

HB

310

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/5/08

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 310(FIN) am

HB 310 APPROP: OPERATING BUDGET/LOANS/FUNDS

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

and recommends:

- be replaced with SCS or CS CSHB 310 (FIN)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

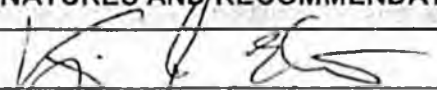

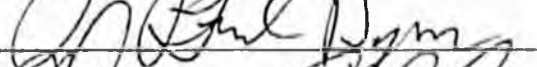



NEW FISCAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Eiton	✓			
	THOMAS	✓			
	Dawson				✓
	Wilson	✓			
CO-CHAIR: 	Steaman	✓			
CO-CHAIR: 		✓			

Thomas

Senate Finance Subcommittee

Senator Thomas
Subcommittee Chair
Room 510, Capitol Building
Phone 465-2327



Subcommittee Members
Sen. Lyda Green
Sen. John Cowdery
Sen. Gary Wilken

Department of Commerce, Community and Economic Development Recommendations

The Senate Finance Budget Subcommittee for the Department of Commerce, Community and Economic Development submits an Operating Budget to the Senate Finance Committee for FY 09 as Follows:

Fund Source	08 Mgt. Plan	Adj Gov Amd	Sen Sub	Difference
General Funds	10,800.8	10,819.4	9,523.8	-1,295.6
Federal Funds	50,489.1	54,388.0	54,315.9	-72.1
Other Funds	95,842.6	102,916.0	100,947.6	-1,968.4

Positions	08 Mgt Plan	Adj Gov Amd.	Sen. Sub
PFT	509	516	515
PPT	3	1	1
Temp	4	15	15

The Subcommittee held four meetings and took the following actions:

Budget Action

The Subcommittee adopted the FY09 adjusted base as the starting point for comparison with the Governor's FY09 budget request. The following are highlights of actions taken by the Subcommittee:

- Deleted a special assistant to the Commissioner to fund the Development Manager position in the Office of Economic Development.
- Funded a new grant administrator in the Division of Community and Economic Development. The number of grants overseen by each administrator has reached an unmanageable level.
- Added funding for the Alaska Legal Services Corporation to offset loss of federal funding for legal assistance to victims of domestic violence.
- Deleted the Independent Traveler grant to ATIA, the Qualified Trade Association.

- Added three positions and \$3 million in Federal funding to the Alaska Aerospace Development Corporation, to support three additional launches.
- Included full funding for Power Cost Equalization.
- Added \$250.0 in General Funds to the Alaska Seafood Marketing Institute to match federal funds for overseas marketing.
- Added two positions and receipt supported services funding to the Division of Banking and Securities for the second year of the fiscal note for HB 162, the mortgage lending bill that passed last session. Also, the Subcommittee authorized the banking division to use an additional \$180.0 in RSS funds for enforcement and legal costs.
- Added \$503.0 in receipt supported services funds to the Division of Insurance for investigation and enforcement.
- Added \$1,000.0 in RCA receipts for the legal costs of the Regulatory Commission of Alaska.

The Subcommittee did not accept the Governor's request for General Funds to offset unrealizable federal and other funds, in the Office of Economic Development.

The Subcommittee also declined the requested \$500.0 increment for increases in Department of Administration charges for core services between FY05 and FY08.

Finally, the Subcommittee did not include the \$200.0 General Fund increment for the new Energy Coordinator position in AIDEA/AEA. This was a late amendment and the Subcommittee defers it to the full committee.

Documents attached:

Legislative Finance Reports

1. Agency Totals - FY2009 Operating Budget-Senate Structure
2. Allocation Summary All Funds - Senate Structure
3. Allocation Summary General Funds - Senate Structure
4. Transaction Comparison - Senate Structure (between Adj Base and Sen Sub)
5. Transaction Comparison - Senate Structure (between GAMAdj and Sen Sub)
6. Transaction Comparison - Senate Structure (between House and Sen Sub)
7. Wordage Report - Operating Budget, Senate Structure

Senate Finance Subcommittee

Senator Thomas
Subcommittee Chair
Room 510, Capitol Building
Phone 465-2327



Subcommittee Members
Sen. Bettye Davis
Sen. Con Bunde

Department of Labor and Workforce Development Recommendations

The Senate Finance Budget Subcommittee for the Department of Labor and Workforce Development submits an Operating Budget to the Senate Finance Committee for FY 09 as follows:

Fund Source	08 Mgt. Plan	Adj Gov Amd	Sen Sub	Difference
General Funds	23,380.2	26,176.0	28,210.5	2,034.5
Federal Funds	86,256.2	85,701.9	85,731.9	30.0
Other Funds	51,471.6	54,926.7	54,843.9	-82.8

Positions	08 Mgt Plan	Adj Gov Amd.	Sen. Sub
PFT	835	835	834
PPT	106	105	105
Temp	46	44	44

The Subcommittee held five meetings and took the following actions:

Budget Action

The subcommittee adopted the FY 09 adjusted base as the starting point for comparison with the Governor's FY 09 budget request.

The Governor's FY 09 operating budget request proposes a significant increase in general funds to cover unrealizable fund sources due to the GGU negotiated contract. Five components, Labor Market Information, Data Processing, Employment and Training Services, Unemployment Insurance, and Client Services, totaled \$2,064.6 million in General Funds. The subcommittee accepted the fund source changes in these components recognizing the significant impacts on workforce services without this change. The subcommittee declined requested General Fund fund source changes in two components: the Commissioner's Office and Management Services.

The Governor's FY 09 operating budget request proposes spending \$1,080.0 General Funds for Alaska Gasline Inducement Act (AGIA) related services. This recommendation creates a separate Results Delivery Unit (RDU) for the AGIA related services in the Governor's Office. This will allow for transparency in the budget process this year and in future years as the State of Alaska moves closer to the construction of a natural gas pipeline and ensuring that Alaska has the workforce to support this project.

The subcommittee recommendation also transfers \$3.5 million General Funds for the Alaska Construction Academies from the Capital to the Operating Budget.

In total, the subcommittee recommendation would increase the FY 09 Governor's Amended Request by approximately \$2,034.5 General Funds, largely due to the \$3.5 million transferred from the Capital Budget for the Alaska Construction Academies. The proposal is \$293.5 GF greater than the House proposal due to the inclusion of funding for Labor Market Information salary increases and the Southwest Alaska Vocational Technical Center. The following actions were taken by the subcommittee:

Commissioner and Administrative Services

Commissioner's Office

Declined to accept the \$5.4 GF increment to correct the unrealizable fund source for salary adjustments.

Office of Citizenship Assistance

Deleted \$159.6 GF and one PFT in the Office of Citizenship Assistance, eliminating all funding for that office.

Management Services

Declined to accept the \$75.0 GF/Match increment to correct the unrealizable fund source for salary adjustments.

Labor Market Information

Accepted the \$98.5 GF increment to correct the unrealizable fund source for salary adjustments.

Accepted a \$95.0 GF increment for 1 PFT Economist II for AGIA Training Program and Regional Economic Analysis. The FY 09 request was \$110.0 GF. This is a decrement of \$15.0 GF from the FY 09 request. This funding is transferred to the new AGIA RDU in the Governor's Office.

Workers' Compensation and Safety:

WC Benefits Guaranty Fund

Accepted the increment of \$200.0 Workers' Compensation Benefit Guaranty Funds for the purpose of allowing additional benefit payments.

Wage and Hour Administration

Accepted the increment of \$50.0 GF for the maintenance of the Certified Payroll System.

Mechanical Inspection

Accepted the increment of \$41.5 Building Safety Fund to support reclassification of an administrative position to a Boiler Inspector.

Occupational Safety and Health

Accepted the increment of \$61.0 Workers' Safety Account to correct the unrealizable fund source for salary adjustments.

Accepted the increment of \$46.5 Workers' Safety Account for the cost to change an administrative position to a Safety Compliance Officer.

Workforce Development

Employment and Training Services

Accepted the increment of \$775.8 GF to correct the unrealizable fund source for salary adjustments.

Accepted the increment of \$10.0 Statutory Designated Receipts for the Performance Assessment Network Agreement.

Accepted the \$950.0 I/A Receipt authorization for Alaska Youth First Initiative.

Accepted the increment of \$400.0 Federal Reed Act Authorization to offset the decrement of \$400.0 in general federal receipt authorization.

Unemployment Insurance

Accepted the increment of \$734.6 GF to correct the unrealizable fund source for salary adjustments.

Accepted the increment of \$60.0 Statutory Designated Receipts to allow Memorandums of Agreement with State Municipalities.

Accepted the increment of \$956.1 Federal Reed Act Authorization to offset the decrement of \$956.1 in general federal receipt authorization.

Adult Basic Education

Accepted the transfer of \$528.8 GF to GF/Match to reflect the federal Maintenance of Effort Requirement.

Workforce Investment Board

Accepted the deletion of 1 PFT and reduced I/A Receipt Authority to align with anticipated receipts.

Business Services

Accepted the increment of \$1,247.9 STEP fund authorization.

Alaska Vocational Technical Center

Accepted the increment of \$163.5 TVEP authorization.

Declined to accept the increment of \$135.0 GF for AGIA Training Program implementation, which included a Recruiter and Vocational Instructor Training.

Kotzebue Technical Center

Accepted the increment of \$81.7 TVEP authorization.

SW AK Vocational Education Center

Accepted the increment of \$29.7 TVEP authorization.

Accepted the \$195.0 GF increment to replace reduced federal funding and maintain SAVEC operations.

Yiut Learning Center (The People's Learning Center)

Accepted the increment of \$29.7 TVEP authorization.

Construction Academy Training

Construction Academy Training

Added a new RDU for the Alaska Construction Academies and \$3.5 million GF. This matches the amount appropriated in the FY 08 Capital Budget and the Governor's FY 09 capital budget request. The nature of the activity is operational rather the capital. This will maintain construction academies in Anchorage, Fairbanks, Kenai, Mat-Su, Juneau and Ketchikan.

Vocational Rehabilitation

Client Services

Accepted the increment of \$267.4 GF/Match to correct the unrealizable fund source for salary adjustments.

Accepted the transfer of \$257.2 GF to GF/Match to reflect the federal Maintenance of Effort Requirement.

Accepted the decrement of \$93.4 I/A Receipts to align with anticipated receipts.

Independent Living Rehab

Accepted the increment of \$39.5 GF for Independent Living Services in Rural Alaska.

Special Projects

Accepted the increment of \$7.1 for interpreter referral services.

Accepted the decrement of \$500.0 Federal Receipts due to completion of customized employment grant.

Assistive Technology

Accepted the increment of \$68.1 I/A Receipts to support a program coordinator position.

New Governor's Office RDU: AGIA Workforce Training Program

New Component: Labor Market Information Services

Accepted a \$95.0 GF increment for 1 PFT Economist II for AGIA Training Program and Regional Economic Analysis. The FY 09 request was \$110.0 GF. This is a decrement of \$15.0 GF from the FY 09 request.

New Component: Workforce Training Info Services

Accepted \$50.0 GF for web and print based Alaska Training Program guide.

New Component: Regional Training Center Development

Accepted \$340.0 GF to fund 1 PFT program coordinator and grant authority for training 70 apprentices. Decrement of \$70.0 GF.

New Component: Cooperative Training

Accepted \$375.0 GF to fund cooperative training agreements with business and industry for AGIA specific industries.

Documents attached:

Legislative Finance Reports

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6. Transaction Comparison – Senate Structure (between House and Sen Sub)
7. Wordage Report – Operating Budget, Senate Structure

ALASKA STATE LEGISLATURE

Senator Huggins, Chair.
 Senator Gary Stevens
 Senator Bettye Davis
 Senator Albert Kookesh
 Senator Gary Wilken



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FY 09 Senate Finance Budget Subcommittee Department of Education & Early Development

March 12, 2008

The Senate Finance Budget Subcommittee for the Department of Education and Early Development submits an operating budget to the full Senate Finance Committee for FY 09 as follows:

Fund Source	08 mgt. plan	09 Gov Amd Adj	Sen sub	Gov Amd Adj to Sen Sub
General Funds	\$1,019,565.4	\$936,955.4	\$935,467.3	-\$1,488.1
Federal Funds	\$214,741.9	\$214,566.9	\$214,566.9	0
Other Funds	\$34,126.7	\$35,983.4	\$36,033.4	50.0
Total	\$1,268,434.0	\$1,187,505.7	\$1,186,067.6	-\$1,438.1

Positions	08 mgt plan	09 Gov Amd Adj	Sen Sub	Gov Amd Adj to Sen Sub
PFT	331	329	328	-1
PPT	15	14	14	0
Temp	0	0	0	0
Total	346	343	342	-1

The Subcommittee held three meetings with the Department and took the following action:

Budget Action

1. Adopted the FY09 Adjusted Base.
 2. Reviewed each of the increments, decrements and budget amendments submitted by the Governor.
- Following are the highlights of the budget action:

Highlights:

Adopted

- \$373.1 GF for Alaska Challenge Youth Academy (formula funded program)
- \$750.0 GF for Graduation Qualifying Exam Contractual Increase
- \$414.0 GF for Work Ready/College Ready Initiative
- \$350.0 GF for Mt. Edgecumbe Boarding School Food Services and Dorm Management Services Contractual Increase (amended Gov's original request of \$450.0 GF)
- \$200.0 GF EED Facilities Rent - New Archives Lease for Built-to-Suit Building (amended Gov's original request of \$250.0 GF)
- \$432.1 GF for WWAMI Program Expansion
- \$600.0 GF Head Start - Gov's amendment
- \$300.0 GF for Alaska Longitudinal Data System (Gov's proposed increment was \$610.0 to backfill federal dollars with general funds.)
- TRS corrections from the FY08 conference committee action \$1,007.1 GF
- Various transactions for Unrealized Fund Sources for Salary Adjustments GGU- \$357.4 GF

Denied

- \$235.0 GF School District Improvement Plan Implementation (potential fiscal note funding - SB 285)
- \$500.0 GF Alaska Statewide Mentoring Program Funded at FY 08 level of \$4.5 million
- \$407.1 GF for Early Learning Programs

Senate Subcommittee Recommended Increments

- Senate Subcommittee recommends an increase to AMEREF's base budget by \$50.0 for a total budget of \$100.0 GF. (In FY08 this program was funded at \$100.0)
- \$40.0 GF Match - Alaska State Council on the Arts-State match to obtain federal funds.
- \$100.0 GF - Education Support Services, School Finance & Facilities, Charter School Grant Funds. This appropriation is for the three smallest Charter Schools in the State.

Items of Concern

1. Subcommittee Issues of Concern
 - a. The House and Senate structure are not the same for the Head Start/Early Learning Program. The House renamed the program for Head Start/Early Learning to Early Learning Coordination.

Language and Wordage

1. The Subcommittee recommends deleting \$2.5 million GF for the School Performance Incentive Program and recommends adding \$2.5 million GF from the numbers section to the language section. \$2.5 million GF was requested by the Governor in the FY 09 budget numbers section with open-ended wordage in the language section to fund this program.
2. The Subcommittee recommends standard wordage be added for receipts from the teacher certification fees for Teaching and Learning Support.
3. The House added intent language for the \$600.0 GF increment for Head Start. This language maintains that the \$600.0 GF funding for Head Start be distributed as grants to providers who match these grants dollar for dollar and who will use these funds to enroll additional children in the program. The Senate Subcommittee did not adopt the intent language relating to Head Start.
4. The Subcommittee adopted intent language stating that \$100.0 of the total amount appropriated for charter schools be divided among the three smallest charter schools based on the average daily membership of each school.

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Respectfully submitted,
Senator Huggins
Senate Subcommittee Chair

ALASKA STATE LEGISLATURE

Senator Huggins, Chair
Senate Subcommittee
Senator Bill Wielechowski
Senator Fred Dyson



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Senate Finance Budget Subcommittee Military & Veterans Affairs

February 29, 2008

The Senate Finance Budget Subcommittee for the Department of Military & Veterans Affairs submits an operating budget to the Senate Finance Committee for FY 09 as follows:

Fund Source	08 mgt. plan	09 Gov Amd Adj	Sen sub	Gov Amd Adj to Sen Sub
General Funds	\$12,324.5	\$12,754.8	\$11,062.3	-\$1,692.5
Federal Funds	\$20,336.2	\$21,173.2	\$21,173.2	0
Other Funds	\$10,305.7	\$12,748.9	\$12,748.9	0
Total	\$42,966.4	\$46,676.9	\$44,984.4	0

Positions	08 mgt plan	09 Gov Amd Adj	Sen Sub	Gov Amd Adj to Sen Sub
PFT	284	283	283	0
PPT	2	2	2	0
Temp	1	1	1	0
Total	287	286	286	0

The Senate Finance Budget Subcommittee on the Department of Military and Veterans Affairs met two times and took the following action from FY09 adjusted base:

Budget Action

- 1.) Adopted the FY 09 Adjusted Base
- 2.) Moved the National Guard Naval Militia Retirement System contributions to direct Appropriation to Retirement. 986.6 GF decrement requested in FY09 and a \$735.9 decrement in the base budget.
- 3.) Accepted other increments/decrements proposed by the Governor.
- 4.) Accepted Governor's Amendment to transfer PCN 09-0012 Engineer/Architect II to Department of Transportation and Public Facilities. Position will remain at Ft. Richardson and be paid for by an RSA from DMVA. The hope is that DOT/PF will be more successful in filling the position since there is career path within that department.

The subcommittee adopted these amendments and included them in the Proposed FY09 Senate structure.

Subcommittee Increment Accepted

- 1.) Veterans' Services 30.0 GF - Increase grants for Veterans Outreach Programs/Veterans Service Organizations.

Language

The committee adopts the following language under section 14 of the operating bill.

“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.”

Documents Attached

Legislative Finance Reports

Agency Totals – Senate structure

Appropriation/allocation Summary All Funds – Senate Structure

Appropriation/allocation Summary General Funds – Senate Structure

Transaction Compare Between Adjusted Base and Senate Subcommittee

Transaction Compare Between GovAmdAdj and Senate Subcommittee

Transaction Compare Between House and Senate Subcommittee

ALASKA STATE LEGISLATURE

Senator Huggins, Chair.
 Senator Lyda Green
 Senator Tom Wagoner



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FY 09 Senate Finance Budget Subcommittee Department of Natural Resources

March 11, 2008

The Senate Finance Budget Subcommittee for the Department of Natural Resources submits an operating budget to the full Senate Finance Committee for FY 09 as follows:

Fund Source	08 mgt. plan	09 Gov Amd Adj	Sen Sub	Gov Amd Adj to Sen Sub
General Funds	71,180.2	71,016.0	68,778.5	-2,237.5
Federal Funds	16,392.9	15,659.7	15,676.8	17.1
Other Funds	45,287.7	45,754.0	45,443.0	-311.0
Total	132,860.8	132,429.7	129,898.3	-2,531.4

Positions	08 mgt plan	09 Gov Amd Adj	Sen Sub	Gov Amd Adj to Sen Sub
PFT	786	811	786	-25
PPT	252	247	253	6
Temp	76	75	75	0

The Subcommittee held five meetings with the Department and took the following actions:

Budget Action

1. Adopted the FY09 Adjusted Base.
2. Reviewed the increments, decrements and budget amendments proposed by the Governor. All budget amendments proposed by the Governor were accepted. Following are the highlights of the budget action:

Highlights

Adopted

- ? \$1,318.1 GF for Oil & Gas Development.
- ? \$464.4 GF for Expanded Audit Function passed in fiscal note for HB 2001.(2 new positions)
- ? \$300.0 Stat Desig for Increased Royalty Modification Applications.
- ? \$90.0 CIP Repts for Alaska Coastal & Ocean Management-federally funded Capital Projects.
- ? \$200.0 CIP Repts for Non Emergency Hazard Mitigation Projects(USFS).
- ? \$500.0 GF for the North Latitude Plant Material Center - GF replaces unrealizable Federal Receipts in order to continue the foundation seed program. The Senate subcommittee adopted the \$500.0 GF as an IncOTI
- ? \$225.0 GF Gov's amendment for the Certified Seed Production. Will provide pathogen tested and certified potato seed.
- ? \$1,684.1 MIITAAR for Mental Health Trust Land Office Admin Budget.

- ? \$1,037.7 GF Fire Suppression Preparedness Aviation Contract Cost Increase.
- ? \$50.0 GF for Claims, Permits & Leases - Guide Services Initiative Phase I (Senate subcommittee amended the original request of \$100.0 GF. -(1 new position)
- ? \$523.0 GF Gov's amendment for the Petroleum Systems Integrity Office this is in the language section of the bill funding is through June 20, 2009.

Denied

- ? \$391.7 GF for AGIA implementation support. (3 new positions)
- ? \$216.7 GF for Oil & Gas exempt employees salary parity with AOGCC staff.
- ? \$85.0 GF for Claims, Permits & Leases, for increased mining activity/coal regulatory program. (1 position)
- ? \$308.3 GF for Water Development - increased Mining Activity and workload. (3 positions)
- ? \$95.0 GF for Geological Development Hydrology Research Program. (1 new position)
- ? \$700.0 GF/CIP Repts for Parks Management - Partial implementation of Long Term Strategic Plan for State Parks. (2 new PFT positions, 4 PPT to PFT)

- ? \$90.0 GF - Agriculture Development - Senate Subcommittee eliminated 90.0 GF and 1 position. This funding is equivalent to the property manager position for Mat Maid properties. The Mat Maid properties should be sold soon or be placed under property management under the state building fund.

Fund Source

The Senate subcommittee denied \$250.7 in fund source changes to general funds due to salary adjustments. \$21.2 in general funds was accepted.

Wordage Report

Carry forward wordage is in the budget for Forest Management and Development, State Historic Preservation Program and Parks Management.

Documents attached:

Legislative Finance Reports

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Respectfully submitted,

Senator Huggins
Senate Subcommittee Chair

Sen Olson

ALASKA STATE SENATE

SENATOR DONALD C. OLSON
SENATE FINANCE SUB-COMMITTEE CHAIR



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SENATE FINANCE / HEALTH & SOCIAL SERVICES SUB-COMMITTEE

SUB-COMMITTEE MEMBERS: SENATOR GREEN, SENATOR DAVIS, SENATOR DYSON

FY 09 Budget Recommendations

Date: March 14, 2008

The Senate Finance Sub-committee for the Department of Health and Social Services submits an operating budget for FY 2009 to the full Senate Finance Committee as follows:

	08 Mgt Plan	09 Gov Amd	Sen Sub (includes language)	Difference (Gov Amd/Sen Sub)
Gen Funds	\$ 794,605.2	\$ 938,167.5	\$ 903,309.1	\$(34,858.4)
Fed Funds	1,023,813.9	1,030,429.4	1,006,582.3	(23,901.1)
Oth Funds	156,200.2	171,270.9	171,446.7	175.8
Total	\$1,974,619.3	\$2,139,867.8	\$2,081,338.1	\$(58,529.7)

Position Changes

	08 Mgt Plan	09 Gov Amd	Sen Sub	Difference (Gov Amd/Sen Sub)
FT	3,367	3,459	3,436	(23)
PT	103	98	98	
NP	155	135	136	1

Budget Action

The Senate Finance Sub-Committee budget authorizes \$58,729.7 less in total, \$34,858.4 less in General Funds (GF), than the Governor's Amended Budget Request. The differences are shown in summary and in detail in the attached reports.

The Governor's Amended budget request was accepted with some differences and comments as follows:

- Adopted \$67,914.9 of GF (\$94,525.1 in total funds) for -- to name the biggest items -- Federal Medical Assistance Percentage (FMAP) rate change from 52.48% to 50.53%, projected Medicaid formula growth, various provider rate increases, the State Children's Health Insurance Program (SCHIP) shortfall, and various Medicaid cost containments.
- Reduced funding by \$23,000.0 in GF (\$46,000.0 in total funds) for an unallocated reduction to general medicaid rebasing.
- Adopted \$17,962.9 of GF (\$158.3 in total funds) due to the elimination of ProShare financing.
- Amended and adopted \$1,613.4 of GF/Mental Health (\$18,378.0 in total funds) for Mental Health Trust and other non-GF funding sources.
- Adopted \$20,345.4 of GF to fund the Senior Benefits Payment Program.
- Adopted \$11,656.8 of GF (\$12,894.8 of total funding) for cost increases and program growth in other non-medicaid existing programs, which includes additional base grant funding for core services with an emphasis on substance abuse treatment, additional statewide community based youth development programs, and additional community based grants to invest in home and community based supports for seniors.
- Adopted \$1,929.0 of GF for increases to the youth facilities across the state for additional front line staffing and safety and security.
- Added decrements to disband the Office of Faith Based & Community Initiatives (reduction of \$256.3 in GF and 503.0 in federal funds), to reduce the Commissioner's Office by \$100.0 in GF, and to reduce the Public Affairs Office by \$570.8 in GF.

Other changes are shown in the reports included with this.

With so many essential services to our most vulnerable Alaskans funded by this budget, there were many worthy and important requests that we were not able to fund. An example is a request for \$13 million of funding to strengthen and expand the Community Health Centers (CHCs). Although they are an alternative to more expensive care provided in hospitals, and have received the highest rating possible from the federal Office of Management and Budget for efficiency and quality, unfortunately it was not possible to include an expansion such as this in this budget recommendation.

There were some technical changes included to move some components to different places in the budget. Those are: "Suicide Prevention Council" is now under the "Behavioral Health" RDU, "Rate Review" is now under "Health Care Services" RDU, and "Health Plan and Infrastructure" is now under "Public Health;" RDU. In addition, new components were added: "Senior Benefits Payment Program" was added to the "Public Assistance" RDU, "Agency-wide Unallocated Reduct" was added to

“Departmental Support Services” RDU. Finally, a new RDU and Component were added, both titled “Community Initiative Matching Grants”.

It is also our intention to allow Legislative Finance to do technical adjustments if any are needed.

Items of Concern

Clearly, the biggest concern for this budget is the size of the budget itself, and whether continued increases, such as are included this year, can be sustained and continue to be added each year. This budget funds some of the most essential services of state government and not only are the costs of all the programs escalating, but in addition, there continues to be growth in the programs as the elderly population increases, poverty levels increase, and substance abuse and other behavioral health problems abound.

Another concern for this budget is the continuing change to the FMAP rate and other federal programs, which cost tens of millions each year as federal funds are replaced with GF.

Attached Reports

Agency Totals – FY 2009 Operating Budget – Senate Structure
Allocation Summary–FY 2009 Operating Budget–Senate Structure (all funds)
Allocation Summary–FY 2009 Operating Budget–Senate Structure (GF)
Transaction Comparison–FY 2009 Operating Budget–Senate Structure (adj base to SenSub)
Transaction Comparison–FY 2009 Operating Budget–Senate Structure (GA to SenSub)
Transaction Comparison–FY 2009 Operating Budget–Senate Structure (Hsc to SenSub)
Wordage Report–FY 2009 Operating Budget–Senate Structure

ALASKA STATE SENATE

SENATOR DONALD C. OLSON
SENATE FINANCE SUB-COMMITTEE CHAIR

ALASKA STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182



DENISE LICCIOLI, FINANCE AIDE
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SENATE FINANCE / PUBLIC SAFETY SUB-COMMITTEE

SUB-COMMITTEE MEMBERS: SENATOR WIELECHOWSKI, SENATOR MCGUIRE, SENATOR ELLIS, SENATOR BUNDE

FY 09 Budget Recommendations

Date: March 14, 2008

The Senate Finance Sub-committee for the Department of Public Safety submits an operating budget for FY 2009 to the full Senate Finance Committee as follows:

	08 Mgt Plan	09 Gov Amd	Sen Sub	Difference (Gov Amd/Sen Sub)
Gen Funds	\$108,336.2	\$114,934.6	\$112,990.2	\$(1,944.4)
Fed Funds	17,671.3	11,573.7	11,573.7	
Oth Funds	21,369.3	23,033.5	23,033.5	
Total	\$147,376.8	\$149,541.8	\$147,597.4	\$(1,944.4)

Position Changes

	08 Mgt Plan	09 Gov Amd	Sen Sub	Difference (Gov Amd/Sen Sub)
FT	833	846	833	(13)
PT	17	17	17	
PPT	12	12	12	

Budget Action

The Senate Finance Sub-Committee budget authorizes \$1,944.4 less in total than the Governor's Amended Budget Request. The differences are shown in summary and in detail in the attached reports.

Per your direction, the increased fuel and utility cost, which would have increased GF by \$635.0, were removed from this budget request, to be dealt with by the full Finance Committee.

The Governor's Amended budget request was accepted with some additional differences and comments as follows:

- Adopted \$150.0 for increased lease costs
- Added \$1,595.9 to increase VPSO salaries, to add 15 additional VPSOs with 9 months of funding, and to add a stipend to each community with a VPSO(s)
- Adopted \$435.5 of PFD Felon Receipts for Council on Domestic Violence and Sexual Assault, and amended it by reducing GF by \$100.0
- Added \$220.0 to assist, develop and regulate fire standards training
- Added \$200.0 for Victims for Justice
- Amended and adopted a reduction of \$734.5 to GF for various funding source changes (Gov Amd request was for a reduction of \$688.7)
- Amended and adopted \$500.0 for Anchorage prisoner transport (Gov Amd request was \$656.3)
- Amended and adopted \$227.5 for increased prisoner transport (Gov Amd request was \$455.0)
- Amended and adopted \$96.1 for enhanced training (Gov Amd request was \$192.3)
- Amended and adopted \$546.0 for increased vehicle costs (Gov Amd request was for \$1,092.3)

Other changes are shown in the reports included with this.

The Sub-Committee also recommended language and conditional funding to be included in the "numbers section" of the CS for the Rural Alcohol Interdiction Team.

Structure Changes

There are some name changes included in this proposal. The appropriation previously called "Fire Prevention" is now titled "Fire and Life Safety". Other allocation name changes are: "Fire Prevention Operations" to "Fire and Life Safety Operations", "Fire Services Training" to "Education Bureau", and "Judicial Services Bureau - Anchorage" to "Alaska Bureau of Judicial Services". Finally, a new RDU and Component were added, both titled "Victims for Justice".

Items of Concern

Perhaps the biggest concern for this budget is the continuing problem with vacant VPSO positions. With the vacancy rate as high as it is and has been, it is difficult to protect Alaskans and provide public safety in the rural areas of the state. The increased funding contained in this proposal is the first of several such increases expected in this budget over the next few years. One of the items being funded is a pay increase for the VPSOs. It is hoped that the rise in salary will have a positive impact on recruitment and retention efforts. The VPSO Task Force also recommended including funding for CPI increases annually on par with increases requested for the Alaska State Troopers, and adding funding for 15 additional positions over this and the next 3 years. This proposal is a start toward strengthening public safety in the rural areas of the state.

The other concern that remains with this budget is the possible loss of funding for the Rural Alcohol Interdiction Team. The Governor's budget included a request for \$870.0 of funding contingent on a similar loss of federal funding. Our recommendation does reduce the federal receipts, but includes the GF funding for this component and \$400.0 that would go to the Department of Law for program related attorney services, as contingent language since it is too early to know whether or not they have a problem. By doing so, only if the federal funding is not received will the Department have the GF funding available.

It is also our intention to allow Legislative Finance to do technical adjustments if any are needed.

Attached Reports

Agency Totals – FY 2009 Operating Budget – Senate Structure
Allocation Summary–FY 2009 Operating Budget–Senate Structure (all funds)
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Transaction Comparison–FY 2009 Operating Budget–Senate Structure (adj base to SenSub)
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Wordage Report–FY 2009 Operating Budget–Senate Structure

ALASKA STATE SENATE

SENATOR DONALD C. OLSON
SENATE FINANCE SUB-COMMITTEE CHAIR

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SENATE FINANCE / TRANSPORTATION SUB-COMMITTEE

SUB-COMMITTEE MEMBERS: SENATOR WIELECHOWSKI, SENATOR MCGUIRE, SENATOR ELLIS, SENATOR BUNDE

FY 09 Budget Recommendations

Date: March 14, 2008

The Senate Finance Sub-committee for the Department of Transportation and Public Facilities submits an operating budget to the full Senate Finance Committee for FY 09 as follows:

	08 Mgt Plan	09 Gov Amd	Sen Sub	Difference
Gen Funds	\$205,471.4	\$209,547.1	\$209,291.5	\$ (255.6)
Fed Funds	3,762.8	4,076.5	4,086.3	9.8
Oth Funds	289,395.1	288,558.9	291,109.4	2,550.5
Total	\$498,629.3	\$502,182.5	\$504,487.2	\$2,304.7

Position Changes

	08 Mgt Plan	09 Gov Amd	Sen Sub	
FT	3,174	3,191	3,187	(4)
PT	447	446	445	(1)
PPT	199	214	199	(15)

Budget Action

The Senate Finance Sub-Committee budget authorizes \$2,304.7 more in total than the Governor's Amended Budget Request. This increase derives from the partial restoration of ferry service to southwest communities by the M/V Kennebecott. This service is necessitated by the extended lay up of the M/V Tustumena for major repairs and refitting. \$2,297,000 in general funds and \$1,950,000 in Marine Highway Funds were added as one time items (OTI) for the Kennebecott's operations during the Tustumena's down time.

Per your direction, the increased fuel and utility cost were removed from this budget request, to be dealt with by the full Finance Committee.

The other main differences between the Governor's Amended budget request and that of the sub-committee's proposal are as follows:

- Removed \$42.0 GF of training and travel funds from the Maintenance Management System increment.
- Denied the \$180.0 GF increment for desk top computer support in the transportation and security component.
- Reduced the GF increment for the Road Weather Info System by \$54.0 down to \$200.0
- Denied the \$200.0 GF increment for ongoing funding of the new non-federally funded bridge program while sustaining the \$150.0 GF start up increment for non-federally funded bridges.
- Changed the \$70.0 GF increment for a new Weights and Measures Inspector Trainee position to receipt supported services (RSS) fund source.
- Changed the \$15.0 GF increment for the Chena Pump Campground maintenance in the Northern Region Facilities component to I/A fund source with the Department of Natural Resources.
- Reduced \$280.0 GF for three new maintenance positions in the Northern Region Facilities component down to \$100.0 one position.
- Denied \$950.0 GF for 15 positions in the new Equipment Operator Training Program.
- Denied \$200.0 GF increment for environmental clean-up and compliance in the Northern Highways and Aviation component.
- Denied \$95.0 GF and \$250.0 GF increments for wayside and pullout maintenance and bike path maintenance, respectively, in the Northern Highways and Aviation component.
- Reduced the increment for two clerical positions for Southeast Highways and Aviation to one position and \$30.0 GF.
- Throughout the budget, increased GF requests for personnel cost adjustments or for short falls in receipt supported funding levels have been denied.

The Sub-Committee recommends the addition of conditional language for expenditures of traffic fines collected up AS 28.90.030 and Whittier Tunnel toll receipts. There is also language for lapsing Southeast Region Highways and Aviation funds.

Senate Finance Subcommittee

Senator Stedman
Subcommittee Chair
 Room 516, Capital Building
 Phone 465-3873 / Fax 465-3922
 Staff – Darwin Peterson



Subcommittee Members
 Sen. Bert Stedman
 Sen. Lesil McGuire
 Sen. Hollis French
 Sen. Gene Therriault

Department of Law Recommendations

The Senate Finance Budget Subcommittee for the Department of Law submits an Operating Budget to the Senate Finance Committee for FY 09 as follows:

<u>Fund Source</u>	<u>08 mgt. plan</u>	<u>09 Gov AmdAdj</u>	<u>Sen Sub</u>	<u>Difference</u>
General Funds	39,257.4	56,326.9	45,930.3	(10,396.6)
Federal Funds	3,113.9	3,054.6	3,054.6	0
Other Funds	23,862.8	23,231.4	23,388.2	156.8

<u>Positions</u>	<u>08 mgt. plan</u>	<u>09 Gov AmdAdj</u>	<u>Sen Sub</u>
PFT	537	544	542
PPT	9	9	9
Temp	0	0	0

The Subcommittee held two meetings with the Department and took the following actions:

Budget Action

- Accepted the Governor's amended proposal with the following adjustments and comments.
 - Reduced the Governor's request for GF to replace the Community Gun Violence federal grant that ended on 12/31/06. The request was reduced 50% from \$121.6 to \$60.8.
 - Reduced the Governor's request for two new positions in the Anchorage Special Offenders Unit. The request was reduced 50% from \$343.6 to \$171.8.

- Denied \$260.0 in GF increments for the Criminal and Civil Divisions the Governor requested as a result of a reduction in federal funds from the Juvenile Accountability Block Grant program. This funding has historically come from DH&SS as I/A receipts. The subcommittee recommends this funding be restored in the DH&SS budget with continued I/A receipts issued to the Department of Law.
- Denied the \$400.0 GF increment for the Rural Alcohol Interdiction Program in the Criminal Division's Fourth Judicial District and Criminal Appeals/Special Litigation Component. This funding has historically come from DPS as I/A receipts. Funding for this program has been restored in the FY09 DPS budget and it is the intent of the subcommittee that funding for the program will continue to come from DPS in the form of I/A receipts.
- Reduced the Governor's request for a new PFT Associate Attorney for adult restitution cases. The request was reduced 50% from \$111.5 to \$55.8. The subcommittee recommends the Department use this funding to continue hiring temporary staff to address the backlog.
- Denied the Governor's multi-year request for \$9,600.0 from the Alaska Capital Income Fund for work related to the state gas pipeline and replaced it with a \$5,000.0 GF one time increment. This increment was moved from the Department of Law to the Governor's Office under Branch-wide Oil and Gas Development. The subcommittee recommends the Department request additional funds in the FY10 budget as needed.
- Denied the Governor's request for a new PFT Associate Attorney for electronic records and discovery requests.

Wordage

The subcommittee recommends the wordage as referenced on the wordage report listed.

Language

The subcommittee denied the following language under the Department of Law:

"The sum of \$9,600,000 is appropriate 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."

Senate Finance Subcommittee on the Dept. of Law – Close-out report

Attached FY 09 Operating Budget Reports

1. Agency Totals – Senate Structure
2. Allocation Summary (all funds) – Senate Structure
3. Allocation Summary (GF) – Senate Structure
4. Transaction Comparison (between Adj Base and Sen Sub)
5. Transaction Comparison (between Gov Amd Adj and Sen Sub)
6. Wordage – Senate Structure

Respectfully Submitted,



Senator Bert Stedman, Chair
Senate Subcommittee on the Department of Law
March 11, 2008

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE Department of Revenue Operating Budget Sub-Committee



Senator Bert Stedman, Chair
Senator Hollis French
Senator Con Bunde

Official Business

State Capitol, Room 516
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Phone: (907) 465-3873
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FY09 OPERATING BUDGET RECOMMENDATIONS

March 13th, 2008

The Senate Finance Budget Subcommittee for the Department of Revenue submits the following FY09 Operating Budget Recommendations to the Senate Finance Committee:

Fund Source	08 Mgt. Plan	Adj Gov Amd	Sen Sub	Difference
General Funds	\$ 40,572.8	\$ 18,925.3	\$ 17,057.9	\$(1,867.4)
Federal Funds	\$ 36,479.4	\$ 37,031.2	\$ 37,040.3	\$ 9.1
Other Funds	\$184,898.8	\$208,802.3	\$208,243.9	\$ (558.4)

Positions	08 Mgt. Plan	Adj Gov Amd	Sen Sub	Difference
PFT	860	873	868	(5)
PPT	49	50	50	0
Temp	17	17	17	0

The Subcommittee held two meetings with the Department and took the following actions:

Budget Action

Accepted the Governor's amended budget and fund source changes for salary increases with the following exceptions:

TAX DIVISION

- Approves \$800k in GF for full funding of Audit Master positions authorized in the passage of HB 2001 during last year's special session on oil tax.
- Approves increment of \$120.9 to hire a Programmer Analyst V for the oil & gas production tax database system

- Approves one-time increment of \$540 k in GF for funding 2 contract auditors at \$100 per hour, 40 hours a week with 30% additional for transportation, lodging and other related expenses. The original request was for 3 contract auditors and \$1,013.2 GF.

TREASURY DIVISION

- Approves \$360 increment (\$126.0 GF/ \$234 Inter Agency Receipts) to increase in house fixed-income portfolio investment capabilities.
- Approves \$25 k increment in Retiree Health Insurance Fund Receipts to cover increased costs of investment management services.
- Approves \$250 k increment in Statutory Designated Program Receipts to bring the retained fees for the State Bond Committee's financial advisor services "on-budget". This provides more transparency and accountability with regard to the costs of these services.

ALASKA RETIREMENT MANAGEMENT BOARD (ARMB)

- Accepts a one-time increment of \$300k GF for conducting an independent audit of the state's actuary.

ADMINISTRATIVE & SUPPORT

- Accepts House recommendation to delete position transferred from the Alaska Natural Gas line Development Authority. (\$33.3 GF/\$55.6 Inter Agency Receipts)

MENTAL HEALTH TRUST OPERATIONS

- Approves a \$254k increment in Mental Health Trust Receipts to allow for increased positions as recommended in the Board of Trustees operating plan

ALASKA HOUSING FINANCE OPERATIONS

- Approves increment of \$893.0 in AHFC Receipts to correct unrealizable fund sources for salary adjustments. A corresponding decrement of \$759.4 Federal Receipts and -\$133.6 CIP Receipts is included.
- Approves \$11.4 in Fed Receipts for the project based contract administration expenses.
- Approves \$180.0 in AHFC Receipts for scheduled computer & printer replacements.
- Approves \$505.7 in AHFC Receipts for costs associated with increased business activity.

- Decrements \$400.0 in AHFC Receipts for reduced private lease space in the Atwood building.

ALASKA PERMANENT FUND CORP OPERATIONS

- Denies a \$83.6 increment in Perm Fund Corp Receipts to hire 1 new Accountant
- Denies a \$95.3 increment in Perm Fund Corp Receipts to hire 1 new Investment Associate
- Denies a \$63.5 increment in Perm Fund Corp Receipts to hire 1 new IT Technician
- Denies a \$70.1 increment in Perm Fund Corp Receipts to hire 1 new Administrative Specialist
- Approves \$180.9 in Perm Fund Corp Receipts to hire 1 Attorney to provide in-house legal counsel necessary due to the growth and complexity of the Corporations activities.
- Approves \$41.2 in Perm Fund Corp Receipts for increased travel costs.
- Approves \$89.0 in Perm Fund Corp Receipts for the increased cost of contractual services.
- Approves \$272.3 in Perm Fund Corp Receipts for salary management plan increases.
- Accepts \$15.8 decrement in Perm Fund Corp Receipts for reduced commodity and equipment spending plans

APFC CUSTODY AND MANGEMENT FEES

- Approves a \$18,615 k increment in Perm Fund Receipts to pay for increased custody and management fees

ATTACHMENTS:

Report 1 – Agency Totals

Report 2 – Allocation Summary – Senate Structure

Report 3 – Allocation Summary – Senate Structure (GF Only)

Report 4 – Transaction Compare – Gov Amend Adjusted & Senate Subcommittee

Report 5 – Transaction Compare – House & Senate Subcommittee

Report 6 – Transaction Compare – Adjusted Base & Senate Subcommittee

Report 7 – Wordage

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

University of Alaska

Operating Budget Sub-Committee

Senator Bert Stedman, Chair
Senator Lyman Hoffman
Senator Charlie Huggins
Senator Donny Olson
Senator Kim Elton
Senator Joe Thomas
Senator Fred Dyson



Official Business

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FY09 OPERATING BUDGET RECOMMENDATIONS

March 13th, 2008

The Senate Finance Budget Subcommittee for the University of Alaska submits the following FY09 Operating Budget Recommendations to the full Finance Committee:

Fund Source	08 Mgt. Plan	Adj Gov Amd	Sen Sub	Difference
General Funds	\$ 290,758.3	\$ 310,050.0	\$ 309,585.5	\$ (464.5)
Federal Funds	\$ 152,660.9	\$ 156,076.9	\$ 157,076.9	\$ 1,000.0
Other Funds	\$ 356,693.3	\$ 371,200.2	\$ 373,023.6	\$ 1,823.4

Positions	08 Mgt. Plan	Adj Gov Amd	Sen Sub	Difference
PFT	4,650	4,693	4,694	1
PPT	221	222	222	0
Temp	0	0	0	0

Budget Action

The Subcommittee reviewed all of the increments and decrements submitted by the Governor and recommends the following budget actions:

- **GF Spending:** The subcommittee's recommended budget is a \$164.5 k GF reduction (less than 1.0%) from the Governor's amended adjusted request.
- **Appropriation Structure:** The committee is recommending a different appropriation structure than was requested by the Governor.

- Over the last several years, the University has received a single appropriation from the Legislature.
- The House recommended breaking this into 3 appropriations this year:
 - Statewide Programs & Services
 - University of Alaska Campuses and
 - Small Business Development Center. This item has traditionally been in the Capital Budget but this year it has been moved into the operating budget and given a separate appropriation.
- The Senate Subcommittee accepted the House's recommendation to move the Small Business Development Center to its own appropriation in the operating budget and to fund it with Business License Receipts instead of General Funds.
- The Senate Subcommittee is recommending that the single University of Alaska Campuses appropriation be broken into 4 separate appropriations:
 - University of Alaska Anchorage
 - University of Alaska Fairbanks
 - University of Alaska Southeast
 - University of Alaska Community Campuses
- A similar appropriation structure was used by the Legislature prior to FY05 and is still used by the University.
- Transaction Detail:
 - Budget Reductions/Additions: The subcommittee left 3 transactions in the Systemwide Budget Reductions & Additions appropriation but recommends that the full Committee consider distributing these as appropriate over the new appropriation structure.
 - Accepted the House recommendation to add \$1.0 mill GF for library, IT and other operating costs. This was \$128.9 GF less than the Governor's request.
 - Accepted a \$3.201 mill GF salary increment for Non-Representative grid increases.
 - Accepted a \$300 k GF increment for Distance Education Faculty Training. This will enhance the i-teach and i-design programs and enhance distance faculty development.

- Accepted a \$202.2 GF salary increment in Statewide Services for Non-Represented grid increases.
- Accepted the House recommendation to decrement \$757.0 GF as a 5% unallocated reduction within Statewide Services.
- Denied \$1.320 mill GF of utility cost increases. Utility cost increases are expected to be addressed in future supplemental appropriations and through the “trigger” language in the operating budget.
- Approved the Board of Regent’s full \$5.776 GF increment to help prepare Alaskan’s for jobs in the health, engineering and fisheries professions. The committee included \$1.0 million to create a new bachelor of fisheries program and restored the \$300.0 k health care decrement made in the House.
- Denied \$966.4 GF for University research in the areas of climate impact and natural resources.
- Accepted the House’s recommendation to add a \$300.0 k GF increment for tutoring and distance learning within the Alaska Native Science & Engineering Program.
- Accepted the House’s recommendation to add a \$320.0 GF and \$273.4 University Receipts for the College of Arts & Sciences general education requirements.
- Approved an \$80.0 k GF increment for a Career Counselor position at the Mat-Su College.
- Approved a \$350.0 k GF to stabilize Cooperative Extension Program funding.
- Approved a \$1.5 mill (\$500 k GF Match/\$1.0 Federal Receipts) increment to create a research center in Fairbanks to address rural energy and alternative energy programs.



Official Business

Alaska State Senate

Senate Finance Subcommittee on Corrections

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

March 12, 2008

To: Sen. Lyman Hoffman, Co-Chair
Senate Finance Committee

From: Sen. Kim Elton, Subcommittee Chair

Re: FY 09 Senate Corrections Budget Subcommittee

The Senate Finance Budget Subcommittee for the Department of Corrections submits an operating budget to the full Senate Finance Committee for FY 09 as follows:

Fund Source	08 mgt. plan	09 Gov Amd		Difference
		Adjusted	Sen Sub	
General Funds	\$198,835,100	\$212,816,000	\$207,988,200	\$4,827,800
Federal Funds	\$3,918,200	\$2,918,200	\$2,990,500	(\$72,300)
Other Funds	\$24,587,300	\$30,227,800	\$30,651,900	(\$124,100)

Personnel

Positions	08 mgt plan	09 Gov Amd	
		Adjusted	Sen. Sub
PFT	1,513	1,524	1,505
PPT	4	5	4
Temp	0	0	0

A detailed committee recommendation follows.



Alaska State Senate

Senate Finance Subcommittee on Corrections

Official Business

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

March 11, 2008

To: Sen. Lyman Hoffman, Co-Chair
Senate Finance Committee

From: Sen. Kim Elton, Subcommittee Chair
Sen. Hollis French
Sen. Tom Wagoner

Three handwritten signatures in black ink, corresponding to the names listed in the "From" field.

Re: FY 09 Senate Budget Subcommittee Recommendations

The Senate Finance Budget Subcommittee for the Department of Corrections submits an operating budget to the full Senate Finance Committee for FY 09 as follows:

General Funds	\$207,988,200
Federal Funds	\$2,990,500
Other Funds	\$30,651,900

The subcommittee met multiple times with the department and took the following actions:

Budget Action

1. Adopted the FY09 Adjusted Base, with the exception of certain changes to the position adjustments and transfers that reestablish funding for correctional officer premium pay. Those changes are described below.
2. Reviewed each of the increments (24 GF, 2 Mental Health) and decrements (0) submitted by the governor and adopted the following:

Increments:

- Added a one-time increment of \$50.0 (\$25.0 GF, \$25.0 MHTAAR) for a study of evidence-based options to lower crime and corrections costs in Alaska.
- Adopted two net-zero add/delete transactions to realign positions within the department.
- Amended and adopted an increment for the file imaging program to provide one-time funding of \$180.0 GF.
- Adopted an increment of \$30.9 GF for increased space at the Palmer office building.
- Amended and adopted an increment for increased travel and contractual expenses associated with new prison expansions. The subcommittee provided \$180.0 in CIP receipts.

Adopted a Facility Maintenance increment of \$2,500.0 I/A receipts to reflect increased expenses in the department's facilities.

Adopted an increment of \$801.0 (451.8 GF, 349.2 PFD Crim) to begin implementation of an outpatient substance abuse program within correctional facilities.

Adopted \$310.0 GF for sex offender treatment within correctional facilities.

Adopted \$30.0 GF for educational materials.

Adopted an increment of \$331.8 PFD Crim to pay increased costs of the Residential Substance Abuse Treatment program.

Adopted \$343.0 GF for the increased bed rate at the Arizona contract facility.

Adopted \$150.0 GF to begin a sex offender treatment program in the Arizona contract facility.

Adopted \$1,000.0 GF to replace a decrement of \$1,000.0 Fed for decreasing federal prisoner days.

Adopted \$1,853.9 GF in 12 transactions to eliminate the vacancy factor in 24-hour facilities.

The subcommittee approved 20 of the 30 positions the department eliminated in the 09 adjusted base in order to fund correctional officer premium pay and adjusted fund transfers accordingly. The department has completed a posting study that shows filling five additional positions at Pt. Mackenzie, 1 in the Anchorage Correctional Complex, two in Palmer, one at Hiland Mountain, and one at Yukon-Kuskokwim Correctional Center will reduce overtime by as much or more than the costs associated with filling those positions.

Reduced and adopted an increment for Community Residential Centers. The subcommittee approved \$750.0 GF. This is \$250.0 below the governor's request.

Adopted an increment of \$260.0 (\$50.0 GF, \$210.0 MHTAAR) to implement the Assess, Plan, Identify, Coordinate (APIC) model as part of the Mental Health Trust Authority's Disability Justice initiative. The subcommittee applauds the department and the Trust for working collaboratively on this program, as directed by the senate's FY 08 operating budget intent language.

Adopted an increment of \$446.0 (\$223.0 GF, \$223.0 MHTAAR) for mental health services. The subcommittee again applauds the department and the Trust for joining forces to reduce recidivism, costs, and overall crime.

Adopted an increment of \$2,126.9 (PFD Crim) for inmate health care.

Adopted an increment of \$106.7 and one PFT to create a health care manager. This position will dramatically increase the health systems information available to the department so it can begin to realize efficiencies in—and reduce the cost of—inmate health care and health management.

Adopted an increment of \$169.0 in interagency receipts to hire two mental health clinicians to support mental health courts.

Amendment Action

The governor did not submit amendments for the Department of Corrections budget.

Personnel

Reviewed the position count for the Department of Corrections. The position count for FY 07 was:

1502PFT, 8PPT, 3Temp

The requested position count for FY 09 is:

1524PFT, 5PPT, 0Temp

The subcommittee recommends:

1505 PFT, 4PPT, 0Temp

Items of Concern

Subcommittee issues of concern about the Department of Corrections include:

1. The subcommittee encourages the department to work collaboratively with federal agencies to stem the reduction of federal prisoner days.
2. The historic rate of increase in Community Residential Center contract costs, reflected in the FY 09 request for a 6.3% increase in GF, is unsustainable.
3. The department's FY 08 difficulties in constructing additional small housing units led the subcommittee to exclude increments for similar units in FY 09. Including the construction costs in the capital budget is more appropriate, so the legislature can consider future staffing and operations costs once the facilities are built. We recommend the construction costs by part of the capital budget.

Wordage Recommendations

The subcommittee recommends correcting the statutory reference in the governor's conditional carry forward language related to the Prisoner Employment Program.

Closing Comments

The subcommittee thanks the Department of Corrections employees for their dedication to justice and service to Alaska. Theirs is an often dangerous and usually thankless job. We also thank Billie Jo Gehring of the Legislative Finance Division for her hard work and dedication to fiscal policy work. We appreciate her eye for budgetary detail and willingness to put in long hours serving our state.

Documents attached:

Legislative Finance Reports

1. Allocation Summary - Senate Structure
2. Allocation Summary, General Funds Only - Senate Structure

3. Transaction Comparison – Senate Structure (Between Adjusted Base and Senate Subcommittee)
4. Transaction Comparison – Senate Structure (Between Governor Amended and Senate Subcommittee)
5. Transaction Comparison – Senate Structure (Between House and Senate Subcommittee)
6. Wordage Report – FY 2009 Operating Budget, Senate Structure
7. Agency Totals – FY 2009 Operating Budget, Senate Structure



Official Business

Alaska State Senate

Senate Finance Subcommittee on the Courts

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

March 11, 2008

To: Sen. Lyman Hoffman, Co-Chair
Senate Finance Committee

From: Sen. Kim Elton, Subcommittee Chair
Sen. Johnny Ellis
Sen. Gene Therriault

Handwritten signature of Kim Elton.

Handwritten initials, possibly "J.E." or similar.

Re: FY 09 Senate Budget Subcommittee Recommendations

The Senate Finance Budget Subcommittee for the Alaska Court System submits an operating budget to the full Senate Finance Committee for FY 09 as follows:

General Funds	\$78,624,100
Federal Funds	\$1,675,600
Other Funds	\$1,493,300

The subcommittee met multiple times with the courts and took the following actions:

Budget Action

1. Adopted the FY09 Adjusted Base.
2. Reviewed each of the increments (19 GF, 6 Mental Health) and decrements (0) submitted by the governor on behalf of the court system and adopted the following:

Increments:

Adopted \$100.0 GF for Ketchikan security screening
Reduced an increment for implementation of the magistrate salary study's findings to \$152.0 GF. This increment is 50 percent implementation.
Reduced two judicial vacancy rate increments from \$1089.0 GF to \$250.0
Adopted \$76.0 GF for a custody investigator in the first judicial district, initially part of a larger increment requested to improve services in the trial courts. The original request included an additional \$182.7 for a second new position and four position upgrades.
Amended and adopted \$550.0 for wellness court contractual increases. This increment is \$300.0 GF and \$250.0 MHTAAR. The subcommittee particularly appreciates the Mental Health Trust Authority's assistance in ramping up Alaska's therapeutic courts, which have been a high priority of both the legislature and court system. This helps fulfill the goal of crime reduction.

Reduced an increment for juror process enhancement to \$69.0 GF. This increment excludes an additional \$288.0 the court system requested to fund juror parking in the Municipality of Anchorage.

Amended and adopted \$43.5 GF for lease increases at several rural court locations. In most cases the increased lease costs remain significantly below executive branch costs per square foot in the same cities. This increment does not include \$25.8 to lease a parking lot in Kenai.

Reduced an increment to expand the Homer courthouse to \$76.9 GF. This is \$77.5 below the court system's request, to reflect the FY 07 increment in that amount, which was reallocated without legislative approval for two fiscal years.

Added an increment of \$100.0 GF for the Multi-Agency Justice Integration Consortium. By integrating information systems among courts, corrections, state and local law enforcement, and others, MAJIC enhances the entire criminal justice system by making complete, timely, accurate information available where and when it is needed.

Adopted six MHTAAR increments in the Mental Health Trust Authority's Disability Justice initiative:

\$236.3 for Fairbanks Juvenile Mental Health Court

\$204.4 for Juneau Mental Health Court

\$25.0 for neuropsychiatric evaluations for therapeutic court participants

\$99.4 for Anchorage Mental Health Court capacity increase

\$147.7 for safeguards to prevent financial victimization

\$25.0 to train prosecutors and defense attorneys.

Adopted an increment of \$1.7 GF to bring the Alaska Commission on Judicial Conduct's capital outlay authority to \$5.0

Adopted an increment of \$2.0 GF to maintain the commission's vacancy rate at three percent.

Adopted an increment of \$64.5 GF to allow the Judicial Council to accommodate the sustained increase in the number of judicial vacancies and applicants for each vacancy.

Amendment Action

The governor did not submit amendments for the court system budget.

Personnel

Reviewed the position count for the Alaska Court System. The position count for

FY 07 was: 724PFT, 58PPT, 33Temp

The requested position count for FY 09 is:

774PFT, 56PPT, 32Temp

The subcommittee recommends:

728 PFT, 61PPT, 32Temp

Items of Concern

Subcommittee issues of concern about the Alaska Court System include:

1. The subcommittee encourages the court system to partner with the Municipality of Anchorage and City of Kenai to find parking solutions that reflect the significant costs the state bears in handling municipal offenses. General fund appropriations for parking in every large municipality would be unsustainable. General fund appropriations for parking in only certain municipalities would be inequitable.
2. The legislature approved a three percent vacancy rate for the judicial conduct commission in FY 08. The subcommittee encourages the Division of Legislative Finance to work collaboratively with the Office of Management and Budget and the Administrative Director of the court system to reflect this policy decision in the agency's adjusted base budget.

Wordage Recommendations

The subcommittee recommends removing the governor's transmittal language.

Closing Comments

The subcommittee thanks the Alaska Court System's employees for their dedication to justice and service to Alaska. We also thank Billie Jo Gehring of the Legislative Finance Division for her hard work and dedication to fiscal policy work. We appreciate her eye for budgetary detail and willingness to put in long hours serving our state.

Documents attached:

Legislative Finance Reports

1. Allocation Summary - Senate Structure
2. Allocation Summary, General Funds Only - Senate Structure
3. Transaction Comparison - Senate Structure (Between Adjusted Base and Senate Subcommittee)
4. Transaction Comparison - Senate Structure (Between Governor Amended and Senate Subcommittee)
5. Transaction Comparison - Senate Structure (Between House and Senate Subcommittee)
6. Wordage Report - FY 2009 Operating Budget, Senate Structure
7. Agency Totals - FY 2009 Operating Budget, Senate Structure

Senate Finance Subcommittee

Senator Hoffman
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Staff
 Tim Grussendorf



Subcommittee Members
 Sen. Bert Stedman
 Sen. Gary Stevens
 Sen. Bill Wielechowski
 Sen. Thomas Wagoner

Department of Fish & Game Recommendations

The Senate Finance Budget Subcommittee for the Department of Fish and Game submits an Operating Budget to the Senate Finance Committee for FY 09 as Follows:

Fund Source	08 mgt. plan	09j Gov AmdAdj	Sen Sub	Difference
General Funds	\$ 40,060.8	\$ 52,569.4	\$ 52,138.4	\$ (431.0)
Federal Funds	\$ 62,151.8	\$ 54,748.9	\$ 54,748.9	\$ - 0
Other Funds	\$ 64,998.6	\$ 65,536.8	\$ 64,360.3	\$ (1,176.5)

Positions	08 mgt pln	09 Gov AmdAdj.	Sen. Sub	Sen to Gov
PFT	863	878	876*	(2)
PPT	782	766	760*	(6)
Temp	58	58	57	(1)

*Staffing adjustments recommended by department, no new positions requested.

The Subcommittee held two meetings with the Department and took the following actions:

Budget Action

- Accepted the Governors amended proposal with the following adjustments and comments.
- Accepted the Proposed fund source changes for salary increases.
- Accepted the Governors amendment for \$7,228.4 to replace Federal Funds with GF in the base. These funds are proposed to replace lost federal grants that the department has traditionally received through the National Marine Fisheries Service. It should be noted that these funds have never been in the base budget of NMFS, but have been inserted by Alaska's congressional delegation. The Western Region Fisheries Management GF of \$1,043.7. and the Wildlife Conservation Special Project of \$1,180.0 will not be added to the base but will be General Fund One Time Only.

- Legislative Intent to close the commercial fisheries and sport fish offices in Soldotna and transfer staff to regional office in Anchorage that is accompanied by a corresponding GF reduction of \$80.0 for lease space for these offices.
- Reduce Governors budget for Public Shooting Ranges \$676.5 (F&G funds) Following through on the Legislative intent from last year.
- Removed all \$500.0 from the AK sport fish enterprise account from the numbers section of Sport Fisheries' budget. This funding is derived from a surcharge on the sale of fish licenses and must be used for hatcheries operations. The entire \$500.0 will be put in a language section and the appropriation will be contingent upon passage of the re-appropriation for hatcheries in the FY08 fast track supplemental bill.
- Denied \$151.0 increment for commercial fisheries crewmember and seafood buying database support.
- Reduce Sport fish Services GF allocation by \$100.0
- Reduce Wildlife Conservation Services GF allocation by \$100.0

Areas of Concern

- **Use of Commercial Fisheries Revolving Loan Fund:**

The Governor's proposed budget includes \$1,326.3 of funding from the Commercial Fisheries Revolving Loan Fund in the Department of Commerce. This is of great concern to the committee because it is eating into the principal of the fund. The fund and the associated program in the Division of Investments are very effective in assisting Alaskans to invest in the industry. Apart from encouraging the increase in Alaskan ownership in the North Pacific fishing industry, the health of the CFRLF may soon be particularly critical to help the industry respond to federal mandates for emission controls for diesel engines. The committee recommends that the Department of Fish and Game present a budget for FY 10 that does not include any use of funds from the CFRLF.

- **Salaries**

The Department has indicated for several years that retaining key fisheries and game management personnel is becoming more and more difficult because state salaries are not competitive with the salaries paid to equivalent positions in the federal government. The departure of experienced biologists with critical knowledge of the Alaskan fishing industry and game resources will leave the department with deficiencies in its core functions. This issue was included in the FY 08 subcommittee report yet nothing has changed, so it remains a major item of concern.

- **Hunter Education Shooting Ranges**

It is the intent of the Legislature that ADFG transfer ownership of the three shooting ranges in Fairbanks, Anchorage and Juneau to those municipalities or appropriate private entities.

There were 2 amendments offered by Sen. Wagoner

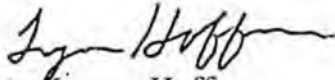
1. To deny the Governors increment of \$156.0 for State Subsistence Data Assessment.
2. Remove the \$80.0 decrement for moving two of the F&G agency offices from Soldotna to Anchorage.

Both failed 1-4

Attached Reports

1. Agency Totals – FY 09 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. Amd and Senate Subcom)
6. Wordage Report – FY 09 Operating Budget – Senate Structure
7. Transaction Comparison (House. and Senate Subcom)

Respectfully submitted,



Senator Lyman Hoffman
Senate Subcommittee Chair
March 10th, 2008

Senate Finance Subcommittee

Senator Hoffman
Subcommittee Chair
 Room 518, Capital Building
 Phone 465-4453 / Fax 465-4523
 Staff
 Pat Walker



Subcommittee Members
 Sen. Lesil McGuire
 Sen. Fred Dyson

Department of Administration FY 09 Senate Budget Subcommittee Recommendations

The Senate Finance Budget Subcommittee for the Department of Administration submits an operating report to the full Senate Finance Committee for FY 09 as follows:

Fund Source

	<u>08 Mgt</u> <u>Plan</u>	<u>Gov Amd</u> <u>Adj.</u>	<u>Sen. Sub</u>	<u>Difference</u>	
GF	63,344.1	68,283.9	67,769.3	-514.6	-0.8%
FED	2,825.4	2,775.4	2,775.5	0.1	
Other	199,336.2	204,744.6	205,299.1	554.5	0.3%
Total	265,505.7	275,803.9	275,843.9		

Personnel

1. Reviewed the authorized position count for the Department. The Governor requested 10 new positions. The subcommittee is recommending 4 new hires.

Position Summary

	<u>08 Mgt Plan</u>	<u>Gov Amd</u> <u>Adj.</u>	<u>Senate</u> <u>Sub</u>
PFT	1,042	1,052	1,046
PPT	23	23	23
Temp	32	32	32
Total	1,097	1,107	1,101

The Subcommittee held three meetings with the Department and took the following actions:

Budget Action

1. Adopted the FY 09 Adjusted Base.

2. Reviewed each of the increments (16), decrements (1) submitted by the Governor. Accepted the Governor's proposed salary adjustment fund changes with the following exceptions:
 - \$12.5 for Administrative Hearings
 - \$4.6 for Commissioner's Office
 - \$53.8 for Administrative Services
 - \$39.2 for Information Technology Support
 - \$29.0 for Central Mail
 - \$0.1 for AOGCC
3. Adopted \$496.8/CIP Receipts for Finance, Time & Attendance, but denied 5 new positions. The subcommittee recommends the department use existing positions.
4. Amended and Adopted \$420.7/GF for Finance, ALDER (requested \$530.7). The Governor requested 2 new positions. The subcommittee is recommending 1 new hire.
5. Amended and Adopted \$150.0/GF for Personnel (requested \$365.5). The Governor was requesting general funds in this component, which is mostly operated with Interagency Receipts.
6. Adopted \$962.0 for Facilities with amended fund source of \$762.0/GF and \$200.0/Public Building Fund (1147).
7. Reduced the base budget appropriation to Enterprise Technology Services by \$250.0 GF with the intent that the decrement be absorbed in the ALMR/SATS program.
8. The subcommittee reviewed the House Finance Committee's \$400.0/GF increment to Public Broadcasting- Radio component and recommends accepting this increment and amending the fund source to a "one-time increment."

Amendment Action

1. Reviewed amendments (5) submitted by the Governor through February 29, 2008
Accepted amendments for the following:
 - \$44.0 for Office of Administrative Hearings
 - \$2,400.0 for Office of Public Advocacy
 - \$820.0 for Public Defender
 - \$139.6 for Alaska Public Offices Commission
 - \$8.5 decrement for Violent Crimes Compensation Board

Items of Concern:

1. The subcommittee reviewed the functions of the State Travel Office (STO). The STO continues to be unpopular with a considerable number of state employees. It appears that the STO is effective in saving the State significantly in terms of Medicaid-related travel, however there is room for improvement in terms of ease and flexibility of use for other employees. The State now has documented travel expenditures that can be compared to agencies budgets and should be. The subcommittee reviewed the use of airline bonus miles by the STO and noted that STO has done well in reducing the backlog of air miles from approximately 18 million to 8 million. This trend should be continued. In summary, the subcommittee continues to be concerned about the function of the STO, but agrees with the department that this relatively new centralized operation should be given another year to improve.

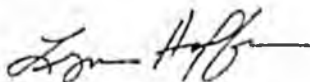
2. DOA should revise their fiscal note for HB 281 to reflect the funding of the Governors' approved amendment that provides APOC an increment of \$139.6/GF.
3. The subcommittee amended the request for increments related to the Time and Attendance System to use existing positions and approved one new position for the ALDER operations. Back-up provided by the department indicated that these positions would be filled with long-term experienced employees currently employed by the department and yet did not transfer out their positions from their previous assignments. There is concern with the total cost of the ongoing replacement of the state's accounting and payroll systems (AKSAS and AKPAY). The subcommittee urges the department to control the massive cost of replacing these aging computer systems.
4. The subcommittee reviewed the ALMR/SATS program. There is concern of the reduced federal participation and the future cost of the program. The department is currently working on the total cost of operation (TOC). Initially, the department projected that the TOC was going to be submitted to the Legislature by March 2008. That date has been extended to sometime after the Legislature adjourns. The subcommittee recommends for future tracking, a budget structure change to add an allocation under ETS appropriation for ALMR/SATS in 2010.

Documents attached:

Legislative Finance Reports

1. Appropriation/Allocation Summary – Senate Structure
2. Appropriation/Allocation Summary – GF Only – Senate Structure
3. Transaction Comparison – Senate Structure (Between Adj. Base and Sen. Subcom.)
4. Transaction Comparison – Senate Structure (Between Gov. Amend Adj. and Sen. Subcom.)
5. Transactions Comparison – Senate Structure (Between House and Senate Subcom.)
6. Wordage Report – FY2009 Operating Budget, Senate Structure
7. Agency Totals – FY 2009 Operating Budget, Senate Structure

Respectfully submitted,



Senator Hoffman
Senate Subcommittee Chair
March 11, 2008

Senate Finance Subcommittee

Senator Hoffman
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 Phone 465-4453 / Fax 465-4523
 Staff
 Tim Grussendorf



Subcommittee Members
 Sen. John Cowdery
 Sen. Lyda Green
 Sen. Gene Therriault

Legislatures FY 09 Operating Budget Recommendations

The Senate Finance Budget Subcommittee for the Legislatures Operating Budget submits this recommendation to the Senate Finance Committee for FY 09 as follows:

Fund Source	08 mgt. plan	09 Gov Amd	Sen Sub	Difference
General Funds	\$ 60,857.9	\$ 60,772.6	\$ 59,234.0	\$ (1,538.6)
Federal Funds	\$ -	\$ -		\$ -
Other Funds	\$ 654.5	\$ 968.6	\$ 963.6	\$ (5.0)

Positions	08 mgt pln	09 Gov Amd.	Sen. Sub	Sen to Gov
PFT	243	243	245	2
PPT	278	278	281	3
Temp	0	0	0	0

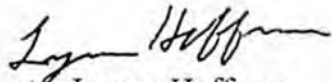
Budget Action

- Accepted the Governors amended proposal with the following adjustments.
- Accepted the reductions of OTO funds brought forward by LAA
- Deny Increment of \$21.1k to the Select Committee on Ethics, which included a one range pay increase and added 9.0k for 6 months of additional casual labor
- Added Increment of \$80.0k to Legislative Council Administrative Services for additional Maintenance Employee for Capital and Old Masonic Lodge.

Attached Reports

1. Agency Totals -- FY 09 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. AmdAdj and Senate Subcom)
6. Wordage Report – FY 09 Operating Budget – Senate Structure
7. Transaction Comparison (House, and Senate Subcom)

Respectfully submitted,



Senator Lyman Hoffman
Senate Subcommittee Chair
March 12th, 2008

Senate Finance Subcommittee

Senator Hoffman
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Room 518, Capital Building
Phone 465-4453 / Fax 465-4523
Staff
Tim Grussendorf



Subcommittee Members
Sen. John Cowdery
Sen. Lyda Green
Sen. Gene Therriault

Office of the Governor Recommendations

The Senate Finance Budget Subcommittee for the Department of Fish and Game submits an Operating Budget to the Senate Finance Committee for FY 09 as Follows:

Fund Source	08 mgt. plan	09 Gov Amd	Sen Sub	Sen to Gov
General Funds	\$ 31,516.6	\$ 52,860.6	\$ 55,637.8	\$ 2,777.2
Federal Funds	\$ 178.8	\$ 179.0	\$ 179.0	
Other Funds	\$ 1,896.2	\$ 1,336.0	\$ 1,336.0	

Positions	08 mgt pln	09 Gov Amd.	Sen. Sub	Sen to Gov
PFT	152	155	152	3
PPT	1	0	0	0
Temp	17	46	46	0

The Subcommittee held one meeting with the Department and took the following actions:

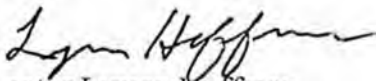
Budget Action

- Accepted the Governors amended proposal with the following adjustments.
- Denied the Increment of \$521.9k to the Division of Elections for 3 new positions.
- Agreed with the House to Combined the AGIA related Branch wide O&G Development appropriations into the Governors office budget for a clearer picture of how these funds are used and to keep funds from blending into agencies bases.

Attached Reports

1. Agency Totals – FY 09 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. AmdAdj and Senate Subcom)
6. Wordage Report – FY 09 Operating Budget – Senate Structure
7. Transaction Comparison (House. and Senate Subcom)

Respectfully submitted,



Senator Lyman Hoffman
Senate Subcommittee Chair
March 10th, 2008

Sen Thomas

Senate Finance Subcommittee

Senator Thomas
Subcommittee Chair
Room 510, Capitol Building
Phone 465-2327



Subcommittee Members
Sen. Lyda Green
Sen. John Cowdery
Sen. Gary Wilken

Department of Commerce, Community and Economic Development Recommendations

The Senate Finance Budget Subcommittee for the Department of Commerce, Community and Economic Development submits an Operating Budget to the Senate Finance Committee for FY 09 as Follows:

Fund Source	08 Mgt. Plan	Adj Gov Amd	Sen Sub	Difference
General Funds	10,800.8	10,819.4	9,523.8	-1,295.6
Federal Funds	50,489.1	54,388.0	54,315.9	-72.1
Other Funds	95,842.6	102,916.0	100,947.6	-1,968.4

Positions	08 Mgt Plan	Adj Gov Amd.	Sen. Sub
PFT	509	516	515
PPT	3	1	1
Temp	4	15	15

The Subcommittee held four meetings and took the following actions:

Budget Action

The Subcommittee adopted the FY09 adjusted base as the starting point for comparison with the Governor's FY09 budget request. The following are highlights of actions taken by the Subcommittee:

- Deleted a special assistant to the Commissioner to fund the Development Manager position in the Office of Economic Development.
- Funded a new grant administrator in the Division of Community and Economic Development. The number of grants overseen by each administrator has reached an unmanageable level.
- Added funding for the Alaska Legal Services Corporation to offset loss of federal funding for legal assistance to victims of domestic violence.
- Deleted the Independent Traveler grant to ATIA, the Qualified Trade Association.

- Added three positions and \$3 million in Federal funding to the Alaska Aerospace Development Corporation, to support three additional launches.
- Included full funding for Power Cost Equalization.
- Added \$250.0 in General Funds to the Alaska Seafood Marketing Institute to match federal funds for overseas marketing.
- Added two positions and receipt supported services funding to the Division of Banking and Securities for the second year of the fiscal note for HB 162, the mortgage lending bill that passed last session. Also, the Subcommittee authorized the banking division to use an additional \$180.0 in RSS funds for enforcement and legal costs.
- Added \$503.0 in receipt supported services funds to the Division of Insurance for investigation and enforcement.
- Added \$1,000.0 in RCA receipts for the legal costs of the Regulatory Commission of Alaska.

The Subcommittee did not accept the Governor's request for General Funds to offset unrealizable federal and other funds, in the Office of Economic Development.

The Subcommittee also declined the requested \$500.0 increment for increases in Department of Administration charges for core services between FY05 and FY08.

Finally, the Subcommittee did not include the \$200.0 General Fund increment for the new Energy Coordinator position in AIDEA/AEA. This was a late amendment and the Subcommittee defers it to the full committee.

Documents attached:

Legislative Finance Reports

1. Agency Totals – FY2009 Operating Budget-Senate Structure
2. Allocation Summary All Funds – Senate Structure
3. Allocation Summary General Funds – Senate Structure
4. Transaction Comparison – Senate Structure (between Adj Base and Sen Sub)
5. Transaction Comparison – Senate Structure (between GAmAdj and Sen Sub)
6. Transaction Comparison – Senate Structure (between House and Sen Sub)
7. Wordage Report – Operating Budget, Senate Structure

Senate Finance Subcommittee

Senator Thomas
Subcommittee Chair
Room 510, Capitol Building
Phone 465-2327



Subcommittee Members
Sen. Bettye Davis
Sen. Con Bunde

Department of Labor and Workforce Development Recommendations

The Senate Finance Budget Subcommittee for the Department of Labor and Workforce Development submits an Operating Budget to the Senate Finance Committee for FY 09 as follows:

Fund Source	08 Mgt. Plan	Adj Gov Amd	Sen Sub	Difference
General Funds	23,380.2	26,176.0	28,210.5	2,034.5
Federal Funds	86,256.2	85,701.9	85,731.9	30.0
Other Funds	51,471.6	54,926.7	54,843.9	-82.8

Positions	08 Mgt Plan	Adj Gov Amd.	Sen. Sub
PFT	835	835	834
PPT	106	105	105
Temp	46	44	44

The Subcommittee held five meetings and took the following actions:

Budget Action

The subcommittee adopted the FY 09 adjusted base as the starting point for comparison with the Governor's FY 09 budget request.

The Governor's FY 09 operating budget request proposes a significant increase in general funds to cover unrealizable fund sources due to the GGU negotiated contract. Five components, Labor Market Information, Data Processing, Employment and Training Services, Unemployment Insurance, and Client Services, totaled \$2,064.6 million in General Funds. The subcommittee accepted the fund source changes in these components recognizing the significant impacts on workforce services without this change. The subcommittee declined requested General Fund fund source changes in two components: the Commissioner's Office and Management Services.

The Governor's FY 09 operating budget request proposes spending \$1,080.0 General Funds for Alaska Gasline Inducement Act (AGIA) related services. This recommendation creates a separate Results Delivery Unit (RDU) for the AGIA related services in the Governor's Office. This will allow for transparency in the budget process this year and in future years as the State of Alaska moves closer to the construction of a natural gas pipeline and ensuring that Alaska has the workforce to support this project.

The subcommittee recommendation also transfers \$3.5 million General Funds for the Alaska Construction Academies from the Capital to the Operating Budget.

In total, the subcommittee recommendation would increase the FY 09 Governor's Amended Request by approximately \$2,034.5 General Funds, largely due to the \$3.5 million transferred from the Capital Budget for the Alaska Construction Academies. The proposal is \$293.5 GF greater than the House proposal due to the inclusion of funding for Labor Market Information salary increases and the Southwest Alaska Vocational Technical Center. The following actions were taken by the subcommittee:

Commissioner and Administrative Services

Commissioner's Office

Declined to accept the \$5.4 GF increment to correct the unrealizable fund source for salary adjustments.

Office of Citizenship Assistance

Deleted \$159.6 GF and one PFT in the Office of Citizenship Assistance, eliminating all funding for that office.

Management Services

Declined to accept the \$75.0 GF/Match increment to correct the unrealizable fund source for salary adjustments.

Labor Market Information

Accepted the \$98.5 GF increment to correct the unrealizable fund source for salary adjustments.

Accepted a \$95.0 GF increment for 1 PFT Economist II for AGIA Training Program and Regional Economic Analysis. The FY 09 request was \$110.0 GF. This is a decrement of \$15.0 GF from the FY 09 request. This funding is transferred to the new AGIA RDU in the Governor's Office.

Workers' Compensation and Safety:

WC Benefits Guaranty Fund

Accepted the increment of \$200.0 Workers' Compensation Benefit Guaranty Funds for the purpose of allowing additional benefit payments.

Wage and Hour Administration

Accepted the increment of \$50.0 GF for the maintenance of the Certified Payroll System.

Mechanical Inspection

Accepted the increment of \$41.5 Building Safety Fund to support reclassification of an administrative position to a Boiler Inspector.

Occupational Safety and Health

Accepted the increment of \$61.0 Workers' Safety Account to correct the unrealizable fund source for salary adjustments.

Accepted the increment of \$46.5 Workers' Safety Account for the cost to change an administrative position to a Safety Compliance Officer.

Workforce Development

Employment and Training Services

Accepted the increment of \$775.8 GF to correct the unrealizable fund source for salary adjustments.

Accepted the increment of \$10.0 Statutory Designated Receipts for the Performance Assessment Network Agreement.

Accepted the \$950.0 I/A Receipt authorization for Alaska Youth First Initiative.

Accepted the increment of \$400.0 Federal Reed Act Authorization to offset the decrement of \$400.0 in general federal receipt authorization.

Unemployment Insurance

Accepted the increment of \$734.6 GF to correct the unrealizable fund source for salary adjustments.

Accepted the increment of \$60.0 Statutory Designated Receipts to allow Memorandums of Agreement with State Municipalities.

Accepted the increment of \$956.1 Federal Reed Act Authorization to offset the decrement of \$956.1 in general federal receipt authorization.

Adult Basic Education

Accepted the transfer of \$528.8 GF to GF/Match to reflect the federal Maintenance of Effort Requirement.

Workforce Investment Board

Accepted the deletion of 1 PFT and reduced I/A Receipt Authority to align with anticipated receipts.

Business Services

Accepted the increment of \$1,247.9 STEP fund authorization.

Alaska Vocational Technical Center

Accepted the increment of \$163.5 TVEP authorization.

Declined to accept the increment of \$135.0 GF for AGIA Training Program Implementation, which included a Recruiter and Vocational Instructor Training.

Kotzebue Technical Center

Accepted the increment of \$81.7 TVEP authorization.

SIWAK Vocational Education Center

Accepted the increment of \$29.7 TVEP authorization.

Accepted the \$195.0 GF increment to replace reduced federal funding and maintain SAVEC operations.

Yuut Learning Center (The People's Learning Center)

Accepted the increment of \$29.7 TVEP authorization.

Construction Academy Training

Construction Academy Training

Added a new RDU for the Alaska Construction Academies and \$3.5 million GF. This matches the amount appropriated in the FY 08 Capital Budget and the Governor's FY 09 capital budget request. The nature of the activity is operational rather the capital. This will maintain construction academies in Anchorage, Fairbanks, Kenai, Mat-Su, Juneau and Ketchikan.

Vocational Rehabilitation

Client Services

Accepted the increment of \$267.4 GF/Match to correct the unrealizable fund source for salary adjustments.

Accepted the transfer of \$257.2 GF to GF/Match to reflect the federal Maintenance of Effort Requirement.

Accepted the decrement of \$93.4 I/A Receipts to align with anticipated receipts.

Independent Living Rehab

Accepted the increment of \$39.5 GF for Independent Living Services in Rural Alaska.

Special Projects

Accepted the increment of \$7.1 for interpreter referral services.

Accepted the decrement of \$500.0 Federal Receipts due to completion of customized employment grant.

Assistive Technology

Accepted the increment of \$68.1 I/A Receipts to support a program coordinator position.

New Governor's Office RDU: AGIA Workforce Training Program

New Component: Labor Market Information Services

Accepted a \$95.0 GF increment for 1 PFT Economist II for AGIA Training Program and Regional Economic Analysis. The FY 09 request was \$110.0 GF. This is a decrement of \$15.0 GF from the FY 09 request.

New Component: Workforce Training Info Services

Accepted \$50.0 GF for web and print based Alaska Training Program guide.

New Component: Regional Training Center Development

Accepted \$340.0 GF to fund 1 PFT program coordinator and grant authority for training 70 apprentices. Decrement of \$70.0 GF.

New Component: Cooperative Training

Accepted \$375.0 GF to fund cooperative training agreements with business and industry for AGIA specific industries.

Documents attached:

Legislative Finance Reports

1. Agency Totals – FY2009 Operating Budget-Senate Structure
2. Allocation Summary All Funds – Senate Structure
3. Allocation Summary General Funds – Senate Structure
4. Transaction Comparison – Senate Structure (between Adj Base and Sen Sub)
5. Transaction Comparison – Senate Structure (between GAmAdj and Sen Sub)
6. Transaction Comparison – Senate Structure (between House and Sen Sub)
7. Wordage Report – Operating Budget, Senate Structure

Handwritten initials



Alaska State Senate

Senate Finance Subcommittee on the Courts

Official Business

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

March 12, 2008

To: Sen. Lyman Hoffman, Co-Chair
Senate Finance Committee

From: Sen. Kim Elton, Subcommittee Chair

Re: FY 09 Senate Courts Budget Subcommittee

The Senate Finance Budget Subcommittee for the Alaska Court System submits an operating budget to the full Senate Finance Committee for FY 09 as follows:

Fund Source	08 mgt. plan	09 Gov Amd Adjusted	Sen Sub	Difference
General Funds	\$77,362,400	\$84,022,000	\$78,624,100	\$5,397,900
Federal Funds	\$1,675,600	\$1,675,600	\$1,675,600	\$0
Other Funds	\$743,800	\$1,243,800	\$1,493,800	(\$250,000)

Personnel

Positions	08 mgt plan	09 Gov Amd Adjusted	Sen. Sub
PFT	726	774	728
PPT	61	56	61
Temp	31	32	32

A detailed committee recommendation follows.



Official Business

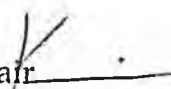
Alaska State Senate

Senate Finance Subcommittee on Department of Environmental Conservation

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

March 12, 2008

To: Sen. Lyman Hoffman, Co-Chair
Senate Finance Committee

From: Sen. Kim Elton, Subcommittee Chair 

Re: FY 09 Senate DEC Budget Subcommittee

The Senate Finance Budget Subcommittee for the Department of Environmental Conservation submits an operating budget to the full Senate Finance Committee for FY 09 as follows:

Fund Source	08 mgt. plan	09 Gov Amd Adjusted	Sen Sub	Difference
General Funds	\$17,893,000	\$18,652,900	\$18,756,500	(\$103,600)
Federal Funds	\$20,533,700	\$21,006,600	\$21,035,400	(\$28,800)
Other Funds	\$28,783,300	\$32,542,400	\$32,543,000	(\$600)

Personnel

Positions	08 mgt plan	09 Gov Amd Adjusted	Sen. Sub	Difference
PFT	527	531	529	3
PPT	1	1	1	0
Temp	4	4	4	0

A detailed committee recommendation follows.

appropriation. The subcommittee recommends this transaction to align the appropriations with the fiscal year in which expenditures are made. Approved three positions added in the management plan to the facility construction program, and one position for Village Safe Water accountability work. These positions are all funded from CIP receipts. Approved one maintenance position added in the management plan to the DEC lab. This position was funded by reducing maintenance contracts, based on the department's determination that a second maintenance employee is a more cost effective way to meet the laboratory's needs.

Decrements:

Accepted a decrement of \$16.7 in Oil and Hazardous Materials Response funds in the environmental health lab.

Decrementing \$131.0 from the water division and deleting two positions vacant since the middle of calendar year 2005.

Decrementing \$1,547,900 from the National Pollutant Discharge Elimination System primacy effort. A language section, described below, reinstates the funding if certain conditions are met.

3. Realigned Oil and Hazardous Materials Response funds, replacing \$619.3 previously in the contaminated sites program with GF, and replacing a like amount of GF in the industry preparedness/pipeline operations allocation with Oil/Haz funds. This is a net zero realignment.

Amendment Action

The governor submitted an amendment to increase the Commercial Passenger Vessel Environmental Compliance funds authorization for the Ocean Ranger program by \$200.0. The subcommittee accepted this amendment, as described above.

Personnel

Reviewed the position count for the Department of Environmental Conservation.

The position count for FY 07 was: 515PFT, 0PPT, 4Temp

The requested position count for FY 09 is:

531PFT, 1PPT, 4Temp

The subcommittee recommends:

529 PFT, 1PPT, 4Temp

Items of Concern

The subcommittee understands the department plans to add two additional employees to implement the Ocean Ranger program. The department did not seek legislative authorization for these positions.

Wordage Recommendations

The subcommittee recommends intent language matching the House. This includes attached intent language addressing accountability when state agencies spill oil or hazardous materials.

Language

The subcommittee recommends conditional language that expenditures for the Ocean Ranger program not exceed receipts.

The subcommittee recommends language appropriating \$1,547,900 for NPDES primacy contingent on the transfer of full authority for the program to DEC.

Closing Comments

The subcommittee thanks the department's employees for their service to Alaska. We also thank Danith Watts of the Legislative Finance Division for her hard work and dedication to sound fiscal policy. We appreciate her encyclopedic knowledge of the state budget system and ability to put fiscal detail in layman's terms.

Documents attached:

Legislative Finance Reports

1. Allocation Summary – Senate Structure
2. Allocation Summary, General Funds Only – Senate Structure
3. Transaction Comparison – Senate Structure (Between Adjusted Base and Senate Subcommittee)
4. Transaction Comparison – Senate Structure (Between Governor Amended and Senate Subcommittee)
5. Transaction Comparison – Senate Structure (Between House and Senate Subcommittee)
6. Wordage Report – FY 2009 Operating Budget, Senate Structure
7. Agency Totals – FY 2009 Operating Budget, Senate Structure
8. Language



Илиулиук

Iliuliuk Family and Health Services, Inc.

P.O. Box 144
Unalaska, Alaska 99685

Phone: (907) 581-1202
Fax: (907) 581-2331

**ILIULIUK FAMILY & HEALTH SERVICES, INC.
Unalaska, Alaska**

RESOLUTION 108-04

A Resolution Supporting State Funding Support for Community Health Centers and Safety Net Providers

WHEREAS the mission of the Iliuliuk Family & Health Services, Inc. Community Health Center is to promote health and well being for all Alaskans in the Western Aleutian Region; and

WHEREAS Iliuliuk Family & Health Services, Inc. partners with the Alaska Primary Care Association to improve access to primary care for all Alaskans by supporting Community Health Centers (CHCs) and safety net providers throughout the state; and

WHEREAS a network of 26 CHCs with 124 delivery sites in Alaska provide services to more than 80,000 people through 360,000 patient visits,¹ increasing access for Alaskans to high quality, cost-effective primary care; and

WHEREAS IFHS, like all CHCs, is open to all residents, regardless of insurance status; provides reduced cost care based on ability to pay through a sliding fee scale; is governed by local boards of which 51% must be users; offers barrier reduction services; and serves medically underserved populations and areas where no competitive marketplace exists; and

WHEREAS many of the CHCs and safety net providers help maintain sustainable communities in regard to the economy, the delivery of education, and other fundamental systems; and

WHEREAS 30% or 34,000ⁱⁱ of Alaska's 114,000ⁱⁱⁱ uninsured are served by CHCs; more than 83% of the patients seen at CHCs in Alaska are below 200% of the FPL;^{iv} and the growth in the number of patients served at CHCs has increased by over 65% from 2002 to 2006;^v and

WHEREAS the cost of salaries, recruitment, locum tenens, insurance, equipment, health benefits, and utilities has risen, the cost of running Alaska's CHCs have more than doubled from 2002 to 2006;^{vi} and although funding showed a slow rise through 2005, in 2006 funding levels began declining; Bureau of Primary Health Care (BPHC) grants, public insurance, self-pay, private insurance and indigent care funds, creating needs which affect the ability of the CHCs in Alaska to provide quality primary care to the medically underserved target populations; and

WHEREAS \$8.35 million in state funding support will help alleviate the primary care workforce shortage crisis for Alaska's CHCs and other safety net providers by providing local assistance with loan

"Serving Unalaska, the Aleutian Islands and the Bering Sea"

repayments, housing, relocation, signing bonuses, recruitment travel and other recruitment costs, and by providing a statewide recruitment support program; and

WHEREAS \$2.5 million in state funding support will provide the infrastructure for the Alaska Community Health Information Network, essential to improve the safety, quality, and efficiency of health care delivery by cutting out waste, reducing errors, and affording providers the decision support they need to offer better health care and have more time with patients; and

WHEREAS \$650,000 in state funding support will help educate individuals, families and communities through a CHC community and statewide marketing campaign on the access available to all Alaskans at CHCs; and

WHEREAS \$1.5 million in state funding support will assist the 124 CHC delivery site facilities with energy costs: heating fuel, electricity, and gasoline; and

WHEREAS the requested amount of state support will be offset because of the following: 1) Medicaid patients who use CHCs as their regular medical homes save Medicaid 33% (estimated savings of \$3 million per 5000 Medicaid patients);^{vii} 2) medical expenses for CHC patients are 41% lower compared to patients seen elsewhere;^{viii} 3) use of primary care clinics for non-urgent care rather than emergency rooms results in savings (estimated savings of \$2.7 million per 4200 non-urgent care visits)^{ix}; and

WHEREAS expansion of primary care due to adequate funding will have a positive economic impact on Alaska: reduction of overall health care costs,^x diminished growth of Medicaid spending,^{xi} and generation of \$144, 528,348 in economic benefits in communities;^{xii} and

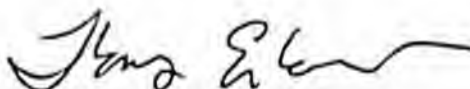
WHEREAS 37 states provide direct funding to CHCs totaling more than \$632 million, but Alaska does not currently provide direct funding in support of CHCs; and

WHEREAS the report from the Governor's Health Care Strategies Council, released in January 2008, states in part that "Community Health Centers (CHCs) are a valuable part of the "health care safety net" for Alaskans" and "The problems with CHCs and public health nursing is that both programs are under-funded" and "Strategies should include: 1) the State becoming more actively engaged as an active investor in the Community Health Center system through supplemental funding and regulatory relief"; and

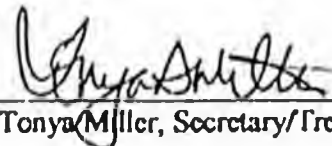
WHEREAS IFHS is an important safety net provider of health care in the Aleutians West Region, serving between 4,500 and 5,000 individual patients annually, and experiences all of the budgetary difficulties described above;

THEREFORE BE IT RESOLVED that the Iliuliuk Family & Health Services, Inc. Board of Directors supports a \$13 million appropriation from the state to strengthen Community Health Centers and the safety net in order to provide needed primary care access to all Alaskans, including uninsured, under-insured and underserved Alaskans.

PASSED AND APPROVED THIS 12th DAY OF March, 2008.



Thomas Enlow, President



Tonya Miller, Secretary/Treasurer

¹ U.S. Department of Health and Human Services, HRSA. Bureau of Primary Health Care Section 330 Grantees Uniform Data System (UDS) Calendar Year 2006 Data Alaska Rollup Report.

² Ibid.

³ Department of Labor and Workforce Development. *Alaska Population Projections 2007 to 2030*. July 2007, <http://www.labor.state.ak.us/research/pop/projections/AlaskaPopProj.pdf>.

⁴ U.S. Department of Health and Human Services, HRSA. Bureau of Primary Health Care Section 330 Grantees Uniform Data System (UDS) Calendar Year 2006 Data Alaska Rollup Report.

⁵ Ibid.

⁶ U.S. Department of Health and Human Services, HRSA. Bureau of Primary Health Care Section 330 Grantees Uniform Data System (UDS) Calendar Year 2006 Data Alaska Rollup Report.

⁷ Health Services Utilization and Costs to Medicaid of AFDC Recipients Served and Not Served by Community Health Centers.

⁸ The Robert Graham Center, National Association of Community Health Centers and Capital Link. *Access Granted: The Primary Care Payoff*. August 2007.

⁹ Laurence C. Baker, Linda Schuurman Baker, "Excess Cost of Emergency Department Visits for Non-Urgent Care," *DataWatch*, Winter 1994. *Health Affairs: the Policy Journal of the Health Sphere* website

<http://content.healthaffairs.org/cgi/reprint/13/5/162.pdf>.

¹⁰ The Robert Graham Center, National Association of Community Health Centers and Capital Link. *Access Granted: The Primary Care Payoff*. August 2007.

¹¹ Health Services Utilization and Costs to Medicaid of AFDC Recipients Served and Not Served by Community Health Centers. Duggar BC, et al. Center for Health Policy Studies. 1994.

¹² The Robert Graham Center, National Association of Community Health Centers and Capital Link. *Access Granted: The Primary Care Payoff*. August 2007.

COMMUNITY HEALTH CENTER FUNDING REQUEST SUMMARY

Priority Area	Funding Calculation	Amount Requested
Workforce Recruitment and Retention (Statewide)	Estimated costs to develop capability for statewide recruitment efforts, including recruitment collaborative with partners, staffing, recruitment website, advertisements in newspapers/journals, recruitment travel to job fairs, conferences and technical assistance travel.	\$2,921,317
Workforce Recruitment and Retention (Local)	Estimated costs to provide local support to individual CHCs for recruitment programs such as loan repayment, housing reimbursement, relocation assistance, signing bonus assistance, recruitment cost reimbursement and site visit assistance.	\$5,428,683
Alaska Community Health Integrated Network (Infrastructure / One-time Appropriation)	Estimated capital and infrastructure start-up costs for statewide health integrated network	\$2,500,000
Marketing Campaign (Statewide)	Estimated costs for research, message testing & presenting, tool development, advertising, operations for two year media campaign	\$500,000
Marketing Campaign (Local)	Estimated assistance per CHC organization for local efforts to dovetail with statewide campaign	150,000
Facility Utility Assistance	Average annual increase in heating fuel, heating fuel and gasoline costs for facilities	\$1,500,000
TOTAL for FY2009	Average yearly increase in operational costs based on 5-year average from 2002 to 2006, HIT infrastructure costs, and marketing campaign costs	\$13,000,000

Why specifically do CHCs need state support for these 4 areas (workforce, HIT, marketing/education, energy assistance)? *Concise answers for 4 areas:*

- 1) The workforce shortage and the lack of funds to compete and win candidates is hitting the critical point. We can't compete with lower 48.
- 2) CHCs need to increase access and improve operations through efficiencies possible with an EHR network, but can't afford the HIT infrastructure.
- 3) CHCs have never been marketed adequately in Alaska to inform residents locally and statewide about CHCs – to let seniors know they can receive care at a CHC, to encourage Medicaid patients to use CHCs to save the state money, to encourage those on private insurance that CHCs make great medical homes, etc. People in Alaska think CHCs are "free clinics" for the "poor" – they need to be educated that this are high quality health centers with top-notch providers. (This piece is crucial to produce the Medicaid savings that will offset the money being added to the state budget.)
- 4) CHCs are using money that should be going toward patient care to pay for increased energy costs (heating fuel, electricity – and even gasoline for the required reduction barrier service, transportation).

Link to the full 103-page request proposal as well as an electronic brochure summarizing the request and be downloaded here: <http://www.alaskapca.org/CHCStateFundingPublication.aspx?id=1294>.

Marketing Campaign Funding Request Summary *	
Pre and Post Research	\$15,000
Message Testing	\$2,500
Presenting the Message	
Participate With Target Audience	\$20,000
Public Relations	\$2,000
Direct Mail	\$7,500
Radio	\$124,000
Television	\$95,000
Newspaper	\$223,000
Local Management Services	15 x \$10,000
Total	\$650,000
* A detailed budget is available at: www.alaskapca.org/CHCStateFundingPublication.aspx	

Energy Assistance Funding Request Summary			
Category	Total Cost (Estimate)	CHCs Pay (Estimate)	State Funding Request
Utilities			
Heating Fuel (124 CHC Sites)	\$1,561,098	\$861,098	\$700,000
Electricity (124 CHC Sites)	\$5,689,938	\$5,139,938	\$550,000
Local Transportation Fuel (Reduction Barrier Service)			
Gasoline (124 CHC Sites)	\$500,000	\$250,000	\$250,000
Total Energy Assistance	\$7,751,036	\$6,251,036	\$1,500,000
* A detailed budget is available at: www.alaskapca.org/CHCStateFundingPublication.aspx			

Workforce Recruitment and Retention Funding Request Summary*		
Signing Bonus Reimbursement Program	(32 @ \$10,000)	\$320,000
Relocation Assistance Program	(32 @ \$10,000)	\$320,000
Loan Repayment Program	(32 @ \$ 62,500)	\$2,000,000
Recruitment Cost Reimbursement Program	(32 @ \$ 66,146)	\$2,116,683
Housing Assistance Program	(32 @ \$12,000)	\$384,000
Site Visit Assistance for Providers and Spouses	(96 @ \$ 3,000)	\$288,000
Recruitment/Retention Statewide Collaborative Program		
Staff (Program Director, 3.0 FTE, Overhead)		\$346,920
Sourcing (2 X FTE Travel to sites, conferences)		\$329,025
Memberships (3R Net, ASPR, etc)		\$2,000
Marketing Campaign (Research, Testing, Delivery [Multi-Media])		\$852,500
Marketing Materials (Program and Community Specific)		\$898,000
State Based Website/Clearinghouse		\$22,872
Web Based Marketing and Info Dissem		\$65,000
Student Rotations (100 students @ \$3,600)		\$360,000
Strategic Planning/Coordination with State Partners		\$20,000
The Perfect Alaskan Provider Profile Development		\$25,000
		\$2,921,317
Total		\$8,350,000
* A detailed budget is available at: www.alaskapca.org/CHCStateFundingPublication.aspx		

Alaska Community Health Integrated Network (ACHIN) Funding Request Summary			
Category	Total Cost	CHCs and APCA Pay	State Pay (1 X Request)
Personnel*	\$2,575,000	\$2,568,000	\$120,000
Travel for Implementation	\$112,000	\$112,000	\$112,000
Equipment	\$500,850	\$100,450	\$400,400
Supplies	\$628,600	\$0	\$628,600
Subcontracts	\$1,239,000	\$0	\$1,239,000
Total**	\$5,055,450	\$2,668,450	\$2,500,000
* Includes Medical and Clinical Directors, Project and IT Managers for clinics and APCA, additional IT Support and Grants Management			
** A detailed budget is available at: www.alaskapca.org/CHCStateFundingPublication.aspx			



Alaska State Legislature

Please enter into the record my testimony to the SFH
 committee name
 committee on HB 310 / HB 312, dated 3-17-08
 bill/subject

WRITTEN
TESTIMONY
ATTACHED 2 PAGES

Signed: Respectfully,
 Anne Dennis-Choi, M.S., L.P.C.
 Executive Director
 The Salvation Army Clitheroe Center
 1709 Bragaw, Suite B
 Anchorage, Alaska 99508
 (907) 770-8804 Direct
 (907) 276-2898 Main

 Phone No.



Anne Cho/AK/USW/Army
03/17/2008 03:32 PM

To Senator_Lyman_Hoffman@legis.state.ak.us,
Senator_Bert_Stedman@legis.state.ak.us,
Senator_Charlie_Huggins@legis.state.ak.us,

cc

bcc

Subject: written testimony for Operating Budget FY 2009

Thank you for your time and for the hard work you do each day on behalf of Alaskans.

This email is to provide electronic testimony for the need to reconsider the substance abuse provider rate increase.

As you're already well aware, alcoholism and chemical dependency is a serious problem in Alaska, compromising the health of individuals, families, and communities. It's important to recognize and understand that Medicaid does not cover the majority of individuals suffering from addictions or alcoholism. With the growing state reliance on Medicaid, grant funding has decreased. For example, last year alone, the Division of Behavioral Health grantees faced a million dollar cut. Although there is a lot of research available on the value of treatment and the costs to communities when treatment isn't readily available, funding for substance abuse treatment has not kept pace with community need. This is a serious concern. Agencies that serve a population of people that are primarily not Medicaid eligible are implementing measures to balance their shrinking budgets. Unfortunately these measures include reducing treatment capacity and closing programs. The system is in crisis. Families and individuals that want help for addictions are faced with extensive waiting lists that can run as long as 40 to 6 months. Some never get the help they desperately seek.

Why does this matter? Why should we care about people struggling with addictions and treatment capacity?

- Alcohol and other drug abuse are a major cause of traffic accidents.
- 80% of incarcerations are jailed for drug or alcohol related crimes including homicide, assault, robbery, and DUIs
- Substance abuse has been linked to 70% of all cases of child abuse and research confirms that parental addiction negatively impacts children's development.
- Adult and child protection services attributed to alcohol and drug abuse cost our state millions of dollars every year.

Last year The Clitheroe Center provided services to over 1,400 people from across the state. Most of these people were not eligible for Medicaid. Many of these people received services as a direct result of grant funding.

Grant cuts and lack of provider rate increases also have a significant impact on workforce development. Ask any director or manager of an agency about their workforce development challenges and you'll consistently hear about problems with recruitment and retention of staff.

- A presentation recently provided to the Governor's Healthcare Council showed that 21% of the total healthcare workforce is employed in behavioral health. There is an average vacancy rate of 13.9% across the state's behavioral health organizations and an average of 17.1 months before a vacant position is filled. This contributes to an increasingly stressful work environment due to manpower shortages within the system. Staff is asked to do more with increasingly fewer resources.
- Many agencies, especially those who serve a population of clientele that are primarily not eligible for Medicaid benefits and don't have other insurance resources are implementing cost containment measures to balance their increasingly tight budgets. These include staff wages freezes, elimination of cost of living increases, leading to increasingly noncompetitive wages.
- The Ak Housing Trust recently distributed information on wages and housing. "A person living in Anchorage must earn \$17.71 per hour to afford the average fair market rent for a 2 bedroom

apartment of \$942 monthly. A person earning minimum wage must work 99 hours to afford this rent." An analysis of Ciltheroe's current workforce indicates that approximately 70% make less than the above hourly wage. This is not unique to Ciltheroe. Many staff are leaving this field because they simply cannot earn a living wage.

- The field is in crisis. The field is losing staff, the field is losing programs and treatment capacity, and the communities are feeling the backlash. I've been told that when I present on these issues it is self serving because I represent an agency. While I agree it's critical for community members, consumers, and family members to actively voice their concerns, I believe it's also important for agencies to do the same. Agencies are on the 'front lines', fielding phone calls from desperate people who want help, family members who are worried about the life or death of a loved one. Agencies are the ones who have to place these people on wait lists. Agencies are the ones who have to try and explain that funding is insufficient to cover need. Agencies are the ones who have to make the very difficult decisions to downsize or eliminate programs that are working.

I'd like to end by noting some of the successes within this field. Those who get help, can and do get better. We see successes every single day.

Please reconsider funding the substance abuse provider rate increase.

Respectfully,

Anne Dennis-Choi, M.S., L.P.C.
Executive Director
The Salvation Army Ciltheroe Center
1709 Bragaw, Suite B
Anchorage, Alaska 99508
(907) 770-8804 Direct
(907) 276-2898 Main



Alaska State Legislature

Please enter into the record my testimony to the SFIN
 committee name
 committee on HB 310 / SB 312 , dated 3-17-08
 by/subject

I would like to express my support for Community Health Centers funding: \$10.5 million inserted into HB 310 (operating budget) and \$2.5 million inserted into HB 312 (capital budget).

The \$10.5 million in operating is for workforce recruitment/retention, public education/promotion on available health care access at CHCs, and energy cost assistance for clinics. The \$2.5 million is a 1 time capital request for health information technology infrastructure to allow CHCs to use electronic health records.

The Anchorage Neighborhood Health Center is suffering from a primary care physician shortage resulting in a decrease of access to approximately 1,280 patients (3,200 visits) per physician. We are also faced with severe competition from private health care providers in recruiting physicians. The funds would help us to fund signing bonuses and relocation costs. It is imperative that this State deal with its primary care shortage by providing funds to improve recruitment and retention of physicians to Alaska.

Thank you for your time.

Signed: Joan Fisher, Executive Director _____
 Anchorage Neighborhood Health Center

 Representing (Optional)

 Address

 Phone No



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance

Committee on DHSS Budget FY 2009, dated March 6, 2008

I am writing concerning the budget recommendations regarding substance abuse treatment in the State of Alaska. I work in the field of substance abuse treatment as a substance abuse councilor and am currently employed at The Salvation Army Clitheroe Center inpatient program. Since I began working in the field in 2000, in both Alaska and Washington, I have personally witnessed the erosion of available services to this population because of a continued decrease in available funding. There is a great deal of data available on the prosocial benefits of substance abuse treatment versus incarceration as a method of decreasing the use of substances in our community, and I won't reiterate that here except to say that chemical use is at epidemic proportions in our society, and to continue to decrease funding is socially irresponsible.

In addition to the social consequences of a continued decrease in funding on the community, it is becoming extremely difficult to maintain adequate staff at the current available funding levels that exist today. Any reduction in funding could be disastrous to the field which is taxed to the maximum in work overload and low pay, as it is. I personally have not had any kind of cost of living raise since I started in the field and am making the same amount of pay now that I made in 2003, even though my job description (lead councilor), work load, education and experience have most certainly increased.

I urge you to at least maintain our current funding and, hopefully, increase it in the future.

Sincerely,

Signed: *Sarah H. Williams*
Testifier

Representing (Optional)

Address

Phone number



Alaska State Legislature

Please enter into the record my testimony to the SFIN Committee name

Committee on HB 310, dated 3/17/08
Bill/Subject

Please consider keeping the \$200,000 for Alaska Legal Services Corporation through DCCED. ALSC provides much needed civil services to low-income Alaskans, many who are victims of violence. Alaska is one of five states that do not fund their legal aid agencies. Please fund this program.

Also, for those who will be in conference with House Finance, please keep the appropriation in the budget.

Thank you.

Signed: Erick Cordova Giorgano Testifier

Representing (Optional)

1401 S. Berman St. Palmer Ak 99645
Address

982-0353
Phone number

Monday, March 17, 2008

To the Senate Finance Committee:

My name is Courtney Randall and I live in Palmer, Alaska.

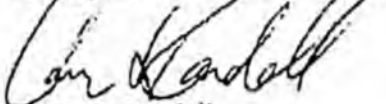
I am providing public testimony in support of state funding for Community Health Centers (CHCs).

CHCs provide quality, cost-effective care to communities throughout the state. Specifically, Mat-Su Health Services and Sunshine Community Health Center provide access to primary care for Mat-Su residents who would not receive primary and preventative health care services otherwise. These clinics, and other CHCs throughout the state, also reduce unnecessary emergency room visits.

CHCs need direct state funding to help with workforce recruitment /retention, health information technology, marketing/education about the clinics, and energy assistance.

Please include \$13 million in the state budget for Community Health Centers.

Thank you,



Courtney Randall

3813 North Teakwood Way
Palmer, AK
(907) 745-0746

Monday, March 17, 2008

To the Senate Finance Committee:

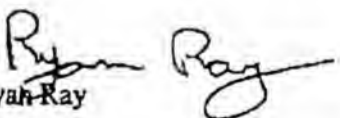
My husband, Ryan Ray, and I, Melissa Ray, live in Palmer, Alaska.

We are providing public testimony in support of state funding for Community Health Centers (CHCs).

Mat-Su Health Services and Sunshine Community Health Center provide access to primary care for Mat-Su residents who would otherwise be medically disenfranchised. These clinics and other Community Health Centers throughout the state provide quality, cost-effective care to Alaska's communities. CHCs need direct state funding to help with workforce recruitment /retention, health information technology, marketing/education about the clinics, and energy assistance.

Please include \$13 million in the state budget for Community Health Centers.

Thank you,


Ryan Ray


Melissa Ray

3811 North Teakwood Way
Palmer, AK
99645

(907) 746-9804

Mid-Valley Seniors, Inc.

Date: March 17, 2008



To: Senate Finance Committee

11975 West MidValley Way, Suite A
Wasilla, Alaska 99654
Phone: 907-892-8114 Fax: 907-892-7972
<http://www.midvalleyseniors.org/>

From: Leslie Wheeler
Executive Director
Mid-Valley Seniors, Inc.

Chairperson
Coalition of Mat-Su Senior Centers

Dear Committee Members:

Thank you for the opportunity to submit the following testimony on behalf of the Coalition of Mat-Su Senior Centers and Mid-Valley Seniors, Inc. We cannot stress enough the importance of support for incremental funding of operating funds (\$1.5 million) and capital funds (\$2 million) to support existing core senior community-based grants. As one of our clients told me personally, "Without the meals you deliver to me, I would be in a nursing home."



Mar 17 08 10:21a

P. 3

ISSUE: Family and Community Elder Supports (FACES)

Funding for Senior Community Based Grants must be increased to keep pace with the growth in population and cost of living increases.

Home and community-based services allow seniors to live independently in their homes and communities and prevent or delay out-of-home placement. Senior grants provide for home-delivered and congregate meals, senior transportation, care coordination, adult day care, respite care, chore service and family caregiver support. These services support families' independence and are an effective mechanism for families to maintain care for a loved one in their own home and community. Senior community based grants are a key component in the statewide infrastructure of senior care.

While Alaska's senior population grew 60% in the past decade, funding for senior community grants has remained flat. Stagnant funding has led to cutbacks in these crucial services which enable seniors to continue living safely in their homes and communities. Cutbacks take several forms: providing home-delivered meals 2-3 times per week instead of 5-6 times; reducing the number of hours of respite allocated to each family; wait lists.

Senior community-based grants target older Alaskans who are frail, isolated, and of modest income and cannot afford the full cost of services but do not qualify for Medicaid because they do not meet nursing home level of care and income requirements. These services also support families; seventy-five percent of seniors who require assistance are cared for in the home by family members. Families assume most of the responsibility for the care of this older family member while working, caring for children and holding other responsibilities. Research shows that support services for the family can maintain this informal care longer and delay placement of the elder. The Alzheimer's Resource Agency's data shows that in-home respite alone delays out-of-home placement an average of 12 months in 70% of the cases.

According to the Division of Senior and Disabilities Services, the annual cost per person for senior community-based grants is \$700.

Senior grant-funded services are cost-effective and improve the quality of life for seniors and their family caregivers. Given the annual costs of nursing home care (over \$170,000 per year per person), supporting seniors and their family caregivers through the senior grants system, makes sense from a social as well as a financial perspective.

SOLUTION:

Approve an increment of \$1.5 million GF/MH operating funds and \$2 million capital funds to support existing core senior community-based grants.

SUPPORT FOR THIS OPTION:

The 2007 Pacific Health Policy Group and the 2006 Public Consulting Group, both identified prevention services that provide essential lower cost care in the home as essential to delay or eliminate the need for higher cost nursing home care.



State of Alaska

Department of

Public Safety

Division of Administrative Services

Sarah Palin, Governor
Walt Monegan, Commissioner

March 12, 2008

The Honorable Lyman Hoffman, Co-Chair
The Honorable Bert Stedman, Co-Chair
Senate Finance Committee
State Capitol, Room 532
Juneau, AK 99801-1182

Dear Senators Hoffman and Stedman:

On March 10, during discussions on the operating budget (HB 310) the committee requested additional information concerning the Department of Public Safety's aircraft fleet as well as information about trooper vacancies and recruitment expectations. Questions regarding our aircraft fleet appeared to be based on information in an email from me to Senator Olson's staff responding to questions posed to us.

We currently have an active invitation to bid (ITB) soliciting offers to sell up to two Piper PA-18 Super Cub aircraft. Our intention is to add these to our existing fleet. An earlier solicitation resulted in three aircraft being offered to us, however the offered prices were far above our available budget. We then modified the specifications and issued a new ITB; it will close on March 21. Funds to purchase these aircraft come from the sale of the King Air Defense C-12, a Cessna 170B, and miscellaneous aircraft parts retained under the authority of aircraft sale and replacement appropriations, not from some other financing mechanism such as the master lease program..

There were several questions about any plans we may have to acquire a King Air 350. We are not intending to purchase such an aircraft at this time nor have we asked for an appropriation for this purpose. My initial email to Senator Olson's staff included a discussion of a King Air in response to a question asking about planned changes to our aircraft inventory, and a specific question about any plans for another King Air. As you may know, with the sale of the jet, the department now has only one high-capacity twin engine aircraft - a King Air 200. Prior to acquiring the jet, the department's aircraft fleet included two King Airs; the one we currently

operate, and a second King Air originally acquired from military surplus and later sold to help cover the cost of the jet.

We continue to assess our aircraft needs, and we think that our ability to accomplish our mission would be improved with another high speed, relatively short-runway capable, and relatively fuel efficient turbo prop aircraft, such as a King Air 350. Obviously, however, anything along these lines would be expensive to acquire and maintain (as was correctly noted in committee, this is a multi-million dollar aircraft), and we have many higher priority competing needs at this time, including the replacement of our Anchorage aircraft hanger and ensuring that we have enough funding for maintenance on our existing aircraft fleet.

The committee also raised questions about how many vacant positions we have now and how many new troopers we expect to hire next year.

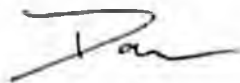
The divisions of Alaska State Troopers and Alaska Wildlife Troopers currently have 34 vacant commissioned positions. Another three positions will become vacant soon due to recently announced resignations and retirements.

Fourteen state trooper recruits have started the spring 2008 academy and we are hoping to hire at least another 10 officers from other police agencies through the lateral hire process. Our recruitment efforts for the fall 2008 academy, which begins in August, have attracted a very high number of applicants – so high that we will likely need to assign additional staff to work on background checks. Given this high level of interest, we remain hopeful that we will end up recruiting enough troopers to fill all of our vacant positions.

However, I must note that the operating budget proposal presented by the Senate Finance Subcommittee includes significant reductions from the Governor's budget proposal. If we are successful in filling our existing budgeted trooper positions, and the budget is adopted as proposed by the subcommittee, the department will almost certainly need a multi-million dollar supplemental appropriation for FY 2009.

I hope this has answered the committee's questions. Please contact me if you have additional questions.

Sincerely,



Dan Spencer, Director

cc: The Honorable Charlie Huggins, Vice-Chair
The Honorable Kim Elton
The Honorable Donald Olson
The Honorable Joe Thomas
The Honorable Fred Dyson
Karen Rehfeld, Director, Office of Management and Budget