

HB

403/404

(File 2)

HFIN

FILE

GOVERNOR

GOVERNOR #1

Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By: Representative _____

ADD

Department: Governor

BRU: Executive Operations

Component: Executive Office

Fund Source

Amount

General Funds

147,500 and 2 PFT

DESCRIPTION:

Two positions and general funds were transferred from OMB to the Executive Office component to implement the Millennium Agreement. The House Finance Subcommittee accepted the transfer out, but did not approve the transfer to Executive Office.

GOVERNOR #2

Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By: Representative _____

ADD

Department: Governor

BRU: Agencywide Reductions

Component: Agency-wide Unallocated Reduction

<u>Fund Source</u>	<u>Amount</u>
<u>General Funds</u>	<u>700,400</u>
<u>General Fund Match</u>	<u>24,200</u>

DESCRIPTION:

The House Finance Subcommittee's proposal to levy an unallocated \$724,600 reduction to the Office of the Governor will reduce departmental employees by an estimated 10 full-time positions. This reduction will significantly reduce the resources available to a new governor in establishing the new administration and operations of the Governor's Office.

GOVERNOR #3

Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By: Representative _____

ADD

Department: Governor

BRU: Elections

Component: Elections

<u>Fund Source</u>	<u>Amount</u>
<u>General Funds</u>	<u>80,000</u>

DESCRIPTION:

The Voter Registration Election Management System (VREMS) is an outdated system that requires constant upgrades, programming and enhancements for daily data entry and election functions. Programmers with required experience for the system are difficult to find, forcing the division to contract for maintenance services. The current contract costs \$130,000 per year. The division has identified \$50,000 for this contact and is requesting the additional \$80,000. It is critical to have VREMS in good working condition in order to conduct election functions as well as business operations.

GOVERNOR

#4

Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By: Representative _____

ADD

Department: Governor

BRU: Executive Operations

Component: Tribal Affairs

<u>Fund Source</u>	<u>Amount</u>
<u>General Funds</u>	<u>390,000</u>

DESCRIPTION:

The requested increment will improve government-to-government relationships between the federally-recognized tribes and the state, and continue implementation of the Millennium Agreement. Funding of this request would provide sufficient resources to facilitate effective and respectful communication between tribal and state governments; assist in educational efforts to increase state employees' knowledge and appreciation of tribal cultures and governments; identify for proposed changes the statutory impediments to full coordination and cooperation between state and tribal governments; and facilitate joint state-tribal educational programs throughout the state.

H. + S.S.

H+SS #1

Draft

AMENDMENT

CSHB 403 (Fin) work draft 3/11/02

Rep _____

Add

Agency: Health Education and Social Services

Bru: Commissioner's Office (Suicide Prevention Council)

Add 125.0 GF

Suicide prevention Council was created pursuant to Chapter 84, SLA 2001 to develop and implement a statewide plan to enhance suicide prevention services and programs in order to reduce suicides in the state.

- Alaska has the highest suicide rate in the nation. Alaska's rate of 23.7 per 100,000 is over twice the national average.
- Highest rate of suicide occurred in rural Alaska and highest among the native population at 197.5 per 100,000.
- From 1994 to 1998, 658 suicides occurred in Alaska

The suicide prevention council was the first major step toward addressing this critical issue. If this money isn't restored the newly formed Suicide Prevention Council will have to be substantially reduced or eliminated before it even gets started. We need to give this program the best shot we can and fully fund it so it has a chance of success.

H+SS #2



A M E N D M E N T

TO: CSHB 404 (Fin) work draft 3/11/02
Mental Health Budget

BY:

Department of Health & Social Services
Section 1

DELETE
Page 4, lines 13-22

13 It is the intent of the legislature that the amount appropriated in this appropriation is the full
14 amount that will be appropriated for Medical Assistance for the fiscal year ending June 30,
15 2003. If the amount appropriated in this appropriation is not sufficient to cover the costs of
16 Medical Assistance for all eligible persons, the department shall eliminate coverage for
17 optional medical services that have a federal match and optionally eligible groups of
18 individuals in accordance with AS 47.07.035. It is the intent of the Legislature that requests
19 for supplemental appropriations for Medical Assistance for the fiscal year ending June 30,
20 2003 will not be approved. This intent covers the budgeted reductions to Medicaid, but does
21 not apply to any loss of funds that may occur if the department's "Fair Share" funding
22 mechanism is not approved by the federal government.

TO: CSHB 403 (Fin) work draft 3/11/02
Department of Health and Social Services

DELETE
Page 18, lines 16-25
(same language as above)

- Reduction will require services to be reduced or eliminated in some areas resulting in a loss of jobs

Child Care Benefits 100.0GF

This program provides childcare to parents as part of the welfare to work program. The TANF block grant and the state MOE provide child care subsidies for ATAP families that are working. It is a key component in the state's efforts to move parents into full-time jobs and self-sufficiency by making child care affordable. Without these subsidies it would be impossible for most ATAP parents to stay in the work force and move off of welfare. The House proposed GF cut of 100.0 will result in the loss of approx. 300.0 in federal TANF block grant funding and penalties. These cuts will result in reduced services.

Public Assistance Data Processing 141.5 GF

Public Assistance data processing maintains the eligibility information system, which keeps data current regarding a variety of benefit programs. Public assistance workers in 14 communities rely upon the EIS system for determining eligibility for ATAP, Medicaid, Food stamps, Adult Public Assistance, Denali KidCare, General Relief Assistance, and Welfare to Work. EIS also supports the management and issuance of benefits for these programs. Failure to fund this increment will result in the following impacts:

- Eliminates four existing positions, which will result in an inability of field and administrative staff to perform work in a timely and efficient manner.
- 85,000 welfare recipients depend on the timely payment of benefits through the EIS system
- Cut of 141.5 GF results in lost federal funds of 88.9 , making a total loss in funding of 230.4

Tribal Assistance 709.2 GF

Tribal Assistance is a part of the federal Temporary Assistance to Needy Families (TANF) program. In 2000, the Legislature passed a bill authorizing state MOE funding for four Native organizations with federally approved Native TANF plans. The three organizations running Native TANF programs are Tanana Chiefs Conference, Tlingit and Haida, and the Association of Village Council Presidents. Through this component, the Department provides a fair and equitable proportion of state MOE to the Native programs. The 1,400 families served by the Native programs would otherwise be served through the state's ATAP program.

- The House proposed GF cut results in the loss of \$2.1 million in federal TANF block grant funding and penalties for failure to meet the state's required maintenance of effort (MOE).
- Services and the number of people that can be helped will be greatly reduced. Individuals, families and children will be put at risk.

Public Assistance Field Services 735.8 GF

- Public Assistance Field Services provides basic eligibility services for ATAP, Food Stamps, Medicaid, Adult Public Assistance, and General Relief from 17 locations statewide.
- Total financial impact from this reduction will be 1,193.0 due to additional loss of federal dollars
- Cuts will eliminate 26 existing positions that collectively manage an average caseload of 7,046 public assistance program cases
- Worker caseloads will be an unmanageable size this could result in federal penalties that could exceed 1.0 million.

Work Services 303.3 GF

Work services is a program to help recipients enter the work force. The program provides assistance in job readiness, job search, case management, job retention and advancement, basic education, training and transportation to work.

- Proposed GF cut of 303.3 results in a loss of approx. 910.0 in federal TANF block grant funding and penalties
- Community based grantees and contractors deliver a majority of the services (25 in FY 02)

H & SS
#3



AMENDMENT

CSHB 403 (Fin) work draft 3/11/02

Rep _____

ADD

Agency: Health Education and Social Services

BRU: Medical and Public Assistance Services

Component: Alaska Temporary Assistance Program	1,000.0 GF
Tribal Assistance	709.2 GF
Public Assistance Field Services	735.8 GF
Work Services	303.3 GF
Child Care Benefits	100.0 GF
Public Assistance Data Processing	141.5 GF

Total 2,989.8 GF

Alaska Temporary Assistance Program 1,000.0 GF

ATAP is Alaska's version of the federal Temporary Assistance to Needy Families (TANF) Program. The purpose of ATAP is to provide temporary financial assistance to poor families and to help those families off assistance, out of poverty, and toward self-sufficiency through employment. Assistance payments are intended to help poor families with their basic living expenses such as rent, clothing, utilities and transportation.

Under TANF rules states are required to maintain state spending for TANF at a level no less than 80% of state spending under AFDC (old program) in federal fiscal year 1994. This is referred to as the Maintenance of Effort (MOE). States failing to meet the MOE are penalized by a dollar for dollar reduction in the annual federal grant and are required to replace lost federal dollars with state dollars. Additional penalties are assessed if additional state dollars are not provided.

- Alaska is currently at its MOE floor of \$44 million.
- The House proposed GF cut of 1.0 million means Alaska would lose approx. 3 million in federal TANF block grant funding and penalties.
- Reductions will reduce the numbers of individuals that can be helped. Unable to get needed assistance individuals, families and children will be placed at risk.

Failed
3-8

H+SS #4

AMENDMENT

CSHB 403 (Fin) draft 3/11/02

Rep _____

ADD

Agency: Health Education and Social Services
BRU: Family and Youth Services
Component: Front Line Social Workers

Add 977.5 GF

Social workers are the front line workers for the Department of Family and Youth Services. They provide services to abused and neglected children and their families trying to find the best solution for a child that has been removed from the home due to neglect or abuse. Alaska has one of the highest rates of child abuse and neglect in the nation. The cuts will result in the following:

- Lay off of 18 social workers statewide (Fbks., Palmer, Delta, Kodiak, Ft. Yukon, Haines, Wrangell, Petersburg, Sitka) Coupled with layoffs in other areas (Balloon project 14) a total of approx. 32 social workers could lose their jobs. This will increase the remaining social workers caseload by 5 cases. Social workers here already have one of the highest caseloads in the nation more than double the national standard of 15 cases in some areas. Could result in many leaving their jobs when the turn over rate is already high.
- Elimination of the Dual Trak project in Mat-Su. Under the Dual Trak program, the DFYS grantee provides services to clients determined to be at low risk. With this project DFYS is able to respond to 100% of legitimate reports of harm in the area.
- Increased caseload will effect the social workers ability to investigate reports of harm. They will be unable to investigate all reports of harm leaving some children in danger. Ability to investigate may be reduced by as much as 15 to 22% when all cuts are factored in.
- Increased caseloads will effect the social workers ability to perform crisis intervention, case planning, and other services that support children and families. Children will stay in foster care longer costing the state more money.

HOUSE FINANCE COMMITTEE

DATE: 3/14

BILL NUMBER: _____

MEMBER

YES

NO

MOSES	✓	
WHITAKER		✓
BUNDE		✓
CROFT	✓	
DAVIES	✓	
FOSTER		✓
HARRIS		✓
HUDSON		✓
LANCASTER		✓
MULDER		✓
WILLIAMS		✓

3

8

H+SS #5

AMENDMENT

CSHB 403 (Fin) draft 3/11/02

Rep _____

ADD

Agency: Health Education and Social Services
BRU: Family and Youth Services
Component: Residential Child Care

Add 666.6 GF

Residential childcare provides treatment and 24 hour facilities for Medicaid eligible children in state custody. These children are unable to remain at home and can't be placed in foster care due to severe and complex problems. These children require specialized professional treatment and 24-hour adult care.

- Proposed reduction will reduce the number of beds and services available to these children in emergency shelters, group home care, intensive residential treatment services and diagnostic treatment centers
- Will lose 22 residential care beds
- Without proper treatment, may increase number of children in juvenile facilities and eventually long term correctional center placement
- May result in closure of smaller residential care facilities
- Will shift children from treatment to simple crisis intervention on an emergency room basis with no hope of long term recovery. This is not in the long term best interest of Alaskans.

H+SS
#7

AMENDMENT

CSHB 403 (Fin) draft 3/11/02

Rep _____

ADD

Agency: Health Education and Social Services

BRU: ~~Balloon Project~~ FAMILY + YOUTH SERVICES
ADOPTION PLACEMENT PROGRAM

Add 1,649.2 GF

State and federal law requires that children placed in foster care for 15 of the past consecutive 22 months be placed in permanent homes. The Balloon project focused on this backlog of children in state custody and worked collaboratively with several agencies to place children in permanent homes. The project has been extremely successful.

- As of Dec. 15, 2001, Balloon project has placed 1,205 of the 1,603 targeted children in permanent homes resulting in a cost savings to the state
- Loss of 14 social workers and 4 attorney positions in Anch., Fbks., Nome, Palmer, Kenai, Bethel, and Juneau
- Will add 2 cases per caseworker when the average caseload already exceeds national averages (will be double the national average in some areas after ALL cuts to HESS)
- Will result in children staying in foster care longer which is more expensive, social workers will have less time to spend on investigating reports of harm, and will reduce actual cases that can be investigated
- Anticipate that a backlog of cases will reoccur within 6 to 8 months resulting in possible noncompliance with state and federal law
- When combined with other cuts children will be placed at risk and the state will fail in protecting them from harm

H + SS
#4

AMENDMENT

CSHB 403 (Fin) work draft 3/11/02

Rep _____

ADD

Agency: Health Education and Social Services

BRU: Family and Youth Services

Components: Foster Care Base Rate	Add 375.5 GF
Foster Care Augmented Rate	Add 173.9 GF
Foster Care Special Need	Add 728.2 GF

Total 1,277.6 GF

Foster Care Base Rate 375.5 GF

The foster care base rate program is designed to reimburse foster parents for the basic ongoing costs of raising a child including food, clothing, and shelter as authorized by AS 47.14. On a monthly basis approx. 1,100 children are in foster care. The current rate pays a foster parent an average payment of \$22.34 a day. The current foster care payment is based on 1993 federal poverty guidelines and does not reflect the 23.45% cost of living increase that has occurred. If the increment is not funded the following cuts will occur:

- Reduction in foster care rate further to approx. \$21.22 a day. This may cause a hardship on foster parents and result in the loss of foster care homes when there is already a shortage in many areas.
- Reduce the ability of the dept. to recruit for more foster homes. May require placement of children in more expensive settings like residential facilities.
- Potential loss of providers will impact the safety and security of children in state custody.

Foster Care Augmented Rate 173.9 GF

The Augmented foster care program reimburses foster care providers for extraordinary costs and for higher levels of supervision required for certain children with higher levels of disturbance that are not otherwise covered by the Foster Care Base rate program. If the increment is not funded the following cuts will occur:

- Prevent an estimated 24 foster children from receiving augmented benefits each month. This may cause a further financial hardship on foster parents and result in the loss of foster care homes when there is already a shortage in many areas, especially for children that are harder to care for.
- Reduce the ability of the dept. to recruit for more foster homes. May require placement of children in more expensive settings like residential facilities.
- Potential loss of providers will impact the safety and security of children in state custody.

Foster Care Special Needs 728.2 GF

The Foster Care Special Needs program is designed to reimburse foster care providers for "one-time" or "irregular" expenses authorized by AS 47.14 that are not covered by the base or augmented foster care programs. If the increment is not funded the following cuts will occur:

- DFYS will not be able to provide special needs benefits to approx. 57 children in foster care.
- Reduces the ability of the division to reimburse foster parents for expenses and to provide critical services to children. This will cause further financial hardship on foster parents and may result in the loss of foster care homes when there is already a shortage in many areas.
- Reduce the ability of the dept. to recruit for more foster homes. May require placement of children in more expensive settings like residential facilities.
- Potential loss of providers will impact the safety and security of children in state custody.

H+SS
#8

AMENDMENT

CSHB 403 (FIN)

Rep. _____

RESTORE HANDICAPPED CHILDREN'S PROGRAM

Agency: Health and Social Services
COMPONENT BRB: Maternal Child Family Health BRU: STATE HEALTH SERVICES

Fund Source: GF

Amount: 212.5

Background

This Section of Maternal, Child & Family Health (MCFH) works to develop systems of care for children, women and families. MCFH staff and grantees provide services through a variety of programs, as well as collecting and disseminating information regarding the health and well-being of women, children and families.

Impacts

- Elimination of rehabilitative and diagnostic services to 30 high risk children with special health care needs. None of these children are eligible for Medicaid and do not have any other coverage.

Public Health Labs: (226.9) Labs provide analytical and technical laboratory testing and information in support of state and national public health disease prevention programs, services and activities. Labs are the first line of defense in the rapid recognition and prevention of the spread of communicable diseases. The Anchorage lab provides bacterial testing and the Fairbanks lab provides viral testing capacity.

- Elimination of the alcohol and drugs of abuse lab will significantly hinder the Medical Examiner in establishing toxicological causes of death.
- Elimination of one full time microbiologist.
- **Loss of federal matching dollars** further erodes the ability of the lab to provide scientific and medical support for the legislatively mandated control of diseases such as tuberculosis, hepatitis and STDs.
- May jeopardize the federal bioterrorism funding.

Epidemiology: (365.2) Provides medical direction and consultation for infectious disease control, performs epidemiological investigation and follow-up on disease outbreaks of all kinds, and collects and analyzes disease reports to determine the best course of action for reducing the burden of disease and injury in Alaska.

- Reduced ability to control the spread of Tuberculosis (TB) and other diseases. (In FY 02 TB rates were over 2.5 the national rate).
- Professional staff will not be available to provide authoritative public health advice ("Is this food safe to eat?"), leverage resources from other agencies, or develop communication techniques.
- May jeopardize the federal bioterrorism funding.

Community Health Grants: (332.5) Provides aid for vision, hearing, and prematernal home services. These services are critical to the communities and residents served in rural areas.

- Alaskans currently benefiting from hearing, language, vision, and prematernal services, in rural Alaska may have to go without these services.

AMENDMENT

H... SS #9



CSHB 403 (FIN)

Rep. _____

RESTORE PUBLIC HEALTH SERVICES

Agency: Health and Social Services

BRU: ~~Public~~ Health Services

STATE

Fund Source: GF

Amount: 2,045.8

<u>Component:</u>	Public Health Nursing	1,121.2 GF
	Public Health Laboratories	226.9 GF
	Epidemiology	365.2 GF
	Community Health Grants	332.5 GF

Total 2,045.8 GF

Public Health Nursing (PHNs): (1,121.2) PHNs work to address public health concerns at the community level. They ensure children and adults are immunized, conduct communicable disease control investigations, help communities solve health problems such as injuries and family violence, and provide services not otherwise available (e.g., well-child exams in communities that do not have a local, private health care practitioner).

Ten nurses and three support staff eliminated from the Public Health Nursing program.

- Loss of federal matching funds through Medicaid (approx \$50,000 used for medical supplies, travel et cetera).
- Program will not be able to meet measures agreed upon with Legislature.
 1. Increase the immunization rate of two year olds.
 2. Reduce the spread of STD, tuberculosis, and hepatitis.
 3. Promote delayed initiation of sexual activity among teens in Alaska.
- Elimination of space for the Bethel Health Center result in a very substandard facility.
- Loss of seven nurses, who assist children in Foster Care in accessing the medical and health care services they need.
- May jeopardize the federal bioterrorism funding.

Pg 1 of 2

Services for Seriously Emotionally Disturbed Youth: (154.4) Provides aid to youth who are seriously emotionally disturbed or at high risk of becoming so and their families. Support services include evaluation and diagnosis, treatment planning, case management, life skills training, medication management, residential treatment options, psychosocial rehabilitation and education supports.

- Approximately 93 severely emotionally disturbed youth will lose services per year.

Alaska Psychiatric Institute: (1.201.4) Alaska Psychiatric Institute is a 74-bed hospital providing seven day a week, twenty-four hour inpatient care and treatment for Alaskans with severe and persistent psychiatric disorders or serious maladaptive behaviors. API serves adults and adolescents whose need for short-term, acute psychiatric services exceed the capacity of local community mental health service providers. API also provides longer-term care for organic or highly complex and difficult to place patients as well as performing court-ordered competency evaluations and treatment. Approximately 85 percent of API's clients are indigent with no third party payment resources.

- Requires API to decrease its treatment capacity by ten beds and eliminates at least 18 jobs at the hospital.
- API will have to refuse any patient that would exceed its new 64-bed capacity, diverting involuntary patients to local hospitals or local jails. (Neither hospitals nor jails are staffed, equipped, or trained to appropriately and safely manage persons experiencing a mental health crisis.)

Mental Health and Developmental Disabilities Admin-Safety Positions: (632.7) The MHDD program administers statewide community-based services for people who experience developmental disabilities. The persons responsible for coordinating this beneficial program are the Mental Health and Developmental Disabilities Administration.

- Stop adequate licensing, monitoring and investigation of the Assisted Living Homes serving our MH and DD consumers.

AMENDMENT

H+SS
#10

CSHB 403 (FIN)

Rep. _____

RESTORE MENTAL HEALTH SERVICES

Agency: Health and Social Services

BRU: ~~Mental Health Services~~ *SUBSTANCE ABUSE and DEVELOPMENTAL DISABILITIES ADMINISTRATION*

Fund Source: GF/Mental Health

Amount: 3,374.9

<u>Component:</u> Community Mental Health <i>GRANTS</i>	548.1
Psychiatric Emergency Services	508.8
Services for <i>for</i> the Chronically mentally Ill	329.5
Services for the <i>for</i> Seriously Emotionally Disturbed Children <i>YOUTH</i>	154.4
Alaska Psychiatric Institute	1,201.4
MHDD Admin- Safety Positions	632.7

Total 3,374.9

General Community Mental Health: (548.1) Alaska's Community Mental Health Program provides an array of community-based outpatient, residential, and locally provided inpatient mental health services.

- Estimated loss of mental health services to over 9,720 adults and youth per year.

Psychiatric Emergency Services: (508.8) This service provides aid to adults and youth in psychiatric crisis. Services include crisis intervention, respite, and brief therapeutic intervention to help stabilize the client.

- Eliminates three formerly general mental health grants transferred to this component terminating the capabilities for after crisis follow-up services.

Services for the Chronically Mentally Ill: (329.5) Serves adults with severe and persistent mental illnesses. Support services include evaluation and diagnosis, treatment planning, case management, life skills training, medication management, psychiatric and nursing services, vocational skills training, residential treatment options, psychosocial rehabilitation and education supports.

- Approximately 527 chronically mentally ill adults will lose their mental health services per year.

failed

HSS # 11

AMENDMENT

CSHB 403(FIN)

Rep. _____

RESTORE COMMUNITY DEVELOPMENTAL DISABILITIES GRANTS

Agency: Health and Social Services

BRU: Substance Abuse and Mental Health Developmental Disabilities Services

BRU: Community Developmental Disabilities Grants
Comp

Fund Source: GF/MH

Amount: 1072.2

Background

This program administers statewide community-based services for people who experience developmental disabilities (DD).

Impacts

- Approximately 133-167 individuals and 300-358 families will lose services.
- For one DD grantee agency in a rural area, 25 families will lose respite care.
- Cuts to vocational programs would cause two job coaches to be laid off, resulting in the **loss of jobs for 10 individuals with DD.** (Job coaches assist people with DD in maintaining paying jobs in the community).
- The number of people on the DD waitlist will rise to an all time estimated high of 2,500. (People will remain on the list until someone dies or moves to another state. Only 22 people in FY 01 came off the DD Waitlist as a result of death or someone leaving the state.)
- A 5.7 percent reduction to the small rural program in Nome would translate to a **reduction of 1,140 hours of direct care and support services to consumers,** many of who have no primary caregiver beyond overburdened family members.

HOUSE FINANCE COMMITTEE

DATE: _____

BILL NUMBER: _____

MEMBER	YES	NO
HUDSON		✓
LANCASTER		✓
MOSES	✓	
WHITAKER		✓
BUNDE		✓
CROFT	✓	
DAVIES	✓	
FOSTER		✓
HARRIS		✓
MULDER		✓
WILLIAMS		✓

LABOR +
WORKFORCE
DEV.

ADOPT

LABOR #1

Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By:

Representative

Bill Hudson

ADD

Department: Labor and Workforce Development

BRU: ~~Labor Standards and Safety~~ *office of The Commissioner*

Component: Occupational Safety & Health

Fund Source

Amount

Federal Receipts

50,000

Workers' Safety Account

23,000

DESCRIPTION:

This non-general funded increase was inadvertently excluded from the Finance Subcommittee budget proposal. This amendment would restore the additional matching funds to allow the Occupational Safety and Health component to fill an existing Industrial Hygienist position that has been held vacant for lack of sufficient state match for existing federal funds. Currently, the compliance assistance program has a two-month backlog on health consultation requests from Alaskan businesses.

Consultation visits to workplaces are an important tool to help employers avoid unnecessary workplace risks to their employees and possible health and safety violations that could result in enforcement actions or even lawsuits. Without filling this position, the program will be unable to improve on this backlog, or to implement several new and proposed partnership agreements. The program will also be unable to improve on its federally mandated annual objective of enrolling new employers in the Voluntary Protection Program and the Safety and Health Achievement Recognition Program.

LABOR #2

Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By: Representative _____

Department: Labor and Workforce Development
BRU: Labor Standards and Safety
Component: Mechanical Inspection

ADD: Intent language as follows:

“It is the intent of the Legislature to assure the safety of the public and reduce the backlog of statutorily required mechanical inspections. Upon passage of HB 262, the Mechanical Inspection allocation shall be 137.7 General funds, 1,275.8 Building Safety Account, and 229.2 Interagency receipts for a total allocation of 1,643.1. The Labor Standards and Safety appropriation roll-up will be changed to reflect the passage of HB 262 accordingly.”

DESCRIPTION:

This language would ensure funding is commensurate with the legislative intent of restoring three positions (which fund themselves through the collection of fees, with no increase in the current fee charges) that would address the current boiler/pressure vessel and elevator inspection backlogs. It would enable the department to fund two new Boiler/Pressure vessel inspectors and one new Elevator inspector to address a backlog of over 6,000 boiler/ pressure vessel and 300 elevator inspections that pose a clear and immediate risk to life and property.

LABOR

#3

X [REDACTED]



Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By: Representative _____

ADD

Department: Labor and Workforce Development

BRU: ~~Labor Standards and Safety~~ *office of The Commissioner*

Component: Mechanical Inspection

<u>Fund Source</u>	<u>Amount</u>
General Funds	<u>92,000</u>

DESCRIPTION:

This amendment provides funding for one new electrical inspector position in the Mechanical inspection program to provide a dedicated electrical inspector for the northern region. Currently the division has two inspectors to cover the entire state. Given the size of the state, and the climate difficulties, this can lead to issues with availability of inspectors and with timely inspections of new buildings. Communities with sufficient workload to support municipal inspection programs (Anchorage, Fairbanks, Juneau (residential only)) are doing so already. Electrical inspectors report they are only able to inspect approximately 40% of the electrical work being performed in their jurisdictions. This means there are a large number of projects being performed across the state, particularly in the bush that are completed without being inspected. This creates a very real potential for injury or death to unsuspecting consumers due to substandard and/or non-code electrical work.

The addition of one inspector will enhance compliance with Certificate of Fitness (CF) requirements. Major projects such as missile defense will also generate additional CF fees.

LABOR

Amendment to CS HB 403/HB 404 (FIN) work draft

#4



Offered By: Representative _____

ADD

Department: Labor and Workforce Development

BRU: ~~Labor Standards and Safety~~ office of the Commissioner

Component: Wage & Hour ADMINISTRATION

<u>Fund Source</u>	<u>Amount</u>
General Funds	<u>102,000</u>

DESCRIPTION:

This amendment provides funding for two new wage and hour technician positions, one in Anchorage and one in Fairbanks. This will increase the amount of protection for Alaska's workers, and to ensure that law-abiding contractors are not placed in a competitive disadvantage.

Wage and hour technicians monitor and audit certified payrolls to ensure that employers abide by prevailing wage standards and provide a "level playing field"; keeping the unscrupulous employer from getting an unfair competitive advantage by paying employees less than the prevailing rate of pay for a particular type of work. The audits also benefit contractors by catching payroll errors early in the process, when they are easily corrected and avoided in the future.

Without the technician positions, some audits will still be performed by wage and hour investigators, but only if complaints are received. Time spent performing audits will mean that the investigators spend less time out in the field ensuring that contractors comply with current wage laws. As a result, fewer prevailing wage violations will be found and prosecuted, fewer workers will have unpaid wages returned to them, and the amount of time it takes to close a case will increase.

In the past, the Wage and Hour program had four wage and hour technicians. Each technician generated between 30 - 60 thousand dollars per year in violations from routine audits. The program has been reduced to one technician, and the audits have become complaint-driven, and are performed by investigators. This means that potentially, up to \$200,000 per year in wages lost through payroll errors is not being returned to Alaskan workers.

LABOR
#5

Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By: Representative _____

ADD

Department: Labor and Workforce Development

BRU: Employment Security

Component: Job Training Programs

<u>Fund Source</u>	<u>Amount</u>
General Fund	<u>503.400</u>

DESCRIPTION:

This amendment restores the Finance Subcommittee elimination of all general funds from the state Job Training Programs component. This reduction represents a 36 percent cut of the total state and federal administrative funds available to the Balance (BOS) local workforce investment area. Yet, considering that the Employment Service and Job Training programs bring federal funds of \$37,381,100 to the state, these two programs had combined General Funds of only \$512,300 prior to the subcommittee's proposed cut which equated to less than two tenths of one percent (.014%) of the federal funds.

This GF reduction will cut five front line service delivery field staff, translating into a decline in delivering job-training grants that provide quality career-training opportunities for Alaskans. As a general rule, most front line case managers serve approximately 80 eligible clients per year. Worst-case scenario translates that into a loss of vital services to almost 400 Alaskans.

adopted
N/O

LABOR

#6

Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By: Representative _____

ADD

Department: Labor and Workforce Development

BRU: ~~Labor Standards and Safety~~ Office of the Commissioner

Component: Alaska Safety Advisory Council

<u>Fund Source</u>	<u>Amount</u>
--------------------	---------------

Stat. Deg. Progr. Receipts	<u>108,400</u>
----------------------------	----------------

Intent Language as follows:

"The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2002, of the Department of Labor and Workforce Development, Alaska Safety Advisory Council receipts under AS 18.60.840."

DESCRIPTION:

This amendment restores the Alaska Safety Advisory Council (ASAC) by funding its activities through Statutory Designated Program (fee) receipts. In effect, the general fund budget reduction remains. The ASAC operates entirely on fee receipts from contracts with participants (entrance fees, booth rental space and corporate sponsorships) who attend the annual safety and health conference thereby qualifying this program as a fee receipt program.

ASAC provides the following services, which would be eliminated:

- Coordination with official and unofficial organizations and agencies to reduce accidental death and injury;
- Recommendations to the governor, the legislature, state departments and federal agencies who develop laws, policies and programs addressing safety programs and accident prevention;
- Annual safety conference (one of the finest in the US) that brings together over 500 participants interested in safety and health matters.

Staff includes one seasonal clerical position and 13 non-compensated appointed positions, consisting of individuals representing labor, industry, and local, state and federal government.

LAW

LAW #1

Amendment



Offered in House Finance

Representative

ADD

Agency: Department of Law
BRU: Civil Division
Component: Unallocated Reduction

<u>Fund Source</u>	<u>Amount</u>
<u>General Funds</u>	<u>\$250.0</u>

Title: Restore Unallocated Reduction to this BRU

This reduction will result in the loss of two attorneys, or one attorney in combination with other paraprofessional and support staff positions. Whenever possible, as a matter of priority, we try to protect from cuts those legal services needed to ensure the safety and health of Alaskan citizens. As a result, this unallocated reduction will likely result in reduced legal services for other types of governmental services.

This amendment will restore funds and ensure that legal advice can continue to be provided to agencies involved with programs related to employment law, elections, protection of natural resources, legislation, state treasury, and commercial enterprises.

Amendment

LAW
#2

Offered in House Finance

Representative

ADD

Agency: Department of Law
BRU: Attorney General
Component: Unallocated Reduction

AGENCY-WIDE

<u>Fund Source</u>	<u>Amount</u>
<u>General Funds</u>	<u>\$465.4</u>

Title: Restore Unallocated Reduction

The department is uncertain how to absorb this reduction in consideration of the many other budget reductions.

"The mission of the Department of Law is to provide legal services to state government and to prosecute crime." The combined specific and unallocated budget reductions pose serious questions regarding how effectively the Department's mission can be accomplished. The department is facing directed reductions to its major functions, which can only be sustained through reductions in staff. One option for the unallocated cut would be to further reduce Oil & Gas Litigation and place a much higher certainty on the need to request supplemental funds in FY 03 in order to continue that work. Another option would involve further across-the-board reductions, which would in turn require further reductions in staff and even further limit this agency's ability to carry out its mission.

LAW
#3



A M E N D M E N T

TO: CSHB 403 (Fin) work draft 3/11/02

BY:

Department of Law

ADD:

Criminal Division

Third & Fourth Judicial Districts

104.2 GF

Civil Division

Human Services SECTION

148.3 GF

*No such
BRU or component*

This amendment provides full year funding for the new therapeutic court legislation (Ch 64, SLA 2001).

Amendment

LAW

#4



Offered in House Finance

Representative

ADD

Agency: Department of Law
BRU: Criminal Division
Component: Criminal Justice Litigation

Fund Source	Amount
<u>General Funds</u>	<u>\$135.0</u>

BRU: Civil Division
Component: Deputy Attorney General's office

Fund Source	Amount
<u>General Funds</u>	<u>\$66.8</u>

BRU: Statehood Defense
Component: Statehood Defense

Fund Source	Amount
<u>General Funds</u>	<u>\$2.3</u>

BRU: Oil & Gas LITIGATION AND LEGAL SERVICES
Component: Oil & Gas Litigation

Fund Source	Amount
<u>General Funds</u>	<u>\$10.3</u>

Title: Appropriate funds for Law Office Assistant reclassification/increased salary costs.

The House Finance Subcommittee did not include requested general funds to pay for the cost of the reclassification of this agency's former legal secretaries to law office assistants. The study was begun in the wake of a grievance filed by the union on behalf of these positions. The grievance was precipitated by an action taken by state government that resulted in a higher level of pay for non-legal secretaries in state government. It became increasingly difficult to recruit and retain competent legal support staff. To complicate matters, the job descriptions were woefully outdated. The classification study commenced in January 2000, was finalized in May of 2001, and implemented the following month. The study clearly indicated that the legal secretaries were inappropriately classified and underpaid. Without the funds to pay for the increased salary costs resulting from the reclassification of 121 support positions, some will have to be eliminated.

Amendment

LAW
#5

Offered in House Finance

Representative

ADD

Agency: Department of Law

BRU: Criminal Division

Component: Third Judicial District

<u>Fund Source</u>	<u>Amount</u>
<u>General Fund</u>	<u>\$168.4</u>

- Reinstates full year funding for new .08 percent blood alcohol content and felony DWI legislation.
- Recent drunk driving accidents and a federal mandate to lower our BAC to .08 have brought a lot of attention to drunk driving.
- In response, the Legislature has passed stiffer laws for driving while intoxicated, which require new prosecutors in Anchorage to handle the increased drunk driving prosecutions.
- Failure to adequately fund new staff required by the passage of this legislation will mean the level of prosecution will not meet the public's expectation.
- We need to continue to send a strong message that we will not tolerate drunk drivers – which we cannot do without effective prosecution.

Amendment

LAW

6



Offered in House Finance

Representative

ADD

Agency: Department of Law

BRU: Civil Division

Component: Collections and support

Fund Source
General Fund

Amount
\$106.5

- Article 1, Section 24 of the Alaska Constitution states that a crime victim has "the right to restitution from the accused."
- Many victims never receive the court ordered restitution. Those who do often had to first struggle through a long, frustrating and confusing process.
- Last year, the Legislature unanimously passed a victims' rights bill, which allowed the DOL civil division to collect restitution on behalf of crime victims. The department will be able to attach Permanent Fund Dividends, garnish wages, and take other measures to seek full restitution payment to victims.
- Without full funding for collection of restitution, the state will be unable to meet victims' expectations.

Amendment

LAW

#7

Offered in House Finance

Representative

ADD

Agency: Department of Law

BRU: Criminal Division

Component: Third and Fourth Judicial Districts UNALLOCATED REDUCTION

<u>Fund Source</u>	<u>Amount</u>
<u>General Fund</u>	<u>\$250.0</u>

- ◆ Only way to reduce prosecution costs is by reducing staff.
- ◆ Cuts will reduce prosecution staff mostly in Anchorage and Fairbanks, since satellite offices have only one or two attorneys.
- ◆ This will be especially hard for Fairbanks, since domestic violence prosecution was just shifted from the city to the state by a recent repeal of Fairbanks' domestic violence ordinance.
- ◆ This legislature has passed numerous bills to "fight crime" and is now reducing the number of people available to convict the criminals.
- ◆ Both the accused and the victim of a crime have a constitutional right to a quick resolution to a criminal proceeding. Eliminating prosecutorial positions will cause either delay or inadequately prepared cases.

MILITARY

MILITARY + VET AFF

#1

Amendment to HB 403

Offered By: Representative Mulder

ADD

Department of Military & Veterans Affairs

Commissioner's Office

Agency-wide Unallocated Reduction

Add Intent Language

"It is the intent of the Legislature that the Department of Military and Veterans Affairs eliminate the Technologies and Special Projects position, and not eliminate the State National Missile Defense Coordinator position."

Explanation: The choice of elimination of the National Missile Defense Coordinator position will limit Alaska's ability to respond to the development of the National Missile Defense activities in Alaska and thus the associated economic development. The duties of the Technologies and Special Projects can be absorbed within the department.

HOUSE FINANCE COMMITTEE

DATE: _____

BILL NUMBER: _____

MEMBER

YES

NO

BUNDE	✓	
CROFT		✓
DAVIES		✓
FOSTER	✓	
HARRIS	✓	
HUDSON	✓	
LANCASTER	✓	
MOSES		✓
WHITAKER	✓	
MULDER	✓	
WILLIAMS	✓	

8

3

MILITARY + Vet AFF

#2

A M E N D M E N T

TO: CSHB 403 (in) work draft 3/11/02

BY:

Department of Military & Veterans' Affairs

ADD:

Commissioner's Office

~~Office of the Commissioner~~

252.0 GF

AGENCY-WIDE UNALLOCATED REDUCTION

This would eliminate the unallocated reduction made to the Department, which has the potential impact of:

- 1. Closing the Alcantra Armory and eliminating the presence of the Alaska Army National Guard in the Mat-Su Valley*
- 2. Eliminates the State National Missile Defense Coordinator Position and travel.*

A M E N D M E N T

TO: CSHB 403 (Fin) work draft 3/11/02

BY:

Department of Military & Veterans' Affairs

ADD:

Alaska National Guard

Alaska Military Youth Academy

240.0 GF

This budget amendment will allow the Academy to continue providing payment of the graduate stipend, which enhances opportunities for the graduates to become successful citizens during the Phase III portion of the training cycle.

Failure to pay graduate stipends in FY'03 may result in:

- *drop in enrollment into the program as the graduates stipend is a BIG incentive to the enrollees*
- *future funding levels may be reduced The success rate is one of the statistics used by the National Guard Bureau to secure future Challenge funding*
- *less compliance during phase III means there is less contact between the mentor and the graduate to make sure they stay with their education and career plans*

NAT. RESOURCES

DNR #1

Amendment to CS HB 403/HB 404 (FIN) work draft



Offered By: Representative _____

ADD

Department: Natural Resources

BRU: Parks and Recreation Management

Component: Parks Management

<u>Fund Source</u>	<u>Amount</u>
General Fund/Program Receipts	\$1,016,100

DESCRIPTION:

A budget reduction in excess of \$1 million to park operations will cause the closure of 28 park units within 4 areas: Kenai, Northern, Mat-Su, and Southeast. The greatest impact will be to Alaskans that will no longer be able to access their favorite places to recreate. Of the over 4 million visits to parks each year, 80% are visits from Alaskans.

Parks are a necessary component of a healthy community by providing places for families to be outdoors and economical benefits to neighboring communities through purchases of gas, lodging, food, and tourism items.

DNR #2

Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By: Representative _____

ADD

Department: Natural Resources

BRU: Parks and Recreation Management

Component: Parks Management

<u>Fund Source</u>	<u>Amount</u>
General Fund	\$ 450,000
General Fund/Program Receipts	\$1,266,100

DESCRIPTION:

A budget reduction in excess of \$1 million to park operations will cause the closure of 28 park units within 4 areas: Kenai, Northern, Mat-Su, and Southeast. The greatest impact will be to Alaskans that will no longer be able to access their favorite places to recreate. Of the over 4 million visits to parks each year, 80% are visits from Alaskans.

Additionally, Parks' operations needs an increment of \$700,000 to address basic maintenance requirements. Routine maintenance is necessary to assure visitor safety and boost visitation which would increase state revenues from parks fees.

Parks are a necessary component of a healthy community by providing places for families to be outdoors and economical benefits to neighboring communities through purchases of gas, lodging, food, and tourism items.

DNR

#3

AMENDMENT to CSHB 403

Offered By: Representative _____

ADD

RS2477 NAVIGABILITY
1 Department of Natural Resources
Assertions and Litigation Support

RS2477/NAVIGABILITY ASSERTIONS AND LITIGATION SUPPORT

115.0 General Fund

This amendment would restore funding for the RS2477/NAVIGABILITY component. The Subcommittee proposes elimination of all funding for the component. This component funds activities associated with defending and asserting the State's rights under RS2477 and navigable and public waters. Elements of the RS2477 program are covered through other programs, such as rights of way and easement vacations. In the case of navigability, this funding is the sole funding source for the Department.

NAVIGABILITY: Elimination of the \$75,000 will eliminate DNR's sole navigability staff. It would eliminate the following functions:

- *Review of Federal Actions.* The Federal Government would issue conveyances to Native Corporations and other private landowners or take other actions without the benefit of the State asserting its rights to navigable waters.
- *Asserting the state's rights* ensures the public will have access to these state lands, and if the beds of navigable water bodies are already owned by the state, they shouldn't be counted against Alaska's statehood land entitlement or conveyed by the Federal Government to non-state ownership.
- *Litigation Support* – research would not be conducted in support of ongoing litigation by the Department of Law for purposes of appeal or assertion as well as responding to civil actions brought against landowners by third parties.
- Staff would not be available to respond to requests by the public for determinations of navigability.

RS 2477: The state spends much more than \$40,000 on the assertion and management of known RS 2477 easements. Eliminating this funding source means:

- DNR will curtail any research into RS 2477's that are not already identified
- Department will not be able to support ongoing or new litigation
- further reducing already slow response rate to issues related to user conflicts, easement management, and vacations.
- Issues identified for navigability above, including review of federal actions, litigation support and public inquiries also apply to RS 2477s

DNR

AMENDMENT to CSHB 403

#4

Offered By: Representative _____

ADD

Department of Natural Resources
RS 2477/NAVIGABILITY
^ Assertions and Litigation Support

RS 2477/Navigability *ASSERTIONS AND LITIGATION Support*

300.0 General Fund

These funds will allow DNR to adequately respond to public requests to locate, relocate and vacate RS 2477 and other easements. DNR has been under funded in this area for years, and their response to citizen's requests for action has been unacceptably slow.

Public demand for DNR action has dramatically increased since over 600 RS 2477s were listed in statute sever: 1 years ago (AS 19.30.400-415). The division is experiencing a large number of requests to assert RS 2477s as well as other easements and rights-of-way, to define exact locations for previously asserted easements, and to review alternative routes or vacate existing easement routes altogether. The demand for staff time to resolve these issues is large, ever-increasing, and extremely under-budgeted.

User Conflicts: A significant and growing problem is the number of conflicts among users and landowners of the more than 650 known RS 2477 rights-of-way. Resolution is time consuming and any response by DNR takes staff away from those programs that are funded (such as leasing and permitting) and that typically derive revenues for the state.

- Without this funding the public will not be served in terms of direct responses to their requests for assistance.
- If conflicts are not resolved, it is possible that easements will not be used and thereby put at risk the establishment of valid and continuous use of routes through private properties and federal withdrawals.

Easement Vacations and/or Relocations: The law requires DNR to use great care in vacating an RS 2477 Right of way, and has certain conditions that must be met prior to approval of the vacation, such as adequate and constructed alternative access.

- This often involves lengthy interviews with landowners, surveyors, and other interested parties to determine whether the route meets the RS 2477 criteria, how certain the physical location is, whether a survey or other location method needs to be performed, and whether a realignment can occur or if there is a need to vacate the easement altogether.

\$50,000 funding would allow the Department of Revenue to contract with experts on international oil and gas tax issues. Loss of this funding harms the state's ability to ensure Alaska's competitiveness among natural gas projects worldwide. Without the assistance obtained through these contracts, the state will not be as well positioned to respond to industry requests for fiscal certainty, perhaps putting the state's best interests at risk in any negotiations.

P2 of 2

AMENDMENT to CSHB 403

DNR
#5

Offered By: Representative _____

ADD

Department of Natural Resources	
Gas Pipeline Office	BRO: OIL + GAS DEVELOPMENT
204.4	General Fund
125.0	General Fund

\$204,4000 will fund those activities in the GPO that are vital to maintaining the state's financial and other interests in the pipeline but are not eligible to be reimbursed by the industry. These activities are a continuation of those performed in FY02. In FY02 the state provided the General Fund for these activities through an appropriation through LB&A.

Without these funds, the GPO cannot perform the following activities that are not directly reimbursable by the industry:

- A small percentage of time and travel to allow staff to perform work related to policy considerations, legislation, and strategy for North Slope gas to market issues.
- A small percentage of time and travel to allow staff to coordinate with federal agencies regarding gas pipeline issues in Alaska not specific to a ROW lease application, permitting or specific industry-sponsored projects.
- General office administration (budget preparation and tracking, RSA management, etc.) and personnel management not directly related to a specific ROW lease application, permitting or specific industry-sponsored projects.
- Personal services to implement a Geographical Information System what twill serve as a platform to organize land title, land status, hydrological, archaeological, geological, and other data related to a gas pipeline route through Alaska
- Specialized training required for agency liaisons related to gas pipelines and a natural gas transportation system in Alaska.

\$125,000 covers a request for \$75,000 for a North Slope Gas Pipeline Valuation Practices Study. Currently valuation for royalty purposes is governed by the terms of state leases, and valuation for tax purposes is governed by statutes and regulations.

DNR would like to retain a contractor to gather and analyze the royalty valuation provisions and practices used by other governments, such as Alberta, the U.S. Federal Government, Texas, Louisiana, Wyoming, Colorado, and Oklahoma.

The information from this study would be used in gasline negotiations initiated by the producers in 2001-2002. The impact of not funding the study will not be felt until gas flows through the gasline. From that day forward, the loss to the state could be substantial if valuation is too low or deductions are too high. **For example, every \$0.10 per mcf difference totals \$20 million per year in additional state royalties.**

P192

PUBLIC SAFETY

Public SAFETY

AMENDMENT

#1

Offered in House Finance Committee

TO: CSHB 403 (FIN) Work Draft

BY _____

Agency: Public Safety

BRU: Commissioner's Office

Component: ~~Statewide Support~~ AGENCY-WIDE UNALLOCATED REDUCTION

ADD: 298,300 General Funds

The primary role of the Commissioner's Office is strategic planning, review, approval and oversight of mission critical public safety services. Loss of personnel, travel and support will impact management of the agency.

Impacts include:

- reduction to overall management, strategic planning, and oversight
- delayed or diminished response to legislative inquiries
- delayed or diminished oversight of division compliance with statutory and legislative mandates
- diminished oversight of labor issues
- delayed changes to or adoption of regulations

Public SAFETY

#2

AMENDMENT

Offered in House Finance Committee

TO: CSHB 403 (FIN) Work Draft

BY _____

Agency: Public Safety
BRU: Fire Prevention
Component: Fire Prevention Operations

DELETE: 300,000 ~~Other Funds~~ RECEIPT SUPPORTED SERVICES
ADD: 300,000 General Funds

The subcommittee proposal to substitute program receipts for general funds jeopardizes the Public Fire Education Program, Northern Fire Service Training Region and statewide building plan reviews.

Fire Prevention collects plan review fees and based on current projections of construction in the state. It does not expect to collect the additional \$300,000 proposed by the subcommittee.

Alaska consistently ranks among the worst states in the area of fire loss. In 1999 Alaska's death rate due to fire was 3 times the national average.

Most fire fatalities occur in residential occupancies, where the State Fire Marshal has no statutory authority for inspections. The Public Education Program is intended to address this population.

Reductions to this program will require the division to decrease the building inspection frequency of schools and assembly buildings to every two years and reduce training throughout Alaska.

Public SAFETY

#3

AMENDMENT

Offered in House Finance Committee

TO: CSHB 403 (FIN) Work Draft

BY _____

Agency: Public Safety
BRU: Administrative Services
Component: Statewide Support

ADD: 820,100 General Funds

Reduction in the Administrative Services would result in the loss of positions, impacting support for human resources, budget, financial, procurement, logistics and management support.

Impacts will be felt in

- payment of vendor bills
- recruitment of new employees, including trooper recruits
- property and supply management, including stored, confiscated and unsafe weapons
- budget preparation, review and submission
- procurement of supplies and equipment

Public SAFETY

#4



AMENDMENT

To: HB 403

By: Representative

ADD

Department of Public Safety

Commissioner's Office	17.6 GF
Fish and Wildlife Protection	383.3 GF
Fire Prevention	34.4 GF
Alaska State Troopers	1,013.6 GF
Village Public Safety Officers Support	44.5 GF
Village Public Safety Officers Administration	8.2 GF
Public Safety Training Academy	18.6 GF
Administrative Services	47.1 GF
APSIN	19.2 GF
Criminal Records and ID Bureau	19.2 GF
Laboratory Services	52.8 GF

Total 1,658.5

The proposed allocation to the Department of Public Safety does not include 3rd year labor contract costs. This amendment proposes to restore that funding and is, therefore, proposing a "maintenance" budget for the department.

The result of not funding these agreements will be across the board cuts in the department. As a direct result of not funding the contract costs, the department will have to eliminate 9 state troopers and 19 seasonal fish and wildlife aides. These are the two largest reductions and are directly tied to their respective division's funding. All of the other programs not receiving these funds will also have to make cuts, often resulting in personnel reductions and slower case processing times.

LEGISLATIVE FINANCE NOTE: TITLES DO NOT REFLECT CURRENT BRU or Component designations

Failed
H-7

Public SAFETY

#5

AMENDMENT

Offered in House Finance Committee

TO: CSHB 403 (FIN) Work Draft

BY _____

ADD:

Agency: Public Safety

BRU: V SO PROGRAM

Component: ~~VPSO~~ Support

\$1,129,000 GF

This amendment will restore general fund reduction to the VPSO Support component.

The House Finance Subcommittee proposal would result in the elimination of 6 of the 9 State Trooper Positions funded in this component.

These troopers are the first responders to felony crimes in rural Alaska. VPSO's do not have the authority to make arrests and investigate felonies.

State troopers eliminated by the subcommittee proposal are directly involved in daily oversight of VPSO's and responding to the more serious crimes in their villages.

Oversight troopers travel to the villages and provide on-going training for VPSO's. These activities help establish relationships between VPSO's and Troopers that are important for the local community as well.

The reduction will also eliminate 4 Regional Public Safety Officers (RPSO) funded in the last legislative session. The RPSO program was established to provide a local certified police officer in rural areas of the state.

RPSO's are intended to augment Trooper patrol activities. RPSO's will be trained and certified by the Alaska Police Standards Council as police officers.

HOUSE FINANCE
COMMITTEE

DATE:

3/16/62

BILL NUMBER:

MEMBER

YES

NO

FOSTER	✓	
HARRIS		✓
HUDSON		✓
LANCASTER		✓
MOSES	✓	
WHITAKER		✓
BUNDE		✓
CROFT	✓	
DAVIES	✓	
MULDER		✓
WILLIAMS		✓

4

7

Public SAFETY

#6

A M E N D M E N T

TO: CSHB 403 (Fin) work draft 3/11/02

BY:

Department of Public Safety

ADD:

Alaska State Trooper Detachments

Alaska State Trooper Detachments

57.0 GF

The Department has experienced a significant increase in the costs of the forensic sexual assault exams in FY'02 (supplemental request of 87.0) This has been driven by increases in both the cost per exam and in the number of invoiced exams. This increase is projected to remain at about the FY'02 level in FY'03.

CH 57, SLA 2000 states that sexual assault and sexual abuse victims will not be required to pay, directly or indirectly, for the costs associated with forensic examinations related to the investigation of the crime.

REVENUE

REVENUE
#1

Amendment

Offered in House Finance Committee

By: Representative

To: CSHB 403

Department of Revenue, *ARU: COMMISSIONER'S OFFICE*

AGENCY-WIDE Unallocated Reduction

\$148,700 General Funds

\$136,100 General Fund Program Receipts

Regardless where the Department of Revenue assigns the unallocated reduction of \$284,800, an amount equal to the costs of the third-year labor contracts, the result will be an increase, not a decrease, in the gap between state spending and revenues. The only way to absorb the reduction is to reduce public service and Revenue management functions, which result in less revenue to the state. The unfunded third-year labor costs present an even bigger problem in the Child Support Enforcement Division. If the labor costs are not funded and the division has to absorb the reduction, it would see an additional loss of \$102,600 in federal matching funds for a total personal services reduction to the division of \$155,400.

REVENUE

#2

Amendment

Offered in House Finance Committee

By: Representative

To: CSHB 403

Department of Revenue

Commissioner's Office

<i>Agency-wide</i> Unallocated Reduction	\$422,500	General Funds
	\$ 58,300	General Fund Program Receipts

Regardless where the Department of Revenue assigns its \$480,800 unallocated reduction, the loss in general fund revenues to the state will far exceed the savings from the budget cut. The result will be an increase, not a decrease, in the gap between state spending and revenues.

REV #3

Amendment

Offered in House Finance Committee

By: Representative

To: CSHB 403

Department of Revenue

Treasury Division

BPA: REVENUE OPERATIONS

MANAGEMENT

\$130,000

\$ 20,000

\$ 50,000

Inter-agency receipts

Misc. Funds

General Fund

Salary increases for the Treasury Division's 10 exempt investment officer positions have been underfunded for the past five years and the Division can no longer absorb the cost. Alaska needs to pay competitive salaries to attract and retain skilled staff to manage the investment of public funds. The division manages more than \$18 billion in public funds, including the general fund, Constitutional Budget Reserve Fund, Public Employees Retirement Fund and Teachers Retirement Fund, and its salaries are not comparable to what trained investment officers could earn in the private sector. The failure to maintain high-quality staff could result in lower earnings on those funds.

REU #4

Amendment

Offered in House Finance Committee

By: Representative

To: CSHB 403
Department of Revenue,
Child Support Enforcement ~~Division~~

\$-66,000 Federal
\$ 34,000 GF program receipts
\$194,200 Federal
\$100,000 GF Program Receipts
\$ 60,000 GF
\$ 29,800 Federal
\$ 15,400 GF Program Receipts

- **Deny funding for increased services from the Dept. of Law**
\$100,000 (\$66K Fed + \$34K GF Prog. Rcpt.) requested in FY '03 to increase the Reimbursable Services Agreement to the Dept. of Law. This request maintains the existing level of services under a growing caseload. Failure to fund this increment will result in longer delays to the public, and will force CSED and Law to reduce assistance to parents who need to take their cases to court.
- **Deny funding for five additional child support caseworkers**
\$294,200 (\$194.2K Federal + \$100K GF Prog. Rcpt.) At the end of FY'01 the avg. caseload per child support worker in Alaska was 1,374. The average in OR was 700, and in WA it was 600. This increment would allow the hiring of five additional caseworkers so the Alaska Child Support Division could improve its collections for parents and the state. With the five additional caseworkers, the Alaska caseload would still remain far in excess of 1,000 per worker.
- **Deny use of interest on reserve account to improve services**
\$60,000 GF Would allow CSED to retain interest earned on its reserve account (maintained under AS 25.27.030). Child support collections are deposited into the account, from which checks are drawn to disperse the fund to custodial parents. The interest on the account goes into the GF, federal law penalizes Alaska for not using that interest to help pay for child support services. The amount of interest is deducted each year in the calculation of federal matching funds for Alaska's Child Support Division. The requested budget language would avoid the federal penalty and secure the full level of federal matching funds as authorized by the legislature.
- **Deny increment for state facilities rent**
\$45,200 (\$29.8K Federal + \$15.4 GF Prog. Rcpt.) The failure to fund this increment would mean the division would be forced to reduce its expenditures elsewhere, causing a reduction in public service and collections.

DOT/PF

DOT/PF
#1

A M E N D M E N T

TO: CSHB 403 (Fin) work draft 3/11/02

BY:

Department of Transportation and
Public Facilities

DELETE:

North Kenai Maintenance Station	
North Kenai Maintenance Station	370.4 GF

ADD:

Central Region Highways and Aviation	370.4 GF
--------------------------------------	----------

This amendment restores the budget structure back FY'01 category. North Kenai Maintenance Station was established as it's own separate BRU in the FY'02 budget proceedings for no apparent reason. If we are to move the Legislature to North Kenai, then perhaps this area deserves its own maintenance station, otherwise it should be retained within the regional areas of the state (central, southeast and northern).

DOT/PF # 2



AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE

To: CSHB 403 (FIN)
page 36, line 6

by _____

ADD:

AGY. Transportation & Public Facilities

BRU. Highways & Aviation

COM. Central Region *HIGHWAYS + AVIATION*

FUND SOURCE: General Funds

AMOUNT: \$1,200,700

PURPOSE: To restore funding and avoid closing three Central Region highway maintenance stations – Willow (MatSu Borough), \$592,700; Kalsin Bay (Kodiak Island Borough), \$221,900; and Ninilchik (Kenai Peninsula Borough), \$386,100. In addition to service reductions, these physical facilities would suffer deferred maintenance issues if closed.

The Parks Highway between Mile Posts 52 and 99 is a heavily traveled commercial and tourist roadway served by the Willow Station. Slower snow and ice removal in the winter will impact commercial truck traffic the most, although roadway safety becomes a greater issue for pupil transportation and local residential traffic.

Loss of the Kalsin Bay station also impacts local residential traffic, including commuters to the town of Kodiak, and to the Kodiak launch site. Roadway services would now come from the Kodiak Station, some 24 miles away, causing delays and possible safety concerns to residential and commercial entities alike.

The Ninilchik Station services a stretch of the Sterling Highway approximately 35 miles in length, between Homer and Anchor Point, and also has responsibility for several off-highway roads in that area. The same concerns for delays and safety exist for local residential traffic, commercial and school transportation entities.

DOT/PF

3

Funded 3-0

AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE

To: CSHB 403 (FIN)
page 36, line 8

by _____

ADD:

AGY. Transportation & Public Facilities

BRU. Highways & Aviation

COM. Northern Region *HIGHWAYS + AVIATION*

FUND SOURCE: General Funds AMOUNT: \$1,044,200

PURPOSE: To restore funding and avoid closing four Northern Region highway maintenance stations – Birch Lake, \$135,000; Coldfoot, \$150,000; Chitina, \$371,700; and Trims, \$387,500.

Services will be greatly reduced in the Birch Lake area, with 53 miles of Richardson Highway responsibility being spun off to the Fairbanks and Delta Stations. Some roads in this area of will be closed, and all will see delays, with implications for safety. In addition to service failures, the facility will suffer maintenance problems.

Also on the Richardson Highway, by closure of the Trim Station, another 35 miles of roadway will see curtailed maintenance, most acutely in the winter, with repair work limited to emergency calls only. Shutting down the generator which serves this building will curtail power service to other buildings nearby.

The closing of the Coldfoot Station will chiefly affect commercial traffic on the Dalton Highway, and local aviation facility service, with an increase in safety concerns for stranded vehicles. This building also will react negatively to harsh weather conditions, and increase maintenance requirements if closed.

Closing the Chitina Station will impact winter service for local residential and school transportation traffic on the Edgerton Highway, in addition to summer dust control during the tourist season.

HOUSE FINANCE
COMMITTEE

DATE: 3/16

BILL NUMBER: _____

MEMBER

YES

NO

DAVIES	✓	
FOSTER		✓
HARRIS		✓
HUDSON		✓
LANCASTER		✓
MOSES	✓	
WHITAKER		✓
BUNDE		✓
CROFT	✓	
WILLIAMS		✓
MULDER		✓

3 8

DOT/PF

4

AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE

To: CSHB 403 (FIN)
page 36, line 8

by _____

ADD:

AGY. Transportation & Public Facilities

BRU. Highways & Aviation

COM. Northern Region *Highways + Aviation*

FUND SOURCE: General Funds

AMOUNT: \$2,191,000

PURPOSE: To avoid reducing road maintenance services in the interior, affecting the Parks, Richardson, Elliot, and Dalton Highways, and to avoid the layoff of fourteen equipment operators. Because of a resulting reduction in equipment maintenance, four mechanics would be laid off. Anticipated delays in winter snow operations under a reduced maintenance plan, would likely double storm response times, and affect all roads in the Northern Region. Summer maintenance activities, such as pothole repair, brush cutting, and drainage work, would be reduced, affecting the increased road useage by tourists.

DOT/PF

5

AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE

To: CSHB 403 (FIN)
page 36, line 6

by _____

ADD:

AGY. Transportation & Public Facilities

BRU. Highways & Aviation

COM. Central Region *Highways + AVIATIONS*

FUND SOURCE: General Funds

AMOUNT: \$219,300

PURPOSE: To restore funding and keep Central Region aviation maintenance levels at status quo. If the reduction holds, both summer and winter maintenance activities will be eliminated, and emergency medical flights will be limited to helicopter service only. This will negatively impact travel and other services to twenty small localities.

DOT/PF

6

AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE

To: CSHB 403 (FIN)
page 36, line 8

by _____

ADD:

AGY. Transportation & Public Facilities

BRU. Highways & Aviation

COM. Central Region *HIGHWAYS + AVIATIONS*

FUND SOURCE: General Funds

AMOUNT: \$73,200

PURPOSE: To restore funding and keep Northern Region aviation maintenance levels at status quo. If the reduction carries, twelve small localities will see an elimination of maintenance services which support local residents, tourists, and hunters. There are likely no local services available to perform these duties once the state curtails service.

DOT/PF

7

AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE

To: CSHB 403 (FIN)
page 36, line 8

by _____

ADD:

AGY. Transportation & Public Facilities

BRU. Highways & Aviation

COM. Northern Region *Highways & AVIATIONS*

FUND SOURCE: General Funds

AMOUNT: \$1,347,800

PURPOSE: To keep from completely eliminating winter roadway maintenance on portions of the Steese Highway, the Elliott Highway, the Nome-Council road and others in the Nome area, and on the Ruby-Poorman Road. Unpredictability of use and safety implications for essential traffic on these roads increases considerably.

DOT/PF

8

AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE

To: CSHB 403 (FIN)
page 36, line 10

by _____

ADD:

AGY. Transportation & Public Facilities

BRU. Highways & Aviation

COM. Southeast Region *HIGHWAYS & AVIATION S*

FUND SOURCE: General Funds

AMOUNT: \$874,000

PURPOSE: To keep from eliminating maintenance services on Category I, II, and III roads in Southeast Alaska. These reductions will negatively impact nine communities, and includes approximately forty-six roadways. There will be impacts on aviation because of slowed winter maintenance at the Peters-burg and Wrangell airports. The potential need to reduce speed limits on some roadways is a likelihood because of delayed snow removal, and there will be less snow removal on weekends.

DOT/PF

9

AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE

To: CSHB 403 (FIN)
page 36, line 6

by _____

ADD:

AGY. Transportation & Public Facilities

BRU. Highways & Aviation

COM. Central Region *HIGHWAYS + AVIATIONS*

FUND SOURCE: General Funds

AMOUNT: \$1,358,000

PURPOSE: To restore funding for current service levels in the Central Region, and avoid reduced contract snow hauling in Anchorage, equipment operator layoffs within the region, equipment retirement and reassignment, and other administrative functions in support of acceptable levels of maintenance.

Failed
5-4

DOT/PF

#10

Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By: Representative _____

ADD

Department: Transportation and Public Facilities

BRU: Marine Highway System

Component: Marine Vessel Operations

<u>Fund Source</u>	<u>Amount</u>
1076 Marine Hwy Fund	\$4,234,400

AMEND section 15 to read:

The sum of \$45,769,800 [\$40,968,400] is appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060).

DESCRIPTION:

This two part amendment will restore operating weeks of the Alaska Marine Highway System to FY99/00 planned service levels; add new service by the Metlakatla shuttle in the spring of 2003; support fuel price increases from FY99/00; and fund the general fund portion of the Year 3 labor contracts.

HOUSE FINANCE
COMMITTEE

DATE:

3/16/02

BILL NUMBER:

Am 10

MEMBER

YES

NO

MOSES	✓	
WHITAKER		✓
BUNDE		✓
CROFT	✓	
DAVIES	✓	
FOSTER		✓
HARRIS		✓
HUDSON	✓	
LANCASTER		✓
MULDER		✓
WILLIAMS	✓	.

5 - 6

adopted
N/O

DOT/PF #11

Amendment to HB 403

Offered By: Representative Hudson & Williams

ADD

Department of Transportation & Public Facilities

Marine Highway System

Marine Vessel Operations

Fund Source

Amount

Marine Highway Funds 1076

\$4,000.0

This will allow the marine highway system to increase its revenue charges to offset operating cost increases.

UNIVERSITY

UNIVERSITY #1

Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By: Representative _____

ADD

Department: University of Alaska

BRU: UNIVERSITY OF ALASKA

Component: Budget Reductions/ ADDITIONS SYSTEMWIDE

<u>Fund Source</u>	<u>Amount</u>
<u>General Fund</u>	<u>\$16,989,700</u>

DESCRIPTION:

This amendment fully funds the Board of Regents' University of Alaska FY03 request.

The work draft also replaces the \$4.6 million in one-time funds, which do not represent an increase in service; ACPE Dividend (\$2.0) and ASTF (\$2.6).

UNIVERSITY #2



Failed

Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By: Representative _____

ADD

Department: University of Alaska

ERU: ~~Statewide~~ UNIVERSITY OF ALASKA

Component: Unallocated ~~addition/reduction~~ REDUCTION/ADDITION SYSTEMS

Fund Source:	Amount:
<u>General Fund</u>	<u>\$5,665,300</u>

DESCRIPTION:

This amendment fully funds the Board of Regents University of Alaska FY03 request necessary to pay negotiated pay increases for university faculty and staff including those in collective bargaining units. The pay increases for organized employees are 2.6% and for non-organized employees range from 1 to 3%, depending on longevity and placement.

The request includes:

Negotiated pay raises for cbu's	2,515,300
Pay raises for non-organized staff	<u>3,150,000</u>
TOTAL	<u>\$5,665,300</u>

HOUSE FINANCE COMMITTEE

DATE: _____

BILL NUMBER: _____

MEMBER	YES	NO
CROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DAVIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FOSTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HARRIS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HUDSON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
LANCASTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
MOSES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WHITAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BUNDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
MULDER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
WILLIAMS	<input type="checkbox"/>	<input checked="" type="checkbox"/>

UNIVERSITY

#3

Amendment to CS HB 403/HB 404 (FIN) work draft

Offered By: Representative _____

ADD

Department: University of Alaska

BRU: ~~Statewide~~ UNIVERSITY OF ALASKA

Component: Unallocated ~~addition/reduction~~ ADDITIONS SYSTEMWIDE

Fund Source: _____ Amount: _____

General Fund \$9,516,400

DESCRIPTION:

This amendment fully funds the Board of Regents University of Alaska FY03 request necessary to maintain existing programs. The pay increases for organized employees are 2.6% and for non-organized employees range from 1 to 3%, depending on longevity and placement.

The request includes:

Negotiated pay raises for cbu's	2,515,300
Pay raises for non-organized staff	3,150,000
Non-discretionary fixed costs	2,451,100
Administrative Program Support	<u>1,400,000</u>
TOTAL	9,516,400