legislature that they will remain open during FY02.

Impact of Supplemental Budgets:

FY 2001 Supplemental HB 117

***Sec.9. INCREASED FUEL COSTS.**

The paragraph (a) portion of Sec. 9 for the Department of Transportation and Public Facilities contains \$1,711.2 in requested general fund increments for increased fuel costs.

The paragraph (b) portion of Sec. 9 contains \$457.6 in requested increments from the International Airport Revenue Fund for increased fuel costs.

These should be one-time items since increased fuel costs are reflected in the 02 proposed budget recommendations. Projections are based on an assumption that fuel costs will decline some during the 02 fiscal year.

FY 2001 Supplemental HB 117

***Sec. 13. DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES**

The four appropriations in Sec. 13 are all one-time expenditures and all are from either the International Airport Fund or from federal aviation funds. None should have an impact on the general fund portion of the FY02 operating budget.

Department of Transportation and Public Facilities
Impact Statements in Response to
House Finance Subcommittee Budget Proposals

Date: 3/1/01

Prepared by: Kurt Parkan

Program Area:	Dollar Amount(s):	Fund Source(s):
Marine Highway Stabilization	(\$1,272.3)	General Funds

Impact Analysis:

The FY02 budget request for the Alaska Marine Highway System (AMHS) is critical to effective operations and is essential to maintain the current AMHS level of service. If the request is not funded, we will be forced to reduce service as described below to meet our budget.

Ferry service for three vessels would be reduced by a total of seven operating weeks as a result of the House budget subcommittee's proposed reduction. This would create a cumulative service reduction of 10% from FY 99 levels, and continues the trend of steady reductions in vessel operating weeks over the last three years. In determining which vessel operating weeks to reduce, a mix of factors comes into play. The demand and revenue generation for a particular route, the ability to re-route other vessels to partially cover lost service, and the extension of existing lay-up or overhaul periods when the vessels are already out of service were all important factors.

The vessel operating weeks to be reduced are as follows: In the Southwest/Prince William Sound area the *M/V Kennicott* would remain in overhaul status two additional weeks, meaning the communities of Kodiak, Port Lions, Seldovia, Homer, Cordova, Chenega Bay, Tatitlek, and Valdez would be without ferry service a total of eight weeks during the winter. In Southeast, the *Malaspina* would remain in lay-up status an additional three weeks, meaning it would not start its summer service until mid June. This would create traffic backlogs and potential freight delays at the beginning of the busy summer season. The *Aurora*, which serves the southern panhandle communities, would remain in lay-up status two additional weeks thus delaying the start of its summer season. This would diminish service to all Southeast ports and extend Metlakatla's limited winter service during that period as the *LeConte* would remain on the winter panhandle route serving all Southeast small communities.

Indirectly, the major population centers of Alaska will be negatively affected through a reduction in travelers. Over 150,000 non-resident visitors used the Marine Highway during the summer of 1999. The AMHS Marketing and Pricing Study completed by the McDowell Group in September 2000 found that 46% of these visited Anchorage, 26% Matsu/Denali, 24% Fairbanks, 22% Valdez, and 19% the Kenai Peninsula.

These reductions in service would impact the Alaska Marine Highway Key Performance Measures for FY 02.

Proposed Language:

The DOT&PF budget subcommittee of the House Finance Committee adopted in their report the following language:

"A substantial portion of the Governor's requested \$29,182.0 transfer from the General Fund, to the Marine Highway Stabilization Fund in the language section of the budget is based on higher fuel prices. The Department is projecting the depletion of the fund prior to the end of the 02 fiscal year and anticipates that there may be a need to reduce services if that amount is not funded. It is the intent of the Legislature that the Department should take measures to reduce operating costs and increase revenues. If those measures in combination with the expected decline in fuel prices does not allow the projected 293 to 298 weeks of services, the Department should request a supplemental appropriation."

Impact Analysis:

The cost for fuel used in the FY 02 budget request is about \$1.01 per gallon. The average for FY 01 to date has been \$1.14 per gallon. A decrease in fuel costs has already been built into next year's budget request and it is unlikely that fuel costs for FY 02 will drop below this projection.

Without solid funding in place it would not be prudent for AMHS to produce the ferry operating schedule and take reservations for the summer of 2002 at the Governor's requested service level of 293.1 operating weeks. While we will continue to explore measures to reduce operating costs and increase revenues, the risk would be too great that we would have to cancel service already reserved by customers.

The ferry schedule for the summer of 2002 will be finalized and printed by October 2001. Beginning December 1, or earlier, we will begin taking reservations for the following summer. These advanced timelines are necessary because many visitors taking a summer vacation to Alaska plan their trip six months or more in advance. If we were to proceed with an operating schedule based on lower anticipated fuel costs or an unsure supplemental request, it would put customers at the risk of having reservations cancelled. If a supplemental request was not approved by April or May, we would be forced to cancel some of our most profitable summertime routes, which would already have advanced bookings. This would result in lost revenue, additional overtime costs to process refunds, and increased dissatisfied customers.

The number of vessel operating weeks has decreased from 316.9 in FY 99 to 293.1 proposed for FY02 as a result of insufficient funding. The budget proposed by the House Finance Sub-Committee would further reduce the operating weeks to 286.1 weeks, a reduction of 10% since FY 99. Increased fuel costs along with other unfunded cost increases over the past couple of years have all been contributing factors to the reduced service.

UNIVERSITY

House Finance Subcommittee on the University of Alaska

Budget Narrative

The House Finance Subcommittee for the University of Alaska has made the following budget recommendations to be submitted to the full House Finance Committee. These recommendations are a result of previous meetings and numerous discussions with representatives of the University.

The subcommittee recommends the following funding increases for FY02:

Increase General Funds by \$9,363,100 for a total General Fund level of \$193,500,000

Increase Federal Funds by \$20,945,900 for a total Federal Fund level of \$94,116,000

Increase Other Funds by \$1,199,100 for a total Other Fund level of \$258,643,700

Increase Total Funds by \$31,508,100 for a Total Budget of \$546,264,700

The subcommittee's recommendations are focused on the University's commitment to recruiting and retaining Alaska students, offering academic programs directed at training Alaskans to fill the jobs in highest demand today and in the future, and building the technological capacity of the state.

The subcommittee recommends increased funding for attracting and retraining Alaska's students so Alaska can keep it's best and brightest here in the State. This will ensure that Alaskan businesses and industries have a readily available workforce to draw from rather than having to recruit employees from outside Alaska.

The subcommittee recommends increased funding to enable the University of Alaska to meet Alaska's employment requests in the current and future high demand employment areas. By working together with other State Agencies, the University can craft it's courses and curriculum to meet the future needs of the Alaska workplace.

The subcommittee recommends increased funding to ensure the University of Alaska has the resources necessary to prepare for the future economic success of Alaska. This includes funding research in fish and wildlife issues, telecommunications, remote access to the world's information infrastructure, safe and responsible resources development practices, and expanding and exploiting the logistical benefits of Alaska's geographical location.

Support from the State Legislature for the University has an overwhelmingly positive affect on the students, faculty, administration and alumni of the University of Alaska. Increased funding and support can serve as a catalyst for the future success of the University. The subcommittee strongly urges the full Finance committee to give their approval to this recommendation for increased funding.

**University of Alaska
Impact Statements in Response to
House Finance Subcommittee Budget Proposals
Date: March 7, 2001
Prepared by: Pat Pitney**

Program Area:	Dollar Amount(s):	Fund Source(s):
University of Alaska	(\$9,490.8)	General Fund

Impact Analysis:

Failure to approve full funding will significantly slow down the University's progress on recently developed programs and stop new program initiatives directed at highest priority state needs including the following:

Health programs in Medical Technology, Practical Nurse Education, Radiology and Emergency Medical Technology;

Baccalaureate Teacher Education, Early Childhood Development, Education Leadership;

Student Retention and Advising programs;

Information Technology, Computer Science and Knowledge Worker programs;

Vocational Education programs in Marine Technology, Law Enforcement, Logistics and Applied Business;

Preparing for economic success with programs in Finance, e-Commerce and New Economy, Fisheries, Natural Resources, Engineering and Data Analysis.

The University of Alaska requested an FY02 general fund increment of \$16,853.9. Recently, the House Subcommittee recommended a \$9,363.1 general fund increase; however, of this amount, \$2 million is needed for on-going expenses to replace base funding not included in HB 103, \$5 million is needed to fund salaries, and \$1.4 million is required for non-discretionary cost increases to maintain a solid foundation, leaving less than \$1 million to cover program initiatives (only about one-tenth of the funding necessary).

The House Finance Subcommittee also recommended increasing UA's non-general fund receipt authority; however, UA's ability to attract the non-general fund revenue is highly contingent on the state's increased general fund investment. For example, in FY01, UA required general funds to cover 75% of salary and non-discretionary fixed costs increases. Fortunately though, tuition, federal and university receipt revenues are increasing and in FY02, only 50% of salary and non-discretionary fixed cost increases are requested from general fund dollars, while UA expects to generate external revenue for the other 50%. In FY02, for every dollar of GF investment, the University expects to more than double that amount in non-general fund revenue. Without the general fund investment, the program initiative progress will slow down (and, for some program initiatives, never start), thus threatening UA's momentum demonstrated by increasing enrollment, increasing partnerships, and increasing non-general fund revenue.