

HB

310

(FILE 1)

HFIN

FILE

2/21/08

adopted M/c

25-GH2015M
Bailey
2/20/08

CS FOR HOUSE BILL NO. 310(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

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

A BILL

FOR AN ACT ENTITLED

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

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

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

1 * **Section 1.** The following appropriation items are for operating expenditures from the
 2 general fund or other funds as set out in section 2 of this Act to the agencies named for the
 3 purposes expressed for the fiscal year beginning July 1, 2008 and ending June 30, 2009,
 4 unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated
 5 reduction set out in this section may be allocated among the appropriations made in this
 6 section to that department, agency, or branch.

	Appropriation	General	Other
	Allocations	Items	Funds
	Funds	Funds	Funds
	*****	*****	
	***** Department of Administration *****		
	*****	*****	
12	Centralized Administrative	66,652,600	12,968,300
13	Services		53,684,300
14	The amount appropriated by this appropriation includes the unexpended and unobligated		
15	balance on June 30, 2008, of inter-agency receipts appropriated in sec. 1, ch. 28, SLA 2007,		
16	page 2, line 12, and collected in the Department of Administration's federally approved cost		
17	allocation plans.		
18	Office of Administrative	1,419,600	
19	Hearings		
20	DOA Leases	1,314,900	
21	Office of the Commissioner	870,300	
22	Administrative Services	2,216,000	
23	DOA Information Technology	1,189,300	
24	Support		
25	Finance	8,161,400	
26	State Travel Office	2,322,600	
27	Personnel	15,077,600	
28	Labor Relations	1,247,800	
29	Purchasing	1,157,800	
30	Property Management	931,200	
31	Central Mail	2,925,000	

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Centralized Human Resources	281,700		
4	Retirement and Benefits	13,648,800		
5	Group Health Insurance	13,000,400		
6	Labor Agreements	50,000		
7	Miscellaneous Items			
8	Centralized ETS Services	338,200		
9	Leases	43,482,900	45,800	43,437,100
10	The amount appropriated by this appropriation includes the unexpended and unobligated			
11	balance on June 30, 2008, of inter-agency receipts appropriated in sec. 1, ch. 28, SLA 2007,			
12	page 3, line 9, and collected in the Department of Administration's federally approved cost			
13	allocation plans.			
14	Leases	42,319,500		
15	Lease Administration	1,163,400		
16	State Owned Facilities	12,784,300	1,237,300	11,547,000
17	Facilities	10,711,400		
18	Facilities Administration	1,318,100		
19	Non-Public Building Fund	754,800		
20	Facilities			
21	Administration State	1,538,800	1,468,600	70,200
22	Facilities Rent			
23	Administration State	1,538,800		
24	Facilities Rent			
25	Special Systems	1,828,100	1,828,100	
26	Unlicensed Vessel	50,000		
27	Participant Annuity			
28	Retirement Plan			
29	Elected Public Officers	1,778,100		
30	Retirement System Benefits			
31	Enterprise Technology Services	45,093,000	7,149,100	37,943,900
32	Enterprise Technology	45,093,000		
33	Services			

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Information Services Fund	55,000		55,000
4	Information Services Fund	55,000		
5	This appropriation to the Information Services Fund capitalizes a fund and does not lapse.			
6	Public Communications Services	1,122,200	3,898,500	1,223,700
7	Public Broadcasting	54,200		
8	Commission			
9	Public Broadcasting - Radio	2,469,900		
10	Public Broadcasting - T.V.	527,100		
11	Sate'lite Infrastructure	2,071,000		
12	AIFRES Grant	100,000	100,000	
13	AIRRES Grant	100,000		
14	Risk Management	36,884,300		36,884,300
15	Risk Management	36,884,300		
16	Alaska Oil and Gas	5,230,900		5,230,900
17	Conservation Commission			
18	Alaska Oil and Gas	5,230,900		
19	Conservation Commission			
20	The amount appropriated by this appropriation includes the unexpended and unobligated			
21	balance on June 30, 2008, of the receipts of the Department of Administration, Alaska Oil and			
22	Gas Conservation Commission receipts account for regulatory cost charges under AS			
23	31.05.093 and permit fees under AS 31.05.090.			
24	Legal and Advocacy Services	37,168,000	35,976,900	1,191,100
25	Office of Public Advocacy	18,667,000		
26	Public Defender Agency	18,501,000		
27	Violent Crimes Compensation	2,078,600		2,078,600
28	Board			
29	Violent Crimes Compensation	2,078,600		
30	Board			
31	Alaska Public Offices	1,085,900	1,085,900	
32	Commission			
33	Alaska Public Offices	1,085,900		

	Appropriation		General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Commission			
4	Motor Vehicles	14,111,500		14,111,500
5	Motor Vehicles	14,111,500		
6	General Services Facilities	39,700		39,700
7	Maintenance			
8	General Services Facilities	39,700		
9	Maintenance			
10	ITG Facilities Maintenance	23,000		23,000
11	ETS Facilities Maintenance	23,000		
12	*****		*****	
13	***** Department of Commerce, Community, and Economic Development *****			
14	*****		*****	
15	Executive Administration	4,949,700	1,294,800	3,654,900
16	Commissioner's Office	696,600		
17	Administrative Services	4,253,100		
18	Community Assistance &	11,767,700	2,335,300	9,432,400
19	Economic Development			
20	Community and Regional	9,213,000		
21	Affairs			
22	Office of Economic	2,554,700		
23	Development			
24	Revenue Sharing	19,600,000		19,600,000
25	Payment in Lieu of Taxes	6,426,600		
26	(PILT)			
27	National Forest Receipts	9,573,400		
28	Fisheries Taxes	3,600,000		
29	Qualified Trade Association	4,205,100	4,205,100	
30	Contract			
31	Qualified Trade Association	4,205,100		
32	Contract			
33	QTA Independent Traveler	893,200	720,000	173,200

	Appropriation		General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Grants			
4	QTA Independent Traveler	893,200		
5	Grants			
6	Investments		4,299,200	4,299,200
7	Investments	4,299,200		
8	Alaska Aerospace Development		28,252,000	28,252,000
9	Corporation			
10	The amount appropriated by this appropriation includes the unexpended and unobligated			
11	balance on June 30, 2008, of the federal and corporate receipts of the Department of			
12	Commerce, Community, and Economic Development, Alaska Aerospace Development			
13	Corporation.			
14	It is the intent of the legislature that the Alaska Aerospace Development Corporation fully pay			
15	its portion of the DOA and DCCED cost allocation plans.			
16	Alaska Aerospace	4,078,100		
17	Development Corporation			
18	Alaska Aerospace	24,173,900		
19	Development Corporation			
20	Facilities Maintenance			
21	Alaska Industrial Development		7,784,200	7,784,200
22	and Export Authority			
23	Alaska Industrial	7,547,200		
24	Development and Export			
25	Authority			
26	Alaska Industrial	237,000		
27	Development Corporation			
28	Facilities Maintenance			
29	Alaska Energy Authority		31,631,400	31,332,600
30	Alaska Energy Authority	1,067,100		
31	Owned Facilities			
32	Alaska Energy Authority	3,146,500		
33	Rural Energy Operations			

		Appropriation	General	Other
		Allocations	Items	Funds
			Funds	Funds
1				
2				
3	Alaska Energy Authority	100,700		
4	Technical Assistance			
5	Alaska Energy Authority	26,760,000		
6	Power Cost Equalization			
7	Statewide Project	557,100		
8	Development, Alternative			
9	Energy and Efficiency			
10	Alaska Seafood Marketing	18,378,700	625,000	17,753,700
11	 Institute			
12	Alaska Seafood Marketing	18,378,700		
13	Institute			
14	The amount appropriated by this appropriation includes the unexpended and unobligated			
15	balance on June 30, 2008, of the receipts from the salmon marketing tax (AS 43.76.110), from			
16	the seafood marketing assessment (AS 16.51.120), and from program receipts of the Alaska			
17	Seafood Marketing Institute.			
18	Banking and Securities	3,019,600		3,019,600
19	Banking and Securities	3,019,600		
20	Community Development Quota	230,500		230,500
21	 Program			
22	Community Development Quota	230,500		
23	Program			
24	Insurance Operations	6,283,500		6,283,500
25	Insurance Operations	6,283,500		
26	The amount appropriated by this appropriation includes up to \$1,000,000 of the unexpended			
27	and unobligated balance on June 30, 2008, of the Department of Commerce, Community, and			
28	Economic Development, division of insurance, program receipts from license fees and service			
29	fees.			
30	Corporations, Business and	10,289,700		10,289,700
31	 Professional Licensing			
32	Corporations, Business and	8,387,700		
33	Professional Licensing			

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	The amount appropriated by this appropriation includes the unexpended and unobligated		
4	balance on June 30, 2008, of the Department of Commerce, Community, and Economic		
5	Development, division of corporations, business and professional licensing, receipts from the		
6	fees under AS 08.01.065(a), (c), and (f) - (i).		
7	Office of Consumer Affairs	1,902,000	
8	& Investigations		
9	Regulatory Commission of	7,745,200	7,745,200
10	Alaska		
11	Regulatory Commission of	7,745,200	
12	Alaska		
13	The amount appropriated by this appropriation includes the unexpended and unobligated		
14	balance on June 30, 2008, of the Department of Commerce, Community, and Economic		
15	Development, Regulatory Commission of Alaska receipts account for regulatory cost charges		
16	under AS 42.05.254 and AS 42.06.286.		
17	DCED State Facilities Rent	1,052,700	585,000
18	DCED State Facilities Rent	1,052,700	467,700
19	Alaska State Community	3,277,800	104,400
20	Services Commission		3,173,400
21	Alaska State Community	3,277,800	
22	Services Commission		
23	*****	*****	
24	***** Department of Corrections *****		
25	*****	*****	
26	Administration and Support	8,086,600	7,975,200
27	Office of the Commissioner	1,302,900	
28	Correctional Academy	959,800	
29	Administrative Services	2,572,400	
30	Information Technology MIS	1,820,200	
31	Research and Records	458,700	
32	DOC State Facilities Rent	289,900	
33	Prison System Expansion	682,700	

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	Population Management	202,935,100	179,381,400
4	Facility-Capital	524,600	
5	Improvement Unit		
6	Facility Maintenance	12,280,500	
7	Offender Habilitation	3,835,200	
8	Programs		
9	Community Jails	6,115,400	
10	Classification and Furlough	1,606,100	
11	Out-of-State Contractual	21,464,700	
12	Institution Director's	780,700	
13	Office		
14	Prison Employment Program	2,370,800	
15	The amount allocated for Prison Employment Program includes the unexpended and		
16	unobligated balance on June 30, 2008, of the Department of Corrections receipts collected		
17	under AS 37.05.146(c)(81).		
18	Inmate Transportation	1,986,500	
19	Point of Arrest	628,700	
20	Anchorage Correctional	23,725,200	
21	Complex		
22	Anvil Mountain Correctional	5,153,100	
23	Center		
24	Combined Hiland Mountain	9,860,500	
25	Correctional Center		
26	Fairbanks Correctional	10,344,500	
27	Center		
28	Ketchikan Correctional	3,752,000	
29	Center		
30	Lemon Creek Correctional	7,924,300	
31	Center		
32	Matanuska-Susitna	3,821,200	
33	Correctional Center		

		Appropriation		General	Other
		Allocations	Items	Funds	Funds
1					
2					
3	Palmer Correctional Center	11,601,100			
4	Spring Creek Correctional	19,366,700			
5	Center				
6	Wildwood Correctional Center	12,386,600			
7	Yukon-Kuskokwim	5,480,400			
8	Correctional Center				
9	Point MacKenzie	3,197,500			
10	Correctional Farm				
11	Community Residential	18,658,700			
12	Centers				
13	Probation and Parole	695,900			
14	Director's Office				
15	Statewide Probation and	12,937,300			
16	Parole				
17	Parole Board	769,100			
18	Electronic Monitoring	1,657,800			
19	Inmate Health Care		24,037,500	14,859,100	9,178,400
20	Inmate Health Care	24,037,500			
21	*****			*****	
22	***** Department of Education and Early Development *****				
23	*****			*****	
24	K-12 Support		46,746,700	11,655,700	35,091,000
25	Foundation Program	35,091,000			
26	Boarding Home Grants	1,340,800			
27	Youth in Detention	1,100,000			
28	Special Schools	3,132,800			
29	Alaska Challenge Youth	6,082,100			
30	Academy				
31	Education Support Services		4,801,400	3,007,800	1,793,600
32	Executive Administration	769,700			
33	Administrative Services	1,250,400			

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Information Services	629,900		
4	School Finance & Facilities	2,151,400		
5	Teaching and Learning Support	210,594,400	16,955,600	193,638,800
6	Student and School	163,532,700		
7	Achievement			
8	Statewide Mentoring Program	4,500,000		
9	Teacher Certification	679,200		
10	The amount allocated for Teacher Certification includes the unexpended and unobligated			
11	balance on June 30, 2008, of the Department of Education and Early Development receipts			
12	from teacher certification fees under AS 14.20.020(c).			
13	Child Nutrition	35,543,600		
14	Head Start Grants	6,338,900		
15	Commissions and Boards	1,742,700	637,100	1,105,600
16	Professional Teaching	258,800		
17	Practices Commission			
18	Alaska State Council on the	1,483,900		
19	Arts			
20	Mt. Edgecumbe Boarding School	7,302,900	3,796,000	3,506,900
21	Mt. Edgecumbe Boarding	7,302,900		
22	School			
23	State Facilities Maintenance	2,940,800	1,835,200	1,105,600
24	State Facilities Maintenance	1,079,600		
25	EED State Facilities Rent	1,861,200		
26	Alaska Library and Museums	8,540,200	6,591,700	1,948,500
27	Library Operations	5,666,100		
28	Archives	1,057,800		
29	Museum Operations	1,816,300		
30	Alaska Postsecondary	14,040,400	2,130,100	11,910,300
31	Education Commission			
32	Program Administration &	11,910,300		
33	Operations			

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	WWAMI Medical Education	2,130,100		
4	*****		*****	
5	***** Department of Environmental Conservation *****			
6	*****		*****	
7	Administration		7,474,400	2,716,800
8	Office of the Commissioner	955,200		
9	Information and	4,549,100		
10	Administrative Services			
11	State Support Services	1,970,100		
12	DEC Buildings Maintenance and		562,100	506,800
13	Operations			55,300
14	DEC Buildings Maintenance	562,100		
15	and Operations			
16	Environmental Health		24,363,800	7,874,900
17	Environmental Health	312,100		
18	Director			
19	Food Safety & Sanitation	3,873,500		
20	Laboratory Services	2,905,900		
21	Drinking Water	5,955,200		
22	Solid Waste Management	2,014,500		
23	Air Director	243,000		
24	Air Quality	9,059,600		
25	Spill Prevention and Response		17,012,100	619,300
26	Spill Prevention and	253,300		
27	Response Director			
28	Contaminated Sites Program	7,051,100		

29 It is the intent of the legislature that the Department of Environmental Conservation seek to
30 recover costs incurred in the cleanup or containment of an oil or hazardous substance release
31 under AS 46.08.070 from a state agency if the agency is responsible for the release.

32 It is the intent of the legislature that the office of management and budget include in its fiscal
33 year 2009 supplemental request the amount necessary, by agency, to repay the costs incurred

	Appropriation	General	Other
	Allocations	Items	Funds
1			
2			
3	by the Department of Environmental Conservation in the cleanup or containment of oil or		
4	hazardous substance releases for which state agencies are responsible.		
5	Industry Preparedness and	4,327,100	
6	Pipeline Operations		
7	Prevention and Emergency	3,931,200	
8	Response		
9	Response Fund Administration	1,449,400	
10	Water	22,758,500	6,674,700
11	Water Quality	15,678,400	16,083,800
12	Expenditures for the Ocean Ranger Program (AS 46.03.476) shall not exceed the amount of		
13	available fees collected under AS 46.03.480(d).		
14	Facility Construction	7,080,100	
15	*****	*****	
16	*****	Department of Fish and Game	*****
17	*****	*****	
18	The amounts appropriated for the Department of Fish and Game include the unexpended and		
19	unobligated balance on June 30, 2008, of receipts from all prior fiscal years collected under		
20	the Department of Fish and Game's federal indirect cost plan for expenditures incurred by the		
21	Department of Fish and Game.		
22	Commercial Fisheries	58,823,300	29,045,600
23	The amount appropriated for Commercial Fisheries includes the unexpended and unobligated		
24	balance on June 30, 2008, of the Department of Fish and Game receipts from commercial		
25	fisheries test fishing operations receipts under AS 16.05.050(a)(15).		
26	Southeast Region Fisheries	6,039,500	
27	Management		
28	Central Region Fisheries	7,577,700	
29	Management		
30	AYK Region Fisheries	4,642,600	
31	Management		
32	Westward Region Fisheries	7,434,100	
33	Management		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Headquarters Fisheries	8,211,400		
4	Management			
5	It is the intent of the Legislature that the regional resource development biologists be			
6	supervised by the senior management position responsible for the hatchery and mariculture			
7	programs.			
8	Commercial Fisheries	24,918,000		
9	Special Projects			
10	The amount appropriated to the Commercial Fisheries Special Projects allocation includes the			
11	unexpended and unobligated balances on June 30, 2008, of the Department of Fish and Game,			
12	Commercial Fisheries Special Projects, receipt supported services from taxes on dive fishery			
13	products.			
14	Sport Fisheries	48,365,000	2,496,400	45,868,600
15	Sport Fisheries	42,247,600		
16	Sport Fisheries Research	6,117,400		
17	and Restoration			
18	Wildlife Conservation	36,301,300	5,502,500	30,798,800
19	Wildlife Conservation	23,849,400		
20	Wildlife Conservation	3,839,700		
21	Restoration Program			
22	Wildlife Conservation	8,010,700		
23	Special Projects			
24	Hunter Education Public	601,500		
25	Shooting Ranges			
26	It is the intent of the Legislature that ADFG review the possibility of transferring ownership			
27	of the three state-owned shooting ranges in Fairbanks, Anchorage and Juneau to those			
28	municipalities or appropriate private entities.			
29	Administration and Support	25,326,400	7,989,500	17,336,900
30	Commissioner's Office	1,528,800		
31	Administrative Services	9,617,000		
32	Fish and Game Boards and	1,802,200		
33	Advisory Committees			

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	State Subsistence	4,999,500		
4	EVOS Trustee Council	3,540,100		
5	State Facilities Maintenance	1,308,800		
6	Fish and Game State	2,530,000		
7	Facilities Rent			
8	Commercial Fisheries Entry	3,637,100		3,637,100
9	Commission			
10	The amount appropriated for Commercial Fisheries Entry Commission includes the			
11	unexpended and unobligated balance on June 30, 2008, of the Department of Fish and Game,			
12	Commercial Fisheries Entry Commission, program receipts from licenses, permits and other			
13	fees.			
14	Commercial Fisheries Entry	3,637,100		
15	Commission			
16		*****	*****	
17		***** Office of the Governor *****		
18		*****	*****	
19	Commissions/Special Offices	1,825,600	1,581,600	244,000
20	Human Rights Commission	1,760,600		
21	Statehood Celebration	65,000		
22	Commission			
23	Executive Operations	11,361,500	10,621,600	739,900
24	Executive Office	9,351,600		
25	Governor's House	356,500		
26	Contingency Fund	710,000		
27	Lieutenant Governor	943,400		
28	Office of the Governor State	870,100	870,100	
29	Facilities Rent			
30	Governor's Office State	422,900		
31	Facilities Rent			
32	Governor's Office Leasing	447,200		
33	Office of Management and	2,055,900	2,055,900	

	Appropriation		General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Budget			
4	Office of Management and	2,055,900		
5	Budget			
6	Elections		3,491,700	2,960,690
7	Elections	3,491,700		531,100
8	*****		*****	
9	*****	Department of Health and Social Services	*****	
10	*****		*****	

11 No money appropriated in this appropriation may be expended for an abortion that is not a
12 mandatory service required under AS 47.07.030(a). The money appropriated for Health and
13 Social Services may be expended only for mandatory services required under Title XIX of the
14 Social Security Act and for optional services offered by the state under the state plan for
15 medical assistance that has been approved by the United States Department of Health and
16 Human Services. This statement is a statement of the purpose of the appropriation and is
17 neither merely descriptive language nor a statement of legislative intent.

18 It is the intent of the legislature that the Department continues to aggressively pursue
19 Medicaid cost containment initiatives. Efforts should continue where the Department
20 believes additional cost containment is possible including further efforts to contain travel
21 expenses. The Department must continue efforts imposing regulations controlling and
22 materially reducing the cost of Personal Care Attendant (PCA) services. Efforts must be
23 continued utilizing existing resources to impose regulations screening applicants for
24 Residential Psychiatric Treatment Center (RPTC) services, especially for out-of-state
25 services. The department must address the entire matrix of optional Medicaid services,
26 reimbursement rates and eligibility requirements that are the basis of the Medicaid growth
27 algorithm. This work is to utilize the results of the Medicaid Assessment and Planning
28 analysis. The legislature requests that by January 2009 the Department be prepared to present
29 projections of future Medicaid funding requirements under our existing statute and regulations
30 and be prepared to present and evaluate the consequences of viable policy alternatives that
31 could be implemented to lower growth rates and reducing projections of future costs.

32 It is the intent of the legislature that the department continues to evaluate [and, where
33 possible, proceed to incorporate] an asset test in Denali KidCare and other Child Care

	Appropriation		General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	missions of the Department related to their specific grant. The recipient's specific			
4	performance should be measured and incorporated into the decision whether to continue			
5	awarding grants. Performance measurement should be standardized, accurate, objective and			
6	fair, recognizing and compensating for differences among grant recipients including acuity of			
7	services provided, client base, geographic location and other factors necessary and appropriate			
8	to reconcile and compare grant recipient performances across the array of providers and			
9	services involved.			
10	Behavioral Health	8,199,900		
11	Administration			
12	Community Action Prevention	1,915,200		
13	& Intervention Grants			
14	Rural Services and Suicide	285,900		
15	Prevention			
16	Psychiatric Emergency	1,714,400		
17	Services			
18	Services to the Seriously	2,184,000		
19	Mentally Ill			
20	Services for Severely	1,415,700		
21	Emotionally Disturbed Youth			
22	Alaska Psychiatric Institute	18,804,600		
23	Children's Services		128,638,000	63,517,200
24	Children's Medicaid Services	11,960,100		
25	Children's Services	8,109,300		
26	Management			
27	Children's Services Training	1,824,800		
28	Front Line Social Workers	39,972,300		
29	Family Preservation	12,139,900		
30	Foster Care Base Rate	17,396,000		
31	Foster Care Augmented Rate	1,626,100		
32	Foster Care Special Need	5,415,400		
33	Subsidized Adoptions &	21,539,100		

		Appropriation	General	Other
		Allocations	Items	Funds
			Funds	Funds
1				
2				
3	Guardianship			
4	Residential Child Care	3,196,600		
5	Infant Learning Program	4,238,700		
6	Grants			
7	Children's Trust Programs	1,219,700		
8	Adult Preventative Dental		8,867,000	1,801,200
9	Medicaid Services			7,065,800
10	It is the intent of the legislature that the Adult Preventative Dental Medicaid Services not over			
11	spend authority granted by authorizing statute and adjust benefits available to individual			
12	participants as necessary to maintain and conduct the program throughout the entire fiscal			
13	year.			
14	Adult Preventative Dental	8,867,000		
15	Medicaid Services			
16	Health Care Services		748,176,300	260,959,500
17	Medicaid Services	713,963,100		487,216,800
18	Catastrophic and Chronic	1,471,000		
19	Illness Assistance (AS			
20	47.08)			
21	Medical Assistance	31,259,300		
22	Administration			
23	Rate Review	1,482,900		
24	Juvenile Justice		48,744,500	44,744,500
25	McLaughlin Youth Center	16,344,100		4,000,000
26	Mat-Su Youth Facility	2,001,500		
27	Kenai Peninsula Youth	1,662,100		
28	Facility			
29	Fairbanks Youth Facility	3,890,700		
30	Bethel Youth Facility	3,225,400		
31	Nome Youth Facility	2,140,500		
32	Johnson Youth Center	3,145,700		
33	Ketchikan Regional Youth	1,529,300		

		Appropriation	General	Other
		Allocations	Items	Funds
	Facility			Funds
1				
2				
3	Facility			
4	Probation Services	12,192,400		
5	Delinquency Prevention	1,764,800		
6	Youth Courts	848,000		
7	Public Assistance	279,501,900	133,567,500	145,934,400
8	Alaska Temporary Assistance	30,131,800		
9	Program			
10	Adult Public Assistance	57,231,400		
11	It is the intent of the legislature that the Interim Assistance cash payments be restricted to			
12	those individuals who agree to repay the State of Alaska in the event Supplementary Security			
13	Income (SSI) does not determine the individual eligible for cash assistance. It is the intent of			
14	the Legislature that the Department of Health and Social Services make all attempts possible			
15	to recover the Interim Assistance cash payments in the event an individual is not SSI eligible			
16	after receiving Interim Assistance.			
17	Child Care Benefits	47,927,100		
18	General Relief Assistance	1,355,400		
19	Tribal Assistance Programs	13,372,700		
20	Senior Benefits Payment	20,345,400		
21	Program			
22	Permanent Fund Dividend	13,584,700		
23	Hold Harmless			
24	Energy Assistance Program	9,805,700		
25	Public Assistance	3,587,500		
26	Administration			
27	Public Assistance Field	35,271,400		
28	Services			
29	It is the intent of the legislature that there shall be no fee agents engaged in activities within			
30	50 road miles of any public assistance office.			
31	Fraud Investigation	1,777,700		
32	Quality Control	1,881,000		
33	Work Services	16,089,300		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Women, Infants and Children	27,140,800		
4	Public Health		30,995,000	64,302,700
5	Injury Prevention/Emergency	6,423,100		
6	Medical Services			
7	Nursing	24,837,300		
8	Women, Children and Family	8,837,300		
9	Health			
10	Public Health	2,867,200		
11	Administrative Services			
12	Certification and Licensing	6,559,800		
13	Chronic Disease Prevention	7,152,200		
14	and Health Promotion			
15	Epidemiology	11,850,200		
16	Bureau of Vital Statistics	2,504,500		
17	Community Health Grants	3,316,300		
18	Emergency Medical Services	2,062,100		
19	Grants			
20	State Medical Examiner	2,039,000		
21	Public Health Laboratories	6,405,200		
22	Tobacco Prevention and	6,858,300		
23	Control			
24	Health Planning and	3,585,200		
25	Infrastructure			
26	Senior and Disabilities	373,907,900	171,545,100	202,362,800
27	Services			

28 It is the intent of the legislature that regulations related to the General Relief / Temporary
29 Assisted Living program be reviewed and revised as needed to minimize the length of time
30 that the state provides housing alternatives and assure the services are provided only to
31 intended beneficiaries who are actually experiencing harm, abuse or neglect. The department
32 should educate care coordinators and direct service providers about who should be referred
33 and when they are correctly referred to the program in order that referring agents correctly

		Appropriation	General	Other
		Allocations	Funds	Funds
3	match consumer needs with the program services intended by the department.			
4	General Relief/Temporary	2,748,400		
5	Assisted Living			
6	Senior and Disabilities	345,655,900		
7	Medicaid Services			
8	Senior and Disabilities	9,821,200		
9	Services Administration			
10	Senior Community Based	8,266,200		
11	Grants			
12	Senior Residential Services	815,000		
13	Community Developmental	6,601,200		
14	Disabilities Grants			
15	Departmental Support Services	21,489,700	2,354,400	19,135,300
16	Public Affairs	1,712,400		
17	Quality Assurance and Audit	1,113,400		
18	Agency-wide Unallocated	-30,000,000		
19	Reduction			
20	Commissioner's Office	1,651,500		

21 It is the intent of the legislature that the Department of Health and Social Services complete
22 the following tasks related to fiscal audits required in CHAPTER 66, SLA 2003 of all
23 Medicaid providers:

24 1. Develop regulations addressing the use of extrapolation methodology following an audit of
25 Medicaid providers that clearly defines the difference between actual overpayment of funds to
26 a provider and ministerial omission or clerical billing error that does not result in
27 overpayment to the provider. The extrapolation methodology will also define percentage of
28 "safe harbor" overpayment rates for which extrapolation methodology will be applied.

29 2. Develop training standards and definitions regarding ministerial and billing errors versus
30 overpayments. Include the use of those standards and definitions in the State's audit contracts.

31 All audits initiated after the effective date of this intent and resulting in findings of
32 overpayment will be calculated under the Department's new regulations governing
33 overpayment standards and extrapolation methodology.

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	It is the intent of the legislature that the department continues working on implementing a		
4	provider rate rebasing process.		
5	It is the intent of the legislature that the department develops a ten year funding source and		
6	use of funds projection for the entire department.		
7	Assessment and Planning	250,000	
8	Administrative Support	15,264,500	
9	Services		
10	Hearings and Appeals	804,100	
11	Medicaid School Based	6,243,800	
12	Administrative Claims		
13	Facilities Management	1,171,500	
14	Information Technology	14,228,400	
15	Services		
16	Facilities Maintenance	2,454,900	
17	Pioneers' Homes Facilities	2,125,000	
18	Maintenance		
19	HSS State Facilities Rent	4,470,200	
20	Boards and Commissions	2,404,100	48,900
21	AK Mental Health & Alcohol	133,300	
22	& Drug Abuse Boards		
23	Commission on Aging	347,700	
24	Governor's Council on	1,909,400	
25	Disabilities and Special		
26	Education		
27	Pioneers Homes Advisory	13,700	
28	Board		
29	Human Services Community	1,485,300	1,485,300
30	Matching Grant		
31	Human Services Community	1,485,300	
32	Matching Grant		
33	Rural Human Services Grants	500,000	500,000

	Appropriation	General	Other
	Allocations	Funds	Funds
1 Rural Human Services Grants	500,000		
2			
3			
4	*****	*****	
5	***** Department of Labor and Workforce Development	*****	
6	*****	*****	
7 Commissioner and	19,471,000	6,141,200	13,329,800
8 Administrative Services			
9 Commissioner's Office	1,013,400		
10 Alaska Labor Relations	460,500		
11 Agency			
12 Office of Citizenship	65,600		
13 Assistance			
14 It is the intent of the legislature that the Department of Labor and Workforce Development			
15 use this allocation to fund the permanent full-time position in the Kodiak Job Center and			
16 eliminate the permanent full-time position in the Juneau Job Center.			
17 Management Services	3,090,500		
18 The amount allocated for Management Services includes the unexpended and unobligated			
19 balance on June 30, 2008, of receipts from all prior fiscal years collected under the			
20 Department of Labor and Workforce Development's federal indirect cost plan for			
21 expenditures incurred by the Department of Labor and Workforce Development.			
22 Human Resources	846,500		
23 Leasing	3,335,500		
24 Data Processing	6,163,000		
25 Labor Market Information	4,496,000		
26 Workers' Compensation and	21,142,600	1,667,600	19,475,000
27 Safety			
28 Workers' Compensation	4,825,200		
29 Workers' Compensation	532,300		
30 Appeals Commission			
31 Workers' Compensation	250,000		
32 Benefits Guaranty Fund			
33 Second Injury Fund	3,967,800		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
3	Fishermens Fund	1,622,500		
4	Wage and Hour Administration	2,056,900		
5	Mechanical Inspection	2,592,200		
6	Occupational Safety and	5,169,900		
7	Health			
8	Alaska Safety Advisory	125,800		
9	Council			
10	The amount allocated for the Alaska Safety Advisory Council includes the unexpended and			
11	unobligated balance on June 30, 2008, of the Department of Labor and Workforce			
12	Development, Alaska Safety Advisory Council receipts under AS 18.60.840.			
13	Workforce Development	100,426,600	11,897,800	88,528,800
14	Employment and Training	27,482,900		
15	Services			
16	Unemployment Insurance	19,461,600		
17	Adult Basic Education	3,258,200		
18	Workforce Investment Board	534,900		
19	Business Services	36,061,000		
20	Alaska Vocational Technical	9,853,200		
21	Center			
22	AVTEC Facilities Maintenance	1,550,800		
23	Kotzebue Technical Center	1,308,600		
24	Operations Grant			
25	Southwest Alaska Vocational	257,700		
26	and Education Center			
27	Operations Grant			
28	Yuut Elitnaurviat, Inc.	257,700		
29	People's Learning Center			
30	Operations Grant			
31	Northwest Alaska Career and	400,000		
32	Technical Center			
33	AGIA Workforce Training	765,000	765,000	

	Appropriation		General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Program			
4	Workforce Training	50,000		
5	Information Services			
6	Regional Training Center	340,000		
7	Development and			
8	Coordination Grants			
9	Cooperative Training	375,000		
10	Vocational Rehabilitation	24,211,700	4,871,000	19,340,700
11	Vocational Rehabilitation	1,502,500		
12	Administration			
13	The amount allocated for Vocational Rehabilitation Administration includes the unexpended			
14	and unobligated balance on June 30, 2008, of receipts from all prior fiscal years collected			
15	under the Department of Labor and Workforce Development's federal indirect cost plan for			
16	expenditures incurred by the Department of Labor and Workforce Development.			
17	Client Services	13,902,200		
18	Independent Living	1,659,100		
19	Rehabilitation			
20	Disability Determination	5,071,600		
21	Special Projects	1,226,400		
22	Assistive Technology	621,500		
23	Americans With Disabilities	228,400		
24	Act (ADA)			
25		*****	*****	
26		***** Department of Law *****		
27		*****	*****	
28	Criminal Division	26,301,900	21,676,000	4,625,900
29	First Judicial District	1,838,800		
30	Second Judicial District	1,409,800		
31	Third Judicial District:	6,646,400		
32	Anchorage			
33	Third Judicial District:	4,645,900		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
3	Outside Anchorage			
4	Fourth Judicial District	4,764,300		
5	Criminal Justice Litigation	1,945,900		
6	Criminal Appeals/Special	5,050,800		
7	Litigation Component			
8	Civil Division		22,335,300	20,999,100
9	Deputy Attorney General's	478,400		
10	Office			
11	Collections and Support	2,552,600		
12	Commercial and Fair Business	4,416,700		
13	The amount allocated for Commercial and Fair Business section includes the unexpended and			
14	unobligated balance on June 30, 2008, of designated program receipts and general fund			
15	program receipts of the Department of Law, Commercial and Fair Business section.			
16	Environmental Law	1,941,100		
17	Human Services and Child	6,057,000		
18	Protection			
19	Labor and State Affairs	5,547,900		
20	Legislation/Regulations	734,200		
21	Natural Resources	1,189,000		
22	Oil, Gas and Mining	9,657,700		
23	Opinions, Appeals and Ethics	1,463,200		
24	Regulatory Affairs Public	1,462,100		
25	Advocacy			
26	Statehood Defense	1,002,600		
27	Timekeeping and Litigation	1,443,500		
28	Support			
29	Torts & Workers'	3,076,800		
30	Compensation			
31	Transportation Section	2,311,600		
32	Administration and Support		2,107,900	1,061,000
33	Office of the Attorney	612,200		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	General			
4	Administrative Services	2,069,700		
5	Dimond Courthouse Public	487,000		
6	Building Fund			
7	*****		*****	
8	***** Department of Military and Veterans Affairs *****			
9	*****		*****	
10	Military and Veteran's Affairs	43,782,700	9,869,700	33,913,000
11	Office of the Commissioner	3,929,500		
12	Homeland Security and	6,583,700		
13	Emergency Management			
14	Local Emergency Planning	300,000		
15	Committee			
16	National Guard Military	817,500		
17	Headquarters			
18	Army Guard Facilities	11,618,100		
19	Maintenance			
20	Air Guard Facilities	6,581,300		
21	Maintenance			
22	Alaska Military Youth	10,418,200		
23	Academy			
24	Veterans' Services	932,700		
25	Alaska Statewide Emergency	2,276,700		
26	Communications			
27	State Active Duty	325,000		
28	Alaska National Guard Benefits	1,159,300	1,159,300	
29	Educational Benefits	408,500		
30	Retirement Benefits	750,800		
31	*****		*****	
32	***** Department of Natural Resources *****			
33	*****		*****	

	Appropriation	General	Other
	Allocations	Funds	Funds
	Items		
1			
2			
3	Resource Development	86,225,600	41,367,400
4	It is the intent of the legislature that the department provide an annual expenditure report for		
5	the funds appropriated to the Oil & Gas development allocation relating to the one-time Oil &		
6	Gas funding, AGIA, and the new petroleum tax initiative.		
7	Commissioner's Office	1,017,500	
8	Administrative Services	2,306,300	
9	Information Resource	3,151,200	
10	Management		
11	Oil & Gas Development	13,522,000	
12	Petroleum Systems Integrity	837,600	
13	Office		
14	Pipeline Coordinator	4,967,400	
15	Alaska Coastal and Ocean	4,289,800	
16	Management		
17	Large Project Permitting	3,144,600	
18	Office of Habitat	3,970,300	
19	Management and Permitting		
20	Claims, Permits & Leases	10,745,500	
21	Land Sales & Municipal	3,940,200	
22	Entitlements		
23	Title Acquisition & Defense	2,176,400	
24	Water Development	1,778,900	
25	Director's Office/Mining,	405,800	
26	Land, & Water		
27	Forest Management and	5,814,300	
28	Development		
29	The amount allocated for Forest Management and Development includes the unexpended and		
30	unobligated balance on June 30, 2008, of the timber receipts account (AS 38.05.110).		
31	Non-Emergency Hazard	457,700	
32	Mitigation Projects		
33	Geological Development	6,403,100	

		Appropriation		General	Other
		Allocations	Items	Funds	Funds
1					
2					
3	Recorder's Office/Uniform	4,308,900			
4	Commercial Code				
5	Agricultural Development	1,988,200			
6	North Latitude Plant	1,689,600			
7	Material Center				
8	Agriculture Revolving Loan	2,540,000			
9	Program Administration				
10	Conservation and	109,800			
11	Development Board				
12	Public Services Office	479,300			
13	Trustee Council Projects	414,800			
14	Interdepartmental	1,737,700			
15	Information Technology				
16	Chargeback				
17	Human Resources Chargeback	929,500			
18	DNR Facilities Rent and	2,799,200			
19	Chargeback				
20	Facilities Maintenance	300,000			
21	State Public Domain & Public		584,000	509,800	74,200
22	Access				
23	Citizen's Advisory	241,700			
24	Commission on Federal Areas				
25	RS 2477/Navigability	342,300			
26	Assertions and Litigation				
27	Support				
28	Fire Suppression		28,020,500	21,564,600	6,455,900
29	Fire Suppression	16,347,600			
30	Preparedness				
31	Fire Suppression Activity	11,672,900			
32	Parks and Recreation		11,760,300	5,543,500	6,216,800
33	Management				

	Appropriation	General	Other
	Allocations	Items	Funds
		Funds	Funds
1			
2			
3	State Historic Preservation	1,814,300	
4	Program		
5	The amount allocated for the State Historic Preservation Program includes up to \$15,500		
6	general fund program receipt authorization from the unexpended and unobligated balance on		
7	June 30, 2008, of the receipts collected under AS 41.35.380.		
8	Parks Management	8,034,800	
9	The amount allocated for Parks Management includes the unexpended and unobligated		
10	balance on June 30, 2008, of the receipts collected under AS 41.21.026.		
11	Parks & Recreation Access	1,911,200	
12	*****	*****	
13	***** Department of Public Safety *****		
14	*****	*****	
15	Fire and Life Safety	5,519,800	2,116,800
16	Fire and Life Safety	2,597,400	
17	Operations		
18	Training and Education	2,922,400	
19	Bureau		
20	Alaska Fire Standards Council	256,400	2,500
21	The amount appropriated by this appropriation includes the unexpended and unobligated		
22	balance on June 30, 2008, of the receipts collected under AS 18.70.350(4) and AS 18.70.360.		
23	Alaska Fire Standards	256,400	
24	Council		
25	Alaska State Troopers	97,484,900	85,520,500
26	Special Projects	4,737,100	
27	Alaska State Troopers	292,200	
28	Director's Office		
29	Alaska Bureau of Judicial	7,486,700	
30	Services		
31	Prisoner Transportation	1,929,200	
32	Search and Rescue	376,400	
33	Rural Trooper Housing	2,209,500	

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Narcotics Task Force	3,658,800		
4	Alaska State Trooper	43,770,300		
5	Detachments			
6	Alaska Bureau of	4,842,800		
7	Investigation			
8	Alaska Bureau of Alcohol	2,489,400		
9	and Drug Enforcement			
10	Alaska Wildlife Troopers	16,373,000		
11	Alaska Wildlife Troopers	5,091,700		
12	Aircraft Section			
13	Alaska Wildlife Troopers	2,807,500		
14	Marine Enforcement			
15	Alaska Wildlife Troopers	339,100		
16	Director's Office			
17	Alaska Wildlife Troopers	1,081,200		
18	Investigations			
19	Village Public Safety Officer	5,865,100	5,709,900	155,200
20	Program			
21	VPSO Contracts	5,446,400		
22	Support	418,700		
23	Alaska Police Standards	1,145,900		1,145,900
24	Council			
25	The amount appropriated by this appropriation includes up to \$125,000 of the unexpended			
26	and unobligated balance on June 30, 2008, of the receipts collected under AS 12.25.195(c),			
27	AS 12.55.039, AS 28.05.151, and AS 29.25.074 and receipts collected under AS			
28	18.65.220(7).			
29	Alaska Police Standards	1,145,900		
30	Council			
31	Council on Domestic Violence	10,970,700	1,108,600	9,862,100
32	and Sexual Assault			
33	Notwithstanding AS 43.23.028(b)(2), up to 10% of the amount appropriated by this			

	Appropriation	General	Other
	Allocations	Items	Funds
1			
2			
3	appropriation under AS 43.23.028(b)(2) to the Council on Domestic Violence and Sexual		
4	Assault may be used to fund operations and grant administration.		
5	Council on Domestic	10,770,700	
6	Violence and Sexual Assault		
7	Batterers Intervention	200,000	
8	Program		
9	Statewide Support	21,754,700	14,524,400
10	Commissioner's Office	909,700	
11	Training Academy	2,270,400	
12	Administrative Services	3,617,800	
13	Alaska Wing Civil Air Patrol	553,500	
14	Alcoholic Beverage Control	1,420,000	
15	Board		
16	Alaska Public Safety	3,081,300	
17	Information Network		
18	Alaska Criminal Records and	5,074,600	
19	Identification		
20	The amount allocated for Alaska Criminal Records and Identification includes up to \$125,000		
21	of the unexpended and unobligated balance on June 30, 2008, of the receipts collected by the		
22	Department of Public Safety from the Alaska automated fingerprint system under AS		
23	44.41.025(b).		
24	Laboratory Services	4,827,400	
25	Statewide Facility Maintenance	608,800	608,800
26	Facility Maintenance	608,800	
27	DPS State Facilities Rent	114,400	114,400
28	DPS State Facilities Rent	114,400	
29	*****	*****	
30	*****	Department of Revenue	*****
31	*****	*****	
32	Taxation and Treasury	77,405,800	15,989,200
33	Tax Division	14,387,100	61,416,600

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Treasury Division	5,918,800		
4	Alaska Retirement	6,713,500		
5	Management Board			
6	Alaska Retirement	43,419,600		
7	Management Board Custody			
8	and Management Fees			
9	Permanent Fund Dividend	6,966,800		
10	Division			
11	Child Support Services	24,393,300	174,700	24,218,600
12	Child Support Services	24,393,300		
13	Division			
14	The amount appropriated by this appropriation includes the unexpended and unobligated			
15	balance on June 30, 2008, of the receipts collected under the state's share of child support			
16	collections for reimbursement of the cost of the Alaska temporary assistance program as			
17	provided under AS 25.27.120.			
18	Administration and Support	2,796,300	764,300	2,032,000
19	Commissioner's Office	987,800		
20	Administrative Services	1,466,500		
21	State Facilities Rent	342,000		
22	Alaska Natural Gas	299,300	299,300	
23	Development Authority			
24	Gas Authority Operations	299,300		
25	Alaska Mental Health Trust	528,000	103,600	424,400
26	Authority			
27	Mental Health Trust	30,000		
28	Operations			
29	Long Term Care Ombudsman	498,000		
30	Office			
31	Alaska Municipal Bond Bank	826,000		826,000
32	Authority			
33	AMBBA Operations	826,000		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Alaska Housing Finance	51,628,500		51,628,500
4	Corporation			
5	AHFC Operations	51,228,500		
6	Anchorage State Office	400,000		
7	Building			
8	Alaska Permanent Fund	102,294,900		102,294,900
9	Corporation			
10	APFC Operations	9,879,900		
11	APFC Custody and Management	92,415,000		
12	Fees			
13	*****		*****	
14	***** Department of Transportation & Public Facilities *****			
15	*****		*****	
16	Administration and Support	39,648,100	12,294,100	27,354,000
17	Commissioner's Office	1,500,300		
18	Contracting and Appeals	305,200		
19	Equal Employment and Civil	928,200		
20	Rights			
21	Internal Review	1,036,700		
22	Transportation Management	838,400		
23	and Security			
24	Statewide Administrative	4,686,600		
25	Services			
26	Statewide Information	3,487,100		
27	Systems			
28	Leased Facilities	2,323,100		
29	Human Resources	2,663,900		
30	Statewide Procurement	1,275,100		
31	Central Region Support	989,000		
32	Services			
33	Northern Region Support	1,337,800		

		Appropriation	General	Other
		Allocations	Funds	Funds
	Services			
4	Southeast Region Support	855,500		
5	Services			
6	Statewide Aviation	2,218,700		
7	International Airport	1,033,300		
8	Systems Office			
9	Program Development	4,047,900		
10	Per AS 19.10.075(b), this allocation includes \$44,300 representing an amount equal to 50% of			
11	the fines collected under AS 28.90.030 during the fiscal year ending June 30, 2007.			
12	Central Region Planning	1,730,500		
13	Northern Region Planning	1,692,900		
14	Southeast Region Planning	533,700		
15	Measurement Standards &	6,114,200		
16	Commercial Vehicle			
17	Enforcement			
18	Design, Engineering and	101,314,800	3,324,300	97,990,500
19	Construction			
20	Statewide Public Facilities	3,672,100		
21	Statewide Design and	10,238,000		
22	Engineering Services			
23	Central Design and	19,482,500		
24	Engineering Services			
25	Northern Design and	15,740,100		
26	Engineering Services			
27	Southeast Design and	9,452,100		
28	Engineering Services			
29	Central Region Construction	18,332,000		
30	and CIP Support			
31	Northern Region	15,312,700		
32	Construction and CIP Support			
33	Southeast Region	7,580,600		

	Appropriation		General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Construction			
4	Knik Arm Bridge/Toll	1,504,700		
5	Authority			
6	State Equipment Fleet	26,146,100		26,146,100
7	State Equipment Fleet	26,146,100		
8	Highways, Aviation and	141,484,300	119,345,500	22,138,800
9	Facilities			
10	Central Region Facilities	7,093,000		
11	Northern Region Facilities	11,305,200		
12	Southeast Region Facilities	1,408,100		
13	Traffic Signal Management	1,633,800		
14	Central Region Highways and	42,648,500		
15	Aviation			
16	Northern Region Highways	59,883,300		
17	and Aviation			
18	Southeast Region Highways	13,645,200		
19	and Aviation			
20	The amounts allocated for highways and aviation shall lapse into the general fund on August			
21	31, 2009.			
22	Whittier Access and Tunnel	3,867,200		
23	The amount allocated for Whittier Access and Tunnel includes the unexpended and			
24	unobligated balance on June 30, 2008, of the Whittier Tunnel toll receipts collected by the			
25	Department of Transportation and Public Facilities under AS 19.05.040(11).			
26	International Airports	70,811,700		70,811,700
27	Anchorage Airport	8,196,000		
28	Administration			
29	Anchorage Airport Facilities	19,797,600		
30	Anchorage Airport Field and	12,993,500		
31	Equipment Maintenance			
32	Anchorage Airport Operations	5,367,900		
33	Anchorage Airport Safety	10,639,100		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Fairbanks Airport	1,722,300		
4	Administration			
5	Fairbanks Airport Facilities	3,099,500		
6	Fairbanks Airport Field and	3,675,400		
7	Equipment Maintenance			
8	Fairbanks Airport Operations	1,296,100		
9	Fairbanks Airport Safety	4,024,300		
10	Marine Highway System	120,567,100	71,785,400	48,781,700
11	Marine Vessel Operations	102,840,000		
12	Marine Engineering	2,963,300		
13	Overhaul	1,698,400		
14	Reservations and Marketing	3,011,900		
15	Marine Shore Operations	6,550,900		
16	Vessel Operations Management	3,502,600		
17		*****	*****	
18		*****	University of Alaska	*****
19		*****	*****	
20	Statewide Programs and	46,247,400	14,605,800	31,641,600
21	 Services			
22	Statewide Programs &	46,247,400		
23	Services			
24	University of Alaska Campuses	781,777,300	287,764,300	494,013,000
25	Budget Reductions/Additions	-1,150,500		
26	- Systemwide			
27	Office of Information	19,379,200		
28	Technology			
29	Anchorage Campus	238,586,600		
30	Kenai Peninsula College	13,063,500		
31	Kodiak College	4,236,600		
32	Matanuska-Susitna College	8,988,200		
33	Prince William Sound	7,035,500		

		Appropriation		General	Other
		Allocations	Items	Funds	Funds
1					
2					
3	Community College				
4	Cooperative Extension	9,258,500			
5	Service				
6	Bristol Bay Campus	3,553,800			
7	Chukchi Campus	1,992,500			
8	Fairbanks Campus	231,749,200			
9	Fairbanks Organized Research	152,540,600			
10	Interior-Aleutians Campus	4,520,500			
11	Kuskokwim Campus	6,432,200			
12	Northwest Campus	2,628,100			
13	College of Rural and	12,831,600			
14	Community Development				
15	Tanana Valley Campus	11,763,300			
16	Juneau Campus	41,484,400			
17	Ketchikan Campus	4,958,100			
18	Sitka Campus	7,925,400			
19		*****	*****		
20		*****	Alaska Court System	*****	
21		*****	*****		
22	Alaska Court System		79,416,200	77,234,600	2,181,600
23	Appellate Courts	5,900,700			
24	Trial Courts	65,097,100			
25	Administration and Support	8,418,400			
26	Commission on Judicial Conduct		329,300	329,300	
27	Commission on Judicial	329,300			
28	Conduct				
29	Judicial Council		854,400	854,400	
30	Judicial Council	854,400			
31		*****	*****		
32		*****	Legislature	*****	
33		*****	*****		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Budget and Audit Committee	18,445,900	18,195,900	250,000
4	Legislative Audit	4,110,700		
5	Legislative Finance	7,708,000		
6	The appropriation to Legislative Finance includes an amount for expenses associated with			
7	hosting the FY2009 meeting of the Western States Legislative Fiscal Officers Association.			
8	Committee Expenses	6,435,000		
9	Legislature State	192,200		
10	Facilities Rent			
11	Legislative Council	31,429,300	30,715,700	713,600
12	Salaries and Allowances	5,091,700		
13	Administrative Services	10,949,400		
14	Session Expenses	8,720,100		
15	Council and Subcommittees	1,244,700		
16	Legal and Research Services	3,475,700		
17	Select Committee on Ethics	195,800		
18	Office of Victims Rights	798,500		
19	Ombudsman	953,400		
20	Legislative Operating Budget	10,262,600	10,262,600	
21	Legislative Operating Budget	10,262,600		
22	(SECTION 2 OF THIS ACT BEGINS ON PAGE 41)			

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	2,396,400
6 1004 Unrestricted General Fund Receipts	64,382,300
7 1005 General Fund/Program Receipts	1,376,200
8 1007 Interagency Receipts	108,098,200
9 1017 Group Health and Life Benefits Fund	16,894,000
10 1023 FICA Administration Fund Account	136,200
11 1029 Public Employees Retirement Trust Fund	6,479,200
12 1033 Federal Surplus Property Revolving Fund	379,100
13 1034 Teachers Retirement Trust Fund	2,525,000
14 1040 Real Estate Surety Fund	100
15 1042 Judicial Retirement System	117,700
16 1045 National Guard Retirement System	203,700
17 1061 Capital Improvement Project Receipts	1,731,300
18 1081 Information Services Fund	35,748,100
19 1108 Statutory Designated Program Receipts	1,695,700
20 1147 Public Building Fund	10,266,600
21 1156 Receipt Supported Services	14,165,500
22 1162 Alaska Oil & Gas Conservation Commission	5,115,000
23 Receipts	
24 1171 PFD Appropriations in lieu of Dividends to	1,568,500
25 Criminals	
26 *** Total Agency Funding ***	\$273,278,800
27 Department of Commerce, Community, and Economic Development	
28 1002 Federal Receipts	54,485,900
29 1003 General Fund Match	784,600
30 1004 Unrestricted General Fund Receipts	4,113,400
31 1005 General Fund/Program Receipts	18,700

1	1007	Interagency Receipts	12,812,000
2	1036	Commercial Fishing Loan Fund	3,643,800
3	1040	Real Estate Surety Fund	275,800
4	1061	Capital Improvement Project Receipts	4,252,300
5	1062	Power Project Fund	1,056,500
6	1070	Fisheries Enhancement Revolving Loan Fund	551,100
7	1074	Bulk Fuel Revolving Loan Fund	53,700
8	1089	Power Cost Equalization & Rural Electric	26,760,000
9		Capitalization Fund	
10	1101	Alaska Aerospace Development Corporation	452,400
11		Revolving Fund	
12	1102	Alaska Industrial Development & Export	4,823,800
13		Authority Receipts	
14	1107	Alaska Energy Authority Corporate Receipts	1,067,100
15	1108	Statutory Designated Program Receipts	1,473,800
16	1141	Regulatory Commission of Alaska Receipts	7,745,200
17	1156	Receipt Supported Services	27,855,800
18	1164	Rural Development Initiative Fund	51,000
19	1170	Small Business Economic Development Revolving	49,300
20		Loan Fund	
21	1175	Business License & Corporation Filing Fees	5,946,500
22		and Taxes	
23	1195	Special Vehicle Registration Receipts	135,800
24	1200	Vehicle Rental Tax Receipts	5,251,700
25		*** Total Agency Funding ***	\$163,660,200
26		Department of Corrections	
27	1002	Federal Receipts	2,990,500
28	1003	General Fund Match	128,400
29	1004	Unrestricted General Fund Receipts	202,002,300
30	1005	General Fund/Program Receipts	85,000
31	1007	Interagency Receipts	12,765,300

1	1061	Capital Improvement Project Receipts	330,200
2	1108	Statutory Designated Program Receipts	2,465,800
3	1156	Receipt Supported Services	5,165,700
4	1171	PFD Appropriations in lieu of Dividends to	9,126,000
5		Criminals	
6		*** Total Agency Funding ***	\$235,059,200
7	Department of Education and Early Development		
8	1002	Federal Receipts	193,428,200
9	1003	General Fund Match	877,000
10	1004	Unrestricted General Fund Receipts	45,658,300
11	1005	General Fund/Program Receipts	73,900
12	1007	Interagency Receipts	7,375,600
13	1014	Donated Commodity/Handling Fee Account	347,700
14	1043	Federal Impact Aid for K-12 Schools	20,791,000
15	1066	Public School Trust Fund	14,300,000
16	1106	Alaska Commission on Postsecondary Education	11,340,300
17		Receipts	
18	1108	Statutory Designated Program Receipts	902,800
19	1145	Art in Public Places Fund	30,000
20	1151	Technical Vocational Education Program	257,700
21		Receipts	
22	1156	Receipt Supported Services	1,327,000
23		*** Total Agency Funding ***	\$296,709,500
24	Department of Environmental Conservation		
25	1002	Federal Receipts	21,035,400
26	1003	General Fund Match	3,897,300
27	1004	Unrestricted General Fund Receipts	12,910,400
28	1005	General Fund/Program Receipts	1,584,800
29	1007	Interagency Receipts	1,438,100
30	1018	Exxon Valdez Oil Spill Trust	90,900
31	1052	Oil/Hazardous Release Prevention & Response	13,653,000

1	Fund	
2	1061 Capital Improvement Project Receipts	3,997,500
3	1075 Alaska Clean Water Fund	65,700
4	1093 Clean Air Protection Fund	4,184,400
5	1108 Statutory Designated Program Receipts	225,300
6	1156 Receipt Supported Services	3,800,000
7	1166 Commercial Passenger Vessel Environmental	5,288,100
8	Compliance Fund	
9	*** Total Agency Funding ***	\$72,170,900
10	Department of Fish and Game	
11	1002 Federal Receipts	61,919,100
12	1003 General Fund Match	407,000
13	1004 Unrestricted General Fund Receipts	44,609,100
14	1005 General Fund/Program Receipts	17,900
15	1007 Interagency Receipts	12,441,100
16	1018 Exxon Valdez Oil Spill Trust	4,549,300
17	1024 Fish and Game Fund	24,461,600
18	1036 Commercial Fishing Loan Fund	1,326,300
19	1055 Inter-Agency/Oil & Hazardous Waste	66,500
20	1061 Capital Improvement Project Receipts	4,728,600
21	1108 Statutory Designated Program Receipts	7,623,500
22	1109 Test Fisheries Receipts	2,514,300
23	1156 Receipt Supported Services	505,100
24	1194 Fish and Game Nondedicated Receipts	1,673,800
25	1199 Alaska Sport Fishing Enterprise Account	500,000
26	1201 Commercial Fisheries Entry Commission Receipts	5,109,900
27	*** Total Agency Funding ***	\$172,453,100
28	Office of the Governor	
29	1002 Federal Receipts	179,000
30	1004 Unrestricted General Fund Receipts	18,084,900
31	1005 General Fund/Program Receipts	4,900

1	1061	Capital Improvement Project Receipts	596,100
2	1108	Statutory Designated Program Receipts	95,000
3	1175	Business License & Corporation Filing Fees	644,900
4		and Taxes	
5		*** Total Agency Funding ***	\$19,604,800
6	Department of Health and Social Services		
7	1002	Federal Receipts	1,014,343,000
8	1003	General Fund Match	455,414,600
9	1004	Unrestricted General Fund Receipts	320,704,000
10	1007	Interagency Receipts	75,344,600
11	1013	Alcoholism and Drug Abuse Revolving Loan Fund	2,000
12	1050	Permanent Fund Dividend Fund	13,584,700
13	1061	Capital Improvement Project Receipts	4,097,500
14	1098	Children's Trust Earnings	399,700
15	1099	Children's Trust Principal	150,000
16	1108	Statutory Designated Program Receipts	18,436,300
17	1156	Receipt Supported Services	23,381,600
18	1168	Tobacco Use Education and Cessation Fund	8,524,500
19		*** Total Agency Funding ***	\$1,934,382,500
20	Department of Labor and Workforce Development		
21	1002	Federal Receipts	85,769,600
22	1003	General Fund Match	6,127,200
23	1004	Unrestricted General Fund Receipts	19,130,800
24	1005	General Fund/Program Receipts	84,600
25	1007	Interagency Receipts	23,048,500
26	1031	Second Injury Fund Reserve Account	3,967,600
27	1032	Fishermen's Fund	1,622,500
28	1049	Training and Building Fund	1,012,800
29	1054	State Training & Employment Program	8,325,100
30	1061	Capital Improvement Project Receipts	308,600
31	1108	Statutory Designated Program Receipts	381,000

1	1117 Vocational Rehabilitation Small Business	325,000
2	Enterprise Fund	
3	1151 Technical Vocational Education Program	2,958,100
4	Receipts	
5	1156 Receipt Supported Services	2,536,600
6	1157 Workers Safety and Compensation	7,943,500
7	Administration Account	
8	1172 Building Safety Account	2,185,400
9	1203 Workers Compensation Benefits Guarantee Fund	250,000
10	*** Total Agency Funding ***	\$166,016,900
11	Department of Law	
12	1002 Federal Receipts	3,054,600
13	1003 General Fund Match	169,300
14	1004 Unrestricted General Fund Receipts	42,335,400
15	1005 General Fund/Program Receipts	614,500
16	1007 Interagency Receipts	19,049,200
17	1055 Inter-Agency/Oil & Hazardous Waste	532,300
18	1105 Permanent Fund Corporation Receipts	1,477,000
19	1108 Statutory Designated Program Receipts	1,110,800
20	1141 Regulatory Commission of Alaska Receipts	1,462,100
21	*** Total Agency Funding ***	\$72,805,200
22	Department of Military and Veterans Affairs	
23	1002 Federal Receipts	21,176,500
24	1003 General Fund Match	2,600,400
25	1004 Unrestricted General Fund Receipts	8,400,200
26	1005 General Fund/Program Receipts	28,400
27	1007 Interagency Receipts	11,111,500
28	1061 Capital Improvement Project Receipts	1190,000
29	1108 Statutory Designated Program Receipts	435,000
30	*** Total Agency Funding ***	\$44,942,000
31	Department of Natural Resources	

1	1002 Federal Receipts	13,627,600
2	1003 General Fund Match	2,103,100
3	1004 Unrestricted General Fund Receipts	62,589,000
4	1005 General Fund/Program Receipts	3,525,700
5	1007 Interagency Receipts	7,384,100
6	1018 Exxon Valdez Oil Spill Trust	414,500
7	1021 Agricultural Revolving Loan Fund	2,540,000
8	1055 Inter-Agency/Oil & Hazardous Waste	59,700
9	1061 Capital Improvement Project Receipts	5,165,800
10	1105 Permanent Fund Corporation Receipts	5,046,900
11	1108 Statutory Designated Program Receipts	9,424,600
12	1153 State Land Disposal Income Fund	5,935,000
13	1154 Shore Fisheries Development Lease Program	357,600
14	1155 Timber Sale Receipts	809,100
15	1156 Receipt Supported Services	6,839,900
16	1200 Vehicle Rental Tax Receipts	767,500
17	*** Total Agency Funding ***	\$126,590,400
18	Department of Public Safety	
19	1002 Federal Receipts	11,575,900
20	1003 General Fund Match	601,000
21	1004 Unrestricted General Fund Receipts	107,214,300
22	1005 General Fund/Program Receipts	1,281,800
23	1007 Interagency Receipts	7,337,500
24	1055 Inter-Agency/Oil & Hazardous Waste	51,700
25	1061 Capital Improvement Project Receipts	3,866,800
26	1108 Statutory Designated Program Receipts	2,076,700
27	1152 Alaska Fire Standards Council Receipts	253,900
28	1156 Receipt Supported Services	3,892,100
29	1171 PFD Appropriations in lieu of Dividends to	5,569,000
30	Criminals	
31	*** Total Agency Funding ***	\$143,720,700

1	Department of Revenue	
2	1002 Federal Receipts	33,979,700
3	1004 Unrestricted General Fund Receipts	16,571,900
4	1005 General Fund/Program Receipts	759,200
5	1007 Interagency Receipts	5,283,700
6	1016 CSSD Federal Incentive Payments	1,800,000
7	1017 Group Health and Life Benefits Fund	199,000
8	1027 International Airports Revenue Fund	82,300
9	1029 Public Employees Retirement Trust Fund	32,501,100
10	1034 Teachers Retirement Trust Fund	16,370,200
11	1042 Judicial Retirement System	428,500
12	1045 National Guard Retirement System	251,900
13	1046 Education Loan Fund	96,300
14	1050 Permanent Fund Dividend Fund	6,946,800
15	1061 Capital Improvement Project Receipts	2,042,400
16	1066 Public School Trust Fund	233,200
17	1098 Children's Trust Earnings	40,700
18	1103 Alaska Housing Finance Corporation Receipts	30,205,800
19	1104 Alaska Municipal Bond Bank Receipts	826,000
20	1105 Permanent Fund Corporation Receipts	102,372,600
21	1108 Statutory Designated Program Receipts	250,000
22	1133 CSSD Administrative Cost Reimbursement	1,260,600
23	1142 Retiree Health Insurance Fund/Major Medical	111,900
24	1143 Retiree Health Insurance Fund/Long-Term Care	99,000
25	1156 Receipt Supported Services	7,226,000
26	1169 Power Cost Equalization Endowment Fund	209,300
27	1192 Mine Reclamation Trust Fund	24,000
28	*** Total Agency Funding ***	\$260,172,100
29	Department of Transportation & Public Facilities	
30	1002 Federal Receipts	3,916,300
31	1004 Unrestricted General Fund Receipts	206,003,000

1	1005	General Fund/Program Receipts	46,300
2	1007	Interagency Receipts	3,753,700
3	1026	Highways Equipment Working Capital Fund	26,895,600
4	1027	International Airports Revenue Fund	71,460,600
5	1061	Capital Improvement Project Receipts	128,517,100
6	1076	Alaska Marine Highway System Fund	49,302,200
7	1108	Statutory Designated Program Receipts	1,276,000
8	1156	Receipt Supported Services	8,101,300
9	1200	Vehicle Rental Tax Receipts	700,000
10	*** Total Agency Funding ***		\$499,972,100
11	University of Alaska		
12	1002	Federal Receipts	156,076,900
13	1003	General Fund Match	4,777,300
14	1004	Unrestricted General Fund Receipts	297,592,800
15	1007	Interagency Receipts	18,670,000
16	1048	University of Alaska Restricted Receipts	289,362,200
17	1061	Capital Improvement Project Receipts	4,881,600
18	1151	Technical Vocational Education Program	3,542,900
19		Receipts	
20	1174	University of Alaska Intra-Agency Transfers	53,121,000
21	*** Total Agency Funding ***		\$828,024,700
22	Alaska Court System		
23	1002	Federal Receipts	1,466,000
24	1004	Unrestricted General Fund Receipts	78,418,300
25	1007	Interagency Receipts	421,000
26	1108	Statutory Designated Program Receipts	85,000
27	1133	CSSD Administrative Cost Reimbursement	209,600
28	*** Total Agency Funding ***		\$80,599,900
29	Legislature		
30	1004	Unrestricted General Fund Receipts	59,097,200
31	1005	General Fund/Program Receipts	77,000

1	1007 Interagency Receipts	375,000
2	1171 PFD Appropriations in lieu of Dividends to	588,600
3	Criminals	
4	*** Total Agency Funding ***	\$60,137,800
5	***** Total Budget *****	\$5,450,300,800

6 (SECTION 3 OF THIS ACT BEGINS ON PAGE 51)

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	477,887,200
6	1004 Unrestricted General Fund Receipts	1,612,817,600
7	1005 General Fund/Program Receipts	9,578,900
8	1200 Vehicle Rental Tax Receipts	6,719,200
9	***Total General Funds***	\$2,107,002,900
10	Federal Funds	
11	1002 Federal Receipts	1,681,420,600
12	1013 Alcoholism and Drug Abuse Revolving Loan Fund	2,000
13	1014 Denated Commodity/Handling Fee Account	347,700
14	1016 CSSD Federal Incentive Payments	1,800,000
15	1033 Federal Surplus Property Revolving Fund	379,100
16	1043 Federal Impact Aid for K-12 Schools	20,791,000
17	1133 CSSD Administrative Cost Reimbursement	1,470,200
18	***Total Federal Funds***	\$1,706,210,600
19	Other Non-Duplicated Funds	
20	1017 Group Health and Life Benefits Fund	17,093,000
21	1018 Exxon Valdez Oil Spill Trust	5,055,000
22	1021 Agricultural Revolving Loan Fund	2,540,000
23	1023 FICA Administration Fund Account	136,200
24	1024 Fish and Game Fund	24,461,600
25	1027 International Airports Revenue Fund	71,542,900
26	1029 Public Employees Retirement Trust Fund	38,980,300
27	1031 Second Injury Fund Reserve Account	3,967,600
28	1032 Fishermen's Fund	1,622,500
29	1034 Teachers Retirement Trust Fund	18,895,200
30	1036 Commercial Fishing Loan Fund	4,970,100
31	1040 Real Estate Surety Fund	275,900

1	1042	Judicial Retirement System	546,200
2	1045	National Guard Retirement System	455,600
3	1046	Education Loan Fund	96,300
4	1048	University of Alaska Restricted Receipts	289,362,200
5	1049	Training and Building Fund	1,012,800
6	1054	State Training & Employment Program	8,325,100
7	1062	Power Project Fund	1,056,500
8	1066	Public School Trust Fund	14,533,200
9	1070	Fisheries Enhancement Revolving Loan Fund	551,100
10	1074	Bulk Fuel Revolving Loan Fund	53,700
11	1076	Alaska Marine Highway System Fund	49,302,200
12	1093	Clean Air Protection Fund	4,184,400
13	1098	Children's Trust Earnings	440,400
14	1099	Children's Trust Principal	150,000
15	1101	Alaska Aerospace Development Corporation	452,400
16		Revolving Fund	
17	1102	Alaska Industrial Development & Export	4,823,800
18		Authority Receipts	
19	1103	Alaska Housing Finance Corporation Receipts	30,205,800
20	1104	Alaska Municipal Bond Bank Receipts	826,000
21	1105	Permanent Fund Corporation Receipts	108,896,500
22	1106	Alaska Commission on Postsecondary Education	11,340,300
23		Receipts	
24	1107	Alaska Energy Authority Corporate Receipts	1,067,100
25	1108	Statutory Designated Program Receipts	47,957,300
26	1109	Test Fisheries Receipts	2,514,300
27	1117	Vocational Rehabilitation Small Business	325,000
28		Enterprise Fund	
29	1141	Regulatory Commission of Alaska Receipts	9,207,300
30	1142	Retiree Health Insurance Fund/Major Medical	111,900
31	1143	Retiree Health Insurance Fund/Long-Term Care	99,000

1	1151	Technical Vocational Education Program	6,798,700
2		Receipts	
3	1152	Alaska Fire Standards Council Receipts	253,900
4	1153	State Land Disposal Income Fund	5,935,000
5	1154	Shore Fisheries Development Lease Program	357,600
6	1155	Timber Sale Receipts	809,100
7	1156	Receipt Supported Services	104,796,600
8	1157	Workers Safety and Compensation	7,943,500
9		Administration Account	
10	1162	Alaska Oil & Gas Conservation Commission	5,115,000
11		Receipts	
12	1164	Rural Development Initiative Fund	51,000
13	1166	Commercial Passenger Vessel Environmental	5,288,100
14		Compliance Fund	
15	1168	Tobacco Use Education and Cessation Fund	8,524,500
16	1169	Power Cost Equalization Endowment Fund	209,300
17	1170	Small Business Economic Development Revolving	49,300
18		Loan Fund	
19	1172	Building Safety Account	2,185,400
20	1175	Business License & Corporation Filing Fees	6,591,400
21		and Taxes	
22	1192	Mine Reclamation Trust Fund	24,000
23	1195	Special Vehicle Registration Receipts	135,800
24	1199	Alaska Sport Fishing Enterprise Account	500,000
25	1201	Commercial Fisheries Entry Commission Receipts	5,109,900
26	1203	Workers Compensation Benefits Guarantee Fund	250,000
27	***Total Other Non-Duplicated Funds***		\$938,364,800
28	Duplicated Funds		
29	1007	Interagency Receipts	326,709,100
30	1026	Highways Equipment Working Capital Fund	26,895,600
31	1050	Permanent Fund Dividend Fund	20,531,500

1	1052 Oil/Hazardous Release Prevention & Response	13,653,000
2	Fund	
3	1055 Inter-Agency/Oil & Hazardous Waste	710,200
4	1061 Capital Improvement Project Receipts	165,705,800
5	1075 Alaska Clean Water Fund	65,700
6	1081 Information Services Fund	35,748,100
7	1089 Power Cost Equalization & Rural Electric	26,760,000
8	Capitalization Fund	
9	1145 Art in Public Places Fund	30,000
10	1147 Public Building Fund	10,266,600
11	1171 PFD Appropriations in lieu of Dividends to	16,852,100
12	Criminals	
13	1174 University of Alaska Intra-Agency Transfers	53,121,000
14	1194 Fish and Game Nondedicated Receipts	1,673,800
15	***Total Duplicated Funds***	\$698,722,500
16	(SECTION 4 OF THIS ACT BEGINS ON PAGE 55)	

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, 2009.

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, 2009.

7 * Sec. 6. PERSONAL SERVICES TRANSFERS. It is the intent of the legislature that
8 agencies restrict transfers to and from the personal services line. It is the intent of the
9 legislature that the office of management and budget submit a report to the legislature on
10 January 15, 2009, that describes and justifies all transfers to and from the personal services
11 line by executive branch agencies during the first half of fiscal year 2009. It is the intent of
12 the legislature that the office of management and budget submit a report to the legislature on
13 August 1, 2009, that describes and justifies all transfers to and from the personal services line
14 by executive branch agencies during the second half of fiscal year 2009.

15 * Sec. 7. ALASKA AEROSPACE DEVELOPMENT CORPORATION. Federal receipts
16 and other corporate receipts of the Alaska Aerospace Development Corporation received
17 during the fiscal year ending June 30, 2009, that are in excess of the amount appropriated in
18 sec. 1 of this Act are appropriated to the Alaska Aerospace Development Corporation for
19 operations during the fiscal year ending June 30, 2009.

20 * Sec. 8. ALASKA PERMANENT FUND CORPORATION. (a) The amount authorized
21 under AS 37.13.145(b) for transfer by the Alaska Permanent Fund Corporation on June 30,
22 2009, is appropriated from the earnings reserve account (AS 37.13.145(a)) to the dividend
23 fund (AS 43.23.045(a)) for the payment of permanent fund dividends and administrative and
24 associated costs for the fiscal year ending June 30, 2009.

25 (b) After money is transferred to the dividend fund under (a) of this section, the
26 amount calculated under AS 37.13.145(c) to offset the effect of inflation on the principal of
27 the Alaska permanent fund during fiscal year 2009 is appropriated from the earnings reserve
28 account (AS 37.13.145(a)) to the principal of the Alaska permanent fund.

29 (c) The amount required to be deposited under AS 37.13.010(a)(1) and (2) during
30 fiscal year 2009 is appropriated to the principal of the Alaska permanent fund in satisfaction
31 of that requirement.

1 (d) The income earned during fiscal year 2009 on revenue from the sources set out in
2 AS 37.13.145(d) is appropriated to the Alaska capital income fund (AS 37.05.565).

3 * Sec. 9. DEPARTMENT OF ADMINISTRATION. The amount necessary to fund the uses
4 of the state insurance catastrophe reserve account described in AS 37.05.289(a) is
5 appropriated from that account to the Department of Administration for those uses during the
6 fiscal year ending June 30, 2009.

7 * Sec. 10. DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC
8 DEVELOPMENT. (a) The unexpended and unobligated balance of federal money
9 apportioned to the state as national forest income that the Department of Commerce,
10 Community, and Economic Development determines would lapse into the unrestricted portion
11 of the general fund June 30, 2009, under AS 41.15.180(j) is appropriated as follows:

12 (1) up to \$170,000 is appropriated to the Department of Transportation and
13 Public Facilities, commissioner's office, for road maintenance in the unorganized borough, for
14 the fiscal year ending June 30, 2009;

15 (2) the balance remaining after the appropriation made by (1) of this
16 subsection is appropriated to home rule cities, first class cities, second class cities, a
17 municipality organized under federal law, or regional educational attendance areas entitled to
18 payment from the national forest income for the fiscal year ending June 30, 2009, to be
19 allocated among the recipients of national forest income according to their pro rata share of
20 the total amount distributed under AS 41.15.180(c) and (d) for the fiscal year ending June 30,
21 2009.

22 (b) An amount equal to the salmon enhancement tax collected under AS 43.76.010 -
23 43.76.028 in calendar year 2007 and deposited in the general fund under AS 43.76.025(c) is
24 appropriated from the general fund to the Department of Commerce, Community, and
25 Economic Development for payment in fiscal year 2009 to qualified regional associations
26 operating within a region designated under AS 16.10.375.

27 (c) An amount equal to the seafood development tax collected under AS 43.76.350 -
28 43.76.399 in calendar year 2007 and deposited in the general fund under AS 43.76.380(d) is
29 appropriated from the general fund to the Department of Commerce, Community, and
30 Economic Development for payment in fiscal year 2009 to qualified regional seafood
31 development associations.

1 * **Sec. 11. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT.** The sum
2 of \$4,800,000 is appropriated from the general fund to the Department of Education and Early
3 Development for the school incentive program for the fiscal year ending June 30, 2009.

4 * **Sec. 12. RETIREMENT SYSTEM FUNDING.** (a) The sum of \$206,300,000 is
5 appropriated from the general fund to the Department of Administration for deposit in the
6 defined benefit plan account in the teachers' retirement system as partial payment of the
7 participating teachers' retirement system employers' contribution for the fiscal year ending
8 June 30, 2009, under AS 14.25.070(a).

9 (b) The appropriation made by (a) of this section is intended by the legislature to be
10 the amount required to reduce the employer contribution rate of teachers' retirement system
11 employers to 12.56 percent for the fiscal year ending June 30, 2009.

12 (c) The sum of \$241,600,000 is appropriated from the general fund to the Department
13 of Administration for deposit in the defined benefit plan account in the public employees'
14 retirement system as partial payment of the participating public employees' retirement system
15 employers' contribution for the fiscal year ending June 30, 2009, under AS 39.35.270.

16 (d) The appropriation made by (c) of this section is intended by the legislature to be
17 the amount required to set the effective employer contribution rate of all public employees'
18 retirement system employers for the fiscal year ending June 30, 2009, at the rate of 22
19 percent.

20 (e) The sum of \$1,722,500 is appropriated from the general fund to the Department of
21 Military and Veterans' Affairs for deposit in the defined benefit plan account in the Alaska
22 National Guard and Alaska Naval Militia retirement system for the purpose of funding and
23 administering the Alaska National Guard and Alaska Naval Militia retirement system under
24 AS 26.05.226.

25 * **Sec. 13. DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT.** (a) If the
26 amount necessary to pay benefit payments from the fishermen's fund (AS 23.35.060) exceeds
27 the amounts appropriated in sec. 1 of this Act, the additional amount necessary to pay those
28 benefit payments is appropriated from that fund to the Department of Labor and Workforce
29 Development, fishermen's fund allocation, for the fiscal year ending June 30, 2009.

30 (b) If the amount necessary to pay benefit payments from the second injury fund
31 (AS 23.30.040(a)) exceeds the amount appropriated in sec. 1 of this Act, the amount

1 necessary to make those benefit payments is appropriated from the second injury fund to the
2 Department of Labor and Workforce Development, second injury fund allocation, for the
3 fiscal year ending June 30, 2009.

4 (c) If the amount necessary to pay benefit payments from the workers' compensation
5 benefits guaranty fund (AS 23.30.082) exceeds the amount appropriated in sec. 1 of this Act,
6 the additional amount necessary to pay those benefit payments is appropriated from that fund
7 to the Department of Labor and Workforce Development, workers' compensation benefits
8 guaranty fund allocation, for the fiscal year ending June 30, 2009.

9 * **Sec. 14. DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS.** Five percent of
10 the market value of the average ending balances in the Alaska veterans' memorial endowment
11 fund (AS 37.14.700) for the fiscal years ending June 30, 2006, June 30, 2007, and June 30,
12 2008, is appropriated from the Alaska veterans' memorial endowment fund to the Department
13 of Military and Veterans' Affairs for the purposes specified in AS 37.14.730(b) for the fiscal
14 year ending June 30, 2009.

15 * **Sec. 15. DEPARTMENT OF NATURAL RESOURCES.** Federal receipts received for fire
16 suppression during the fiscal year ending June 30, 2009, are appropriated to the Department
17 of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2009.

18 * **Sec. 16. DEPARTMENT OF PUBLIC SAFETY.** (a) The sum of \$1,393,200 is
19 appropriated from the general fund to the Department of Public Safety, division of Alaska
20 state troopers, narcotics task force, for drug and alcohol enforcement efforts during the fiscal
21 year ending June 30, 2009.

22 (b) If the amount of federal receipts received by the Department of Public Safety from
23 the justice assistance grant program during the fiscal year ending June 30, 2009, for drug and
24 alcohol enforcement efforts exceeds \$1,289,100, the appropriation in (a) of this section is
25 reduced by the amount by which the federal receipts exceed \$1,289,100.

26 * **Sec. 17. DEPARTMENT OF REVENUE.** (a) The minimum amount of program receipts
27 received during the fiscal year ending June 30, 2009, by the child support services agency that
28 is required to secure the federal funding appropriated from those program receipts for the
29 child support enforcement program in sec. 1 of this Act is appropriated to the Department of
30 Revenue, child support services agency, for the fiscal year ending June 30, 2009.

31 (b) Program receipts collected as cost recovery for paternity testing administered by

1 the child support services agency, as required under AS 25.27.040 and 25.27.165, and as
 2 collected under AS 25.20.050(f), are appropriated to the Department of Revenue, child
 3 support services agency, for the fiscal year ending June 30, 2009.

4 * Sec. 18. OFFICE OF THE GOVERNOR. (a) If the 2009 fiscal year-to-date average price
 5 of Alaska North Slope crude oil exceeds \$35 a barrel on August 1, 2008, the amount of
 6 money corresponding to the 2009 fiscal year-to-date average price, rounded to the nearest
 7 dollar, as set out in the table in (b) of this section is appropriated from the general fund to the
 8 Office of the Governor for distribution to state agencies to offset increased fuel and utility
 9 costs.

10 (b) The following table shall be used in determining the amount of appropriations in
 11 (a) of this section:

2009 FISCAL YEAR-TO-DATE AVERAGE PRICE OF ALASKA NORTH SLOPE CRUDE OIL	AMOUNT
\$99 or more	\$44,000,000
98	43,500,000
97	43,000,000
96	42,500,000
95	42,000,000
94	41,500,000
93	41,000,000
92	40,500,000
91	40,000,000
90	39,500,000
89	39,000,000
88	38,500,000
87	38,000,000
86	37,500,000
85	37,000,000

1	84	36,500,000
2	83	36,000,000
3	82	35,500,000
4	81	35,000,000
5	80	34,500,000
6	79	34,000,000
7	78	33,500,000
8	77	33,000,000
9	76	32,500,000
10	75	32,000,000
11	74	31,500,000
12	73	31,000,000
13	72	30,500,000
14	71	30,000,000
15	70	29,500,000
16	69	29,000,000
17	68	28,500,000
18	67	28,000,000
19	66	27,500,000
20	65	27,000,000
21	64	26,500,000
22	63	26,000,000
23	62	25,500,000
24	61	25,000,000
25	60	24,500,000
26	59	24,000,000
27	58	23,000,000
28	57	22,000,000
29	56	21,000,000
30	55	20,000,000
31	54	19,000,000

1	53	18,000,000
2	52	17,000,000
3	51	16,000,000
4	50	15,000,000
5	49	14,000,000
6	48	13,000,000
7	47	12,000,000
8	46	11,000,000
9	45	10,000,000
10	44	9,000,000
11	43	8,000,000
12	42	7,000,000
13	41	6,000,000
14	40	5,000,000
15	39	4,000,000
16	38	3,000,000
17	37	2,000,000
18	36	1,000,000
19	35	0

20 (c) It is the intent of the legislature that a payment under (a) of this section be used to
 21 offset the effects of higher fuel and utility costs for the fiscal year ending June 30, 2009.

22 (d) The governor shall allocate amounts appropriated in (a) of this section as follows:

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

25 (2) to the University of Alaska, 10 percent of the total plus or minus three
 26 percent;

27 (3) to the Department of Health and Social Services and the Department of
 28 Corrections, not more than five percent of the total amount appropriated to each department;

29 (4) to any other state agency, not more than four percent of the total amount
 30 appropriated;

31 (5) the aggregate amount allocated may not exceed 100 percent of the

1 appropriation.

2 (e) The sum of \$3,670,800 is appropriated from the general fund to the Office of the
3 Governor, division of elections, for costs associated with conducting the statewide primary
4 and general elections for the fiscal year ending June 30, 2009.

5 * Sec. 19. UNIVERSITY OF ALASKA. The amount of the fees collected under
6 AS 28.10.421(d) during the fiscal year ending June 30, 2008, for the issuance of special
7 request university plates, less the cost of issuing the license plates, is appropriated from the
8 general fund to the University of Alaska for support of alumni programs at the campuses of
9 the university for the fiscal year ending June 30, 2009.

10 * Sec. 20. FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts,
11 designated program receipts as defined in AS 37.05.146(b)(3), information services fund
12 program receipts as described in AS 44.21.045(b), Exxon Valdez oil spill trust receipts
13 described in AS 37.05.146(b)(4), receipts of the Alaska Housing Finance Corporation, and
14 receipts of the Alaska Fire Standards Council described in AS 37.05.146(b)(5) that are
15 received during the fiscal year ending June 30, 2009, and that exceed the amounts
16 appropriated by this Act, are appropriated conditioned on compliance with the program
17 review provisions of AS 37.07.080(h).

18 (b) If federal or other program receipts as defined in AS 37.05.146 and in
19 AS 44.21.045(b) that are received during the fiscal year ending June 30, 2009, exceed the
20 amounts appropriated by this Act, the appropriations from state funds for the affected
21 program shall be reduced by the excess if the reductions are consistent with applicable federal
22 statutes.

23 (c) If federal or other program receipts as defined in AS 37.05.146 and in
24 AS 44.21.045(b) that are received during the fiscal year ending June 30, 2009, fall short of the
25 amounts appropriated by this Act, the affected appropriation is reduced by the amount of the
26 shortfall in receipts.

27 * Sec. 21. FUND TRANSFERS. (a) The following amounts are appropriated to the debt
28 retirement fund (AS 37.15.011):

29 (1) the sum of \$13,055,200 from federal receipts for state-guaranteed
30 transportation revenue anticipation bonds, series 2003B;

31 (2) the sum of \$107,043,300 from the general fund;

1 (3) the sum of \$171,900 from the investment loss trust fund (AS 37.14.300);

2 (4) the sum of \$458,700 from investment earnings of the Alaska municipal
3 bond bank authority reserve fund (AS 44.85.270), if the earnings are in excess of the
4 operating expenses of the fund.

5 (b) The sum of \$25,421,360 is appropriated to the power cost equalization and rural
6 electric capitalization fund (AS 42.45.100) from the following sources:

7 Power cost equalization endowment fund (AS 42.45.070) \$16,067,560

8 General fund 9,353,800

9 (c) The sum equal to 25 percent of the amount received by the National Petroleum
10 Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6506a(l) or former 42
11 U.S.C. 6508 on or before August 31, 2008, that is appropriated to the Department of
12 Commerce, Community, and Economic Development for capital project grants for the fiscal
13 year ending June 30, 2009, under the National Petroleum Reserve - Alaska impact grant
14 program, that is not subject to a signed grant agreement between the Department of
15 Commerce, Community, and Economic Development and an impacted municipality on or
16 before August 31, 2008, and that lapses into the National Petroleum Reserve - Alaska special
17 revenue fund is appropriated to the principal of the Alaska permanent fund from the National
18 Petroleum Reserve - Alaska special revenue fund.

19 (d) The sum equal to 0.5 percent of the amount received by the National Petroleum
20 Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6506a(l) or former 42
21 U.S.C. 6508 on or before August 31, 2008, that is appropriated to the Department of
22 Commerce, Community, and Economic Development for capital project grants for the fiscal
23 year ending June 30, 2009, under the National Petroleum Reserve - Alaska impact grant
24 program, that is not subject to a signed grant agreement between the Department of
25 Commerce, Community, and Economic Development and an impacted municipality on or
26 before August 31, 2008, and that lapses into the National Petroleum Reserve - Alaska special
27 revenue fund is appropriated to the public school trust fund (AS 37.14.110) from the National
28 Petroleum Reserve - Alaska special revenue fund.

29 (e) The amount received by the National Petroleum Reserve - Alaska special revenue
30 fund (AS 37.05.530) under 42 U.S.C. 6506a(l) or former 42 U.S.C. 6508 on or before
31 August 31, 2008, that is appropriated to the Department of Commerce, Community, and

1 Economic Development for capital project grants for the fiscal year ending June 30, 2009,
2 under the National Petroleum Reserve - Alaska impact grant program, that is not subject to a
3 signed grant agreement between the Department of Commerce, Community, and Economic
4 Development and an impacted municipality on or before August 31, 2008, that lapses into the
5 National Petroleum Reserve - Alaska special revenue fund, and that is not appropriated under
6 (c) and (d) of this section is appropriated to the power cost equalization and rural electric
7 capitalization fund (AS 42.45.100) from the National Petroleum Reserve - Alaska special
8 revenue fund.

9 (f) The following revenue collected during the fiscal year ending June 30, 2009, is
10 appropriated to the fish and game fund (AS 16.05.100):

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

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

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

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

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

21 (g) The following amounts are appropriated to the oil and hazardous substance release
22 prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release
23 prevention and response fund (AS 46.08.010) from the sources indicated:

24 (1) the balance of the oil and hazardous substance release prevention
25 mitigation account (AS 46.08.020(b)) in the general fund on July 1, 2008, not otherwise
26 appropriated by this Act;

27 (2) the amount collected for the fiscal year ending June 30, 2008, estimated to
28 be \$9,900,000, from the surcharge levied under AS 43.55.300.

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

1 (1) the balance of the oil and hazardous substance release response mitigation
2 account (AS 46.08.025(b)) in the general fund on July 1, 2008, not otherwise appropriated by
3 this Act;

4 (2) the amount collected for the fiscal year ending June 30, 2008, from the
5 surcharge levied under AS 43.55.201.

6 (i) The portions of the fees listed in this subsection that are collected during the fiscal
7 year ending June 30, 2009, are appropriated to the Alaska children's trust (AS 37.14.200):

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

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

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

14 (j) The loan origination fees collected by the Alaska Commission on Postsecondary
15 Education for the fiscal year ending June 30, 2009, are appropriated to the origination fee
16 account (AS 14.43.120(u)) within the education loan fund (AS 14.42.210) of the Alaska
17 Student Loan Corporation for the purposes specified in AS 14.43.120(u).

18 (k) The amount of federal receipts received for disaster relief during the fiscal year
19 ending June 30, 2009, is appropriated to the disaster relief fund (AS 26.23.300).

20 (l) The sum of \$7,000,000 is appropriated from the general fund to the disaster relief
21 fund (AS 26.23.300).

22 (m) The balance of the mine reclamation trust fund income account (AS 37.14.800(a))
23 on June 30, 2008, and money deposited in that account during the fiscal year ending June 30,
24 2009, is appropriated to the mine reclamation trust fund operating account (AS 37.14.800(a))
25 for the fiscal year ending June 30, 2009. The amount necessary for the purposes specified in
26 AS 37.14.820 for the fiscal year ending June 30, 2009, is appropriated from the mine
27 reclamation trust fund operating account (AS 37.14.800(a)) to the Department of Natural
28 Resources.

29 (n) The sum of \$12,240,000 is appropriated to the Alaska clean water fund
30 (AS 46.03.032) for the Alaska clean water loan program from the following sources:

31 Alaska clean water fund revenue bond receipts \$ 2,040,000

1 Federal receipts 10,200,000

2 (o) The sum of \$9,960,000 is appropriated to the Alaska drinking water fund
3 (AS 46.03.036) for the Alaska drinking water loan program from the following sources:

4 Alaska drinking water fund revenue bond receipts \$1,110,000

5 Federal receipts 8,300,000

6 General fund match 550,000

7 (p) The amount of municipal bond bank receipts determined under AS 44.85.270(h)
8 to be available for transfer by the Alaska Municipal Bond Bank Authority for the fiscal year
9 ending June 30, 2008, is appropriated to the Alaska municipal bond bank authority reserve
10 fund (AS 44.85.270(a)).

11 (q) The sum of \$7,200,000 is appropriated from the Alaska sport fishing enterprise
12 account (AS 16.05.130(e)) in the fish and game fund (AS 16.05.100) to the Alaska fish and
13 game revenue bond redemption fund (AS 37.15.770).

14 (r) An amount equal to the federal receipts deposited in the Alaska sport fishing
15 enterprise account (AS 16.05.130(e)), not to exceed \$1,520,400, as reimbursement for the
16 federally allowable portion of the principal balance payment on the sport fishing revenue
17 bonds series 2006 is appropriated from the Alaska sport fishing enterprise account
18 (AS 16.05.130(e)) to the fish and game fund (AS 16.05.100).

19 (s) An amount calculated under AS 43.55.028(c), not to exceed \$175,000,000, is
20 appropriated from the general fund to the oil and gas tax credit fund (AS 43.55.028(a)).

21 (t) The sum of \$1,004,100,000 is appropriated from the general fund to the public
22 education fund (AS 14.17.300).

23 (u) An amount equal to 20 percent of the revenue collected under AS 43.55.011(g),
24 not to exceed \$50,000,000, is appropriated from the general fund to the community revenue
25 sharing fund.

26 * **Sec. 22. BOND CLAIMS.** The amounts received in settlement of claims against bonds
27 guaranteeing the reclamation of state, federal, or private land, including the plugging or repair
28 of wells, are appropriated to the agency secured by the bond for the fiscal year ending
29 June 30, 2009, for the purpose of reclaiming the state, federal, or private land affected by a
30 use covered by the bond.

31 * **Sec. 23. RETAINED FEES AND BANKCARD SERVICE FEES.** (a) The amount

1 retained to compensate the collector or trustee of fees, licenses, taxes, or other money
2 belonging to the state during the fiscal year ending June 30, 2009, is appropriated for that
3 purpose to the agency authorized by law to generate the revenue. In this subsection, "collector
4 or trustee" includes vendors retained by the state on a contingency fee basis.

5 (b) The amount retained to compensate the provider of bankcard or credit card
6 services to the state during the fiscal year ending June 30, 2009, is appropriated for that
7 purpose to each agency of the executive, legislative, and judicial branches that accepts a
8 bankcard or credit card for licenses, permits, goods, payment of restitution under
9 AS 12.55.051, and services provided by that agency on behalf of the state, from the funds and
10 accounts in which the payments received by the state are deposited.

11 * Sec. 24. SALARY AND BENEFIT ADJUSTMENTS. (a) The operating budget
12 appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments
13 for public officials, officers, and employees of the executive branch, Alaska Court System
14 employees, employees of the legislature, and legislators and to implement the terms for the
15 fiscal year ending June 30, 2009, of the following collective bargaining agreements:

- 16 (1) Alaska Public Employees Association, for the confidential unit;
- 17 (2) Alaska State Employees Association, for the general government unit;
- 18 (3) Public Employees Local 71, for the labor, trades and crafts unit;
- 19 (4) Alaska Correctional Officers Association, representing correctional
20 officers;
- 21 (5) Teachers' Education Association of Mt. Edgecumbe.

22 (b) The operating budget appropriations made to the University of Alaska in this Act
23 include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2009,
24 for university employees who are not members of a collective bargaining unit and for
25 implementing the monetary terms of the collective bargaining agreements including the terms
26 of the agreement providing for the health benefit plan for university employees represented by
27 the following entities:

- 28 (1) Alaska Higher Education Crafts and Trades Employees;
- 29 (2) Alaska Community Colleges' Federation of Teachers;
- 30 (3) United Academics;
- 31 (4) United Academics-Adjuncts.

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

6 * Sec. 25. SHARED TAXES AND FEES. (a) The amount necessary to refund to local
 7 governments their share of taxes and fees collected in the listed fiscal years under the
 8 following programs is appropriated to the Department of Revenue from the general fund for
 9 payment to local governments in fiscal year 2009:

10 REVENUE SOURCE	FISCAL YEAR COLLECTED
11 Fisheries business tax (AS 43.75)	2008
12 Fishery resource landing tax (AS 43.77)	2008
13 Aviation fuel tax (AS 43.40.010)	2009
14 Electric and telephone cooperative tax (AS 10.25.570)	2009
15 Liquor license fee (AS 04.11)	2009

16 (b) The amount necessary to refund to local governments their share of taxes and fees
 17 collected in calendar year 2008 under the commercial passenger vessel excise tax
 18 (AS 43.52.230(a)) is appropriated from the general fund to the Department of Revenue for
 19 payment to local governments during the fiscal year ending June 30, 2009.

20 (c) It is the intent of the legislature that the payments to local governments set out in
 21 (a) and (b) of this section may be assigned by a local government to another state agency.

22 * Sec. 26. STATE DEBT AND OTHER OBLIGATIONS. (a) The amount required to pay
 23 interest on any revenue anticipation notes issued by the commissioner of revenue under
 24 AS 43.08 during the fiscal year ending June 30, 2009, is appropriated from the general fund to
 25 the Department of Revenue for payment of the interest on those notes.

26 (b) The amount required to be paid by the state for principal and interest on all issued
 27 and outstanding state-guaranteed bonds is appropriated from the general fund to the Alaska
 28 Housing Finance Corporation for the fiscal year ending June 30, 2009, for payment of
 29 principal and interest on those bonds.

30 (c) The sum of \$30,789,700 is appropriated to the state bond committee from the
 31 Alaska debt retirement fund (AS 37.15.011) for payment of debt service, accrued interest, and

1 trustee fees on outstanding State of Alaska general obligation bonds, series 2003A.

2 (d) The sum of \$13,600 is appropriated to the state bond committee from State of
3 Alaska general obligation bonds, series 2003A bond issue premium, interest earnings, and
4 accrued interest held in the Alaska debt service fund for the fiscal year ending June 30, 2009,
5 for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska
6 general obligation bonds, series 2003A.

7 (e) The sum of \$13,055,600 is appropriated to the state bond committee from the
8 Alaska debt retirement fund (AS 37.15.011) for payment of debt service, accrued interest, and
9 trustee fees on outstanding state-guaranteed transportation revenue anticipation bonds, series
10 2003B.

11 (f) The sum of \$6,900 is appropriated to the state bond committee from state-
12 guaranteed transportation revenue anticipation bonds, series 2003B bond issue premium,
13 interest earnings, and accrued interest held in the Alaska debt service fund for the fiscal year
14 ending June 30, 2009, for payment of debt service and trustee fees on outstanding state-
15 guaranteed transportation revenue anticipation bonds, series 2003B.

16 (g) The sum of \$50,027,400 is appropriated to the state bond committee for the fiscal
17 year ending June 30, 2009, for payment of debt service and trustee fees on outstanding
18 international airports revenue bonds from the following sources in the amounts stated:

19 SOURCE	AMOUNT
20 International Airports Revenue Fund (AS 37.15.430)	\$46,827,400
21 Passenger facility charge	3,200,000

22 (h) The sum of \$2,050,000 is appropriated from interest earnings of the Alaska clean
23 water fund (AS 46.03.032) to the Alaska clean water fund revenue bond redemption fund
24 (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees,
25 if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year
26 ending June 30, 2009.

27 (i) The sum of \$1,115,000 is appropriated from interest earnings of the Alaska
28 drinking water fund (AS 46.03.036) to the Alaska drinking water fund revenue bond
29 redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium,
30 and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560
31 during the fiscal year ending June 30, 2009.

1 (j) The sum of \$8,061,300 is appropriated from the Alaska debt retirement fund
2 (AS 37.15.011) to the state bond committee for the fiscal year ending June 30, 2009, for
3 trustee fees and lease payments relating to certificates of participation issued for real property.

4 (k) The sum of \$3,467,100 is appropriated from the general fund to the Department of
5 Administration for the fiscal year ending June 30, 2009, for payment of obligations to the
6 Alaska Housing Finance Corporation for the Robert B. Atwood Building in Anchorage.

7 (l) The sum of \$22,424,525 is appropriated from the general fund to the Department
8 of Administration for the fiscal year ending June 30, 2009, for payment of obligations and
9 fees for the following facilities:

10	FACILITY	ALLOCATION
11	(1) Anchorage Jail	\$ 5,091,125
12	(2) Spring Creek Correctional Center	1,755,600
13	(3) Yukon Kuskokwim Correctional Center	951,800
14	(4) Point MacKenzie Correctional Farm	14,626,000

15 (m) The sum of \$3,303,500 is appropriated from the general fund to the Department
16 of Administration for the fiscal year ending June 30, 2009, for payment of obligations to the
17 Alaska Housing Finance Corporation for the Robert B. Atwood Building parking garage in
18 Anchorage.

19 (n) The sum of \$97,021,161 is appropriated to the Department of Education and Early
20 Development for state aid for costs of school construction under AS 14.11.100 from the
21 following sources:

22	Alaska debt retirement fund (AS 37.15.011)	\$73,621,161
23	School fund (AS 43.50.140)	23,400,000

24 (o) The sum of \$8,035,959 is appropriated from the general fund to the following
25 agencies for the fiscal year ending June 30, 2009, for payment of debt service on outstanding
26 debt authorized by AS 14.40.257, AS 29.60.700, and AS 42.45.065, respectively, for the
27 following projects:

28	AGENCY AND PROJECT	APPROPRIATION AMOUNT
29	(1) University of Alaska	\$1,413,330
30	Anchorage Community and Technical	
31	College Center	

1	Juneau Readiness Center/UAS Joint Facility	
2	(2) Department of Transportation and Public Facilities	
3	(A) Nome (port facility addition and renovation)	127,750
4	(B) Matanuska-Susitna Borough (deep water port	754,870
5	and road upgrade)	
6	(C) Aleutians East Borough/False Pass	101,841
7	(small boat harbor)	
8	(D) Lake and Peninsula Borough/Chignik	115,338
9	(dock project)	
10	(E) City of Fairbanks (fire headquarters	868,790
11	station replacement)	
12	(F) City of Valdez (harbor renovations)	223,138
13	(G) Aleutians East Borough/Akutan	308,701
14	(small boat harbor)	
15	(H) Fairbanks North Star Borough	337,882
16	(Eielson AFB Schools, major maintenance	
17	and upgrades)	
18	(3) Alaska Energy Authority	
19	(A) Kodiak Electric Association (Nyman	943,676
20	combined cycle cogeneration plant)	
21	(B) Cordova Electric Cooperative (Power	2,245,840
22	Creek hydropower station)	
23	(C) Copper Valley Electric Association	351,179
24	(cogeneration projects)	
25	(D) Metlakatla Power and Light	243,624
26	(utility plant and capital additions)	

27 (p) The sum of \$7,500,000 is appropriated from the Alaska fish and game revenue
 28 bond redemption fund (AS 37.15.770) to the state bond committee for payment of debt
 29 service, accrued interest, and trustee fees on outstanding sport fish hatchery revenue bonds. It
 30 is the intent of the legislature that the sum of \$2,200,000 of the appropriation made by this
 31 subsection be used for early redemption of the bonds.

1 * **Sec. 27. 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 2008 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, 2009, 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, 2009, 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, 2009, in anticipation of receiving unrestricted
17 general fund revenue.

18 (c) The sum of \$245,700 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 operating costs related management of the budget reserve fund for the fiscal year ending
21 June 30, 2009.

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. 28. NONLAPSE OF APPROPRIATIONS.** The appropriations made by secs. 8(d),
25 21, 26(h), and 26(i) of this Act are for the capitalization of funds and do not lapse.

26 * **Sec. 29. RETROACTIVITY.** Those portions of the appropriations made in sec. 1 of this
27 Act that appropriate either the unexpended and unobligated balance of specific fiscal year
28 2008 program receipts or the unexpended and unobligated balance on June 30, 2008, of a
29 specified account are retroactive to June 30, 2008, solely for the purpose of carrying forward a
30 prior fiscal year balance.

31 * **Sec. 30. CONDITIONAL EFFECT.** The appropriation made in sec. 21(u) of this Act

1 takes effect only if a measure creating the community revenue sharing fund is passed by the
2 Twenty-Fifth Alaska State Legislature and becomes law.

3 * Sec. 31. Sections 10(a) and 29 of this Act take effect June 30, 2008.

4 * Sec. 32. Except as provided in sec. 31 of this Act, this Act takes effect July 1, 2008.

2-21-08

2008 Legislature - Operating Budget
Agency Summary - House Structure

Numbers and Language
Fund Groups: General Funds

Agency	[1] 07Actual	[2] 08MgtPln	[3] Adj Base	[4] GAmAdj	[5] ilse Sub	[5] - [2] 08MgtPln to Hse Sub		[5] - [3] Adj Base to Hse Sub		[5] - [4] GAmAdj to Hse Sub	
Administration	60,162.0	63,344.1	62,009.3	68,283.9	67,494.8	4,150.7	6.6 %	5,485.5	8.8 %	-789.1	-1.2 %
Commerce, Community & Econ Dev	60,424.5	10,800.8	10,879.2	10,661.4	10,168.4	-632.4	-5.9 %	-710.8	-6.5 %	-493.0	-4.6 %
Corrections	199,531.5	198,835.1	202,590.6	212,816.0	208,757.6	9,922.5	5.0 %	6,167.0	3.0 %	-4,058.4	-1.9 %
Education & Early Dev	997,075.0	1,019,565.4	930,441.2	936,955.4	936,548.3	-83,017.1	-8.1 %	6,107.1	0.7 %	-407.1	
Environmental Conservation	16,374.9	17,893.0	18,361.7	18,652.9	18,392.5	499.5	2.8 %	30.8	0.2 %	-260.4	-1.4 %
Fish and Game	38,632.6	40,060.8	40,944.4	52,569.4	45,034.0	4,973.2	12.4 %	4,089.6	10.0 %	-7,535.4	-14.3 %
Governor	19,652.8	31,516.6	17,230.2	52,860.6	49,260.6	17,744.0	56.3 %	32,030.4	185.9 %	-3,600.0	-6.6 %
Health & Social Services	728,288.3	794,605.2	799,608.0	938,167.5	903,336.8	108,731.6	13.7 %	103,728.8	13.0 %	-34,830.7	-3.7 %
Labor & Workforce Dev	19,684.7	23,380.2	22,447.7	26,030.4	25,342.6	1,962.4	8.4 %	2,894.9	12.9 %	-687.8	-2.6 %
Law	41,434.8	39,257.4	39,501.0	56,326.9	46,196.0	6,938.6	17.7 %	6,695.0	16.9 %	-10,130.9	-18.0 %
Military & Veterans Affairs	13,579.5	12,324.5	12,018.9	12,754.8	11,029.0	-1,295.5	-10.5 %	-989.9	-8.2 %	-1,725.8	-13.5 %
Natural Resources	69,438.9	71,180.2	64,530.0	71,016.0	68,985.3	-2,194.9	-3.1 %	4,455.3	6.9 %	-2,030.7	-2.9 %
Public Safety	105,328.5	108,336.2	109,120.7	114,934.6	110,490.3	2,154.1	2.0 %	1,369.6	1.3 %	-4,444.3	-3.9 %
Revenue	71,566.9	40,572.8	15,504.3	18,801.8	17,331.1	-23,241.7	-57.3 %	1,826.8	11.8 %	-1,470.7	-7.8 %
Transportation	222,163.1	205,471.4	197,950.6	209,547.1	206,749.3	1,277.9	0.6 %	6,798.7	4.4 %	-2,797.8	-1.3 %
University of Alaska	283,709.4	290,758.3	289,438.3	310,050.0	302,667.9	11,989.6	4.1 %	13,229.6	4.6 %	-7,382.1	-2.4 %
Alaska Court System	74,155.0	77,362.4	77,313.5	84,022.0	79,009.2	1,645.8	2.1 %	1,694.7	2.2 %	-5,013.8	-6.0 %
Legislature	45,859.7	60,857.9	60,978.3	60,772.6	59,174.2	-1,683.7	-2.8 %	-1,804.1	-3.0 %	-1,598.4	-2.6 %
Debt Service	59,830.9	124,769.1	115,194.8	148,802.4	144,274.7	19,505.6	15.6 %	29,079.9	25.2 %	-4,527.7	-3.0 %
Fund Capitalization	245,043.9	28,438.5	187,714.5	187,714.5	187,214.5	158,776.0	588.3 %	-500.0	-0.3 %	-500.0	-0.3 %
Public Education Fund	0.0	0.0	114,900.7	114,900.7	119,600.7	119,000.7	999 %	4,100.0	3.6 %	4,100.0	3.6 %
Appropriations to Retirement	18,561.9	464,992.3	408,392.5	408,352.3	449,622.5	-5,369.8	-1.3 %	41,230.2	10.1 %	41,230.2	10.1 %
Special Appropriations	0.0	48,635.6	275,600.0	277,500.0	225,000.0	176,314.4	362.1 %	-50,000.0	-18.2 %	-52,500.0	-18.9 %
Total - Operating Budget	3,389,508.8	3,763,007.8	4,072,070.2	4,392,533.2	4,291,079.3	528,071.5	14.0 %	219,009.1	5.4 %	-101,453.9	-2.3 %

**2008 Legislature - Operating Budget
Agency Summary - House Structure**

Numbers and Language Fund Groups: General Funds
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<u>Agency</u>	<u>[1] 07Actual</u>	<u>[2] 08MgtPln</u>	<u>[3] Adj Base</u>	<u>[4] GAndAdj</u>	<u>[5] Hse Sub</u>	<u>[5] - [2] 08MgtPln to Hse Sub</u>	<u>[5] - [3] Adj Base to Hse Sub</u>	<u>[5] - [4] GAndAdj to Hse Sub</u>
<u>Funding Summary</u>								
General Funds (GF)	3,389,508.8	3,763,007.8	4,072,070.2	4,392,533.2	4,291,079.3	528,071.5 14.0 %	219,009.1 5.4 %	-101,453.9 -2.3 %

2/21/08

ALASKA STATE LEGISLATURE
FINANCE COMMITTEES



SENATE FINANCE COMMITTEE
Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
State Capital, Room 516
Juneau, Alaska 99801-1182
(907) 465-3873 Phone
(907) 465-3922 Fax

HOUSE FINANCE COMMITTEE
Rep Mike Chenault, Co-Chair
Rep Kevin Meyer, Co-Chair
State Capital, Room 515
Juneau, AK 99801-1182
Phone (907) 465-4945
Fax (907) 465-3476

February 7, 2008

The Honorable Sarah Palin
Governor, State of Alaska
Pouch A
Juneau, AK 99811

Dear Governor Palin:

We are pleased that you have joined the Legislature's continuing effort to simplify and clarify the budget. We know that we cannot constrain budget growth until we can measure growth, and we cannot measure growth accurately without:

1. consistent use of fund sources from year to year,
2. consistent treatment of capital and operating items,
3. consistent linkages between year-of-appropriation and year-of-expenditure and
4. full disclosure of expenditures.

We ask for your assistance in presenting the budget in a way that enhances public understanding. You can help us achieve this goal by submitting amendments that address the four items listed above.

Consistent Use of Fund Sources

In the operating budget, please replace appropriations of corporate dividends and the Capital Income Fund with general funds. If you replace general funds in the capital budget with these fund sources, there will be no change to bottom line appropriations.

Consistent Treatment of Capital and Operating Items

The Legislature believes that inflow and outflow from funds can be best coordinated when capitalization and appropriation occur in the same bill. Please move sections 23(b), (t), (x), (y) and (z)—each of which capitalizes a fund spent for capital items—to the capital budget. The net impact of the changes is zero.

We have identified 13 proposed capital projects that we believe may be more appropriately classified as operating items (list transmitted by email to OMB on February 5, 2008). Please review these items and submit amendments for those that more properly belong in the operating budget. The total requested for the projects is \$6.2 million general funds and \$12 million all funds.

Consistent Linkages between Year-of-Appropriation and Year-of-Expenditure

In order to have an operating budget that is as easy as possible for the public to understand, we typically avoid placing supplemental appropriations in the operating budget. We have identified four supplemental appropriations that we intend to remove from the operating budget bill. We understand your desire to include these items in the bills you released on December 10 because they are components of your holistic plan. Now that your plan has been presented, we ask that you submit amendments removing the following supplemental appropriations from the operating budget:

- 11(a)—a \$1.575 billion deposit to the Public Education Fund,
- 12(e)—a \$450 million deposit to the Teachers Retirement System,
- 23(x)—a \$5 million deposit to the Information Service Fund and
- 29(e)—a \$223.7 million deposit to the Constitutional Budget Reserve Fund.

If you choose to retain your requests for funding for these items, please submit amendments to place sections 11(a), 12(e) and 29(e) in the supplemental bill and section 23(x)—which capitalizes the information services fund for FY09 expenditures—in the capital bill as an FY09 item.

Full Disclosure of Expenditures

Our goal is to disclose the full cost of government operations each year. We can do this by limiting appropriations that skew the picture of the budget by reducing on-going operating costs but not ongoing obligations in subsequent fiscal years. We believe that simultaneously depositing to and withdrawing from savings disguises our fiscal condition and confuses the public. This brings us to our request for two amendments that will increase the bottom line of your FY09 budget, but which will give the public a truer picture of your budget proposal.

The Legislature began making deposits to the Public Education Fund (PEF) in FY06, with the expectation of making continued deposits until reaching the goal of a balance sufficient to fund K-12 education one year in advance. With the deposit of \$1 billion last session, that goal was reached. Legislative intent was to simplify the budget upon reaching the goal, implying that no FY08 supplemental deposit would be made and that the FY09 deposit to the PEF would equal anticipated FY2010 K-12 needs. We believe the Legislature's approach to K-12 funding is clear and simple. Please assist us in presenting a K-12 plan that fully discloses appropriations required to fund K-12 education one year at a time. You can do this by submitting amendments that

1. eliminate the \$1.575 billion FY08 supplemental deposit to the Public Education Fund and
2. add \$108.6 million to the FY09 capitalization of the Public Education Fund.

Failing to submit these amendments could confuse the public by understating future K-12 annual expenditures.

Your proposed supplemental deposit of \$450 million to the Teachers Retirement System (TRS) would allow you to reduce future required contributions by the amount of earnings on that deposit. It also reduces future earnings outside TRS by reducing "outside" fund balances. In short, prepaying this liability paints an overly glowing picture of our future fiscal condition unless the loss of revenue is also disclosed. Because that is difficult to do, we ask that you amend your operating bill to reflect the full required contribution to TRS. We believe it is prudent to pay the amount recommended by the ARM board for TRS (\$206.3 million), and then make an independent decision regarding additional deposits. Short-funding the required TRS payment in FY09 reduces the apparent size of the operating budget by \$43.9 million. Please increase the appropriation in section 12(a) from \$162.4 million to \$206.3 million.

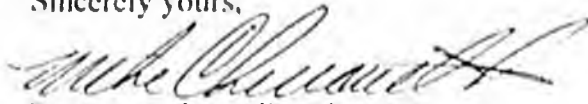
The following table summarizes the impact of the amendments suggested above. The net impact of the requested amendments to your FY 09 budget proposal is \$157.5 million in general funds.

Impact of Requested Changes on the FY09 Budget (\$ millions)									
Category	Operating Budget			Capital Budget			Net Impact		
	GF	Federal	Other	GF	Federal	Other	GF	Federal	Other
Consistent Use of Fund Sources									
Corporate Dividends	39.7		(39.7)	(39.7)		39.7	-	-	-
Capital Income Fund	9.6		(9.6)	(9.0)		9.6	-	-	-
Consistent Treatment of Capital and Operating Items									
Fund Capitalization	(10.0)	(0.1)	(99.8)	10.0	0.1	99.8	-	-	-
Operating Items in the Capital Budget	6.2	4.4	1.7	(6.2)	(4.4)	(1.7)	-	-	-
Consistent Identification of Year of Expenditure									
Information Services Fund				5.0			5.0	-	-
Full Disclosure of Expenditures									
Public Education Fund	108.6						108.6	-	-
TRS Contributions	43.9						43.9	-	-
Total Impact	198.0	4.3	(147.4)	(40.5)	(4.3)	147.4	157.5	-	-

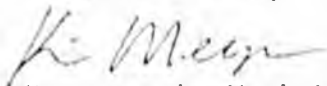
There is one other critical element which relates to presentation and doesn't require an amendment. The funds for the oil tax credits are reflected below the line on your fiscal summary. These funds need to be appropriated and will be included in the bill, therefore they should be above the line. If the public is to understand the budget, the figures need to tie to the amount appropriated.

We ask for these changes in the spirit of cooperation. All Alaskans will be better served by a government that intends to provide the public with as accurate a picture of the budget as possible. The public deserves a budget with a common starting point and a clear presentation of changes over time. Making the above changes is critical to our ability to measure and contain the growth of government.

Sincerely yours,



Representative Mike Chenault
Co-Chair House Operating Budget



Representative Kevin Meyer
Co-Chair House Capital Budget



Senator Lyman Hoffman
Co-Chair Senate Operating Budget



Senator Bert Stedman
Co-Chair Senate Capital Budget

**2008 Legislature - Operating Budget
Agency Summary - House Structure**

Numbers and Language

2-21-08

Agency	[1] 07Actual	[2] 08MgtPln	[3] Adj Base	[4] GAndAdj	[5] Hse Sub	[5] - [2] 08MgtPln to Hse Sub	[5] - [3] Adj Base to Hse Sub	[5] - [4] GAndAdj to Hse Sub
Administration	241,394.5	265,505.7	266,280.6	275,803.9	275,153.9	9,648.2 3.6 %	8,873.3 3.3 %	-650.0 -0.2 %
Commerce, Community & Econ Dev	190,004.8	157,132.5	157,498.3	166,792.4	163,490.2	6,357.7 4.0 %	5,991.9 3.8 %	-3,302.2 -2.0 %
Corrections	225,082.7	227,340.6	231,011.4	245,962.0	241,811.1	14,470.5 6.4 %	10,799.7 4.7 %	-4,150.9 -1.7 %
Education & Early Dev	1,218,619.6	1,268,434.0	1,179,312.4	1,187,505.7	1,187,148.6	-81,285.4 -6.4 %	7,836.2 0.7 %	-357.1
Environmental Conservation	58,235.7	67,210.0	68,894.9	72,201.9	72,170.9	4,960.9 7.4 %	3,276.0 4.8 %	-31.0
Fish and Game	143,048.7	167,211.2	170,742.8	172,855.1	172,453.1	5,241.9 3.1 %	1,710.3 1.0 %	-402.0 -0.2 %
Governor	23,892.7	33,591.6	18,795.1	54,375.6	50,775.6	17,184.0 51.2 %	31,980.5 170.2 %	-3,600.0 -6.6 %
Health & Social Services	1,756,910.3	1,974,619.3	1,970,242.8	2,139,867.8	2,068,553.5	113,934.2 5.8 %	118,310.7 6.0 %	-51,314.3 -2.4 %
Labor & Workforce Dev	137,184.4	161,108.0	163,115.0	166,525.8	166,016.9	4,908.9 3.0 %	2,901.9 1.8 %	-508.9 -0.3 %
Law	70,968.5	66,234.1	66,807.0	82,612.9	72,882.0	6,647.9 10.0 %	6,075.0 9.1 %	-9,730.9 -11.8 %
Military & Veterans Affairs	42,952.0	42,966.4	43,388.1	46,676.9	44,954.4	1,988.0 4.6 %	1,566.3 3.6 %	-1,722.5 -3.7 %
Natural Resources	127,661.7	132,860.8	125,414.8	132,429.7	130,476.8	-2,384.0 -2.8 %	5,062.0 4.0 %	-1,952.9 -1.5 %
Public Safety	129,419.4	147,376.6	143,503.7	149,541.8	145,113.9	-2,262.9 -1.5 %	1,610.2 1.1 %	-4,427.9 -3.0 %
Revenue	251,296.4	261,951.0	240,301.4	264,437.7	262,927.8	976.6 0.4 %	22,626.4 9.4 %	-1,509.9 -0.6 %
Transportation	491,324.1	498,629.3	498,362.8	502,182.5	509,142.1	1,512.6 0.3 %	1,779.3 0.4 %	-2,640.4 -0.4 %
University of Alaska	704,063.7	800,112.5	797,707.5	837,327.1	839,945.0	29,832.5 3.7 %	32,237.5 4.0 %	-7,382.1 -0.9 %
Alaska Court System	76,102.9	79,781.8	79,495.1	96,941.4	82,177.6	2,395.8 3.0 %	2,682.5 3.4 %	-4,763.8 -5.5 %
Legislature	46,514.2	61,620.8	61,741.2	61,741.2	60,137.8	-1,483.0 -2.4 %	-1,603.4 -2.6 %	-1,603.4 -2.6 %
Debt Service	312,254.6	354,476.7	374,128.9	372,128.9	367,601.2	13,124.5 3.7 %	-6,527.7 -1.7 %	-4,927.7 -1.2 %
Fund Capitalization	2,227,196.6	2,094,982.8	2,403,181.9	2,403,181.9	2,402,691.9	307,699.1 14.7 %	-500.0	-500.0
Public Education Fund	0.0	0.0	114,903.7	114,903.7	119,000.7	119,000.7 >999 %	4,100.0 3.6 %	4,100.0 3.6 %
Appropriations to Retirement	18,591.9	454,392.3	408,397.3	408,397.3	449,622.5	-5,369.8 -1.2 %	41,240.2 10.1 %	41,230.2 10.1 %
Special Appropriations	0.0	48,085.0	777,500.0	777,500.0	225,000.0	176,314.4 362.1 %	-52,500.0 -14.9 %	-52,500.0 -14.9 %
Total - Operating Budget	8,492,709.4	9,366,823.8	9,860,718.7	10,221,885.2	10,110,237.5	743,413.7 7.9 %	249,510.8 2.5 %	-111,647.7 -1.1 %

**2003 Legislature - Operating Budget
Agency Summary - House Structure**

Numbers and Language

<u>Agency</u>	<u>[1] 07Actual</u>	<u>[2] 08MgtPln</u>	<u>[3] Adj Base</u>	<u>[4] GAndAdj</u>	<u>[5] Hse Sub</u>	<u>[5] - [2] 08MgtPln to Hse Sub</u>	<u>[5] - [3] Adj Base to Hse Sub</u>	<u>[5] - [4] GAndAdj to Hse Sub</u>
<u>Funding Summary</u>								
General Funds (GF)	3,389,508.8	3,763,007.8	4,072,070.2	4,392,533.2	4,291,079.3	528,071.5 14.0 %	219,009.1 5.4 %	-101,453.9 -2.3 %
Federal Receipts (Fed)	1,490,673.0	1,752,376.7	1,755,589.7	1,757,352.3	1,748,765.8	-3,610.9 -0.2 %	-6,576.5 -0.4 %	-8,586.5 -0.5 %
Other (Oth)	3,612,527.6	3,851,439.3	4,033,058.8	4,071,999.7	4,070,392.4	218,953.1 5.7 %	37,333.6 0.9 %	-1,607.3

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Language Sections of the Governor's FY09 Operating Budget

Section Deleted; appeared in FY08 Operating Budget

LEGISLATIVE INTENT. It is the intent of the legislature that the amounts appropriated by this Act are the full amounts that will be appropriated for those purposes for the fiscal year ending June 30, 2008.

Legislative Fiscal Analyst Comment: In recent years the legislature has taken steps to reduce the need for routine supplemental appropriations. The intent of this section is to emphasize that supplemental operating appropriations are designed to be limited to needs that are truly unanticipated.

Section Deleted; appeared in FY08 Operating Budget

COSTS OF JOB RECLASSIFICATIONS. The money appropriated in this Act includes the amount necessary to pay the costs of personal services due to reclassification of job classes during the fiscal year ending June 30, 2008.

Legislative Fiscal Analyst Comment: This section was added by the legislature several years ago in response to agency requests for supplemental appropriations to cover the costs of reclassification of selected job classes that the legislature was not informed of in advance. The section clarifies that the cost of reclassifying positions is to be absorbed in an agency's existing budget.

* **Sec. 4. ALASKA AEROSPACE DEVELOPMENT CORPORATION.** Federal receipts and other corporate receipts of the Alaska Aerospace Development Corporation received during the fiscal year ending June 30, 2009, that are in excess of the amount appropriated in sec. 1 of this Act are appropriated to the Alaska Aerospace Development Corporation for operations during the fiscal year ending June 30, 2009.

Legislative Fiscal Analyst Comment: This section is intended to maximize the AADC's ability to attract launch activity by eliminating all questions regarding the corporation's ability to accept and spend receipts in a timely manner.

Funding: The estimated impact of this section is zero. Historically, the appropriations to AADC in section 1 have been sufficient to avoid application of this section.

* **Sec. 5. ALASKA HOUSING FINANCE CORPORATION.** (a) The board of directors of the Alaska Housing Finance Corporation anticipates that \$65,851,153 of the net income from the second preceding fiscal year will be available in fiscal year 2009.

Subsection a specifies the amount of corporate receipts that will be made available to the state as an FY09 dividend payment, but does not appropriate the dividend.

Legislative Fiscal Analyst Comment: Ch. 76, SLA 2003 defined AHFC's annual dividend to the state as a percentage of net income of the corporation. Beginning in FY09, the statutory dividend is the lesser of \$103 million or 75% of net income in the most recently completed fiscal year (AS 18.56.089(c)).

(b) A portion of the amount set out in (a) of this section for the fiscal year ending June 30, 2009, will be retained by the Alaska Housing Finance Corporation for the following purposes in the following estimated amounts:

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

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(2) \$2,592,558 for debt service on the bonds authorized under ch. 1, SSSLA 2002;

(3) \$2,547,085 for debt service on the bonds authorized under sec. 4, ch. 120, SLA 2004.

Subsection b makes no appropriation; it informs the legislature that AHFC will retain \$6.14 million of the dividend to pay debt service on various AHFC-financed capital projects authorized by past legislatures. This leaves a net dividend of \$59.7 million (\$15.6 million less than in FY08) for the legislature to spend as it wishes.

(c) To the extent required by art. IX, sec. 13, Constitution of the State of Alaska, the estimated amounts set out in (b) of this section are appropriated to the Alaska Housing Finance Corporation for the purposes stated in (b) of this section.

NEW SUBSECTION: Subsection c states that the funds retained by AHFC for debt service are appropriated by the legislature.

Legislative Fiscal Analyst Comment: The section appears to be both undesirable and unnecessary. AS 18.56.089(e) states that the amounts in (b) are deducted from the dividend paid to the state each year. That was done specifically to avoid the appearance that AHFC's debt service is subject to appropriation (i.e., to appease the bond market). The section is unnecessary because the dividend calculation excludes the amount retained for debt service—no appropriation is necessary because the state does not receive the retained dividend. Legislative Finance has not entered transactions for this appropriation.

(d) After deduction of the amounts to be retained for the purposes set out in (b) of this section and after appropriations for operating and capital purposes are made, any remaining balance of the amount set out in (a) of this section for the fiscal year ending June 30, 2009, is appropriated to the Alaska debt retirement fund (AS 37.15.011).

Subsection d appropriates the "unused" portion of the dividend to the Alaska Debt Retirement Fund. The Governor's proposed capital and operating budgets appropriate the entire dividend specified in subsection a.

Legislative Fiscal Analyst Comment: Corporate dividends are classified as "other" funds and customarily reserved for use in the capital budget. Replacing general funds with "other" funds complicates year-to-year comparisons of the operating budget.

(e) All unrestricted mortgage loan interest payments, mortgage loan commitment fees, and other unrestricted receipts received by or accrued to the Alaska Housing Finance Corporation during fiscal year 2009 and all income earned on assets of the corporation during that period are appropriated to the Alaska Housing Finance Corporation to hold as corporate receipts for the purposes described in AS 18.55 and AS 18.56. The corporation shall allocate its corporate receipts between the Alaska housing finance revolving fund (AS 18.56.082) and senior housing revolving fund (AS 18.56.710) in accordance with procedures adopted by the board of directors.

Subsection e appropriates certain FY09 receipts of the AHFC to the corporation and allocates those receipts to the AHFC revolving loan fund, and the senior housing revolving fund.

Funding: The corporate receipts used for purposes other than operating costs do not appear in the bill summary or in Legislative Finance reports. Corporate operating costs are appropriated in section 1.

(f) The sum of \$800,000,000 is appropriated from the corporate receipts appropriated to the Alaska Housing Finance Corporation and allocated between the Alaska housing finance revolving fund (AS 18.56.082) and senior housing revolving fund (AS 18.56.710) under (e) of this section to the Alaska Housing Finance Corporation for the fiscal year ending June 30, 2009, for housing loan

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programs not subsidized by the corporation.

(g) The sum of \$30,000,000 is appropriated from the portion of the corporate receipts appropriated to the Alaska Housing Finance Corporation and allocated between the Alaska housing finance revolving fund (AS 18.56.082) and senior housing revolving fund (AS 18.56.710) under (c) of this section that is derived from arbitrage earnings to the Alaska Housing Finance Corporation for the fiscal year ending June 30, 2009, for housing loan programs and projects subsidized by the corporation.

(h) The sum of \$30,000,000 is appropriated from federal receipts to the Alaska Housing Finance Corporation for housing assistance payments under the Section 8 program for the fiscal year ending June 30, 2009.

Subsections f, g, and h appropriate certain FY09 corporate receipts to various housing programs. These amounts establish lending limits for the year. The limits are unchanged from FY08.

* **Sec. 6. ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY.** (a) The sum of \$23,800,000, has been declared available by the Alaska Industrial Development and Export Authority board of directors for appropriation as the fiscal year 2009 dividend from the unrestricted balance in the Alaska Industrial Development and Export Authority revolving fund (AS 44.88.060).

Subsection a informs the legislature that the anticipated annual AIDEA corporate dividend to the state will be \$23.8 million (the FY08 dividend was \$10 million). By statute (AS 44.88.088) the dividend made available should not be less than 25 percent and not more than 50 percent of the base year statutory net income. This year's dividend is near the maximum available by law.

(b) After deductions for appropriations made for operating and capital purposes are made, any remaining balance of the amount set out in (a) of this section for the fiscal year ending June 30, 2009, is appropriated to the Alaska debt retirement fund (AS 37.15.011).

Subsection b appropriates the "unused" portion of the dividend to the Alaska Debt Retirement Fund. Section 23(a)(3) of the Governor's proposed operating budget appropriates the entire \$23.8 million to the Debt Retirement Fund.

Legislative Fiscal Analyst Comment: Corporate dividends are classified as "other" funds and customarily reserved for use in the capital budget. Replacing general funds with "other" funds complicates year-to-year comparisons of the operating budget.

* **Sec. 7. ALASKA PERMANENT FUND CORPORATION.** (a) The amount authorized under AS 37.13.145(b) for transfer by the Alaska Permanent Fund Corporation on June 30, 2009, is appropriated from the earnings reserve account (AS 37.13.145(a)) to the dividend fund (AS 43.23.045(a)) for the payment of permanent fund dividends and administrative and associated costs for the fiscal year ending June 30, 2009.

Subsection a appropriates funds from the earnings reserve account to the dividend fund for payment of dividends and administrative and associated costs. Earnings in FY09 (as calculated on the last day of the fiscal year) will be used to pay PFDs in FY09 and associated costs throughout FY09.

Funding: The projected amount of dividend transfer for FY09 is \$1.357 billion, including administrative and associated costs. Administrative and associated costs for FY09 are reflected in section 1 of the budget. They include the cost of operating the PFD Division, hold-harmless provisions that affect people served by the Department of Health & Social Services and "cost recovery" programs in various departments.

(b) After money is transferred to the dividend fund under (a) of this section, the amount calculated under AS 37.13.145(e) to offset the effect of inflation on the principal of the Alaska permanent fund during fiscal year 2009 is appropriated from the earnings reserve account

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(AS 37.13.145(a)) to the principal of the Alaska permanent fund.

Subsection b is an "inflation proofing" provision, which transfers money from the Earnings Reserve Account to principal.

Funding: The Governor's projected amount of inflation proofing for FY09 is \$803 million.

(c) The amount required to be deposited under AS 37.13.010(a)(1) and (2) during fiscal year 2009 is appropriated to the principal of the Alaska permanent fund in satisfaction of that requirement.

Subsection c appropriates 25% of mineral lease rentals, royalties, royalty sales, etc. to the principal of the Permanent Fund as required by constitution or statute.

Funding: These deposits to the Permanent Fund do not appear in the bill summary or in Legislative Finance reports because the deposits are constitutionally dedicated rather than appropriated. The Permanent Fund projects that dedicated deposits will be \$448 million during FY09.

(d) The income earned during fiscal year 2009 on revenue from the sources set out in AS 37.13.145(d) is appropriated to the Alaska capital income fund (AS 37.05.565).

Subsection d appropriates FY09 earnings associated with *State v. Amerada Hess* to the Alaska Capital Income Fund. This fund was established in FY05 and has been expended for capital projects since then.

Funding: The Permanent Fund Corporation's November 2007 estimate of FY09 earnings from *State v. Amerada Hess* is \$28 million.

Legislative Fiscal Analyst Comment: The Governor spends \$177.5 million from the Alaska Capital Income Fund in the FY09 operating and capital budgets.

General funds totaling \$249.4 million were swept into the Alaska Capital Income Fund at the end of FY07—reclassifying \$249.4 million general funds to "other" funds and leaving a year-end FY08 balance of \$266 million. Of this amount, the Governor proposed spending \$149 million in FY09. Without the reclassification of these funds, the Governor's FY09 budget would have been \$149 million higher than it now appears.

* **Sec. 8. ALASKA STUDENT LOAN CORPORATION DIVIDEND.** (a) The sum of \$4,100,000 has been declared available by the Alaska Student Loan Corporation board of directors for appropriation as the fiscal year 2009 dividend.

(b) After deductions for appropriations made for operating and capital purposes are made, any remaining balance of the amount set out in (a) of this section for the fiscal year ending June 30, 2009, is appropriated to the Alaska debt retirement fund (AS 37.15.011).

Subsection a informs the legislature that the anticipated FY09 Student Loan Corporation dividend to the state will be \$4.1 million (versus the \$1.2 million paid in FY08).

Subsection b appropriates the "unused" portion of the dividend to the Alaska Debt Retirement Fund. The Governor's proposed operating budget appropriates the entire \$4.1 million.

Legislative Fiscal Analyst Comment: Corporate dividends are classified as "other" funds and customarily reserved for use in the capital budget. Replacing general funds with "other" funds complicates year-to-year comparisons of the operating budget.

* **Sec. 9. DEPARTMENT OF ADMINISTRATION.** The amount necessary to fund the uses of the state insurance catastrophe reserve account described in AS 37.05.289(a) is appropriated from that account to the Department of Administration for those uses during the fiscal year ending June 30, 2009.

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Subsection a references the statute that allows up to \$5 million to be swept from lapsing general fund appropriations for the catastrophe reserve account. It appropriates funds from the catastrophe reserve account to the Department of Administration to obtain insurance, establish reserves for the self-insurance program, and to satisfy claims or judgments arising under the program.

Legislative Fiscal Analyst Comment: This subsection re-emphasizes the state's authority to expend funds from the state insurance catastrophe reserve account described in AS 37.05.289(a). The language may not be necessary, but it does no harm.

Legislative Fiscal Analyst Comment: The catastrophe reserve account sweeps lapsing general fund appropriations annually to maintain a balance not to exceed \$5 million. If these funds were not available, two opportunities would remain for meeting catastrophic situations: 1) supplemental appropriations by the legislature; and 2) judgment legislation. Delays that could occur with legislative remedies would cause difficulty in situations that require immediate action.

Funding: This provision has no FY09 fiscal impact; it allows money appropriated elsewhere to be swept into the reserve account but does not increase total appropriations.

* **Sec. 10. DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT.** (a) The unexpended and unobligated balance of federal money apportioned to the state as national forest income that the Department of Commerce, Community, and Economic Development determines would lapse into the unrestricted portion of the general fund June 30, 2009, under AS 41.15.180(j) is appropriated as follows:

(1) up to \$170,000 is appropriated to the Department of Transportation and Public Facilities, commissioner's office, for road maintenance in the unorganized borough, for the fiscal year ending June 30, 2009;

(2) the balance remaining after the appropriation made by (1) of this subsection is appropriated to home rule cities, first class cities, second class cities, a municipality organized under federal law, or regional educational attendance areas entitled to payment from the national forest income for the fiscal year ending June 30, 2009, to be allocated among the recipients of national forest income according to their pro rata share of the total amount distributed under AS 41.15.180(c) and (d) for the fiscal year ending June 30, 2009.

Subsection 1 appropriates \$170,000 of National Forest Receipts to DOT&PF for road maintenance in the unorganized borough.

Subsection 2 appropriates any remaining balance to be paid as grants to local governments in the unorganized borough.

Legislative Fiscal Analyst Comment: National Forest receipts consist of national forest income received by DCCED for the portion of national forests located within the unorganized borough. By law, 75 percent of the income is allocated to public schools and 25 percent for maintenance of public roads in the unorganized borough.

Legislative Fiscal Analyst Comment: AS 41.15.180(j) states that the amount in the national forest receipts fund remaining at the end of the fiscal year lapses into the general fund and shall be used for school and road maintenance in the affected areas of the unorganized borough for which direct distribution of funds has not been made. Appropriating money from this fund before the end of the year conflicts with rules regarding distribution of the funds. The appropriation appears to be designed to spend federal receipts before they lapse and would be spent as general funds. However, the section also changes the potential purpose of the appropriation. Lapsing money must be spent in areas that do not receive money under AS 41.15.180(c) and (d). Section 10 takes money that would otherwise be spent in unorganized areas and appropriates it to local governments.

(b) An amount equal to the salmon enhancement tax collected under AS 43.76.010 -

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43.76.028 in calendar year 2007 and deposited in the general fund under AS 43.76.025(c) is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment in fiscal year 2009 to qualified regional associations operating within a region designated under AS 16.10.375.

Funding: These "pass through" amounts are excluded from Legislative Finance reports on the operating bill.

(c) An amount equal to the seafood development tax collected under AS 43.76.350 - 43.76.399 in calendar year 2007 and deposited in the general fund under AS 43.76.380(d) is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment in fiscal year 2009 to qualified regional seafood development associations.

Funding: These "pass through" amounts are excluded from Legislative Finance reports on the operating bill.

* **Sec. 11. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT.** (a) The sum of \$1,575,000,000 is appropriated from the general fund to the public education fund (AS 14.17.300).

(b) The sum of \$1,000,000,000 is appropriate¹ from the general fund to the public education fund (AS 14.17.300).

Subsection a appropriates \$1.575 billion of the FY08 surplus to the Public Education Fund (PEF). This appropriation is part of the Governor's plan to save \$2.3 billion of the FY08 surplus.

Subsection b appropriates \$1 billion of the FY09 surplus to the Public Education Fund.

Legislative Fiscal Analyst Comment: The legislature began making deposits to the PEF in FY06, with the expectation of making continued deposits until reaching the goal of a balance sufficient to fund K-12 education one year in advance. With the deposit of \$1 billion last session, the goal was reached. Legislative intent was to simplify the budget upon reaching the goal, implying that no FY08 supplemental deposit would be made and that the FY09 deposit to the PEF would equal anticipated FY10 K-12 needs.

The Governor's FY08 and FY09 appropriations are clearly not in line with where the legislature has been heading. Under her plan for FY08 and FY09, the PEF would end FY09 with a balance of \$2.5 billion—enough to fund K-12 education through FY11. Whether the Governor intends to maintain a \$2.5 billion balance by making annual deposits equal to anticipated costs, or to restrain growth in FY10 and FY11 operating budgets by depleting the PEF is unknown.

For more information, please see a discussion of these deposits in the "FY08-FY09 Fiscal Summary" discussion in this Overview.

(c) If the amount necessary to pay school performance incentives under AS 14.03.126 exceeds the amount appropriated in sec. 1 of this Act, the additional amount necessary to pay those school performance incentives is appropriated from the general fund to the Department of Education and Early Development, school incentive program, for the fiscal year ending June 30, 2009.

NEW SUBSECTION: Subsection e allows school performance incentive payments to exceed the amount appropriated in section 1.

Funding: The department anticipates that adoption of regulations (currently out for public comment) may add \$1.6 to \$2.7 million to the \$2.5 million appropriated for the incentive program in section 1.

Legislative Fiscal Analyst Comment: Alternatives to this open-ended appropriation include deleting it in favor of a larger appropriation in section 1. A fixed limit on total incentive payments may cause

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incentives to be less than the maximum allowed by law. The current statute is scheduled for repeal June 30, 2009.

* **Sec. 12. RETIREMENT SYSTEM FUNDING.** (a) The sum of \$162,392,300 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the teachers' retirement system as partial payment of the participating teachers' retirement system employers' contribution for fiscal year 2009 under AS 14.25.070(a).

Subsection a appropriates \$162 million of FY09 general funds for FY09 TRS contributions—this is \$44 million less than the \$206.3 million requirement calculated by the state's actuarial consultants.

Legislative Fiscal Analyst Comment: The Governor is requesting less than the required level of funding in FY09 because she believes that her proposed FY08 supplemental appropriation of \$450 million (see subsection c) will reduce the state's required annual contributions to TRS by approximately \$44 million per year. The Governor's claim of reduced state contributions is premature unless the ARM Board takes special action granting early recognition of the proposed \$450 million contribution. Without such action, the normal three-year delay between action and effect means that her FY09 request for direct state appropriation to TRS is \$44 million short of the amount \$203.6 million required.

For more information, please see the "The FY08-FY09 Fiscal Summary" section in this publication.

(b) The appropriation made by (a) of this section is intended by the legislature to be the amount required to reduce the employer contribution rate of teachers' retirement system employers to 12.56 percent for fiscal year 2009.

Subsection b informs the ARM Board that the legislative intent of the \$162 million appropriation is to reduce rates for employers to 12.56 percent. This rate was the normal cost rate for FY08, and is the long-term target employer contribution rate.

(c) The sum of \$246,000,000 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the public employees' retirement system as partial payment of the participating public employees' retirement system employers' contribution for fiscal year 2009 under AS 39.35.270.

Subsection c appropriates \$246 million of FY09 general funds for FY09 PERS retirement contributions.

Legislative Fiscal Analyst Comment: The Governor's request is \$4.4 million more than the \$241.6 million requirement calculated by the state's actuarial consultants.

(d) The appropriation made by (c) of this section is intended by the legislature to be the amount required to set the effective employer contribution rate of all public employees' retirement system employers for the fiscal year ending June 30, 2009, at the lower of the level percentage of pay rate approved by the Alaska Retirement Management Board, or 22 percent; however, it is further the intent that the effective employer contribution calculated under this subsection may not be lower than 14.48 percent.

Subsection d informs the ARM Board that the legislative intent of the \$246 million appropriation is to reduce employers' rates to a maximum of 22%.

Legislative Fiscal Analyst Comment: The lower limit on employer contribution rates (14.48 percent) reflects an actuarial method that was not used. The correct figure is 13.72 percent.

(e) The sum of \$450,000,000 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the teachers' retirement system as partial payment of the participating teachers' retirement system employers' contribution under

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AS 14.25.070(a).

Subsection e appropriates \$450 million to the Teachers Retirement System (TRS) account to pay down a portion of the system's unfunded liability.

Legislative Fiscal Analyst Comment: Please see discussion under subsection a.

* **Sec. 13. DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT.** (a) If the amount necessary to pay benefit payments from the fishermen's fund (AS 23.35.060) exceeds the amounts appropriated in sec. 1 of this Act, the additional amount necessary to pay those benefit payments is appropriated from that fund to the Department of Labor and Workforce Development, fishermen's fund allocation, for the fiscal year ending June 30, 2009.

This section allows benefit payments to exceed the amount appropriated in section 1, ensuring that expenditure authorization will be sufficient to pay benefits required by law.

Funding: The estimated impact of this section is zero.

(b) If the amount necessary to pay benefit payments from the second injury fund (AS 23.30.040(a)) exceeds the amount appropriated in sec. 1 of this Act, the amount necessary to make those benefit payments is appropriated from the second injury fund to the Department of Labor and Workforce Development, second injury fund allocation, for the fiscal year ending June 30, 2009.

This section allows benefit payments to exceed the amount appropriated in section 1, ensuring that expenditure authorization will be sufficient to pay benefits required by law.

Funding: The estimated impact of this section is zero.

(c) If the amount necessary to pay benefit payments from the workers' compensation benefits guaranty fund (AS 23.30.082) exceeds the amount appropriated in sec. 1 of this Act, the additional amount necessary to pay those benefit payments is appropriated from that fund to the Department of Labor and Workforce Development, workers' compensation benefits guaranty fund allocation, for the fiscal year ending June 30, 2009.

This section allows benefit payments to exceed the amount appropriated in section 1, ensuring that expenditure authorization will be sufficient to pay benefits required by law.

Funding: The estimated impact of this section is zero.

* **Sec. 14. DEPARTMENT OF LAW.** The sum of \$9,600,000 is appropriated from the Alaska capital income fund (AS 37.05.565) to the Department of Law, oil, gas and mining section, for work related to the gas pipeline and to bringing North Slope natural gas to market, and to other oil and gas projects, for the fiscal years ending June 30, 2009 and June 30, 2010.

This section appropriates \$9.6 million from the Alaska Capital Income Fund. It is a multi-year appropriation that makes funding available in FY09 and FY10.

Legislative Fiscal Analyst Comment: The Alaska Capital Income Fund has customarily been reserved for capital projects. Although the fund may be used in this way, Legislative Finance suggests that a general fund appropriation for a single year is the least complicated approach to this funding request. The appropriation could appear in section 1 if it were for a single year.

* **Sec. 15. DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS.** Five percent of the market value of the average ending balances in the Alaska veterans' memorial endowment fund (AS 37.14.700) for the fiscal years ending June 30, 2006, June 30, 2007, and June 30, 2008, is appropriated from the Alaska veterans' memorial endowment fund to the Department of Military and Veterans' Affairs for the purposes specified in AS 37.14.730(b) for the fiscal year ending June 30, 2009.

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Funding: Endowment payout is expected to be about \$12,400. Proceeds may be used for maintenance, repair and construction of monuments to the military.

* **Sec. 16. DEPARTMENT OF NATURAL RESOURCES.** Federal receipts received for fire suppression during the fiscal year ending June 30, 2009, are appropriated to the Department of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2009.

This section appropriates an unspecified amount of federal receipts received for fire suppression to the Department of Natural Resources.

Funding: A \$2 million federal receipts estimate for fire suppression has been used for several years.

* **Sec. 17. DEPARTMENT OF PUBLIC SAFETY.** (a) The sum of \$1,393,200 is appropriated from the general fund to the Department of Public Safety, division of Alaska state troopers, narcotics task force, for drug and alcohol enforcement efforts during the fiscal year ending June 30, 2009.

Subsection a appropriates \$1.4 million in general funds for drug and alcohol enforcement efforts.

(b) If the amount of federal receipts received by the Department of Public Safety from the justice assistance grant program during the fiscal year ending June 30, 2009, for drug and alcohol enforcement efforts exceeds \$1,289,100, the appropriation in (a) of this section is reduced by the amount by which the federal receipts exceed \$1,289,100.

Subsection b is contingency language that requires a dollar-for-dollar reduction of the previous subsection's general funds if DPS receives over \$1.3 million in federal grants for drug and alcohol enforcement efforts.

Legislative Fiscal Analyst Comment: The FY08 operating budget included similar language and DPS received \$1,560,940 of federal funds for this purpose—resulting in a reduction of \$271,840.

Funding: Because the amount of federal funds for FY09 is unknown, Legislative Finance is estimating the cost of the section to be the full \$1.4 million in general funds.

* **Sec. 18. DEPARTMENT OF REVENUE.** (a) The minimum amount of program receipts received during the fiscal year ending June 30, 2009, by the child support services agency that is required to secure the federal funding appropriated from those program receipts for the child support enforcement program in sec. 1 of this Act is appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2009.

Subsection a permits an unspecified amount of program receipts collected by the Child Support Services Division (CSSD) to be spent to capture the federal receipts appropriated in section 1.

Legislative Fiscal Analyst Comment: Because CSSD has sufficient program receipt (and general fund) authority to match anticipated federal receipts, this section is unlikely to have any effect. The section could be deleted, but it does no harm.

Funding: The estimated impact of this section is zero.

(b) Program receipts collected as cost recovery for paternity testing administered by the child support services agency, as required under AS 25.27.040 and 25.27.165, and as collected under AS 25.20.050(f), are appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2009.

Subsection b appropriates (to CSSD) receipts collected to recover the costs of paternity testing.

Funding: The department estimates that paternity testing will generate \$43,000 in program receipts.

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* **Sec. 19. DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES.** An amount equal to 50 percent of the fines for offenses committed in a traffic safety corridor imposed under AS 28.90.030 and collected during the fiscal year ending June 30, 2007, is appropriated from the general fund to the Department of Transportation and Public Facilities, program development - Alaska highway safety office, for highway safety planning and highway safety programs for the fiscal year ending June 30, 2009.

NEW SECTION: This section appropriates funding authorized under AS 19.10.075(b), which states that 50 percent of the fines collected in a traffic safety corridor may be appropriated to DOT&PF for highway safety planning.

Legislative Fiscal Analyst Comment: If the legislature chooses to appropriate half of the fines for traffic offenses committed in traffic safety corridors (construction work zones in which regular fines are doubled) to the Highway Safety Office, this section of the bill should be modified to include a reference to AS 19.10.075(b), which authorizes the appropriation of 50% of the collections imposed by AS 28.90.030. AS 19.10.075(b) was adopted in section 8, ch. 45, SLA 2006. Because the amount of the appropriation is known, it could be stated in section 19, or the appropriation could occur in section 1.

Funding: The funding appropriated in this section is \$44,300 and is equal to 50 percent of the FY07 collections.

* **Sec. 20. OFFICE OF THE GOVERNOR.** (a) If the 2009 fiscal year-to-date average price of Alaska North Slope crude oil exceeds \$35 a barrel on August 1, 2008, the amount of money corresponding to the 2009 fiscal year-to-date average price, rounded to the nearest dollar, as set out in the table in (c) of this section is appropriated from the general fund to the Office of the Governor for distribution to state agencies to offset increased fuel and utility costs.

(b) If the 2009 fiscal year-to-date average price of Alaska North Slope crude oil exceeds \$35 a barrel on November 1, 2008, the amount of money corresponding to the 2009 fiscal year-to-date average price, rounded to the nearest dollar, as set out in the table in (c) of this section is appropriated from the general fund to the Office of the Governor for distribution to state agencies to offset increased fuel and utility costs.

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

2009 FISCAL YEAR-TO-DATE AVERAGE PRICE OF ALASKA NORTH SLOPE CRUDE OIL	AMOUNT
\$59 or more	\$12,000,000
58	11,500,000
57	11,000,000
56	10,500,000
55	10,000,000
54	9,500,000
53	9,000,000
52	8,500,000
51	8,000,000

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50	7,500,000
49	7,000,000
48	6,500,000
47	6,000,000
46	5,500,000
45	5,000,000
44	4,500,000
43	4,000,000
42	3,500,000
41	3,000,000
40	2,500,000
39	2,000,000
38	1,500,000
37	1,000,000
36	500,000
35	0

(d) It is the intent of the legislature that a payment under (a) of this section on August 1, 2008, be used to offset the effects of higher fuel and utility costs for the first half of fiscal year 2009 and that a payment under (b) of this section on November 1, 2008, be used to offset the effects of higher fuel and utility costs for the second half of the fiscal year 2009.

(e) The governor shall allocate amounts appropriated in (a) and (b) of this section as follows:

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

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

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

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

Subsections a and b appropriate up to \$12 million—depending on the year-to-date average price of crude oil—on August 1, 2008 and November 1, 2008, for a total of up to \$24 million. This funding is to be distributed to agencies to offset increased fuel and utility costs.

Subsection c indicates, based on the price of oil, how much funding is appropriated in subsections a and b.

Subsection d states legislative intent that the funding is to offset fuel and utility cost increases.

Subsection e provides guidelines for allocating the money among agencies.

Legislative Fiscal Analyst Comment: There are two issues worthy of note:

1. Although contingent appropriations have traditionally been excluded from budget reports, OMB included the appropriation in its budget transmittal. Legislative

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Finance concurs that the contingent circumstances are highly probable and also included the \$24 million appropriation in budget reports.

2. *The amount of the appropriation is insufficient to cover fuel cost increases that have occurred since FY06. Legislative Finance has not yet completed a revised schedule that more fully reflects oil price increases since FY06.*

(f) The sum of \$3,670,800 is appropriated from the general fund to the Office of the Governor, division of elections, for costs associated with conducting the statewide primary and general elections for the fiscal year ending June 30, 2009.

Subsection f appropriates general funds to cover the costs of 2008 statewide elections.

Legislative Fiscal Analyst Comment: The request is consistent with election funding for the 2006 elections and fiscal notes for bills affecting election responsibilities. A request for about \$65.0 for FY08 activity is expected. One-time funding for elections will be removed from the FY10 base.

* **Sec. 21. UNIVERSITY OF ALASKA.** The amount of the fees collected under AS 28.10.421(d) during the fiscal year ending June 30, 2008, for the issuance of special request university plates, less the cost of issuing the license plates, is appropriated from the general fund to the University of Alaska for support of alumni programs at the campuses of the university for the fiscal year ending June 30, 2009.

Funding: The University expects to receive about \$2,000 under this section.

* **Sec. 22. FEDERAL AND OTHER PROGRAM RECEIPTS.** (a) Federal receipts, designated program receipts as defined in AS 37.05.146(b)(3), information services fund program receipts as described in AS 44.21.045(b), Exxon Valdez oil spill trust receipts described in AS 37.05.146(b)(4), receipts of the Alaska Housing Finance Corporation, receipts as described in AS 46.03.480(d) for the Ocean Ranger program, and receipts of the Alaska Fire Standards Council described in AS 37.05.146(b)(5) that are received during the fiscal year ending June 30, 2009, and that exceed the amounts appropriated by this Act, are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) that are received during the fiscal year ending June 30, 2009, exceed the amounts appropriated by this Act, the appropriations from state funds for the affected program shall be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) that are received during the fiscal year ending June 30, 2009, fall short of the amounts appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

Subsection a provides unlimited appropriations of the types of receipts listed. Although the appropriations are conditioned on review by the Legislative Budget and Audit Committee, the Governor can increase authorization for listed fund sources without the approval of the Committee.

NEW FUND SOURCES LISTED: Receipts of the Alaska Housing Finance Corporation and receipts from the Ocean Ranger Program (the \$4/berth fee) are FY09 additions to the list of funds that can be increased upon LB&A committee review.

Legislative Fiscal Analyst Comment: The provision for AHFC receipts is intended to allow for additional federal Housing and Urban Development (HUD) receipts to be received and expended during the year. Last year, HUD funding requirements changed to a project-based or "asset management" approach under which individual public housing properties must qualify for HUD funding. As the central housing authority, AHFC charges public housing properties for asset management and oversight. Those fees are now considered corporate receipts rather than federal

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receipts. The change in accounting affected over \$6 million in FY08.

Alternatives to this open-ended appropriation include:

1. restricting the affected AHFC receipts to those received via HUD;
2. limiting the amount of HUD receipts subject to LB&A review; and
3. omitting the fund source in favor of supplemental appropriations.

Legislative Fiscal Analyst Comment: The proposed budget for the Ocean Ranger program would expend all available (projected) revenue from the berth fee.

Subsection b is standard language that permits state authorization to be reduced if unanticipated money is received for projects funded by general funds. There is no formal process for tracking potential reductions.

Subsection c is standard language that automatically limits authorization of federal and other receipts to the amount actually received.

Funding: Although requests for approval to spend additional receipts will almost certainly be received, there is no way to determine where the increases will be, how much they will be, or what fund sources would be appropriate. Legislative Finance reports place no dollar value on appropriations made in this section.

* **Sec. 23. FUND TRANSFERS.** (a) The following amounts are appropriated to the debt retirement fund (AS 37.15.011):

(1) the sum of \$11,807,600 from the Alaska Housing Finance Corporation fiscal year 2009 dividend;

(2) the sum of \$13,055,200 from federal receipts for state-guaranteed transportation revenue anticipation bonds, series 2003B;

(3) the sum of \$23,800,000 from the Alaska Industrial Development and Export Authority fiscal year 2009 dividend;

(4) the sum of \$71,435,700 from the general fund;

(5) the sum of \$171,900 from the investment loss trust fund (AS 37.14.300);

(6) the sum of \$458,700 from investment earnings of the Alaska municipal bond bank authority reserve fund (AS 44.85.270), if the earnings are in excess of the operating expenses of the fund.

Subsection a is summarized below.

Total Capitalization of the Debt Retirement Fund			
Subsec	Fund Source	FY09 Debt Service	Details
1	AHFC Dividends	11,807.6	
2	Federal Receipts	13,055.2	Federal receipts to pay Series 2003B GO Bonds
3	AIDEA Dividends	23,800.0	
4	General Funds	71,435.7	
5	ILTF	171.9	
6	AMBB Receipts	458.7	
	TOTAL DEPOSITS	120,729.1	

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

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- (1) the sum of \$100,000 from federal receipts;
- (2) interest earned on amounts in the election fund required by the federal Help America Vote Act.

Subsection b (1) and (2) appropriate \$100,000 in federal receipts from the Help America Vote Act, plus interest earned, to the election fund.

Legislative Fiscal Analyst Recommendation: This fund is for capital expenditures. Legislative Finance has made an effort in recent years to capitalize and expend funds in the same bill in order to ensure agreement between capitalization and expenditure. To be consistent with that practice, this section should be moved to the capital appropriations bill.

- (c) The sum of \$25,921,360 is appropriated to the power cost equalization and rural electric capitalization fund (AS 42.45.100) from the following sources:

Power cost equalization endowment fund (AS 42.45.070)	\$16,067,560
General fund	9,853,800

Subsection c capitalizes the PCE Fund with \$9.85 million in general funds and seven percent of the PCE Endowment (\$16.1 million). This fund capitalization provides the \$28.2 million needed to fully fund the PCE appropriations made in section 1.

Legislative Fiscal Analyst Comment: An FY07 appropriation added \$182.7 million to the PCE Endowment. The endowment balance (\$395 million) is now sufficient to fund the PCE program at about \$25 million annually in the long run. However, the annual payout is based on a three-year average balance of the endowment, so general funds will be required through FY10.

The GF share of the PCE program is \$9.85 million in FY09, and should decline to \$5 million in FY10. By FY11, the impact of the \$182.7 million deposit on the three-year average balance of the endowment will be fully realized and PCE may be self-supporting at a level of about \$25 million annually.

- (d) The sum equal to 25 percent of the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6506a(h) or former 42 U.S.C. 6508 on or before August 31, 2008, that is appropriated to the Department of Commerce, Community, and Economic Development for fiscal year 2009 capital project grants under the National Petroleum Reserve - Alaska impact grant program, that is not subject to a signed grant agreement between the Department of Commerce, Community, and Economic Development and an impacted municipality on or before August 31, 2008, and that lapses into the National Petroleum Reserve - Alaska special revenue fund is appropriated to the principal of the Alaska permanent fund from the National Petroleum Reserve - Alaska special revenue fund.

Subsection d (per AS 37.05.530(g)) appropriates 25 percent of the lapsing balance of grants to the Permanent Fund. No lapsing balance is anticipated.

Funding: The estimated fiscal impact of this section is zero.

- (e) The sum equal to 0.5 percent of the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6506a(h) or former 42 U.S.C. 6508 on or before August 31, 2008, that is appropriated to the Department of Commerce, Community, and Economic Development for fiscal year 2009 capital project grants under the National Petroleum Reserve - Alaska impact grant program, that is not subject to a signed grant agreement between the Department of Commerce, Community, and Economic Development and an impacted municipality on or before August 31, 2008, and that lapses into the National Petroleum Reserve - Alaska special revenue fund is appropriated to the public school trust fund (AS 37.14.110) from the National Petroleum Reserve - Alaska special revenue fund.

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Subsection e (per AS 37.05.530(g)) appropriates one-half percent of the lapsing balance of grants to the Public School Trust Fund. No lapsing balance is anticipated.

Funding: The estimated fiscal impact of this section is zero.

(f) The amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6506a(f) or former 42 U.S.C. 6508 on or before August 31, 2008, that is appropriated to the Department of Commerce, Community, and Economic Development for fiscal year 2009 capital project grants under the National Petroleum Reserve - Alaska impact grant program, that is not subject to a signed grant agreement between the Department of Commerce, Community, and Economic Development and an impacted municipality on or before August 31, 2008, that lapses into the National Petroleum Reserve - Alaska special revenue fund, and that is not appropriated under (d) and (e) of this section is appropriated to the power cost equalization and rural electric capitalization fund (AS 42.45.100) from the National Petroleum Reserve - Alaska special revenue fund.

Subsection f (per AS 37.05.530(g)) appropriates the lapsing balance remaining after (e) and (f) to the PCE Fund to fund the PCE Program. No lapsing balance is anticipated.

Funding: The estimated fiscal impact of this section is zero.

(g) The following revenue collected during the fiscal year ending June 30, 2009, is appropriated to the fish and game fund (AS 16.05.100):

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

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

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

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

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

Subsection g appropriates revenue generated by the named licenses and fees into the Fish and Game Fund. Appropriations from this revenue source use the Fish and Game Nondedicated Receipts fund code (1194) to differentiate these appropriations (which are essentially GF appropriations) from the dedicated portion of the Fish and Game Fund.

Funding: The estimated fiscal impact of this subsection is \$2,315,700.

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

(1) the balance of the oil and hazardous substance release prevention mitigation account (AS 46.08.020(b)) in the general fund on July 1, 2008, not otherwise appropriated by this Act;

(2) the amount collected for the fiscal year ending June 30, 2008, estimated to be \$9,900,000, from the surcharge levied under AS 43.55.300.

Subsection h is standard language appropriating (to the Oil and Hazardous Substance Release Prevention Account) the balance of the Release Prevention Mitigation Account and the FY08

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collections from the 4 cent per barrel surcharge on oil produced in the state. Amendments effective April 1, 2006 changed the per barrel surcharge from \$0.03 to \$0.04.

Funding: Based on a five-year average, the projected balance of the oil and hazardous substance release prevention mitigation account (subsection (h)(1)) is \$1.8 million

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

(1) the balance of the oil and hazardous substance release response mitigation account (AS 46.08.025(b)) in the general fund on July 1, 2008, not otherwise appropriated by this Act;

(2) the amount collected for the fiscal year ending June 30, 2008, from the surcharge levied under AS 43.55.201.

Subsection i is standard language appropriating (to the Oil and Hazardous Substance Release Response Account) the balance of the Release Response Mitigation Account and the FY08 collections from the \$0.01 cent per barrel surcharge on oil produced in the state. Amendments effective April 1, 2006 changed the per barrel surcharge from \$0.02 to \$0.01.

Funding: Based on a five-year average, the projected balance of the response mitigation account that will be transferred under this section is approximately \$600,000. The surcharge collected under paragraph (2) became effective when the balance of the Response Account dropped below \$50 million. The drop in the balance is due to a Department of Law request for \$8.8 million to investigate two oil spills which occurred in 2006 from transit pipelines operated by BP in the Prudhoe Bay oil field. As of September 30, 2007, the cumulative balance of the accounts remains below \$50 million—at \$44.1 million.

Legislative Fiscal Analyst Comment: Based on the current balance and annual collections of \$2.3 million from the one cent surcharge, the surcharge may be in effect for several years.

(j) The portions of the fees listed in this subsection that are collected during the fiscal year ending June 30, 2009, are appropriated to the Alaska children's trust (AS 37.14.200):

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

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

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

Subsection j appropriates (to the Alaska Children's Trust) net receipts collected during FY09 from sales of heirloom birth certificates, heirloom marriage certificates and Trust license plates.

The Alaska Children's Trust was created by Chapter 19, SLA 1988. The legislature appropriated \$6 million from the investment loss trust fund to the principal of the trust in Chapter 123, SLA 1996. The trust was established to provide a continuing source of revenue for grants to community-based programs for the prevention of child abuse and neglect.

Funding: OMB projects \$45.4 net proceeds from the sale of certificates plates.

(k) The loan origination fees collected by the Alaska Commission on Postsecondary Education for the fiscal year ending June 30, 2009, are appropriated to the origination fee account (AS 14.43.120(u)) within the education loan fund (AS 14.42.210) of the Alaska Student Loan Corporation for the purposes specified in AS 14.43.120(u)

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Subsection k appropriates origination fees charged on student loans to the origination fee account within the student loan fund. The fees are intended to offset loan losses due to death, disability, bankruptcy and default.

Funding: The amount of the loan origination fee is capped by regulation at 5% and set annually by the corporation. It is currently set at 3%. Because the appropriation earmarks money within a fund, there is no impact on state expenditures.

(l) The amount of federal receipts received for disaster relief during the fiscal year ending June 30, 2009, is appropriated to the disaster relief fund (AS 26.23.300).

Subsection l is standard language appropriating federal receipts for disaster relief to the Disaster Relief Fund. The Governor needs no specific appropriations to spend money in the Disaster Relief Fund; money can be spent upon declaration of a disaster.

Funding: A \$9 million estimate for federal disaster relief receipts has been used for several years.

(m) The sum of \$7,000,000 is appropriated from the general fund to the disaster relief fund (AS 26.23.300).

Subsection m capitalizes the Disaster Relief Fund with \$7 million of general funds.

(n) The balance of the mine reclamation trust fund income account (AS 37.14.800(a)) on June 30, 2008, and money deposited in that account during the fiscal year ending June 30, 2009, is appropriated to the mine reclamation trust fund operating account (AS 37.14.800(a)) for the fiscal year ending June 30, 2009. The amount necessary for the purposes specified in AS 37.14.820 for the fiscal year ending June 30, 2009, is appropriated from the mine reclamation trust fund operating account (AS 37.14.800(a)) to the Department of Natural Resources.

Subsection n authorizes an internal transfer of funds from the income account to the operating account; then appropriates the funds needed for the purposes from the account to DNR.

Funding: The agency estimates the amount needed for mine reclamation expenditures is about \$100,000.

(o) The sum of \$12,240,000 is appropriated to the Alaska clean water fund (AS 46.03.032) for the Alaska clean water loan program from the following sources:

Alaska clean water fund revenue bond receipts	\$2,040,000
Federal receipts	10,200,000

(p) The sum of \$9,960,000 is appropriated to the Alaska drinking water fund (AS 46.03.036) for the Alaska drinking water loan program from the following sources:

Alaska drinking water fund revenue bond receipts	\$1,110,000
Federal receipts	8,300,000
General fund match	550,000

Subsections o and p provide money to develop sewer and water systems in Alaska communities through revolving loan programs. The state typically issues short-term bonds that are repaid with earnings from the loan programs, and uses the bond proceeds to match federal money.

(q) The amount of municipal bond bank receipts determined under AS 44.85.270(h) to be available for transfer by the Alaska Municipal Bond Bank Authority for the fiscal year ending June 30, 2008, is appropriated to the Alaska municipal bond bank authority reserve fund (AS 44.85.270(a)).

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Subsection q appropriates earnings of the Bond Bank to its earnings reserve fund.

Funding: Earnings for FY08 were \$250,000 and a similar amount is expected in FY09.

(r) The bulk fuel revolving loan fund fees established under AS 42.45.250(j) and collected under AS 42.45.250(k) from July 1, 2007, through June 30, 2008, estimated to be \$45,000, are appropriated from the general fund to the bulk fuel revolving loan fund (AS 42.45.250).

Subsection r attempts to appropriate fee revenues to the bulk fuel revolving loan fund.

Legislative Fiscal Analyst Recommendation: If the legislature chooses to capitalize the loan fund, the subsection should begin with "An amount equal to..." in order to clarify that this is an appropriation of FY09 general funds. The effective date of the section is July 1, 2008, which means that the specified FY08 collections will no longer be accessible. The associated budget transaction uses FY09 general funds to capitalize the loan fund.

(s) The sum of \$2,500,000 is appropriated from the Alaska Student Loan Corporation fiscal year 2009 dividend to the education loan fund (AS 14.42.210) for AlaskAdvantage education grants under AS 14.43.400 - 14.43.420.

Subsection s appropriates ASLC dividends for the existing AlaskAdvantage grant program. This program provides financial assistance to eligible students to enable them to attend, or continue their attendance at, postsecondary educational institutions within Alaska.

Legislative Fiscal Analyst Comment: The Alaska Student Loan Corporation considers this funding the first step in building a sustainable, level funding source for future educational grant awards. The legislature denied a \$20 million request to endow grants in both FY07 and FY08. Those requests involved an internal transfer of funds that the ASLC considered a return of capital to the state. With the issuance of \$60 million in bonds in FY09, the plan to return capital to the state is complete.

Legislative Fiscal Analyst Comment: Corporate dividends are classified as "other" funds and customarily reserved for use in the capital budget. Replacing general funds with "other" funds complicates year-to-year comparisons of the operating budget. If this use of dividends is to be a continuing operating appropriation, the legislature could remove the reservation for capital projects.

(t) The sum of \$10,000,000 is appropriated from the general fund to the municipal harbor facility grant fund (AS 29.60.800).

Subsection t appropriates funding for municipal harbor facility grants. Per statute, DOT&PF may grant funding for the stated purposes without further appropriation. A minimum of 50 percent of the prior year-end fund balance must be granted each year.

Legislative Fiscal Analyst Recommendation: This fund is for capital expenditures. Legislative Finance has made an effort in recent years to capitalize and expend funds in the same bill in order to ensure agreement between capitalization and expenditure. To be consistent with that practice, this section should be moved to the capital appropriations bill.

(u) The sum of \$7,200,000 is appropriated from the Alaska sport fishing enterprise account (AS 16.05.130(e)) in the fish and game fund (AS 16.05.100) to the Alaska fish and game revenue bond redemption fund (AS 37.15.770).

Subsection u transfers the amount collected under the surcharge on sport fish licenses (created by SB 147 (Ch 94, SLA 2005)) from the sport fish enterprise account, where the revenue is deposited, to the bond redemption fund. The transfer is for payment of debt service on bonds authorized for hatchery construction. As both funds are subfunds of the Fish and Game Fund, this section has no fiscal impact; it is an attempt to preempt legal issues associated the fisheries revenue bonds.

(v) An amount equal to the federal receipts deposited in the Alaska sport fishing enterprise

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account (AS 16.05.130(e)), not to exceed \$1,520,400, as reimbursement for the federally allowable portion of the principal balance payment on the sport fishing revenue bonds series 2006 is appropriated from the Alaska sport fishing enterprise account (AS 16.05.130(e)) to the fish and game fund (AS 16.05.100).

The department may use federal operating receipts as reimbursement for a portion of debt service payments on the "Sportfish Bonds" issued in 2006 (see Section 23(u)). Subsection v clarifies that the department chooses to use \$1.52 million of current federal funding as reimbursement. No new money is involved.

Legislative Fiscal Analyst Comment: The department's action increases flexibility in the use of existing federal receipts by placing federal money in the sport fishing enterprise account. Once there, the money can be used for sport fishing facilities intended to directly benefit license purchasers.

Funding: The section simply transfers funds between accounts within the Fish and Game Fund; there is no fiscal impact.

(w) An amount calculated under AS 43.55.028(c), not to exceed \$200,000,000, is appropriated from the general fund to the oil and gas tax credit fund (AS 43.55.028(a)).

Subsection w appropriates \$200 million to the newly created Oil and Gas Tax Credit Fund to refund oil and gas tax credits. The refunds are capped at \$25 million per applicant per year. Payment of individual refunds requires no further appropriation. The Governor has indicated that she will request an FY08 appropriation of \$125 million to supplement the appropriation of \$25 million for this purpose.

(x) The sum of \$5,000,000 is appropriated from the general fund to the information services fund (AS 44.21.045(a)).

Subsection x appropriates \$5 million of general funds to the information services fund to support \$7.8 million of FY09 Information Technology capital projects.

Legislative Fiscal Analyst Recommendation: This fund is for capital expenditures. Legislative Finance has made an effort in recent years to capitalize and expend funds in the same bill in order to ensure agreement between capitalization and expenditure. To be consistent with that practice, this section should be moved to the capital appropriations bill.

(y) The sum of \$19,099,558 is appropriated from the Alaska capital income fund (AS 37.05.565) to the school construction grant fund (AS 14.11.005).

Subsection y places almost \$20 million in the School Construction Grant Fund for the Susitna Valley High School Replacement. This is the number one school construction project on the Department of Education and Early Development's school construction priority list.

Legislative Fiscal Analyst Recommendation: This fund is for capital expenditures. Legislative Finance has made an effort in recent years to capitalize and expend funds in the same bill in order to ensure agreement between capitalization and expenditure. To be consistent with that practice, this section should be moved to the capital appropriations bill.

(z) The sum of \$80,702,477 is appropriated from the Alaska capital income fund (AS 37.05.565) to the major maintenance grant fund (AS 14.11.007).

Subsection z places almost \$81 million into the School Major Maintenance Grant Fund for projects 1-20 on the initial DE&ED maintenance priority list. An expected amendment will add project #21 and revise the cost of project #1 downward due to revisions in the priority list after submittal of the Governor's budget.

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Legislative Fiscal Analyst Recommendation: This fund is for capital expenditures. Legislative Finance has made an effort in recent years to capitalize and expend funds in the same bill in order to ensure agreement between capitalization and expenditure. To be consistent with that practice, this section should be moved to the capital appropriations bill. Recent changes to the priority list emphasize the reason for placing fund capitalization and appropriations from a fund in the same bill.

Legislative Fiscal Analyst Recommendation: An effort should be made to ensure that all fund transfers are included in an appropriation bill. The Tobacco Use Education and Cessation Fund (and perhaps a few other funds) have no appropriation capitalizing them. Legislative Finance and Legal Services believe that statutory language specifying that a fund is comprised of money from certain sources does not take the place of annual appropriations.

* **Sec. 24. BOND CLAIMS.** The amounts received in settlement of claims against bonds guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of wells, are appropriated to the agency secured by the bond for the fiscal year ending June 30, 2009, for the purpose of reclaiming the state, federal, or private land affected by a use covered by the bond.

This section is standard language that appropriates claims against bonds for land reclamation to the agencies that will direct the reclamation.

Funding: The Department of Natural Resources estimates the impact of this section to be \$100,000.

* **Sec. 25. RETAINED FEES AND BANKCARD SERVICE FEES.** (a) The amount retained to compensate the collector or trustee of fees, licenses, taxes, or other money belonging to the state during the fiscal year ending June 30, 2009, is appropriated for that purpose to the agency authorized by law to generate the revenue. In this subsection, "collector or trustee" includes vendors retained by the state on a contingency fee basis.

Subsection a allows the state to compensate vendors that collect fees on behalf of the state. The provision originally addressed Fish and Game fishing, hunting and trapping license sales in which the vendor retained a portion of the sale. It also applies to several programs in the Department of Administration, Department of Natural Resources and Trial Courts.

Funding: These fees do not appear in the bill summary or in Legislative Finance reports on the grounds that the state has no effective control over the money.

(b) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2009, is appropriated for that purpose to each agency of the executive, legislative, and judicial branches that accepts payment by bankcard or credit card for licenses, permits, goods, and services provided by that agency on behalf of the state, from the funds and accounts in which the payments received by the state are deposited.

Subsection b allows credit card service providers to retain fees charged for using a credit card.

Funding: These fees do not appear in the bill summary or in Legislative Finance reports on the grounds that the state has no effective control over the money.

(c) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2009, is appropriated for that purpose to the Department of Law for accepting payment of restitution in accordance with AS 12.55.051 by bankcard or credit card, from the funds and accounts in which the restitution payments received by the Department of Law are deposited.

NEW SUBSECTION: Subsection c allows credit card service providers to retain fees charged for using a credit card for payment of restitution.

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Funding: These fees do not appear in the bill summary or in Legislative Finance reports on the grounds that the state has no effective control over the money.

Legislative Fiscal Analyst Recommendation: It appears that the words "payment of restitution" can be added to the list in subsection b—implying that this subsection can be deleted.

* **Sec. 26. SALARY AND BENEFIT ADJUSTMENTS.** (a) The operating budget appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2009, of the following collective bargaining agreements:

- (1) Alaska Public Employees Association, for the confidential unit;
- (2) Alaska State Employees Association, for the general government unit;
- (3) Public Employees Local 71, for the labor, trades and crafts unit;
- (4) Alaska Correctional Officers Association, representing correctional officers;
- (5) Teachers' Education Association of Mt. Edgecumbe.

(b) The operating budget appropriations made to the University of Alaska in this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2009, for university employees who are not members of a collective bargaining unit and for implementing the monetary terms of the collective bargaining agreements including the terms of the agreement providing for the health benefit plan for university employees represented by the following entities:

- (1) Alaska Higher Education: Crafts and Trades Employees;
- (2) Alaska Community Colleges' Federation of Teachers;
- (3) United Academics;
- (4) United Academics-Adjuncts.

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

Funding: This section appropriates no money; it specifies that various salary adjustments are funded with money appropriated in section 1.

* **Sec. 27. SHARED TAXES AND FEES.** (a) The amount necessary to refund to local governments their share of taxes and fees collected in the listed fiscal years under the following programs is appropriated to the Department of Revenue from the general fund for payment to local governments in fiscal year 2009:

REVENUE SOURCE	FISCAL YEAR COLLECTED
Commercial passenger vessel excise tax (AS 43.52.230(a))	2008
Regional cruise ship impact fund (AS 43.52.230(c))	2008
Fisheries business tax (AS 43.75)	2008

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Fishery resource landing tax (AS 43.77)	2008
Aviation fuel tax (AS 43.40.010)	2009
Electric and telephone cooperative tax (AS 10.25.570)	2009
Liquor license fee (AS 04.11)	2009

Funding: These "pass through" amounts are excluded from Legislative Finance reports on the operating bill.

(b) It is the intent of the legislature that the payments to local governments set out in (a) of this section may be assigned by a local government to another state agency.

NEW SUBSECTION: Subsection b is intended to allow a municipality to assign their payment under subsection (a) to a state agency. For example, the City of Homer might receive Fisheries Business tax payments under subsection a, but owe the Department of Administration contributions for PERS. Homer could assign the payment to DOA, thus avoiding cash flow from the state to the city and back to the state.

* **Sec. 28. STATE DEBT AND OTHER OBLIGATIONS.** (a) The amount required to pay interest on any revenue anticipation notes issued by the commissioner of revenue under AS 43.08 during the fiscal year ending June 30, 2009, is appropriated from the general fund to the Department of Revenue for payment of the interest on those notes.

Subsection a appropriates general funds to pay interest on any revenue anticipation notes that may be issued during the year.

Legislative Fiscal Analyst Comment: No notes are expected to be issued.

(b) The amount required to be paid by the state for principal and interest on all issued and outstanding state-guaranteed bonds is appropriated from the general fund to the Alaska Housing Finance Corporation for the fiscal year ending June 30, 2009, for payment of principal and interest on those bonds.

Subsection b appropriates general funds to pay principal and interest on state-guaranteed bonds (veterans mortgage bonds) if the revenue stream from the mortgage loans is insufficient to make those payments. The only purpose of the state general obligation pledge is to gain tax-exempt status for the bonds. Because the bonds are general obligations of the state, they must be authorized by law, ratified by the voters, and approved by the State Bond Committee.

Funding: The revenue stream from mortgage loans is expected to be sufficient to cover bond payments, so the expected fiscal impact of this subsection is zero. However, a potential general fund obligation exists.

(c) The sum of \$30,789,700 is appropriated to the state bond committee from the Alaska debt retirement fund (AS 37.15.011) for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2003A.

(d) The sum of \$13,600 is appropriated to the state bond committee from State of Alaska general obligation bonds, series 2003A bond issue premium, interest earnings, and accrued interest held in the Alaska debt service fund for the fiscal year ending June 30, 2009, for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2003A.

Subsections c and d appropriate \$30.8 million from the debt retirement fund and \$13,600 from bond premiums and interest, respectively, to pay debt service on series 2003A general obligation bonds. The bonds were authorized by the voters in 2002 for construction of schools and university facilities.

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(e) The sum of \$13,055,600 is appropriated to the state bond committee from the Alaska debt retirement fund (AS 37.15.011) for payment of debt service, accrued interest, and trustee fees on outstanding state-guaranteed transportation revenue anticipation bonds, series 2003B.

(f) The sum of \$6,900 is appropriated to the state bond committee from state-guaranteed transportation revenue anticipation bonds, series 2003B bond issue premium, interest earnings, and accrued interest held in the Alaska debt service fund for the fiscal year ending June 30, 2009, for payment of debt service and trustee fees on outstanding state-guaranteed transportation revenue anticipation bonds, series 2003B.

Subsections e and f appropriate \$13.1 million from the debt retirement fund and \$6,900 from premiums and interest, respectively, to pay debt service on series 2003B state guaranteed transportation revenue anticipation bonds. The bonds were authorized by voters in 2002 for road and harbor construction/renovation.

Legislative Fiscal Analyst Comment: Although these bonds were issued with a GO pledge by the state, they are more appropriately referred to as GARVEE bonds. The majority of the debt service is paid using eligible federal-aid highway formula funding coupled with a state matching component.

(g) The sum of \$50,027,400 is appropriated to the state bond committee for the fiscal year ending June 30, 2009, for payment of debt service and trustee fees on outstanding international airports revenue bonds from the following sources in the amounts stated:

SOURCE	AMOUNT
International Airports Revenue Fund (AS 37.15.430)	\$46,827,400
Passenger facility charge	3,200,000

Subsection g appropriates funding for payment of debt service and fees on outstanding international airports revenue bonds.

(h) The sum of \$2,050,000 is appropriated from interest earnings of the Alaska clean water fund (AS 46.03.032) to the Alaska clean water fund revenue bond redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year ending June 30, 2009.

(i) The sum of \$1,115,000 is appropriated from interest earnings of the Alaska drinking water fund (AS 46.03.036) to the Alaska drinking water fund revenue bond redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year ending June 30, 2009.

Subsections h and i appropriate the interest earnings of the clean water and drinking water funds to their respective bond redemption funds. Both funds are capitalized annually with federal receipts for drinking and clean water bond receipts (see sections 23(o) and (p)). The federal receipts require a state match. Federal restrictions on the loan funds, however, limit their use to making loans and paying debt service. This section takes advantage of the ability to use the funds to pay debt service. Issuing short-term bonds (secured by the assets of the loan fund) allows the "restricted" earnings of the funds to be used to pay off the bonds. Essentially, the earnings of the funds are used as match.

(j) The sum of \$8,061,300 is appropriated from the Alaska debt retirement fund (AS 37.15.011) to the state bond committee for the fiscal year ending June 30, 2009, for trustee fees and lease payments relating to certificates of participation issued for real property.

Subsection j appropriates funds from the debt retirement fund to the state bond committee for payment of trustee fees and lease payments related to state-issued certificates of participation. Certificates of participation (COPs) are sold by the state to finance construction or purchase of state

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facilities. COPs represent fractional interest in the ownership of the lease payments that are paid over time by the state. Eventually, the state owns the facility outright.

(k) The sum of \$3,467,100 is appropriated from the general fund to the Department of Administration for the fiscal year ending June 30, 2009, for payment of obligations to the Alaska Housing Finance Corporation for the Robert B. Atwood Building in Anchorage.

Subsection k appropriates \$3.5 million for obligations associated with the Atwood Building. AHFC purchased the Robert B. Atwood Building for approximately \$39 million in cash and then issued revenue bonds secured by the building itself and lease payments from the state. The state will own the building at the end of the lease.

(l) The sum of \$22,424,525 is appropriated from the general fund to the Department of Administration for the fiscal year ending June 30, 2009, for payment of obligations and fees for the following facilities:

FACILITY	ALLOCATION
(1) Anchorage Jail	\$5,091,125
(2) Spring Creek Correctional Center	1,755,600
(3) Yukon-Kuskokwim Correctional Center	951,800
(4) Point Mackenzie Correctional Center	14,626,000

Subsection l appropriates \$5.1 million to pay lease costs for the Anchorage Jail. Anchorage issued municipal bonds to pay for the construction of the Anchorage Jail, which the state leases.

Legislative Fiscal Analyst Comment: In common language, the contract with the Municipality of Anchorage is a lease, but terms of the contract are such that Governmental Accounting Standards Board's (GASB) rule #34 classifies it as a Capital Lease. In simple terms, this means that a default on lease payments could affect the state's credit rating. Because of the potential impact on credit rating, the obligation is categorized as debt.

Legislative Fiscal Analyst Comment: Chapter 160, SLA 2004 (SB 65) authorized lease-purchase agreements for the Spring Creek Correctional Center (SCCC) expansion, the Yukon-Kuskokwim Correctional Center (YKCC) expansion, and the Point MacKenzie jail construction. Both SCCC and YKCC are ready to go. Upon renovation, the state will pay the debt service and utilize the facilities (a capital lease arrangement). SCCC is a \$22 million project with projected FY09 debt service of \$1.76 million (25 year term @ 5.25%). YKCC is a \$12.5 million project with projected FY09 debt service of \$952,000 (25 year term @ 5.25%).

The Point MacKenzie jail project is not as far along as the other jail projects. A variety of issues are unresolved (how many beds, how the utilities will be provided, etc.) and an appropriation for debt service may be premature. The requested debt service amount of \$14.6 million is based on a 1,120-bed prison costing \$212 million (25 year term @ 5.25%).

(m) The sum of \$3,303,500 is appropriated from the general fund to the Department of Administration for the fiscal year ending June 30, 2009, for payment of obligations to the Alaska Housing Finance Corporation for the Robert B. Atwood Building parking garage in Anchorage.

Subsection m appropriates \$3.3 million for obligations associated with the Atwood parking garage. The obligation is a lease purchase similar to the obligation for the Robert B. Atwood Building and the Anchorage jail.

(n) The sum of \$97,021,161 is appropriated to the Department of Education and Early Development for state aid for costs of school construction under AS 14.11.100 from the following sources:

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Alaska debt retirement fund (AS 37.15.011)	\$73,621,161
School fund (AS 43.50.140)	23,400,000

Subsection n appropriates funds for municipal school debt reimbursement. AS 14.11.100 authorizes the state to reimburse municipalities for selected bonds issued for school construction (from 60-90% of principal and interest depending on the authorization). The amount of this appropriation is the projected need for full reimbursement.

(o) The sum of \$8,035,959 is appropriated from the general fund to the following agencies for the fiscal year ending June 30, 2009, for payment of debt service on outstanding debt authorized by AS 14.40.257, AS 29.60.700, and AS 42.45.065, respectively, for the following projects:

AGENCY AND PROJECT	APPROPRIATION AMOUNT
(1) University of Alaska	\$1,413,330
Anchorage Community and Technical College Center	
Juneau Readiness Center/UAS Joint Facility	
(2) Department of Transportation and Public Facilities	
(A) Nome (port facility addition and renovation)	127,750
(B) Matanuska-Susitna Borough (deep water port and road upgrade)	754,870
(C) Aleutians East Borough/False Pass (small boat harbor)	101,841
(D) Lake and Peninsula Borough/Chignik (dock project)	115,338
(E) City of Fairbanks (fire headquarters station replacement)	868,790
(F) City of Valdez (harbor renovations)	223,138
(G) Aleutians East Borough/Akutan (small boat harbor)	308,701
(H) Fairbanks North Star Borough (Eielson AFB Schools, major maintenance and upgrades)	337,882
(3) Alaska Energy Authority	
(A) Kodiak Electric Association (Nyman combined cycle cogeneration plant)	943,676
(B) Cordova Electric Cooperative (Power Creek hydropower station)	2,245,840

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(C) Copper Valley Electric Association (cogeneration projects)	351,179
(D) Metlakatla Power and Light (utility plant and capital additions)	243,624

Subsection o appropriates \$8 million to various state agencies for reimbursement to municipalities and public entities for debt service on projects authorized in Ch. 115, SLA 2002 (HB 528). This level of reimbursement is lower than that enacted for FY08 (\$10.5 million). The level of reimbursement is discretionary.

(p) The sum of \$7,500,000 is appropriated from the Alaska fish and game revenue bond redemption fund (AS 37.15.770) to the state bond committee for payment of debt service, accrued interest, and trustee fees on outstanding sport fish hatchery revenue bonds. It is the intent of the legislature that the sum of \$2,200,000 of the appropriation made by this subsection be used for early redemption of the bonds.

Subsection p appropriates the majority of the surcharge levied on sport fish licenses authorized under Ch 94, SLA 2005—and transferred to the bond redemption fund in Section 19(l) of this bill—for payment of debt service on bonds issued for sport fish hatchery development. The appropriation exceeds the debt service due on the bonds, allowing the bonds to be paid off ahead of schedule.

(q) The sum of \$2,000,000 is appropriated from the general fund to the state bond committee for payment to the Municipality of Kodiak for the upgrade, expansion, or replacement of the Kodiak Community Jail. It is the intent of the legislature that the Municipality of Kodiak not receive proceeds of certificates of participation authorized by sec. 7, ch. 160, SLA 2004, as provided by sec. 8(a), ch. 160, SLA 2004.

Subsection q indirectly appropriates \$2 million to Kodiak for the state's share of the Kodiak jail. The appropriation is intended to substitute for the \$2 million that Kodiak would have received from the proceeds of a certificate of participation.

Legislative Fiscal Analyst Comment: The substitution of a general fund appropriation for the proceeds of the sale of a certificate of participation (COP) is due to the prohibitive cost of issuing a (COP) of this small amount.

Legislative Fiscal Analyst Recommendation: This transaction may be addressed in the capital budget as a grant to a municipality. Doing so would categorize the appropriation as a grant rather than as debt service. Given that no COP is expected to be issued, a grant may be the more appropriate classification.

(r) The sum of \$4,527,700 is appropriated from the general fund to the Department of Administration for payment of obligations and fees for the fiscal year ending June 30, 2009, for the following projects:

- (1) State of Alaska telecommunications system/Alaska land mobile radio build out and support projects;
- (2) telephone system replacement and stabilization phase 3.

Subsection r appropriates general funds for "master lease line of credit" payments for the above two FY08 projects. Appropriations from the Master Lease Line of Credit for these two projects totaled \$27 million.

* **Sec. 29. CONSTITUTIONAL BUDGET RESERVE FUND.** (a) Deposits in the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for fiscal year 2008 that are made from subfunds and accounts other than the operating general fund (state accounting system fund number

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11100) by operation of art. IX, sec. 17(d), Constitution of the State of Alaska, to repay appropriations from the budget reserve fund are appropriated from the budget reserve fund to the subfunds and accounts from which they were transferred.

Subsection a is "sweep reversal language." The Constitution requires that year-end general fund balances be used to repay withdrawals from the CBRF. All general fund subaccounts are "swept" into the CBRF; this provision reverses that action.

(b) Unrestricted interest earned on investment of the general fund balances for the fiscal year ending June 30, 2009, is appropriated to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska). The appropriation made by this subsection is intended to compensate the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for any lost earnings caused by use of the fund's balance to permit expenditure of operating and capital appropriations in the fiscal year ending June 30, 2009, in anticipation of receiving unrestricted general fund revenue. The amount appropriated by this subsection may not exceed an amount equal to the earnings lost by the budget reserve fund as the result of the use of money from the budget reserve fund to permit expenditure of operating and capital appropriations in the fiscal year ending June 30, 2009, in anticipation of receiving unrestricted general fund revenue.

Subsection b appropriates general fund earnings to the CBRF as compensation for earnings lost by the CBRF as a result of draws to meet the Treasury's cash flow requirements.

(c) The sum of \$245,700 is appropriated from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2009.

Subsection c appropriates \$245,700 from the budget reserve fund to the Department of Revenue, Treasury Division, for investment management fees for FY09.

(d) The sum of \$155,300,000 is appropriated from the general fund to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

(e) The sum of \$223,700,000 is appropriated from the general fund to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).

Subsection d appropriates \$155.3 million of the FY09 surplus (the entire anticipated FY09 surplus) to the CBRF.

Subsection e appropriates \$223.7 million of the FY08 surplus (the entire anticipated FY08 surplus) to the CBRF. The section has an effective date of June 30, 2008.

Legislative Fiscal Analyst Comment: These deposits are for the exact amount of the anticipated surplus in each fiscal year. Under these conditions, any shortfall in revenue will force a draw from the CBRF. The legislature typically leaves a cushion of several million dollars in case revenue is lower than anticipated.

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

Subsection f stipulates that appropriations made from the CBRF must be approved by at least three-quarters of the members of each house of the legislature.

Legislative Fiscal Analyst Comment: The bill contains no language appropriating funds from the CBRF to cover any shortfall in unrestricted revenue.

* **Sec. 30. NONLAPSE OF APPROPRIATIONS.** The appropriations made by secs. 5(d), 6(b), 7(d), 8(b), 11(a), 11(b), 23, 28(h), and 28(i) of this Act are for the capitalization of funds and do not lapse.

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* **Sec. 31. RETROACTIVITY.** Those portions of the appropriations made in sec. 1 of this Act that appropriate either the unexpended and unobligated balance of specific fiscal year 2008 program receipts or the unexpended and unobligated balance on June 30, 2008, of a specified account are retroactive to June 30, 2008, solely for the purpose of carrying forward a prior fiscal year balance.

* **Sec. 32.** Sections 1'(a), 12(e), and 23(x) take effect April 13, 2008.

* **Sec. 33.** Sections 21, 29(e), and 31 of this Act take effect June 30, 2008.

* **Sec. 34.** Except as provided in secs. 32 and 33 of this Act, this Act takes effect July 1, 2008.

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**2008 STATE LEGISLATIVE PROGRAM
MUNICIPAL PRIORITY ISSUES
Operating Budget - Public Health**

ISSUE/PROJECT NAME: Anchorage Project Access

ISSUE/IMPROVEMENT TYPE:

STATE GRANT REQUEST: \$250,000

PRIORITY:

ISSUE/PROJECT DESCRIPTION:

Health care is among the most expensive commitments of government, businesses, and individuals. According to the Institute of Social and Economic Research, health care costs almost doubled between 1991 and 2005, with businesses and governments in Alaska paying about 80% of those costs. Data indicates that about 30,000 Anchorage residents are uninsured with about half of those considered low income.

Anchorage Project Access (www.anchorageprojectaccess.org) is a local replication of a national model that has proven to improve health outcomes and reduce emergency room charity care costs in many communities. Anchorage Project Access was founded and brought to the implementation stage through the collaborative efforts of many community stakeholders and opened its doors in December 2005. During the first 18 months of operation, Anchorage Project Access has processed 1,200 applications and provided medical services for about 600 people. Similar to pro bono services provided by attorneys, this model primarily provides specialty medical care to those who meet the qualifying criteria (income less than 200% of poverty, uninsured, medical need, and Anchorage resident). Impressively, Anchorage Project Access generates a four to one return on investment and the efforts of the Anchorage medical community has resulted in approximately \$2 million dollars of donated medical care in its first eighteen months of operation. There are roughly 375 participating physicians, nurse practitioners, and other health care providers in Anchorage who participate in the program by donating services. A variety of ancillary services including hospital costs, imaging and pharmacy services are also leveraged by the program at low or no-cost.

Sustainability, continuous growth in health care providers and patient referrals are instrumental in maintaining the ability of Anchorage Project Access to assist the underserved and uninsured. The largest expense of Anchorage Project Access is for staff time to enroll patients and coordinate their services. An investment of \$250,000 (less than \$1 per Anchorage resident) would leverage approximately \$1 million dollars of pro bono medical services. While currently a program that serves primarily Anchorage residents, Anchorage Project Access is a model that once established could likely be implemented in other localities in Alaska.

Legislative District (s):

House: 16-32

Senate: H-P

CONTACT PERSON: Diane Ingle, TITLE: Director,
Department: Health and Human Services
Phone: 907-343-6718

February 18, 2008

Representative Kevin Meyer
Representative Mike Chenault
Co-Chairs House Finance Committee
State Capitol, Room 515
Juneau, AK 99801-1182



Dear Representatives Meyer and Chenault,

As the budget process progresses to its final stages, we wanted to take a moment of your time to alert you to a funding request for Anchorage Project Access. You are likely familiar with Anchorage Project Access through this year's Municipality of Anchorage budget request packet.

Anchorage Project Access provides *pro bono* medical care to the most needy of the 15,000 low income uninsured Anchorage residents, some of whom have relocated from other parts of the State.

- **Efficient**—Anchorage Project Access was able to leverage \$2.1 million in donated medical care in the first 18-months of operation, a \$400 return for every \$100 invested;
- **Empowering**—patients are enrolled for short time periods (average 9-months) enabling return to independence;
- **Comprehensive**—340 physicians and 36 other practitioners (nurse practitioners, podiatrists, physical therapists, surgery, radiology, sleep centers and both hospitals – Providence and Alaska Regional) participate;
- **Compassionate**—the most needy are served, 200% of poverty or less;
- **Effective**—In the first 2-years of operation:
 - Over 1300 patients have been screened for eligibility;
 - Over 700 patients have been served;
- **Coordinated Care**—Care Coordination gets the right patient to the right doctor at the right time, avoiding unnecessary or repetitive care and minimizing emergency room use;
- **Our Request**—Start up grants, which funded the cost of program personnel and office operations (totaling \$420K per year) are expiring:
 - Funds are needed to continue services during 2009. Requesting \$250,000 for calendar year 2009.

A hard copy of this letter will be sent by U.S. Mail. Please feel free to contact either of us. We would be delighted to speak with you directly. Our Executive Director is also available and can be reached at the contact information below. We look forward to working with you.

Sincerely,

Catherine Schumacher, MD
Anchorage Project Access Board Treasurer
Cell phone 350-8137 (preferred)
Anchorage Medical Surgical Clinic 272-2571

K.C. Kaltenborn, MD
Anchorage Project Access Board Chair
Cell phone 242-4136 (preferred)
Alaska Kidney and Diabetes 562-9572

For more information contact: Executive Director, Charlene Spadafore Vassar, 1805 Academy Drive, Ste 101, Anchorage, AK 99507; (907) 339-8779; FAX (907) 339-8710; E-mail: csvassar@anchorageprojectaccess.org; Website: www.anchorageprojectaccess.org

CC: Representative Bill Stoltze, Vice-Chair
Representative John Harris
Representative Mike Hawker
Representative Mike Kelly
Representative Bill Thomas
Representative Harry Crawford
Representative Les Gara
Representative Reggie Joule

Representative Mary Nelson



University of Alaska
ANSEP: Alaska Native Science & Engineering Program

ANSEP students are Alaskans. The graduates remain in Alaska in professional positions, contributing to our economic growth.

This is not just a University program. Because of the longitudinal structure of the model,

the program has more high school students enrolled than university students. ANSEP is unique from a budgetary perspective as well. Funding formulas for neither Alaskan high schools, nor the University system cover ANSEP costs, yet both benefit from the program.

We are not aware of any similar education program that has demonstrated the success rates of ANSEP. A specific, annually recurring allocation of funds to ANSEP is necessary to assure the sustainability of the program. Investing public funds promises a high rate of return. ANSEP provides high paying jobs for Alaskans and the promise of Alaskans determining the fate of Alaska.

The following table is the budget required to partially support ANSEP annually. Supplemental funding will still be required from private and government grants.

	University of Alaska	
	Alaska Native SIEEM Enrollment	Graduate Production
Year	Enrollment	Degrees
2002-2003	157	17
2003-2004	191	13
2004-2005	219	19
2005-2006	227	15
2006-2007	279	18
2007-2008		23 (projected)

ANSEP Annual Budget	
ITEM	Annual Cost
Personnel	
Regional Director (North Slope, Northwest Arctic)	\$ 99,400
Regional Director (Western, Aleutians, Interior)	\$ 99,400
Regional Director (Southcentral, Southeast)	\$ 99,400
Campus Coordinator, UAF	\$ 110,000
Campus Coordinator, UAS	\$ 110,000
Campus Coordinator, UAA	\$ 110,000
Executive Director	\$ 170,000
Science Coordinator	\$ 110,000
Fiscal Manager	\$ 90,000
Administrative Assistant	\$ 60,000
Distance Tutors (40 Student Tutors)	\$ 200,000
Total Staff:	\$ 1,258,200
Operational and Equipment	
Travel	\$ 80,000
Supplies	\$ 50,000
High school academic enrichment	\$ 540,000
Distance tutoring equipment/software	\$ 100,000
Total Operational and Equipment:	\$ 770,000
Total	\$ 2,028,200



University of Alaska ANSEP: Alaska Native Science & Engineering Program

Summary

Our objective is to effect a systemic change in the hiring patterns of Indigenous Americans in the fields of science, technology, engineering, and mathematics (STEM) by increasing the number of individuals on a career path to leadership within STEM fields.

The Alaska Native Science & Engineering Program (ANSEP) was started on the University of Alaska Anchorage (UAA) campus in 1995 with a single Alaska Native engineering student. Since then we have grown to an alliance of 4 universities, 2 community

Indigenous Alliance Partners

- University of Alaska Anchorage
- University of Alaska Fairbanks
- University of Hawai'i Manoa
- University of Washington
- Kapiolani Community College
- Kuskokwim Community College

colleges, and 43 high schools in Alaska,

Washington and Hawai'i. There are now more than 1,100 Native university level STEM students involved and in excess of 400 high school students. Students are arriving prepared for engineering and science coursework at participating institutions in unprecedented

numbers. We have graduated 135 engineers since 2002. Annual STEM degree production has increased from 46 in 2000 to 116 in 2007. In May 2008 ANSEP will graduate 23 Alaska Native engineers and scientists from the University. More than 50 organizations support this effort with cash and internships.

The work we do is based on the fundamental Indigenous value that stresses the importance of community before the individual. ANSEP is a comprehensive suite of *Pre-College*, *Summer Bridging*, *University Retention*, and *Graduate* components. We have arrived at this model after 13 years of effort and with the awareness that a fragmented approach that deals with one of the four areas is not adequate to deal with the scope of the problem and ultimately falls short. Beginning with high school freshmen, structured programs lead students each step of the way through high school, into the undergraduate years, on to graduate school, and into professional life. At each level the goal is to create empowerment and excitement around careers in engineering and science.

- In Alaska, 487 students have participated in the ANSEP *Pre-College* component. Of these students, 59% have completed chemistry, physics, and Algebra II prior to graduation from high school.
- Of all the students who have completed ANSEP *Summer Bridge* in Alaska, 85% have earned BS degrees or are still enrolled at the University.
- ANSEP *University Retention* rates in engineering are above 70% on each campus where we work.



Alaska Native Civil Engineering graduates Andy White and Michael Nabers helped architects and engineers to design a new 13,000 square foot building on the UAA campus to house ANSEP and the Indigenous Alliance.

Charter School Grant History

Legislation & Fiscal Year of Funding	Grant Amount
<i>HB375 Operating Budget - FY2005</i>	\$ 106,000
<i>HB67 Operating Budget - FY2006</i>	\$ 250,000
<i>HB365 Operating Budget - FY2007</i>	\$ 250,000
<i>CCS HB95 Operating Budget - FY2008</i>	\$ 100,000

FY2005

District	Charter School	ADM	Amount due
Craig	PACE Alternative Charter School	8.00	\$ 2,497.69
Juneau	Juneau Community Charter School	65.50	\$ 20,444.52
Kenai	Fireweed Academy Charter (Homer)	34.00	\$ 10,612.42
	Montessori Charter	100.10	\$ 31,244.21
	Kaleidoscope School of Arts & Sciences	88.00	\$ 27,467.44
Nome	Anvil City Science Academy	44.00	\$ 13,733.72
TOTAL		339.60	\$ 106,000.00

FY2006

District	Charter School	ADM	Amount due
Anchorage	Winterberry Charter School	144.10	\$ 66,911.28
Juneau	Juneau Community Charter School	64.00	\$ 29,717.65
Kenai	Kaleidoscope Charter School	115.55	\$ 53,654.38
	Fireweed Academy Charter (Homer)	48.25	\$ 22,404.30
	Soldotna Montessori Charter	122.50	\$ 56,881.54
Nome	Anvil City Science Academy	44.00	\$ 20,430.85
TOTAL		538.40	\$ 250,000.00

FY2007

District	Charter School	ADM	Amount due
Fairbanks	Elfie Cochrane Charter	97.65	\$ 58,487.12
Juneau	Juneau Community Charter School	67.65	\$ 40,518.62
Kenai	Fireweed Academy Charter (Homer)	66.00	\$ 39,530.36
Lower Kuskokwim	Ayaprun Eliitnaurvik Yup'ik Immersion (bothel)	142.60	\$ 85,409.92
Nome	Anvil City Science Academy	43.50	\$ 26,053.98
TOTAL		417.40	\$ 250,000.00

FY2008

District	Charter School	ADM	Amount due
Juneau	Juneau Community Charter School	65.00	\$ 35,230.00
Kenai	Fireweed Academy Charter (Homer)	75.50	\$ 40,921.00
Nome	Anvil City Science Academy	44.00	\$ 23,849.00
TOTAL		184.50	\$ 100,000.00

Pat Pitney, Vice President
(907) 450-8191
(907) 450-8181 fax
pat.pitney@alaska.edu



UNIVERSITY
of ALASKA
With Education One Alaska

Planning & Budget
PO BOX 755260
910 Yukon Drive Ste. 108
Fairbanks, AK 99775-5260

Representative Chenault
House Finance Chairman
State Capitol, Room 505
Juneau, AK 99801-1182

February 22, 2008

Dear Representative Chenault:

Following the suggestion of the House Finance Sub Committee (HFSC), the UA Board of Regents called a special meeting on Wednesday, February 20, to review compensation structure options for our non-organized employees. In accordance with the HFSC desire that the University adopt a procedure similar to that used for state employees, the Board of Regents will modify the staff compensation structure in FY09 to include a 4.5% salary grid adjustment and suspend step adjustments. Over the next few months, the Board of Regents will look at a different staff compensation structure for FY10 and beyond that maintains UA's ability to recruit and retain qualified staff, but that will be more reliant on salary grid increases and will minimize the fiscal impact of annual steps.

This approach addresses your desire to only fund salary grid and not step increases. In FY09, it provides UA staff, the largest group of public employees not-represented by a union, a compensation adjustment similar to what they expected based on the Board of Regents' policy and budget request. And finally, it provides an adjustment for UA staff that is similar, albeit lower, than the level of recently negotiated union contracts covering state workers, university faculty, and school district teachers.

This action is virtually cost neutral and eliminates the political disconnect that has existed over this issue for years. In the HFSC, \$3,545.5 was cut from UA non-bargaining unit staff compensation. To accomplish the approach suggested by the HFSC, and outlined above, will require \$3,403.3.

The HFSC took the same approach to steps with the much smaller AHECTE represented employees (the UA "blue-collar" employees). There is a tentative agreement that AHECTE members are in the process of ratifying. The agreement includes small grid movements and high dependence on annual steps. By law, if the terms of the contracts are not funded, the University cannot pay the negotiated provisions. Meeting the terms of the AHECTE contract, which is expected to be ratified in the next week, requires restoration of the \$364.3 cut by HFSC. The alternative approach outlined above will be implemented for non-organized employees and will be presented by the University in subsequent collective bargaining negotiations for adoption by the AHECTE.

When comparing state and university compensation programs, it should be noted that UA's actual 8% personnel cost increases in the last 3 years have been less than the 8.5% for state government, 10.9% for the Legislature, and 10% for the Court system. These annual increases may seem high, but for all groups, retirement was a factor that pushed costs up. A comparison of the FY08 management plan shows UA's average compensation increase at 5.5% to be above the state agency average of 3%. However, when year-end figures are published, UA will be at, or below, state agency increases because agency increases are coming retroactively via the supplemental budget, a practice used many times in the past. It is important to note, looking back over the last few years, UA's personnel cost increases mirror UA's budget request for compensation. In other words, we have been transparent and accurate in our request.

Thank you very much for your timely attention to this request. We are hopeful it points to a way the interests of the Committee and the university and its employees can be served.

Sincerely,
Pat Pitney

What will happen if funding for ANSEP is not allocated?

ANSEP is a very successful model for educating Alaska Native students and others in engineering and the science. The numbers of graduates, and students enrolled in ANSEP shows clearly that it is probably the most successful program of this kind. In the Oval office, President George W. Bush personally presented the executive director with an award for his work with the program in 2005.

The positive side of this success is obviously the production of Alaskan professionals in fields previously unpopulated by Alaska Native people. There are more than 300 high school students currently enrolled in ANSEP across Alaska. The majority of those students will attend college at a University of Alaska campus. This rapidly growing rate of success has strained the ability of the current staff to administer the program, and to serve students attending college at campuses across the state.

- 600+ students have participated in ANSEP *Pre-College*. Data shows that 59% of ANSEP *Pre-College* students will complete chemistry, physics, and Algebra II prior to graduation from high school.
- Of all the students who have completed ANSEP *Summer Bridge* in Alaska, 85% have earned BS degrees or are still enrolled at the University.
- ANSEP *University Retention* rates in engineering are above 70% on each campus where we work.

The attached budget proposal requests appropriated funds to replace "soft" funds provided by private industry, individuals, philanthropic groups and agencies on an annual basis. These "soft" monies are used to fund all components of the program, including administration. This is money that cannot be counted on, as it is given entirely at the discretion of individuals and groups. These contributors believe that investment in ANSEP is good for Alaska and their organizations, and they have provided over 20 million dollars to the program in the last 13 years. **University funds will provide 19% of the funding required for the FY 2009 budget.**

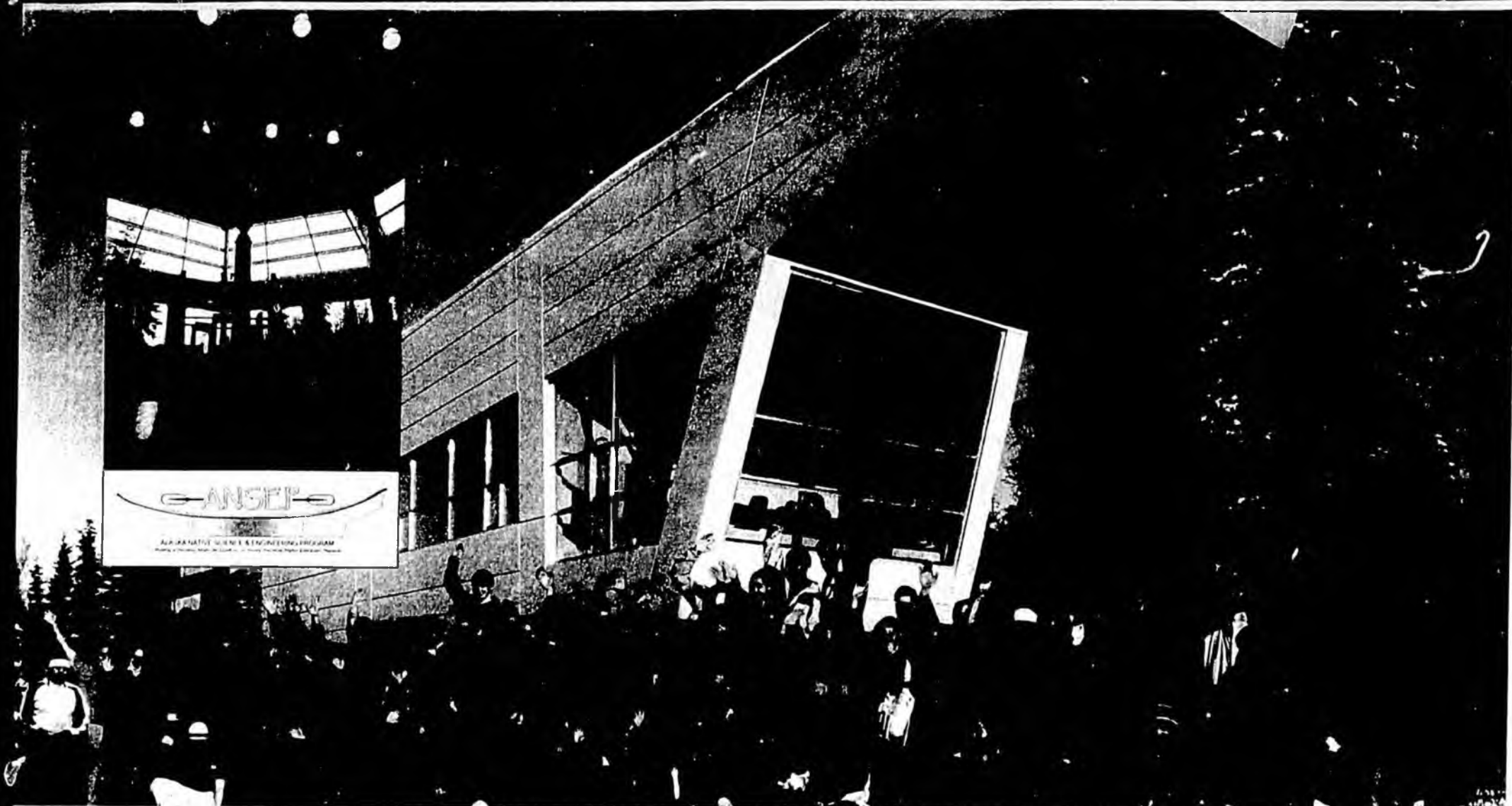
Although support and belief in the program is not waning, it is a very risky practice to depend on soft funds for a long-term, rapidly growing University program. It is particularly risky for a program that has the potential to provide so much for Alaska's workforce and involves a commitment to students across the state. Some of the requested funds are for a new position at the University of Alaska Southeast. UAS has the potential to provide unique educational opportunities, particularly for students studying fisheries and marine science.

If funding is not appropriated for ANSEP:

- It will be necessary to reduce recruitment activities in Alaska's high schools for students focused on science and engineering careers.
- There simply will not be adequate administrative capabilities to oversee the program at the level necessary to insure continued success.
- It is unlikely that ANSEP will be able to work at UAS.
- It will be impossible to maintain the current program.
- There will be a reduced number of high school students attending college in engineering and science.

In summary, these funds will be used to prepare for the surge of students, from across Alaska, that are currently enrolled in ANSEP. It is not an attempt to acquire additional funds simply to build the existing program. These funds are necessary to solidify the program, maintain it at the current level, and insure that ANSEP can commit to providing long-term service to Alaska's students and provide a professional workforce for Alaska's future.

**THE FOLLOWING DOCUMENT
HAS NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL FILE**



UNIVERSITY OF ALASKA
ALASKA NATIVE SCIENCE & ENGINEERING PROGRAM
[HTTP://ANSEP.UAA.ALASKA.EDU/](http://ANSEP.UAA.ALASKA.EDU/)

REPORT TO THE PARTNERS

Building a National Model for Excellence in Native American Higher Education Programs

ANSEP

Summary of Language Sections in the Operating Budget (HB 310)

Governor's Bill	Committee Substitute	Topic	Action
	Section 4	Intent regarding Supplementals	Added standard language
	Section 5	Intent regarding Costs of Job Reclassifications	Added standard language
	Section 6	Intent regarding Personal Services Transfers	Added new intent language
Section 4	Section 7	Alaska Aerospace Dev.	No change
Section 5		Alaska Housing Finance Corp	Removed--will be in capital bill
Section 6		Alaska Industrial Development	Removed--will be in capital bill
Section 7	Section 8	Alaska Permanent Fund	No change
Section 8		Alaska Student Loan Corporation	Removed--will be in capital bill
Section 9	Section 9	Administration--State catastrophe reserve account	No change
Section 10	Section 10	Commerce	No change
Section 11	Section 11	Education	a: PEF FY08 Capitalization: Delete \$1.6 billion supplemental b: PEF FY09 Capitalization for FY2010: Increase \$1.0 billion to \$1.0041 billion and move to fund caps c: School Incentive: Changed open-ended appropriation to \$4.8 million total a. Fully funded TRS at \$206,300,00 b. No change c. Fully funded PERS at \$241,600,000 d. Changed wording; no impact e. Removed \$450 million supplemental deposit to TRS f. Added \$1,722,500 for DMVA
Section 12	Section 12	Retirement	No change
Section 13	Section 13	Labor	No change
Section 14		Law	Oil & Gas \$5 million moved to numbers OTI
Section 15	Section 14	DMVA	No change
Section 16	Section 15	Natural Resources	No change
Section 17	Section 16	DPS	No change
Section 18	Section 17	Revenue	No change
Section 19		DOTPF	Moved traffic safety \$44,300 to numbers
Section 20	Section 18	Governor, fuel trigger	Extended table to \$39 or more Modified payout schedule Revised allocations for HSS, DOC and UA
Section 21	Section 19	University	No change
Section 22	Section 20	Federal/other receipts	Removed Ocean Ranger program
Section 23	Section 21	Fund Transfers	
	a1	AHFC Dividend	Replaced debt retirement capitalization with GF
	a2	a1 Fed receipts	No change
	a3	AIDA Dividend	Replaced debt retirement capitalization with GF
	a4	a2 GF to Debt Retirement	Changed amount to \$107,043,300 (replaced Corp dividends)
	a5	a3 ILTF	No change
	a6	a4 AMBBA	No change
	b	America Vote Act	Removed--will be in capital bill
	c	b PCE	GF reduced \$500,000 FY08 supp increased \$500,000 GF
	d	c NPRA	No change
	e	d NPRA	No change
	f	e NPRA	No change
	g	f Fish and Game Fund	No change
	h	g Oil Hazardous	No change
	i	h Oil Hazardous	No change
	j	i Alaska Children's Trust	No change
	k	j Post secondary Education	No change
	l	k Fed funds disaster relief	No change
	m	l Disaster Relief Fund	No change
	n	m Mine Reclamation Trust Fund	No change
	o	n Alaska Clean Water	No change

Summary of Language Sections in the Operating Budget (HB 310)

Governor's Bill	Committee Substitute	Topic	Action
	p	Alaska Drinking Water Fund	No change
	q	AMBBA	No change
	r	Bulk Loan Fund	Removed
	s	Alaska Student Loan Corporation	Removed
	t	Municipal Harbor Fund	Removed--will be in capital bill
	u	Alaska Sport Fishing Enterprise Account	No change
	v	Fed receipts to Ak Sport Fishing	No change
	w	Oil and Gas Tax Credits	Reduced \$200 million to \$175 million
	x	Info Services Fund	Removed--will be in capital bill
	y	School construction Grant Fund	Removed--will be in capital bill
	z	Major maintenance Grant Fund	Removed--will be in capital bill
	t	Public Education Fund	Funded at \$1,004,100,000 for FY2010
	u	Revenue Sharing	Reduced \$75 million to \$50 million contingent on passage of Revenue Sharing Bill
Section 24	Section 22	Bond claims	No change
Section 25	Section 23	Retained Fees and Bankcard Service fees	Reword (no impact)
Section 26	Section 24	Salary and Benefit Adjustments	No change
Section 27	Section 25	Shared taxes and fees	Removed Regional Cruise Ship Impact Fund (requires appropriation) Put Commercial Passenger Excise Tax on calendar year basis
Section 28	Section 26	State debt and other obligations	
	a-p		No change
	q	Kodiak	Removed (is in supplemental bill)
	r	Master lease line of credit	Removed
Section 29	Section 27	CBR	Removed supplemental appropriation
			Removed CBR deposit
Section 30	Section 28	Nonlapse of Appropriations	No change
Section 31	Section 29	Retroactivity	No change
Section 32	Section 30	Effective dates	Changed as appropriate
Section 33	Section 31	Effective dates	Changed as appropriate
Section 34		Effective dates	Removed