

HB

365

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
 APR 11 2006
 SENATE FINANCE COMMITTEE

DATE: 3/30/06

FURTHER:

DATE TURNED
 IN TO OFFICE: 12 April 2006

Finance Committee considered CS FOR HOUSE BILL NO. 365(FIN) am(brf sup maj fld)

HB 365 APPROP: OPERATING BUDGET/LOANS/FUNDS

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making appropriations for state aid to public schools, centralized correspondence study, and transportation of pupils; and providing for an effective date."

and recommends:

- be replaced with S CS CS HB 365 (FIN)
- adopt previous _____ CS CS forthcoming (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

CS Senate Bill:
 Same Title
 New Title

SCS House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 12, 2006

SUBJECT: Flagging issue of use of retirement accounts
(SCS CSHB 365(FIN))

TO: Senator Gary Wilken
Attn: James Armstrong

FROM: Dennis C. Bailey *DCB*
Legislative Counsel

I am flagging for your attention an issue concerning the amendment to section 11(d) of the operating appropriations bill, SCS CSHB 365(FIN), that has been incorporated into the bill at your request. The concern involves use of money from retirement funds. I assume that the retirement funds are trust funds that limit the use of the funds. Before finalizing the appropriation, it is advisable to confirm that use of funds from these sources does not create a problem or conflict with the terms of the trust, the duties of the trustee, or the status of the trust.

If I may be of further assistance, please advise.

DCB:med
06-301.med

Enclosure



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 11 April 2006 TIME: 1:25 pm

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 89

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
FAX: 465-2187

NOTES: Final Please
SCS CS HB 305(FIN) 24-GH2033/P
Bailey 4/5/06
Plus 7 amendments
attached

Thanks
Mindy

Adopted 4/5/06

WORK DRAFT

WORK DRAFT

WORK DRAFT

24-GH2033NP

Bailey

4/5/06

SENATE CS FOR CS FOR HOUSE BILL NO. 365(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

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

A BILL

FOR AN ACT ENTITLED

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

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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

1 * Section 1. The following appropriation items are for increases in operating expenditures
 2 from the general fund or other funds as set out in section 2 of this Act to the agencies named
 3 for the fiscal year ending June 30, 2006.

	Appropriation	General	Other
	Allocations	Funds	Funds

*****	*****		
***** Department of Administration *****			
*****	*****		

9 Centralized Administrative	65,730,800	13,041,700	52,689,100
10 Services			

11 The amount appropriated by this appropriation includes the unexpended and unobligated
 12 balance on June 30, 2006, of inter-agency receipts appropriated in sec. 1, ch. 4, FSSLA 2005,
 13 page 2, line 12, and collected in the Department of Administration's federally approved cost
 14 allocation plans.

15 Office of Administrative	1,358,200
16 Hearings	
17 DOA Leases	3,147,000
18 Office of the Commissioner	802,000
19 Administrative Services	2,162,000
20 DOA Information Technology	1,150,100
21 Support	
22 Finance	7,092,300
23 State Travel Office	1,811,300
24 Personnel	14,349,300
25 Labor Relations	1,149,300
26 Purchasing	1,118,400
27 Property Management	983,700
28 Central Mail	2,710,300
29 Centralized Human Resources	285,700
30 Retirement and Benefits	12,948,900
31 Group Health Insurance	14,349,400

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Labor Agreements	50,000		
4	Miscellaneous Items			
5	Centralized ETS Services	262,900		
6	Leases	40,597,600		40,597,600
7	The amount appropriated by this appropriation includes the unexpended and unobligated			
8	balance on June 30, 2006, of inter-agency receipts appropriated in sec. 1, ch. 4, FSSLA 2005,			
9	page 3, line 7, and collected in the Department of Administration's federally approved cost			
10	allocation plans.			
11	Leases	39,595,100		
12	Lease Administration	1,002,500		
13	State Owned Facilities	9,525,600	1,163,600	8,362,000
14	Facilities	7,439,300		
15	Facilities Administration	794,400		
16	Non-Public Building Fund	1,291,900		
17	Facilities			
18	Administration State	622,800	552,600	70,200
19	Facilities Rent			
20	Administration State	622,800		
21	Facilities Rent			
22	Special Systems	1,853,100	1,853,100	
23	Unlicensed Vessel	75,000		
24	Participant Annuity			
25	Retirement Plan			
26	Elected Public Officers	1,778,100		
27	Retirement System Benefits			
28	Enterprise Technology Services	42,449,000	4,659,600	37,789,400
29	Enterprise Technology	42,449,000		
30	Services			
31	Information Services Fund	55,000		55,000
32	Information Services Fund	55,000		

33 This appropriation to the Information Services Fund capitalizes a fund and does not lapse.

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
3	Public Communications Services	5,040,400	3,816,700	1,223,700
4	Public Broadcasting	54,200		
5	Commission			
6	Public Broadcasting - Radio	2,469,900		
7	Public Broadcasting - T.V.	470,300		
8	Satellite Infrastructure	2,046,000		
9	AIRRES Grant	100,000	100,000	
10	AIRRES Grant	100,000		
11	Risk Management	37,867,300		37,867,300
12	Risk Management	37,867,300		
13	Alaska Oil and Gas	4,915,300		4,915,300
14	Conservation Commission			
15	Alaska Oil and Gas	4,915,300		
16	Conservation Commission			
17	The amount appropriated by this appropriation includes the unexpended and unobligated			
18	balance on June 30, 2006, of the receipts of the Department of Administration, Alaska Oil and			
19	Gas Conservation Commission receipts account for regulatory cost charges under AS			
20	31.05.093 and permit fees under AS 31.05.090.			
21	Legal and Advocacy Services	31,545,600	30,645,100	900,500
22	Office of Public Advocacy	15,023,800		
23	Public Defender Agency	16,521,800		
24	Violent Crimes Compensation	1,659,000	466,700	1,192,300
25	Board			
26	Violent Crimes Compensation	1,659,000		
27	Board			
28	Alaska Public Offices	765,900	765,900	
29	Commission			
30	Alaska Public Offices	765,900		
31	Commission			
32	Motor Vehicles	11,891,800		11,891,800
33	Motor Vehicles	11,891,800		

	Appropriation	General	Other	
	Allocations	Funds	Funds	
1				
2				
3	General Services Facilities		39,700	
4	Maintenance			
5	General Services Facilities		39,700	
6	Maintenance			
7	ITG Facilities Maintenance		23,000	
8	ETS Facilities Maintenance		23,000	
9	*****		*****	
10	***** Department of Commerce, Community and Economic Development *****			
11	*****		*****	
12	Executive Administration	4,925,800	1,311,700 3,614,100	
13	Commissioner's Office	830,300		
14	Administrative Services	4,095,500		
15	Community Assistance &	10,870,000	1,306,800 9,563,200	
16	Economic Development			
17	Community Advocacy	8,144,100		
18	A total of \$87,500 of this appropriation may be spent by the Division of Community			
19	Advocacy for no other purpose than a study to determine the economic feasibility and			
20	financial impact of separating the greater Eagle River - Chugiak region from the Municipality			
21	of Anchorage and incorporating that region into a separate borough government.			
22	A total of \$90,000 of this appropriation may be spent by the Division of Community			
23	Advocacy for no other purpose than a study to determine the economic feasibility of			
24	establishing a borough in an area encompassing the cities of Angoon, Kake, Hoonah, Pelican,			
25	Gustavus, and Tenakee Springs and the unincorporated community of Elfin Cove.			
26	Office of Economic	2,725,900		
27	Development			
28	The amount appropriated to the Office of Economic Development includes \$1,000,000 of the			
29	unexpended and unobligated balance on June 30, 2006, of business license receipts under AS			
30	43.70.030; and corporations receipts collected under AS 10.50, AS 10.06, AS 10.15, AS			
31	10.20, AS 10.25, AS 10.35, AS 10.40, AS 10.45, AS 32.06, AS 32.11, and AS 45.50.			
32	Statehood Celebration	139,400	139,400	
33	Commemorative Coin	46,600		

		Appropriation	General	Other
		Allocations	Funds	Funds
1				
2				
3	Commission			
4	Statehood Celebration	92,800		
5	Commission			
6	Revenue Sharing		17,600,000	17,600,000
7	Payment in Lieu of Taxes	6,250,000		
8	(PILT)			
9	National Forest Receipts	9,750,000		
10	Fisheries Taxes	1,600,000		
11	Qualified Trade Association		5,005,100	5,005,100
12	Contract			
13	Qualified Trade Association	5,005,100		
14	Contract			
15	Investments		4,171,400	4,171,400
16	Investments	4,171,400		
17	Alaska Aerospace Development		24,126,200	24,126,200
18	Corporation			
19	The amount appropriated by this appropriation includes the unexpended and unobligated			
20	balance on June 30, 2006, of corporate receipts of the Department of Commerce, Community,			
21	and Economic Development, Alaska Aerospace Development Corporation.			
22	Alaska Aerospace	3,196,100		
23	Development Corporation			
24	Alaska Aerospace	20,930,100		
25	Development Corporation			
26	Facilities Maintenance			
27	Alaska Industrial Development		7,792,500	7,792,500
28	and Export Authority			
29	Alaska Industrial	7,505,500		
30	Development and Export			
31	Authority			
32	Alaska Industrial	287,000		
33	Development Corporation			

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Facilities Maintenance			
4	Alaska Energy Authority	29,965,900	299,300	29,666,600
5	Alaska Energy Authority	1,067,100		
6	Owned Facilities			
7	Alaska Energy Authority	3,504,100		
8	Rural Energy Operations			
9	Alaska Energy Authority	100,700		
10	Technical Assistance			
11	Alaska Energy Authority	25,294,000		
12	Power Cost Equalization			
13	Alaska Seafood Marketing	18,048,500	2,000,000	16,048,500
14	Institute			
15	Alaska Seafood Marketing	18,048,500		
16	Institute			
17	The amount appropriated by this appropriation includes the unexpended and unobligated			
18	balance on June 30, 2006, of the receipts from the salmon marketing tax (AS 43.76.110), from			
19	the seafood marketing assessment (AS 16.51.120), and from program receipts of the Alaska			
20	Seafood Marketing Institute.			
21	Banking and Securities	2,142,100		2,142,100
22	Banking and Securities	2,142,100		
23	Community Development Quota	436,100		436,100
24	Program			
25	Community Development Quota	436,100		
26	Program			
27	Insurance Operations	5,923,900		5,923,900
28	Insurance Operations	5,923,900		
29	The amount appropriated by this appropriation includes the unexpended and unobligated			
30	balance on June 30, 2006, of the Department of Commerce, Community, and Economic			
31	Development, division of insurance, program receipts from license fees and service fees.			
32	Corporations, Business and	9,760,300		9,760,300
33	Professional Licensing			

	Appropriation	General	Other
	Allocations	Funds	Funds
3	The amount appropriated by this appropriation includes the unexpended and unobligated		
4	balance on June 30, 2006, of business license receipts under AS 43.70.030; and corporations		
5	receipts collected under AS 10.50, AS 10.06, AS 10.15, AS 10.20, AS 10.25, AS 10.35, AS		
6	10.40, AS 10.45, AS 32.06, AS 32.11, and AS 45.50, less \$1,000,000.		
7	Corporations, Business and	9,760,300	
8	Professional Licensing		
9	The amount appropriated by this appropriation includes the unexpended and unobligated		
10	balance on June 30, 2006, of the Department of Commerce, Community, and Economic		
11	Development, division of corporations, business and professional licensing, receipts from		
12	license fees under AS 08.01.065(a), (c), and (f).		
13	Regulatory Commission of	6,493,100	150,000
14	Alaska		6,343,100
15	Regulatory Commission of	6,493,100	
16	Alaska		
17	The amount appropriated by this appropriation includes the unexpended and unobligated		
18	balance on June 30, 2006, of the Department of Commerce, Community, and Economic		
19	Development, Regulatory Commission of Alaska receipts account for regulatory cost charges		
20	under AS 42.05.254 and AS 42.06.286.		
21	DCED State Facilities Rent	962,300	494,600
22	DCED State Facilities Rent	962,300	467,700
23	Alaska State Community	3,240,700	76,100
24	Services Commission		3,164,600
25	Alaska State Community	3,240,700	
26	Services Commission		
27	*****	*****	
28	***** Department of Corrections *****		
29	*****	*****	
30	Administration and Support	49,197,300	37,031,200
31	Office of the Commissioner	1,283,700	
32	Correctional Academy	915,800	
33	Administrative Services	2,368,600	

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Information Technology MIS	1,568,300		
4	Research and Records	402,100		
5	Facility-Capital	695,900		
6	Improvement Unit			
7	Offender Habilitation	2,641,200		
8	Programs			
9	Community Jails	6,115,400		
10	Classification and Furlough	2,613,600		
11	Facility Maintenance	9,780,500		
12	DOC State Facilities Rent	142,400		
13	Out-of-State Contractual	20,669,800		
14	Inmate Health Care		18,768,500	836,600
15	Inmate Health Care	18,768,500		
16	Institutional Facilities		98,905,000	9,746,500
17	Institution Director's	798,400		
18	Office			
19	Correctional Industries	3,230,000		
20	Product Cost			
21	Inmate Transportation	1,965,400		
22	Point of Arrest	642,200		
23	Anchorage Correctional	21,952,000		
24	Complex			
25	Anvil Mountain Correctional	4,719,000		
26	Center			
27	Combined Hiland Mountain	8,722,300		
28	Correctional Center			
29	Fairbanks Correctional	8,181,600		
30	Center			
31	Ketchikan Correctional	3,215,500		
32	Center			
33	Lemon Creek Correctional	6,950,500		

		Appropriation	General	Other
		Allocations	Funds	Funds
1				
2				
3	Center			
4	Matanuska-Susitna	3,293,000		
5	Correctional Center			
6	Palmer Correctional Center	10,250,400		
7	Spring Creek Correctional	16,475,800		
8	Center			
9	Wildwood Correctional Center	9,908,400		
10	Yukon-Kuskokwim	5,127,000		
11	Correctional Center			
12	Point MacKenzie	3,220,000		
13	Correctional Farm			
14	Existing Community		13,897,100	9,218,000
15	Residential Centers			4,679,100
16	Existing Community	13,897,100		
17	Residential Centers			
18	It is the intent of the Legislature that that the Department of Corrections no longer renew the			
19	contract with Parkview Community Residential Center to provide transitional housing			
20	services in the Anchorage area. Current residents will be relocated to other transitional			
21	housing units in the Anchorage area by July 1, 2006.			
22	Probation and Parole		13,651,500	12,683,400
23	Probation and Parole	1,539,400		968,100
24	Director's Office			
25	Statewide Probation and	11,490,600		
26	Parole			
27	Parole Board	621,500		
28	*****		*****	
29	***** Department of Education and Early Development *****			
30	*****		*****	
31	K-12 Support		37,208,600	32,749,000
32	Foundation Program	32,749,000		
33	Boarding Home Grants	185,900		

		Appropriation	General	Other
		Items	Funds	Funds
	Allocations			
1				
2				
3	Youth in Detention	1,100,000		
4	Special Schools	3,173,700		
5	Education Support Services	4,653,200	2,947,900	1,705,300
6	Executive Administration	784,700		
7	Administrative Services	1,227,700		
8	Information Services	603,500		
9	School Finance & Facilities	2,037,300		
10	Teaching and Learning Support	207,397,100	11,778,500	195,618,600
11	Student and School	162,379,800		
12	Achievement			
13	Statewide Mentoring Program	2,500,000		
14	Teacher Certification	663,100		
15	The amount allocated for Teacher Certification includes the unexpended and unobligated			
16	balance on June 30, 2006, of the Department of Education and Early Development receipts			
17	from teacher certification fees under AS 14.20.020(c).			
18	Child Nutrition	35,515,900		
19	Head Start Grants	6,338,300		
20	Commissions and Boards	1,598,500	623,200	975,300
21	Professional Teaching	251,900		
22	Practices Commission			
23	Alaska State Council on the	1,346,600		
24	Arts			
25	Alaska Challenge Youth Academy	4,802,400	4,802,400	
26	Alaska Challenge Youth	4,802,400		
27	Academy			
28	Mt. Edgecumbe Boarding School	6,883,700	3,349,000	3,534,700
29	Mt. Edgecumbe Boarding	6,883,700		
30	School			
31	State Facilities Maintenance	2,766,900	1,763,300	1,003,600
32	State Facilities Maintenance	964,600		
33	EED State Facilities Rent	1,802,300		

		Appropriation	General	Other
		Items	Funds	Funds
	Allocations			
1				
2				
3	Alaska Library and Museums	8,193,600	6,247,000	1,946,600
4	Library Operations	5,564,700		
5	Archives	873,700		
6	Museum Operations	1,755,200		
7	Alaska Postsecondary	13,363,000	1,546,700	11,816,300
8	Education Commission			
9	Program Administration &	11,816,300		
10	Operations			
11	WWAMI Medical Education	1,546,700		
12	*****		*****	
13	***** Department of Environmental Conservation *****			
14	*****		*****	
15	Administration	6,558,300	2,221,800	4,336,500
16	Office of the Commissioner	838,300		
17	Information and	4,120,300		
18	Administrative Services			
19	State Support Services	1,599,700		
20	DEC Buildings Maintenance and	550,000	502,900	47,100
21	Operations			
22	DEC Buildings Maintenance	550,000		
23	and Operations			
24	Environmental Health	21,066,500	6,994,400	14,072,100
25	Environmental Health	305,400		
26	Director			
27	Food Safety & Sanitation	3,637,400		
28	Laboratory Services	2,814,700		
29	Drinking Water	4,540,200		
30	Solid Waste Management	1,905,200		
31	Air Director	241,700		
32	Air Quality	7,621,900		
33	Spill Prevention and Response	15,761,500		15,761,500

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	Spill Prevention and		
4	Response Director		
5	Contaminated Sites Program		
6	Industry Preparedness and		
7	Pipeline Operations		
8	Prevention and Emergency		
9	Response		
10	Response Fund Administration		
11	Water	17,310,100	6,474,000
12	Water Quality	11,004,800	
13	Facility Construction	6,305,300	
14	*****	*****	
15	***** Department of Fish and Game *****		
16	*****	*****	
17	Commercial Fisheries	58,412,500	26,104,300
18	The amount appropriated for Commercial Fisheries includes the unexpended and unobligated		
19	balance on June 30, 2006, of the Department of Fish and Game receipts from commercial		
20	fisheries test fishing operations receipts under AS 16.05.050(a)(15).		
21	Southeast Region Fisheries	5,897,600	
22	Management		
23	Central Region Fisheries	7,539,400	
24	Management		
25	AYK Region Fisheries	4,708,400	
26	Management		
27	Westward Region Fisheries	7,620,100	
28	Management		
29	Headquarters Fisheries	6,788,500	
30	Management		
31	Commercial Fisheries	25,858,500	
32	Special Projects		
33	The amount appropriated to the Commercial Fisheries Special Projects allocation includes the		

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	unexpended and unobligated balances on June 30, 2005 and June 30, 2006, of the Department		
4	of Fish and Game, Commercial Fisheries Special Projects, receipt supported services from		
5	taxes on dive fishery products.		
6	Sport Fisheries	46,526,000	1,881,300
7	Sport Fisheries	46,526,000	44,644,700
8	Wildlife Conservation	32,028,600	1,683,300
9	Wildlife Conservation	19,540,200	30,345,300
10	Wildlife Conservation	4,689,200	
11	Restoration Program		
12	Wildlife Conservation	7,799,200	
13	Special Projects		
14	Hunter Education Public	806,100	1,100
15	Shooting Ranges		805,000
16	Hunter Education Public	806,100	
17	Shooting Ranges		
18	Administration and Support	23,665,600	7,151,600
19	Commissioner's Office	1,364,500	16,514,000
20	Administrative Services	8,394,000	
21	Fish and Game Boards and	1,779,600	
22	Advisory Committees		
23	State Subsistence	4,494,600	
24	EVOS Trustee Council	4,338,400	
25	State Facilities Maintenance	1,008,800	
26	Fish and Game State	2,285,700	
27	Facilities Rent		
28	Commercial Fisheries Entry	3,540,700	297,900
29	Commission		3,242,800
30	The amount appropriated for Commercial Fisheries Entry Commission includes the		
31	unexpended and unobligated balance on June 30, 2006, of the Department of Fish and Game,		
32	Commercial Fisheries Entry Commission, program receipts from licenses, permits and other		
33	fees.		

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	Commercial Fisheries Entry	3,540,700	
4	Commission		
5	*****	*****	
6	***** Office of the Governor *****		
7	*****	*****	
8	Commissions/Special Offices	1,747,800	1,580,100
9	Human Rights Commission	1,747,800	
10	Executive Operations	10,686,400	9,831,600
11	Executive Office	9,580,600	
12	Governor's House	395,800	
13	Contingency Fund	710,000	
14	Office of the Governor State	815,600	815,600
15	Facilities Rent		
16	Governor's Office State	387,600	
17	Facilities Rent		
18	Governor's Office Leasing	428,000	
19	Office of Management and	2,171,500	2,171,500
20	Budget		
21	Office of Management and	2,171,500	
22	Budget		
23	Lieutenant Governor	1,009,600	1,009,600
24	Lieutenant Governor	1,009,600	
25	Elections	2,879,000	2,377,000
26	Elections	2,879,000	502,000
27	*****	*****	
28	***** Department of Health and Social Services *****		
29	*****	*****	
30	No money appropriated in this appropriation may be expended for an abortion that is not a		
31	mandatory service required under AS 47.07.030(a). The money appropriated for Health and		
32	Social Services may be expended only for mandatory services required under Title XIX of the		
33	Social Security Act and for optional services offered by the state under the state plan for		

		Appropriation	General	Other
		Allocations	Funds	Funds

3 medical assistance that has been approved by the United States Department of Health and
 4 Human Services. This statement is a statement of the purpose of the appropriation and is
 5 neither merely descriptive language nor a statement of legislative intent.

6 It is the intent of the legislature that the Department continues to aggressively pursue
 7 Medicaid cost containment initiatives. Efforts should continue where the Department
 8 believes additional cost containment is possible including further efforts to contain travel
 9 expenses. The Department must continue efforts imposing regulations controlling and
 10 materially reducing the cost of Personal Care Attendant (PCA) services. Efforts must be
 11 initiated utilizing existing resources to impose regulations screening applicants for Residential
 12 Psychiatric Treatment Center (RPTC) services, especially for out-of-state services. The
 13 department must address the entire matrix of optional Medicaid services, reimbursement rates
 14 and eligibility requirements that are the basis of the Medicaid growth algorithm. This work is
 15 to utilize the results of the Medicaid Assessment and Planning analysis. The legislature
 16 requests that by January 2007 the Department be prepared to present projections of future
 17 Medicaid funding requirements under our existing statute and regulations and be prepared to
 18 present and evaluate the consequences of viable policy alternatives that could be implemented
 19 to lower growth rates and reducing projections of future costs.

20 It is the intent of the legislature that the Department of Health and Social Services actively
 21 participate in the development and growth of Alaska's therapeutic courts.

22 It is the intent of the legislature that the Department of Health and Social Services work
 23 cooperatively with the Legislature's professional contractor to assist in providing information
 24 needed for the contractor to review Medicaid program and complete its scope of work.

		Alaskan Pioneer Homes	35,895,800	15,847,300	20,048,500
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26 It is the intent of the legislature that the Department establishes regulations requiring all
 27 residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state
 28 subsidy being provided for their care from the State Payment Assistance program.

29 It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall
 30 complete any forms to determine eligibility for supplemental program funding, such as
 31 Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant
 32 is not able to complete the forms him/herself, or if relatives or guardians of the applicant are
 33 not able to complete the forms, Department of Health and Social Services staff may complete

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility		
4	per AS 47.25.120.		
5	It is the intent of the legislature that the Pioneers' Home program administration review the		
6	actual full cost of care for services provided at the Pioneers' Homes and develop a proposal to		
7	increase rates to reflect the system wide average of full cost of care at the three different care		
8	levels. In order to maximize Medicaid recovery, a proposed rate increase should be		
9	considered for implementation July 1, 2007.		
10	Alaska Pioneer Homes	899,900	
11	Management		
12	Pioneer Homes	34,995,900	
13	Behavioral Health	157,226,400	35,824,500 121,401,900
14	AK Fetal Alcohol Syndrome	2,296,000	
15	Program		
16	Alcohol Safety Action	591,000	
17	Program (ASAP)		
18	Behavioral Health Medicaid	122,915,400	
19	Services		
20	Behavioral Health Grants	5,096,400	
21	It is the intent of the legislature that the department reviews its procedures surrounding the		
22	awarding of recurring grants to assure that applicants are regularly evaluated on their		
23	performance in achieving the missions of the Department related to their specific grant and		
24	that the recipients' performance be measured and incorporated in to the decision whether to		
25	continue awarding grants.		
26	Behavioral Health	6,143,000	
27	Administration		
28	Community Action Prevention	1,756,900	
29	& Intervention Grants		
30	Rural Services and Suicide	285,900	
31	Prevention		
32	Services to the Seriously	1,385,300	
33	Mentally Ill		

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	Services for Severely		
4	Emotionally Disturbed Youth		
5	It is the intent of the legislature that the Department of Health and Social Services provide a		
6	detailed five year plan for the Bring the Kids Home initiative that will include: infrastructure		
7	requirements in Alaska, number of beds needed identified by level of intensity, five year		
8	funding forecast, and the anticipated improvement of life for clients.		
9	Alaska Psychiatric Institute		
10	Children's Services	134,391,900	48,344,600
11	Children's Medicaid Services	8,851,700	
12	Children's Services	7,617,900	
13	Management		
14	Children's Services Training	1,209,000	
15	Front Line Social Workers	35,908,700	
16	Family Preservation	10,440,600	
17	Foster Care Base Rate	10,245,900	
18	Foster Care Augmented Rate	1,626,100	
19	Foster Care Special Need	2,614,100	
20	Subsidized Adoptions &	21,311,600	
21	Guardianship		
22	Residential Child Care	3,446,600	
23	Infant Learning Program	3,491,300	
24	Grants		
25	Women, Infants and Children	26,331,200	
26	Children's Trust Programs	1,069,700	
27	Child Protection Legal	227,500	
28	Services		
29	Health Care Services	758,348,900	202,171,900
30	No money appropriated in this appropriation may be expended for an abortion that is not a		
31	mandatory service required under AS 47.07.030(a). The money appropriated for Health Care		
32	Services may be expended only for mandatory services required under Title XIX of the Social		
33	Security Act and for optional services offered by the state under the state plan for medical		

	Appropriation	General	Other
	Allocations	Funds	Funds
	Items		
1			
2			
3	assistance that has been approved by the United States Department of Health and Human		
4	Services. This statement is a statement of the purpose of the appropriation for Health Care		
5	Services and is neither merely descriptive language nor a statement of legislative intent.		
6	Medicaid Services	728,211,100	
7	Catastrophic and Chronic	1,471,000	
8	Illness Assistance (AS		
9	47.08)		
10	Medical Assistance	28,666,800	
11	Administration		
12	Juvenile Justice	43,319,400	39,311,400
			4,008,000
13	McLaughlin Youth Center	13,280,200	
14	Mat-Su Youth Facility	1,770,100	
15	Kenai Peninsula Youth	1,497,500	
16	Facility		
17	Fairbanks Youth Facility	3,473,100	
18	Bethel Youth Facility	3,000,000	
19	Nome Youth Facility	1,873,300	
20	Johnson Youth Center	2,789,900	
21	Ketchikan Regional Youth	1,280,100	
22	Facility		
23	Probation Services	11,901,000	
24	Delinquency Prevention	1,606,200	
25	Youth Courts	848,000	
26	Public Assistance	242,579,000	111,579,000
			131,000,000
27	Alaska Temporary Assistance	31,541,300	
28	Program		
29	Adult Public Assistance	57,731,400	
30	It is the intent of the legislature that the Interim Assistance cash payments be restricted to		
31	those individuals who agree to repay the State of Alaska in the event Supplementary Security		
32	Income (SSI) does not determine the individual eligible for cash assistance. It is the intent of		
33	the Legislature that the Department of Health and Social Services make all attempts possible		

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	to recover the Interim Assistance cash payments in the event an individual is not SSI eligible		
4	after receiving Interim Assistance.		
5	Child Care Benefits	47,968,600	
6	General Relief Assistance	1,355,400	
7	Tribal Assistance Programs	12,475,200	
8	Senior Care	14,345,400	
9	Permanent Fund Dividend	12,884,700	
10	Hold Harmless		
11	Energy Assistance Program	9,708,200	
12	Public Assistance	2,501,600	
13	Administration		
14	Public Assistance Field	32,169,100	
15	Services		
16	It is the intent of the legislature that there shall be no fee agents engaged in activities within		
17	50 road miles of any public assistance office.		
18	Fraud Investigation	1,608,700	
19	Quality Control	1,826,200	
20	Work Services	16,463,200	
21	Public Health	78,794,300	26,443,700
22	Nursing	22,179,700	
23	Women, Children and Family	7,132,200	
24	Health		
25	It is the intent of the legislature that the Department of Health and Social Services maintain		
26	fiscal accountability for Alaska's Breast and Cervical Cancer screening population by		
27	amending the age eligibility criteria based on the amount of federal resources appropriated on		
28	an annual basis. It is incumbent upon the Department of Health and Social Services to revise		
29	criteria appropriately to ensure that federal resources remain the sole source of financial		
30	support for this program.		
31	Public Health	2,226,700	
32	Administrative Services		
33	Certification and Licensing	4,781,000	

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	Chronic Disease Prevention		
4	and Health Promotion		
5	Epidemiology		
6	Bureau of Vital Statistics		
7	Community Health/Emergency		
8	Medical Services		
9	Community Health Grants		
10	Emergency Medical Services		
11	Grants		
12	State Medical Examiner		
13	Public Health Laboratories		
14	Tobacco Prevention and		
15	Control		
16	Senior and Disabilities	327,034,200	132,986,500
17	Services		194,047,700
18	It is the intent of the legislature that the department examine their procedure for maintaining		
19	the disabilities waitlist to assure that criteria for listing are consistent, objective and		
20	meaningful, that the list is accurately maintained without unnecessary action by individuals on		
21	the list, that the list identify services already being received by those on the list and that the		
22	list be managed to promote parity in the provision of services through out the social services		
23	system.		
24	It is the intent of the legislature that the department utilize funds referenced as available to		
25	begin the Inventory of Client and Agency Planning (ICAP) process as recommended in the		
26	Ad Hoc Committee on the Developmental Disability Waitlist Recommendations for Change		
27	report. It is further the intent of the legislature that the Department move forward with		
28	implementation of the report recommendations as appropriate and submit a progress report to		
29	the Legislature by January 15, 2007, which includes information regarding the number of		
30	individuals on the waiting list that have had an ICAP completed as well as the Department's		
31	recommended action for those recommendations contained in the Ad Hoc report with which		
32	they may disagree		
33	Senior and Disabilities	305,739,000	

	Appropriation	General	Other
	Allocations	Funds	Funds
3	Medicaid Services		
4	It is the intent of the legislature that the Department of Health and Social Services continue to		
5	implement regulation changes to 7 AAC 43.750-795 to control and reduce costs of the		
6	Personal Care Attendant (PCA) program by: 1) clearly defining recipient eligibility in the		
7	"purpose and scope" section where, absent PCA assistance, an individual would require		
8	hospitalization or nursing home care; 2) clearly defining recipient eligibility in the "purpose		
9	and scope" section where, absence of PCA assistance would result in the individual's loss of		
10	employment; 3) deleting "stand-by" assistance as an allowable PCA task; 4) clearly stating		
11	that Instrumental Activities of Daily Living (IADLs) are not allowable unless specifically		
12	related to an approved task for an Activity of Daily Living (ADL) need; 5) adopting an		
13	objective client assessment tool that results in a reliable and consistent care plan to be used by		
14	PCA providers, PCA agencies and the department; 6) requiring physical certification of an		
15	individual's condition as stated in the PCA assessment to confirm need for services; 7)		
16	requiring that if more than one PCA recipient resides in the same home, only one PCA		
17	provider is allowed for both recipients; 8) tightening enrollment criteria for all providers to		
18	require specific training and experience; 9) requiring Medicaid certification for PCA provider		
19	agencies; 10) requiring that the owner/manager of a PCA agency meet specified minimum		
20	level of education and administrative or business experience in a related field; 11) clearly		
21	stating that an individual's assessment function will be conducted by department staff or the		
22	department's designee; 12) requiring prior authorization by department staff or the		
23	department's designee for all PCA services; 13) including a new regulation that prevents the		
24	individual solicitation of clients by PCA agencies and provides consequences for such		
25	actions; and 14) review consumer directed services to determine processes or procedures to		
26	improve program effectiveness.		
27	Senior and Disabilities	9,228,200	
28	Services Administration		
29	Protection and Community	2,348,400	
30	Services		
31	Senior Community Based	8,266,200	
32	Grants		
33	Senior Residential Services	815,000	

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Community Developmental	637,400		
4	Disabilities Grants			
5	Departmental Support Services		57,028,500	20,908,600
6	Commissioner's Office	979,100		
7	Office of Program Review	2,634,400		
8	Rate Review	1,059,900		
9	Assessment and Planning	250,000		
10	Administrative Support	16,283,700		
11	Services			
12	Hearings and Appeals	560,500		
13	Medicaid School Based	6,243,800		
14	Administrative Claims			
15	Facilities Management	984,200		
16	Health Planning and	3,570,800		
17	Infrastructure			
18	Information Technology	15,533,800		
19	Services			
20	Facilities Maintenance	2,584,900		
21	Pioneers' Homes Facilities	2,125,000		
22	Maintenance			
23	HSS State Facilities Rent	4,218,400		
24	Boards and Commissions		2,217,500	77,200
25	AK Mental Health & Alcohol	122,100		
26	& Drug Abuse Boards			
27	Commission on Aging	333,800		
28	Governor's Council on	1,747,900		
29	Disabilities and Special			
30	Education			
31	Pioneers Homes Advisory	13,700		
32	Board			
33	Human Services Community		1,235,300	1,235,300

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Matching Grant			
4	Human Services Community	1,235,300		
5	Matching Grant			
6	*****		*****	
7	***** Department of Labor and Workforce Development *****			
8	*****		*****	
9	Commissioner and	19,634,100	5,540,300	14,093,800
10	Administrative Services			
11	Commissioner's Office	1,006,700		
12	Alaska Labor Relations	459,800		
13	Agency			
14	Office of Citizenship	105,200		
15	Assistance			
16	Management Services	3,005,200		
17	The amount allocated for Management Services includes the unexpended and unobligated			
18	balance on June 30, 2006 of receipts from all prior fiscal years collected under the			
19	Department of Labor and Workforce Development's federal indirect cost plan for			
20	expenditures incurred by the Department of Labor and Workforce Development.			
21	Human Resources	849,800		
22	Leasing	3,143,900		
23	Data Processing	6,489,200		
24	Labor Market Information	4,574,300		
25	Workers' Compensation and	19,323,500	1,392,200	17,931,300
26	Safety			
27	Workers' Compensation	4,607,100		
28	Workers Compensation	523,400		
29	Appeals Commission			
30	Workers Comp Benefits	50,000		
31	Guaranty Fund			
32	Second Injury Fund	3,961,000		
33	Fishermens Fund	1,283,500		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Wage and Hour Administration	1,731,800		
4	Mechanical Inspection	2,391,200		
5	Occupational Safety and	4,657,800		
6	Health			
7	Alaska Safety Advisory	117,300		
8	Council			
9	The amount allocated for the Alaska Safety Advisory Council includes the unexpended and			
10	unobligated balance on June 30, 2006, of the Department of Labor and Workforce			
11	Development, Alaska Safety Advisory Council receipts under AS 18.60.840.			
12	Workforce Development	105,058,500	6,824,700	98,233,800
13	Employment and Training	28,853,500		
14	Services			
15	Unemployment Insurance	21,062,900		
16	Adult Basic Education	3,461,800		
17	Workforce Investment Board	872,300		
18	Business Services	39,257,300		
19	Alaska Vocational Technical	8,517,900		
20	Center			
21	AVTEC Facilities Maintenance	1,337,200		
22	Kotzebue Technical Center	876,400		
23	Operations Grant			
24	Southwest Alaska Vocational	209,600		
25	and Education Center			
26	Operations Grant			
27	Yuut Elitnaurviat Inc.	209,600		
28	People's Learning Center			
29	Operations Grant			
30	Northwest Alaska Career and	400,000		
31	Technical Center			
32	Vocational Rehabilitation	23,318,100	3,966,900	19,351,200
33	Vocational Rehabilitation	1,461,300		

	Appropriation	General	Other
	Allocations	Funds	Funds
1 Administration			
2 The amount allocated for Vocational Rehabilitation Administration includes the unexpended			
3 and unobligated balance on June 30, 2006, of receipts from all prior fiscal years collected			
4 under the Department of Labor and Workforce Development's federal indirect cost plan for			
5 expenditures incurred by the Department of Labor and Workforce Development.			
6 Client Services	13,338,600		
7 Independent Living	1,446,700		
8 Rehabilitation			
9 Disability Determination	4,685,400		
10 Special Projects	1,632,300		
11 Assistive Technology	546,000		
12 Americans With Disabilities	207,800		
13 Act (ADA)			
14	*****	*****	
15	***** Department of Law *****		
16	*****	*****	
17 Criminal Division	24,785,100	19,918,200	4,866,900
18 First Judicial District	1,973,200		
19 Second Judicial District	1,285,300		
20 Third Judicial District:	6,309,400		
21 Anchorage			
22 Third Judicial District:	4,115,400		
23 Outside Anchorage			
24 Fourth Judicial District	4,500,900		
25 Criminal Justice Litigation	1,665,800		
26 Criminal Appeals/Special	4,935,100		
27 Litigation Component			
28 Civil Division	36,654,900	15,845,300	20,809,600
29 Deputy Attorney General's	267,200		
30 Office			
31 Collections and Support	2,270,400		

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	Commercial and Fair Business	4,446,200	
4	The amount allocated for Commercial and Fair Business section includes the unexpended and		
5	unobligated balance on June 30, 2006, of designated program receipts and general fund		
6	program receipts of the Department of Law, Commercial and Fair Business section.		
7	Environmental Law	1,909,900	
8	Human Services Section	5,499,500	
9	Labor and State Affairs	5,175,900	
10	Legislation/Regulations	952,500	
11	Natural Resources	1,183,600	
12	Oil, Gas and Mining	4,805,100	
13	Opinions, Appeals and Ethics	1,460,900	
14	Regulatory Affairs Public	1,425,000	
15	Advocacy		
16	Statehood Defense	1,012,800	
17	Timekeeping and Support	984,700	
18	Torts & Workers'	3,025,300	
19	Compensation		
20	Transportation Section	2,235,900	
21	Administration and Support	2,474,300	1,466,900
22	Office of the Attorney	484,600	
23	General		
24	Administrative Services	1,989,700	
25	*****		*****
26	***** Department of Military and Veterans Affairs		*****
27	*****		*****
28	Military and Veterans' Affairs	41,273,400	10,620,000
29	Office of the Commissioner	3,254,000	
30	Homeland Security and	6,196,400	
31	Emergency Services		
32	Local Emergency Planning	300,000	
33	Committee		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	National Guard Military	837,100		
4	Headquarters			
5	Army Guard Facilities	12,313,100		
6	Maintenance			
7	Air Guard Facilities	6,551,600		
8	Maintenance			
9	Alaska Military Youth	10,005,400		
10	Academy			
11	Veterans' Services	865,400		
12	Alaska Statewide Emergency	607,700		
13	Communications			
14	State Active Duty	342,700		
15	Alaska National Guard Benefits	2,090,900	2,090,900	
16	Educational Benefits	353,500		
17	Retirement Benefits	1,737,400		
18	*****		*****	
19	***** Department of Natural Resources *****			
20	*****		*****	
21	Resource Development	90,048,100	40,326,900	49,721,200
22	Commissioner's Office	1,111,100		
23	Administrative Services	2,210,600		
24	Information Resource	3,012,600		
25	Management			
26	Oil & Gas Development	11,353,100		
27	Gas Pipeline Office	538,100		
28	Pipeline Coordinator	4,266,200		
29	Alaska Coastal Management	4,065,900		
30	Program			
31	Large Project Permitting	2,741,200		
32	Office of Habitat	3,817,600		
33	Management and Permitting			

		Appropriation		General	Other
		Allocations	Items	Funds	Funds
1					
2					
3	Claims, Permits & Leases	9,469,500			
4	Land Sales & Municipal	3,865,600			
5	Entitlements				
6	Title Acquisition & Defense	2,347,500			
7	Water Development	1,610,000			
8	RS 2477/Navigability	428,600			
9	Assertions and Litigation				
10	Support				
11	Director's Office/Mining,	453,500			
12	Land, & Water				
13	Forest Management and	5,388,900			
14	Development				
15	The amount allocated for Forest Management and Development includes the unexpended and				
16	unobligated balance on June 30, 2006, of the timber receipts account (AS 38.05.110).				
17	Non-Emergency Hazard	250,000			
18	Mitigation Projects				
19	Geological Development	5,825,600			
20	Recorder's Office/Uniform	4,014,500			
21	Commercial Code				
22	State Historic Preservation	1,567,500			
23	Program				
24	Parks Management	6,841,600			
25	Parks & Recreation Access	1,857,700			
26	Agricultural Development	1,859,000			
27	North Latitude Plant	2,704,100			
28	Material Center				
29	Agriculture Revolving Loan	2,508,300			
30	Program Administration				
31	Conservation and	139,600			
32	Development Board				
33	Public Services Office	438,900			

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	Trustee Council Projects	414,800	
4	Interdepartmental	1,367,900	
5	Information Technology		
6	Chargeback		
7	Human Resources Chargeback	932,400	
8	DNR Facilities Rent and	2,196,200	
9	Chargeback		
10	Facilities Maintenance	300,000	
11	Development - Special	150,000	
12	Projects		
13	Fire Suppression	25,509,800	19,195,500
14	Fire Suppression	13,836,900	
15	Preparedness		
16	Fire Suppression Activity	11,672,900	
17	*****	*****	
18	***** Department of Public Safety *****		
19	*****	*****	
20	Fire Prevention	5,381,700	1,531,700
21	The amount appropriated by this appropriation includes up to \$125,000 of the unexpended		
22	and unobligated balance on June 30, 2006, of the receipts collected under AS 18.70.080(b).		
23	Fire Prevention Operations	3,189,900	
24	Fire Service Training	2,191,800	
25	Alaska Fire Standards Council	242,000	242,000
26	The amount appropriated by this appropriation includes the unexpended and unobligated		
27	balance on June 30, 2006, of the receipts collected under AS 18.70.350(4) and AS 18.70.360.		
28	Alaska Fire Standards	242,000	
29	Council		
30	Alaska State Troopers	93,094,500	82,633,000
31	It is the intent of the legislature that the Department of Public Safety provide additional state		
32	trooper coverage for international border communities to help meet Federal and Homeland		
33	Security requirements.		

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	Special Projects		
4	Director's Office		
5	Judicial Services-Anchorage		
6	Prisoner Transportation		
7	Search and Rescue		
8	Rural Trooper Housing		
9	Narcotics Task Force		
10	Alaska State Trooper		
11	Detachments		
12	Alaska Bureau of		
13	Investigation		
14	AK Bureau of Alcohol & Drug		
15	Enforcement		
16	AK Bureau of Wildlife		
17	Enforcement		
18	It is the intent of the legislature that the funding source change in the Alaska Bureau of		
19	Wildlife Enforcement from Fish and Game Fines (Fish and Game Fund) to direct		
20	appropriation of General Funds will not result in reduction of the department's fish and		
21	wildlife enforcement efforts.		
22	Aircraft Section		
23	It is the intent of the legislature that the funding source change in the Aircraft Section from		
24	Fish and Game Fines (Fish and Game Fund) to direct appropriation of General Funds will not		
25	result in reduction of the department's fish and wildlife enforcement efforts.		
26	Marine Enforcement		
27	It is the intent of the legislature that the funding source change in Marine Enforcement from		
28	Fish and Game Fines (Fish and Game Fund) to direct appropriation of General Funds will not		
29	result in reduction of the department's fish and wildlife enforcement efforts.		
30	Village Public Safety Officer	5,274,100	5,141,300
			132,800
31	Program		
32	VPSO Contracts	4,883,000	
33	Support	391,100	

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
3	Alaska Police Standards	1,084,500		1,084,500
4	Council			
5	The amount appropriated by this appropriation includes up to \$125,000 of the unexpended			
6	and unobligated balance on June 30, 2006, of the receipts collected under AS 12.25.195(c),			
7	AS 12.55.039, AS 28.05.151, and AS 29.25.074 and receipts collected under AS			
8	18.65.220(7).			
9	Alaska Police Standards	1,084,500		
10	Council			
11	Council on Domestic Violence	10,391,200	1,844,300	8,546,900
12	and Sexual Assault			
13	Notwithstanding AS 43.23.028(b)(2), up to 10% of the amount appropriated by this			
14	appropriation under AS 43.23.028(b)(2) to the Council on Domestic Violence and Sexual			
15	Assault may be used to fund operations and grant administration.			
16	Council on Domestic	10,191,200		
17	Violence and Sexual Assault			
18	Batterers Intervention	200,000		
19	Program			
20	Statewide Support	19,659,200	12,485,500	7,173,700
21	Commissioner's Office	867,300		
22	Training Academy	1,661,500		
23	Administrative Services	3,532,300		
24	Alaska Wing Civil Air Patrol	553,500		
25	Alcohol Beverage Control	1,224,200		
26	Board			
27	Alaska Public Safety	3,055,700		
28	Information Network			
29	Alaska Criminal Records and	4,793,200		
30	Identification			

31 The amount allocated for Alaska Criminal Records and Identification includes up to \$125,000
32 of the unexpended and unobligated balance on June 30, 2006, of the receipts collected by the
33 Department of Public Safety from the Alaska automated fingerprint system under AS

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	44.41.025(b).			
4	Laboratory Services	3,971,500		
5	Statewide Facility Maintenance		608,800	608,800
6	Facility Maintenance	608,800		
7	DPS State Facilities Rent		111,800	
8	DPS State Facilities Rent	111,800		
9	*****	*****		
10	***** Department of Revenue *****			
11	*****	*****		
12	Taxation and Treasury	65,344,700	11,302,400	54,042,300
13	Tax Division	9,553,500		
14	Treasury Division	5,197,400		
15	Alaska Retirement	5,472,900		
16	Management Board			
17	Alaska Retirement	38,629,400		
18	Management Board Custody			
19	and Management Fees			
20	Permanent Fund Dividend	6,491,500		
21	Division			
22	Child Support Services	22,291,600	231,200	22,060,400
23	Child Support Services	22,291,600		
24	Division			
25	Administration and Support	3,588,700	788,300	2,800,400
26	Commissioner's Office	1,939,000		
27	Administrative Services	1,426,700		
28	State Facilities Rent	223,000		
29	Alaska Natural Gas		299,600	
30	Development Authority			
31	Gas Authority Operations	299,600		
32	Alaska Mental Health Trust		536,800	536,800
33	Authority			

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Mental Health Trust	40,000		
4	Operations			
5	Long Term Care Ombudsman	496,800		
6	Office			
7	Alaska Municipal Bond Bank		778,000	778,000
8	Authority			
9	AMBBA Operations	778,000		
10	Alaska Housing Finance		48,455,400	48,455,400
11	Corporation			
12	AHFC Operations	47,655,400		
13	Anchorage State Office	800,000		
14	Building			
15	Alaska Permanent Fund		71,326,500	71,326,500
16	Corporation			
17	APFC Operations	8,126,500		
18	APFC Custody and Management	63,200,000		
19	Fees			
20	*****		*****	
21	***** Department of Transportation & Public Facilities *****			
22	*****		*****	
23	Administration and Support		36,167,000	26,149,700
24	Commissioner's Office	1,438,300		
25	Contracting, Procurement	1,392,800		
26	and Appeals			
27	Equal Employment and Civil	877,200		
28	Rights			
29	Internal Review	896,400		
30	Transportation Management	929,300		
31	and Security			
32	Statewide Administrative	6,000,900		
33	Services			

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	It is the intent of the Legislature that the Department of Transportation and Public Facilities		
4	fully support the use of contracted purchasing services and electronic purchasing to reduce		
5	state expenditures for the administration of procurement activities.		
6			
7	Statewide Information	2,577,400	
8	Systems		
9	Human Resources	2,569,300	
10	Central Region Support	926,900	
11	Services		
12	Northern Region Support	1,270,200	
13	Services		
14	Southeast Region Support	850,500	
15	Services		
16	Statewide Aviation	2,061,900	
17	International Airport	950,100	
18	Systems Office		
19	Program Development	3,829,400	
20	Central Region Planning	1,671,400	
21	Northern Region Planning	1,619,700	
22	Southeast Region Planning	513,200	
23	Measurement Standards &	5,792,100	
24	Commercial Vehicle		
25	Enforcement		
26	Design, Engineering and	91,301,200	1,992,600
27	Construction		89,308,600
28	Statewide Design and	9,000,500	
29	Engineering Services		
30	Central Design and	17,886,100	
31	Engineering Services		
32	Northern Design and	14,531,800	
33	Engineering Services		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Southeast Design and	9,073,600		
4	Engineering Services			
5	Central Region Construction	19,701,300		
6	and CIP Support			
7	Northern Region	14,059,300		
8	Construction and CIP Support			
9	Southeast Region	6,197,300		
10	Construction			
11	Knik Arm Bridge and Toll	851,300		
12	Authority			
13	State Equipment Fleet	26,368,800		26,368,800
14	State Equipment Fleet	26,368,800		
15	Highways, Aviation and	129,912,300	107,081,700	22,830,600
16	Facilities			
17	Central Region Facilities	5,696,900		
18	Northern Region Facilities	9,985,600		
19	Southeast Region Facilities	1,312,400		
20	Traffic Signal Management	1,333,200		
21	Central Region Highways and	39,721,800		
22	Aviation			
23	Northern Region Highways	55,726,100		
24	and Aviation			
25	Southeast Region Highways	12,276,100		
26	and Aviation			
27	The amounts allocated for highways and aviation shall lapse into the general fund on August			
28	31, 2007.			
29	Whittier Access & Tunnel	3,860,200		
30	The amount allocated for Whittier Access and Tunnel includes the unexpended and			
31	unobligated balance on June 30, 2006, of the Whittier Tunnel toll receipts collected by the			
32	Department of Transportation and Public Facilities under AS 19.05.040(11).			
33	International Airports	67,459,200		67,459,200

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Anchorage Airport	8,127,100		
4	Administration			
5	Anchorage Airport Facilities	19,038,900		
6	Anchorage Airport Field and	12,317,500		
7	Equipment Maintenance			
8	Anchorage Airport Operations	4,571,900		
9	Anchorage Airport Safety	10,438,800		
10	Fairbanks Airport	1,671,900		
11	Administration			
12	Fairbanks Airport Facilities	3,008,000		
13	Fairbanks Airport Field and	3,502,400		
14	Equipment Maintenance			
15	Fairbanks Airport Operations	1,707,100		
16	Fairbanks Airport Safety	3,075,600		
17	Alaska Marine Highway System	126,090,100	72,101,700	53,988,400
18	It is the intent of the Legislature that the Alaska Marine Highway System operate within the			
19	budget set out in this appropriation.			
20	Marine Vessel Operations	109,753,800		
21	Marine Engineering	2,593,100		
22	Overhaul	1,698,400		
23	Reservations and Marketing	2,847,900		
24	Marine Shore Operations	6,242,400		
25	Vessel Operations Management	2,954,500		
26		*****	*****	
27		***** University of Alaska *****		
28		*****	*****	
29	University of Alaska	773,081,300	279,449,200	493,632,100
30	Budget Reductions/Additions	9,245,900		
31	- Systemwide			
32	Statewide Services	42,272,200		
33	Statewide Networks (ITS)	16,615,500		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Anchorage Campus	215,727,800		
4	Kenai Peninsula College	10,936,400		
5	Kodiak College	3,924,700		
6	Matanuska-Susitna College	8,728,400		
7	Prince William Sound	6,300,400		
8	Community College			
9	Cooperative Extension	8,074,100		
10	Service			
11	Bristol Bay Campus	3,174,400		
12	Chukchi Campus	1,844,600		
13	Fairbanks Campus	210,193,900		
14	Fairbanks Organized Research	150,920,200		
15	Interior-Aleutians Campus	3,872,100		
16	Kuskokwim Campus	6,073,600		
17	Northwest Campus	2,947,200		
18	College of Rural and	11,815,700		
19	Community Development			
20	Tanana Valley Campus	9,448,400		
21	Juneau Campus	38,930,700		
22	Ketchikan Campus	4,564,100		
23	Sitka Campus	7,471,000		
24		*****	*****	
25		***** Alaska Court System *****		
26		*****	*****	
27	Alaska Court System	68,463,400	66,281,800	2,181,600
28	Budget requests from agencies of the Judicial Branch are transmitted as requested.			
29	Appellate Courts	5,126,000		
30	Trial Courts	55,123,500		
31	Administration and Support	8,213,900		
32	Commission on Judicial Conduct		308,500	308,500
33	Commission on Judicial	308,500		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Conduct			
4	Judicial Council	755,100	755,100	
5	Judicial Council	755,100		
6		*****		
7		***** Legislature *****		
8		*****		
9	Budget and Audit Committee	13,941,900	13,691,900	250,000
10	Legislative Audit	3,977,700		
11	Ombudsman	796,400		
12	Legislative Finance	5,425,200		
13	Committee Expenses	3,585,000		
14	Legislature State	157,600		
15	Facilities Rent			
16	Legislative Council	28,123,400	27,691,700	431,700
17	Salaries and Allowances	5,071,000		
18	Administrative Services	9,831,500		
19	Session Expenses	8,123,900		
20	Council and Subcommittees	1,144,100		
21	Legal and Research Services	3,145,300		
22	Select Committee on Ethics	144,100		
23	Office of Victims Rights	663,500		
24	Legislative Operating Budget	9,529,200	9,529,200	
25	Legislative Operating Budget	9,529,200		
26	(SECTION 2 OF THIS ACT BEGINS ON PAGE 40)			

1 * Sec. 2. The following sets out the funding by agency for the appropriations made in sec. 1 of
2 this Act.

3	Funding Source	Amount
4	Department of Administration	
5	1002 Federal Receipts	2,295,900
6	1004 General Fund Receipts	56,026,500
7	1005 General Fund/Program Receipts	1,038,500
8	1007 Interagency Receipts	105,278,600
9	1017 Group Health and Life Benefits Fund	17,723,200
10	1023 FICA Administration Fund Account	174,200
11	1029 Public Employees Retirement Trust Fund	6,237,400
12	1033 Federal Surplus Property Revoiving Fund	529,100
13	1034 Teachers Retirement Trust Fund	2,499,100
14	1042 Judicial Retirement System	31,100
15	1045 National Guard Retirement System	114,000
16	1061 Capital Improvement Project Receipts	372,300
17	1081 Information Services Fund	36,089,400
18	1108 Statutory Designated Program Receipts	1,405,200
19	1147 Public Building Fund	7,453,000
20	1156 Receipt Supported Services	11,850,200
21	1162 Alaska Oil & Gas Conservation Commission	4,781,800
22	Receipts	
23	1171 PFD Appropriations in lieu of Dividends to	782,400
24	Criminals	
25	*** Total Agency Funding ***	\$254,681,900
26	Department of Commerce, Community and Economic Development	
27	1002 Federal Receipts	27,313,800
28	1003 General Fund Match	403,400
29	1004 General Fund Receipts	5,355,800
30	1005 General Fund/Program Receipts	18,700
31	1007 Interagency Receipts	11,244,500

1	1036 Commercial Fishing Loan Fund	3,531,100
2	1040 Real Estate Surety Fund	271,200
3	1061 Capital Improvement Project Receipts	3,988,100
4	1062 Power Project Fund	1,056,500
5	1070 Fisheries Enhancement Revolving Loan Fund	539,000
6	1074 Bulk Fuel Revolving Loan Fund	53,700
7	1089 Power Cost Equalization & Rural Electric	25,294,900
8	Capitalization Fund	
9	1101 Alaska Aerospace Development Corporation	22,592,100
10	Revolving Fund	
11	1102 Alaska Industrial Development & Export	4,839,700
12	Authority Receipts	
13	1107 Alaska Energy Authority Corporate Receipts	1,067,100
14	1108 Statutory Designated Program Receipts	4,468,500
15	1141 Regulatory Commission of Alaska Receipts	6,343,100
16	1156 Receipt Supported Services	21,923,800
17	1164 Rural Development Initiative Fund	49,500
18	1170 Small Business Economic Development Revolving	47,900
19	Loan Fund	
20	1175 Business License & Corporation Filing Fees	5,740,900
21	and Taxes	
22	1195 Special Vehicle Registration Receipts	135,000
23	1200 Vehicle Rental Tax Receipts	5,325,900
24	*** Total Agency Funding ***	\$151,603,300
25	Department of Corrections	
26	1002 Federal Receipts	4,695,600
27	1003 General Fund Match	128,400
28	1004 General Fund Receipts	175,613,200
29	1005 General Fund/Program Receipts	27,900
30	1007 Interagency Receipts	10,389,500
31	1059 Correctional Industries Fund	3,230,000

1	1061 Capital Improvement Project Receipts	276,300
2	1108 Statutory Designated Program Receipts	2,465,800
3	1156 Receipt Supported Services	2,786,800
4	1171 PFD Appropriations in lieu of Dividends to	4,552,400
5	Criminals	
6	*** Total Agency Funding ***	\$204,165,900
7	Department of Education and Early Development	
8	1002 Federal Receipts	193,249,200
9	1003 General Fund Match	881,700
10	1004 General Fund Receipts	36,562,000
11	1005 General Fund/Program Receipts	73,900
12	1007 Interagency Receipts	7,548,900
13	1014 Donated Commodity/Handling Fee Account	341,800
14	1018 Exxon Valdez Oil Spill Trust	13,000
15	1043 Federal Impact Aid for K-12 Schools	20,791,000
16	1066 Public School Trust Fund	11,958,000
17	1106 Alaska Commission on Postsecondary Education	11,226,300
18	Receipts	
19	1108 Statutory Designated Program Receipts	772,800
20	1145 Art in Public Places Fund	30,000
21	1150 Alaska Student Loan Corporation Dividend	1,900,000
22	1151 Technical Vocational Education Program	209,600
23	Receipts	
24	1156 Receipt Supported Services	1,308,800
25	*** Total Agency Funding ***	\$286,867,000
26	Department of Environmental Conservation	
27	1002 Federal Receipts	19,009,100
28	1003 General Fund Match	3,119,900
29	1004 General Fund Receipts	11,567,500
30	1005 General Fund/Program Receipts	1,505,700
31	1007 Interagency Receipts	1,320,700

1	1018 Exxon Valdez Oil Spill Trust	48,000
2	1052 Oil/Hazardous Release Prevention & Response	13,402,400
3	Fund	
4	1061 Capital Improvement Project Receipts	3,479,000
5	1075 Alaska Clean Water Fund	55,500
6	1093 Clean Air Protection Fund	3,045,100
7	1108 Statutory Designated Program Receipts	225,100
8	1156 Receipt Supported Services	3,458,300
9	1166 Commercial Passenger Vessel Environmental	1,010,100
10	Compliance Fund	
11	*** Total Agency Funding ***	\$61,246,400
12	Department of Fish and Game	
13	1002 Federal Receipts	62,728,500
14	1003 General Fund Match	400,200
15	1004 General Fund Receipts	36,707,400
16	1005 General Fund/Program Receipts	11,900
17	1007 Interagency Receipts	11,891,900
18	1018 Exxon Valdez Oil Spill Trust	4,310,900
19	1024 Fish and Game Fund	26,058,000
20	1036 Commercial Fishing Loan Fund	1,976,300
21	1055 Inter-Agency/Oil & Hazardous Waste	64,300
22	1061 Capital Improvement Project Receipts	4,905,300
23	1108 Statutory Designated Program Receipts	5,896,300
24	1109 Test Fisheries Receipts	2,513,400
25	1156 Receipt Supported Services	501,700
26	1194 Fish and Game Nondedicated Receipts	1,660,500
27	1199 Alaska Sport Fishing Enterprise Account	350,000
28	1201 Commercial Fisheries Entry Commission Receipts	5,002,900
29	*** Total Agency Funding ***	\$164,979,500
30	Office of the Governor	
31	1002 Federal Receipts	167,700

1	1004	General Fund Receipts	17,780,500
2	1005	General Fund/Program Receipts	4,900
3	1007	Interagency Receipts	131,600
4	1061	Capital Improvement Project Receipts	502,000
5	1108	Statutory Designated Program Receipts	95,000
6	1175	Business License & Corporation Filing Fees	628,200
7		and Taxes	
8		*** Total Agency Funding ***	\$19,309,900
9		Department of Health and Social Services	
10	1002	Federal Receipts	1,067,854,800
11	1003	General Fund Match	383,215,900
12	1004	General Fund Receipts	251,514,100
13	1007	Interagency Receipts	68,476,400
14	1013	Alcoholism and Drug Abuse Revolving Loan Fund	2,000
15	1050	Permanent Fund Dividend Fund	12,884,700
16	1061	Capital Improvement Project Receipts	1,293,700
17	1098	Children's Trust Earnings	399,700
18	1108	Statutory Designated Program Receipts	12,108,100
19	1156	Receipt Supported Services	19,539,600
20	1168	Tobacco Use Education and Cessation Fund	6,174,900
21	1189	Senior Care Fund	14,607,300
22		*** Total Agency Funding ***	\$1,838,071,200
23		Department of Labor and Workforce Development	
24	1002	Federal Receipts	99,226,200
25	1003	General Fund Match	4,949,000
26	1004	General Fund Receipts	12,704,500
27	1005	General Fund/Program Receipts	70,600
28	1007	Interagency Receipts	23,016,500
29	1031	Second Injury Fund Reserve Account	3,961,200
30	1032	Fishermen's Fund	1,283,500
31	1049	Training and Building Fund	674,100

1	1054 State Training & Employment Program	6,474,900
2	1061 Capital Improvement Project Receipts	266,200
3	1108 Statutory Designated Program Receipts	352,500
4	1117 Vocational Rehabilitation Small Business	325,000
5	Enterprise Fund	
6	1151 Technical Vocational Education Program	2,434,600
7	Receipts	
8	1156 Receipt Supported Services	2,291,100
9	1157 Workers Safety and Compensation	7,216,000
10	Administration Account	
11	1172 Building Safety Account	2,038,300
12	1203 Workers Compensation Benefits Guarantee Fund	50,000
13	*** Total Agency Funding ***	\$167,334,200
14	Department of Law	
15	1002 Federal Receipts	2,740,600
16	1003 General Fund Match	182,900
17	1004 General Fund Receipts	36,587,400
18	1005 General Fund/Program Receipts	460,100
19	1007 Interagency Receipts	19,600,000
20	1055 Inter-Agency/Oil & Hazardous Waste	532,300
21	1105 Permanent Fund Corporation Receipts	1,477,000
22	1108 Statutory Designated Program Receipts	909,000
23	1141 Regulatory Commission of Alaska Receipts	1,425,000
24	*** Total Agency Funding ***	\$63,914,300
25	Department of Military and Veterans Affairs	
26	1002 Federal Receipts	20,285,500
27	1003 General Fund Match	2,647,000
28	1004 General Fund Receipts	9,915,000
29	1005 General Fund/Program Receipts	150,900
30	1007 Interagency Receipts	8,150,700
31	1052 GI/Hazardous Release Prevention & Response	497,600

1	Fund	
2	1061 Capital Improvement Project Receipts	1,034,600
3	1108 Statutory Designated Program Receipts	685,000
4	*** Total Agency Funding ***	\$43,364,300
5	Department of Natural Resources	
6	1002 Federal Receipts	14,282,400
7	1003 General Fund Match	1,973,100
8	1004 General Fund Receipts	54,139,500
9	1005 General Fund/Program Receipts	3,409,800
10	1007 Interagency Receipts	7,735,500
11	1018 Exxon Valdez Oil Spill Trust	414,800
12	1021 Agricultural Revolving Loan Fund	3,365,300
13	1055 Inter-Agency/Oil & Hazardous Waste	67,400
14	1061 Capital Improvement Project Receipts	5,119,600
15	1105 Permanent Fund Corporation Receipts	4,457,200
16	1108 Statutory Designated Program Receipts	7,472,800
17	1153 State Land Disposal Income Fund	5,781,200
18	1154 Shore Fisheries Development Lease Program	343,900
19	1155 Timber Sale Receipts	780,900
20	1156 Receipt Supported Services	6,214,500
21	*** Total Agency Funding ***	\$115,557,900
22	Department of Public Safety	
23	1002 Federal Receipts	10,823,300
24	1003 General Fund Match	586,700
25	1004 General Fund Receipts	102,074,900
26	1005 General Fund/Program Receipts	1,086,000
27	1007 Interagency Receipts	8,743,900
28	1055 Inter-Agency/Oil & Hazardous Waste	49,000
29	1061 Capital Improvement Project Receipts	3,391,200
30	1108 Statutory Designated Program Receipts	2,025,500
31	1152 Alaska Fire Standards Council Receipts	242,000

1	1156	Receipt Supported Services	4,047,800
2	1171	PFD Appropriations in lieu of Dividends to	2,777,500
3		Criminals	
4	***	Total Agency Funding ***	\$135,847,800
5		Department of Revenue	
6	1002	Federal Receipts	39,033,600
7	1004	General Fund Receipts	11,899,200
8	1005	General Fund/Program Receipts	722,300
9	1007	Interagency Receipts	5,089,800
10	1016	CSSD Federal Incentive Payments	1,634,900
11	1017	Group Health and Life Benefits Fund	199,000
12	1027	International Airports Revenue Fund	80,900
13	1029	Public Employees Retirement Trust Fund	28,291,100
14	1034	Teachers Retirement Trust Fund	14,442,200
15	1042	Judicial Retirement System	398,100
16	1045	National Guard Retirement System	249,100
17	1046	Education Loan Fund	95,200
18	1050	Permanent Fund Dividend Fund	6,471,500
19	1061	Capital Improvement Project Receipts	2,158,600
20	1066	Public School Trust Fund	230,200
21	1098	Children's Trust Earnings	40,100
22	1103	Alaska Housing Finance Corporation Receipts	21,305,200
23	1104	Alaska Municipal Bond Bank Receipts	778,000
24	1105	Permanent Fund Corporation Receipts	71,400,600
25	1108	Statutory Designated Program Receipts	750,000
26	1133	CSSD Administrative Cost Reimbursement	1,244,300
27	1142	Retiree Health Insurance Fund/Major Medical	85,500
28	1143	Retiree Health Insurance Fund/Long-Term Care	98,200
29	1156	Receipt Supported Services	5,698,500
30	1169	Power Cost Equalization Endowment Fund	207,200
31	1192	Mine Reclamation Trust Fund	18,000

1	*** Total Agency Funding ***	\$212,621,300
2	Department of Transportation & Public Facilities	
3	1002 Federal Receipts	3,663,900
4	1004 General Fund Receipts	191,149,000
5	1005 General Fund/Program Receipts	44,300
6	1007 Interagency Receipts	5,516,800
7	1026 Highways Equipment Working Capital Fund	27,373,800
8	1027 International Airports Revenue Fund	67,915,100
9	1052 Oil/Hazardous Release Prevention & Response	825,000
10	Fund	
11	1061 Capital Improvement Project Receipts	117,215,500
12	1076 Alaska Marine Highway System Fund	54,650,800
13	1108 Statutory Designated Program Receipts	1,239,000
14	1156 Receipt Supported Services	7,705,400
15	*** Total Agency Funding ***	\$477,298,600
16	University of Alaska	
17	1002 Federal Receipts	149,524,000
18	1003 General Fund Match	4,777,300
19	1004 General Fund Receipts	274,671,900
20	1007 Interagency Receipts	18,800,000
21	1048 University of Alaska Restricted Receipts	264,942,900
22	1061 Capital Improvement Project Receipts	4,762,200
23	1151 Technical Vocational Education Program	2,882,000
24	Receipts	
25	1174 University of Alaska Intra-Agency Transfers	52,721,000
26	*** Total Agency Funding ***	\$773,081,300
27	Alaska Court System	
28	1002 Federal Receipts	1,466,000
29	1004 General Fund Receipts	67,345,400
30	1007 Interagency Receipts	421,000
31	1108 Statutory Designated Program Receipts	85,000

1	1133 CSSD Administrative Cost Reimbursement	209,600
2	*** Total Agency Funding ***	\$69,527,000
3	Legislature	
4	1004 General Fund Receipts	50,833,400
5	1005 General Fund/Program Receipts	79,400
6	1007 Interagency Receipts	388,000
7	1171 PFD Appropriations in lieu of Dividends to	293,700
8	Criminals	
9	*** Total Agency Funding ***	\$51,594,500
10	***** Total Budget *****	\$5,091,066,300

11 (SECTION 3 OF THIS ACT BEGINS ON PAGE 50)

1 * Sec. 3. The following sets out the statewide funding for the appropriations made in sec. 1 of
2 this Act.

3	Funding Source	Amount
4	General Funds	
5	1003 General Fund Match	403,265,500
6	1004 General Fund Receipts	1,402,445,200
7	1005 General Fund/Program Receipts	8,704,900
8	***Total General Funds***	\$1,814,415,600
9	Federal Funds	
10	1002 Federal Receipts	1,718,360,100
11	1013 Alcoholism and Drug Abuse Revolving Loan Fund	2,000
12	1014 Donated Commodity/Handling Fee Account	341,800
13	1016 CSSD Federal Incentive Payments	1,634,900
14	1033 Federal Surplus Property Revolving Fund	529,100
15	1043 Federal Impact Aid for K-12 Schools	20,791,000
16	1133 CSSD Administrative Cost Reimbursement	1,453,900
17	***Total Federal Funds***	\$1,743,112,800
18	Other Non-Duplicated Funds	
19	1017 Group Health and Life Benefits Fund	17,922,200
20	1018 Exxon Valdez Oil Spill Trust	4,786,700
21	1021 Agricultural Revolving Loan Fund	3,365,300
22	1023 FICA Administration Fund Account	174,200
23	1024 Fish and Game Fund	26,058,000
24	1027 International Airports Revenue Fund	67,996,000
25	1029 Public Employees Retirement Trust Fund	34,528,500
26	1031 Second Injury Fund Reserve Account	3,961,200
27	1032 Fishermen's Fund	1,283,500
28	1034 Teachers Retirement Trust Fund	16,941,300
29	1036 Commercial Fishing Loan Fund	5,507,400
30	1040 Real Estate Surety Fund	271,200
31	1042 Judicial Retirement System	429,200

1	1045 National Guard Retirement System	363,100
2	1046 Education Loan Fund	95,200
3	1048 University of Alaska Restricted Receipts	264,942,900
4	1049 Training and Building Fund	674,100
5	1054 State Training & Employment Program	6,474,900
6	1059 Correctional Industries Fund	3,230,000
7	1062 Power Project Fund	1,056,500
8	1066 Public School Trust Fund	12,188,200
9	1070 Fisheries Enhancement Revolving Loan Fund	539,000
10	1074 Bulk Fuel Revolving Loan Fund	53,700
11	1076 Alaska Marine Highway System Fund	54,650,800
12	1093 Clean Air Protection Fund	3,045,100
13	1098 Children's Trust Earnings	439,800
14	1101 Alaska Aerospace Development Corporation	22,592,100
15	Revolving Fund	
16	1102 Alaska Industrial Development & Export	4,839,700
17	Authority Receipts	
18	1103 Alaska Housing Finance Corporation Receipts	21,305,200
19	1104 Alaska Municipal Bond Bank Receipts	778,000
20	1105 Permanent Fund Corporation Receipts	77,334,800
21	1106 Alaska Commission on Postsecondary Education	11,226,300
22	Receipts	
23	1107 Alaska Energy Authority Corporate Receipts	1,067,100
24	1108 Statutory Designated Program Receipts	40,955,600
25	1109 Test Fisheries Receipts	2,513,400
26	1117 Vocational Rehabilitation Small Business	325,000
27	Enterprise Fund	
28	1141 Regulatory Commission of Alaska Receipts	7,768,100
29	1142 Retiree Health Insurance Fund/Major Medical	85,500
30	1143 Retiree Health Insurance Fund/Long-Term Care	98,200
31	1150 Alaska Student Loan Corporation Dividend	1,900,000

1	1151	Technical Vocational Education Program	5,526,200
2		Receipts	
3	1152	Alaska Fire Standards Council Receipts	242,000
4	1153	State Land Disposal Income Fund	5,781,200
5	1154	Shore Fisheries Development Lease Program	343,900
6	1155	Timber Sale Receipts	780,900
7	1156	Receipt Supported Services	87,326,500
8	1157	Workers Safety and Compensation	7,216,000
9		Administration Account	
10	1162	Alaska Oil & Gas Conservation Commission	4,781,800
11		Receipts	
12	1164	Rural Development Initiative Fund	49,500
13	1166	Commercial Passenger Vessel Environmental	1,010,100
14		Compliance Fund	
15	1168	Tobacco Use Education and Cessation Fund	6,174,900
16	1169	Power Cost Equalization Endowment Fund	207,200
17	1170	Small Business Economic Development Revolving	47,900
18		Loan Fund	
19	1172	Building Safety Account	2,038,300
20	1175	Business License & Corporation Filing Fees	6,369,100
21		and Taxes	
22	1192	Mine Reclamation Trust Fund	18,000
23	1195	Special Vehicle Registration Receipts	135,000
24	1199	Alaska Sport Fishing Enterprise Account	350,000
25	1200	Vehicle Rental Tax Receipts	5,325,900
26	1201	Commercial Fisheries Entry Commission Receipts	5,002,900
27	1203	Workers Compensation Benefits Guarantee Fund	50,000
28	***Total Other Non-Duplicated Funds***		\$862,544,300
29	Duplicated Funds		
30	1007	Interagency Receipts	313,744,300
31	1026	Highways Equipment Working Capital Fund	27,373,800

1	1050 Permanent Fund Dividend Fund	19,356,200
2	1052 Oil/Hazardous Release Prevention & Response	14,725,000
3	Fund	
4	1055 Inter-Agency/Oil & Hazardous Waste	713,000
5	1061 Capital Improvement Project Receipts	148,764,600
6	1075 Alaska Clean Water Fund	55,500
7	1081 Information Services Fund	36,089,400
8	1089 Power Cost Equalization & Rural Electric	25,294,000
9	Capitalization Fund	
10	1145 Art in Public Places Fund	30,000
11	1147 Public Building Fund	7,453,000
12	1171 PFD Appropriations in lieu of Dividends to	8,406,000
13	Criminals	
14	1174 University of Alaska Intra-Agency Transfers	52,721,000
15	1189 Senior Care Fund	14,607,300
16	1194 Fish and Game Nondedicated Receipts	1,660,500
17	***Total Duplicated Funds***	\$670,993,600

18 (SECTION 4 OF THIS ACT BEGINS ON PAGE 54)

1 * Sec. 4. LEGISLATIVE INTENT. It is the intent of the legislature that the amounts
2 appropriated by this Act are the full amounts that will be appropriated for those purposes for
3 the fiscal year ending June 30, 2007.

4 * Sec. 5. COSTS OF JOB RECLASSIFICATIONS. The money appropriated in this Act
5 includes the amount necessary to pay the costs of personal services due to reclassification of
6 job classes during the fiscal year ending June 30, 2007.

7 * Sec. 6. ALASKA AEROSPACE DEVELOPMENT CORPORATION. Corporate receipts
8 of the Alaska Aerospace Development Corporation received during the fiscal year ending
9 June 30, 2007, that are in excess of the amount appropriated in sec. 1 of this Act are
10 appropriated to the Alaska Aerospace Development Corporation for operations during the
11 fiscal year ending June 30, 2007.

12 * Sec. 7. ALASKA HOUSING FINANCE CORPORATION. (a) The board of directors of
13 the Alaska Housing Finance Corporation anticipates that the net income from the second
14 preceding fiscal year will be available in fiscal year 2007. During fiscal year 2007, the board
15 of directors anticipates that, contingent upon passage by the Twenty-Fourth Alaska State
16 Legislature in 2006 and enactment into law of a bill changing the formula for calculating the
17 amount of the dividend paid to the state by the Alaska Housing Finance Corporation,
18 \$86,616,678 will be available for payment of debt service, appropriation in this Act,
19 appropriation for capital projects, and transfer to the Alaska debt retirement fund
20 (AS 37.15.011).

21 (b) A portion of the amount set out in (a) of this section for the fiscal year ending
22 June 30, 2007, will be retained by the Alaska Housing Finance Corporation for the following
23 purposes in the following estimated amounts:

24 (1) \$1,000,000 for debt service on University of Alaska, Anchorage,
25 dormitory construction, authorized under ch. 26, SLA 1996;

26 (2) \$20,234,450 for debt service on the bonds authorized under sec. 10, ch.
27 130, SLA 2000;

28 (3) \$2,592,558 for debt service on the bonds authorized under ch. 2, SSSLA
29 2002;

30 (4) \$8,107,958 for debt service on the bonds authorized under sec. 4, ch. 120,
31 SLA 2004.

1 (c) After deductions for the items set out in (b) of this section, the remainder of the
2 amount set out in (a) of this section is used for the following purposes in the following
3 estimated amounts:

4 (1) \$23,441,712 for debt service;

5 (2) \$31,240,000 for capital projects.

6 (d) After deductions for the items set out in (b) of this section and deductions for
7 appropriations for operating and capital purposes are made, any remaining balance of the
8 amount set out in (a) of this section for the fiscal year ending June 30, 2007, is appropriated to
9 the Alaska debt retirement fund (AS 37.15.011).

10 (e) All unrestricted mortgage loan interest payments, mortgage loan commitment fees,
11 and other unrestricted receipts received by or accrued to the Alaska Housing Finance
12 Corporation during fiscal year 2007 and all income earned on assets of the corporation during
13 that period are appropriated to the Alaska Housing Finance Corporation to hold as corporate
14 receipts for the purposes described in AS 18.55 and AS 18.56. The corporation shall allocate
15 its corporate receipts between the Alaska housing finance revolving fund (AS 18.56.082) and
16 senior housing revolving fund (AS 18.56.710) in accordance with procedures adopted by the
17 board of directors.

18 (f) The sum of \$800,000,000 is appropriated from the corporate receipts appropriated
19 to the Alaska Housing Finance Corporation and allocated between the Alaska housing finance
20 revolving fund (AS 18.56.082) and senior housing revolving fund (AS 18.56.710) under (e) of
21 this section to the Alaska Housing Finance Corporation for the fiscal year ending June 30,
22 2007, for housing loan programs not subsidized by the corporation.

23 (g) The sum of \$30,000,000 is appropriated from the portion of the corporate receipts
24 appropriated to the Alaska Housing Finance Corporation and allocated between the Alaska
25 housing finance revolving fund (AS 18.56.082) and senior housing revolving fund
26 (AS 18.56.710) under (e) of this section that is derived from arbitrage earnings to the Alaska
27 Housing Finance Corporation for the fiscal year ending June 30, 2007, for housing loan
28 programs and projects subsidized by the corporation.

29 (h) The sum of \$30,000,000 is appropriated from federal receipts to the Alaska
30 Housing Finance Corporation for housing assistance payments under the Section 8 program
31 for the fiscal year ending June 30, 2007.

1 * Sec. 8. ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY. (a)
2 The sum of \$16,649,500 has been declared available by the Alaska Industrial Development
3 and Export Authority board of directors for appropriation as the fiscal year 2007 dividend
4 from the unrestricted balance in the Alaska Industrial Development and Export Authority
5 revolving fund (AS 44.88.060).

6 (b) After deductions for appropriations made for operating and capital purposes are
7 made, any remaining balance of the amount set out in (a) of this section for the fiscal year
8 ending June 30, 2007, is appropriated to the Alaska debt retirement fund (AS 37.15.011).

9 * Sec. 9. ALASKA PERMANENT FUND CORPORATION. (a) The amount authorized
10 under AS 37.13.145(b) for transfer by the Alaska Permanent Fund Corporation on June 30,
11 2007, is appropriated from the earnings reserve account (AS 37.13.145) to the dividend fund
12 (AS 43.23.045(a)) for the payment of permanent fund dividends and administrative and
13 associated costs for the fiscal year ending June 30, 2007.

14 (b) After money is transferred to the dividend fund under (a) of this section, the
15 amount calculated under AS 37.13.145 to offset the effect of inflation on the principal of the
16 Alaska permanent fund during fiscal year 2007 is appropriated from the earnings reserve
17 account (AS 37.13.145) to the principal of the Alaska permanent fund.

18 (c) The amount required to be deposited under AS 37.13.010(a)(1) and (2) during
19 fiscal year 2007 is appropriated to the principal of the Alaska permanent fund in satisfaction
20 of that requirement.

21 (d) The income earned during fiscal year 2007 on revenue from the sources set out in
22 AS 37.13.145(d) is appropriated to the Alaska capital income fund (AS 37.05.565).

23 * Sec. 10. ALASKA STUDENT LOAN CORPORATION DIVIDEND. (a) The sum of
24 \$1,900,000 has been declared available by the Alaska Student Loan Corporation board of
25 directors for appropriation as the fiscal year 2007 dividend.

26 (b) After deductions for appropriations made for operating and capital purposes are
27 made, any remaining balance of the amount set out in (a) of this section for the fiscal year
28 ending June 30, 2007, is appropriated to the Alaska debt retirement fund (AS 37.15.011).

29 * Sec. 11. DEPARTMENT OF ADMINISTRATION. (a) The amount required to fund the
30 state's matching expense for state employees under the public employees' retirement system
31 conversion option set out in AS 39.35.940 and the teachers' retirement system conversion

1 option set out in AS 14.25.540 is appropriated from the general fund to the Department of
2 Administration, division of retirement and benefits, for the fiscal year ending June 30, 2007.

3 (b) The amount necessary to fund the uses of the state insurance catastrophe reserve
4 account described in AS 37.05.289(a) is appropriated from that account to the Department of
5 Administration for those uses during the fiscal year ending June 30, 2007.

6 (c) The sum of \$139,000 is appropriated from the general fund to the Department of
7 Administration, Alaska Public Offices Commission, for costs associated with the statewide
8 primary and general elections in the fiscal year ending June 30, 2007.

9 (d) The sum of \$2,306,800 is appropriated from the general fund to the Department of
10 Administration, commissioner's office, for distribution to state agencies to offset the increased
11 chargeback rates for enterprise technology services for the fiscal year ending June 30, 2007.

12 (e) It is the intent of the legislature that state agencies receiving funds under (d) of this
13 section will reimburse the funds as required by the enterprise technology services federally
14 approved statewide cost allocation plan. The amounts distributed are intended to cover the
15 general fund portion of increased chargeback resulting from fiscal year 2007 operations.

16 * **Sec. 12. DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC**
17 **DEVELOPMENT.** (a) The unexpended and unobligated balance of federal money
18 apportioned to the state as national forest income that the Department of Commerce,
19 Community, and Economic Development determines would lapse into the unrestricted portion
20 of the general fund June 30, 2007, under AS 41.15.180(j) is appropriated as follows:

21 (1) up to \$170,000 is appropriated to the Department of Transportation and
22 Public Facilities, commissioner's office, for road maintenance in the unorganized borough, for
23 the fiscal year ending June 30, 2007;

24 (2) the balance remaining is appropriated to home rule cities, first class cities,
25 second class cities, a municipality organized under federal law, or regional educational
26 attendance areas entitled to payment from the national forest income for the fiscal year ending
27 June 30, 2007, to be allocated among the recipients of national forest income according to
28 their pro rata share of the total amount distributed under AS 41.15.180(c) and (d) for the fiscal
29 year ending June 30, 2007.

30 (b) The salmon enhancement tax collected under AS 43.76.010 - 43.76.028 in
31 calendar year 2005 and deposited in the general fund under AS 43.76.025(c) is appropriated

1 from the general fund to the Department of Commerce, Community, and Economic
2 Development for payment in fiscal year 2007 to qualified regional associations operating
3 within a region designated under AS 16.10.375.

4 * Sec. 13. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. The sum
5 of \$300,000 is appropriated from the general fund to the Department of Education and Early
6 Development, school finance and facilities, for operating costs related to a lawsuit for the
7 fiscal year ending June 30, 2007.

8 * Sec. 14. DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. (a) If the
9 amount necessary to pay benefit payments from the fishermen's fund (AS 23.35.060(a))
10 exceeds the estimates appropriated in sec. 1 of this Act, the additional amount necessary to
11 pay those benefit payments is appropriated from that fund to the Department of Labor and
12 Workforce Development, fishermen's fund allocation, for the fiscal year ending June 30,
13 2007.

14 (b) If the amount necessary to pay benefit payments from the second injury fund
15 (AS 23.30.040(a)) exceeds the estimates appropriated in sec. 1 of this Act, the amount
16 necessary to make those benefit payments is appropriated from the second injury fund to the
17 Department of Labor and Workforce Development, second injury fund allocation, for the
18 fiscal year ending June 30, 2007.

19 (c) If the amount necessary to pay benefit payments from the workers' compensation
20 benefits guaranty fund (AS 23.30.082) exceeds the estimates appropriated in sec. 1 of this
21 Act, the additional amount necessary to pay those benefit payments is appropriated from that
22 fund to the Department of Labor and Workforce Development, workers' compensation
23 benefits guaranty fund allocation, for the fiscal year ending June 30, 2007.

24 (d) The sum of \$40,000 is appropriated from the general fund to the Department of
25 Labor and Workforce Development, independent living rehabilitation, for partial funding of
26 interpreter referral line and transition of youth to employment, for the fiscal year ending
27 June 30, 2007.

28 * Sec. 15. DEPARTMENT OF LAW. The sum of \$1,500,000 is appropriated from the
29 general fund to the Department of Law, oil, gas, and mining, for work related to the state gas
30 pipeline, to bringing North Slope natural gas to market, and to other oil and gas projects, for
31 the fiscal year ending June 30, 2007.

1 * **Sec. 16. DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS.** Five percent of
2 the market value of the average ending balances in the Alaska veterans' memorial endowment
3 fund (AS 37.14.700) for the fiscal years ending June 30, 2004, June 30, 2005, and June 30,
4 2006, is appropriated from the Alaska veterans' memorial endowment fund to the Department
5 of Military and Veterans' Affairs for the purposes specified in AS 37.14.750(b) for the fiscal
6 year ending June 30, 2007.

7 * **Sec. 17. DEPARTMENT OF NATURAL RESOURCES.** Federal receipts received for fire
8 suppression during the fiscal year ending June 30, 2007, are appropriated to the Department
9 of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2007.

10 * **Sec. 18. DEPARTMENT OF PUBLIC SAFETY.** (a) The sum of \$1,393,200 is
11 appropriated from the general fund to the Department of Public Safety, division of state
12 troopers, narcotics task force, for drug and alcohol enforcement efforts during the fiscal year
13 ending June 30, 2007.

14 (b) If the amount of federal receipts received by the Department of Public Safety from
15 the justice assistance grant program for drug and alcohol enforcement efforts exceeds
16 \$1,289,100, the appropriation in (a) of this section is reduced by an equivalent amount.

17 * **Sec. 19. DEPARTMENT OF REVENUE.** (a) The minimum amount of program receipts
18 received during the fiscal year ending June 30, 2007, by the child support services agency that
19 is required to secure the federal funding appropriated from those program receipts for the
20 child support enforcement program in sec. 1 of this Act is appropriated to the Department of
21 Revenue, child support services agency, for the fiscal year ending June 30, 2007.

22 (b) Program receipts collected as cost recovery for paternity testing administered by
23 the child support services agency, as required under AS 25.27.040 and 25.27.165, and as
24 collected under AS 25.20.050(f), are appropriated to the Department of Revenue, child
25 support services agency, for the fiscal year ending June 30, 2007.

26 * **Sec. 20. OFFICE OF THE GOVERNOR.** (a) The sum of \$2,756,500 is appropriated from
27 the general fund to the Office of the Governor, division of elections, for costs associated with
28 conducting the statewide primary and general elections in the fiscal year ending June 30,
29 2007.

30 (b) If the fiscal year-to-date average price of Alaska North Slope crude oil exceeds the
31 Department of Revenue's spring 2005 projected fiscal year 2007 price of \$53.60 a barrel on

1 September 30, 2006, the amount of money corresponding to the year-to-date average price,
 2 rounded to the nearest one-half dollar, as set out in the table in (d) of this section is
 3 appropriated from the general fund to the Office of the Governor for distribution to state
 4 agencies to offset increased fuel and utility costs.

5 (c) If the fiscal year-to-date average price of Alaska North Slope crude oil exceeds the
 6 Department of Revenue's spring 2006 projected fiscal year 2007 price of \$53.60 a barrel on
 7 March 31, 2007, the amount of money corresponding to the year-to-date average price,
 8 rounded to the nearest one-half dollar, as set out in the table in (d) of this section is
 9 appropriated from the general fund to the Office of the Governor for distribution to state
 10 agencies to offset increased fuel and utility costs.

11 (d) The following table shall be used in determining the amount of appropriations in
 12 (b) and (c) of this section:

13 YEAR-TO-DATE	
14 AVERAGE PRICE	
15 OF ALASKA NORTH	
16 SLOPE CRUDE OIL.	AMOUNT
17 \$58.50 or more	\$12,000,000
18 58.00	10,800,000
19 57.50	9,600,000
20 57.00	8,400,000
21 56.50	7,200,000
22 56.00	6,000,000
23 55.50	4,800,000
24 55.00	3,600,000
25 54.50	2,400,000
26 54.00 or less	1,200,000

27 (e) It is the intent of the legislature that a payment under (b) of this section on
 28 October 1, 2006, be used to offset the effects of higher fuel and utility costs for the first half
 29 of fiscal year 2007 and that a payment under (c) of this section on April 1, 2007, be used to
 30 offset the effects of higher fuel and utility costs for the second half of the fiscal year 2007.

31 (f) The governor shall allocate amounts appropriated in (b) and (c) of this section as

1 follows:

2 (1) to the Department of Transportation and Public Facilities, 65 percent of the
3 total plus or minus 10 percent;

4 (2) to the University of Alaska, eight percent of the total plus or minus three
5 percent;

6 (3) to any other state agency, not more than four percent of the total amount
7 appropriated;

8 (4) the aggregate amount allocated may not exceed 100 percent of the
9 appropriation.

10 * Sec. 21. POWER COST EQUALIZATION. (a) If the fiscal year-to-date average price of
11 Alaska North Slope crude oil exceeds the Department of Revenue's spring 2006 projected
12 fiscal year 2007 price of \$53.60 a barrel on September 30, 2006, the amount of money
13 corresponding to the year-to-date average price, rounded to the nearest one-half dollar, as set
14 out in the table in (c) of this section is appropriated from the general fund to the power cost
15 equalization and rural electric capitalization fund (AS 42.45.100) to make grants under the
16 power cost equalization program.

17 (b) If the fiscal year-to-date average price of Alaska North Slope crude oil exceeds the
18 Department of Revenue's spring 2006 projected fiscal year 2007 price of \$53.60 a barrel on
19 March 31, 2007, the amount of money corresponding to the year-to-date average price,
20 rounded to the nearest one-half dollar, as set out in the table in (c) of this section is
21 appropriated from the general fund to the power cost equalization and rural electric
22 capitalization fund (AS 42.45.100) to make grants under the power cost equalization program.

23 (c) The following table shall be used in determining the amount of appropriations in
24 (a) and (b) of this section:

25	YEAR-TO-DATE	
26	AVERAGE PRICE	
27	OF ALASKA NORTH	
28	SLOPE CRUDE OIL	AMOUNT
29	\$58.50 or more	\$3,250,000
30	58.00	2,925,000
31	57.50	2,600,000

1	57.00	2,275,000
2	56.50	1,950,000
3	56.00	1,625,000
4	55.50	1,300,000
5	55.00	975,000
6	54.50	650,000
7	54.00 or less	325,000

8 (d) It is the intent of the legislature that a payment under (a) of this section on
 9 October 1, 2006, be used to offset the effects of higher fuel and utility costs for the first half
 10 of fiscal year 2007 and that a payment under (b) of this section on April 1, 2007, be used to
 11 offset the effects of higher fuel and utility costs for the second half of the fiscal year 2007.

12 * **Sec. 22. UNIVERSITY OF ALASKA.** The fees collected under AS 28.10.421(d) during
 13 the fiscal year ending June 30, 2006, for the issuance of special request university plates, less
 14 the cost of issuing the license plates, are appropriated from the general fund to the University
 15 of Alaska for support of alumni programs at the campuses of the university for the fiscal year
 16 ending June 30, 2007.

17 * **Sec. 23. FEDERAL AND OTHER PROGRAM RECEIPTS.** (a) Federal receipts,
 18 designated program receipts as defined in AS 37.05.146(b)(3), information services fund
 19 program receipts as described in AS 44.21.045(b), Exxon Valdez oil spill trust receipts
 20 described in AS 37.05.146(b)(4), and receipts of the Alaska Fire Standards Council described
 21 in AS 37.05.146(b)(5) that are received during the fiscal year ending June 30, 2007, and that
 22 exceed the amounts appropriated by this Act, are appropriated conditioned on compliance
 23 with the program review provisions of AS 37.07.080(h).

24 (b) If federal or other program receipts as defined in AS 37.05.146 and in
 25 AS 44.21.045(b) that are received during the fiscal year ending June 30, 2007, exceed the
 26 estimates appropriated by this Act, the appropriations from state funds for the affected
 27 program may be reduced by the excess if the reductions are consistent with applicable federal
 28 statutes.

29 (c) If federal or other program receipts as defined in AS 37.05.146 and in
 30 AS 44.21.045(b) that are received during the fiscal year ending June 30, 2007, fall short of the
 31 estimates appropriated by this Act, the affected appropriation is reduced by the amount of the

1 shortfall in receipts.

2 * Sec. 24. FUND TRANSFERS. (a) The following amounts are appropriated to the debt
3 retirement fund (AS 37.15.011):

4 (1) the sum of \$6,829,800 from the investment earnings on the bond proceeds
5 deposited in the capital project funds for the series 2003A general obligation bonds;

6 (2) the sum of \$9,295,100 from federal receipts for state guaranteed
7 transportation revenue anticipation bonds, series 2003B;

8 (3) the sum of \$2,367,000 from Alaska accelerated transportation projects
9 fund bond proceeds for state guaranteed transportation revenue anticipation bonds, series
10 2003B;

11 (4) the sum of \$61,491,900 from the general fund;

12 (5) the sum of \$12,700 from the investment loss trust fund (AS 37.14.300);

13 (6) the sum of \$250,000 from miscellaneous earnings from earnings of the
14 reserve fund or of the unreserved investment earnings of the Alaska Municipal Bond Bank;

15 (7) the sum of \$23,441,712 from the Alaska Housing Finance Corporation
16 fiscal year 2007 dividend;

17 (8) the sum of \$16,649,500 from the Alaska Industrial Development and
18 Export Authority fiscal year 2007 dividend.

19 (b) The following amounts are appropriated to the election fund required by the
20 federal Help America Vote Act:

21 (1) the sum of \$100,000 from federal receipts;

22 (2) interest earned on amounts in the election fund required by the federal
23 Help America Vote Act.

24 (c) The sum of \$6,700,000 is appropriated from the general fund to the power cost
25 equalization and rural electric capitalization fund (AS 42.45.100).

26 (d) The sum of \$5,000,000 is appropriated from federal receipts to the power cost
27 equalization endowment fund (AS 42.45.070).

28 (e) The amount necessary to provide the sum appropriated from the power cost
29 equalization and rural electric capitalization fund (AS 42.45.100) by sec. 1 of this Act, after
30 any appropriations made to that fund during the fiscal year ending June 30, 2007, are taken
31 into account, is appropriated from the power cost equalization endowment fund

1 (AS 42.45.070) to the power cost equalization and rural electric capitalization fund
2 (AS 42.45.100). However, in accordance with AS 42.45.085(a), the amount appropriated by
3 this subsection may not exceed seven percent of the market value of the power cost
4 equalization endowment fund, determined by the commissioner of revenue to be \$11,881,870,
5 minus amounts appropriated during the fiscal year ending June 30, 2007, for reimbursement
6 of the costs set out in AS 42.45.085(a)(2) and (3).

7 (f) The sum equal to 25 percent of the amount received by the National Petroleum
8 Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6508 on or before
9 August 31, 2006, that is appropriated to the Department of Commerce, Community, and
10 Economic Development for capital project grants under the National Petroleum Reserve -
11 Alaska impact grant program during fiscal year 2006, that is not subject to a signed grant
12 agreement between the Department of Commerce, Community, and Economic Development
13 and an impacted municipality on or before August 31, 2006, and that lapses into the National
14 Petroleum Reserve - Alaska special revenue fund is appropriated to the principal of the
15 Alaska permanent fund from the National Petroleum Reserve - Alaska special revenue fund.

16 (g) The sum equal to 0.5 percent of the amount received by the National Petroleum
17 Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6508 on or before
18 August 31, 2006, that is appropriated to the Department of Commerce, Community, and
19 Economic Development for capital project grants under the National Petroleum Reserve -
20 Alaska impact grant program during fiscal year 2006, that is not subject to a signed grant
21 agreement between the Department of Commerce, Community, and Economic Development
22 and an impacted municipality on or before August 31, 2006, and that lapses into the National
23 Petroleum Reserve - Alaska special revenue fund is appropriated to the public school trust
24 fund (AS 37.14.110) from the National Petroleum Reserve - Alaska special revenue fund.

25 (h) The amount received by the National Petroleum Reserve - Alaska special revenue
26 fund (AS 37.05.530) under 42 U.S.C. 6508 on or before August 31, 2006, that is appropriated
27 to the Department of Commerce, Community, and Economic Development for capital project
28 grants under the National Petroleum Reserve - Alaska impact grant program during fiscal year
29 2006, that is not subject to a signed grant agreement between the Department of Commerce,
30 Community, and Economic Development and an impacted municipality on or before
31 August 31, 2006, that lapses into the National Petroleum Reserve - Alaska special revenue

1 fund, and that is not appropriated under (f) and (g) of this section is appropriated to the power
2 cost equalization and rural electric capitalization fund (AS 42.45.100) from the National
3 Petroleum Reserve - Alaska special revenue fund.

4 (i) The following revenue collected during the fiscal year ending June 30, 2007, is
5 appropriated to the fish and game fund (AS 16.05.100):

6 (1) receipts from the sale of crewmember fishing licenses (AS 16.05.480(a))
7 that are not deposited into the fishermen's fund under AS 23.35.060;

8 (2) range fees collected at shooting ranges operated by the Department of Fish
9 and Game (AS 16.05.050(a)(15));

10 (3) fees collected at boating and angling access sites described in
11 AS 16.05.050(a)(6) and managed by the Department of Natural Resources, division of parks
12 and outdoor recreation, under a cooperative agreement;

13 (4) receipts from the sale of waterfowl conservation stamp limited edition
14 prints (AS 16.05.826(a)); and

15 (5) fees collected for sanctuary access permits (AS 16.05.050(a)(15)).

16 (j) The sum of \$10,636,500 is appropriated from the general fund to the Alaska senior
17 care fund (AS 47.45.360).

18 (k) The following amounts are appropriated to the oil and hazardous substance release
19 prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release
20 prevention and response fund (AS 46.08.010) from the sources indicated:

21 (1) the sum of \$1,800,000 from the commercial passenger vessel
22 environmental compliance fund (AS 46.03.482);

23 (2) the balance of the oil and hazardous substance release prevention
24 mitigation account (AS 46.08.020(b)) in the general fund on July 1, 2006, not otherwise
25 appropriated by this Act;

26 (3) the amount collected for the fiscal year ending June 30, 2006, estimated to
27 be \$8,500,000, from the surcharge levied under AS 43.55.300.

28 (l) The following amounts are appropriated to the oil and hazardous substance release
29 response account (AS 46.08.010(a)(2)) in the oil and hazardous substance release prevention
30 and response fund (AS 46.08.010) from the following sources:

31 (1) the balance of the oil and hazardous substance release response mitigation

1 account (AS 46.08.025(b)) in the general fund on July 1, 2006, not otherwise appropriated by
2 this Act:

3 (l) the amount collected for the fiscal year ending June 30, 2006, from the
4 surcharge levied under AS 43.55.201.

5 (m) The sum of \$8,219,000 is appropriated from the Alaska sport fishing enterprise
6 account (AS 16.05.130(e)) in the fish and game fund (AS 16.05.100) to the Alaska fish and
7 game revenue bond redemption fund (AS 37.15.770).

8 (n) The sum of \$278,032,900 is appropriated from the general fund to the public
9 education fund (AS 14.17.300) for the fiscal year ending June 30, 2007, for the following
10 purposes in the amounts stated:

	AMOUNT
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Distribution to school districts, to the state boarding	\$223,325,700
school, and for centralized correspondence study under	
AS 14.17	

Transportation of pupils under AS 14.09.010	54,707,200
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16 (o) The portions of the fees listed in this subsection that are collected during the fiscal
17 year ending June 30, 2007, are appropriated to the Alaska children's trust (AS 37.14.200):

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

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

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

24 (p) The loan origination fees collected by the Alaska Commission on Postsecondary
25 Education for the fiscal year ending June 30, 2007, are appropriated to the origination fee
26 account (AS 14.43.120(u)) within the education loan fund (AS 14.42.210) of the Alaska
27 Student Loan Corporation for the purposes specified in AS 14.43.120(u).

28 (q) Federal receipts received for disaster relief during the fiscal year ending June 30,
29 2007, are appropriated to the disaster relief fund (AS 26.23.300).

30 (r) The balance of the mine reclamation trust fund income account (AS 37.14.800(a))
31 on June 30, 2006, and money deposited in that account during the fiscal year ending June 30,

1 2007, is appropriated to the mine reclamation trust fund operating account (AS 37.14.800(a))
2 for the fiscal year ending June 30, 2007, for expenditure by the Department of Natural
3 Resources under AS 37.14.820(a).

4 * **Sec. 25. BOND CLAIMS.** The amounts received in settlement of claims against bonds
5 guaranteeing the reclamation of state, federal, or private land, including the plugging or repair
6 of wells, are appropriated to the agency secured by the bond for the fiscal year ending
7 June 30, 2007, for the purpose of reclaiming the state, federal, or private land affected by a
8 use covered by the bond.

9 * **Sec. 26. RETAINED FEES AND BANKCARD SERVICE FEES.** (a) The amount
10 retained to compensate the collector or trustee of fees, licenses, taxes, or other money
11 belonging to the state during the fiscal year ending June 30, 2007, is appropriated for that
12 purpose to the agency authorized by law to generate the revenue.

13 (b) The amount retained to compensate the provider of bankcard or credit card
14 services to the state during the fiscal year ending June 30, 2007, is appropriated for that
15 purpose to each agency of the executive, legislative, and judicial branches that accepts
16 payment by bankcard or credit card for licenses, permits, goods, and services provided by that
17 agency on behalf of the state, from the funds and accounts in which the payments received by
18 the state are deposited.

19 * **Sec. 27. SALARY AND BENEFIT ADJUSTMENTS.** (a) The operating budget
20 appropriations made in sec. 1 of this Act, and in sec. 1 of the Act making appropriations for
21 the state's integrated comprehensive mental health program, include amounts for salary and
22 benefit adjustments for public officials, officers, and employees of the executive branch,
23 Alaska Court System employees, employees of the legislature, and legislators and to
24 implement the terms for the fiscal year ending June 30, 2007, of the following collective
25 bargaining agreements:

- 26 (1) Alaska Public Employees Association, for the Confidential Unit;
27 (2) Alaska Public Employees Association, for the Supervisory Unit;
28 (3) Alaska State Employees Association, for the General Government Unit;
29 (4) Marine Engineers Beneficial Association, representing licensed engineers
30 employed by the Alaska marine highway system;
31 (5) Public Employees Local 71, for the Labor, Trades and Crafts Unit;

1 (6) Inlandboatmen's Union of the Pacific, representing the unlicensed marine
2 unit;

3 (7) International Organization of Masters, Mates, and Pilots, for the Masters,
4 Mates, and Pilots Unit;

5 (8) Public Safety Employees Association, representing regularly
6 commissioned public safety officers;

7 (9) Alaska Vocational Technical Center Teachers' Association - National
8 Education Association, representing employees of the Alaska Vocational Technical Center.

9 (b) The operating budget appropriations made to the University of Alaska in this Act
10 include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2007,
11 for university employees who are not members of a collective bargaining unit and for
12 implementing the monetary terms of the collective bargaining agreements including the terms
13 of the agreement providing for the health benefit plan for university employees represented by
14 the following entities:

- 15 (1) Alaska Higher Education Crafts and Trades Employees;
- 16 (2) Alaska Community Colleges' Federation of Teachers;
- 17 (3) United Academies;
- 18 (4) United Academies-Adjuncts.

19 (c) If a collective bargaining agreement listed in (a) or (b) of this section is not ratified
20 by the membership of the respective collective bargaining unit, the appropriations made by
21 this Act that are applicable to that collective bargaining unit's agreement are reduced
22 proportionately by the amount for that collective bargaining agreement, and the corresponding
23 funding source amounts are reduced accordingly.

24 * **Sec. 28. SHARED TAXES AND FEES.** The amount necessary to refund to local
25 governments their share of taxes and fees collected in the listed fiscal years under the
26 following programs is appropriated to the Department of Revenue from the general fund for
27 payment in fiscal year 2007:

28 REVENUE SOURCE	FISCAL YEAR COLLECTED
29 Fisheries business tax (AS 43.75)	2006
30 Fishery resource landing tax (AS 43.77)	2006
31 Aviation fuel tax (AS 43.40.010)	2007

1 Electric and telephone cooperative tax (AS 10.25.570) 2007

2 Liquor license fee (AS 04.11) 2007

3 * Sec. 29. STATE DEBT AND OTHER OBLIGATIONS. (a) The amount required to pay
4 interest on any revenue anticipation notes issued by the commissioner of revenue under
5 AS 43.08 during the fiscal year ending June 30, 2007, is appropriated from the general fund to
6 the Department of Revenue for payment of the interest on those notes.

7 (b) The amount required to be paid by the state for principal and interest on all issued
8 and outstanding state-guaranteed bonds is appropriated from the general fund to the Alaska
9 Housing Finance Corporation for the fiscal year ending June 30, 2007, for payment of
10 principal and interest on those bonds.

11 (c) The sum of \$31,470,817 is appropriated to the state bond committee from the
12 Alaska debt retirement fund (AS 37.15.011) for payment of debt service, accrued interest, and
13 trustee fees on outstanding State of Alaska general obligation bonds, series 2003A.

14 (d) The sum of \$44,470 is appropriated to the state bond committee from State of
15 Alaska general obligation bonds, series 2003A bond issue premium, interest earnings, and
16 accrued interest held in the Alaska debt service fund for the fiscal year ending June 30, 2007,
17 for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska
18 general obligation bonds, series 2003A.

19 (e) The sum of \$11,661,950 is appropriated to the state bond committee from the
20 Alaska debt retirement fund (AS 37.15.011) for payment of debt service, accrued interest, and
21 trustee fees on outstanding state-guaranteed transportation revenue anticipation bonds, series
22 2003B.

23 (f) The sum of \$1,860,187 is appropriated to the state bond committee from state-
24 guaranteed transportation revenue anticipation bonds, series 2003B bond issue premium,
25 interest earnings, and accrued interest held in the Alaska debt service fund for the fiscal year
26 ending June 30, 2007, for payment of debt service and trustee fees on outstanding state-
27 guaranteed transportation revenue anticipation bonds, series 2003B.

28 (g) The sum of \$45,426,300 is appropriated to the state bond committee for the fiscal
29 year ending June 30, 2007, for payment of debt service and trustee fees on outstanding
30 international airports revenue bonds from the following sources in the amounts stated:

31 SOURCE AMOUNT

1	International Airports Revenue Fund (AS 37.15.430)	\$42,226,300
2	Passenger facility charge	3,200,000

3 (h) The sum of \$1,539,300 is appropriated from interest earnings of the Alaska clean
 4 water fund (AS 46.03.032) to the Alaska clean water fund revenue bond redemption fund
 5 (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees,
 6 if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year
 7 ending June 30, 2007.

8 (i) The sum of \$1,075,300 is appropriated from interest earnings of the Alaska
 9 drinking water fund (AS 46.03.036) to the Alaska drinking water fund revenue bond
 10 redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium,
 11 and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560
 12 during the fiscal year ending June 30, 2007.

13 (j) The sum of \$13,147,600 is appropriated from the Alaska debt retirement fund
 14 (AS 37.15.011) to the state bond committee for the fiscal year ending June 30, 2007, for
 15 trustee fees and lease payments relating to certificates of participation issued for real property.

16 (k) The sum of \$3,467,100 is appropriated from the general fund to the Department of
 17 Administration for the fiscal year ending June 30, 2007, for payment of obligations to the
 18 Alaska Housing Finance Corporation for the Robert B. Atwood Building in Anchorage.

19 (l) The sum of \$5,091,800 is appropriated from the general fund to the Department of
 20 Administration, for the fiscal year ending June 30, 2007, for payment of obligations and fees
 21 for the Anchorage Jail.

22 (m) The sum of \$93,935,000 is appropriated to the Department of Education and
 23 Early Development for state aid for costs of school construction under AS 14.11.100 from the
 24 following sources:

25	Alaska debt retirement fund AS 37.15.011)	\$66,935,000
26	School fund (AS 43.50.140)	27,000,000

27 (n) The sum of \$10,209,855 is appropriated from the general fund to the following
 28 agencies for the fiscal year ending June 30, 2007, for payment of debt service on outstanding
 29 debt authorized by AS 14.40.257, AS 29.60.700, and AS 42.45.065, respectively, for the
 30 following projects:

31	AGENCY AND PROJECT	APPROPRIATION AMOUNT
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1	(1) University of Alaska	\$1,413,366
2	Anchorage Community and Technical	
3	College Center	
4	Juneau Readiness Center/	
5	UAS Joint Facility	
6	(2) Department of Transportation and	
7	Public Facilities	
8	(A) Nome (port facility addition	127,137
9	and renovation)	
10	(B) Matanuska-Susitna Borough	754,413
11	(deep water port and road	
12	upgrade)	
13	(C) Aleutians East Borough/	101,840
14	False Pass (small boat harbor)	
15	(D) Lake and Peninsula Borough/	119,257
16	Chignik (dock project)	
17	(E) City of Fairbanks (fire headquarters	870,190
18	station replacement)	
19	(F) City of Valdez (harbor renovations)	226,021
20	(3) Alaska Energy Authority	
21	(A) Kodiak Electric Association (Nyman	646,935
22	combined cycle cogeneration plant)	
23	(B) Cordova Electric Cooperative (Power	3,861,035
24	Creek hydropower station)	
25	(C) Copper Valley Electric Association	334,884
26	(cogeneration projects)	
27	(D) Metlakatla Power and Light (utility plant	1,754,777
28	and capital additions)	
29	(o) The sum of \$8,219,000 is appropriated from the Alaska fish and game revenue	
30	bond redemption fund (AS 37.15.770) to the state bond committee for payment of debt	
31	service, accrued interest, and trustee fees on outstanding sport fish hatchery revenue bonds.	

1 * **Sec. 30. CONSTITUTIONAL BUDGET RESERVE FUND.** (a) Deposits in the budget
2 reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for fiscal year 2006 that are
3 made from subfunds and accounts other than the operating general fund (state accounting
4 system fund number 11100) by operation of art. IX, sec. 17(d), Constitution of the State of
5 Alaska, to repay appropriations from the budget reserve fund are appropriated from the
6 budget reserve fund to the subfunds and accounts from which they were transferred.

7 (b) Unrestricted interest earned on investment of the general fund balances for the
8 fiscal year ending June 30, 2007, is appropriated to the budget reserve fund (art. IX, sec. 17,
9 Constitution of the State of Alaska). The appropriation made by this subsection is intended to
10 compensate the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for
11 any lost earnings caused by use of the fund's balance to permit expenditure of operating and
12 capital appropriations in the fiscal year ending June 30, 2007, in anticipation of receiving
13 unrestricted general fund revenue. The amount appropriated by this subsection may not
14 exceed an amount equal to the earnings lost by the budget reserve fund as the result of the use
15 of money from the budget reserve fund to permit expenditure of operating and capital
16 appropriations in the fiscal year ending June 30, 2007, in anticipation of receiving unrestricted
17 general fund revenue.

18 (c) The sum of \$185,400 is appropriated from the budget reserve fund (art. IX, sec.
19 17, Constitution of the State of Alaska) to the Department of Revenue, treasury division, for
20 increased operating costs related to management of the budget reserve fund for the fiscal year
21 ending June 30, 2007.

22 (d) The appropriations made by (a) and (c) of this section are made under art. IX, sec.
23 17(c), Constitution of the State of Alaska.

24 * **Sec. 31. AMENDMENT OF SB 232.** The appropriation for the replacement of the White
25 Mountain School in any version of SB 232 passed by the Twenty-Fourth Alaska State
26 Legislature and enacted into law, is amended by adding the following intent language: "It is
27 the intent of the legislature that the Bering Strait School District aggressively pursue
28 insurance claims related to the school fire, that it reimburse the general fund with any
29 recovery for the loss, and that money recovered from an insurance claim may not be used to
30 supplement the appropriation for the school replacement."

31 * **Sec. 32. NONLAPSE OF APPROPRIATIONS.** The appropriations made by secs. 7(d),

1 8(b), 9(d), 10(b), 21, 24, 29(h), 29(i), and 30(a) of this Act are for the capitalization of funds
2 and do not lapse.

3 * **Sec. 33. RETROACTIVITY.** Those portions of the appropriations made in sec. 1 of this
4 Act that appropriate either the unexpended and unobligated balance of specific fiscal year
5 2006 program receipts or the unexpended and unobligated balance on June 30, 2006, of a
6 specified account are retroactive to June 30, 2006, solely for the purpose of carrying forward a
7 prior fiscal year balance.

8 * **Sec. 34.** Sections 22 and 33 of this Act take effect June 30, 2006.

9 * **Sec. 35.** Sections 20(b) and 21(a) of this Act take effect October 1, 2006.

10 * **Sec. 36.** Sections 20(c) and 21(b) of this Act take effect April 1, 2007.

11 * **Sec. 37.** Except as provided in secs. 34 - 36 of this Act, this Act takes effect July 1, 2006.

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HB 365

FRANK H. MURKOWSKI
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465 3500
FAX (907) 465 3532
WWW.GOV.STATE.AK.US

January 11, 2006

The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Harris:

The operating budget bill delivered today contains my proposal for the 2007 fiscal year.

The proposed operating budget, combined with other spending proposals, reflect my administration's commitment to ensuring each Alaskan has the opportunity to fully participate in Alaska's bright future. At the same time, our proposals ensure that the state can continue to meet its obligations, especially to those most in need.

Unlike the first two operating budgets of this administration in which we cut \$150 million in general funds and 473 positions, the Fiscal Year 2007 budget proposals reflect increases in four primary program areas:

K-12 support - \$90 million

The increase, which requires passage of a statute, will bring per student funding to \$5,352 from the current \$4,919. Increased funds will pay the \$40 million in increased retirement system costs, provide funds to meet the increased cost of day-to-day operations, and enable further investment in helping students achieve.

University of Alaska - \$42 million

The Alaska Scholars program is a success story in keeping Alaska's brightest at home. Over the last five years, 98 percent of Alaska Scholars that graduated from the University stayed in Alaska. My proposed budget includes \$5 million to expand this program to the top 15 percent from the current top 10 percent of Alaska's high school graduates.

Other increased investment in the University includes continuing programs that address high demand careers, such as in health and

The Honorable John Harris
January 11, 2006
Page 2

teaching, and establishing a competitive university research program that capitalizes on Alaska's geographic advantages.

Medicaid - \$104 million

Additional funds will meet this formula-based program's requirements due to increased caseloads and costs. Another \$45 million of the increase is due to the federal government's disapproval of the FairShare program that was put in place under the last administration. The program allowed Tribal hospitals to receive a higher reimbursement rate than non-Tribal hospitals for uncompensated care.

Transportation - \$42 million

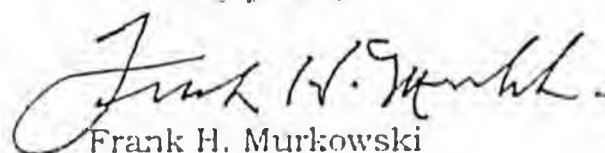
We again propose to increase funding for maintenance of the state's highways, airports, and harbors. Some of this is to cover increased costs of commodities and fuel. In addition, we are proposing additional funding for the Alaska Marine Highway System to cover increased fuel costs and staffing to meet increased ports of call.

Another major increase is \$65 million for state employee salary and benefit costs. Over half of the amount (\$34 million) is to pay the increased retirement system contribution.

Our administration's Fiscal Year 2007 operating budget and other proposals are investments in Alaska's future that will help create the kind of Alaska in which Alaskans can fulfill their tremendous potential and achieve their dreams. By our working together on what I believe to be a shared vision for the future, it will mean every Alaskan can have hope for what the future will bring, instead of simply hoping for a future.

To these ends, I look forward to working with the Legislature.

Sincerely yours,



Frank H. Murkowski
Governor

Enclosure

HB 365

Public
Testimony

Committee members, thank you for the opportunity to express my concerns.

My name is Bruce Bartley. I am the chief of the Chugiak Volunteer Fire and Rescue Company. I have been an EMT in Alaska for 23 years. And I have served on the board of directors of the Southern Region EMS Council for 17 years. For 15 of those 17 years, Southern region...and all the other regional offices in the state...have been flat funded. Even with the modest inflation during that time, flat funding amounts to a serious cut.

As such I've had to participate in many painful sessions where we have cut back regional operations and programs *literally* to the bone.

These regional offices provide training...certifying officers for state-certification exams...public education...and direct grants to EMS squads. The regional offices have worked with private...state...and federal agencies to leverage the

purchase of more than 15 million dollars of badly needed EMS equipment over the past six years.

The House Finance Committee has included in its budget an increment of almost 456-thousand dollars to assist the regional offices in these vital tasks. I urge your committee to do the same.

As an unpaid director of the region with the largest population and most EMS squads in the state... I can tell you first-hand that this group wrings every penny out of every dollar ...to enable mostly volunteer EMS services to provide the best possible pre-hospital care to the citizens of Alaska.

I appreciate the dilemma you face with multiple demands for finite dollars. In some respects...it is harder when you have too much money than it is when you have too little.

But chief among the responsibilities of state government is the health and safety of its citizens. So I urge you to look at

the regional EMS offices with their proven track record...
and the demonstrable impact they have had on Alaska's
citizens.

Most of the people providing EMS in Alaska are
volunteers. Each of us donates thousands of hours of our
precious personal lives to help care for our neighbors in
times of crisis. Please give us the tools and the
infrastructure to continue to do so.

Thank you for your time and consideration. I'd be happy to
try to answer any questions.



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance Committee
 committee name
 committee on _____, dated 4/6/06
 bill/subject

I want to thank the Finance Committee for restoring funding for Public Radio and 75% of the original funding for Public TV. However, I urge the committee to consider restoring full funding for Public TV as well as the \$125,000 increment recommended by the Governor.

Public TV provides a service that cannot be found anywhere else. The children's programming provides a safe haven, educational environment that is unique in television. It also provides educational for young adults ("Workplace Essential", "GED Connection") that is geared towards making young adults successful.

Lastly APPN, KSKA, KAKM have taken steps to reduce costs by merging & taking advantages of synergies. However, Public TV cannot survive under budget cuts.

Signed: [Signature]
 Testifier

Representing (Optional)
7500 Aleutina Ave, Anchorage, 99507
 Address
907-345-4782
 Phone No.

Please consider full funding for Public TV as well as the \$125,000 increment.

Good evening, my name is Chris Hall

I am here this evening to speak in favor of funding the University of Alaska at the level proposed by the governor.

My wife and I both graduated from UAA in 2005 and are now in the workforce. Our degrees are serving us well and I believe the state well. I have friends who graduated and now work in the fields of health care, engineering, business, and journalism. In my opinion, we represent a university and state goal, a workforce trained in Alaska working in Alaska.

I appreciate having a high quality educational institution in Alaska. But I am concerned; I am concerned for students coming after me, students who may be thinking of prom, sports, or the latest fashion instead of a college education. I am also concerned for our state, at the current level of funding the university will not be able to create or expand high demand programs.

* The House budget increase will cover only the University's fixed cost increases and nothing else.

* The current Senate Finance Subcommittee proposal will be a considerable cut to the operations of the university and will not address high demand workforce development needs throughout Alaska.

Please restore university funding to a level that provides for future students and the future of Alaska.

Thank you for your service to our state,



Alaska State Legislature

RECEIVED

APR 11 2006

Please enter into the record my testimony to the SFIN
COMMITTEE NAME
 committee on HB365, dated 4-6-06
BILL / SUBJECT TODAY'S DATE

I am addressing the Department of Labor Independent Living line item. I appreciate the \$40,000 increment introduced by Senator Wilken, but am asking the Senate to match Rep. Chenault & Weyrauch's \$150,000 increment.

These funds are used to work w/ youth w/ disabilities in Fbx, Southeast is the Kenai. With \$150,000 increment that the House Finance passed, it would allow \$50,000 for Fbx, \$50,000 for SE & \$50,000 for the Kenai to work w/ youth w/ disabilities to be employed and for maintenance and start up of interpreter referral lines for persons who are deaf.

Signed: Joyanna Geisler
TESTIFIER
Independent Living Center
REPRESENTING
Box 1649 Homer, AK 99603
ADDRESS
907-235-5401
PHONE NO

Faxed 4/7/06

- Good afternoon. My name is Carin Smolin. I live in Juneau and am here representing the Alaska Adult Education Association, a professional association for Alaska's adult educators. I work for the Southeast Regional Resource Center where I supervise the adult education programs for Juneau and southeast Alaska.
- I am here to encourage you to support the one million dollar increase in general fund money for the adult basic education program in the Governor's Budget, located in the Alaska Department of Labor and Workforce Development.
- Adult education programs have seen limited funding for the past decade. There are more than 57,000 Alaskans age 18 and older, that do not have a high school diploma.
- Adult Basic Education programs prepare Alaskans for the workforce. These programs help Alaskans improve basic skills in reading, writing, and math, teach English skills to the immigrant population, and help Alaskans get their GED diploma.
- GED graduates account for more than 20% of the state's high school graduates. There are no other programs that provide this educational service in the state. Last year, there were 1,646 GED grads in the state; 200 graduates in Southeast Alaska.
- ABE students increase their wages. 62% found work or retained their jobs as a result of getting their GED diploma and improving their basic skills.
- ABE students go onto further education and training that is essential for preparing for our workforce needs. 74% entered the postsecondary education and 43% of those entered the University of Alaska system.
- Funding for adult basic education programs is important to help prepare Alaskans to meet the employment opportunities in our state. Please provide the funding needed to help Alaskans in our state be prepared to meet the job opportunities in our state.
- Thank you for your time.

- Hi. My name is Larrisa Roop. I am 20 years old and I live in Juneau.
- I am here to encourage you to support the one million dollar increase in general fund money for the adult basic education program located in the Alaska Department of Labor and Workforce Development.
- I am a graduate of the Juneau Adult Education Center where I got my GED in 2004.
- I dropped out of school at 16 and have been living on my own since then. I tried to finish school but because of my abuse of drugs and other problems I could not finish. I was incarcerated for a while, too. I became pregnant at 18. At that point, I came to the Juneau Adult Education Center to get my GED to better myself so my daughter could have a better life. I knew that I needed a high school diploma or GED to get a good paying job, one that pays over \$8.50/hour for people with a GED.
- I recently enrolled in SERRC's Alaska Vocational Institute Office Skills and Computer Training Program where I am learning job skills to help me succeed in getting a better job in the workplace.
- Funding for adult basic education programs is important to help people like me. Please provide that funding help to our state. If it wasn't for this program, I would not have the education needed to take care of myself and my daughter and my future.
- Thank you for your time.

ALASKA ADULT EDUCATION PROGRAMS

Alaska's 18 regional Adult Basic Education (ABE) programs have been progressive over the past year:

1. Village programs in the Northwest Arctic (Kotzebue Regional Adult Education Program), on the North Slope, and in Bristol Bay have expanded services through support from the Division of Public Assistance.
2. The PLATO distance learning program has expanded to an additional five communities outside of Anchorage (Kodiak, Homer, Soldotna, Fairbanks, and Barrow). With support from Alaska Job Center Partners statewide, Nine Star Enterprises has provided the training and licenses. *Success Story:* Two youth under age 20 in Brevig Mission studied using PLATO and completed the GED and entered the Alaska SeaLink Program in Ketchikan.
3. Tlingit-Haida Central Council provided extra support for regional adult education services in four communities in Southeast Alaska through SERRC's Southeast Regional Adult Education Program.
4. The Anchorage Regional Adult Education Program increased the number of locations for classes from 12 to 17 in 2005-2006.
5. In cooperation with the *Building Alaska's Workforce* plan under the Alaska Department of Labor, the Anchorage Regional Adult Education Program offered a Construction Trades Math Class during the winter quarter with 30 students enrolled.
6. The Aleutian-Pribilof program with its far flung population has 1,000 additional student hours due to the PLATO program delivery with five new graduates.
7. The Bristol Bay (Dillingham-based) Adult Education Program has shown educational gains as reported in this information sheet.
8. The number of GED graduates increased in Alaska from 1,457 in 2002 (the year the test was updated) to 1,646 in 2005.

Despite these accomplishments, there is a critical lack of infrastructure in Adult Basic Education. Full time personnel are needed in every program to sustain the demand for basic skills services. An example of that demand is the increase in GED graduates in Anchorage to 221 in the fall quarter 2005 from 154 in the fall quarter 2004.

Adult Basic Education is a fundamental need if you want to put people in jobs. And I've made this statement and I absolutely believe it with the data I have been presented. If we could provide sufficient Adult Basic Education in the State of Alaska we would have more Alaskans filling more jobs than will be created by the simultaneous opening of ANWAR and the building of the gas pipeline... It's a problem much larger than the University if we are going to put Alaskans in jobs.

- University of Alaska President Mark Hamilton
Joint Finance Committees, Juneau, Alaska, February 3, 2005

Some of the following information was presented by the Alaska Department of Labor and Workforce Development, Employment Security Division, in testimony to the House Finance Committee on Labor this year.

The Challenge

- The National Adult Literacy Survey released on December 18, 2005 affirms the downturn in adult skills needed to qualify for entry level positions in construction trades, mining, and health care.
- From the 2000 census, the number of Alaskans without a high school diploma required for most stable jobs is 57,000 people.
- Employers are finding increasing dissatisfaction with graduating students' level of proficiency in meeting employability standards as documented by the U.S. Chamber of Commerce.
- University of Alaska colleges must offer remedial courses to high school graduates that enroll in the university system.

Adult Basic Education: A Success Story

- One measure of the Adult Basic Education Program is the number of GED graduates. Averaging the past seven years statistics, **GED graduates account for more than 20% of the State of Alaska's high school graduates.**
- The Adult Basic Education program is the state's single largest source of high school diplomas.

Diplomas	2005		2004		2003		2002		2001		2000		1999		1998	
High School*	7,350	82%	7,290	81%	7,366	80%	6,945	83%	6,812	71%	6,668	76%	6,826	78%	6,496	80%
GED	1,646	18%	1,661	19%	1,860	20%	1,457	17%	2,783	29%	2,071	24%	1,919	22%	1,640	20%
Total	8,996		8,951		9,226		8,408		9,595		8,739		8,745		8,136	

*Alaska Department of Education & Early Development (<http://www.eed.state.ak.us/stats/>)
 2005 High School Diploma Count Estimate as of 1/11/06

- All students are asked to set goals for themselves when they enter the Adult Basic Education Programs in Alaska. Below is a table showing goal completion in FY04.

	Percentage of Full-Time Students Achieving Their Goal **
Enter Employment	62.3%
Retain Employment	73.4%
Obtain a GED	79.2%
Enter Postsecondary Ed	74.2%*

*43% of those the goal of "enter postsecondary education," enrolled in the University of Alaska

Budget Increase Supported by Alaska Adult Education Association

A \$1 million increase in State ABE/GED funding would provide:

- An additional 76,923 hours of direct instruction.
- An estimated 21 additional teachers statewide resulting in an estimated increase of 600 GED high school graduates.

Adult Basic Education is Direct Service and reaches its target:

- In FY05, 91.7 percent of the state's general fund monies were distributed to local/regional ABE providers through grant agreements.

Fiscal Year	04	05	06	07
General Fund	1,570.5	1,558.6	1,565.0	2,571.1
Federal Funds	1,240.2	1,371.4	1,355.9	1,362.8
Total Funds	2,810.7	2,930.0	2,920.9	3,933.9
Total Hours of Instruction	158,284	159,170	161,500*	230,000**
# of GED's Issued	1,661	1,646	1,700*	2,300**

* Estimate

** Estimate based upon additional \$1,000,000 with the result being 600 additional GED graduates. The number of graduates derived is based on approximately 100 instructional hours per graduate over a three year period.

Thank you for your support!

For more information contact:

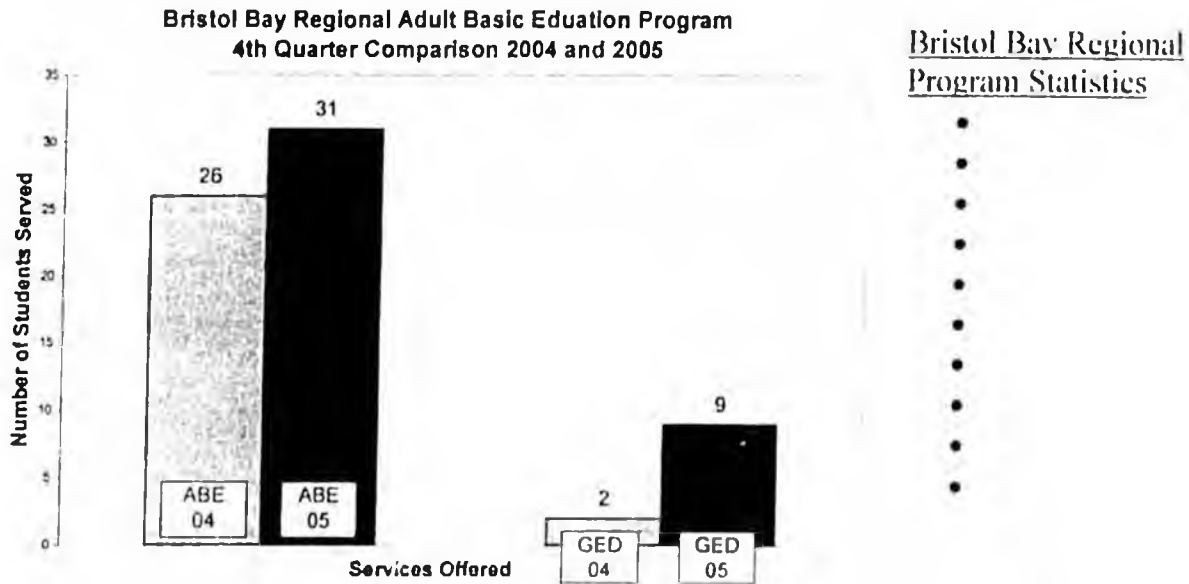
Jan Peyton, President, Alaska Adult Education Association
c/o Kenai Peninsula College, Kachemak Bay Campus, 533 East Pioneer Avenue, Homer, Alaska
99603, cell phone: 299-0153 or 235-5446 (evenings), janpeyton73@alaska.net

David Alexander, AAEA Legislative Committee Chair, Nine Star Enterprises, Anchorage, 279-7827, davida@ninestar.com

Carin Smolin, AAEA Board Member, Southeast Regional Adult Education Programs, SERRC,
Juneau, 586-5718, carins@serre.org

State of Alaska Adult Basic Education Website: www.ajen.state.ak.us/abe

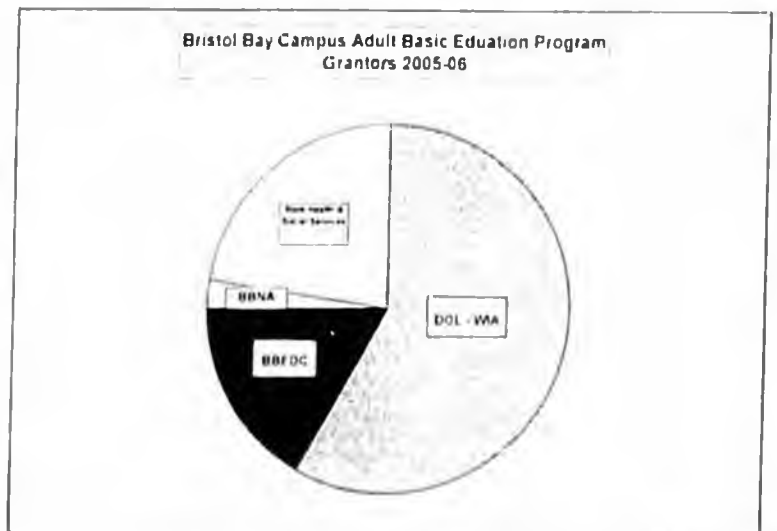
Example of growth and improvement: Bristol Bay Adult Education



- As of the 2000 census, 1,176 residents between the ages of 18 and 44 do not have high school diplomas.
- 74% of students served in 2005 began with a grade equivalency of 5.8.
- With a staff of 13 part-time instructors, 4 part-time GED examiners, and one full time program director, ABE/GED services extend to 32 communities spread throughout an approximately 40,000 square mile area.
- Increasing direct instruction within the 32 communities makes a significant difference. \$40,000 from Alaska State Department of Health and Social Services, Public Assistance Work Services Program received 12/05 provided funds to increase the number of part-time ABE/GED instructors from 6 to 13.

Results:

- 12/04 - 66 students served regionally
- 12/05 - 79 students served regionally
- 2/04 - 1 GED graduate
- 2/05 - 2 GED graduates
- 2/06 - 11 GED graduates



Transition of Youth to Employment

Introduction: Three Center for Independent Living (CIL) offices have begun innovative projects that focus on working with youth with disabilities and assisting with their training and transition to employment. The CILs have had exceptional progress perhaps due to the ability to provide prevocational skills such as assistance with transportation options, interviewing skills, and interpersonal/communication skills on the job to name a few.

Problem: Federal funding for these projects will end June 30th, 2006.

Solution & Request: Funding from the State of Alaska to continue and expand these innovative and successful projects.

CILS involved:

- Kenai Peninsula ILC-Central Kenai Peninsula and Homer offices
- Access Alaska-Fairbanks office
- SAIL-Juneau, Sitka and Ketchikan offices

Successful outcomes in eight months of service delivery include:

Central Kenai Peninsula:

- 30+ youth (ages 14-24) provided transition services including work experience programs and referrals and information to DOLWD, WIA, DVR, Job Corps, AVTEC and Kenai Peninsula College.
- 24 youth attended job preparation classes held in the Peninsula Job Center and assisted by DOLWD and other One Stop partners, Kenai Peninsula Borough School District, community agencies and employers.
- 10 youth in paid employment or ongoing vocational programs with an average wage of \$8 per hour. (One youth working on the slope making \$12 per hour)
- Strong partnership with Peninsula One Stop – 50-75 participant's and families introduced to One Stop services and referred to proper resources to help with work and independent living goals.

SAIL –Southeast:

- 36+ youth (14-24 year olds) are enrolled in the TEAM project in 4 communities in Southeast Alaska (Juneau, Ketchikan, Sitka and Haines).
- 21 youth have paid employment. The average wage earning is \$9.25 per hour and about 13.25 hours per week. 2 of the 21 employed youth are self-employed. 1 of the 21 employed youth, was incarcerated at the Johnson Youth Center, has successfully transition into an apartment with his father and older sister along with securing employment at Cost-co.
- A mother of 2, who was co-enrolled with CEG has been employed with the Tlingit and Haida's Head Start program for 3 months. She is a substitute teacher and is called about 3-4 times a week to fill-in. She is also filing at the Head Start's main office in downtown Juneau.
- A man out of school who has been enrolled in CEG for sometime and hired at a local grocery store lost his job due to not attending work related to his mood swings and transportation issues. The TEAM project, along with his job coach renegotiated his job and he is back working at the grocery store.
- A young woman with Traumatic Brain Injury was a student at UAS in 2005. CEG conducted a person centered planning/Discovery session. Consumer discussed her wishes for employment with all the agencies at the table giving her support. She is now working as a Para-educator for the Juneau School district.

Access Alaska Fairbanks:

- M.D, seventeen year old youth with a learning disability who was interested in computers and information technology became a consumer of Access Alaska's youth transition program to acquire work readiness skills. MD completed a work readiness curriculum, and afterwards, Access Alaska developed an internship placement with a local technology company. MD's summer paid internship was so successful that his employer offered him a full time job at which MD is now employed.
- LV a youth with a developmental disability from a community forty miles outside Fairbanks, was referred to Access Alaska's youth transition program. He was self taught in repairing engines for snow machines, chain saws, and other outdoor equipment, but needed a more formal education to be employed in the field. Access Alaska paid tuition for a small engine repair class, and helped pay for the cost of his tools. LV completed the class, and has been employed as a mechanic in a local engine repair business.
- BH, a Fairbanksan a student with a 504 plan, left school at fifteen when she became pregnant. She was referred to Access Alaska's youth transition program to address a multitude of issues and service needs including setting short term and long term goals, case management, and using the various resources within the community to support her goals. A year later, with Access Alaska's support, BH gave birth to a healthy baby; was living in a three generation household in which her baby was cared for. BH obtained her GED and successfully completed a Medicaid certified eighty hour personal care assistant class. She is now working full time for a local non-profit making \$10.00 dollars an hour as an Independent Living Specialist. BH's accomplishments were publicly recognized this year when she received the Governor's Committee on Employment and Rehabilitation of People with Disabilities Chairperson's Award. BH plans on studying biology at the University of Alaska with the goal of becoming a medical examiner.

Hello and thank you for the opportunity to speak.

My name is Pam Mueller Guy and I have been the Deaf Services Coordinator at Southeast Alaska Independent Living, SAIL, for the past 5 years.

Please help individuals in the deaf community succeed in every aspect of their lives: offer a Senate amendment of at least a \$150,000 to match the House budget increment for Independent Living Services. This money will help the Deaf of Alaska and youth with disabilities transition to employment and post secondary education.

For 15 years, the providers of the Interpreter Referral services in Alaska have seen no increase in funding.

While our funding has stayed the same, the demand for interpreters has steadily been on the rise. It is clearly an unmet need.

10 years ago, SAIL filled 99 sign language interpreter requests.

Over the past two years, requests for interpreters has risen 60 percent.

By the end of this fiscal year, we expect to have filled over 300 requests.

It is so important for a person who is deaf to have good, qualified interpreters to help them succeed.

For example, a consumer we serve was diagnosed with meningitis and became deaf at the age of seven. Last month he successfully completed a three-week training sponsored by the Plumbers and Pipe Fitters. He is well on his way to fulfill his dream—to become a union plumber, like his father before him. His success would not be possible without the assistance of a qualified sign language interpreter.

Another consumer, a mother of 7 children, is also using interpreter services to finish her GED so she can get a good job for her family—her strides toward this goal would not be possible without interpreter services.

I am also a model of that success. As a full time employee, a mother of two grown boys and a current student at the University of Alaska, I do not know where I would be without the service of qualified interpreters and a good interpreter referral agency in town. My world and my success would probably be very different without this important support.

Please offer a Senate amendment, adding an increment of at least \$150,000 for Independent Living Services.

8255 Aspen Avenue
Juneau, AK 99801

April 8, 2006

The Honorable Senator Lyda Green, Co-Chair
The Honorable Senator Gary Wilken, Co-Chair
Senate Finance Committee
Alaska State Capitol
Juneau, Alaska 99801-1182

Dear Senators Lyda Green, Gary Wilken, and honorable members of the Senate Transportation Committee,

As a native son and resident of the great state of Alaska, and as a user of the Alaska Marine Highway System, I respectfully request that the Senate Finance Committee appropriate full funding for the Alaska Marine Highway System.

You have no doubt heard from Governor Murkowski, Robin Taylor, and the Alaska Department of Transportation and Public Facilities that a road and shuttle ferry is needed in Southeast Alaska. I do not believe this is true. We have a unique transportation system already in place, one that has served the region for most of my life time. I believe it will continue to serve the needs of Alaskans and visitors from around the world, but *only if it is allowed to operate to advantage.*

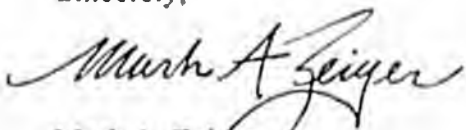
Currently, the ferry system is being bled of funding, and manipulated until it appears to the casual observer that it is an obsolete, inefficient, and costly operation. The road and shuttle are being presented as a less costly alternative. However, if such a road and shuttle is approved and completed, I predict that this committee will, in the future, need to wrestle with the problem of how to fund the higher maintenance and repair costs of the Juneau highway while funding Alaska's many other transportation needs.

Even if a road is to be constructed, surely it is too soon to reduce funding for the ferry system now. We will need the ferries until the day the road is ready to be used.

The people of Southeast Alaska had already expressed a preference for maintaining and improving the Alaska Marine Highway before the current administration decided to make the Juneau access road a priority. The people of Alaska look to you, the Finance Committee, to see the real long term cost of the road, and provide the guidance to avoid such a costly mistake.

I appreciate your willingness to consider this written testimony in the course of today's hearing.

Sincerely,



Mark A. Zeiger

8255 Aspen Ave
Juneau, AK 99801

April 8, 2006

The Hon. Senator Lyda Green, Co-Chair
The Hon. Senator Gary Wilken, Co-Chair
Senate Finance Committee
Alaska State Capitol
Juneau, AK 99801-1152

Dear Senators,

Attached is a letter I wrote outlining my opposition to the proposed road from Juneau to the Kaktzihen River. In addition to this I would like to state that funding the Alaska Marine Highway System is vital to maintaining our current way of life in Southeast Alaska.

Recently, the ferry system has been mismanaged and monies need to be maintained or increased to overcome this. If properly funded this system works with less funds to maintain than any road system that could be built along Lynn Canal.

Thankyou for considering this written testimony in the course of today's hearing.

Sincerely,

Michelle L. Zeiger

Michelle L. Zeiger

8255 Aspen Avenue
Juneau, AK 99801

March 11, 2006

Reuben Yost, Special Projects Manager
DOT&PF – Southeast Region
6860 Glacier Highway
Juneau, AK 99801-7999

Dear Mr. Yost,

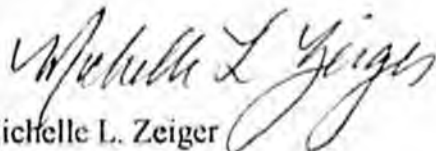
I implore you with all urgency to abandon the plans to build a road from Juneau to the Kahtzihen River. There are numerous reasons not to build this road, but those of most consequence are the misuse of public funds and the mismanagement of the Alaska Marine Highway System.

The mismanagement is already seen in the winter season "experiments" with the Chenega and the Fairweather as well as the poorly conceived ferry schedules that double up the fast ferries and the older ferries on the same days between Juneau, Haines and Skagway. It is so obvious to the public that these moves were set up for failure, so that the road option would seem more cost effective. Please do not assume that we are so gullible.

If the road were built it would be a misuse of public funds. The area the road passes through would be exorbitantly costly both to build and maintain. Not only that, but you would still need to maintain and fuel the shuttle ferries between the Kahtzihen and Haines and Skagway. This road would become a hole in the ground, into which you pour *all* DOT&PF funds for generations to come. A better legacy for you would be able to tell your grandchildren that you ran the most efficient Marine Highway System and the roads in Southeast Alaska (as they exist today) were the best maintained in the country.

My only recommendation, after reviewing the Juneau Access Improvements Final Environmental Impact Statement, is to continue with the plans as they are (what you call the "no action" plan) which include improvements to the current AMHS and other projects that are already slated for various Southeast communities.

Sincerely,


Michelle L. Zeiger

cc: Representative Bruce Weyhrauch
Charlie Huggins, Senate Transportation Committee Chair
Jim Elkins and Carl Gatto, House Transportation Committee Co-Chairs
Southeast Alaska Conservation Council

SCS CSHB 365(FIN)

Susan Sciabbarasi, Superintendent, Wrangell Public Schools, Wrangell, AK 99929

Thank you for the opportunity to provide input to the Operating Budget. My comments will be pertaining to K-12 education and most specifically the foundation formula which incorporates both the base student allocation and the area cost differential.

When school districts developed their school budgets for next year, they budgeted the Governor's proposed Base Student Allocation (BSA) increase of \$90.2 million, however, districts are still having to make huge budget cuts. From the information I have received, the hardest hit districts this year are **Kenai, Valdez and Wrangell. Each must cut an equivalent of 6% from their current budget.** That is a large proportion when considering that cuts have been made annually for the past several years. Their budget deficits are due mainly to the continued increases in the Cost of Living and increases to TRS/PERS, insurance and fuel.

In 1998, SB36 initiated a means for school districts to be funded both adequately and equitably. The Base Student Allocation (BSA) would reflect an amount per student to adequately fund a child in Alaska. Equity issues were addressed through the Area Cost Differential. While the Governor's proposed increase from \$4919 to \$5352 may be an **adequate** number, I do not feel that it is **equitable** in relation to the Area Cost Differential. Specifically, schools in **Senate District A (Wrangell, Petersburg, Sitka, Ketchikan)** are the only school districts in the state that **have not received a differential** with the current District Cost Factors.

Senate Bill 36 required the updating and monitoring of District Cost Factors. However, that has not happened and many school districts like Wrangell, have been cutting staff and programs for the past 7 years. In July 2004 the Legislative Budget and Audit Committee contracted with ISER to update and modify the previously determined flawed AIR District Cost Study. Anchorage will still remain at 1.0 because they are the 'base' in which to determine equality. However, **adequacy must be met and then the adjustment for equity.**

House Bill 362 addresses adequacy and would hold Anchorage harmless, however, in order to also meet equity it should be in conjunction with the implementation of the District Cost Factors determined by the ISER study. If only one is updated, as is currently proposed in HB362, then the directive from Senate Bill 36 in 1998 is not being fully met.

Again, I want to reiterate that even with the proposed \$90.2 million to the Base Student Allocation, districts are experiencing large deficits up to 6%. Therefore, I urge you to accept, not only the proposed \$90.2 million, but also fully implement the new District Cost Factors. Only then will both adequacy and equity be met for ALL of Alaska's children.

Thank you for your time and consideration.

John Cannon
3101 Whispering Woods Dr.
Wasilla, Alaska 99654
907.376.6063 Phone

Testimony Senate Finance Committee
4-6-06

Good evening Senators. My name is John Cannon I am from Wasilla, AK. I serve as the Executive Director of Mat Su Services for Children and Adults a Valley based non profit organization serving Mat-Su residents with Developmental Disabilities. I am compelled to testify this evening to ask your support of community services for Alaskans with Developmental Disabilities. According to a study conducted by the State of Alaska in 2005 there are 1233 Alaskans waiting for critically needed services. I strongly urge you to take the House's position on the operating budget by supporting a \$3 million dollar increment for Community DD services.

The individuals and family members I've spoken with are optimistic for the first time in many years that their son or daughter will finally get funding for long awaited services because of the 1.4 billion dollar surplus. I can tell you that the hopes, dreams and spirits of these Alaskans will be broken if the waiting list is not addressed fiscally this year. These individuals have waited and suffered long enough. On behalf of those who wait I ask you to please support a \$3 million dollar increment to address the Developmental Disabilities Wait List. We have the resources to do this. Let's do the right thing for some of Alaska's most vulnerable citizens. Thank you.

John Cannon

4-6-06

From: David F. Bouker
P. O. Box 241
Dillingham, Ak. 99576
842 5433

April 8, 2006

To: Senator Gary Wilken, Co-Chair
Senate Finance Committee
2nd Session, 24th Alaska Legislature
Juneau, Ak.

FAX No. 1 907 465 2187
Page 1 of 1

Re: Funding PCE

We strongly recommend that your committee restore PCE to full funding levels.

This action would not only benefit the rural citizens not living on the railbelt or having the electricity supplied by hydro power, but would benefit the urban businesses and consumers as well because it would make more funds available to rural consumers for food and other necessities of life that are available from urban centers.

There is no better time than the present when the State of Alaska is operating at a huge surplus to help ease the burden of extraordinary high fuel costs and utility bills in rural areas of the State.

Thank you.

CITY OF TOKSOOK BAY
PO Box 37008
Toksook Bay, AK 99637
Ph (907) 427-7613 Fax (907) 427-7811

April 7, 2006

TO: Senate Finance Committee -or-
WHOM IT MAY CONCERN

FROM: Moses A. Chanar, City Administrator

RE: HB365

HB365 has already affected the rural area than the urban district in cuts in the beneficial areas of government-to-government relationship between the small communities and the State. The small ALASKAN communities as CITIZENS OF the UNITED STATES OF AMERICA, under the STATE OF ALASKA; in their own residential state, are now experiencing the impact from these cuts in the following areas:

1. From becoming self-sufficient communities through lack of adequate training, Statewide and District Governmental workshops & conferences and rural assistance of valuable services funding.
2. Program assistance for state governmental self-proficiency in management of resources already in place.
3. What's next?

I believe the earnings of the State of Alaska through its resources should be placed in beneficial programs that should benefit ALL Alaskan communities who voted and entrusted the legislature to work & serve faithfully, not to take the money and run.

To: Alaska State Legislature

April 7, 2006

ATTN: Senate Finance Committee
FAX: 907 465-2187

Please enter into the record my testimony to the Senate Finance committee on funding Alaska Vocational Technical Center through the 2006 FY General Fund.

Committee, please consider this public testimony to the legislature,

As a member of the maritime industry of Alaska, and a three-year curriculum board member, of the Alaska Vocational Technical Center (AVTEC) I would like to express my thanks to the committee for the funds previously provided to this excellent training center.

AVTEC is truly a market driven school. Their response to industry needs can be measured in a multitude of ways, but I would like to speak of three specific areas that AVTEC has responded to our needs; resulting in the placement and advancement of Alaska people in Alaskan jobs.

1. AVTEC Maritime instructors developed a United States Coast Guard (USCG) approved course to train Tankerman for barge work. Tankerman are difficult to find, as the job requires a five-day in-depth training class that includes fire fighting and learning the complexities of transferring fuel products, as well as at a minimum six months sea-time. Alaskan rural communities rely heavily on barges for transporting their village, and personal fuel oil needs, it is imperative that the Barge companies operating in Alaska are able to have crewmembers that are trained to discharge and load fuel in a safe and efficient manner. As a result of AVTEC's relationship with the maritime community they recognized the need for training Tankerman to meet the needs of transportation to rural Alaska. AVTEC personnel worked hard to develop the program and get USCG approval for this course, which held their first training session in April of 2005 with 15 Mariners enrolled. Through the Tankerman program they have been able to train and put to work more than 50 people over the past year. Prior to the AVTEC tankerman program people had to leave the state to get the necessary training and Alaskans were at a disadvantage for available jobs as Tankerman.

The cost of leaving Alaska to train coupled with the cost of obtaining United States Coast documentation often times keeps people from pursuing this goal.

2. Another example of AVTEC's affect on the community through training is their expertise in training Masters, Mates, and Pilots. The simulator at AVTEC is said to be one of the best in the country. This was proven to our company when the Instructors put together a personalized training class for 8 Masters and Mates that needed to improve their Maritime license to advance in their field by passing a comprehensive Celestial Navigation course. Advancement was necessary so they could maintain employment with the ever-changing USCG regulations. The instructors spent many extra hours out of the classroom offering expertise and practice so that each person was able to confidently perform the duties necessary to take command of the simulator. Every student passed the exam and was able to receive their qualifications on their USCG license. Also, because of the great reviews from the group, many of their peers went to AVTEC to train for their Celestial Navigation endorsement.

3. Basic Safety Training, BST- meeting the needs of the industry. Providing BST is important, valuable, and necessary for mariners to maintain their license with the USCG. Again, due to the ever-changing USCG regulations, AVTEC stepped up to the plate and put together a comprehensive training course required for mariners to sail in outside waters. Many Alaskans' have taken advantage of this course, but many more need the course. BST is in fact a condition of employment for most Mariners.

With the decline of the fishing industry rural Alaskans have found themselves without a viable means to make a living for their families. Many of these people have had life long careers on the waters of Alaska, operating their own fishing vessels and businesses. With fishing in decline they are left with large boat payments and no money coming in. Daily I hear the desperation and sadness in their voices. These folks are hard working, intelligent, and know how to work on the water safely. Most are ready and willing to move forward in the maritime industry, but lack the necessary USCG credentials to work outside the fishing industry. The Coast Guard paperwork process is daunting for people that are accustomed to the paperwork world, but to those that haven't the exposure to governmental entities, the task seems impossible. By having classes available in Alaska people are more likely to move forward to get what is necessary to continue a career in doing what they know best. At AVTEC they are taught the basic courses so that they can get their Coast Guard documents and begin earning a living again. In that process they are also introduced to the USCG requirements and can get help with the necessary paperwork to obtain these documents.

Another great achievement of AVTEC is developing a partnership with the University of Alaska. Through their relationship a student is allowed college credits as a graduate of the AVTEC training programs. Providing hands on training along with course work gives students the confidence and experience necessary to prepare them for furthering their

education at the University, plus a head start by gaining credits toward earning their associate's degree and specializing in a field they have experienced hands on. AVTEC also reaches out to high school students introducing and preparing them for jobs available now, but also those coming to the state in the future.

Since year 2000 enrollment at AVTEC has steadily increased. There has been a 22% increase in enrollment of women and minorities. AVTEC students come from over 200 communities in Alaska. 96% of the 2004 graduates are placed in training related jobs, and 80% of students complete and graduated with a certificate. AVTEC provides quality, in-state training to Alaskan's preparing them for jobs that keep our state moving.

AVTEC is helping to realize jobs for the present and "Jobs for Alaska's Future" by matching the needs of the employers with trained Alaskans ready and willing to work. Please fund this school so that they can keep up with the demand and grow to meet the ever-changing requirements of the work place. Training and employing people that live in Alaska is a "win win" situation for all of us.

Thanks for your time and consideration.

Ketra Anderson
3629 Knik Ave
Anchorage, Alaska 99517

(907) 229-2302



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance
committee name

committee on HB 365, dated 4-7-06

To the Finance Committee:

Please accept my grateful thanks for restoring full funding for Alaska Public Radio, and 75% of the television funding.

As a former educator, a current library director, parent, community volunteer and a long time (22 year supporting member) of KUAC and Alaska One, I see the positive, daily effect of public broadcasting on people of all ages. I encourage you to restore FULL funding for public television, so our vital link to education, information and entertainment will continue to flourish. The unique Alaskan produced programming found on public television connects us all with a heritage of excellence. To lose this link between our past and our future would be a tragic loss. I'm sure you don't want this it happen!

Strong public broadcasting depends on *both* radio and television. Restoring the \$125,000 increment will assist all stations to help offset escalating operating costs, in particular, fuel, energy, and insurance. As you know, the increment was requested by the Governor and supported in the House. Now it's your turn.

I am asking you to please give this matter your full attention and vote in favor of the increment. Your constituents will be grateful, and the long standing tradition of quality in Alaska Public Broadcasting will be assured.

Signed: Joyle A. McComb
Testifier

Representing (Optional)
AC 60 Box 3760 Delta, AK 99737

Address
895-4909

Phone No.

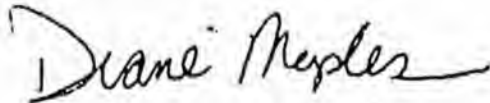
March 27, 2006

Dear Senator,

I am very concerned about the budget for the school year 2006-2007. The financial situation of Valdez City Schools is in serious jeopardy, with a potential 1.2 million dollar deficit (10% of the budget).

The state legislature needs to decide to help the situation by using some of the state's immense, 1.2 billion dollar budget surplus. I am asking you to support, or author and present legislation that will have the state **fully fund the TRS/PERS for all school and city employees**. If the state took this financial burden off of the district and city, the education of our students could continue to be funded properly and extend the best education possible. A good education should include: up-to-date materials, well-maintained facilities and furnishings, activities that encourage students to remain and excel in school, class sizes that allow for learning and not just crowd control, and an educated, dedicated staff. **All of these areas will be negatively affected if the state does not fully fund PERS/TRS and educational quality in Alaska will continue to decline each year. I urge you to make education your NUMBER ONE priority. Please don't campaign and say education is important to you. DO SOMETHING ABOUT IT.**

Sincerely,



Diane Maples - mother of 4 school-aged children

April 7, 2006

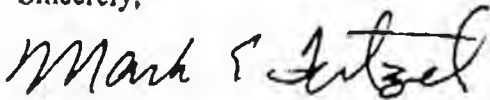
Members of the Senate Finance Committee
Alaska State Senate
Juneau, AK
Fax: 907-465-2187

RE: SUPPORT FOR FULL FUNDING OF PCE, HB 365

Dear Members of the Senate Finance Committee:

Please restore the additional \$6.5 million to bring PCE up to the fully funded amount of \$25.2 million as requested by the Governor without any strings attached to the future price of oil.

Sincerely,



Mark E. Teitzel
9241 Campbell Terrace Drive
Anchorage, AK 99515

Please vote to reauthorize funding for public broadcasting so, at least, the level funded last year. My husband and I have lived in Wrangell for 23 years and wouldn't want to be without the high quality programming brought to us by PBS, unequaled by the regular networks. Our public TV and radio stations are infrastructure that Alaska's far-flung communities can ill afford to be without.

Carol L. Ross
Walter L. Moorhead
117 Mt. Dewey Lane
Wrangell, AK 99929

Carol L. Ross

4/7/2006

TOTAL P.01



Alaska Power Association
703 West Tudor Road, Suite 200
Anchorage, Alaska 99503 6650
907-561-6103
Fax: 907-561-5547
www.alaskapower.org

April 7, 2006

The Honorable Senator Gary Wilken, Co-Chairman, Senate Finance Committee
The Honorable Senator Lyda Green, Co-Chairman, Senate Finance Committee
Juneau, AK 99801-1182
Via fax (907) 465-2187

Dear Members of the Senate Finance Committee:

The membership of Alaska Power Association urges the Legislature to restore the extra \$6.5 million to the FY 2007 Operating Budget, which would bring the Power Cost Equalization program funding back up to the fully funded amount of \$25.2 million as requested by the Governor.

The position of APA is further articulated in the following resolution:

(05-3) A Resolution Supporting Full Funding for Power Cost Equalization

During the 2005 legislative session, Governor Murkowski proposed full funding for the Power Cost Equalization (PCE) program at \$20.7 million for FY 06. The legislature appropriated \$18.7 million, which underfunded PCE by \$2 million. The dramatic increase in the cost of diesel fuel since the legislative session has resulted in the PCE program being underfunded by approximately \$5 million in FY 06 and the Alaska Energy Authority estimates that full funding of PCE in FY 07 will require \$25.2 million.

PCE is a program of the utmost importance to rural Alaska. While its cost per rural beneficiary is modest (\$18.7 million equates to \$240 for each of the 78,000 residents of the participating communities) it makes the basic, essential service of electricity affordable for every Alaskan.

Alaska Power Association strongly supports full funding for PCE. We urge the Alaska Legislature to support a supplemental appropriation to restore the PCE benefit to 100% for FY 06 and to fully fund PCE in the administration's FY 07 operating budget.

Please do not hesitate to contact me if you have any questions about APA's position on this critical issue.

Respectfully,


Craig McCollom
Interim Executive Director

Shelley K. Owens

12175 Glacier Highway #C-8
Juneau, AK 99801

email: skowens@mywy.com

April 7, 2006

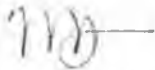
Sen. Lyda Green, Co-Chair
Sen. Gary Wilken, Co-Chair
Senate Finance Committee
State Capitol, Room 516/518
Juneau, AK 99801-1182

Dear Senators Green and Wilken,

I urge you to restore the incremental funding increase for Emergency Medical Services (EMS) which was included in the House budget but not included in the Senate HSS Finance Subcommittee budget. This 20% increment provides for the operation of the EMS Regions which have operated under flat funding for the past 15 years. During this time, the State population alone has increased over 20%, and fixed expenses such as rent, insurance, utilities and other costs have increased between 40% and 65%. There are nearly 200 emergency response services in the state which are staffed by 4,000 Emergency Medical Technicians and Emergency Trauma Technicians, of which 75% are volunteers. These services and responders rely on the operations of the State EMS Regions to provide them with training, equipment and other support. At a time when the State and Federal governments are putting increasing demands on emergency responders to be trained and equipped to respond to biohazard and pandemic influenza threats, it would not be in the best interests of the State to limit the ability of the EMS Regions to support these services.

I would ask you to consider, at 2:00 a.m. when a 911 phone call is made for a family member who has gone into cardiac arrest or has a traffic accident on an icy road, which 20% of the emergency response is discretionary? Please support our EMS Regions and give them adequate funding to continue supporting our communities and our State.

Sincerely,



Shelley K. Owens

cc: Sen. Con Bunde, Vice-Chair
Sen. Fred Dyson, Member
Sen. Bert Stedman, Member
Sen. Lyman Hoffman, Member
Sen. Donny Olson, Member



Alaska Power Association
703 West Tudor Road, Suite 200
Anchorage, Alaska 99503-6650
907-561-6103
Fax: 907-561-5547
www.alaskapower.org

April 7, 2006

The Honorable Senator Gary Wilken, Co-Chairman, Senate Finance Committee
The Honorable Senator Lyda Green, Co-Chairman, Senate Finance Committee
Juneau, AK 99801-1182
Via fax (907) 465-2187

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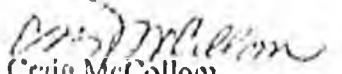
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Please do not hesitate to contact me if you have any questions about APA's position on this critical issue.

Respectfully,


Craig McCollom
Interim Executive Director

Cordova Volunteer Fire Department

FIRE CHIEF MICHAEL HICKS



P.O. Box 304
Cordova, Alaska 99574
(907) 424-6117 or (907) 424-6100
Fax (907) 424-6120
email: fire@cityofcordova.net

April 7, 2006

Dear Senators and Representatives:

I am writing this letter in support of increased funding in the FY2007 budget for regional EMS grants in the amount of \$455,700.00, which is listed as DHSS Public Health EMS grants to regions and rural grants.

As a small isolated community with very limited resources, as is the case in many Alaska communities, we rely heavily on assistance from the Southern Region EMS Council, both in training and funding for additional equipment.

Rural EMS has not seen an increase in funding since 1991, however, our state has seen an increase in visitors and permanent residents alike since that time, not to mention the added financial strain on our volunteer resources as a result of recent natural disasters such as Hurricane Katrina and the terrorist attacks on our country on 09-11-01.

Many lessons have been learned from these tragic events, but our state and our country has a long way to go in minimizing the impact on human and economic suffering from these and future events and the additional funding for this program is a very big step in the right direction.

I would like to thank all of you for the hard work and dedication that you have contributed to this effort and ask for your continued support of these invaluable programs in the future.

Sincerely,

Michael Hicks
Fire Chief

I was disappointed to read that the Senate Finance Subcommittee recommended cutting the funding for our wonderful public television and radio.

Please reverse this stand. Almost nothing in that budget means more to me than helping KAKM and public radio continue at the present level.

The wonderful children's programs I was thankful for when my daughter was growing up, and now thankful that my granddaughter can enjoy and learn from them. The adult programs provide great evening entertainment, on a level far above what is available on regular channels.

In this age when we're growing concerned about our education ratings falling behind other countries, and violence and sex dominating so much of other television, keeping public television and radio as appealing as possible is more important than ever. Our long winters and isolated areas add to the Alaska need.

Programs like Frontline, Nova, American Experience, and the many special Alaska historical programs are great. And Public Radio broadens and deepens reports of world and Alaska news

I feel KAKM already struggles to get donor contributions during many evenings devoted to fundraising, with the studio filled with enthusiastic volunteers taking the calls. They are trying hard. Please don't reduce what they are achieving.

I appreciate your attention to this matter, and hope you will support.

Katherine Parker
907-262-4580
(An Alaskan for 54 years. Owner-
operator of Soldona Map Shop)

Date: April 6, 2006

To: Senate Finance Committee,

**From: Bob Tracey , Mayor
P.O. Box 76
Nondalton, Alaska 99640
(907) 294-2228**

To Senate Finance Committee,

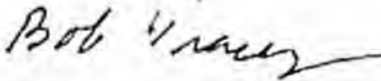
As Mayor of Nondalton I am worried about HB365 the F Y 07 state operating budget and the potential cut to RUBA funding.

Nondalton was in a very desperate financial situation four (4) years ago and was in danger of coming to a complete stop. RUBA and especially Roxanne Auge a local government specialist with Division of Community Advocacy have been a tremendous help with Nondalton getting back on track with our utility management and financial record keeping.

So as a community finally getting back on it's feet we hope that there will be no cuts to RUBA funding.

I would appreciate it if this letter could be distributed to all Senate Finance Committee member.

Sincerely,



**Bob Tracey
Mayor, Nondalton**



**LEGISLATIVE AFFAIRS AGENCY
INFORMATION & TELECONFERENCING**

Nome Legislative Information Office

103 East Front Street, PO Box 1630

Nome, AK 99762

Phone: (907) 443-5555 Fax: (907) 443-2162

Email: Nome_LIO@legis.state.ak.us

WRITTEN TESTIMONY

Following this page is written testimony submitted by Gina Appolloni for the Senate Finance Committee budget hearing on April 7, 2006.

Thank you.

A handwritten signature in cursive script that reads "Angelique Horton".

Angelique Horton
Information Officer

cc: Representative Richard Foster
Senator Donny Olson



KAWERAK, INC. • P.O. Box 948 • Nome, AK 99762

TEL: (907) 443-5231 • FAX: (907) 443-4452

RVING THE

LAGES OF:

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T. MICHAEL

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VALES

WHITE MOUNTAIN

My name is Gina Appolloni; I'm the VPSO Program director here at Kawerak. Kawerak is one of six contractors operating the Village Public Safety Officer Program (VPSO) in rural Alaska through the Department of Public Safety (DPS).

The Senate House Finance Subcommittee is proposing a budget cut of \$563,400 to this important program that provides for all public safety services, including law enforcement, fire fighting, water safety, emergency medical assistance and search and rescue operations in rural Alaska.

Kawerak supports the Governors proposed budget amount of \$5,636,400 and asks for your support to ensure the VPSO's operating budget remains the same. The contractors cannot operate this program effectively with any more proposed budget cuts.

The Senate Finance Subcommittee is also supporting a pilot program with an appropriation of \$400,000 to create a new lower tier safety officer titled Village Safety Assistant (VSA). Creating another tier is not necessarily going to improve rural law enforcement.

The contractors made recommendations in June 2005 to DPS to improve the current program including recommendations to spend the 2004 \$2 million Federal IHS grant that was appropriated to supplement the VPSO program. The proposal focused on attracting new and retaining long-serving VPSO's and increasing the number of rural communities in Alaska that have local law enforcement available. We proposed that the money be used to fund 15 new VPSO positions and provide retention bonuses to long-serving VPSO's. Although we were successful with some recommendations, we still are a long way to operate a program that benefits rural Alaskans.

We were successful in negotiating a \$1.50 pay increase to \$16.55 per hour, which we feel is still low. We are concerned about the success of hiring a lower paying position, Village Safety Assistant, to help with our already low paid VPSO's; this will not alleviate the problem. If we can't hire and retain VPSO's at \$16.55 what is DPS proposing to do to hire a VSA at a lower rate?

The Alaska State Constitution states: "All persons have a natural right to life, liberty and are entitled to equal rights, opportunities and protection under the law. There is a public interest in keeping our children, families and communities safe. The safety and security of citizens in their communities is a fundamental responsibility of government." I encourage you and your colleagues to oppose the proposed cut to the VPSO Program and to advocate for an increase of qualified VPSO positions in rural Alaska as opposed to the creation of a lower tier of safety officers.

Thank you for allowing me to testify on this important matter.

SCS CSHB 365(FIN)

Susan Sciabbarasi, Superintendent, Wrangell Public Schools, Wrangell, AK 99929

Thank you for the opportunity to provide input to the Operating Budget. My comments will be pertaining to K-12 education and most specifically the foundation formula which incorporates both the base student allocation and the area cost differential.

When school districts developed their school budgets for next year, they budgeted the Governor's proposed Base Student Allocation (BSA) increase of \$90.2 million, however, districts are still having to make huge budget cuts. From the information I have received, the hardest hit districts this year are **Kenai, Valdez and Wrangell. Each must cut an equivalent of 6% from their current budget.** That is a large proportion when considering that cuts have been made annually for the past several years. Their budget deficits are due mainly to the continued increases in the Cost of Living and increases to TRS/PERS, insurance and fuel.

In 1998, SB36 initiated a means for school districts to be funded both adequately and equitably. The Base Student Allocation (BSA) would reflect an amount per student to adequately fund a child in Alaska. Equity issues were addressed through the Area Cost Differential. While the Governor's proposed increase from \$4919 to \$5352 may be an adequate number, I do not feel that it is equitable in relation to the Area Cost Differential. Specifically, schools in **Senate District A (Wrangell, Petersburg, Sitka, Ketchikan)** are the only school districts in the state that **have not received a differential with the current District Cost Factors.**

Senate Bill 36 required the updating and monitoring of District Cost Factors. However, that has not happened and many school districts like Wrangell, have been cutting staff and programs for the past 7 years. In July 2004 the Legislative Budget and Audit Committee contracted with ISER to update and modify the previously determined flawed AIR District Cost Study. Anchorage will still remain at 1.0 because they are the 'base' in which to determine equality. However, adequacy must be met and then the adjustment for equity.

House Bill 362 addresses adequacy and would hold Anchorage harmless, however, in order to also meet equity it should be in conjunction with the implementation of the District Cost Factors determined by the ISER study. If only one is updated, as is currently proposed in HB362, then the directive from Senate Bill 36 in 1998 is not being fully met.

Again, I want to reiterate that even with the proposed \$90.2 million to the Base Student Allocation, districts are experiencing large deficits up to 6%. Therefore, I urge you to accept, not only the proposed \$90.2 million, but also fully implement the new District Cost Factors. Only then will both adequacy and equity be met for ALL of Alaska's children.

Thank you for you time and consideration.

Wrangell Chamber of Commerce Resolution

A Resolution of the Wrangell Chamber of Commerce Supporting Full Funding for the Alaska Public Broadcasting System

Whereas, The mission of the Wrangell Chamber of Commerce is to support activities believed to be beneficial to the community of Wrangell and it's citizens; and

Whereas, Adequate funding for public broadcasting ensures universal public access to the airwaves as provided under the federal Public Broadcasting Act of 1967. (S. 1160) Public Law 90-129 (81 Stat. 365); and

Whereas, The vast majority of rural Alaskan residents depend on public broadcasting as their sole source for emergency broadcast services in the event of a national or civil disaster as well as daily local, regional, state, national and International news; and

Whereas, KSTK-FM has served the community of Wrangell Alaska in this capacity since its incorporation on January, 27 1975; and

Whereas, Inadequate funding would have an adverse effect on KSTK and the citizens of Wrangell who depend on KSTK's daily public services; and

Whereas, Insufficient funding would result in diminished or no service to the community of Wrangell;

NOW, THEREFORE BE IT RESOLVED that the Wrangell Chamber of Commerce fully supports the funding of public broadcasting in Alaska as proposed by Governor Frank Murkowski in his FY 2007 budget and as approved by the Alaska State House.

ENACTED THIS 5 th DAY OF April, 2006.
Wrangell, Alaska

Jim Aslie
Chamber President

04-05-2006
Date

James R. Pruitt
Chamber Vice President

04-05-2006
Date



Alaska State Legislature

Please enter into the record my testimony to the

Senate Finance

Committee on SB305, dated 040706

Good-day,

4/07/2006

My name is James Spinka and I have lived and worked for BP in Alaska for twenty-six years. I have raised three children and currently have eight grandchildren, all residents in Alaska. I have been a registered voter here the whole time. I work on the North Slope at GC-1 as a Lead Technician. I would have written earlier but I was at work getting GC-2 production back on line through our facility. I received an e-mail update from the company, from Angus Walker, that mentioned as a concerned Alaska resident I may want to convey my opinion of the Oil Tax Legislation. My opinion is that BP is a foreign oil company based and controlled from England. BP is still British Petroleum. BP is not interested in how Alaska residents fare, for a very good example of this refer to the article printed in the Clarion on March 31st of this year about Aetna's management of the state's insurance. Well, Aetna has managed BP health insurance in the same way for two years, only for BP employees that are residents of Alaska outside of Anchorage they've managed to blatantly discriminate. Since BP is self insured our state Insurance Commissioner has little control, they come under Department Of Labor direction ERISA. According to the DOL they can discriminate against Alaskans because we are not a protected group! The more Aetna denies claims based on Usual Customary and Reasonable charges the more Aetna gets in bonuses because DOL/ERISA rules allow nominal profit for BP or they become an insurance company. So, BP takes a business expense thereby reducing the profit margin and reducing taxes, sound familiar. What do you think will happen if BP is paying the state its share based on their "Profits".

Last week I mailed out a copy of the Clarion article first to Maureen Johnson, the Performance Unit Leader of BP in Alaska and to Sandy Beitel the Human Resources manager for BP in Alaska. I then sent the same article to BP peers on the West Operating area of Prudhoe Bay. I have enclosed one response which I received from Rique Williams. I have Rique's permission to use his response. Rique lives in the Seattle, Washington area. I work with people that live in the cities of Los Angeles, Houston, Seattle, Cleveland, and Phoenix also, in the states of Florida, Montana and Louisiana and this seems to be a common theme, better insurance coverage if you don't live in Alaska. BP will tell you they have started an Advocacy group/person to reconcile insurance issues. Well, I called, and the Advocate told me if Aetna administered according to the plan then she can't help me. The issue is: Aetna says the Alaska Heart Institute charged above the UC for putting stents in my wife's heart. AHI charges at the 75th percentile of the Ingenix Fee Analyzer. Ingenix figures UC charges for many if not all states. Most healthcare professionals use Ingenix or similar service to establish fee scales per coded procedure. By comparison the codes in question Aetna said AHI charged above UC Aetna said the UC charge would have been paid at the 50th percentile.

The bottom line is: It is BP management's job to maximize profits for the company and I favor that whole heartedly, I am a shareholder. But, I'm an Alaskan first as is my family and the residents of our state need to receive a square deal. Alaska residents working for BP at Prudhoe should be receiving at least as good of healthcare coverage as the folks commuting to Alaska to work and work for the same company. There are more than enough people in our state government ready and willing to give BP anything they request. Please feel free to contact me at 907-262-3807.

Respectfully,

Jim Spinka

400 Endicott Dr, Soldotna, AK 99669

Written testimony to Senate Finance Committee
Thursday, April 6, 2006
Regarding budget, HB365
Fairbanks LIO

From Taber Rehbaum, Arctic Alliance for People and Big Brothers Big Sisters
P.O. Box 438, Ester AK 99725, taber@mosquitonet.com

On behalf of Arctic Alliance for People and its nearly 50 member Interior social service agencies, I would like to ask you to restore the Governor's requested increment to the Health and Social Services Community Matching Block Grant. In the last several years, this grant has been drastically reduced, yet the critical needs in the eligible communities (Anchorage, Fairbanks, and Mat-Su) have not. Having essential human services delivered by efficient and accountable non-profits saves the state money both in the short and long term. It is vitally important to these hub communities as well - in Fairbanks last year every state dollar from this grant source was leveraged by a factor of 19 by the recipient agencies. We recently completed the application process, and without an increase several important programs may not receive funding, including Youth Court (which provides a clear and current savings to the State), the Fetal Alcohol Spectrum Disorders Care Continuum Project, the TEFAP Food Distribution program, and Meals on Wheels. Funding the increment would be making an investment that will pay immediate as well as long term dividends, and we strongly urge that you restore this line item to the requested \$3 million.

On behalf of Big Brothers Big Sisters of Alaska, I would like to ask that you fund the Youth Success Initiative, an exciting partnership to provide services to youth on a statewide basis through the Division of Behavioral Health. The partner organizations are all well established and have proven outcomes and a track record of success. They are Big Brothers Big Sisters, Boys and Girls Clubs, the Alaska Association of School Boards, and RuralCap. Working together through the Division we can develop a coordinated and effective approach to the issues of substance abuse and suicide that will make a significant and positive impact on the future of our state. Alaska has one of the highest, if not THE highest, rates of teen suicide in the nation. Your decisions today can change that. This Initiative would provide a vehicle for these successful programs to make a difference on a statewide basis - to improve and save young lives. Please make this investment in our young people. Even if you aren't able to fund the entire \$6 million that has been requested - we believe that \$2.5 or 3 million would be enough to get this partnership off the ground and begin to show results.

Thank you for your attention.



Fairbanks North Star Borough

Health & Social
Services Commission

520 Fifth Ave. PO Box 71267 Fairbanks, Alaska 99707-1267
(907) 459-1474 FAX (907) 459-1280

MEMORANDUM

To: Senate Finance Committee

From: Carrie Darshin, Health and Social Services Commission *C. Darshin*

Date: April 6, 2006

Subject: Human Services Community Matching Grant

On behalf of the Health and Social Services Commission, I am asking you to support the \$3M increment as presented in the Governor's budget for the Human Services Community Matching Grant. I have served as a volunteer on the Fairbanks North Star Borough Health and Social Services Commission for four years. I have been fortunate to work with our local social service agencies and have seen, first hand, the direct impact of these grant funds to members of the Fairbanks community.

We have a rigorous RFP process in place to address the effectiveness and efficiency by which these funds are delivered locally. Through the RFP, applicants are required to document program needs, define expected outcomes, thoroughly describe their methodology, provide a detailed budget, demonstrate organizational capacity and document a program evaluation plan. We have a solid process in place that is reviewed each year. There continues to be an even greater focus on outcomes, the impact on the community, sustainability and the cost savings to the state. These state dollars are used to leverage other funds, through additional grants, in kind donations and fundraising to bring a return of \$19 to each \$1 state dollar.

The need in our communities will only continue to increase. There is a significant increase in individuals seeking food assistance, our senior population continues to grow, medical cost are climbing and the need to support programs that prevent child abuse and neglect, youth mentoring and positive alternatives to children could not be more important and timely.

Some have said, 'why put in the increase if we will need to take it away in future years?' For the people who receive services through the support of this grant, now is the time help them. Now is the time to support a child at risk of delinquency, to help a homebound elder have a healthy meal delivered, to get an uninsured mother in to see a doctor before costly and urgent medical intervention is required. Now is the time to support the people in our communities who are most in need. By allocating \$3M to the HSCMG you can help our local social service agencies do what they do best: provide cost effective, compassionate and competent care within our communities.

Testimony to the Senate Finance Committee
April 6, 2006

Thank you for the opportunity to speak today. My name is Cheryl Keepers; I work for the Fairbanks North Star Borough, as staff to Health & Social Services Commission and in the administration of the Human Services Community Matching Grants.

State funds for this grant have decreased dramatically since FY02, dropping from \$1.7M to \$1.0M in FY04. In FY05 the Matanuska Susitna borough became eligible for funds, and the state budget was adjusted to \$1.235M to hold other participants harmless. We are currently operating with 41% fewer dollars than we had in FY02.

The impact of these funds is substantial. Combined with other dollars and in-kind donations, non-profit agencies provided food to 32,000 hungry people; supported 110 terminally ill patients and 300 loved ones; enriched life for 700 children with adult attention and support; and much more in FY 05.

To accomplish this, agencies leverage the grant dollars with other funds, project income and in-kind donations. In FY 05, the return on investment for state dollars was 19 to 1: for every state dollar, 19 were leveraged.

Projects funded with these dollars also save the state money, through prevention and cost-effective programs. Two examples:

- If Hospice care reduces hospital use by only 10 days, the savings exceed \$2 million.
- With an in-kind budget of 31%, North Star Youth Court provides juvenile services at a fraction of the cost.

The amount of the increment would, when distributed among the eligible communities and matched with the required 30% local contribution, allow us to meet essential human service needs documented in the FY06 allocation process.

As you know, our Mayor and Assembly support the increment, and I urge your support as well. Again, thank you.

**Fairbanks North
Star Borough
Health & Social
Services
Commission**



**Grant Funds Were Distributed to
Seven Non-profit Agencies**

**FY
2005**

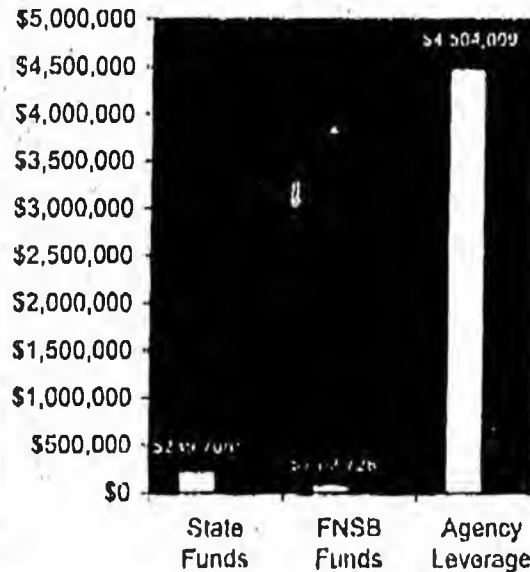
- Alaska Legal Services Corporation
- Big Brothers / Big Sisters
- Fairbanks Community Food Bank
- Hospice of the Tanana Valley
- Interior Community Health Center
- North Star Council on Aging
- North Star Youth Court

Revised

The agencies used state funds to leverage 19 times that amount in the value of services to the community

19
→

FUNDING LEVERAGE



Highlights of Services Provided

- Distributed 841,523 pounds of food to 32,403 hungry people using 20,653 volunteer hours
- 163 homebound seniors received 59,006 hot meals delivered to their home
- 314 people were provided bereavement services after the death of a loved one and 110 terminally ill patients were provided with patient care services
- 306 individuals received legal advice and referrals for housing, family law, health, and income maintenance problems
- 703 children spent time with their Big Brother / Big Sister, enriching their lives with adult attention and support; over 77% showed improvement in school performance; 69% showed improvement in his/her attitude about school; 78% reported improvement with relationships with adults
- 65 youth were referred to youth court, diverting work from the formal juvenile justice system; youth defendants contributed 909 hours of community service
- 1,537 people were provided with primary healthcare

* Revised - Funding includes the HSCMS and supplemental funds from the DHS



Fairbanks North Star Borough

Financial Services
Health & Social Services Commission

520 Fifth Ave. PO Box 71267 Fairbanks, Alaska 99707-1267 (907) 459-1474 FAX (907) 459-1280

MEMORANDUM

To: Interior Delegation
From: Cheryl Keepers, for the H&SS Commission
Date: March 13, 2006 *ckr*
Subject: Savings to State

Applicants for FY2007 Human Services Community Matching Grant funds were asked to describe how their project leverages funds in terms of savings to the State. The following are excerpts from proposals recently received:

*In 2005, the Interior Community Health Center saved the Medicaid program \$1,892,110.

*With an in-kind budget of 31%, North Star Youth Court provides juvenile services for Fairbanks and the State at a fraction of the cost.

*Based on the number of at-risk youth serviced by Big Brothers Big Sisters and the juvenile arrest rate in the Fairbanks area, 17 more youngsters would have been arrested if they had not received services. The cost to the State to incarcerate one minor is \$98,257 per year.

*The cost per patient in the Hospice program is about \$23 per day. Many Hospice patients are on the Medicaid program. If Hospice care reduced the use of:

- assisted living by 30 days, the savings would be about \$700,000;
- skilled medical care by 20 days, the savings would be about \$1M;
- hospital care by 10 days, the savings would be over \$2M.

*North Star Council on Aging Meals on Wheels: by preventing the use of more intensive services for 5% of clients served (10), MOW generates savings of over \$1.2M.

Other applicants describe savings that are not as easily quantified. Savings come primarily through preventative services that avoid higher state costs at a later time, or by providing services that would cost more if provided by the State.

Thank you for your continued support.

cc: Mayor Whitaker
Health & Social Services Commission

**The North Star Council on Aging, Senior Center
Meals on Wheels Senior Nutrition Project
FY 2007 Human Services Community Matching Grant Program**

Part H- Leveraging State Savings

It is difficult to quantify the total savings generated by this project. The State of Alaska receives federal funding to coordinate and fund this project statewide. The Senior Nutrition Program utilizes a proactive prevention approach to defer the cost of other more costly care services such as Medicaid Choice Waiver In-Home Care Services, Assisted Living Care, and Hospitalization. Authorization to receive Choice Waiver services takes a period of two-six months, making this an unfeasible alternative for many consumers who are temporarily incapacitated. Utilizing the figures listed in Chart F-1 (Page F-1), and conservatively estimating that 10 program recipients (5%) do not need more intensive forms of care, it is reasonable to estimate that the program generates over 1.2 million dollars in savings to the State of Alaska.

HOSPICE OF THE TANANA VALLEY
 706 THIRD AVENUE
 FAIRBANKS, AK 99701
 474-0311

II. Leveraging State Savings.

Without the availability of the services and support of Hospice staff and volunteers, many patients with terminal illnesses and their families would be required to use the facilities of assisted living homes, the Denali Center or the Fairbanks Memorial Hospital, especially in the days or weeks immediately preceding the patient's death. In other cases, when a need exists but the patient's condition is not yet critical enough, insurer limitations or lack of coverage can result in the patient and family going without any assistance if Hospice volunteer services were not available.

In 2005, 99 patients were served by Hospice with an average length of stay in the program of 93 days for a total of 9,207 patient days. Using 2005 Hospice expenses of \$213,700, the cost per patient per day was about \$23. The average daily cost for room and care at an assisted living home is about \$257, at Denali Center about \$460, and at Fairbanks Memorial Hospital about \$2,400.

If Hospice care helped reduced the number of days the average Hospice patient spent in assisted living by 30 days, the cost savings would be about \$700,000. If Hospice care helped reduced by the number of days the average patient spent in skilled medical care at Denali Center by 20 days, the cost savings would be about \$1 million. If Hospice care helped reduced by the number of days the average patient spent in Fairbanks Memorial Hospital by 10 days, the cost savings would be about \$2.4 million.

Hospice bereavement clients indicated they would not have received any bereavement support had Hospice services been unavailable. Research supports the rationale that stress and trauma from unresolved grief results in illness, lost work, substance abuse, relationship, and parent-child difficulties (dysfunction). Offering bereavement support lessens the demands for other Human Services, thereby resulting in long-term cost savings to the family, community and to the state.

The requested grant of \$50,000 supports less than 30% of Hospice's personnel costs including benefits and payroll expenses. If the State of Alaska were to directly provide the same services as were delivered by Hospice in 2006, the cost just for the equivalent personnel (not considering other operational costs) is estimated as follows:

Executive Director	\$75,962
<i>AK Social Worker Level IV, \$36.52/hr Full-time</i>	
Patient Care Coordinator	\$53,305
<i>AK Social Worker Level III, \$34.17/hr 1/2 Time</i>	
Volunteer Coordinator	\$46,644
<i>AK Social Worker Level II, \$29.90/hr 1/2 Time</i>	
Bereavement Coordinator	\$62,189
<i>AK Social Worker Level III, \$34.17/hr 1/2 Time</i>	
Office Manager	\$40,466
<i>AK Admin Support Specialist, \$25.94/hr 1/2 Time</i>	

Patient Care/Bereavement Volunteers	
<i>Certified Nurses Aide II, \$19.77/hr (2,192 hrs in 2005)</i>	\$43,336
Office Volunteers	
<i>AK Admin Assistant, \$22.52/hr (1560 hrs in 2005)</i>	\$35,131
Professional Service Volunteers	
<i>Doctors, nurses, accounts, counselors, board & committee, \$60/hr (4,868 hrs in 2005)</i>	\$292,080
Total Direct Cost for State Personnel	\$649,113
Less Grant Request to Hospice	<u>(\$50,000)</u>
Total Savings to the State of Alaska	<u>\$599,113</u>

North Star Youth Court

800 Cushman St. Suite 101 • PO BOX 82147 • Fairbanks, AK • (907) 457-6792

II. LEVERAGING STATE SAVINGS

North Star Youth Court is preventing the need for State services, empowering youth and the community to provide more effective services, and ultimately reducing the number of youth and adults that burden the Alaska Department of Corrections. NSYC accepts from 10-25% of the Fairbanks' jurisdiction misdemeanor referrals, and now reports a greater number of cases with the Minor Consuming Alcohol referrals from the District Court. Each case is saving the State the need to assign a Juvenile Probation Officer at the minimum. This is not to mention the reduction of repeat offenders that results in future savings of perhaps the Attorney General's Office and the Superior Court for adjudication of a more serious offense. A reduction of repeat youth MCA offenders could ultimately cut costs to the State in the areas of alcohol related vehicle fatalities, arrests, and substance addiction. With a budget comprise of 31% In-kind, NSYC provides juvenile and youth services for the Fairbanks community and the State of Alaska at a fraction of the amount that it would cost either.



BIG BROTHERS BIG SISTERS
Greater Philadelphia Area

*Where Little Moments make
Big Magic in Children's Lives*

H. Leveraging State Savings

How has this project leveraged funds in terms of savings to the State?

By matching at-risk kids with positive adult role-models, Big Brothers Big Sisters prevents such behaviors as delinquency, drug and alcohol abuse, teenage pregnancy, and failure at school. The costs of the alternatives to prevention are staggering. Institutional drug rehabilitation costs over \$500 a day. Incarceration of a minor costs \$98,257 per year. The cost of one full time caseworker, providing services to over 50 matched and 30 unmatched at-risk children for a full year is less than 1/2 the cost of incarcerating a single juvenile. BBBS served nearly 600 at-risk youth in matches in 2005. Based on the number of school-aged children in the Borough and the total number of youth arrests, we estimate the juvenile arrest rate to be about 3%. If we apply that arrest rate to the nearly 600 kids served by Big Brothers Big Sisters, we can conservatively estimate that 17 youngsters would have been arrested if they hadn't received our services. If even only two had gone on to be incarcerated, the cost to the State would have been \$196,514. This is a very conservative estimate, as the population we serve has higher risk factors than the general population from which we are calculating the arrest rate. Based on the percentage of our 2005 Community Matching Block Grant that represents State dollars, that's a 461% return on investment.

In 2005 over 60,000 hours of companionship, mentoring and friendship were provided by our volunteer Big Brothers and Big Sisters to the children with whom they were matched. When compared to the cost of professional counseling services (much of which could potentially be medicaid billable) at a rate of anywhere from \$60 to \$200 per hour, this represents a savings of between \$3,600,000 to \$12,000,000.

The Health and Human Services Community Matching Block Grant provides critical funding that allows the agency to sustain and grow our core programs. The success of these programs has allowed us to bring in additional grant monies for program expansion totaling well over \$780,000. A conservative estimate of the value of in-kind contributions and volunteer time is over \$1 million.

Interior AIDS Association PROJECT SPECIAL DELIVERY

II. Leveraging State Savings

The state did not contribute funds to PSD in FY 2005, therefore savings to the state are truly a bonus. If the Community Matching Grant is funded, the state's small investment of match to the Borough funds will yield even greater savings, by improving health care monitoring – which will undoubtedly save state dollars by decreasing Medicaid expenses for pregnant or seriously ill consumers.

Cost of Treatment:

PSD's Annual Cost in FY 2005 Per Client Year was \$7,773. Consumers with low-income and no insurance pay ¼ of this cost. Medicaid and insurance typically reimburse for about half the actual cost of treatment. In FY 2005, consumers paid 46% of the treatment costs in cash or through their benefits. This reduced the unreimbursed cost to \$4,353 per year for each consumer – the amount which is supported by grants from the government.

Cost of NOT having treatment available

- Cost of incarceration for one year: \$41,245 (Fairbanks Correctional Center, 12/04).
- Police Department time and expense to pursue and arrest addicts for drug dealing, drug possession, burglary, shoplifting, etc.: not tracked.
- Emergency Room admissions – 41% of PSD consumers reported accessing emergency services 1-6 times in the 6 months prior to starting treatment. After treatment intake, 38% had accessed the ER in the prior six months, and those who did went less often – not drug-related.
- \$2.5 million in illegal drug sales in Fairbanks. A consumer survey (see page 77) indicates that the average amount spent for drugs prior to treatment was \$280 per day. In order to support this expense, many also sold drugs-increasing crime and the potential for violence.
- 70% of consumers have minor children, who had to cope with the drug use and drug seeking behavior of their parent(s) prior to treatment.

Methadone maintenance treatment reduces the frequency of injecting and needle sharing behaviors. Methadone treatment is an important point of contact with service providers and offers opportunities to teach drug users harm reduction techniques such as how to prevent HIV/AIDS, hepatitis, and other health problems that endanger drug users and their communities. PSD participants have gone back to work, gone back to school, resumed taking care of their children, saved their marriages, and much more. When asked at intake, why they want to enter treatment, the most common response is, "I want my life back." Many are well on their way to achieving this goal.

Methadone treatment reduces criminal behavior.⁵ Drug-related arrests decline because methadone treatment participants reduce or stop buying and using illegal drugs. Arrests for predatory crimes decrease because participants no longer need to finance costly heroin habits.

Treatment allows many to stabilize their lives and obtain legitimate employment

⁵ Hubbard, R.L., Rachal, J.V., Cusidock, S.G. *Treatment Outcome Prospective Study*. NIDA Research Monograph 51, 1984; and Ball, J.C., Ross, A. *The Effectiveness of Methadone Treatment*. Springer-Verlag, 1991



Interior Community Health Center

Quality health care accessible to all.

1606 23rd Avenue
Fairbanks, AK 99701

II. Leveraging State Savings

ICHC leverages funds from this grant in terms of savings to the state in that the 1,838 individuals served by this grant make a cost/patient of approximately \$122 per person. This means that for an input of \$50,000 the state receives over \$224,225 worth of services.

The February 3, 2006 APCA *Update* reported that in, "1994 Stanford University found that 10% of all emergency room visits are for non-urgent conditions that could be treated in a primary care setting." They reported that researchers estimated that each unnecessary ER visit was equal to a potential \$650 in savings. FMH ER provided approximately 27,000 visits in 2005, which according to the Stanford University research means that 2,700 of those visits were unnecessary ER visits. At an estimated cost of \$650 per visit, \$1.755 million could be saved if those individuals sought services at a primary care facility. The savings are even more notable when Alaska's high cost of health care is considered.

The APCA *Update* also reported that the Kaiser Commission on Medicaid and the Uninsured reported that the Alaska Medicaid program's "average total Medicaid spending for each Medicaid patient was \$5,568." The *Update* also reported that, "health centers save the Medicaid program more than 30% in annual spending per beneficiary due to reduced specialty care referrals and fewer hospital admissions." According to ICHC's calendar year 2005 UDS data, ICHC served 1,133 Medicaid patients. The average total Medicaid spending per Medicaid patients of \$5,568 multiplied by 30% in savings equals \$1,670 in annual saving per health center Medicaid patient. \$1,670 multiplied by ICHC's 1,133 Medicaid patients equals \$1,892,110 in total annual Medicaid Savings.

All calculations and considerations show that a \$50,000 grant can be leveraged to millions of dollars of services for Alaska's residents.



Fairbanks Counseling and Adoption

912 Barnette Street
 P.O. Box 71544
 Fairbanks, Alaska 99707
 (907) 456-4729 - Telephone
 (907) 456-4623 - Fax

E-mail: lca@fcaalaska.org
 Website: <http://www.fcaalaska.org>

Leveraging State Savings: This project is cost effective for the Fairbanks North Star Borough and the state. The overall goal of this project is to work in partnership with Ft. Wainwright Mental Health Services to promptly address issues of child abuse and neglect, family violence, alcohol and substance use and mental health and emotional issues as they develop and provide prevention and services. The purpose is to address these issues swiftly so that more serious problems will not develop. The ultimate goal is to provide services that will promote individual health and overall family functioning, well-being and stability.

The benefits to the community and state for providing these services are: decreased child abuse and family violence situations; decreased law enforcement involvement; a decrease in the involvement of the Office of Children's Services; decreased unemployment and lack of productivity resulting from family violence, alcohol and substance use and combat stress related issues. The cost to the borough per military family is \$53, with the overall project cost being \$90. This is less than the standard cost for one hour of professional counseling, which is \$125. Further, this project encourages military soldiers and families to use community mental health service providers and the costs associated with this should be mostly covered by Tricare or similar coverage.

**RESOURCE CENTER FOR PARENTS AND CHILDREN**

1401 Kollum Street
Fairbanks, Alaska 99701
907-456-2866
Fax 907-451-8125

LEVERAGING STATE SAVINGS

This project reduces secondary disabilities in children affected by prenatal alcohol exposure. Due to the supports and services provided by the Care Continuum, fewer of these children will end up in the juvenile justice system. More of them will graduate from school and will move into employment as adults. Additionally, there will be fewer days of productivity lost due to parents leaving work to deal with behavioral issues. All of these impacts result in a cost savings to the state of Alaska.

September 30, 2005

Commissioner Karleen Jackson
Department of Health & Social Services
350 Main Street, Room 404
P.O. Box 110601
Juneau, AK 99811-0601

Dear Commissioner Jackson,

We are writing to request an increase in the state budget for the Human Services Community Matching Grant (HSCMG). This program provides direct funds to the Municipality of Anchorage, and the Matanuska-Susitna and Fairbanks North Star Boroughs for essential human services, i.e., those services whose unavailability would subject persons needing the services to serious mental or physical hardship. State funding for this program has declined 43% since 2001. The needs have not.

Based on the needs we are currently experiencing, we request state funding for the HSCMG be increased to \$3M. This amount would be allocated by population among the three communities, who, in turn, provide a 30% match with local dollars. Funds are then allocated to non-profit organizations who provide the services.

These grants save the state considerable money by providing services in a very cost effective manner.

- Using non-profits to deliver services adds more value to the grant. Non-profits use grant dollars to leverage other funds and in-kind donations. The "return on investment" can be tremendous: In FY04, for every \$1 of state funds, a return of \$17 was generated by the non-profits in Fairbanks.
- Using non-profits simply costs less than providing services through the state.
- The HSCMG funds activities that save state dollars in the long run. Again using an example from Fairbanks, one day of Hospice care cost about \$21 in FY04. The average cost for room & care at an assisted living home was about \$140, at the Denali Center about \$350 and at Fairbanks Memorial Hospital over \$2,000. In 2004, over 100 people received Hospice assistance, for an average of 95 days. Without Hospice, many of these people would have had to turn to the State to pay for care at a much higher cost.

Similar savings and results are replicated in Anchorage and Mat-Su, providing vital services in the most cost-effective manner.

The needs continue to substantially increase, while dollars available to fund these vital health and human services continue to dramatically decrease.

The current amount of \$1.2 M does not meet our communities' needs. We respectfully request the grant be increased to \$3M. This statewide amount would allow each of us to meet the needs as presented to us in the most recent year.

- Fairbanks:

- Access to food is a basic need. The Fairbanks Community Food Bank has served a relentlessly increasing percentage of the population in recent years. While HSCMG funding has decreased 43% since 2001, the number of individuals in the FNSB seeking food assistance has risen from 32% of the population to 38% of the population. Over 32,600 individuals requested and received food assistance at least once in 2004. This is a 14% increase since 1995.
- Requests for funding for FY06 jumped by 61% from the prior year. Vital programs providing hot meals for homebound seniors, meals for homeless people, hospice services to the terminally ill and their families, dental care for the poor and more were not funded.

- Anchorage:

- The level of food insecurity, derived from national statistical data, has increased to 11.5% of our total population. Using Bean's Cafe as a representative example, Bean's has seen a 16% increase in individuals needing food from FY04 to FY05. The current trend in "meals served" counts indicate that last year's increase of 16% will be exceeded again this year. Bean's is in imminent danger of reaching capacity.
- Another increasing and alarming unmet need in Anchorage, and across the state, is oral health care. Anchorage Neighborhood Health Clinic (ANHC) uses its HSMG funds to provide dental care. According to ANHC, rural health clinics spend more money to fly people into Anchorage for oral health care than for any other medical necessity. In 2003 ANHC saw 4,398 oral health patients for a total of 7,413 patient visits. Despite those numbers the clinic was forced to turn away many needy patients. The clinic's capacity is severely limited by the number of dentists that they can hire. In 2004 with the loss of another staff

dentist, ANHC was only able to see 3,550 patients for a total of 6,571 visits – a 20% reduction in capacity. The director of the clinic noted that demand exceeds their capacity to provide care by over 300%. People are increasingly forced to turn to the state for dental care at a higher cost. Additionally, medical evidence clearly indicates that poor oral health care directly results in highly expensive medical conditions such as heart disease. Providing health care to severely or chronically ill patients also increases the state's financial burden.

- **Mat Su:**

- The Matanuska-Susitna Borough continues to be the fastest growing region in Alaska and the demand for services is also increasing rapidly. As documented in the 2005 Matanuska-Susitna Community Assessment, the lack of affordable health care was a major issue in every community throughout the Borough. Top concerns also included alcohol and methamphetamine abuse, inadequate public transportation, unemployment or underemployment, family violence, and the lack of availability of services in all areas of the Borough.
- In FY06, the Human Services Citizens Advisory Committee recommended a cap of \$35,000 per program in an attempt to more equitably distribute funding. Even with the funding cap, Mat-Su was not able to fully fund many critically needed programs because the need for services greatly exceeded available funds

The local communities are good stewards of these state funds. Our communities make every effort to ensure that these monies are used in cost-effective manners to target the greatest needs in our communities. For example:

- **Fairbanks:**

- The Health & Social Services Commission has developed a rigorous RFP process that requires applicants to: document the need, define expected project outcomes, describe methodology, provide a detailed budget, prove organizational capacity, and include a project evaluation component. Proposals must receive a certain score to be eligible. We frequently hear from grant applicants that this process is the most demanding of the all the grants they receive.
- Grant requests for the current year totaled \$787,435. All of these requests met the criteria for funding, as outlined above. Only the highest scoring proposals were funded. Over time, many non-profits have been discouraged from applying due to the work involved and the declining funding. Thus, we could easily allocate a greater amount.

Anchorage:

- Anchorage also uses a rigorous RFP process. In FY 03, 32 agencies met the rigorous funding criteria. Grant requests totaled \$2,839,279. Available HSMG funding allowed the MOA to fund only \$1,544,523 of those requests.
- In FY 04, because of further reductions in the HSMG grant from the state, the MOA eliminated 50% (16) of those agencies previously eligible for funding. Vital services were not funded. Agencies have been forced to eliminate or drastically reduce programming as a result of the continuing decrease in amount of HSMG funds available.

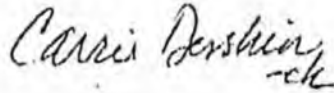
Mat Su:

- The Matanuska-Susitna Borough's rigorous RFP process is similar to that of Anchorage and Fairbanks. A volunteer Human Services Citizens Advisory Committee independently scores the applications based on project need, goals, methodology, budget/cost effectiveness, management/organization, program evaluation, and value to the community. The committee also considers the Mat-Su Community Assessment in scoring the applications. The committee then tackles the difficult task of making recommendations to the assembly in accordance with the scores and available funding.
- FY05 was the first year that the Matanuska-Susitna Borough was eligible to receive HSMG funding. In FY05, nine applications were received from eligible agencies totaling \$316,685 in funding requests, with a deficit in available funds of \$161,885. Only the top scoring proposals were fully funded out of a diverse array of programs providing critically needed services for residents with disabilities, victims of domestic violence, seniors, residents with mental health challenges, and homeless youth.
- The number of applications received for Mat-Su HSMG funding increased by nearly 50% in FY06. Thirteen eligible agencies requested funding totaling \$354,766. This represents a 12% increase in eligible funding requests from the previous year and a funding deficit of \$219,766.

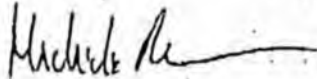
Regarding the 30% local match, we have attached letters of support from our respective administrations.

Thank you for your consideration. Should you have any questions, please do not hesitate to contact any or all of us. We look forward to an opportunity to discuss this with you in the near future.

Sincerely,



Carrie Dershin
Health & Social Services Commission
Fairbanks North Star Borough



Michele Brown
United Way Anchorage
(contractor to the Municipality of Anchorage)



Murph O'Brien, Planning and Land Use Director
Matanuska-Susitna Borough

cc: Janet Clark, Assistant Commissioner for Finance & Management, Dept.
of Health & Social Services

Attachments

Letters of support from:

Jim Whitaker, Mayor, Fairbanks North Star Borough
Mark Begich, Mayor, Municipality of Anchorage
John Duffy, Manager, Matanuska-Susitna Borough



Fairbanks North Star Borough

Office of the Mayor

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1300

Fax 907/459-1102

Email mayor@co.fairbanks.ak.us

September 26, 2005

Commissioner Karleen Jackson
Department of Health & Social Services
350 Main St. Room 404
PO Box 110601
Juneau, AK 99811-0601

Dear Commissioner Jackson:

I am writing to support the request to increase state funding for the Human Services Community Matching Grant. During my tenure as Mayor, I have seen this grant program serve a vital purpose in our community.

The allocation process we have developed is fair and rigorous. The recipients make excellent use of state and borough dollars and provide much needed services. They are able to leverage these grant dollars with other funds and in-kind donations and thus provide a value that greatly exceeds the cash value.

The Fairbanks North Star Borough has limited health and social services powers. Providing the required match to this grant program is one of the few steps available to us to address our pressing health and social services needs.

It is appropriate that the borough budget include an increased level of funding for fiscal year 2007 to match an increased state amount; very few efforts return a greater benefit to the taxpayers.

Do not hesitate to contact me if you have any questions, or you may direct questions to Cheryl Keepers, who provides staff support to our Health & Social Services Commission, at 459-1474.

Sincerely,

Jim Whitaker, Mayor



Municipality of Anchorage

P.O. Box 110650 • Anchorage, Alaska 99519-6050 • Telephone: (907) 343-4431 • Fax: (907) 343-4432 <http://www.muni.org>

Mayor Mark Begich

Office of the Mayor

September 29, 2005

Commissioner Karleen Jackson
Department of Health & Social Services
P.O. Box 110601
Juneau, AK 99811-0601

Re: Human Services Matching Grant

Dear Commissioner Jackson:

Congratulations on your new position as commissioner. You are certainly well versed in the social service and health arena. That is why I know that you will understand why I am writing to request an increase in the state budget for the Human Services Matching Grant (HSMG). As you know, this program provides direct funds to the Municipality of Anchorage, the Matanuska-Susitna and Fairbanks North Star Boroughs for essential human services. State funding for this program has declined 43 percent since 2001 although the needs have not

The current year budget amount is \$1,235,300, allocated by population among the three communities. In turn, each community matches their amount with 30 percent local cash, bringing the cash total to \$1,764,714. Funds are then allocated to non-profit organizations that provide the services.

Because grant funds are to nonprofit agencies that use volunteer labor and donated items, the HSMG funds provide many times their monetary value in services to needy Alaskans. These grants save the state considerable money by providing services in a more cost effective manner. Using nonprofits to deliver services adds more value to the grant. Nonprofits use grant dollars to leverage other funds and in-kind donations. The "return on investment" can be incredible.

The needs continue to substantially increase, while dollars available to fund these vital health and human services continue to dramatically decrease. The amount of \$1.2 million does not meet Anchorage's human services needs. We respectfully request the grant be increased to \$3 million. This statewide amount that would allow each of us to meet the needs as presented to us in the most recent year.

Community, Security, Prosperity

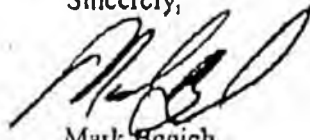
Commissioner Karleen Jackson
September 29, 2005
Page -2 -

Last year, with the support of your office, the United Way of Anchorage began administering the HSMG in Anchorage. This is another example of the nonprofits stretching the grant monies even further. Unfortunately, each year we have been forced to eliminate or drastically reduce programming as a result of the continuing decrease in amount of HSMG funds available. The local communities are good stewards of these state funds. Our community partners make every effort to ensure that these monies are used in cost-effective manners to target the greatest needs in our communities.

My administration continues to be supportive of the HSMG and will continue to with the 30 percent match necessary to obtain this grant. An increase in the amount allocated to the three communities will provide essential funds that are the safety net of the poor and vulnerable in Alaska.

As you are beginning the budget process for Fiscal Year 2007, I am grateful for your effort in securing the continuance of the HSMG and would appreciate your support in this requested increase for the three communities. Please do not hesitate to contact me or my staff assistant, Diane DiSanto at 343-7105, with any questions. I look forward to working with you in your new capacity as commissioner.

Sincerely,



Mark Begich
Mayor

**MATANUSKA-SUSITNA BOROUGH****Borough Manager's Office**

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 745-9689 • Fax (907) 745-9669

September 29, 2005

Commissioner Karleen Jackson
Department of Health and Social Services
P.O. Box 110601
Juneau, Alaska 99811-0601

Dear Commissioner Jackson:

Please accept my congratulations on your new position as commissioner. I believe that your expertise in the health and social services field will be of great value to the citizens of Alaska.

On behalf of the Matanuska-Susitna Borough, I strongly support the request by the Municipality of Anchorage, the Fairbanks North Star Borough, and the Matanuska-Susitna Borough to increase funding for the Human Services Community Matching Grant Program.

During the brief time that the Matanuska-Susitna Borough has participated in the program, we have seen a 50 percent increase in the number of applications received and a 12 percent increase in requested funds. In FY06, the Human Services Citizens Advisory Committee recommended a cap of \$35,000 per program in an attempt to more equitably distribute funding. Even with the cap, we were not able to fully fund many critically needed programs because the need for services greatly exceeded available funds.

Rapid population growth is expected to continue in the Matanuska-Susitna Borough and the need and demand for services are great, as documented by the 2005 Mat-Su Community Assessment. Therefore, we are requesting an increase in HSMG funds and are committed to providing additional local matching funds so that these and other critically needed programs can be fully funded.

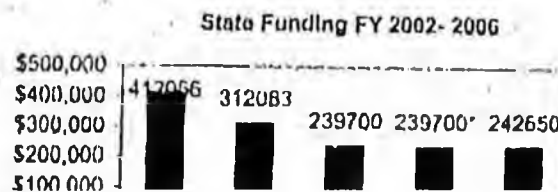
We respectfully request your consideration of the proposed funding increase from \$1.2 million to \$3 million and look forward to working with you for the continued benefit of our citizens. If you have questions or would like additional information, please do not hesitate to contact me at (907) 745-9869.

Sincerely,

John Duffy,
Borough Manager

State Funding Decreased 41% Since FY 2002.

The community lost the potential to generate \$459,466, \$769,652, \$1,287,480, \$1,887,899 and \$2,166,736 of other funds, project income and in-kind contributions in FY02-03-04-05-06



ALASKA STATE LEGISLATURE

50 Front St. Suite #203
Ketchikan, Alaska 99901



Phone: 225-9675
Fax: 225-8546

LEGISLATIVE INFORMATION OFFICE

WRITTEN TESTIMONY

To: Senate
Finance
907-465-2187

NAME: Beth Antonsen
ADDRESS: 102 Edgediff Way
Ketchikan, AK.
PHONE: 907-242-458
EMAIL: bethantonsen@kpnet.net

BILL# or SUBJECT: HB 365
COMMITTEE: OPERATING BUDGETS/LOANS

~~THE~~ OUR FERRY SYSTEM IS IMPORTANT
AND NEEDS FULL FUNDING. INSTEAD OF
SQUANDERING FUNDS ON A NEEDLESS BRIDGE
IN KETCHIKAN WE SHOULD EXPAND THE USE
OF THE FERRY LITUYA AND BUILD TERMINALS
ON GRAVINA AND PENNOCK WITH ACCESS ROADS.

PLEASE FULLY FUND THE STATE FERRY
SYSTEM AND THINK ABOUT OPTIONS TO
THE BRIDGE. PAT TIRSCHEL AND JOHN
STEWART PUT FORTH AN ALTERNATE PLAN.
THAT WOULD COST 45 MILLION THAT INCLUDES
FERRYS, BOAT HARBORS AND ROADS. THERE ARE
PEOPLE THAT SUPPORT THIS OPTION.



**CITY OF ELM
ELM CITY COUNCIL
P.O. BOX 39009
ELM, ALASKA 99739
PH: (907)890-3441
FAX: (907)890-3811**

April 6, 2006

To: *Senate Finance Committee* FAX: (907) 443-3596
3 pages

From: Luther

RE: HB365

Please use this for comments and send to Senator Olsen with my facts and comments.

Thank you



STATE OF ALASKA
 DEPARTMENT OF COMMUNITY DEVELOPMENT
 P.O. BOX 39000
 NOME, ALASKA 99739
 TEL: (907)898-3441
 FAX: (907)898-2811

April 6, 2006

Honorable Senator Donald Olsen
 Alaska State Senate
 Juneau, Alaska

RE: HB365 - Finance Committee

Dear Senator Olsen:

Our Municipal Offices are concerned on cuts to the only programs that assist our Rural Offices. Funding that is continuing downward from Revenue Sharing, State matching Funds for Federal Funds and Rural Development Matching Grants.

Our State has at least 33 Billion dollars in the Permanent Fund Program and Windfalls Hitting our Firms with no aid to our Rural Villages.

Municipal Governments represent everyone in the village and provide public services.

Many of our services are mandated by the State and Federal Government Agencies.

Many of our Rural Villages do not have the Economic Base to support our Municipal Offices.

At least 91% of Alaska's Wealth is pumped out of Rural Alaska.

When it comes to matching grants - we have no matching funds and many of our villages do not have the experience or training to understand how to complete a grant.

The problem is we lack training and the only programs that provide training comes under the RUBA Program. We lost a program when DCRA was tied in with another program, which took away funding from our Rural Municipal Training Programs.

Bookkeeping is important to operate our Municipal Offices and the State and Federal Government came up with a meeting recently regarding just that. How can the State Government and Legislatures penalize our Municipal Offices for not keeping up with the Books when funding keeps getting cut.

The City Clerks have an organization that does training of City Clerk and there now private instructors in the market who are past Alaskan City Clerks. It takes money for instructors and transportation to provide the education for Office Clerks, Bookkeepers

page 2.

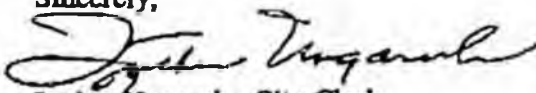
and City Clerks. It also takes money to attend programs provided by the Alaska Municipal League and the Clerks Programs.

Rural Municipal Governments have suffered more in the last two to three years than ever before. Alaska claims to be the richest State in the Union is creating a third world country of its own. Many of our Urban Legislatures have not been to Rural Alaska and do not want to spend time there due to lack bathroom facilities.

We are a unique State with different local nationalities that have existed for thousands of years.

My comments may offend some of our Legislatures, "This problem is our problem and as Legislatures it is also your Problem". Let us solve this problem together.

Sincerely,



Luther Nagarak, City Clerk

Cc: Elim City Council

City of Hooper Bay

P.O. Box 29

Hooper Bay, AK 99604

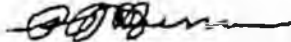
Phone (907) 758-4311

Fax (907) 758-4761

Email cityhpb@yahoo.com

RUBA PROGRAM is a most effective program that helps Rural Alaska. Many of the rural municipalities would have gone under, if RUBA had not assisted them. Also multi-million dollar water and sewer systems depend upon RUBA to assist them from going bankrupt. These water and sewer systems are investments of the State and Federal governments. To cut out RUBA program is akin to cut out the mainstream life-line of rural Alaska. Cutting out revenue sharing and cutting out old-age assistance were enough. The RUBA Program should remain.

Sincerely,



RJMurrar/City Administrator

HB 365 Testimony

April 6, 2006

Hello, my name is Wanda Rasmussen. I am the Field Coordinator for the Operations Department at Alaska Village Electric Cooperative, Inc. We service 52 villages with electricity – primarily in Western and Northwestern Alaska.

Power Cost Equalization is very important to me for the consumers that we service, along with family that I have in some of the villages. I appreciate the consideration that you have given to restore a substantial amount of the funding for PCE.

I am concerned that the budget that is being presented will start in FY07, working off the cost of fuel used during 2005. Next year's PCE was determined by last year's fuel cost and its funding should not be tied to next year's oil prices. Fuel is a major part of our budget and the cost is picked up by our consumer's. If PCE starts the year at 75% of full funding, electric rates for the eligible kilowatthours will cost a full 5.3 cents more. That increase of 5.3 cents is half of the cost of an urban kwh. PCE needs to be restored to full funding at the beginning of the new fiscal year, not at the end.

The major businesses in urban Alaska depend on rural Alaskans spending their dollars in their businesses. PCE makes a huge impact for a modest annual cost. If rural Alaskans lose this money, they will no longer be able to afford their electricity or many other basic necessities. It will have a huge snowball affect on all of Alaska.

PLEASE make PCE a priority issue for restoration at the 100% level.

Thank you.

A handwritten signature in cursive script that reads "Wanda Rasmussen".

Kwig Power CompanyP.O. BOX 44
KWIGILLINGOK, AK 99622
(907) 285-0166

(907) 465-2187

Senate Finance Committee

On behalf of Kwig Power Companies Customers
I am requesting that PCE be funded at its
FULL Level. Oil prices from last year should
not be tied to you making this decision.
Money that comes from legislature eventually
ends up in urban businesses making your
lives more comfortable.

Please seriously consider Funding PCE
at its FULL LEVEL.

Respectfully submitted

By: William Igkurak, Utility Manager



Fax Cover

To: Senate Finance Committee	From: Meera Kohler, President & CEO <i>TK</i>
Fax #: (907) 465-2187	Alaska Village Electric Cooperative, Inc.
Company: Alaska Legislature	Fax #: (907) 562-4086 E-mail: mkohler@avec.org
Date: April 7, 2006	Voice #: (907) 561-1818 or 565-5531 direct

Number of pages including this page: 2

Testimony re HB 365

I apologize for leaving the Legislative Information Office last night before the Committee was able to receive testimony from Anchorage.

I watched the Committee receive testimony from Mat-Su and Fairbanks and it was growing quite clear that it would be 8 pm before Anchorage's turn arrived and there were still six other communities to follow us! Out of consideration for my starving family and the senators' need for a reduction in the number of testifiers, I opted to submit my testimony via fax.

Thank you for the opportunity to testify. And thank you for the graciousness and good humor that was exhibited, particularly by Sen. Wilken, during the hour of testimony that I observed.



April 6, 2006

Senate Finance Committee

Re: HB 365 Testimony

My name is Meera Kohler. I am the President & CEO of Alaska Village Electric Cooperative, Inc. – an electric utility serving 52 villages – primarily in Western and Northwestern Alaska.

I very much appreciate the good work that your committee has done to substantially restore funding for Power Cost Equalization closer to the 100% level.

The budget that was presented yesterday starts FY07 at 75% of full funding for PCE and then adds another \$6.5 million in two installments during the year, predicated on the actual average cost of ANS crude oil during that period.

I wish to point out that the current PCE levels were established by the Regulatory Commission of Alaska based upon the actual delivered cost of fuel during 2005. Regardless of what happens to the cost of fuel this summer, the RCA will not recalculate those rates until late in 2006 or in early 2007. In other words, utilities collect fuel costs 12 to 18 months after those costs are incurred and not until the RCA approves revisions to the utilities' rates and sets the appropriate PCE rates. If the cost of North Slope crude (and the cost of fuel) falls this year, it will not be reflected in electric rates until next year – and then not until spring or summer.

If PCE starts the year at 75% of full funding, that translates to electric rates for the eligible kilowatthours costing a full 5.3 cents more! That is 50% of the cost of an urban kwh.

Please restore PCE to full funding at the beginning of the new fiscal year, not at the end.

Thank you.

Meera Kohler
President & CEO

**Testimony:
House Bill 365**

Chairman and Members of the committee: I am Sarah Welton President of the Mat Su Borough School Board. I appreciate the opportunity to speak with you. The Mat Su borough is growing, we are the fastest growing area of the state. It is projected that we will have 584 new students for the next school year. That equals a whole elementary school.

The school board is appreciative of the money that is being allocated for education. We do thank you for all of your considerations. There are concerns for more financial impacts upon this community as well as the other districts in the state.

Municipal revenue sharing is requested by the school district for our borough government. These additional funds would help in providing for many local needs for the fastest growing area in the state. Any additional funds would positively impact the ability for the borough to help meet its obligation for local funding of the schools.

As for the school district, it has put in measures to reduce consumption of energy and is seeing very positive results, at the same time the costs have risen dramatically. The district has out-sourced a portion of its work force starting next year to reduce costs of personnel and supplies. Other cost savings measures are being considered including reducing administrative staffing although the district's central administration is one of the leanest in the state, averaging over the last few years 4% of the total budget.

The Trs and Pers impact is staggering. The district's obligation has risen to \$4 million which is approximately the cost of 80 teachers with salaries and benefits. These 80 teachers could be teaching 25 students per classroom, each, which then translates into 2000 students. We expect 16,000+ students in our district next year. We know that smaller class sizes, especially, in the early grades is the key to better education. We know that our students in the high schools need to have more class selections, such as foreign languages, to broaden their educational knowledge base. We have a need to increase our vocational technical education programs as well as our advanced placement options and opportunities for our students to take college courses.

Materials and supplies have been cut to the bone, and, while we have talented people who can teach with little support, there comes a point when some books are needed as well as visual aids like maps and charts, supplies, and new technology.

Other impacts upon our district are the issues of special education intensive funding, which, if the district loses its appeal of the audit, translates into approximately 5.8 Million dollars. This is lost revenue for the district that had been counted upon in the preparation of our budget.

Thank you for attention today and I am looking forward to meeting with many of you in Juneau later this month.



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance
committee name

committee on HB 365 , dated APRIL 6, 2006
bill/subject

I would like to thank the Senate Finance Committee for restoring funds to public radio + tv. This service is so important to our remote community and provides services for all of the non profits, governmental bodies in airing public meetings, and in providing information on our basic economy - fisheries. I urge you to restore public television funds, but do thank you for your continued support for public broadcasting.

Signed: Pat Branson

Testifier

SELF

Representing (Optional)

PO BOX 38853 KODIAK

Address

Phone No.



Alaska State Legislature

Please enter into the record by testimony to the SFIN
COMMITTEE NAME
 committee on H.B. 365, dated 4-6-06
BILL / SUBJECT TODAY'S DATE

I am addressing the Department of Labor Independent Living line item. I appreciate the \$40,000 increment introduced by Senator Wilken, but am asking the Senate to match Rep. Charnault & Weyrauch's \$150,000 increment.

These funds are used to work w/ youth w/ disabilities in Ft. Belknap, Southeast & the Kenai. With \$150,000 increment that the House Finance passed, it would allow \$50,000 for Ft. Belknap, \$50,000 for SE and \$50,000 for the Kenai to work w/ youth w/ disabilities to be employed and for maintenance and start up of interpreter referral lines for persons who are deaf.

Signed: Jenavina Geisler
TESTIMONY
Independent Living Center
REPRESENTING
Box 1649 Homer, AK 99603
ADDRESS
907-235-5401
PHONE



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance Committee
 committee name
 committee on _____, dated 4/6/06
 bill/subject

I want to thank the Finance Committee for restoring funding for Public Radio and 75% of the original funding for Public TV. However, I urge the committee to consider restoring full funding for Public TV as well as the \$125,000 increment recommended by the Governor.

Public TV provides a service that cannot be found anywhere else. The children's programming provides a safe haven, educational environment that is unique in television. It also provides educational for young adults ("workplace essential", "GED Connection") that is geared towards making young adults successful.

Lastly APRN, KSKA, KAKM have taken steps to reduce costs by merging & taking advantages of synergies. However, Public TV cannot survive under budget cuts.

Signed: [Signature]
 Testifier

Representing (Optional)
7500 Aleutian Ave, Anchorage, 99507
 Address
907-345-1782
 Phone No.

Please consider full funding for Public TV as well as the \$125,000 increment.

Good evening, my name is Chris Hall

I am here this evening to speak in favor of funding the University of Alaska at the level proposed by the governor.

My wife and I both graduated from UAA in 2005 and are now in the workforce. Our degrees are serving us well and I believe the state well. I have friends who graduated and now work in the fields of health care, engineering, business, and journalism. In my opinion, we represent a university and state goal, a workforce trained in Alaska working in Alaska.

I appreciate having a high quality educational institution in Alaska. But I am concerned; I am concerned for students coming after me, students who may be thinking of prom, sports, or the latest fashion instead of a college education. I am also concerned for our state, at the current level of funding the university will not be able to create or expand high demand programs.

- * The House budget increase will cover only the University's fixed cost increases and nothing else.

- * The current Senate Finance Subcommittee proposal will be a considerable cut to the operations of the university and will not address high demand workforce development needs throughout Alaska.

Please restore university funding to a level that provides for future students and the future of Alaska.

Thank you for your service to our state,

Committee members, thank you for the opportunity to express my concerns.

My name is Bruce Bartley. I am the chief of the Chugiak Volunteer Fire and Rescuc Company. I have been an EMT in Alaska for 23 years. And I have served on the board of directors of the Southern Region EMS Council for 17 years. For 15 of those 17 years, Southern region...and all the other regional offices in the state...have been flat funded. Even with the modest inflation during that time, flat funding amounts to a serious cut.

As such I've had to participate in many painful sessions where we have cut back regional operations and programs *literally* to the bone.

These regional offices provide training...certifying officers for state-certification exams...public education...and direct grants to EMS squads. The regional offices have worked with private...state...and federa' agencies to leverage the

purchase of more than 15 million dollars of badly needed EMS equipment over the past six years.

The House Finance Committee has included in its budget an increment of almost 456-thousand dollars to assist the regional offices in these vital tasks. I urge your committee to do the same.

As an unpaid director of the region with the largest population and most EMS squads in the state... I can tell you first-hand that this group wrings every penny out of every dollar ...to enable mostly volunteer EMS services to provide the best possible pre-hospital care to the citizens of Alaska.

I appreciate the dilemma you face with multiple demands for finite dollars. In some respects...it is harder when you have too much money than it is when you have too little.

But chief among the responsibilities of state government is the health and safety of its citizens. So I urge you to look at

the regional EMS offices with their proven track record...
and the demonstrable impact they have had on Alaska's
citizens.

Most of the people providing EMS in Alaska are
volunteers. Each of us donates thousands of hours of our
precious personal lives to help care for our neighbors in
times of crisis. Please give us the tools and the
infrastructure to continue to do so.

Thank you for your time and consideration. I'd be happy to
try to answer any questions.

April 6, 2006

Co-Chairs Senator Wilken, Senator Greene, and members of Senate Finance,

Thank you for this opportunity to submit written comments on HB365, the state operating budget.

I'm Luke Hopkins, FNSB assembly member. I am not able to testify before you at today's designated time from Fairbanks because of our FNSB assembly work session, where we will be receiving the proposed operating school budget and borough budget for FY07. But it is a fitting time to submit written comments to you on the proposed state's operating budget.

I hope that as the legislative budget process continues, all of you will seriously consider funding a sustainable community dividend program that will provide property tax relief to our borough residents. Along with revenue sharing, the lack of a clear PERS/TRS funding mechanism moving forward are examples of fiscal issues that the state can greatly assist our communities with, especially with the level of state revenue surplus currently. State providing sustainable funds for local fiscal relief is can help to offset the need to reduce important local services.

If the funding level for the Human Service Community matching grants remains at the current level (adjusted only for population increases), I am concerned that our community will have another year of not being able to provide for the measured human service need we have. Remember because our borough does not have social service powers we cannot increase our funding level beyond the local match. Our Assembly is ready to provide the budgetary increase to match the state pass through grant. Please allow our social service providers to realize a 19 to 1 return on the state's investment - a sound fiscal policy plus a reduction in costs the state would have to provide in agency funded care. Over half the population of this state is represented by the request for additional funding as seen both in the Governor's request and with extensive public testimony before this legislature.

I also ask that you reinstate funds for public broadcasting. Our local station broadcasts our local assembly meeting throughout our borough serving a vital public service that keeps people informed of our local government actions as they happen. This is seen at almost every meeting when citizens take advantage hearing an action over the radio and then arrive before us to offer us public opinion.

Important to our community is the funding levels for the Court system. Please maintain the current funding for the additional staff positions to reduce case loads in our 4th judicial district. This years' funding is a critical piece in our continuing effort to fight the effects of alcohol related tragedies that have been causing such harm to families either as DUI fatalities or the consequences of domestic violence that alcohol brings in our communities and on our roads.

I ask that you reinstate the funding for UA to the level that was supported in the House. The university's continued ability to provide training for the highly technical jobs both the state and our borough need is critical to our economic development opportunities all of us want. And they're doing that, let's not cut them out of these tasks.

April 6, 2006

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Senate Finance Committee
State Capitol
Juneau, Alaska

April 2, 2006

Re: Full Support for Public Television in
State Budget

Continuing and improving state support for public television in Alaska is of great importance to the many urban and other Alaskans who cannot afford cable and must depend on PBS for our cultural, educational, and in-depth news information.

Don't endanger programs such as: Nova, Anchorage Edition, Heartbeat Alaska, Frontline, American Masters, Washington Week, Nature, Born and Bred, Masterpiece Theater, Alaska Weather, BBC World News, News Hour with Jim Lehr, Charlie Rose, Austin City Limits, wholesome programs for children, and numerous valuable and informative documentaries by ill-conceived slashing of the funds which make possible the funding which pays the balance of the cost of operating an invaluable public resource.

Please do not leave us at the mercy of inane trivial and ad laden commercial television.

For those in Juneau think long and hard before crippling KTOO which is a window into what government in the state capitol is up to in its splendid isolation and non-transparent machinations—when those without cable access can find a way to look in on such sessions and committee hearings as are televised while the future of our state is decided

As one of many unable to fly off to Juneau or do more than submit written protests, I can only hope some evidence of non-partisan statesmanship will color your decisions on fully funding public television thus allowing the funding from other sources to come to pass.

A watchful voter and hopeful Alaskan,

E. M. Casey (R)
9141 Peck Ave. #400
Anchorage, AK 99504



ALASKA STATE LEGISLATURE
STATE CAPITOL, JUNEAU ALASKA, 99801-1182

To Be Entered Into Record

Please enter into the record my testimony to the Senate Finance
committee on HB 365 Committee Name 4/7/06 dated
Bill or Subject

Emergency Response - DHSS, Public Health,
EMS Grants to Regions and Rural Grants.

I support funding for our emergency response sectors. These services are vitally important to life and property in the Cordova area. Additional funding would be greatly appreciated as a reinforcement to existing services. Any reductions in funding could have substantial impacts to prevention and response capabilities —

Thank you for the opportunity to comment —

Signed: Daniel McDaniel

Print Name: Dan McDaniel

Representing (Optional): Cordova Fire Dept (Volunteer)

Address: P.O. Box 304, Cordova, AK

Phone No. & Email Address: 424-6117

APR-07-2006 FRI 02:14 PM B E

Apr-07-06 12:08pm From: City of Hooper Bay, Alaska

907 543 3542
907 758 4761

T-806 P.001/001

P. 03
F-048

City of Hooper Bay

P.O. Box 29

Hooper Bay, AK 99604

Phone (907) 758-4311

Fax (907) 758-4761

Email cityhpb@yahoo.com

RUBA PROGRAM is a most effective program that helps Rural Alaska. Many of the rural municipalities would have gone under, if RUBA had not assisted them. Also multi-million dollar water and sewer systems depend upon RUBA to assist them from going bankrupt. These water and sewer systems are investments of the State and Federal governments. To cut out RUBA program is akin to cut out the mainstream life-line of rural Alaska. Cutting out revenue sharing and cutting out old-age assistance were enough. The RUBA Program should remain.

Sincerely,



RJ Murran/City Administrator

PS please distribute to Finance Committee

ALASKA POWER & TELEPHONE COMPANY

P.O. BOX 207 • MILEPOST 1314 AK. HWY.

TOK, ALASKA 99780

(907) 883-5101

FAX (907) 883-5815

April 7, 2006

Alaska Power and Telephone strongly encourages full funding of the PCE program in next year's operating budget. This budget had already been determined by last year's fuel cost and its funding should not be tied to next year's oil prices. While it may appear that the PCE program only benefits rural Alaskans, this is not the case. The major businesses in urban Alaska receive a significant portion of their revenue from the consumers residing in rural Alaska, and the available spending dollars of rural Alaskans is directly impacted by the PCE program. Therefore, for a modest annual cost, both rural Alaska residents and urban Alaska businesses benefit from this program.

Respectfully submitted,



Eric Hannan

Manager of Power Operations
Alaska Power & Telephone Interior Division

TO: Senate Finance Committee

7 April 06

RE: PCE

Dear Senate Members:

Please continue the PCE program as there is no way folks in the remote areas could even begin to survive without it.

It is the rural areas that do not have the jobs (and higher paying jobs), yet it is the rural folks who have to pay the higher prices in everything, from food, vehicle fuels, home heating oil, electricity, etc. Yet, it is the remote / rural residents whose money goes to the businesses in the big cities of Alaska. They would be in a big hurt without the rural money.

The state is swimming in money with these high prices of oil, yet programs like this keep getting cut further and further back. This is not right! The oil belongs to the **PEOPLE** of Alaska, not the governor, legislatures, or high paid lobbyists representing big corporation. The oil companies are getting rich breaking the backs of the average Alaskan and American.

Sincerely,
Dolly Henton
P.O. Box 605
Tok, AK 99780

April 7, 2006

LIO office

As a Tok resident pce is of vital importance to our way of life, funded at 78% the average credit is 82.95 per month, this is aprox \$995.40 in noney that is spent in businesses and to support our small community. Power is indeed a luxury for some and crucial for. As you are aware we have a ever growing population of ederly on fixed income.....please continue to fund pce for the rural communities.

Thank you,

Donald and Mary Lou York
P.O. Box 574
Tok, AK 99780

April 7, 2006

Dear Senate Finance Committee:

I urge you to extend full funding of PCE in next year's budget. Rural residents have seen PCE drop considerably the last year. Please do not continue decreasing PCE!

Thank you,

Joyce Smith
PO Box 717
Tok, Alaska 99780
(907) 883-3905



ALASKA STATE LEGISLATURE
STATE CAPITOL, JUNEAU ALASKA, 99801-1182

To Be Entered Into Record

Please enter into the record my testimony to the Senate Finance
 committee on HB 365 Committee Name, dated 4/7/06
Bill or Subject

Emergency Response - DASS, Public Health,
 EMS Grants to Regions and Rural Grants.

I support funding for our emergency response sectors. These services are vitally important to life and property in the Cordova area. Additional funding would be greatly appreciated as a reinforcement to existing services. Any reductions in funding could have substantial impacts to prevention and response capabilities —

Thank you for the opportunity to comment —

Signed: Dan McDaniel

Print Name: Dan McDaniel

Representing (Optional): Cordova Fire Dept (Volunteer)

Address: P.O. Box 304, Cordova, AK

Phone No. & Email Address: 424-6117

Friday, April 07, 2006

Senate Finance Committee

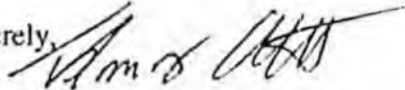
Thank you for your recent action restoring funding to public radio and public television. This is greatly appreciated in rural communities. While I applaud you for this action, I am writing to urge you to full fund television and the proposed incremental increase to public broadcasting.

Cuts to public television in Alaska are cuts to joint licensees. The public television stations are located in Bethel, Fairbanks, Anchorage and Juneau. Each of these stations also operates public radio stations.

Although the cut is targeted at the television service and not the radio service, the overall organization is negatively impacted, and that includes the radio stations.

Again, thank you for reinstating full funding for public radio, please do likewise for public television.

Sincerely,



Tom Abbott
P.O. Box 1617
772-3274
Petersburg



Senate Finance Committee
Via Fax (907) 465-2187
April 7, 2006

Sirs:

We are writing to voice our support of full funding for power cost equalization in next year's operating budget.

We are the owners and operators of Alaska Travel Source, one of Alaska's largest travel agencies. Our clients live from Barrow to Ketchikan, and include corporate multimillion-dollar customers to individual bush residents that need help with an occasional ticket.

Our business depends on rural Alaskans calling us for travel management assistance. I am certain all the big box stores, local airlines, and in general Anchorage retail shops would agree that a large percentage of their sales (and success) come from bush customers.

Power Cost Equalization for these bush residents makes a huge difference for the individual at a modest annual cost. The money they save on power bills is then available and is spent in our stores. It is not just the rural resident who would feel the pinch if this funding was not appropriated in full.

It is also my understanding that next year's power cost equalization amount was determined by LAST year's fuel cost, and that the funding should not be tied to NEXT year's oil prices.

We urge you to fully fund power cost equalization, and are always available for any questions you may have.

Thank you,

A handwritten signature in black ink, appearing to read "W. Beck", written over a faint circular stamp.

William Beck
Owner/Manager
907-522-1299

A handwritten signature in black ink, appearing to read "S. Huntley", written over a faint circular stamp.

Sally Huntley
Owner/Manager
907-562-2213

Pitka's Point Traditional Council
P.O. Box 127
St. Mary's, AK 99658
(907) 438-2833 (907) 438-2569 fax

April 7, 2006

Senate Finance Committee:

RE: HB365, the FY07 State Operating Budget

TESTIMONY:

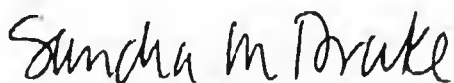
My name is Sandra Drake, I am the Tribal Administrator for Pitka's Point Traditional Council. The RUBA program has been a very beneficial and effective resource for our Tribal Organization. The Community of Pitka's Point has been working for many years to construct a NEW proposed piped water and sewer system with the involvement of DEC Village Safe Water program, Department of Community and Economic Development RUBA Program and the Alaska Native Health Consortium.

Our Staff has been receiving on-going technical support and assistance through the RUBA program to attend the Utility Management Training which we are utilizing in our day-to-day operations. We received series of Manuals as references and use as guidance to better understand finances and Utility management systems. These technical support services are very vital to small communities as ours in new construction and other community projects as the piped water and sewer system.

Our staff is using the Quick books program for each of our grant programs. The Quick book is an essential tool which allows us to develop, submit reports; track varies accounts and bill customers. On-going training in Quick book will be a fundamental tool to help us keep up with new changes in our technology.

I ask that you take serious consideration in your decision with reducing the HB365 funding. My utmost concern is for small communities that are very limited in resources and have high cost of living is that we continue to need the RUBA program to carry out our on-going training and services. Please provide this testimony to all senate finance committee members. Quyanana.

In Respect,



Sandra M. Drake
Tribal Administrator



YAKUTAT POWER

PO Box 129 Yakutat, AK 99689
Phone: (907) 784-3242
Fax: (907) 784-3922
Email: yakpower@ptialaska.net

Testimony from Scott Newlun General Manager Yakutat Power, Inc.

I urge you to fully fund the PCE program in next year's operating budget. It is an extremely needed program that is a fair way to distribute some of the funds created by high oil prices. Most of Rural Alaska is suffering from one of the worst catastrophes in recent time. High power costs are causing hardships on all citizens, communities, school districts, and businesses that are dependent on diesel generated power. With the diversion of funds from these sources in Rural Alaska I can assure you that the urban areas will feel the after effects of this situation. I also ask that you not tie the funding to the price of oil for next year because the PCE amount was based on last years prices. PCE will make a huge impact on the overall economy of the State of Alaska for a minimal annual cost.

Thank you,

Scott Newlun
General Manager
Yakutat Power, Inc.
(907) 784-3242

To: Alaska State Legislature

April 7, 2006

ATTN: Senate Finance Committee
FAX: 907 465-2187

Please enter into the record my testimony to the Senate Finance committee on funding Alaska Vocational Technical Center through the 2006 FY General Fund.

Committee, please consider this public testimony to the legislature,

As a member of the maritime industry of Alaska, and a three-year curriculum board member, of the Alaska Vocational Technical Center (AVTEC) I would like to express my thanks to the committee for the funds previously provided to this excellent training center.

AVTEC is truly a market driven school. Their response to industry needs can be measured in a multitude of ways, but I would like to speak of three specific areas that AVTEC has responded to our needs; resulting in the placement and advancement of Alaska people in Alaskan jobs.

1. AVTEC Maritime instructors developed a United States Coast Guard (USCG) approved course to train Tankerman for barge work. Tankerman are difficult to find, as the job requires a five-day in-depth training class that includes fire fighting and learning the complexities of transferring fuel products, as well as at a minimum six months sea-time. Alaskan rural communities rely heavily on barges for transporting their village, and personal fuel oil needs, it is imperative that the Barge companies operating in Alaska are able to have crewmembers that are trained to discharge and load fuel in a safe and efficient manner. As a result of AVTEC's relationship with the maritime community they recognized the need for training Tankerman to meet the needs of transportation to rural Alaska. AVTEC personnel worked hard to develop the program and get USCG approval for this course, which held their first training session in April of 2005 with 15 Mariners enrolled. Through the Tankerman program they have been able to train and put to work more than 50 people over the past year. Prior to the AVTEC tankerman program people had to leave the state to get the necessary training and Alaskans were at a disadvantage for available jobs as Tankerman.

The cost of leaving Alaska to train coupled with the cost of obtaining United States Coast documentation often times keeps people from pursuing this goal.

2. Another example of AVTEC's affect on the community through training is their expertise in training Masters, Mates, and Pilots. The simulator at AVTEC is said to be one of the best in the country. This was proven to our company when the Instructors put together a personalized training class for 8 Masters and Mates that needed to improve their Maritime license to advance in their field by passing a comprehensive Celestial Navigation course. Advancement was necessary so they could maintain employment with the ever-changing USCG regulations. The instructors spent many extra hours out of the classroom offering expertise and practice so that each person was able to confidently perform the duties necessary to take command of the simulator. Every student passed the exam and was able to receive their qualifications on their USCG license. Also, because of the great reviews from the group, many of their peers went to AVTEC to train for their Celestial Navigation endorsement.

3. Basic Safety Training, BST- meeting the needs of the industry. Providing BST is important, valuable, and necessary for mariners to maintain their license with the USCG. Again, due to the ever-changing USCG regulations, AVTEC stepped up to the plate and put together a comprehensive training course required for mariners to sail in outside waters. Many Alaskans' have taken advantage of this course, but many more need the course. BST is in fact a condition of employment for most Mariners.

With the decline of the fishing industry rural Alaskans have found themselves without a viable means to make a living for their families. Many of these people have had life long careers on the waters of Alaska, operating their own fishing vessels and businesses. With fishing in decline they are left with large boat payments and no money coming in. Daily I hear the desperation and sadness in their voices. These folks are hard working, intelligent, and know how to work on the water safely. Most are ready and willing to move forward in the maritime industry, but lack the necessary USCG credentials to work outside the fishing industry. The Coast Guard paperwork process is daunting for people that are accustomed to the paperwork world, but to those that haven't the exposure to governmental entities, the task seems impossible. By having classes available in Alaska people are more likely to move forward to get what is necessary to continue a career in doing what they know best. At AVTEC they are taught the basic courses so that they can get their Coast Guard documents and begin earning a living again. In that process they are also introduced to the USCG requirements and can get help with the necessary paperwork to obtain these documents.

Another great achievement of AVTEC is developing a partnership with the University of Alaska. Through their relationship a student is allowed college credits as a graduate of the AVTEC training programs. Providing hands on training along with course work gives students the confidence and experience necessary to prepare them for furthering their

education at the University, plus a head start by gaining credits toward earning their associate's degree and specializing in a field they have experienced hands on. AVTEC also reaches out to high school students introducing and preparing them for jobs available now, but also those coming to the state in the future.

Since year 2000 enrollment at AVTEC has steadily increased. There has been a 22% increase in enrollment of women and minorities. AVTEC students come from over 200 communities in Alaska. 96% of the 2004 graduates are placed in training related jobs, and 80% of students complete and graduated with a certificate. AVTEC provides quality, in-state training to Alaskan's preparing them for jobs that keep our state moving.

AVTEC is helping to realize jobs for the present and "Jobs for Alaska's Future" by matching the needs of the employers with trained Alaskans ready and willing to work. Please fund this school so that they can keep up with the demand and grow to meet the ever-changing requirements of the work place. Training and employing people that live in Alaska is a "win win" situation for all of us.

Thanks for your time and consideration.

Ketra Anderson
3629 Knik Ave
Anchorage, Alaska 99517

(907) 229-2302

**Testimony of Mayor Royce Purinton
2nd Class City of Nulato
HB365
4/8/06**

*The City of Nulato has a population of around 330 people, 95+% Athabascan Indians. It is almost exactly 350 air miles due west of Fairbanks, on the Yukon River, 50 river miles below Galena. There are few year round jobs. The permanent employers are the USPO, the School, Nulato Tribe , and the City. The order listed, indicates the highest paying jobs. The range of pay for city staff ranges from \$10 to \$12.

*As administrator and mayor of a 2nd class city w no significant dependable budget income, except the Fuel Depot which makes a slight profit , an overpriced W&S System (costing \$115 month/household) that doesn't pay for itself, ignoring the delinquency rate.; and there is some rent from City owned buildings. We do have the Designated Legislative Grant "06-RR-028 (Equipment Purchases & Community Improvements; \$30,496 of which approx. \$17K is left.

*Even at this level we are full computenizing the City of Nulato w Internet Banking (direct Deposits etc. We have adopted Adobe pdf file format for all City records. The rest of the Grant will be exhausted shortly.

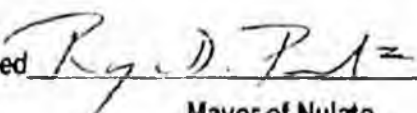
*In the distant past, I was a System Programmer, GS-11, for the Naval Weapons Lab. My hobby for years have been computers; and I have keep up w the literature as best I could. I recently retired from the Telephone Company; and have worked in Kenai, Kodiak, and Homer as a Telephone Tech. I'm the resident technical advisor and trainer for the City Staff at no cost to the City.

*Staffing is a serious problem (current maximum pay for the city is \$12 hour and hs been at that level for 20 years) and keeping good trained staff is almost impossible. We have an excellent City Clerk and City Treasurer and a fine young staff. Thankfully, there are a few highly people that have chosen the rural (Bush) lifestyle w all it problems and frustrations.

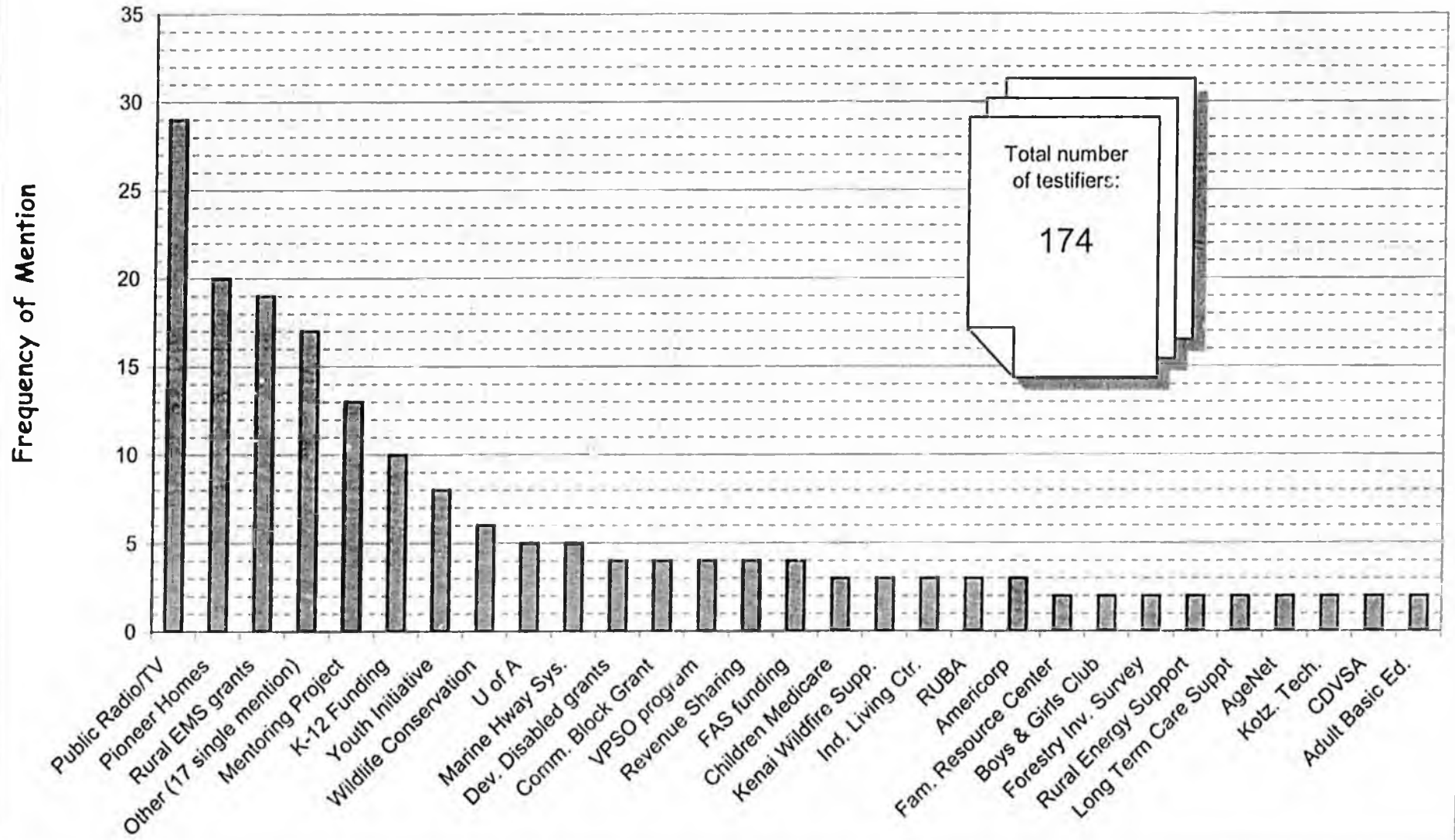
*It is essential that small 2nd class cities have onsite training (the city has very little money to send people for training. Most funded travel and training is not at the advanced technical level needed.

*It should be noted that the city had just finished selecting the Alternate Office Aid, this last Tuesday. Yesterday we lost our Office Aid to TCC for \$14.20 an hour in Fairbanks. I wished her the best of luck on her move to Fairbanks. The Alternate Aid selected last Tuesday, is now the Office Aid and the Office Aid training and Probation begins again. We will re-advertise immediate for a new Alternate Aid; but the personal pool is about dry.

*The City of Nulato needs RUBA and fully supports HB 365 and asks for your vote in support.

Signed 
Mayor of Nulato

Public Testimony - FY 07 Operating Budget
 April 6, 7, & 8, 2006



Re: Pioneers Home - Budget

Apr 7, '06

John R. Larsen

P.O. Box 6047

Sitka, Alaska 99835

My name is John Larsen and my wife has been in the Sitka Pioneers Home for five years - with Alzheimer's - and will be here the rest of her life - Certainly I have a 'vested interest' and I'm currently paying some \$75,000/year for her care. The rate was established on her 'level of care', and decreasing the staffing through budget cuts decreases the care she gets. In the past 15 months since I moved to Sitka I have been present at 700 plus meal times to feed her, and there are several other family members who come to help, also.

At a time when State oil revenues are increasing these facilities should receive the care needed to extend their usefulness and the staffing should be maintained to assure proper care of the residents who are unable to care for themselves.

II

Arbitrarily making budget cuts by the numbers will cut the staffing and therefore the care received by the residents. This is the equivalent of buying 'low-bid' engines for the O/NV Fairweather - the price was great, the VALUE was not. The people who staff the Sitka Pioneers' Home (and care for my wife!) make a wonderful effort for the residents' welfare, and they should be supported.

Thanks for your help -
John R. Laver

Ph 747-8071

RECEIVED

April 04, 2006

APR 05 2006

Dear Senator Wilken,

The Fairbanks Fetal Alcohol Community Evaluation Team has been providing diagnostic evaluation for children affected by Fetal Alcohol syndrome and their families for four years. The community based team received extensive training at the University of Washington's FAS Diagnostic and Prevention Network. Evaluation results and recommendations are shared with families, caretakers, teachers, and others involved with each child. An average of 24 diagnoses a year have taken place. We encourage you to maintain the FY 06 funding level for FASD Provider Agreements so that the teams around the state may continue to offer this valuable service.

A diagnosis of FASD with a detailed description of a child's skills and needs and recommendations for treatment enables the family to obtain services to remediate developmental and behavioral concerns. Each child receives individual testing in the areas of medical/health, cognitive/psychological/ motor, speech and language, social emotion skills. Each of these testing sessions has a value of \$200 to \$800. Team members bill 3rd party insurers and donate time to team case conferencing and diagnostic meetings. ACCA provides the office and meeting space, phone, fax, copier, etc. So the team is primarily self sustaining with a minimal amount of funding needed for coordination - making appointments, intake, record keeping and documentation. I know of few programs that give so much 'bang for the buck'.

FASD has a profound impact on the individual, family, and community. The cost is significantly reduced when needs are assessed at a young age and intervention provided. Children whose particular needs are understood by their parents and teachers will have fewer academic and behavioral problems thus lessening the impact on the special education system, social service systems and juvenile justice systems.

Please maintain funding for FAS in the Health and Social Services budget and consider the incremental increase of \$500,000. Without this minimal statewide funding, the efforts and strides made over the past decade will not be maintained and further gains will be unlikely.

Thank You, The Fairbanks Community Fetal Alcohol Evaluation Team

Marvin Bergeson, MD Pediatrician
Kristin Bradshaw, OTR/L
Donnell Houx, SLP, CCC
Mary MacFarlane, MD Pediatrician
Sue Guinn, MS, SLP, CCC
Sheree Dohner, PHN
Joan Franz, OTR/L
Sallette Thompson, PhD, Clinical Psychologist
Claudia French PhD, Clinical Psychologist
Maureen Harwood, MS, Developmental Disabilities Specialist
Jackie Sunnyboy, Parent Navigator
Vicki Horodyski, Parent Navigator
Linden Staciokas, Social Worker



Alaska Broadcasters Association

"Membership Has Its Benefits"
An Alaskan Corporation

P.O. Box 102424
Anchorage, AK 99510
Phone (907) 258-2424
Fax (907) 258-2414
E-mail akba@gci.net

April 4, 2006

RECEIVED

APR 05 2006

Senator Gary Wilken
Senator Lyda Green
Co-Chairs, Senate Finance Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99801

Dear Senators Wilken and Green:

We understand that a Senate subcommittee has proposed to slash Governor Murkowski's budget request for Alaska public TV and radio broadcast by passing a 40 per cent cut of \$1.3 million dollars.

The Alaska Broadcaster's Association is an industry group representing most of Alaska's commercial and public radio and TV stations. During emergencies, these broadcasters immediately become first responders providing critical and life-saving communications assisting local, regional and state authorities. We are concerned that any reduction in support for Alaska public TV and radio broadcasting would seriously impact vital public services to many Alaskans, and severely limit emergency response to any disaster, putting hundreds and possibly thousands of Alaskans at risk.

As to the quality of life in Alaska, public TV provides important educational and children's programming, while public radio brings statewide news and public service to rural and urban Alaska. Together, public television and radio are indispensable communications tools in Alaska, providing free, over-the-air broadcasting to people who have few if any other choices.

Alaska's commercial broadcasters have long understood the important role that public broadcasting plays, and many of our industry leaders were instrumental helping establish public radio and TV in Alaska in the 1960s and 70s. Commercial and public stations aren't competitors in Alaska - we work side by side to provide vital emergency services that entertain, inform, educate Alaskans and save lives each year.

We urge you to reconsider the subcommittee vote to cut critical support for Alaskan public TV and radio broadcasting, and fully support funding at the level proposed by the Governor and approved by the House.

Respectfully,

Ric Schmidt
ABA President

Sen. Gary Wilken

From: akrogers@alaska.net
Sent: Thursday, April 06, 2006 4:22 PM
To: Sen. Lyda Green; Sen. Gary Wilken; Sen. Con Bunde; Sen. Fred Dyson; Sen. Donny Olson;
Sen. Bert Stedman; Sen. Lyman Hoffman
Subject: HB 365

Senators Lyda Green and Gary Wilken,
Co-Chairs, and members of the Senate Finance Committee

RE: HB 365

Senators,

My name is Rick Rogers. I am a certified forester with 25 years of experience living and working in Alaska forestry and resource management in Alaska. I serve as the forest trade association member of the Board of Forestry. I regret being unavailable for tonight's Anchorage hearing on HB 365, operating budget. I would like to provide some short comments regarding the administration's budget increment request for forest inventory.

In spite of valiant efforts by current and past administrations and legislators, the inability of federal land managers to provide a reliable supply of timber to our forest products industry has devastated what once was the workhorse of the Southeast Alaska economy. While we should continue efforts to influence federal forest policy, the State of Alaska can and should manage State timber resources to further their potential and contribute to existing industry and foster economic development. A critical component of this economic development and stewardship is a forest inventory program.

Forest inventory is an essential element of prudent management of the forest resources. Forest resources are dynamic, with growth, mortality, fire, wind throw, disease and harvest all influencing the current and future composition and value of this resource. I cannot think of another example of a forest landowner with millions of acres of commercial forest land, public or private, that does not regularly invest in forest inventory. Title VIII of the constitution requires the management of these forest resources for the maximum benefit for all Alaskans and consistent with sustained yield principles. Forest inventory is essential in fulfilling this constitutional mandate.

The New Growth initiative for interior forests has resulted in promising inquiries regarding the ability of the forest resource in the interior to support value added manufacturing. Potential investors are inquiring regarding the forest inventory and information is incomplete. This operating budget increment and an associated capital budget will significantly improve the chances of a new hardwood value added processing industry becoming a reality in interior Alaska.

I urge you to amend HB 365 and restore the forest inventory increment as originally included in the administrations operating budget.

Thank you for allowing me to share my views.

Rick Rogers

John Cannon
3101 Whispering Woods Dr.
Wasilla, Alaska 99654
907.376.6063 Phone

RECEIVED

APR 12 2006

Testimony Senate Finance Committee
4-6-06

Good evening Senators. My name is John Cannon I am from Wasilla, AK. I serve as the Executive Director of Mat Su Services for Children and Adults a Valley based non profit organization serving Mat-Su residents with Developmental Disabilities. I am compelled to testify this evening to ask your support of community services for Alaskans with Developmental Disabilities. According to a study conducted by the State of Alaska in 2005 there are 1233 Alaskans waiting for critically needed services. I strongly urge you to take the House's position on the operating budget by supporting a \$3 million dollar increment for Community DD services.

The individuals and family members I've spoken with are optimistic for the first time in many years that their son or daughter will finally get funding for long awaited services because of the 1.4 billion dollar surplus. I can tell you that the hopes, dreams and spirits of these Alaskans will be broken if the waiting list is not addressed fiscally this year. These individuals have waited and suffered long enough. On behalf of those who wait I ask you to please support a \$3 million dollar increment to address the Developmental Disabilities Wait List. We have the resources to do this. Let's do the right thing for some of Alaska's most vulnerable citizens. Thank you.

John Cannon

4-6-06



FAIRBANKS LEGISLATIVE INFORMATION OFFICE
119 N. CUSHMAN ST. SUITE 101
FAIRBANKS, AK 99701

WRITTEN TESTIMONY TRANSMITTAL SHEET

TO:	FROM:
Senate Finance	Karisse/Fbx LIO
COMPANY:	DATE:
	4/7/2006
FAX NUMBER:	
465-2187	
PHONE NUMBER:	FAXED ON:
	4/7/06
RE:	TELECONFERENCED ON:
Written Comments	4/6/06

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

NOTES/COMMENTS:

Written testimony from Fairbanks. Re: Senate Finance, April 6, 2006.

Written testimony to Senate Finance Committee
Thursday, April 6, 2006
Regarding budget, HB365
Fairbanks LIO

From Taber Rehbaum, Arctic Alliance for People and Big Brothers Big Sisters
P.O. Box 438, Ester AK 99725, taber@mosquionet.com

On behalf of Arctic Alliance for People and its nearly 50 member Interior social service agencies, I would like to ask you to restore the Governor's requested increment to the Health and Social Services Community Matching Block Grant. In the last several years, this grant has been drastically reduced, yet the critical needs in the eligible communities (Anchorage, Fairbanks, and Mat-Su) have not. Having essential human services delivered by efficient and accountable non-profits saves the state money both in the short and long term. It is vitally important to these hub communities as well – in Fairbanks last year every state dollar from this grant source was leveraged by a factor of 19 by the recipient agencies. We recently completed the application process, and without an increase several important programs may not receive funding, including Youth Court (which provides a clear and current savings to the State), the Fetal Alcohol Spectrum Disorders Care Continuum Project, the TEFAP Food Distribution program, and Meals on Wheels. Funding the increment would be making an investment that will pay immediate as well as long term dividends, and we strongly urge that you restore this line item to the requested \$3 million.

On behalf of Big Brothers Big Sisters of Alaska, I would like to ask that you fund the Youth Success Initiative, an exciting partnership to provide services to youth on a statewide basis through the Division of Behavioral Health. The partner organizations are all well established and have proven outcomes and a track record of success. They are Big Brothers Big Sisters, Boys and Girls Clubs, the Alaska Association of School Boards, and RuralCap. Working together through the Division we can develop a coordinated and effective approach to the issues of substance abuse and suicide that will make a significant and positive impact on the future of our state. Alaska has one of the highest, if not THE highest, rates of teen suicide in the nation. Your decisions today can change that. This Initiative would provide a vehicle for these successful programs to make a difference on a statewide basis - to improve and save young lives. Please make this investment in our young people. Even if you aren't able to fund the entire \$6 million that has been requested – we believe that \$2.5 or 3 million would be enough to get this partnership off the ground and begin to show results.

Thank you for your attention.



Fairbanks North Star Borough

Health & Social
Services Commission

520 Fifth Ave. PO Box 71267 Fairbanks, Alaska 99707-1267
(907) 459-1474 FAX (907) 459-1280

MEMORANDUM

To: Senate Finance Committee

From: Carrie Dershin, Health and Social Services Commission *C. Dershin*

Date: April 6, 2006

Subject: Human Services Community Matching Grant

On behalf of the Health and Social Services Commission, I am asking you to support the \$3M increment as presented in the Governor's budget for the Human Services Community Matching Grant. I have served as a volunteer on the Fairbanks North Star Borough Health and Social Services Commission for four years. I have been fortunate to work with our local social service agencies and have seen, first hand, the direct impact of these grant funds to members of the Fairbanks community.

We have a rigorous RFP process in place to address the effectiveness and efficiency by which these funds are delivered locally. Through the RFP, applicants are required to document program needs, define expected outcomes, thoroughly describe their methodology, provide a detailed budget, demonstrate organizational capacity and document a program evaluation plan. We have a solid process in place that is reviewed each year. There continues to be an even greater focus on outcomes, the impact on the community, sustainability and the cost savings to the state. These state dollars are used to leverage other funds, through additional grants, in kind donations and fundraising to bring a return of \$19 to each \$1 state dollar.

The need in our communities will only continue to increase. There is a significant increase in individuals seeking food assistance, our senior population continues to grow, medical cost are climbing and the need to support programs that prevent child abuse and neglect, youth mentoring and positive alternatives to children could not be more important and timely.

Some have said, 'why put in the increase if we will need to take it away in future years?' For the people who receive services through the support of this grant, *now* is the time help them. Now is the time to support a child at risk of delinquency, to help a homebound elder have a healthy meal delivered, to get an uninsured mother in to see a doctor before costly and urgent medical intervention is required. Now is the time to support the people in our communities who are most in need. By allocating \$3M to the HSCMG you can help our local social service agencies do what they do best: provide cost effective, compassionate and competent care within our communities.

Testimony to the Senate Finance Committee
April 6, 2006

Thank you for the opportunity to speak today. My name is Cheryl Keepers; I work for the Fairbanks North Star Borough, as staff to Health & Social Services Commission and in the administration of the Human Services Community Matching Grants.

State funds for this grant have decreased dramatically since FY02, dropping from \$1.7M to \$1.0M in FY04. In FY05 the Matanuska Susitna borough became eligible for funds, and the state budget was adjusted to \$1.235M to hold other participants harmless. We are currently operating with 41% fewer dollars than we had in FY02.

The impact of these funds is substantial. Combined with other dollars and in-kind donations, non-profit agencies provided food to 32,000 hungry people; supported 110 terminally ill patients and 300 loved ones; enriched life for 700 children with adult attention and support; and much more in FY 05.

To accomplish this, agencies leverage the grant dollars with other funds, project income and in-kind donations. In FY 05, the return on investment for state dollars was 19 to 1: for every state dollar, 19 were leveraged.

Projects funded with these dollars also save the state money, through prevention and cost-effective programs. Two examples:

- If Hospice care reduces hospital use by only 10 days, the savings exceed \$2 million.
- With an in-kind budget of 31%, North Star Youth Court provides juvenile services at a fraction of the cost.

The amount of the increment would, when distributed among the eligible communities and matched with the required 30% local contribution, allow us to meet essential human service needs documented in the FY06 allocation process.

As you know, our Mayor and Assembly support the increment, and I urge your support as well. Again, thank you.



Fairbanks North Star Borough

Financial Services
Health & Social Services Commission

520 Fifth Ave. PO Box 71267 Fairbanks, Alaska 99707-1267 (907) 459-1474 FAX (907) 459-1280

MEMORANDUM

To: Interior Delegation
From: Cheryl Keepers, for the H&SS Commission
Date: March 13, 2006 *clb*
Subject: Savings to State

Applicants for FY2007 Human Services Community Matching Grant funds were asked to describe how their project leverages funds in terms of savings to the State. The following are excerpts from proposals recently received:

*In 2005, the Interior Community Health Center saved the Medicaid program \$1,892,110.

*With an in-kind budget of 31%, North Star Youth Court provides juvenile services for Fairbanks and the State at a fraction of the cost.

*Based on the number of at-risk youth serviced by Big Brothers Big Sisters and the juvenile arrest rate in the Fairbanks area, 17 more youngsters would have been arrested if they had not received services. The cost to the State to incarcerate one minor is \$98,257 per year.

*The cost per patient in the Hospice program is about \$23 per day. Many Hospice patients are on the Medicaid program. If Hospice care reduced the use of:

- assisted living by 30 days, the savings would be about \$700,000;
- skilled medical care by 20 days, the savings would be about \$1M;
- hospital care by 10 days, the savings would be over \$2M.

*North Star Council on Aging Meals on Wheels: by preventing the use of more intensive services for 5% of clients served (10), MOW generates savings of over \$1.2M.

Other applicants describe savings that are not as easily quantified. Savings come primarily through preventative services that avoid higher state costs at a later time, or by providing services that would cost more if provided by the State.

Thank you for your continued support.

cc: Mayor Whitaker
Health & Social Services Commission

**Fairbanks North
Star Borough
Health & Social
Services
Commission**

**Human Services Community
Matching Grant**

Highlights of the Community Impact

**Grant Funds Were Distributed to
Seven Non-profit Agencies**

- Alaska Legal Services Corporation
- Big Brothers / Big Sisters
- Fairbanks Community Food Bank
- Hospice of the Tanana Valley
- Interior Community Health Center
- North Star Council on Aging
- North Star Youth Court

**FY
2005**

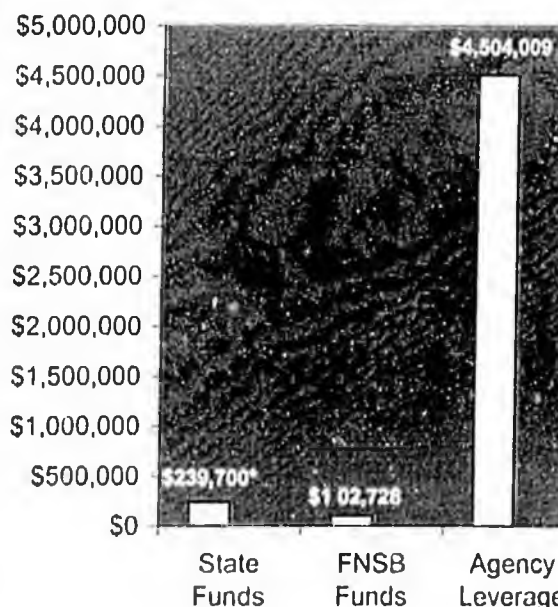
Revised

The agencies used state funds to leverage 19 times that amount in the value of services to the community

19
→

State funds*	\$ 239,700
Borough funds	\$ 102,728
Income generated by projects	\$ 282,090
Other funds received by projects	\$ 1,371,657
In-kind generated by projects	\$ 2,850,262
Total value to the community	\$ 4,846,437

FUNDING LEVERAGE



Highlights of Services Provided

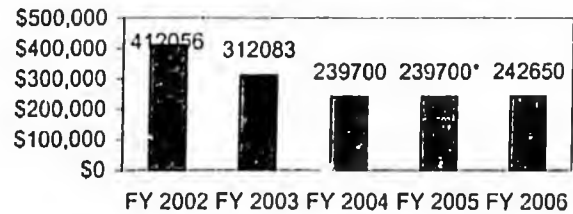
- Distributed 841,523 pounds of food to 32,403 hungry people using 20,653 volunteer hours
- 163 homebound seniors received 59,006 hot meals delivered to their home
- 314 people were provided bereavement services after the death of a loved one and 110 terminally ill patients were provided with patient care services
- 306 individuals received legal advice and referrals for housing, family law, health, and income maintenance problems
- 703 children spent time with their Big Brother / Big Sister, enriching their lives with adult attention and support; over 77% showed improvement in school performance; 69% showed improvement in his/her attitude about school; 78% reported improvement with relationships with adults
- 65 youth were referred to youth court, diverting work from the formal juvenile justice system; youth defendants contributed 909 hours of community service
- 1,537 people were provided with primary healthcare

*Revised - funding includes the HSCMG and supplemental funds from the DNSS

State Funding Decreased 41% Since FY 2002.

The community lost the potential to generate \$459,466, \$769,652, \$1,287,480, \$1,887,899 and \$2,166,736 of other funds, project income and in-kind contributions in FY02-03-04-05-06 respectively, due to insufficient state funding.

State Funding FY 2002- 2006



FY 2006 Human Services Community Matching Grant

Agency	Projects Funded Brief Project Description	Grant Amount	Other Funds, Project Income & In-Kind Contributions
Alaska Legal Services Corp.	Provide legal assistance to low-income families (those with incomes below 125% of poverty level) in civil cases such as housing, income, public assistance benefits, health care and family law.	\$50,000	\$68,656
Big Brothers Big Sisters	Match children in need of additional adult attention with adult volunteers.	\$50,000	\$1,382,156
Fairbanks Community Food Bank	Collect local surplus food and give it to people who need it, through agencies who are trained to identify and respond to those needs.	\$50,000	\$2,226,000
Interior Community Health Center with Chief Andrew Isaac Health Center	Provide preventative & primary health care services on a sliding fee schedule to low & moderate income people. (Funding request is for \$50,000 but only \$35,419 is available.)	\$35,357	\$172,200
North Star Youth Court	Operate community-based juvenile justice diversion and victim/offender mediation program.	\$50,000	\$195,115
Resource Center for Parents and Children with Alaska Center for Children and Adults	Provide a comprehensive, coordinated, and sustainable effort to intervene in the lives of children, ages 0 - 5 who have been prenatally exposed to alcohol.	\$59,667	\$15,220
Audit Cost Passed Through to Funded Agencies	DHSS has placed controversial audit requirements, which exceed the State Single Audit standards, on these grants that directly reduces available dollars for program delivery	\$580,000	
Total Projects Funded		\$335,606	\$4,059,355

Projects NOT Funded

Boys & Girls Club of the Tanana Valley	Confront Alaska's high youth suicide numbers by increasing youth protective factors (recognize warning signs, intervene and offer appropriate referrals to trained professionals as needed)	\$48,000	\$29,390
The Bread Line	Provide food and support to people in need. Serve nutritious hot breakfasts and lunches and provide sack lunches through Stone Soup Cafe. Operate a lottery-based day labor program.	\$50,000	\$431,510
Fairbanks Native Association	Provide food boxes to homeless and low income families and individuals, including local elders	\$49,875	\$270,860
Hospice of the Tanana Valley	Provide Patient Care Services and support to terminally ill people and their loved ones. Provide Bereavement Services, education, information and training on issues relating to death and dying, grief and loss	\$50,000	\$530,030
Interior AIDS Association	Provide a comprehensive methadone treatment program and harm reduction services for opiate drug users and their community	\$50,000	\$203,575
Interior Community Health Center with Chief Andrew Isaac Health Center	Provide preventative & primary health care services on a sliding fee schedule to low & moderate income people. (Funding request is for \$50,000 but only \$30,281 is likely to be funded)	\$14,643	\$1,800
Literacy Council with Food Bank, Love INC, Hope Counseling Center	Provide resources to overcome poverty, literacy issues, basic mental health issues and economic need to low income families	\$89,891	\$175,280
North Star Council on Aging	Deliver hot healthy meals as well as social contact and daily monitoring of their personal well-being to homebound elders living within the FNSB. to include frozen meal service on weekends	\$50,000	\$309,541
Salvation Army	Provide secondary and tertiary preventative dental care services to non-native adults living at 150% of the poverty level	\$50,000	\$164,720
Total Projects Not Funded		\$462,409	\$2,116,736

Total Project Request for FY 2006

\$788,015

\$6,176,091

* Revised - funding includes the HSCMG and supplemental funds from the DHSS

**The North Star Council on Aging, Senior Center
Meals on Wheels Senior Nutrition Project
FY 2007 Human Services Community Matching Grant Program**

Part H- Leveraging State Savings

It is difficult to quantify the total savings generated by this project. The State of Alaska receives federal funding to coordinate and fund this project statewide. The Senior Nutrition Program utilizes a proactive prevention approach to defer the cost of other more costly care services such as Medicaid Choice Waiver In-Home Care Services, Assisted Living Care, and Hospitalization. Authorization to receive Choice Waiver services takes a period of two-six months, making this an unfeasible alternative for many consumers who are temporarily incapacitated. Utilizing the figures listed in Chan F-1 (Page F-1), and conservatively estimating that 10 program recipients (5%) do not need more intensive forms of care, it is reasonable to estimate that the program generates over 1.2 million dollars in savings to the State of Alaska.

HOSPICE OF THE TANANA VALLEY
706 THIRD AVENUE
FAIRBANKS, AK 99701
474-0311

H. Leveraging State Savings.

Without the availability of the services and support of Hospice staff and volunteers, many patients with terminal illnesses and their families would be required to use the facilities of assisted living homes, the Denali Center or the Fairbanks Memorial Hospital, especially in the days or weeks immediately preceding the patient's death. In other cases, when a need exists but the patient's condition is not yet critical enough, insurer limitations or lack of coverage can result in the patient and family going without any assistance if Hospice volunteer services were not available.

In 2005, 99 patients were served by Hospice with an average length of stay in the program of 93 days for a total of 9,207 patient days. Using 2005 Hospice expenses of \$213,700, the cost per patient per day was about \$23. The average daily cost for room and care at an assisted living home is about \$257, at Denali Center about \$460, and at Fairbanks Memorial Hospital about \$2,400.

If Hospice care helped reduced the number of days the average Hospice patient spent in assisted living by 30 days, the cost savings would be about \$700,000. If Hospice care helped reduced by the number of days the average patient spent in skilled medical care at Denali Center by 20 days, the cost savings would be about \$1 million. If Hospice care helped reduced by the number of days the average patient spent in Fairbanks Memorial Hospital by 10 days, the cost savings would be about \$2.4 million.

Hospice bereavement clients indicated they would not have received any bereavement support had Hospice services been unavailable. Research supports the rationale that stress and trauma from unresolved grief results in illness, lost work, substance abuse, relationship, and parent-child difficulties (dysfunction). Offering bereavement support lessens the demands for other Human Services, thereby resulting in long-term cost savings to the family, community and to the state.

The requested grant of \$50,000 supports less than 30% of Hospice's personnel costs including benefits and payroll expenses. If the State of Alaska were to directly provide the same services as were delivered by Hospice in 2006, the cost just for the equivalent personnel (not considering other operational costs) is estimated as follows:

Executive Director	\$75,962
<i>AK Social Worker Level IV, \$36.52/hr Full-time</i>	
Patient Care Coordinator	\$53,305
<i>AK Social Worker Level III, \$34.17/hr 1/2 Time</i>	
Volunteer Coordinator	\$46,644
<i>AK Social Worker Level II, \$29.90/hr 1/2 Time</i>	
Bereavement Coordinator	\$62,189
<i>AK Social Worker Level III, \$34.17/hr 3/4 Time</i>	
Office Manager	\$40,466
<i>AK Admin Support Specialist, \$25.94/hr 1/2 Time</i>	

Patient Care/Bereavement Volunteers	
<i>Certified Nurses Aide II, \$19.77/hr (2,192 hrs in 2005)</i>	\$43,336
Office Volunteers	
<i>AK Admin Assistant, \$22.52/hr (1560 hrs in 2005)</i>	\$35,131
Professional Service Volunteers	
<i>Doctors, nurses, accounts, counselors, board & committee, \$60/hr (4,868 hrs in 2005)</i>	\$292,080
Total Direct Cost for State Personnel	\$649,113
Less Grant Request to Hospice	<u>(\$50,000)</u>
Total Savings to the State of Alaska	<u>\$599,113</u>

North Star Youth Court

800 Cushman St. Suite 101 • PO BOX 82147 • Fairbanks, AK • (907) 457-6792

H. LEVERAGING STATE SAVINGS

North Star Youth Court is preventing the need for State services, empowering youth and the community to provide more effective services, and ultimately reducing the number of youth and adults that burden the Alaska Department of Corrections. NSYC accepts from 10-25% of the Fairbanks' jurisdiction misdemeanor referrals, and now reports a greater number of cases with the Minor Consuming Alcohol referrals from the District Court. Each case is saving the State the need to assign a Juvenile Probation Officer at the minimum. This is not to mention the reduction of repeat offenders that results in future savings of perhaps the Attorney General's Office and the Superior Court for adjudication of a more serious offense. A reduction of repeat youth MCA offenders could ultimately cut costs to the State in the areas of alcohol related vehicle fatalities, arrests, and substance addiction. With a budget comprise of 31% In-kind, NSYC provides juvenile and youth services for the Fairbanks community and the State of Alaska at a fraction of the amount that it would cost either.



BIG BROTHERS BIG SISTERS
Greater Fairbanks Area

*Where Little Moments make
Big Magic in Children's Lives*

II. Leveraging State Savings

How has this project leveraged funds in terms of savings to the State?

By matching at-risk kids with positive adult role-models, Big Brothers Big Sisters prevents such behaviors as delinquency, drug and alcohol abuse, teenage pregnancy, and failure at school. The costs of the alternatives to prevention are staggering. Institutional drug rehabilitation costs over \$500 a day. Incarceration of a minor costs \$98,257 per year. The cost of one full time caseworker, providing services to over 50 matched and 30 unmatched at-risk children for a full year is less than 1/2 the cost of incarcerating a single juvenile. BBBS served nearly 600 at-risk youth in matches in 2005. Based on the number of school-aged children in the Borough and the total number of youth arrests, we estimate the juvenile arrest rate to be about 3%. If we apply that arrest rate to the nearly 600 kids served by Big Brothers Big Sisters, we can conservatively estimate that 17 youngsters would have been arrested if they hadn't received our services. If even only two had gone on to be incarcerated, the cost to the State would have been **\$196,514**. This is a very conservative estimate, as the population we serve has higher risk factors than the general population from which we are calculating the arrest rate. Based on the percentage of our 2005 Community Matching Block Grant that represents State dollars, that's a 461% return on investment.

In 2005 over 60,000 hours of companionship, mentoring and friendship were provided by our volunteer Big Brothers and Big Sisters to the children with whom they were matched. When compared to the cost of professional counseling services (much of which could potentially be medicaid billable) at a rate of anywhere from \$60 to \$200 per hour, this represents a savings of between **\$3,600,000 to \$12,000,000**.

The Health and Human Services Community Matching Block Grant provides critical funding that allows the agency to sustain and grow our core programs. The success of these programs has allowed us to bring in additional grant monies for program expansion totaling well over **\$780,000**. A conservative estimate of the value of in-kind contributions and volunteer time is over **\$1 million**.

Interior AIDS Association PROJECT SPECIAL DELIVERY

H. Leveraging State Savings

The state did not contribute funds to PSD in FY 2005, therefore savings to the state are truly a bonus. If the Community Matching Grant is funded, the state's small investment of match to the Borough funds will yield even greater savings, by improving health care monitoring – which will undoubtedly save state dollars by decreasing Medicaid expenses for pregnant or seriously ill consumers.

Cost of Treatment:

PSD's Annual Cost in FY 2005 Per Client Year was **\$7,773**. Consumers with low-income and no insurance pay ¼ of this cost. Medicaid and insurance typically reimburse for about half the actual cost of treatment. In FY 2005, consumers paid 46% of the treatment costs in cash or through their benefits. This reduced the unreimbursed cost to **\$4,353** per year for each consumer – the amount which is supported by grants from the government.

Cost of NOT having treatment available

- Cost of incarceration for one year: **\$41,245** (Fairbanks Correctional Center, 12/04).
- Police Department time and expense to pursue and arrest addicts for drug dealing, drug possession, burglary, shoplifting, etc.: not tracked.
- Emergency Room admissions – 41% of PSD consumers reported accessing emergency services 1-6 times in the 6 months prior to starting treatment. After treatment intake, 38% had accessed the ER in the prior six months, and those who did went less often – not drug-related.
- **\$2.5 million in illegal drug sales in Fairbanks.** A consumer survey (see page 77) indicates that the average amount spent for drugs prior to treatment was **\$280 per day**. In order to support this expense, many also sold drugs-increasing crime and the potential for violence.
- 70% of consumers have minor children, who had to cope with the drug use and drug seeking behavior of their parent(s) prior to treatment.

Methadone maintenance treatment reduces the frequency of injecting and needle sharing behaviors. Methadone treatment is an important point of contact with service providers and offers opportunities to teach drug users harm reduction techniques such as how to prevent HIV/AIDS, hepatitis, and other health problems that endanger drug users and their communities. PSD participants have gone back to work, gone back to school, resumed taking care of their children, saved their marriages, and much more. When asked at intake, why they want to enter treatment, the most common response is, "I want my life back." Many are well on their way to achieving this goal.

Methadone treatment reduces criminal behavior.⁵ Drug-related arrests decline because methadone treatment participants reduce or stop buying and using illegal drugs. Arrests for predatory crimes decrease because participants no longer need to finance costly heroin habits.

Treatment allows many to stabilize their lives and obtain legitimate employment

⁵ (Hubbard, R.L., Rachal, J.V., Craddock, S.G. *Treatment Outcome Prospective Study*, NIDA Research Monograph 51, 1984, and Ball, J.C., Ross, A. *The Effectiveness of Methadone Treatment* Springer-Verlag 1991.)



Interior Community Health Center

Quality health care accessible to all

1606 23rd Avenue
Fairbanks, AK 99701

H. Leveraging State Savings

ICHC leverages funds from this grant in terms of savings to the state in that the 1,838 individuals served by this grant make a cost/patient of approximately \$122 per person. This means that for an input of \$50,000 the state receives over \$224,225 worth of services.

The February 3, 2006 APCA *Update* reported that in, "1994 Stanford University found that 10% of all emergency room visits are for non-urgent conditions that could be treated in a primary care setting." They reported that researchers estimated that each unnecessary ER visit was equal to a potential \$650 in savings. FMH ER provided approximately 27,000 visits in 2005, which according to the Stanford University research means that 2,700 of those visits were unnecessary ER visits. At an estimated cost of \$650 per visit, \$1.755 million could be saved if those individuals sought services at a primary care facility. The savings are even more notable when Alaska's high cost of health care is considered.

The APCA *Update* also reported that the Kaiser Commission on Medicaid and the Uninsured reported that the Alaska Medicaid program's "average total Medicaid spending for each Medicaid patient was \$5,568." The *Update* also reported that, "health centers save the Medicaid program more than 30% in annual spending per beneficiary due to reduced specialty care referrals and fewer hospital admissions." According to ICHC's calendar year 2005 UDS data, ICHC served 1,133 Medicaid patients. The average total Medicaid spending per Medicaid patients of \$5,568 multiplied by 30% in savings equals \$1,670 in annual saving per health center Medicaid patient. \$1,670 multiplied by ICHC's 1,133 Medicaid patients equals \$1,892,110 in total annual Medicaid Savings.

All calculations and considerations show that a \$50,000 grant can be leveraged to millions of dollars of services for Alaska's residents.



Fairbanks Counseling and Adoption

912 Barnette Street
P.O. Box 71544
Fairbanks, Alaska 99707
(907) 456-4729 - Telephone
(907) 456-4623 - Fax

E-mail: fca@fcaalaska.org
Website: <http://www.fcaalaska.org>

Leveraging State Savings: This project is cost effective for the Fairbanks North Star Borough and the state. The overall goal of this project is to work in partnership with Ft. Wainwright Mental Health Services to promptly address issues of child abuse and neglect, family violence, alcohol and substance use and mental health and emotional issues as they develop and provide prevention and services. The purpose is to address these issues swiftly so that more serious problems will not develop. The ultimate goal is to provide services that will promote individual health and overall family functioning, well-being and stability.

The benefits to the community and state for providing these services are: decreased child abuse and family violence situations; decreased law enforcement involvement; a decrease in the involvement of the Office of Children's Services; decreased unemployment and lack of productivity resulting from family violence, alcohol and substance use and combat stress related issues. The cost to the borough per military family is \$53, with the overall project cost being \$90. This is less than the standard cost for one hour of professional counseling, which is \$125. Further, this project encourages military soldiers and families to use community mental health service providers and the costs associated with this should be mostly covered by Tricare or similar coverage.



RESOURCE CENTER FOR PARENTS AND CHILDREN

1401 Kellum Street
Fairbanks, Alaska 99701
907-456-2866
Fax 907-451-8125

LEVERAGING STATE SAVINGS

This project reduces secondary disabilities in children affected by prenatal alcohol exposure. Due to the supports and services provided by the Care Continuum, fewer of these children will end up in the juvenile justice system. More of them will graduate from school and will move into employment as adults. Additionally, there will be fewer days of productivity lost due to parents leaving work to deal with behavioral issues. All of these impacts result in a cost savings to the state of Alaska.

September 30, 2005

Commissioner Karleen Jackson
Department of Health & Social Services
350 Main Street, Room 404
P.O. Box 110601
Juneau, AK 99811-0601

Dear Commissioner Jackson,

We are writing to request an increase in the state budget for the Human Services Community Matching Grant (HSCMG). This program provides direct funds to the Municipality of Anchorage, and the Matanuska-Susitna and Fairbanks North Star Boroughs for essential human services, i.e., those services whose unavailability would subject persons needing the services to serious mental or physical hardship. State funding for this program has declined 43% since 2001. The needs have not.

Based on the needs we are currently experiencing, we request state funding for the HSCMG be increased to \$3M. This amount would be allocated by population among the three communities, who, in turn, provide a 30% match with local dollars. Funds are then allocated to non-profit organizations who provide the services.

These grants save the state considerable money by providing services in a very cost effective manner.

- Using non-profits to deliver services adds more value to the grant. Non-profits use grant dollars to leverage other funds and in-kind donations. The "return on investment" can be tremendous: in FY04, for every \$1 of state funds, a return of \$17 was generated by the non-profits in Fairbanks.
- Using non-profits simply costs less than providing services through the state.
- The HSCMG funds activities that save state dollars in the long run. Again using an example from Fairbanks, one day of Hospice care cost about \$21 in FY04. The average cost for room & care at an assisted living home was about \$140, at the Denali Center about \$350 and at Fairbanks Memorial Hospital over \$2,000. In 2004, over 100 people received Hospice assistance, for an average of 95 days. Without Hospice, many of these people would have had to turn to the State to pay for care at a much higher cost.

Similar savings and results are replicated in Anchorage and Mat-Su, providing vital services in the most cost-effective manner.

The needs continue to substantially increase, while dollars available to fund these vital health and human services continue to dramatically decrease.

The current amount of \$1.2 M does not meet our communities' needs. We respectfully request the grant be increased to \$3M. This statewide amount would allow each of us to meet the needs as presented to us in the most recent year.

- Fairbanks:
 - Access to food is a basic need. The Fairbanks Community Food Bank has served a relentlessly increasing percentage of the population in recent years. While HSCMG funding has decreased 43% since 2001, the number of individuals in the FNSB seeking food assistance has risen from 32% of the population to 38% of the population. Over 32,600 individuals requested and received food assistance at least once in 2004. This is a 14% increase since 1995.
 - Requests for funding for FY06 jumped by 61% from the prior year. Vital programs providing hot meals for homebound seniors, meals for homeless people, hospice services to the terminally ill and their families, dental care for the poor and more were not funded.
- Anchorage:
 - The level of food insecurity, derived from national statistical data, has increased to 11.5% of our total population. Using Bean's Cafe as a representative example, Bean's has seen a 16% increase in individuals needing food from FY04 to FY05. The current trend in "meals served" counts indicate that last year's increase of 16% will be exceeded again this year. Bean's is in imminent danger of reaching capacity.
 - Another increasing and alarming unmet need in Anchorage, and across the state, is oral health care. Anchorage Neighborhood Health Clinic (ANHC) uses its HSMG funds to provide dental care. According to ANHC, rural health clinics spend more money to fly people into Anchorage for oral health care than for any other medical necessity. In 2003 ANHC saw 4,398 oral health patients for a total of 7,413 patient visits. Despite those numbers the clinic was forced to turn away many needy patients. The clinic's capacity is severely limited by the number of dentists that they can hire. In 2004 with the loss of another staff

dentist, ANHC was only able to see 3,550 patients for a total of 6,571 visits – a 20% reduction in capacity. The director of the clinic noted that demand exceeds their capacity to provide care by over 300%. People are increasingly forced to turn to the state for dental care at a higher cost. Additionally, medical evidence clearly indicates that poor oral health care directly results in highly expensive medical conditions such as heart disease. Providing health care to severely or chronically ill patients also increases the state's financial burden.

- **Mat Su:**
 - The Matanuska-Susitna Borough continues to be the fastest growing region in Alaska and the demand for services is also increasing rapidly. As documented in the 2005 Matanuska-Susitna Community Assessment, the lack of affordable health care was a major issue in every community throughout the Borough. Top concerns also included alcohol and methamphetamine abuse, inadequate public transportation, unemployment or underemployment, family violence, and the lack of availability of services in all areas of the Borough.
 - In FY06, the Human Services Citizens Advisory Committee recommended a cap of \$35,000 per program in an attempt to more equitably distribute funding. Even with the funding cap, Mat-Su was not able to fully fund many critically needed programs because the need for services greatly exceeded available funds

The local communities are good stewards of these state funds. Our communities make every effort to ensure that these monies are used in cost-effective manners to target the greatest needs in our communities. For example:

Fairbanks:

- The Health & Social Services Commission has developed a rigorous RFP process that requires applicants to: document the need, define expected project outcomes, describe methodology, provide a detailed budget, prove organizational capacity, and include a project evaluation component . Proposals must receive a certain score to be eligible. We frequently hear from grant applicants that this process is the most demanding of the all the grants they receive.
- Grant requests for the current year totaled \$787,435. All of these requests met the criteria for funding, as outlined above. Only the highest scoring proposals were funded. Over time, many non-profits have been discouraged from applying due to the work involved and the declining funding. Thus, we could easily allocate a greater amount.

Anchorage:

- Anchorage also uses a rigorous RFP process. In FY 03, 32 agencies met the rigorous funding criteria. Grant requests totaled \$2,839,279. Available HSMG funding allowed the MOA to fund only \$1,544,523 of those requests.
- In FY 04, because of further reductions in the HSMG grant from the state, the MOA eliminated 50% (16) of those agencies previously eligible for funding. Vital services were not funded. Agencies have been forced to eliminate or drastically reduce programming as a result of the continuing decrease in amount of HSMG funds available.

Mat Su:

- The Matanuska-Susitna Borough's rigorous RFP process is similar to that of Anchorage and Fairbanks. A volunteer Human Services Citizens Advisory Committee independently scores the applications based on project need, goals, methodology, budget/cost effectiveness, management/organization, program evaluation, and value to the community. The committee also considers the Mat-Su Community Assessment in scoring the applications. The committee then tackles the difficult task of making recommendations to the assembly in accordance with the scores and available funding.
- FY05 was the first year that the Matanuska-Susitna Borough was eligible to receive HSMG funding. In FY05, nine applications were received from eligible agencies totaling \$316,685 in funding requests, with a deficit in available funds of \$161,885. Only the top scoring proposals were fully funded out of a diverse array of programs providing critically needed services for residents with disabilities, victims of domestic violence, seniors, residents with mental health challenges, and homeless youth.
- The number of applications received for Mat-Su HSMG funding increased by nearly 50% in FY06. Thirteen eligible agencies requested funding totaling \$354,766. This represents a 12% increase in eligible funding requests from the previous year and a funding deficit of \$219,766.

Regarding the 30% local match, we have attached letters of support from our respective administrations.

Thank you for your consideration. Should you have any questions, please do not hesitate to contact any or all of us. We look forward to an opportunity to discuss this with you in the near future.

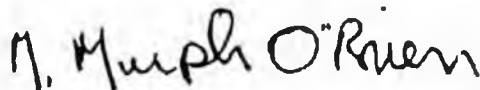
Sincerely,



Carrie Dershin
Health & Social Services Commission
Fairbanks North Star Borough



Michele Brown
United Way Anchorage
(contractor to the Municipality of Anchorage)



Murph O'Brien, Planning and Land Use Director
Matanuska-Susitna Borough

cc: Janet Clarke, Assistant Commissioner for Finance & Management, Dept.
of Health & Social Services

Attachments

Letters of support from:

Jim Whitaker, Mayor, Fairbanks North Star Borough
Mark Begich, Mayor, Municipality of Anchorage
John Duffy, Manager, Matanuska-Susitna Borough



Fairbanks North Star Borough

Office of the Mayor

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1300

Fax 907/459-1102

Email mayor@co.fairbanks.ak.us

September 26, 2005

Commissioner Karleen Jackson
Department of Health & Social Services
350 Main St. Room 404
PO Box 110601
Juneau, AK 99811-0601

Dear Commissioner Jackson:

I am writing to support the request to increase state funding for the Human Services Community Matching Grant. During my tenure as Mayor, I have seen this grant program serve a vital purpose in our community.

The allocation process we have developed is fair and rigorous. The recipients make excellent use of state and borough dollars and provide much needed services. They are able to leverage these grant dollars with other funds and in-kind donations and thus provide a value that greatly exceeds the cash value.

The Fairbanks North Star Borough has limited health and social services powers. Providing the required match to this grant program is one of the few steps available to us to address our pressing health and social services needs.

It is appropriate that the borough budget include an increased level of funding for fiscal year 2007 to match an increased state amount; very few efforts return a greater benefit to the taxpayers.

Do not hesitate to contact me if you have any questions, or you may direct questions to Cheryl Keepers, who provides staff support to our Health & Social Services Commission, at 459-1474.

Sincerely,

Jim Whitaker, Mayor



Municipality of Anchorage

P.O. Box 198650 • Anchorage, Alaska 99519-6650 • Telephone: (907) 343-4431 • Fax: (907) 343-4499 <http://www.muni.org>

Mayor Mark Begich

Office of the Mayor

September 29, 2005

Commissioner Karleen Jackson
Department of Health & Social Services
P.O. Box 110601
Juneau, AK 99811-0601

Re: Human Services Matching Grant

Dear Commissioner Jackson:

Congratulations on your new position as commissioner. You are certainly well versed in the social service and health arena. That is why I know that you will understand why I am writing to request an increase in the state budget for the Human Services Matching Grant (HSMG). As you know, this program provides direct funds to the Municipality of Anchorage, the Matanuska-Susitna and Fairbanks North Star Boroughs for essential human services. State funding for this program has declined 43 percent since 2001 although the needs have not

The current year budget amount is \$1,235,300, allocated by population among the three communities. In turn, each community matches their amount with 30 percent local cash, bringing the cash total to \$1,764,714. Funds are then allocated to non-profit organizations that provide the services.

Because grant funds are to nonprofit agencies that use volunteer labor and donated items, the HSMG funds provide many times their monetary value in services to needy Alaskans. These grants save the state considerable money by providing services in a more cost effective manner. Using nonprofits to deliver services adds more value to the grant. Nonprofits use grant dollars to leverage other funds and in-kind donations. The "return on investment" can be incredible.

The needs continue to substantially increase, while dollars available to fund these vital health and human services continue to dramatically decrease. The amount of \$1.2 million does not meet Anchorage's human services needs. We respectfully request the grant be increased to \$3 million. This statewide amount that would allow each of us to meet the needs as presented to us in the most recent year.

Community, Security, Prosperity

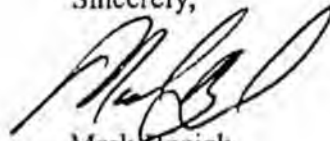
Commissioner Karleen Jackson
September 29, 2005
Page -2 -

Last year, with the support of your office, the United Way of Anchorage began administering the HSMG in Anchorage. This is another example of the nonprofits stretching the grant monies even further. Unfortunately, each year we have been forced to eliminate or drastically reduce programming as a result of the continuing decrease in amount of HSMG funds available. The local communities are good stewards of these state funds. Our community partners make every effort to ensure that these monies are used in cost-effective manners to target the greatest needs in our communities.

My administration continues to be supportive of the HSMG and will continue to with the 30 percent match necessary to obtain this grant. An increase in the amount allocated to the three communities will provide essential funds that are the safety net of the poor and vulnerable in Alaska.

As you are beginning the budget process for Fiscal Year 2007, I am grateful for your effort in securing the continuance of the HSMG and would appreciate your support in this requested increase for the three communities. Please do not hesitate to contact me or my staff assistant, Diane DiSanto at 343-7105, with any questions. I look forward to working with you in your new capacity as commissioner.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Begich', written in a cursive style.

Mark Begich
Mayor



MATANUSKA-SUSITNA BOROUGH

Borough Manager's Office

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 745-9689 • Fax (907) 745-9669

September 29, 2005

Commissioner Karleen Jackson
Department of Health and Social Services
P.O. Box 110601
Juneau, Alaska 99811-0601

Dear Commissioner Jackson:

Please accept my congratulations on your new position as commissioner. I believe that your expertise in the health and social services field will be of great value to the citizens of Alaska.

On behalf of the Matanuska-Susitna Borough, I strongly support the request by the Municipality of Anchorage, the Fairbanks North Star Borough, and the Matanuska-Susitna Borough to increase funding for the Human Services Community Matching Grant Program.

During the brief time that the Matanuska-Susitna Borough has participated in the program, we have seen a 50 percent increase in the number of applications received and a 12 percent increase in requested funds. In FY06, the Human Services Citizens Advisory Committee recommended a cap of \$35,000 per program in an attempt to more equitably distribute funding. Even with the cap, we were not able to fully fund many critically needed programs because the need for services greatly exceeded available funds.

Rapid population growth is expected to continue in the Matanuska-Susitna Borough and the need and demand for services are great, as documented by the 2005 Mat-Su Community Assessment. Therefore, we are requesting an increase in HSMG funds and are committed to providing additional local matching funds so that these and other critically needed programs can be fully funded.

We respectfully request your consideration of the proposed funding increase from \$1.2 million to \$3 million and look forward to working with you for the continued benefit of our citizens. If you have questions or would like additional information, please do not hesitate to contact me at (907) 745-9869.

Sincerely,

A handwritten signature in black ink, appearing to read "John Duffy".

John Duffy,
Borough Manager

KeyBank

Terry B. Smith
Vice President
Relationship Manager
Commercial Banking

KeyBank N.A.
Malloode AK-42-12-0401
101 West Benson Blvd, S. 401
Post Office Box 100420
Anchorage, Alaska 99510-0420

April 13, 2006

907-564-0429 Work
907-564-0200 Fax
907-230-8307 Cellular

Senate Finance Committee

Via Fax (907) 465-2187

Sirs:

I write today to voice my support to fully fund power cost equalization in next year's operating budget.

I am employed by KeyBank and work as a corporate banker out of Anchorage. Over the years, my work in the corporate and public finance area gave me an intimate look at life in rural Alaska. My clients encounter significant living and working challenges to sustain their lives and communities. As you are keenly aware, each dollar circulated in our Alaskan communities has a multiplier effect. It is no secret, this multiplier is more pronounced in smaller communities as money leaves an economy. As fuel prices climb, discretionary income evaporates, and with it, both jobs and sustainability.

Last December, a mayor of a small town I spoke with went for a number of months without pay to keep the electricity flowing in his community. At issue, fuel costs eroded their available budget dollars. As I am learning, this sacrifice is not an isolated event. Economic times are tough enough in rural Alaska, in this case, we should share the State's oil revenue with our friends and neighbors in our bush communities.

High fuel prices provide an unusual irony for Alaska with its exceptional surpluses and sacrifices. It is both the best and worst of times. Fully funding PCE is an insignificant increase to the overall budget and, in my view, the highest and best use of those funds. The funds we send through PCE are scaled to actual costs, they keep people working, buying, and sharing their wealth with the rest of Alaska's transportation hubs. Please help provide this essential service and keep the power on in rural Alaska.

Again, Power Cost Equalization for bush residents makes a huge difference for these residents at a modest annual cost to the State. The money they save on power bills is then available to spend elsewhere in our economy and keeps people employed. If we don't fully fund PCE, we all hurt. When considering how power cost equalization is set, please also consider closely matching the PCE to the most recently confirmed purchase prices of fuel.

I urge you to fully fund power cost equalization, and am always available for any questions you may have.

Sincerely,

Terry B. Smith
Vice President



Alaska State Legislature

Please enter into the record my testimony to the

SFIN

committee name

Committee on

HB365

bill # / subject

, dated

4-8-06

public hearing date

SEE ATTACHED PAGE

Signed:

KATHERINE PARKER

Testifier

SELF

Representing (optional)

PO BOX 349

SOLDOTNA, AK 99669

Address

262-4580

Phone number

I was disappointed to read that the Senate Finance Subcommittee recommended cutting the funding for our wonderful public television and radio.

Please reverse this stand. Almost nothing in that budget means more to me than helping KAKM and public radio continue at the present level.

The wonderful children's programs I was thankful for when my daughter was growing up, and now thankful that my granddaughter can enjoy and learn from them. The adult programs provide great evening entertainment, on a level far above what is available on regular channels.

In this age when we're growing concerned about our education ratings falling behind other countries, and violence and sex dominating so much of other television, keeping public television and radio as appealing as possible is more important than ever. Our long winters and isolated areas add to the Alaska need.

Programs like Frontline, Nova, American Experience, and the many special Alaska historical programs are great. And Public Radio broadens and deepens reports of world and Alaska news

I feel KAKM already struggles to get donor contributions during many evenings devoted to fundraising, with the studio filled with enthusiastic volunteers taking the calls. They are trying hard. Please don't reduce what they are achieving.

I appreciate your attention to this matter, and hope you will support.

Katherine Parker
907-262-4580
(An Alaskan for 54 years, Owner-
operator of Soldotna Map Shop)