

SB

95

<target><bill>SB 95</bill><subject>SB
95</subject><comm>SFIN26</comm></target>

MEMORANDUM

STATE OF ALASKA

Office of the Governor
Office of Management and Budget
PO Box 110020
Juneau AK 99811-0020
(907) 465-4660, fax 465-3008

To: Commissioners
Administrative Services Directors

Date: June 26, 2008

From: Karen J. Rehfeld
Director

Subject: FY2009 General Fund
Savings Plans

As you know, the Governor has set a savings target of \$20 million general fund for FY2009. The attached document provides additional information and the savings targets by department to assist you in developing a FY2009 savings plan.

The savings targets were established as 2.9% of each department's estimated general fund personal services. Personal services are the only budget line item that includes fund source data. The estimated general fund personal services amounts came from the FY2009 Governor Amended Final scenario, which will be updated in the FY2009 Management Plan scenario.

Even though the target amounts were based on personal services, the saving plan does not necessarily need to come from personal services. However, since personal services is a large portion of a department's budget, cost savings may be achieved by requiring an internal review process before approving recruitment for vacant positions or by extending the vacancy by a month or more. Departments should also limit the creation of new positions.

As of July 1, OMB approval will be required for the creation of ALL new positions. In addition, OMB approval will be required for all reclassifications resulting in more than a two-range increase. Reclassifications as a result of flex-range positions or if initiated by the Division of Personnel are exempt from OMB approval. Updated personal services revised program procedures will be included in the July 2008 version of the Revised Program Manual. The manual will be available shortly.

I encourage you to review all line items and programs for potential savings. Consider savings in travel costs by using airline miles for ticket purchases, consolidating or reducing the number of trips and/or the number of travelers, and holding more video or teleconference meetings. Every year state agencies lapse funds. It may be helpful to look at FY08 lapse as the fiscal year ends for potential savings ideas.

Your department savings plan with amounts and impacts by component is due to OMB by Friday, August 1. If you have any questions, please contact me or your OMB Analyst. Thank you for your assistance.

Attachment

Task: Identify \$20 million in FY2009 General Fund Savings

General fund target methodology

Targets established as a percentage of each department's estimated general fund personal services.

Departments are not limited to the personal services line for actually obtaining the required savings.

As of July 1 all new position requests must be submitted to OMB for approval along with reclassification requests that increase more than two ranges. Reclassifications associated with flex-range positions or initiated by the Division of Personnel are exempt from OMB review.

Departments develop savings plan and submit it to OMB by Friday, August 1.

No Washington Monuments!

Encourage departmental review of ALL line items and programs.

Engage department staff.

Savings plan memo to identify the amounts and impacts by component.

Identify the reductions that can be continued in the FY2010 budget.

Chief of Staff and OMB Director review each department's plan and work with department to modify if necessary.

Present summary to Governor for approval.

Departmental plans to be finalized by August 29 and incorporated into FY2009 Management Plan scenario.

Each department will establish general fund expenditure AKSAS restrictions by line item per the approved plan and report quarterly to OMB on progress.

Each department will develop a cost savings plan for FY2010 budget (may be different than that proposed for FY2009) and be prepared to discuss it at their Heads Up meetings in September - October, including whether or not legislation or regulations would be required for implementation.

Targets:

Administration - \$1,100.0
Commerce, Community & Economic Development - \$80.0
Corrections - \$3,910.0
Education & Early Development - \$270.0
Environmental Conservation - \$390.0
Fish & Game - \$940.0
Governor - \$440.0
Health & Social Services - \$4,760.0
Labor & Workforce Development - \$330.0
Law - \$1,030.0
Military & Veterans Affairs - \$160.0
Natural Resources - \$1,300.0
Public Safety - \$2,280.0
Revenue - \$390.0
Transportation & Public Facilities - \$3,220.0
Total

\$20,600.00

MEMORANDUM

STATE OF ALASKA

Office of the Governor
Office of Management and Budget
PO Box 110020
Juneau AK 99811-0020
(907) 465-4660, fax 465-3008

To: Commissioners
Administrative Services Directors

Date: October 27, 2008

From: 
Karen J. Rehfeld
Director

Subject: Quarterly Reporting
on FY2009 General
Fund Savings Plans

During last month's Heads Up Meetings, we briefly discussed progress to date with the FY2009 Savings Plan in conjunction with potential supplemental needs. In order to keep track of efforts made by each agency toward meeting the savings target, we would like to receive a report on your progress for the first quarter of FY2009.

Please submit a memo that lists the approved components of your plan; the savings amounts assigned to each, if they were specified; your actual or estimated savings as of September 30 for each item identified; and any comments.

This format will be helpful:

Savings Plan	Savings Target	Sept 30 Savings	Comments
Hold 5 PCNs vacant in XYZ Division	\$350.0	\$17.5	On track to achieve this savings target
Reduce travel costs by using accrued miles	\$100.0	\$15.0	Struggling with this savings target. If unable to meet this target, will find other savings in department.
Savings Plan Totals	\$450.0	\$32.5	

If your department is having significant difficulty meeting your savings target, please contact me immediately. Otherwise, please submit your first quarter report to your OMB Analyst by October 31. Please use this format for subsequent quarterly reports (due dates are on the budget calendar).

Thank you for your efforts to control spending and find efficiencies that may result in cost containment and costs savings. The careful managing of our budget will have positive results in reduced supplemental need or in helping to find areas in the budget that may be trimmed in the future.

Rehfeld, Karen J (GOV)

From: Rehfeld, Karen J (GOV)
Sent: Friday, July 11, 2008 8:43 AM
To: GOV Commissioners; GOV Administrative Directors
Cc: GOV OMB Staff; GOV Special Assistants; Nizich, Michael A (GOV); Goode, Kelly C (GOV)
Subject: \$20 Million Savings Target

Good Morning –

I have received some feedback from legislators who are hearing from their constituents that we are “cutting the FY09 budget” and impacting services.

In response, I explained the governor’s concern about managing the growth in the operating budget and her goal in setting the \$20 million savings target. I let them know that we have asked agencies to see what we may be able to accomplish in savings in FY09 by managing those things we have control over, finding efficiencies, and implementing changes in business processes and practices that could ultimately result in some savings.

We used 2.9% of GF personal services to establish the savings target so that departments would have a number to work toward, but we did not suggest that savings would have to come from personal services. We encourage departments to look at all line items for potential savings.

We typically end up with a GF lapse at the end of the year without imposing any savings targets. We have NOT asked agencies to cut services or positions. We have suggested delaying the filling of vacant positions or reassigning work, if possible, to achieve some savings.

We look forward to hearing your plans – emphasis on plans – in early August. The careful managing of our budget will have positive results in reduced supplemental need or in helping to find areas in the budget that may be trimmed in the future.

Please remind your divisions and programs that it is in everyone’s best interest to be good stewards of public resources and demonstrate our commitment to provide quality service in the most efficient and effective manner. We have very talented and creative state employees who have excellent ideas on how to better serve Alaskans. Juneau’s recent energy conservation efforts are a great example of what is possible.

Thanks for your help in communicating the positive aspects of our savings efforts!

Karen

Karen J. Rehfeld, Director
Office of Management & Budget
465-3568

karen.rehfeld@alaska.gov

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

SARAH PALIN, GOVERNOR

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
TELEPHONE: (907) 465-4660
FAX: (907) 465-3008

February 6, 2009

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

The Honorable Mike Hawker
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 505
Juneau, AK 99801-1182

The Honorable Bill Stoltze
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 515
Juneau, AK 99801-1182

Dear Finance Committee Co-Chairs:

During my presentation before the House Finance Committee on January 26, 2009, and the Senate Finance Committee on February 4, 2009, I was asked to provide documents regarding the \$20 million savings target. I have enclosed:

- memorandum of June 26, 2008, with instructions to state agencies;
- follow-up email of July 11, 2008, to state agencies;
- memorandum of October 27, 2008, regarding quarterly reporting;
- the departments' savings plans;
- the departments' second quarter report; and
- a one-page summary as of December 31, 2008

As the Governor stated in her operating budget transmittal letter dated May 23, 2008, she implemented a \$20 million savings target last summer. We asked agencies to see what they could accomplish in savings in FY2009 by managing those things we have control over, finding efficiencies, and implementing changes in business processes and practices that could ultimately result in some savings.

We did not ask agencies to cut services or positions. We encouraged departments to look at all line items for potential savings. We also suggested delaying the filling of vacant positions or reassigning work, if possible, to achieve some savings. Agencies prepared savings plans and have provided quarterly reports on the status of the plans.

Finance Committee Co-Chairs

February 6, 2009

Page 2

The Departments of Public Safety and Military and Veterans Affairs were exempted from the savings target although the commissioners are working hard to find efficiencies in their agencies also.

Departments' savings plans and reports vary in the amount of specificity, but all are committed to achieving the savings. We included \$17.5 million in reductions in the FY2009 supplemental bill based on the savings identified through these plans. With five months left in the fiscal year, adjustments may be needed in the savings plans at the component level in order to achieve the target. In order to provide flexibility, we included unallocated reductions in the commissioner's office for the amount of the departments' savings targets with two exceptions - both related to Education: a reduction in the school performance incentive program and a reduction in school debt reimbursement.

Please contact me if you have additional questions.

Sincerely,



Karen J. Rehfeld
Director

Enclosures

cc: David Teal, Legislative Finance Division
House and Senate Finance Committee members

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

SARAH PALIN, GOVERNOR

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
TELEPHONE: (907) 465-4660
FAX: (907) 465-3008

February 9, 2009

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

The Honorable Mike Hawker
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 505
Juneau, AK 99801-1182

The Honorable Bill Stoltze
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 515
Juneau, AK 99801-1182

Dear Finance Committee Co-Chairs:

The executive branch hiring freeze was instituted by the Governor on January 23 as a management tool to help save funds, particularly general funds, in FY2009 given our new fiscal realities. We did not mandate a specific dollar amount to achieve through the hiring freeze, but asked departments to critically look at their staffing needs and if possible, delay hiring by some period of time without negatively impacting services to the public. Any general fund savings realized by the hiring freeze will ultimately reduce the amount of the FY2009 draw from the Constitutional Budget Reserve (CBR) as proposed in the supplemental bill. Any savings from a non-general fund funding source that is subject to the year-end sweep into the CBR will increase the CBR balance.

I have enclosed the following hiring freeze information:

- January 23, 2009, memorandum establishing the hiring freeze and listing exemptions to the hiring freeze;
- February 6, 2009, memorandum adding clarification of exemptions to the hiring freeze; and
- the listing of waiver requests received as of this date and the disposition of them

Finance Committee Co-Chairs

February 9, 2009

Page 2

I also want to share with you our estimates of the number of permanent full-time positions (PFTs) potentially affected by the hiring freeze. As of December 31, 2008, there were nearly 1,500 vacant budgeted PFTs, of which 844 had general funds (GF) in their funding mix. The GF cost for the remainder of the fiscal year for those 844 vacant PFTs is approximately \$25.5 million. As you know, agencies generally do not receive 100% funding of their personal services costs as there is a presumption of some vacancy during the fiscal year.

We know that some of these positions will remain vacant in order to achieve the budgeted vacancy factor and also efforts to achieve additional savings in FY2009 by managing position vacancy. Our initial \$12 million estimate of potential savings was based on approximately one-half of the GF cost for the remainder of the fiscal year. We know there will be waivers requested and granted, so we do not expect to achieve that level of savings.

The hiring freeze explicitly exempts several types of positions, including public safety and 24 hour institutions. Any savings achieved will increase in the GF lapse at the end of the fiscal year which will reduce the amount of the draw on reserves to balance the budget.

Sincerely,



Karen J. Rehfeld
Director

Enclosures


cc: David Teal, Legislative Finance Division
House and Senate Finance Committee Members

State of Alaska
Sarah Palin, Governor

Office of the Governor
PO Box 110020
Juneau AK 99811-0020
(907) 465-3500, fax 465-3532

To: Commissioners
Administrative Services Directors

Date: January 23, 2009

From: Michael Nizich 
Chief of Staff

Subject: Purchasing Restriction
and Hiring Freeze

In her State of the State speech before a joint session of the Alaska Legislature last night, Governor Palin described the period of financial uncertainty due to current oil prices. As you may recall, last spring when the FY2009 budget was finalized, we expected the price of a barrel of oil to average \$83.04 during this fiscal year. The price is currently hovering in the \$30 - \$40 range and is having a significant impact on our state revenues. In light of this, we need to take prudent management actions.

The Governor announced the immediate implementation of a non-essential purchasing restriction and a hiring freeze to reduce the impact on state general funds. Each Commissioner will determine what items are non-essential, but would likely include conference travel, administrative travel, subscriptions, supply or equipment purchases that could be delayed until FY2010, etc. The hiring freeze applies to all positions, except for those that are necessary to protect the health and safety of Alaskans. Departments may request a waiver from the hiring freeze due to extraordinary circumstances. That process is outlined below.

The hiring freeze applies to:

- All full-time, part-time, non-permanent and seasonal positions in bargaining units and in the partially-exempt and exempt service paid for by general funds and other state funds.
- Requests to establish new non-permanent positions.
- Requests to extend non-permanent positions.
- Positions that provide administrative support and maintenance in 24-hour facilities.
- Positions partially funded by federal funds.

The hiring freeze does not apply to:

- Positions essential to protect Alaska citizens. This includes Alaska State Troopers, corrections and probation officers, airport police and fire officers, airport screening officers, and employees that provide patient and resident services and food service at 24-hour institutions. The following are considered 24-hour institutions:
 - Correctional Facilities
 - Juvenile Justice Facilities
 - Alaska Military Youth Academy
 - Pioneer Homes
 - Alaska Psychiatric Institute
 - AVTEC
 - Mt. Edgecumbe High School
- Positions for which an offer of employment was made prior to January 23, 2009.
- Lateral transfers and promotions within the same department.
- Range changes in flexibly-ranged positions.
- Reclassifications within the same job family.
- Employees delegated the authority to perform the duties of a vacant position that is assigned a higher pay range if bargaining unit provisions or regulations provide for compensation.
- The use of on-call non-permanent employees if only used to perform work essential to protect the public's safety or meet other essential state responsibilities.
- Positions fully funded by federal funds. The Division of Personnel must be sent funding verification from the Commissioner of the requesting department for any new job posting for a position that is 100% federally funded.
- Alaska Aerospace Development Corporation,
- Alaska Commission on Postsecondary Education,
- Alaska Housing Finance Corporation,
- Alaska Industrial Development and Export Authority,
- Alaska Oil and Gas Conservation Commission,
- Commercial Fisheries Entry Commission
- Permanent Fund Corporation, and
- Regulatory Commission of Alaska.

Commissioners
Administrative Services Directors
January 23, 2009
Page 3 of 3

Recruitments currently on Workplace Alaska will be open through the stated closing date. However, a notice to all applicants will be posted on Workplace Alaska advising applicants of the hiring freeze and stating that only positions necessary to protect the health and safety of Alaskans and to meet other essential state responsibilities will be filled. A currently posted recruitment will not be extended unless a waiver has been approved.

Positions providing direct patient or resident services (including food services) or that are essential in protecting Alaska citizens, but not employed in a 24-hour institution or in one of the exempt job classifications listed above IS subject to the hiring freeze, but a waiver may be requested.

If a department believes filling a position is necessary to protect the public's safety or meet other essential state responsibilities, a request for waiver from the freeze must be submitted to OMB. The waiver request must be submitted in a memorandum addressed to the Chief of Staff and approved by the department's Commissioner. The memorandum must include the following information:

- position title, range, ADN, annual personal services cost, and fund source (if CIP Receipts, identify the source of the CIP Receipts);
- the essential results that the person will be responsible for delivering;
- the extraordinary circumstances that contribute to why a waiver should be approved; and
- how long the position has been vacant.

When a waiver is approved, the department is responsible for providing a copy of it to their HR Manager in the Division of Personnel.

On behalf of the Governor, please accept her thanks for your cooperation in meeting this challenge.

State of Alaska
Sarah Palin, Governor

Office of Management and Budget

PO Box 110020
Juneau AK 99811-0020
(907) 465-4660, fax 465-3640

To: Commissioners
Administrative Services Directors

Date: February 6, 2009

From: 
Karen J. Rehfeld
Director

Subject: Hiring Freeze
Update

In response to questions that have been asked about hiring freeze applicability, I want to clarify that the following positions are also exempt from the hiring freeze:

- Recall seasonal positions.
- Student, college, and graduate interns.
- New hires into seasonal positions for the Department of Fish and Game, Department of Natural Resources, and the Department of Transportation and Public Facilities.
- On-call and temporary substitute positions.
- EVOS Trustee Council.

STATE OF ALASKA - OFFICE OF MANAGEMENT AND BUDGET

FY 2009 Revised Program Processing Log (2/16/2009 2:23:38 PM)

Req ADN	Svc ADN	Type	Fiscal Yr	Batch#	Seq #	Req Comp	Svc Comp	Description	Status	\$ Amount	Date In	Date Out
01-09-803R	0-0-0	WRP	2009		0	0	0	Waiver: Position responsible for compiling administrative regulations and citizens initiative function	Approved	0.0	1/26/2009	1/27/2009
01-06-8039	0-0-0	WRP	2009		0	0	0	Waiver: Attorney II-III PCN 01-9037 Partially Exempt R20-22 Human Rights Commission	Approved- Started pre-HF	0.0	2/3/2009	2/6/2009
02-05-0039	0-0-0	WRP	2009		0	0	0	Waiver: Maintenance Generalist - Sub-Journey I R58 PCN 25-253R F1 Seasonal in Grounds & Gardens	Pending	44.0	2/6/2009	
03-09-0240	0-0-0	WRP	2009		0	0	0	Waiver: Law Office Asst R13 Barrow DA's Office	Approved	78.3	2/4/2009	2/6/2009
06-06-0340	0-0-0	WRP	2009		0	0	0	Waiver: DCS Div Health Care Services, Div Public Assistance, Div Public Health, Div Senior/Disability	Approved	0.0	2/3/2009	2/6/2009
07-09-1141	0-0-0	WRP	2009		0	0	0	Waiver: Admin Officer II R19 Div Labor Standards & Safety (Job offered 1/27/2009)	Approved	88.0	1/23/2009	1/29/2009
07-09-1144	0-0-0	WRP	2009		0	0	0	Waiver: Demographer (07-1729) & Research Analyst III (07-1737) in Research & Analysis Section	Pending	0.0	1/27/2009	
07-09-1145	0-0-0	WRP	2009		0	0	0	Waiver: Education specialist II PCN 07-5517 R21 AGIA Training Strategic Plan	Approved- Started pre-HF	89.5	1/27/2009	2/6/2009
07-09-1146	0-0-0	WRP	2009		0	0	0	Waiver: Law Office Asst I PCN 07-3066 AK Workers' Compensation Appeals Commission R11	Approved- Started pre-HF	0.0	1/27/2009	2/6/2009
07-09-1147	0-0-0	WRP	2009		0	0	0	Waiver: Program Coordinator (PCN07-5481) R20 Div Business Partnerships	Approved- Started pre-HF	0.0	1/27/2009	2/6/2009
07-09-1149	0-0-0	WRP	2009		0	0	0	Waiver: ELEVEN Unemployment Insurance Employment Security Specialists (Claim Specialist)	Approved	0.0	1/30/2009	2/6/2009
08-09-0130	0-0-0	WRP	2009		0	0	0	Waiver: Div Corporations Business & Prof. Licensing-Admin Officer & Bus Reg Examiner	Approved	0.0	1/29/2009	2/6/2009
08-09-01360	0-0-0	WRP	2009		0	0	0	Waiver: Div of Corporations, Business & Professional Licensing - Accounting Clerk II PCN 08-2052 R10	Disapproved	52.3	1/29/2009	2/6/2009
08-09-0139	0-0-0	WRP	2009		0	0	0	Waiver: Analyst Programmer III/IV R18/18/20 PCN 08-9065 Div Investments	Pending		2/12/2009	
08-09-0189	0-0-0	WRP	2009		0	0	0	Waiver: MicroNetwork II PCN 08-2072 Admin Services	Pending	92.3	2/4/2009	
08-09-1035	0-0-0	WRP	2009		0	0	0	Waiver: THREE Financial Institution Examiners Div Banking & Securities (currently interviewing)	Approved	0.0	1/29/2009	1/29/2009
10-09-5087	0-0-0	WRP	2009		0	0	0	Waiver: Firefighting, Forster, Aircraft pilot, mechanic journeyman, Fire Info Officer, NBI Res Special	Pending	0.0	2/3/2009	
11-09-0782	0-0-0	WRP	2009		0	0	0	Waiver: Fishery Biologist IV R20 PCN 11-5023 Div Commercial Fisheries	Approved- Started pre-HF	83.4	1/28/2009	2/6/2009
11-09-0783	0-0-0	WRP	2009		0	0	0	Waiver: Biometician II R17-20 PCN 11-4119 Div Sport Fish	Approved- Started pre-HF	85.7	1/28/2009	2/6/2009

FY 2009 Revised Program Processing Log (2/16/2009 2:23:38 PM)

Req ADN	Svc ADN	Type	Fiscal Yr	Batch#	Seq #	Req Comp	Svc Comp	Description	Status	\$ Amount	Date In	Date Out
11-09-0790	0-0-0	WRP	2009	0	0	0	0	Waiver: Fishery Biologist III PCN 11-1223 R18	Pending	81.8	2/8/2009	
11-09-0796	0-0-0	WRP	2009	0	0	0	0	Waiver: Fish & Wildlife Tech II Short-term Non-Permanent R11 McGrath 2/1-4/30	Pending	10.5	2/5/2009	
11-09-0801	0-0-0	WRP	2009	0	0	0	0	Waiver: New Create Short-term Non-Permanent Fish & Wildlife Technician II Fbs R9 2/5-5/8	Pending	8.0	2/5/2009	
12-09-0220	0-0-0	WRP	2009	0	0	0	0	Waiver: SIX Public Safety Technician I & II's & Vessel Technician II & Boat Officer I	Pending	0.0	2/6/2009	
25-09-7339	0-0-0	WRP	2009	0	0	0	0	Blanket waiver for Federal vacant CIP ICAP positions	Disapproved	0.0	1/27/2009	1/27/2009
25-09-7340	0-0-0	WRP	2009	0	0	0	0	Waiver: Engineering Assi II R19 PCN 25-2318 SE Region Design & Engineering Services	Approved	85.4	1/27/2009	1/27/2008
25-09-7341	0-0-0	WRP	2009	0	0	0	0	Waiver: Planner I SE Planning R15 PCN 15-2340	Approved	57.1	2/2/2009	2/6/2009
25-09-7345	0-0-0	WRP	2009	0	0	0	0	Waiver: PCN 25-0723 Driver/Operator Journey R53 Statewide Design & Engineering Services	Approved-Started	0.0	2/4/2009	2/6/2009
25-09-7346	0-0-0	WRP	2009	0	0	0	0	Waiver: Commercial Vehicle Enforcement Officer III PCN 25-3370 R 12-14	Approved	0.0	2/4/2009	2/6/2009

Number of Observations: 28

Approved Count: 17
 Disapproved Count: 2
 Pending Count: 9

STATE OF ALASKA

SARAH PALIN, GOVERNOR

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
TELEPHONE: (907) 465-4660
FAX: (907) 465-3008

March 5, 2009

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

Dear Co-Chairs Hoffman and Stedman:

The following is provided in response to questions from the committee during my presentation on February 4, 2009.

1. **Constitutional responsibilities:** Art 9/Sec 16 of the Alaska Constitution sets a population and inflation adjusted annual spending limit. Within the limit, 1/3 is to be reserved for capital projects and loans. Given the administration's desire to maintain a combined (operating & capital) annual growth of 3% - can you help the committee understand how we can include both budgets in the growth target and still accomplish the constitutional requirement of reserving at least 1/3 of the annual appropriation for capital?

The long range plan that the Administration put forward associated with the release of the December 15 budget targeted general fund expenditure growth rate of 3% annually. This figure assumed the Governor's FY10 budget as the base and projected 3% annual growth in general fund spending regardless of whether the funds were in the capital or operating budget. Implicit in that assumption was that to the extent that operations costs can be held to a 3% or lower annual growth rate, growth in the capital budget would also grow at a 3% rate. It has been the Administration's goal to contain the growth of the operations budget, however factors such as growth in the state portion of Medicaid, the State's commitment to contain the cost to public employers of paying the unfunded liability of the retirement systems, implementation of the Education Task Force's recommendations, and oil tax credits are portions of the operations budget that make the target of 3% growth in the operations portion of the budget challenging.

Additionally, in 1983 Law opined on the issue of the 1/3 reservation for capital projects and loans in art. IX, sec. 16. Op. Att'y Gen. No. 1 (1983). Law observed that the language was "ambiguous when applied for a year in which revenue available for

Letter, Co-Chairs Hoffman and Stedman

March 5, 2009

Page 2

appropriation falls short of the adjusted limit for that year." Id. at 16. Law advised that it would be unwise to "blindly apply the allocations imposed by the appropriation limit when conditions impose an even more stringent limit." Id. at 16-17. Law concluded that "the best way to resolve the ambiguity is to disregard the one-third allocation reserved for capital projects and loan appropriations when economic conditions impose a limit which is more restrictive than that set out in section 16." Id. at 17-18.

To the extent that the revenues currently available for appropriation, less the Permanent Fund Earnings Reserve, are significantly less than the appropriation limit FY2010, we concur with Law's advice that the one-third reservation in sec. 16 is not triggered.

2. **Efficiencies:** Has the administration addressed the problem of capital appropriations - DOT projects in particular - losing value due to long delays between when the time when the appropriation is made and when the project is finally executed? Inflation and cost escalations during these long delays require the legislature to provide additional supplemental project funding.

The Department of Transportation & Public Facilities (DOTPF) has instituted a policy that project cost estimates include contingencies to address higher than anticipated bids and change orders during construction. The inflation over the last few years has been unprecedented and resulted in projects being under funded. Single line appropriations are also challenging because when costs increase there is no ability to address it without additional funding from the legislature. Without flexibility and funds to use to cover cost increases, the projects are held up until additional funds are obtained.

The cost estimates will appear to be over inflated but it will allow projects to progress more timely. Unused funds can then be re-appropriated by the legislature.

3. **Hiring Freeze Data:** Senator Elton asked if you could provide the committee with written copies of the hiring freeze data you testified to in committee. Specifically, quantifying the full-time vacancies as of Dec 31, 2008 that will be subject to the freeze or waiver process broken out by community.

Enclosed is a summary of the full-time vacant general fund positions as of December 31, 2008 by community and department and our estimate of the positions that are exempt from and subject to the hiring freeze.

4. **Hiring Freeze: Guidance, Goals and Progress:** Senator Huggins asked 1) to see a copy of specific guidance that was provided by OMB to the agencies regarding the hiring freeze, 2) what savings goals you expect to achieve by instituting the hiring freeze, and 3) for a monthly summary of the waivers requested/granted/denied by agency (until the freeze is lifted). You stated in your testimony that you initially expected to achieve a \$12 mill savings through the hiring freeze but because of exemptions and waivers you didn't expect to achieve that number. 4) What do you now expect is a reasonable savings to achieve as a result of the freeze?

The committee should have copies of my letter of February 9, 2009, containing copies of specific guidance given to departments and a list of the waiver requests received and processed as of February 6. The \$12 million estimate used in my testimony was based on approximately 1/2 of the general fund cost of the vacant positions for the remainder of this fiscal year. We know some of these positions will be filled either through exemptions from the hiring freeze or through waivers from the hiring freeze. At this time, I cannot estimate the amount of savings that will result from the hiring freeze. Enclosed is an update of waiver requests received and processed as of March 3.

5. **Half-time vs. Full-time Employees:** Is the movement of half-time/part-time employees to full-time employees restricted by the hiring freeze? You indicated during your testimony that you felt that it would be allowed, can you please clarify how you will be handling those moves during the freeze?

Time status changes are not part of the hiring freeze. However, agencies must get approval to change the status of a position from part-time to full-time.

6. **New School Construction:** In the last 3 capital budget cycles the Governor has not proposed any new school construction. There seems to be support for the 70/30 debt reimbursement program for organized communities within the administration, but not for new schools in unorganized Alaska. What is the administration's policy on new school construction in rural Alaska?

The administration has requested funding for school major maintenance projects, which also includes major renovations. The administration's policy has been to focus on repair and upgrade of existing facilities.

Letter, Co-Chairs Hoffman and Stedman
March 5, 2009
Page 4

7. **Kasayulie Lawsuit:** Senator Hoffman wanted to know if the administration is working on a settlement to the Kasayulie case, what the status of that case is and if the case is having any influence on the administration's approach to school construction in rural Alaska.

Settlement negotiations in *Kasayulie* have been off and on. The parties agreed that *Kasayulie* negotiations would be suspended during the *Moore* proceedings. The State has since attempted to restart negotiations but has not yet had a response from plaintiffs. The Department of Education & Early Development annually ranks proposed projects for grant funding based on need, and presents the list of priorities to the Governor and the legislature.

8. **Kalskag School Construction:** Senator Olson asked if there would be an appropriation request forthcoming from the administration to replace George Morgan Senior High School in Kalskag that burned on January 28th.

We are working with the Department of Education & Early Development to determine what is necessary for the replacement of the Kalskag high school to include in the FY2009 supplemental bill. The estimated replacement cost is \$19 million, with the state share at approximately \$18.7 million.

Please contact me if you have additional questions.

Sincerely,



Karen J. Rehfeld
Director

Enclosures

cc: David Teal, Legislative Finance Division
House and Senate Finance Committee members

Summary of Possible GF-Funded Permanent Fulltime Positions Subject to Hiring Freeze

GF-Funded Vacant PFT's by Location	Count	Less Exemptions:	Still Subject to Freeze	Admin	DCCED	DCC	EED	DEC	F&G	Govt	HSS	Labor	Law	DMVA	DNR	DPS	DOR	DOT	Total
Anchor Point	1	1 AST	0																0
Anchorage	360	31 DOC 8 PHome 27 API 11 FLSW 10 JuveJ 11 AST 7 DPS CrimID 1 DPS Lab 13 DCR	241	6	5		1	21	23	9	52	19	9	0	44	7	0	5	241
Aniak	2	1 FLSW 1 AST	0																0
Barrow	7	2 JuveJ 4 FLSW	1															1	1
Bethel	23	6 DCC 6 FLSW 2 AST	9	1					1		4	2	1						9
Camp Carroll - Ft. Rich	3	1 AMYA	2											2					2
Chandalar Camp	4		4															4	4
Cooper Landing	1	1 AST	0																0
Cordova	1	1 AST	0																0
Craig	2	1 FLSW	1									1							1
Dalton Highway	2		2																2
Deachorse	1		1																1
Delta Junction	1		1																1
Dillingham	3		3									2							3
Dutch Harbor	4	3 AST	1						1										1
Eagle River	1		1																1
Emmonak	1	1 AST	0																0
Ernestine	1		1																1
Fairbanks	76	5 DOC 6 PHomes 3 FLSW 2 JuveJ 1 DNR Fire 9 AST	51	1	1			3	7	1	7	4			9	2		16	51
Fort Richardson	6	1 AMYA	5												5				5
Fort Wainwright	1	1 DNR Fire	0																0
Glennallen	1	1 AST	0																0
Healy	1		1																1
Homer	1	1 FLSW	0																0
Jim River	1		1																1
Juneau	285	13 DOC 2 PHomes 1 FLSW 4 JuveJ 3 AST 6 DCR	176	29	4		12	8	21	8	50	21	4		7	2		10	176
Kenai	25	18 DOC 1 JuveJ 1 FLSW	8	3							3	1	1						8
Ketchikan	13	4 DOC 1 JuveJ	8	1					4		2				1				8
King Salmon	2	1 FLSW 1 AST	0																0
Klawock	1	1 AST	0																0
Kodiak	7	3 AST	4						3			1							4
Kotzebue	7	1 FLSW 3 AST	3	1								2							3
Livengood	1		1																1
Mackenzia Point	1	1 DOC	0																0
Mt. Edgecumbe	1	1 DEED	0																0
Nome	10	2 DOC 2 JuveJ 1 AST	5		1				2			1							5
Painter	15	3 DOC 1 JuveJ 1 FLSW 5 AST	5										2		2				5
Petersburg	1	1 AST	0																0
Sag River	1		1																1
Saint Marys	2	1 FLSW 1 AST	0																0
Seward	9	6 DOC 1 AVTEC 2 AST	0																0
Sitka	8	3 PHome 1 AST 1 DPS TrAcad	3								1	1							3
Soldotna	9	1 DNR Fire 5 AST	3					1							2				3
Sterling	1		1																1
Talkeetna	1	1 AST	0																0
Tek	2		2									1							2
Unalakleet	1	1 AST	0																0
Wasilla	14	3 FLSW 1 AST	10					3			3	4							10
Yakutat	1	1 AST	0																0
	844		Total: 556																556

STATE OF ALASKA - OFFICE OF MANAGEMENT AND BUDGET

FY 2009 Revised Program Processing Log (3/31/2009 4:30:11 PM)

Req ADN	Svc ADN	Type	Fiscal Yr	Batch#	Seq #	Req Comp	Svc Comp	Description	Status	\$ Amount	Date In	Date Out
01-00-8038	0-0-0	WRP	2009		0	0	0	Waiver: Position responsible for completing administrative regulations and citizens initiative function	Approved	0.0	1/26/2009	1/27/2009
01-00-8039	0-0-0	WRP	2009		0	0	0	Waiver: Attorney II-III PCN 01-9037 Partially Exempt R20-22: Human Rights Commission	Approved-Started Proc-IF	0.0	2/3/2009	2/6/2009
01-00-8040	0-0-0	WRP	2009		0	0	0	Waiver: Election Supervisor PCN 01-514X ANC R21 Exempt vacant since 4/15/08	Pending	105.6	2/20/2009	
02-00-0039	0-0-0	WRP	2009		0	0	0	Waiver: Maintenance Generalist, Sub-Journey I R58 PCN 25-2338 FT Sectional in Grounds & Gardens	Approved	44.6	2/6/2009	2/11/2009
02-00-0042	0-0-0	WRP	2009		0	0	0	Waiver: Div Operation Mgr/Dept Finance Officer PCN 02-1006 IA Receipts vacant since 1/12/09	Approved	125.0	2/23/2009	3/3/2009
02-00-0045	0-0-0	WRP	2009		0	0	0	Waiver: ASK Public Offices Commission Asst Director PCN 02-1302 R21 GF vacant since 5/1/09	Pending	56.6	3/23/2009	
02-00-0050	0-0-0	WRP	2009		0	0	0	Waiver: Public Guardian PCN 02-1642 Office of Public Advocacy JNU GF vacant since 1/2/09	Pending	83.3	3/27/2009	
03-00-0240	0-0-0	WRP	2009		0	0	0	Waiver: Law Office Asst R13 Barrow DA's Office	Approved	78.3	2/4/2009	2/6/2009
03-00-0247	0-0-0	WRP	2009		0	0	0	Waiver: Public Advocate Utility Analyst I in Regulatory Affairs Public Advocacy section R22 ANC	Pending	105.2	2/23/2009	
04-00-1056	0-0-0	WRP	2009		0	0	0	Waiver: Chief, Revenue Economic Research (Chief Economist) R26 GF vacant since 5/09 Tax Div	Pending	130.4	3/27/2009	
04-00-1057	0-0-0	WRP	2009		0	0	0	Waiver: Petroleum Economist II R22 GF vacant since 1/21/09 Tax Div	Pending	105.8	3/27/2009	
04-00-1058	0-0-0	WRP	2009		0	0	0	Waiver: Economist III R20 GF vacant since 1/14/09 Tax Div	Pending	93.3	3/27/2009	
04-00-1059	0-0-0	WRP	2009		0	0	0	Waiver: Oil & Gas Revenue Auditor (II/III) flexibly staffed R18-22 GF vacant since 1/14/09 Tax Div	Pending	0.0	3/27/2009	
04-00-1060	0-0-0	WRP	2009		0	0	0	Waiver: Tax Technician II/III (Flexibly staffed) R10-14 GF vacant since 1/21/09 Tax Div	Pending	0.0	3/27/2009	
05-00-0825	0-0-0	WRP	2009		0	0	0	Waiver: MEHS-Silka Acct Technician II R14	Approved	63.1	2/9/2009	2/13/2009
05-00-0843	0-0-0	WRP	2009		0	0	0	Waiver: Museum Protection & Visitor Service Asst PCN 05-4105 R11 GF JNU/SIT Perm & seasonal (5.5 mos)	Pending	24.3	3/27/2009	
05-00-0927	0-0-0	WRP	2009		0	0	0	Waiver: New/Create Special Asst to Commissioner II R23 partially exempt ANC Lara Helton	Approved	0.0	2/10/2009	2/13/2009
06-00-0339	0-0-0	WRP	2009		0	0	0	Waiver: Lab Tech/Forensic Operations Supervisor State Medical Examiner's Office R13 PCN06-1655 GF	Pending	62.8	2/27/2009	
06-00-0340	0-0-0	WRP	2009		0	0	0	Waiver: CCS, Div Health Core Services, Div Public Assistance, Div Public Health, Div Senior Disability	Approved	0.0	2/23/2009	2/24/2009

FY 2009 Revised Program Processing Log (3/3/2009 4:30:11 PM)

Req ADN	Svc ADN	Type	Fiscal Yr	Batch#	Seq #	Req Comp	Svc Comp	Description	Status	\$ Amount	Date In	Date Out
05-05-0357	0-0-0	WRP	2009	0	0	0	0	Waiver: Administrator, Clerk II R8 PCN 05-1013 JNU	Approved	24.7	2/11/2009	2/11/2009
05-05-0358	0-0-0	WRP	2009	0	0	0	0	Waiver: OCS Mat-Su Admin, Clerk II PCN 05-1013 JNU	Approved	0.0	2/11/2009	2/11/2009
05-05-0375	0-0-0	WRP	2009	0	0	0	0	Waiver: Admin, Clerk III SW Regional Public Health Nursing R10 vacant 1/11/08	Pending	51.5	2/27/2009	
05-05-0381	0-0-0	WRP	2009	0	0	0	0	Waiver: Admin, Clerk II JNU Public Health Center PCN 05-1227 R8 vacant since 1/5/09	Pending	47.0	2/27/2009	
05-05-0382	0-0-0	WRP	2009	0	0	0	0	Waiver: Admin, Clerk III Valdez Public Health Center PCN 05-1426 R10 vacant since 1/23/09	Pending	59.0	2/27/2009	
05-05-0383	0-0-0	WRP	2009	0	0	0	0	Waiver: PT Admin, Clerk II Homer Public Health Center PCN 05-1853 R8 vacated 02/08	Pending	33.5	2/27/2009	
05-05-0384	0-0-0	WRP	2009	0	0	0	0	Waiver: Admin, Clerk III Dillingham Public Health Center PCN 05-1121 vacant 1/11/08 R10	Pending	62.5	2/27/2009	
05-05-0389	0-0-0	WRP	2009	0	0	0	0	Waiver: TWO Admin, Clerk II PCN 05-5175 & PCN 05-5175 Div Behavioral Health R8	Pending	0.0	2/27/2009	
05-05-0389	0-0-0	WRP	2009	0	0	0	0	Waiver: Admin Asst III PCN 05-2335 R15 Div Behavioral Health, API FI (asst support) vacant since 2/7	Pending	0.0	2/27/2009	
05-05-0392	0-0-0	WRP	2009	0	0	0	0	Waiver: Admin, Clerk III PCN 05-1528 R10 MDC Diagnostic Birth Defects, Metabolic Disease & Cleft Lip &	Pending	0.0	2/27/2009	
05-05-0393	0-0-0	WRP	2009	0	0	0	0	Waiver: PT Admin, Clerk II for the Health Survey Lab PCN 05-1823 Section of Chronic Disease Prevention &	Pending	0.0	2/27/2009	
05-05-0394	0-0-0	WRP	2009	0	0	0	0	Waiver: PT Admin, Clerk II PCN 05-1820 for the Health Survey Lab Section of Chronic Disease Prevention &	Pending	0.0	2/27/2009	
07-05-1141	0-0-0	WRP	2009	0	0	0	0	Waiver: Admin, Officer II R10 Div Labor Standards & Safety (Job ended 12/1/09)	Approved	88.6	1/23/2009	1/23/2009
07-05-1145	0-0-0	WRP	2009	0	0	0	0	Waiver: Education specialist II PCN 07-5517 R21 AGA Training Strategic Plan	Approved - Stated pre-HF	89.5	1/27/2009	2/6/2009
07-05-1145	0-0-0	WRP	2009	0	0	0	0	Waiver: Law Office Asst I PCN 07-3026 Ad Workers Compensation Appeals Commission F11	Approved - Stated pre-HF	0.0	1/27/2009	2/6/2009
07-05-1147	0-0-0	WRP	2009	0	0	0	0	Waiver: Program Coordinator (PCN07-5481) R20 Div Business Partnerships	Approved - Stated pre-HF	0.0	1/27/2009	2/6/2009
07-05-1145	0-0-0	WRP	2009	0	0	0	0	Waiver: ELEVEN Unemployment Insurance Employment Security Specialists (Claim Specialist)	Approved	0.0	1/20/2009	2/6/2009
07-05-1150	0-0-0	WRP	2009	0	0	0	0	Waiver: New/Crossing Admin, Clerk II Short-term/perm off 4/1/05, 6/30/09 Labor Market Info-Admin Svc	Approved	7.0	2/9/2009	2/23/2009
07-05-1151	0-0-0	WRP	2009	0	0	0	0	Waiver: Research Analyst III PCN 07-1737 Labor Market Info - Admin Svc	Approved	70.1	2/9/2009	2/13/2009
07-05-1152	0-0-0	WRP	2009	0	0	0	0	Waiver: Demographer PCN 07-1725 Labor Market Info-Admin Svc	Approved	85.0	2/6/2009	2/13/2009
07-05-1153	0-0-0	WRP	2009	0	0	0	0	Waiver: Machine/Mapping Operation I Non-Perm PCN 07-100015 R10 Div Workers Compensation	Approved	11.5	2/11/2009	2/23/2009

FY 2009 Revised Program Processing Log (3/3/2009 4:30:11 PM)

Req AD#	Svc AD#	Type	Fiscal Yr	Batch#	Seq #	Req Comp	Svc Comp	Description	Status	\$ Amount	Date In	Date Out
07-09-1154	0-0-0	WRP	2009	0	0	0	0	Waiver Admin Clerk II Seasonal PCH 07-3662 ES Div Workers' Compensation	Approved	23.3	2/17/2009	2/23/2009
07-09-1165	0-0-0	WRP	2009	0	0	0	0	Waiver Redstaffressa Versel Inspector I PCH 07-4545 P-19A Plus vacant since 10/20/08	Approved	80.2	2/17/2009	2/23/2009
07-09-1159	0-0-0	WRP	2009	0	0	0	0	Waiver Employment Security Division Accounting Supervisor II (Director's Office) PCH 07-3559 R-19A	Approved	81.1	2/17/2009	2/23/2009
07-09-1157	0-0-0	WRP	2009	0	0	0	0	Waiver Program Coordinator PCH 21-3054 R20 vacant since 10/01/09	Approved	0.0	2/17/2009	2/23/2009
07-09-1148	0-0-0	WRP	2009	0	0	0	0	Waiver Workers' Compensation Technician PCH 07-1027 R12 vacant 2/1/09 Fisherman Fund Component	Pending	57.0	2/24/2009	
07-09-1159	0-0-0	WRP	2009	0	0	0	0	Waiver Admin Clerk III PCH 07-3030 R10 Workers' Compensation component vacant 2/27/09 FBX	Pending	53.2	2/24/2009	
08-09-0139	0-0-0	WRP	2009	0	0	0	0	Waiver Div Coordinators Business & Prof Licensing Admin Officer 2 Bus Reg Examinat	Approved	0.0	1/29/2009	2/23/2009
08-09-0150	0-0-0	WRP	2009	0	0	0	0	Waiver Div of Corporations, Business & Professional Licensing - Accounting Clerk II PCH 08-2052 R10	Disapproved	52.3	1/29/2009	2/23/2009
08-09-0139	0-0-0	WRP	2009	0	0	0	0	Waiver Analyst Programmer (I) III/IV R 15/16/20 PCH 08-0005 Div Investments	Approved		2/4/2009	2/19/2009
08-09-0142	0-0-0	WRP	2009	0	0	0	0	Waiver 3 Local Govt Specialist (Home, Dillingham, FBX), Research Analyst 2 Grants Administration	Approved	0.0	2/19/2009	2/23/2009
08-09-0140	0-0-0	WRP	2009	0	0	0	0	Waiver Occupational Licensing Examiner R13 PCH 08-2005 R25 Div Corporation, Business & Prof Licensing	Pending	59.2	2/23/2009	
08-09-0150	0-0-0	WRP	2009	0	0	0	0	Waiver Local Govt Specialist IV R10 AHC Div Community & Regional Affairs Local Boundary Commission	Pending	64.8	2/23/2009	
08-09-0151	0-0-0	WRP	2009	0	0	0	0	Waiver Admin Clerk III R10 AHC Div Community/Regional Affairs vacant 2/25/09	Pending	52.4	2/23/2009	
08-09-0189	0-0-0	WRP	2009	0	0	0	0	Waiver MicroNetwork II (Supervisory) PCH 08-2072 Admin Services	Approved	52.3	2/4/2009	2/19/2009
08-09-1035	0-0-0	WRP	2009	0	0	0	0	Waiver THREE Financial Institution Examiners Div Banking & Securities (currently interviewing)	Approved	0.0	1/29/2009	1/29/2009
08-09-1045	0-0-0	WRP	2009	0	0	0	0	Waiver Occupational Licensing Examiner	Approved	00.2	2/19/2009	2/23/2009
10-09-5997	0-0-0	WRP	2009	0	0	0	0	Waiver Firefighting Forester, Aircraft pilot, mechanic journeyman Fire Info Officer, Nat Res Special	Approved	0.0	2/23/2009	2/23/2009
10-09-5101	0-0-0	WRP	2009	0	0	0	0	Waiver FOUR in Oil & Gas- 2 Petroleum Engineers, Petroleum Economist, Cartographer	Approved	0.0	2/19/2009	2/23/2009
10-09-1010	0-0-0	WRP	2009	0	0	0	0	Waiver THREE in Oil & Gas - H Res Specialist AHC, Tech Engineer, Engineer Asst	Disapproved	0.0	2/19/2009	2/23/2009
10-09-5105	0-0-0	WRP	2009	0	0	0	0	Waiver Petroleum Reservoir Engineer PCH 10-5222 Div Oil & Gas R20H J Williamson est 3/10/09	Pending	150.0	2/23/2009	

FY 2009 Revised Program Processing Log (3/3/2009 4:30:11 PM)

Req ADR	Seq ADR	Type	Fiscal Yr	Batch#	Seq #	Req Comp	Sec Comp	Description	Status	\$ Amount	Date In	Date Out
10-05-5102	0-0-0	WRP	2009	0	0	0	0	Waiver: 50-50 non-permanent Hazardous Fuel Treatment Stimulus (USDA Forest Service) Div Forestry	Pending	0.0	7/29/2009	
10-05-5102	0-0-0	WRP	2009	0	0	0	0	Waiver: 50-50 non-permanent Hazardous Fuel Treatment Stimulus (USDA Forest Service) Div Forestry	Pending	13.4	5/25/2009	
10-05-5118	0-0-0	WRP	2009	0	0	0	0	Waiver: 17 Classified Natural Resource Specialist V R13 PCN 10-2054-ATC Oil & Gas Development	Pending	17.0	3/23/2009	
10-05-5119	0-0-0	WRP	2009	0	0	0	0	Waiver: 60-40 Fire-Prevention IV Recorder's Office R26 A FSS vacant since 7/2/09	Pending	52.0	3/23/2009	
10-05-5126	0-0-0	WRP	2009	0	0	0	0	Waiver: Geologist IV PCN 10-2726 R11 vacant since 7/09 FIS: Div Geology & Geophysical Services GF	Pending	100.7	3/23/2009	
11-05-0780	0-0-0	WRP	2009	0	0	0	0	Waiver: Fishery Biologist IV R26 PCN 11-5023 Div Commercial Fisheries	Approved - Staffed later IF	52.4	12/15/2009	2/6/2009
11-05-0782	0-0-0	WRP	2009	0	0	0	0	Waiver: Biotechnician II R17-20 PCN 11-4119 Div Sport Fish	Approved - Staffed later IF	82.7	12/15/2009	2/6/2009
11-05-0786	0-0-0	WRP	2009	0	0	0	0	Waiver: Fishery Biologist II R15 PCN 11-1033	Approved	79.9	2/10/2009	2/23/2009
11-05-0790	0-0-0	WRP	2009	0	0	0	0	Waiver: Fishery Biologist III PCN 11-1273 R18	Approved	81.0	7/15/2009	2/18/2009
11-05-0795	0-0-0	WRP	2009	0	0	0	0	Waiver: Fish & Wildlife Tech II Short-term Non-Permanent R11 InterGrant 2H-420	Approved	10.5	2/15/2009	2/15/2009
11-05-0801	0-0-0	WRP	2009	0	0	0	0	Waiver: New Cante Short-term Non-Permanent Fish Wildlife Technician II FIS: RS 25-50F	Approved	8.0	2/5/2009	2/12/2009
11-05-0802	0-0-0	WRP	2009	0	0	0	0	Waiver: Positions funded w/SUPR, IA Receipts, and FSG Fund Records - Staffed later	Pending	0.0	2/19/2009	
11-05-0803	0-0-0	WRP	2009	0	0	0	0	Waiver: Public Biologist III R18 PCN 11-6135	Pending	61.3	2/10/2009	
11-05-0811	0-0-0	WRP	2009	0	0	0	0	Waiver: Biotechnician II R19 PCN 11-1257 vacant since 12/15/07	Pending	84.9	3/23/2009	
11-05-0812	0-0-0	WRP	2009	0	0	0	0	Waiver: Fishery Biologist III R10 PCN 11-1105	Approved	79.9	2/10/2009	2/18/2009
11-05-0825	0-0-0	WRP	2009	0	0	0	0	Waiver: Maintenance Specialist R51 PCN 11-106035	Approved	17.0	2/13/2009	2/23/2009
11-05-0834	0-0-0	WRP	2009	0	0	0	0	Waiver: Admin Assn II R14 PCN 11-4021 Div Sport Fish Region I Douglas Region I vacant since 10/28/08 GF	Pending	53.0	2/23/2009	
11-05-0844	0-0-0	WRP	2009	0	0	0	0	Waiver: Regional Supervisor R20 PCN 11-1030 vacant 4/20/09 GF	Pending	122.9	3/23/2009	
11-05-0847	0-0-0	WRP	2009	0	0	0	0	Waiver: Fishery Biologist I R14 A PCN 11-106035 Long term Non Perm extend thru 6/30/09	Pending	0.0	3/23/2009	
12-05-0710	0-0-0	WRP	2009	0	0	0	0	Waiver: Admin Clerk III R10 PCN 12-2030-Plan Review Bureau vacant since 12/29/08	Pending	52.3	2/25/2009	
12-05-0720	0-0-0	WRP	2009	0	0	0	0	Waiver: Sr. Public Safety Technician I & II's & Vessel Technician II & Boat Officer I	Approved	0.0	2/25/2009	2/15/2009

FY 2009 Revised Program Processing Log (3/3/2009 4:30:11 PM)

Req AD#	Sec AD#	Type	Fiscal Yr	Batch#	Seq #	Req Comp	Seq Comp	Description	Status	\$ Amount	Date In	Date Out
12-00-0271	0-0-0	WRP	2009	0	0	0	0	Waiver Forensic Technician I PCN 12-0271 R 12 Div Software Services	Approved	51.2	2/17/2009	2/23/2009
12-00-0274	0-0-0	WRP	2009	0	0	0	0	Waiver Database Specialist FOUR Analysis/Programmer THREE Network Specialist	Pending	0.0	2/20/2009	
12-00-0276	0-0-0	WRP	2009	0	0	0	0	Waiver TWO Admin Clerk (Is, TWO An Automater Employment ID Operators, Central Justice Tech)	Pending	0.0	2/20/2009	
12-00-0277	0-0-0	WRP	2009	0	0	0	0	Waiver Public Dispatcher II R12 GF vacant since 2/1/05 Soldotna	Approved	61.9	2/20/2009	2/23/2009
12-00-0278	0-0-0	WRP	2009	0	0	0	0	Waiver Public Dispatcher II R12 vacant since 2/1/05 GF Kodiak ASI	Approved	61.9	2/20/2009	2/23/2009
18-00-0400	0-0-0	WRP	2009	0	0	0	0	Waiver Environmental Engineer I R22 PCN 18-0400 vacant since 12/1/08 Div Environmental Health	Pending	104.6	3/02/2009	
18-00-0405	0-0-0	WRP	2009	0	0	0	0	Waiver EIGHT positions for Village Safe Water Program	Approved	0.0	2/19/2009	2/23/2009
18-00-0407	0-0-0	WRP	2009	0	0	0	0	Waiver Environmental Program Specialist III/III R14 16 or 18 Fbks PCN 18-0406 vacant since 11/10 NAFI	Approved	0.0	2/19/2009	2/23/2009
18-00-0408	0-0-0	WRP	2009	0	0	0	0	Waiver Microcomputer/Network Specialist II R20 PCN 18-0408 Fbks/Deschamps R Airport	Approved	119.4	2/10/2009	2/23/2009
18-00-0409	0-0-0	WRP	2009	0	0	0	0	Waiver Program Coordinator II R20 PCN 18-0409 Div of Water vacant since 9/2/08	Pending	91.0	3/2/2009	
18-00-0414	0-0-0	WRP	2009	0	0	0	0	Waiver Metal Specialist-Journey II R51 PCN 18-0409 (Assists water/tower operators-NW Arctic Borough)	Pending	52.2	2/20/2009	
18-00-0417	0-0-0	WRP	2009	0	0	0	0	Waiver Analyst Programmer IV R20 PCN 18-0417 vacant since 7/20/09 Information Svcs	Pending	95.9	3/2/2009	
18-00-0419	0-0-0	WRP	2009	0	0	0	0	Waiver Environmental Health Officer III R18 PCN 18-0419 RSS vacant 10/20/08	Pending	75.8	3/02/2009	
20-00-0054	0-0-0	WRP	2009	0	0	0	0	Waiver Acct Clerk Wildwood Correctional Center PCN 20-0300 R10A	Approved	0.0	2/12/2009	2/17/2009
20-00-0055	0-0-0	WRP	2009	0	0	0	0	Waiver Maintenance Generalist Journey Avail Min Correctional Center PCN10-0231 R55 A/B	Approved	80.0	2/17/2009	2/17/2009
25-00-2300	0-0-0	WRP	2009	0	0	0	0	Waiver Fbks Maint & Operations Superintendent R21 PCN 25-2385 GF vacant 1/14/08 N Region Highway/Aviat	Approved	101.9	2/13/2009	2/23/2009
25-00-2301	0-0-0	WRP	2009	0	0	0	0	Waiver Maint & Operations Superintendent 10k PCN 25-1501 GF R21 vacant 12/8/08	Approved	112.5	2/13/2009	2/23/2009
25-00-2302	0-0-0	WRP	2009	0	0	0	0	Waiver Engineer I R22 PCN 25-1437 N Region Design & Engineering Svcs vacant 02/1/08	Approved	105.5	2/17/2009	2/23/2009
25-00-2305	0-0-0	WRP	2009	0	0	0	0	Waiver Engineer I R22 N Region Design & Engineering Svcs vacant since 01/10/08 PCN 25-2451	Approved	105.5	2/17/2009	2/23/2009
25-00-2307	0-0-0	WRP	2009	0	0	0	0	Blanket waiver for Federal vacant CIP ICAP positions	Disapproved	0.0	1/28/2009	1/27/2009
25-00-2340	0-0-0	WRP	2009	0	0	0	0	Waiver Engineering Asst II R15 PCN 25-2338 SE Region Design & Engineering Services	Approved	95.4	1/27/2009	1/27/2009

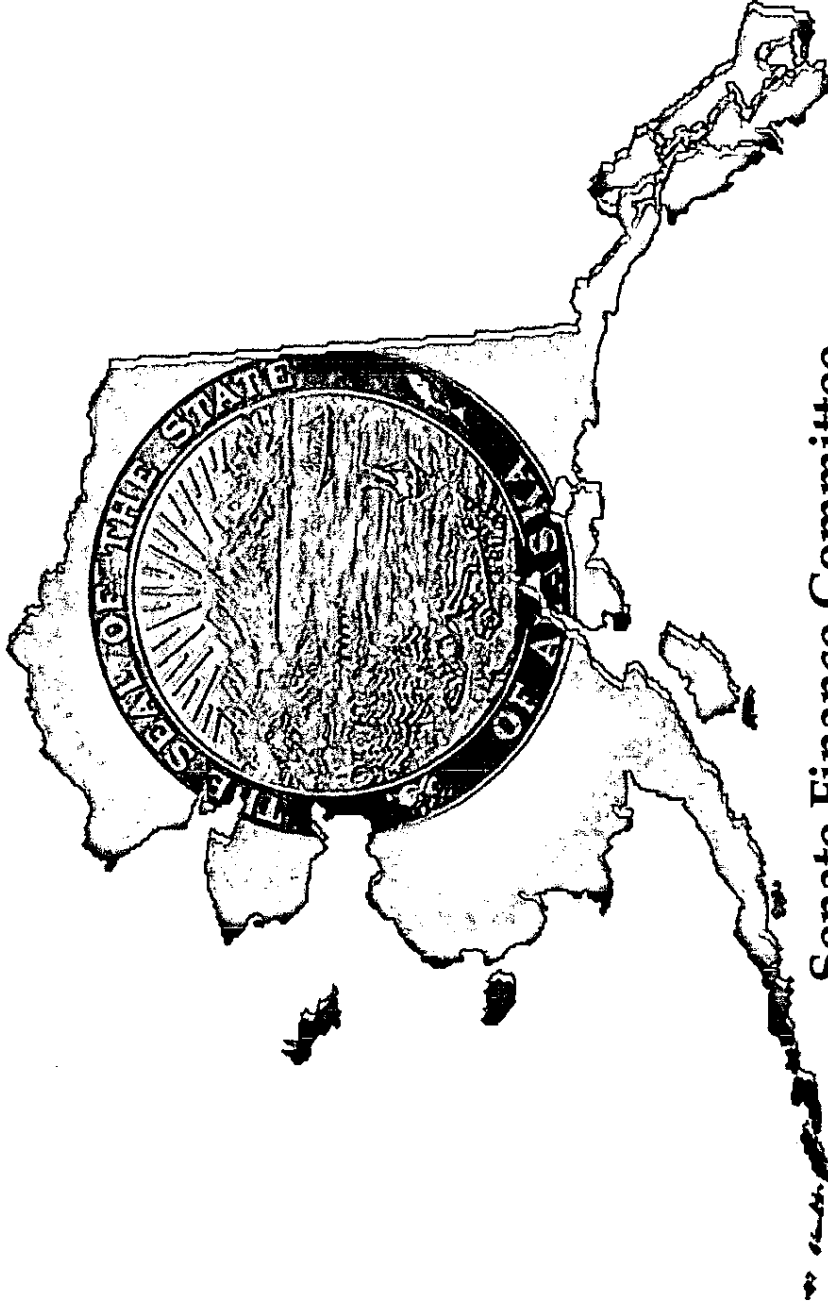
FY 2009 Revised Program Processing Log (3/3/2009 4:30:11 PM)

Req ADN	Svc ADN	Type	Fiscal Yr	Batch#	Seq #	Req Comp	Svc Comp	Description	Status	\$ Amount	Date In	Date Out
25-05-7341	0-0-0	WRP	2009	0	0	0	0	Waiver Planner I SE Planning R to PCN 15-2340	Approved	57.1	2/17/2009	2/6/2009
25-05-7342	0-0-0	WRP	2009	0	0	0	0	Waiver PCN 25-0323 Clerk/Operator Journey R55 Palosville Design R Engineering Services	Approved- Starting pro-HF	0.0	2/17/2009	2/6/2009
25-05-7345	0-0-0	WRP	2009	0	0	0	0	Waiver Commercial Vehicle Enforcement Officer III PCN 25-2370 R 12 14	Approved	0.0	2/17/2009	2/6/2009
25-05-7346	0-0-0	WRP	2009	0	0	0	0	Waiver Equipment Operator Journey III R55 PCN 25-1034	Approved	97.4	2/11/2009	2/22/2009
25-05-7348	0-0-0	WRP	2009	0	0	0	0	Waiver Equipment Mechanic Sub-Journey III R55 PCN 25-1229	Approved	79.3	2/11/2009	2/22/2009
25-05-7350	0-0-0	WRP	2009	0	0	0	0	Waiver Administrative Clerk III PCN 25-2307 SE Region Construction	Approved	54.1	2/11/2009	2/17/2009
25-05-7351	0-0-0	WRP	2009	0	0	0	0	Waiver Engineering Assn III R1715 SE Region Construction PCN 25-2312 3187, 25-3059	Approved	109.3	2/11/2009	2/17/2009
25-05-7352	0-0-0	WRP	2009	0	0	0	0	Waiver Equip Operator Journey III R52 PCN 25-1148 Snow & Ice Control Blowing Highway & Aviation	Approved	87.6	2/18/2009	2/17/2009
25-05-7354	0-0-0	WRP	2009	0	0	0	0	Waiver Equip Operator Journey III R53 GF PCN 25-1050 vacant 1/1/09: Heavy Highway	Approved	62.1	2/18/2009	2/22/2009
25-05-7355	0-0-0	WRP	2009	0	0	0	0	Waiver Equip Operator Journey III R53 PCN 25-1011 Kalam Bay Strip Renewal/Reclaim GF Vacant: Launch Fac	Approved	57.6	2/18/2009	2/22/2009
25-05-7358	0-0-0	WRP	2009	0	0	0	0	Waiver Procurement Specialist IV R20 PCN 25-0104 vacant since 7/09 Contract Office, Contracts & Appeals	Pending	50.9	2/25/2009	
25-05-7359	0-0-0	WRP	2009	0	0	0	0	Waiver: Solid of Snow Assn III R16 PCN 25-0481 vacant since 1/25/08 C Region, Design/Engineering Svcs	Pending	91.0	2/25/2009	
25-05-7361	0-0-0	WRP	2009	0	0	0	0	Waiver Engineering Associate PCN 25-0534 R21 vacant 1/1/09 C Region Design/Engineering Svcs	Pending	105.0	2/25/2009	
25-05-7363	0-0-0	WRP	2009	0	0	0	0	Waiver Procurement Specialist II R19 PCN 25-0370 C Region Contracts Section vacant since 11/2009	Pending	73.0	2/25/2009	
25-05-7373	0-0-0	WRP	2009	0	0	0	0	Waiver Transportation Planner I R21 PCN 25-0126 vacant since 4/1/08 Fed Team Lead Planner	Pending	55.1	2/25/2009	
25-05-7374	0-0-0	WRP	2009	0	0	0	0	Waiver Planner I/III PCN 25-1256 vacant since 4/30/04 assists State Program Team Lead planner	Pending	57.1	2/25/2009	
25-05-7375	0-0-0	WRP	2009	0	0	0	0	Waiver Planner III R10 PCN 25-0133 vacant since 4/30/08 Manages Dept's transportation data resources	Pending	85.4	2/25/2009	
25-05-7376	0-0-0	WRP	2009	0	0	0	0	Waiver Acctg Tech III R14 PCN 25-0137 GF vacant since 12/3/08 cashes acct transactions	Approved	53.9	2/25/2009	2/25/2009

Number of Observations: 120

Approved Count: 64
 Disapproved Count: 3
 Pending Count: 53

FY2009/FY2010 Budget Overview



Senate Finance Committee
Governor's Office of Management and Budget
February 4, 2009

Budget Guidelines

Starts with clearly established goals communicated to state agencies, the legislature and the public

Governor Palin's budget goals have been consistent:

- Slow the growth of government
- Live within our means
- Save for the future
- Focus on core services
 - Constitutional and statutory responsibilities
 - Invest in responsible resource development

Budget Direction

The fundamental building blocks

- Focus on core state services,
- Find efficiencies in service delivery,
- Identify savings or reductions,
- Redirect existing resources, where possible, to higher priority items, and
- Limit growth in operating budget.

FY2009 Revenues/Expenditures

A year of unprecedented revenue volatility

FY2009 Budget Version	Governor Dec. 15, 2007	Enacted May 23, 2008	Post Special Sessions	Governor Dec. 15, 2008	Interim Forecast With Supplemental
Forecast Version	Fall 2007	Spring 2008		Fall 2008	January 2009
Price Per Barrel	\$66.32	\$83.04	\$100 +	\$77.66	\$63.28
Production	0.701	0.689		0.689	0.686
Total Revenue*	\$5,264.9	\$7,523.3	\$7,523.3	\$6,765.4	\$5,536.2
Budget Appropriations	\$4,609.6	\$5,045.6	\$5,979.7	\$5,992.3	\$5,723.7
Savings Appropriations	\$500.0	\$1,175.5	\$1,195.3	\$1,175.3	\$1,175.3
Surplus/(Shortfall)	\$155.3	\$1,302.2	\$348.3	(\$402.2)	(\$1,362.8)

*Includes tax credits and carryover

Office of Management and Budget



FY2009 Revenue Shortfall

Steps taken and in process to address a revenue shortfall

- Governor Palin signed the appropriation bills on May 23, 2008, with instructions to the departments to achieve at least \$20 million in savings in the operating budget.
- Freeze hiring and purchases issued January 23, 2009.
- FY2009 supplemental bill proposes \$268.6 in reductions in current year authorized expenditures and the overall spending plan.
- Seeks legislative approval for use of reserves.

Reserve Balances

Estimated balances as of December 31, 2008

- Constitutional Budget Reserve \$6.8 billion
 - Main Fund \$3.2 billion
 - Sub Fund \$3.6 billion
- Statutory Budget Reserve \$1.0 billion
- Public Education Fund \$1.0 billion
- AK Housing Capital Fund \$342.3 million

FY2009 Economic Stimulus Bill

Moving quickly at the federal level

Federal action expected mid-February

- Formula and competitive grants
 - Transportation
 - Energy
 - Education
 - Health Care
- State agencies reviewing the legislation
- Anticipate separate supplemental bill

FY2010 Budget Overview

Consistent fiscal policy

- Dec. 15 budget proposes to spend less general fund dollars in FY2010 than we are spending in the current year - \$4.9 billion compared to \$5.2 billion (*comparison excludes resource rebate*)
- Budgeted \$389 million below the fall forecast of \$5.27 billion.
- Interim forecast will be provided on February 18 along with budget amendments.

FY2010 Budget Highlights

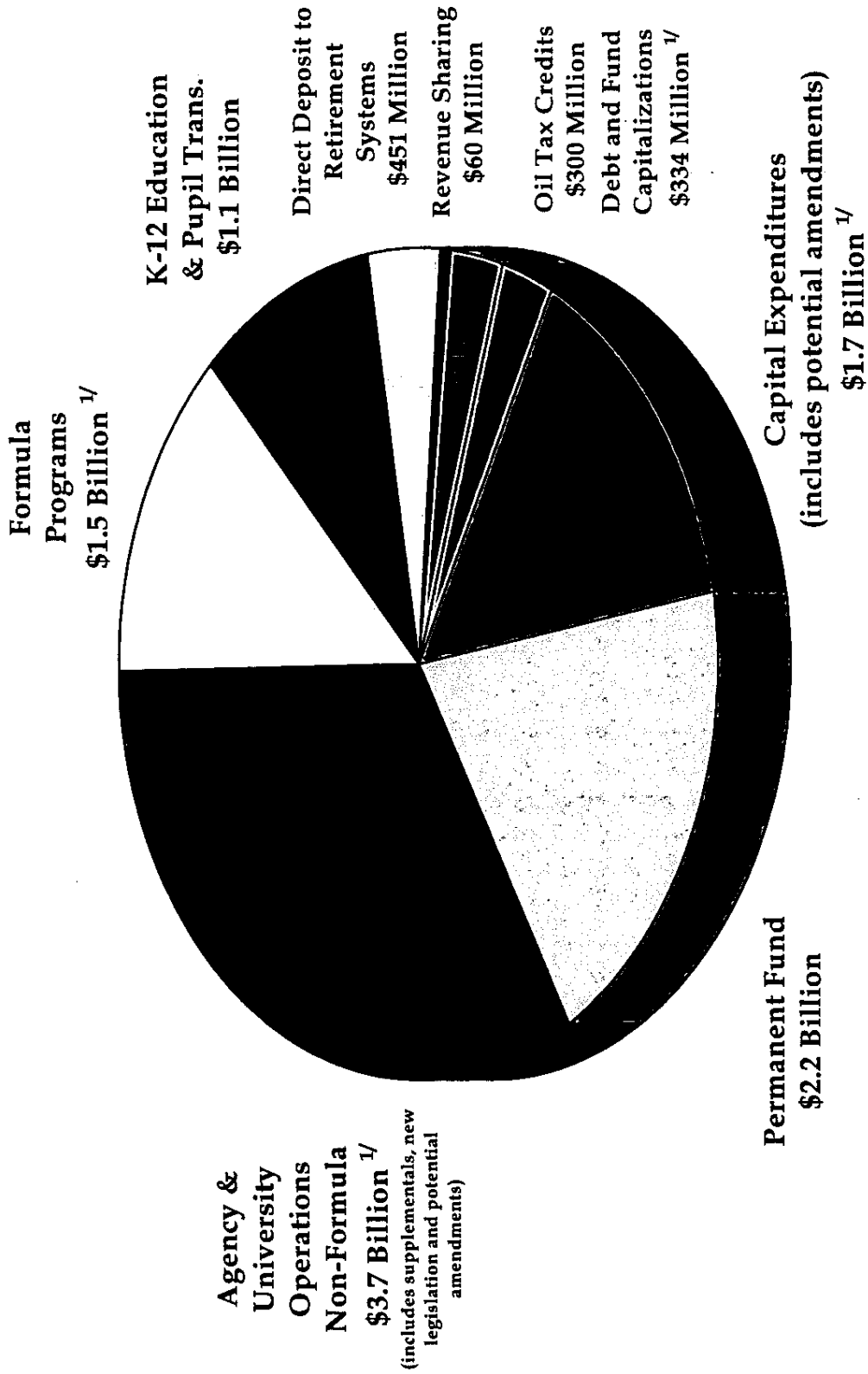
Focus on priorities

- **Operating**
 - K-12 Education \$1.05 billion
 - Revenue Sharing \$60 million
 - Retirement system unfunded liability \$451.2 million
 - Exploration tax credits \$300 million
 - State employee contract increases \$31 million
- **Capital**
 - Gas line projects \$82.1 million
 - Renewable Energy Fund \$50 million
 - School Major Maintenance \$40.5 million
 - Highways & Aviation \$772.5 million
 - Water & Sewer \$114.8 million



FY2010 Budget Request

Provides statewide programs and services



Office of Management and Budget

^{1/} Excludes duplicated authorizations.

To Meet FY2009/FY2010 Budget Challenges

and Protect Alaska's economy

- Fiscal Discipline
 - Savings and efficiencies
 - Budget reductions where practical and sustainable
 - Freeze hiring and purchases
- Prudent use of Reserves
 - \$8 billion in reserves
 - Careful planning to manage shortfall in the short-term and provide long-term stability
 - Avoid massive single-year cuts

More Information on the Budget

<http://omb.alaska.gov/>

Karen J. Rehfeld, Director
Office of Management and Budget
907-465-4660
Karen.Rehfeld@alaska.gov

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
1	Administration	Office of the Commissioner	Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.	(1,100.0)				(1,100.0)
2	Administration	Personnel	Personnel Board investigations and support - contracts for legal services for complaints filed with the board	725.0				725.0
3	Administration	Retirement and Benefits	This adjustment is necessary to properly allocate costs of the defined contribution plan, Tier 4, to the correct fund sources, per the fiscal note for Ch. 9, FSSLA2005 An Act relating to the teachers' and public employees' retirement systems and creating defined contribution and health reimbursement plans (SB 141).	(107.6)		154.1	120.0 PERS 34.1 TRS	46.5
4	Administration	Retirement and Benefits	Funding is needed to conduct an analysis of how pending legislation might affect retirement systems of the State. Per AS 24.08.036, a cost analysis must be done for legislation that may affect retirement systems of the State before that legislation is reported to the Rules Committee. General Funds are requested so that no current pension trust funds are impacted.	50.0				50.0
5	Administration	Group Health Insurance	The Division of Retirement and Benefits is preparing to re-bid the health benefits Third Party Administrator (TPA) contract and needs additional funding to have the healthcare consultant (Buck) help prepare information for the bid process, audit the performance of the current TPA contractor, and analyze the long term care projections to determine if the State is carrying adequate reserves.			250.0	Group Health and Life Benefits Fund	250.0
6	Administration	EPORS	Actual increased program retirement and health benefits	85.0				85.0
7	Administration	Office of Public Advocacy	Authorization is needed to accept and spend two federal grants. The two grants are Court Appointed Special Advocate (CASA) program funds from the National CASA Program. One is for \$31,000.00 and the other is for \$1,949.00 for a total of \$32,949.00. Both were awarded to the Office of Public Advocacy after the end of the last legislative session.		33.0			33.0

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
8	Administration	Public Defender Agency	<p>Caseload and cost increases - For the 1st half of FY2009, the Public Defender Agency has experienced caseload growth in the following key areas:</p> <p>The Anchorage Criminal Section has experienced an 11% increase for all cases, a 30% increase in felony petitions to revoke probation, a 14% increase in misdemeanor cases, and a 70% increase in misdemeanor petitions to revoke probation. Fairbanks has experienced a 5% increase in felony cases and a 14% increase in juvenile delinquency cases. The Civil Section within the Public Defender Agency has experienced a 7% increase in all cases, a 15% increase in juvenile delinquency cases, and a 9% increase in civil commitment cases. The Palmer office has seen a 35% increase in Child in Need of Aid (CINA) cases. Multi-year trends show significant increases over the past five years and predict caseload increases for FY2009. Statewide closing rates, however, are below 100% for the most complex caseloads, which indicates an increase in workload due to the increasing complexity of casework and trial preparation.</p>	1,000.0				1,000.0
9	Administration	Motor Vehicles	<p>Additional funding is needed to provide for the purchase of license plates, driver manuals, and license tabs. The plates, manuals and tabs were previously funded in the capital budget. When the budget was established in the operating budget, the division underestimated the annualized costs and the amount added was insufficient to cover the costs now being incurred. In addition, some materials costs have increased. It is critical that Division of Motor Vehicles not run out of these materials and have to stop issuing licenses and plates. The funding requested here is necessary to purchase sufficient stock and inventory for the remainder of FY2009.</p>			562.8	Receipt Supported Services	562.8
10	Commerce	Commissioner's Office	<p>Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.</p>	(80.0)				(80.0)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
11	Corrections	Office of the Commissioner	Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.	(750.0)				(750.0)
12	Corrections	Inmate Health Care	The department is requesting a supplemental of \$1,405.8 for increased inmate health care costs that includes fees-for-service, increased release medications for mentally ill inmates, and Inmate Health Care staff cost overages due to overtime for 24-hour medical coverage. \$646.4 shortfall is projected in the in-state and out-of-state medical fees for service. The department is seeing an increase in chronic disease associated with diabetes, cancer, heart disease, surrounding health-related issues due to obesity, and health issues associated with care for geriatrics. \$361.0 shortfall is projected for psychotropic drugs. As of September 2008, the department's Mental Health Unit began providing additional release medications to inmates with serious chronic mental illness as an interim measure until treatment begins with a community mental health provider. \$398.4 shortfall is projected for overtime for 24-hour medical coverage; contractual nursing shortages; and the successful hiring of a Forensic Psychiatrist.	1,405.8				1,405.8
13	Education	Executive Administration	Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.	(270.0)				(270.0)
14	Environ Cons	Office of the Commissioner	Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.	(390.0)				(390.0)
15	Fish and Game	Commercial Fisheries Special Projects	Transfer excess SDPR from Commercial Fisheries Special Projects to Administrative Services to cover indirect receipt costs The FY10 budget contains a corresponding transfer.			(145.0)	Statutory Designated Prgm. Rcpts.	(145.0)
16	Fish and Game	Commercial Fisheries Special Projects	Transfer excess SDPR from Commercial Fisheries Special Projects to Fish and Game Boards and Advisory Committees to cover public information requests. The FY10 budget contains a corresponding transfer.			(6.0)	Statutory Designated Prgm. Rcpts.	(6.0)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
17	Fish and Game	Commercial Fisheries Special Projects	Transfer excess SDPR from Commercial Fisheries Special Projects to Habitat to cover the North Slope Borough Teshekpuk Lake Studies.			(22.0)	Statutory Designated Prgm. Rcpts.	(22.0)
18	Fish and Game	Commissioner's Office	Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.	(1,000.0)				(1,000.0)
19	Fish and Game	Administrative Services	Transfer excess SDPR from Commercial Fisheries Special Projects to Administrative Services to cover indirect receipt costs. The FY10 budget contains a corresponding transfer.			145.0	Statutory Designated Prgm. Rcpts.	145.0
20	Fish and Game	Fish and Game Boards and Advisory Committees	Transfer excess SDPR from Commercial Fisheries Special Projects to Fish and Game Boards and Advisory Committees to cover public information requests. The FY10 budget contains a corresponding transfer.			6.0	Statutory Designated Prgm. Rcpts.	6.0
21	Fish and Game	Habitat	Transfer excess SDPR from Commercial Fisheries Special Projects to Habitat to cover the North Slope Borough Teshekpuk Lake Studies.			22.0	Statutory Designated Prgm. Rcpts.	22.0
22	Governor	Unallocated Reduction	Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.	(465.0)				(465.0)
23	Governor	Executive Office	Transfer AGIA Coordinator PCN and funds to DNR (PCN 01-802X) \$158.0 from personal services and \$25.0 from travel.	(183.0)				(183.0)
24	Health & Soc Svcs	Behavioral Health Medicaid	Reduce GF and federal authorizations based on current trends and projections.	(8,100.0)	(8,100.0)			(16,200.0)
25	Health & Soc Svcs	Medicaid Services	Reduce GF due to reduction of RSA with Nursing due to recent determination of error in billing methodology. See related items in Nursing and Administrative Support Services. A corresponding FY10 budget amendment is likely.	(2,000.0)				(2,000.0)
26	Health & Soc Svcs	Medicaid Services	Medicaid rate increase for physician services effective 1/1/09 tied to increased Medicare rates. Many of the reimbursements for services are going up as much as 20-30% instead of the usual 4-5%. The ten most frequently used procedures are increasing 27%. The department analyzed nearly 3,000 medical procedure codes to determine the estimated cost impact.	6,000.0	6,000.0			12,000.0

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
27	Health & Soc Svcs	Probation Services	Funds necessary for guard hires for escorts, travel for juveniles who are not Medicaid-eligible, psychiatric evaluations that are not Medicaid-eligible and other various court-ordered costs. Recipients of the funds are youth either in division custody or under court order to receive specified services. The department previously received legislative direction to bring these costs forward as supplementals rather than include them in the base budget.	250.0				250.0
28	Health & Soc Svcs	Senior & Disabilities Medicaid Services	Reduce GF and federal authorizations based on current trends and projections.	(5,400.0)	(5,400.0)			(10,800.0)
29	Health & Soc Svcs	Unallocated Reduction	Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.	(4,760.0)				(4,760.0)
30	Health & Soc Svcs	Commissioner's Office	Interim management contract for Mary Conrad Center. The state suspended the license and assumed management of the facility on Dec 18, 2008. A plan of correction required by the federal Centers for Medicare and Medicaid Services has been developed to address the identified deficiencies. Implementation of that plan is directed by state staff working with a nursing consulting firm. These funds will be used to pay the nursing consulting firm as well as contracted security personnel. The current owners of the facility are trying to negotiate a sale of the facility and operations.	500.0				500.0
31	Labor	Commissioner's Office	Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.	(330.0)				(330.0)
32	Law	Deputy Attorney General's Office	Unplanned Legal Activity: Gasoline Pricing Investigation Public Records Polar Tanker Kensington Mine	849.0				849.0

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
33	Law	Oil, Gas and Mining	Oil and Gas Projects The Department of Law has a number of major projects underway that will continue to require outside counsel and experts beyond the funding included in the base operating budget. The most noteworthy are the Pt. Thomson litigation, ongoing proceedings before the Federal Energy Regulatory Commission (FERC) on TransAlaska Pipeline Service (TAPS) tariffs issues, State of Alaska Assessment Review Board disputes and two major corporate income tax matters.	1,335.0				1,335.0
34	Law	Statehood Defense	Endangered Species Act Litigation Unplanned legal activity for costs associated with assessing and protecting the State's interest related to actions taken by the federal government as they relate to the Endangered Species Act, specifically Polar Bears and Beluga Whales.	150.0				150.0
35	Law	Office of the Attorney General	Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.	(980.0)				(980.0)
36	Military & Vets	Army Guard Facilities Maintenance	Increase federal authority for ongoing maintenance costs. There is a corresponding increase in the FY10 budget.		500.0			500.00
37	Military & Vets	Air Guard Facilities Maintenance	Increase federal authority for ongoing maintenance costs. There will likely be a corresponding FY10 budget amendment.		300.0			300.00
38	Natural Resources	Commissioner's Office	Transfer AGIA Coordinator PCN and funds from Governor's Office (PCN 01-802X)	183.0				183.0
39	Natural Resources	Commissioner's Office	Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.	(1,240.0)				(1,240.0)
40	Public Safety	Fire and Life Safety Operations	A \$10/month/person uniform allowance is included in the current PSEA bargaining unit agreement. Unfortunately that monetary term was inadvertently omitted from the FY09 PSEA appropriation. The total cost to the department in FY09 is \$44.1. There is a corresponding increase in the department's FY10 budget of \$50.5.	0.6				0.6

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
41	Public Safety	Special Projects	A \$10/month/person uniform allowance is included in the current PSEA bargaining unit agreement. Unfortunately that monetary term was inadvertently omitted from the FY09 PSEA appropriation. The total cost to the department in FY09 is \$44.1. There is a corresponding increase in the department's FY10 budget of \$50.5.	1.7				1.7
42	Public Safety	Alaska Bureau of Judicial Services	A \$10/month/person uniform allowance is included in the current PSEA bargaining unit agreement. Unfortunately that monetary term was inadvertently omitted from the FY09 PSEA appropriation. The total cost to the department in FY09 is \$44.1. There is a corresponding increase in the department's FY10 budget of \$50.5.	7.0				7.0
43	Public Safety	Alaska Bureau of Judicial Services	An approved increase of \$656.3 was inadvertently omitted from CCS HB 310. This supplemental corrects that error. The FY10 budget includes an increment for the same purpose.	656.3				656.3
44	Public Safety	Prisoner Transportation	Increased transportation costs due to higher fuel and airline ticket costs.	300.0				300.0
45	Public Safety	Narcotics Task Force	A \$10/month/person uniform allowance is included in the current PSEA bargaining unit agreement. Unfortunately that monetary term was inadvertently omitted from the FY09 PSEA appropriation. The total cost to the department in FY09 is \$44.1. There is a corresponding increase in the department's FY10 budget of \$50.5.	1.2				1.2
46	Public Safety	Alaska State Trooper Detachments	A \$10/month/person uniform allowance is included in the current PSEA bargaining unit agreement. Unfortunately that monetary term was inadvertently omitted from the FY09 PSEA appropriation. The total cost to the department in FY09 is \$44.1. There is a corresponding increase in the department's FY10 budget of \$50.5.	19.8				19.8
47	Public Safety	Alaska State Trooper Detachments	Increased cost for dispatch services based on FY09 contracts.	208.3				208.3
48	Public Safety	Alaska State Trooper Detachments	Increased vehicle costs.	139.8				139.8

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
49	Public Safety	Alaska Bureau of Investigation	A \$10/month/person uniform allowance is included in the current PSEA bargaining unit agreement. Unfortunately that monetary term was inadvertently omitted from the FY09 PSEA appropriation. The total cost to the department in FY09 is \$44.1. There is a corresponding increase in the department's FY10 budget of \$50.5.	2.9				2.9
50	Public Safety	Alaska Bureau of Alcohol and Drug Enforcement	A \$10/month/person uniform allowance is included in the current PSEA bargaining unit agreement. Unfortunately that monetary term was inadvertently omitted from the FY09 PSEA appropriation. The total cost to the department in FY09 is \$44.1. There is a corresponding increase in the department's FY10 budget of \$50.5.	1.1				1.1
51	Public Safety	Alaska Bureau of Alcohol and Drug Enforcement	Increased vehicle costs.	6.4				6.4
52	Public Safety	Alaska Wildlife Troopers	A \$10/month/person uniform allowance is included in the current PSEA bargaining unit agreement. Unfortunately that monetary term was inadvertently omitted from the FY09 PSEA appropriation. The total cost to the department in FY09 is \$44.1. There is a corresponding increase in the department's FY10 budget of \$50.5.	8.4				8.4
53	Public Safety	Alaska Wildlife Troopers Aircraft Section	Increased risk management fees for aircraft.	318.8				318.8
54	Public Safety	Alaska Wildlife Troopers Marine Enforcement	Increased risk management fees for vessels.	21.2				21.2
55	Public Safety	Alaska Wildlife Troopers Investigations	A \$10/month/person uniform allowance is included in the current PSEA bargaining unit agreement. Unfortunately that monetary term was inadvertently omitted from the FY09 PSEA appropriation. The total cost to the department in FY09 is \$44.1. There is a corresponding increase in the department's FY10 budget of \$50.5.	0.7				0.7
56	Public Safety	VPSO Contracts	The department has not been able to utilize the full VPSO Contract authority due to the inability of the grantees to hire VPSO's. Therefore, the department is reducing this amount to help fund other supplemental needs.	(1,100.0)				(1,100.0)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
57	1 Public Safety	Training Academy	A \$10/ month/ person uniform allowance is included in the current PSEA bargaining unit agreement. Unfortunately that monetary term was inadvertently omitted from the FY09 PSEA appropriation. The total cost to the department in FY09 is \$44.1. There is a corresponding increase in the department's FY10 budget of \$50.5.	0.7				0.7
58	1 Revenue	ARM Board	Reduce the \$300,000 one-time item for the estimated cost of an independent audit of the state's actuary. The actual cost of the audit contract is \$135,000, so funding may be reduced.			(165.0)	(107.6) PERS (55.2) TRS (1.5) Jud Retire (0.7) Nat Guard Retire	(165.0)
59	1 Revenue	Commissioner's Office	Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.	(390.0)				(390.0)
60	1 Revenue	AHFC	Utility expenses have increased due to increased rates for energy costs. Now that AHFC is in HUD's Moving to Work agency status, there are sufficient federal resources to cover these expenses. There is a corresponding increase in the FY10 budget.		959.7			959.7
61	1 Transportation	Commissioner's Office	Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.	(1,500.0)				(1,500.0)
62	1 Transportation	International Airport Systems Office	Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate. This reduces the amount to be spent on a feasibility study and contract consulting fees. These services will be performed by the Controller and other AIAS staff.			(16.2)	International Airport Revenue Funds	(16.2)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
63	Transportation	Measurement Standards and Commercial Vehicle Enforcement	<p>Unified Carrier Registration Fees</p> <p>The Unified Carrier Registration (UCR) program requires individuals and companies that operate commercial motor vehicles in interstate or international commerce to register their business with a participating state and pay an annual fee based on the size of their fleet. FY09 was the first year Alaska participated in this program. Per the Federal Motor Carrier Safety Administration, these revenues may only be used for administration of the unified carrier fee system, motor carrier safety programs, or motor carrier enforcement programs.</p>			150.0	Receipt Supported Services	150.0
64	Transportation	Measurement Standards and Commercial Vehicle Enforcement	<p>Permit Fee Increase</p> <p>Changes to 17 AAC 25 are in process to increase the amounts charged for oversize/overweight permits. Measurement Standards and Commercial Vehicle Enforcement anticipates the permit fee increase to be in place mid-March 2009. This will be an overall average increase of 23%. This increased Receipt Supported Service revenue will be used to fund the following:</p> <p>\$16.4 - Increased State equipment Fleet costs.</p> <p>\$55.0 - Computer Equipment Replacement Program/Equipment for new inspector position.</p> <p>\$31.1 Capital Outlay - which includes the following: Metrology Laboratory Air Quality Study \$14.9. Anchorage Prover Truck Conversion \$16.2.</p>			102.5	Receipt Supported Services	102.5
65	Transportation	State Equipment Fleet	<p>Credit Card Payments for Fuel</p> <p>The State Equipment Fleet (SEF) maintains contracts which allow a vehicle credit card to be used to purchase fuel and necessary consumables. These charges are paid by SEF and subsequently billed to executive branch state agencies.</p>			400.0	HWCF	400.0
66	Transportation	State Equipment Fleet	<p>Increased Travel Costs Related to Airfare in and Around Alaska's Rural Areas</p> <p>Increase receipt authority to cover travel costs in support of rural airports and highways for the repair and preventative maintenance of vehicles and equipment.</p>			149.0	HWCF	149.0

FY2009 SUPPLEMENTAL REQUESTS

	Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
67	1	Transportation	State Equipment Fleet	<p>Increased Costs in Freight for Parts, Equipment and Vehicles</p> <p>Increased receipt authority to cover cost increases in freight (shipment of parts, commodities, vehicles and equipment around the state) and increased contractual costs for vendor supplied repairs or vehicle and equipment make-ready such as Trooper vehicle setups.</p>			77.0	HWCF	77.0
68	1	Transportation	State Equipment Fleet	<p>Increased Costs Related to Parts and Commodities Used in the Maintenance and Repair of Wheeled Assets</p> <p>Increase receipt authority to cover parts and commodities costs. The transportation sector has not seen the cost decreases that the average retail sector has. Commodities like oils and lubricants have not seen price reductions that mirror fuel prices. Bulk quantities were purchased early in the fiscal year when fuel prices were at their highest for shipment to rural locations statewide.</p>			800.0	HWCF	800.0
69	1	Transportation	Central Region Facilities	<p>State Equipment Fleet Costs</p> <p>Over the past few years the operating and replacement rates of state vehicles has increased without a corresponding increase in budgets to the Facilities components. Older vehicles have remained in the fleet and repair costs have been incurred to maintain these vehicles. Certain services, such as repairing damage from accidents, is a billable service and not part of operating rates established by the State Equipment Fleet (SEF). The accumulation of additional costs can no longer be absorbed in the operating budget.</p>	54.8				54.8

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
70	Transportation	Northern Region Facilities	State Equipment Fleet Costs Over the past few years the operating and replacement rates of state vehicles has increased without a corresponding increase in budgets to the Facilities components. Older vehicles have remained in the fleet to support full staffing and rotating schedules, and repair costs have been incurred to maintain these vehicles. Certain services, such as repairing damage from accidents, is a billable service and not part of operating rates established by the State Equipment Fleet (SEF). The accumulation of additional costs can no longer be absorbed in the operating budget.	116.7				116.7
71	Transportation	Central Region Highways and Aviation	Anchorage Sidewalk Snow Removal Funding is requested to operate newly acquired sidewalk tractors throughout the winter to blow, plow, and sweep the snow from Anchorage sidewalks, bus stops, trails and pathways. The Federal Highway Administration (FHWA) has notified the department that all infrastructure built with FHWA federal funds must be appropriately maintained. That maintenance includes snow removal from sidewalks and other pathways. Failure to meet these requirements could jeopardize future surface transportation funds and require reimbursement of previously expended funds.	250.0				250.0
72	Transportation	Central Region Highways and Aviation	Anchorage Snow Haul (Roads) Snowfall in Anchorage this winter has returned to the amount that used to be considered normal for the area. Including the heavy snowstorms over the holidays, the accumulation of snow plowed from the roads onto the shoulders and sidewalk areas reached the level that required hauling it away. To date, snow haul expenses have nearly exhausted the annual operating budget of \$250. Supplemental funding of \$250.0 will allow for one additional snow haul for the remainder of the winter. In addition to this funding request, an additional \$31.5 in funding required to fully fund one additional snow haul has been requested as a reappropriation in sec. 14(b).	218.5				218.5

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
73	1 Transportation	Central Region Highways and Aviation	Commodities Price Increases The increased cost for commodities has significantly impacted the operating budget for Central Region Maintenance and Operations. Competitive bids were completed last spring for delivery of commodities prior to winter maintenance needs. Purchases of sand and winter chemicals fall into this category. Similarly, competitive bids are completed during the fall for delivery of commodities prior to spring maintenance needs, such as paint for striping. Supplemental funding is needed for sand (\$575.0), winter chemicals (\$205.3) and paint (\$334.0).	1,114.3				1,114.3
74	1 Transportation	Central Region Highways and Aviation	State Equipment Fleet Costs Older equipment and vehicles have remained in the fleet and repair costs have been incurred for maintenance and repairs. Certain services, such as repairing damage from accidents, is a billable service and not part of operating rates established by the State Equipment Fleet (SEF). The accumulation of additional costs cannot be absorbed in the operating budget.	284.8				284.8
75	1 Transportation	Northern Region Highways and Aviation	Legal Costs for Material Site Lawsuits Due to ongoing lawsuits filed by one of the regional native corporations for supposed infringement on their land and rights of way, the department has incurred excessive costs this year for Department of Law attorneys. None of the three lawsuits filed have yet gone to court so the total cost is unknown at this time. Additional funding for \$150.0 is based on the amount expended to date for attorneys and expert witnesses.	150.0				150.0
76	1 Transportation	Northern Region Highways and Aviation	State Equipment Fleet Costs Older equipment and vehicles have remained in the fleet and repair costs have been incurred for maintenance and repairs. Certain services, such as repairing damage from accidents, is a billable service and not part of operating rates established by the State Equipment Fleet (SEF). The accumulation of additional costs cannot be absorbed in the operating budget.	554.0				554.0

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
77	Transportation	Southeast Region Highways and Aviation	State Equipment Fleet Costs Older equipment and vehicles have remained in the fleet and repair costs have been incurred for maintenance and repairs. Certain services, such as repairing damage from accidents, is a billable service and not part of operating rates established by the State Equipment Fleet (SEF). The accumulation of additional costs cannot be absorbed in the operating budget.	241.4				241.4
78	Transportation	Anchorage Airport Administration	Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate. Reduce contractual services for Anchorage Airport Administration. Public relations, cargo, passenger marketing services and capital improvement project support contracts were all reduced.			(281.0)	International Airport Revenue Funds	(281.0)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
79	Transportation	Anchorage Airport Facilities	<p>Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate.</p> <p>Reduce contractual services for Anchorage Airport Facilities. A maintenance contract was cancelled in FY07 and those services were provided from newly created maintenance positions as well as individual contracts for services (such as window washing). These changes resulted in cost savings that are included in this reduction.</p>			(800.0)	International Airport Revenue Funds	(800.0)
80	Transportation	Anchorage Airport Field and Equipment Maintenance	<p>Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate.</p> <p>Reduce Anchorage Airport Field and Equipment Maintenance snow removal services contract and equipment rentals. Snow removal will be for priority areas only. Lease agreements will be reviewed to ensure tenants provide their own snow removal and do not request services from the Anchorage Airport. Only priority equipment rentals will be approved (loaders, other large equipment).</p>			(400.0)	International Airport Revenue Funds	(400.0)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
81	Transportation	Anchorage Airport Operations	Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate. Reduce Anchorage Airport Operations contractual services, commodity and equipment budget. Priority only items will be approved. A reduction in contractual services will reduce the contract for airport parking services.			(80.0)	International Airport Revenue Funds	(80.0)
82	Transportation	Anchorage Airport Safety	Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate. Reduce Anchorage Airport Safety contract for unarmed security at the Anchorage Airport. The coverage previously provided will be monitored using current on duty Police and Fire Officers as well as other contracted unarmed guards.			(254.0)	International Airport Revenue Funds	(254.0)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
83	Transportation	Fairbanks Airport Field and Equipment Maintenance	<p>Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment</p> <p>In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate.</p> <p>Delete funding for a full-time equipment operator position, PCN 25-2997. This position is no longer needed and will be transferred to Statewide Aviation where it will be reclassified to an Administrative Assistant II. In addition, a time status change for PCN 25-2992, Equipment Operator Journey from full-time to part-time seasonal has been implemented to better focus staffing resources on airfield snow and ice removal during the winter. These actions were also taken as part of the FY10 Governor's budget.</p>			(157.4)	International Airport Revenue Funds	(157.4)
84	Transportation	Fairbanks Airport Operations	<p>Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment</p> <p>In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate.</p> <p>Funding for PCN 25-3367, Engineering Assistant II, can be deleted. PCN 25-3367 was transferred without funding to Statewide Aviation as part of the FY10 Governor's budget to be utilized as a Transportation Planner I. In addition, PCN 25-2999 was reclassified from an Operations Superintendent to an Operations Officer.</p>			(117.0)	International Airport Revenue Funds	(117.0)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
85	Transportation	Fairbanks Airport Safety	<p>Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment</p> <p>In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate.</p> <p>Delete funding for a part-time Radio Dispatcher II, PCN 25-3471. With a decrease in airport activity, the transfer of this PCN without funding to Statewide Aviation and the deletion of funding for this position will have little impact on the Fairbanks Airport. This action was taken as part of the FY10 Governor's Budget.</p>			(47.3)	International Airport Revenue Funds	(47.3)
86	University	Statewide Services	<p>Catastrophic Workers' Compensation Claims</p> <p>The University of Alaska is responsible for the first \$300.0 of self insured claims and is requesting a supplemental to cover two catastrophic workers' compensation claims which have been paid in excess of that amount. Claim #2000179 has been paid \$1,021.2 to date, and Claim #2005056 has been paid \$325.0 to date. The amount exceeding \$300.0 for each claim is \$721.2 for Claim # 2000179 and \$25.0 for Claim #2005056.</p>	746.2				746.2

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds																														
87	University	Multiple Campuses	<p>Utility Cost Increase</p> <p>UA continues to make improvements to its facilities designed to improve energy efficiencies, thus reducing energy consumption. Unfortunately, most campuses continue to see utility cost increases due mostly to utility provider rate increases and colder than usual temperatures. For example, Anchorage and Mat-Su campuses are expecting a 22% natural gas increase and UAF rural sites are still being impacted by last year's high fuel/heating oil costs. UA's funding distribution is as follows:</p> <table border="0"> <tr> <td>Statewide Services</td> <td>\$ (28.6)</td> </tr> <tr> <td>Anchorage Campus</td> <td>287.0</td> </tr> <tr> <td>Kenai Peninsula College</td> <td>34.1</td> </tr> <tr> <td>Kodiak College</td> <td>92.0</td> </tr> <tr> <td>Mat-Su College</td> <td>38.6</td> </tr> <tr> <td>Prince William Sound CC</td> <td>40.1</td> </tr> <tr> <td>Fairbanks Campus</td> <td>610.4</td> </tr> <tr> <td>Bristol Bay Campus</td> <td>29.5</td> </tr> <tr> <td>Chukchi Campus</td> <td>12.3</td> </tr> <tr> <td>Interior-Aleutians Campus</td> <td>17.3</td> </tr> <tr> <td>Kuskokwim Campus</td> <td>105.3</td> </tr> <tr> <td>Northwest Campus</td> <td>17.2</td> </tr> <tr> <td>Juneau Campus</td> <td>34.4</td> </tr> <tr> <td>Ketchikan Campus</td> <td>(11.3)</td> </tr> <tr> <td>Sitka Campus</td> <td>(6.3)</td> </tr> </table>	Statewide Services	\$ (28.6)	Anchorage Campus	287.0	Kenai Peninsula College	34.1	Kodiak College	92.0	Mat-Su College	38.6	Prince William Sound CC	40.1	Fairbanks Campus	610.4	Bristol Bay Campus	29.5	Chukchi Campus	12.3	Interior-Aleutians Campus	17.3	Kuskokwim Campus	105.3	Northwest Campus	17.2	Juneau Campus	34.4	Ketchikan Campus	(11.3)	Sitka Campus	(6.3)	1,272.0				1,272.0
Statewide Services	\$ (28.6)																																					
Anchorage Campus	287.0																																					
Kenai Peninsula College	34.1																																					
Kodiak College	92.0																																					
Mat-Su College	38.6																																					
Prince William Sound CC	40.1																																					
Fairbanks Campus	610.4																																					
Bristol Bay Campus	29.5																																					
Chukchi Campus	12.3																																					
Interior-Aleutians Campus	17.3																																					
Kuskokwim Campus	105.3																																					
Northwest Campus	17.2																																					
Juneau Campus	34.4																																					
Ketchikan Campus	(11.3)																																					
Sitka Campus	(6.3)																																					
88	Courts	Trial Courts	<p>Utilities and Service Contracts Shortfall</p> <p>A corresponding increase for \$725.0 is in the FY10 budget.</p>	390.0				390.0																														
89	Courts	Judicial Conduct	Funds are needed for Special Counsel Attorneys fees from formal disciplinary proceedings that are in excess of the budget for this type of expenditure.	33.2				33.2																														
90			Sets out the funding by agency for the appropriations in sec. 1.					0.0																														
91	Capital	Commerce	<p>Banking and Securities Management System</p> <p>This project was submitted in the FY2010 Governor's Capital Budget, as a Governor's Office Information Technology project, reference number 47010 but a supplemental is needed now because of system failure. An amendment to the FY2010 budget will be submitted to remove this project.</p>			890.0	Receipt Supported Services	890.0																														

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
92	Capital	Commerce	<p>Secretary of State Knowledge Base (SOSKB) System Replacement</p> <p>The department is very concerned about the continued viability of the Division of Corporations, Business and Professional Licensing's information technology system and cannot afford to operate without it.</p>			630.0	Blic Rcpts	630.0
93	Capital	Fish and Game	<p>Cooperative Resource Program</p> <p>This program allows Habitat to accept funds from the private sector to pass through to the U.S. Geological Survey (USGS), as part of a funding agreement for cooperative water resource programs. Funds passed to the federal agency can then be matched up to 100% by the federal government.</p>			55.0	Statutory Designated Prgm. Rcpts.	55.0
94	Capital	Military & Vets	<p>Alaska Military Youth Academy Infrastructure Project Improvements</p> <p>Unanticipated funding from a Department of Defense Appropriations Act, 2009 earmark for Camp Carroll Challenge Infrastructure Improvements will be used for health, safety and code compliance issues, including bringing plumbing up to code in various buildings, including dorms; replacing outdated washers and dryers; replacing outdated kitchen equipment, and upgrading information technology and management connectivity.</p>		2,470.0			2,470.0
95	Capital	Natural Resources	<p>Transfer the capital project, State Parks Deferred Maintenance and Emergency Repairs, from the FY10 capital budget to the supplemental to allow for an earlier start date.</p>	6,000.0			Cruise Ship Gambling Tax	6,000.0
96	Capital	Transportation	<p>Airport Improvement Program Appropriation \$64,590,000</p>					0.0
97	Capital	Transportation	<p>Bethel: Airport Parallel Runway and Other Improvements</p> <p>This is a new FY2009 project.</p> <p>Complete parallel runway, expand runway 18-36 safety area; rehabilitate south end of runway 18-36 pavement surface; expand old General Aviation (GA) apron as a new air taxi/cargo apron; expand the existing north air taxi apron and widen the air taxi access road and cul-de-sac.</p>		4,000.0			4,000.0

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
98	Capital	Transportation	Dillingham: 3 Bay Chemical Storage Building This amends an existing FY2009 project (sec. 13, ch. 29, SLA2008, page 162, line 25), increasing the FY2009 allocation to \$1,500,000. Construct a new heated facility with concrete floor and new 20,000 gallon E-36 storage tanks. The engineers estimate has been revised and advertising of the project is expected in the spring.		500.0			500.0
99	Capital	Transportation	Fairbanks International Airport: Runway 1L-19R Reconstruction This is a new FY2009 project. Funding to complete the reconstruction of 1L-19R, including replacement of the runway pavement structure, reconstruction of airfield lighting systems as necessary to accommodate pavement replacement, drainage modifications, safety area upgrades, pavement marking, and pavement grooving.		17,337.5	912.5	International Airport Construction Funds	18,250.0
100	Capital	Transportation	Fort Yukon: Airport Improvements This is a new FY2009 project. Resurface and include a dust palliative on the apron, taxiway and runway at the Fort Yukon Airport. Correct drainage problems, clear overgrown vegetation, and complete other improvements as funding allows. This request reflects an update to the engineer's estimate.		3,500.0			3,500.0
101	Capital	Transportation	Fort Yukon: Snow Removal Equipment Building This is a new FY2009 project. Construct a new snow removal equipment building at Fort Yukon Airport to include a building pad with surfacing and drainage improvements. The City of Fort Yukon has been under a yearly contract to maintain the airport. However, they have advised the department that they are not interested in contracting to perform airport maintenance for more than an additional year or so. Consequently, the department needs to acquire maintenance equipment and construct a snow removal equipment building to house it, in accordance with Federal Aviation Administration (FAA) regulations.		1,500.0			1,500.0

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
102	Capital	Transportation	<p>Iliamna: Snow Removal Equipment / Sand and Chemical Storage / Office Building</p> <p>This is a new FY2009 project.</p> <p>Construct a 4-bay Maintenance and Operating building to provide inside heated storage for an expanded equipment fleet, sand and urea storage, as well as an office, training room and bathroom facilities. This project will add two equipment storage bays with a minimum of 22 foot door openings. It will also add a bay for storing approximately 400 cubic yards of sand and 50 tons of urea. It will add additional space for an office area, a training room, and a bathroom facility complete with a shower.</p>		1,000.0			1,000.0
103	Capital	Transportation	<p>Petersburg: Airport Runway Safety Area</p> <p>This is a new FY2009 project.</p> <p>This project consists of the design and construction of an expanded Runway Safety Area, shifting the existing runway, replacing undersized culverts, relocating navigation aids, and other required work. It also includes the acquisition of additional property adjacent to the airport in order to protect Runway Protection Zones from incompatible land uses.</p>		26,000.0			26,000.0
104	Capital	Transportation	<p>Savoonga: Airport Improvements</p> <p>This is a new FY2009 project.</p> <p>This is the second stage for rehabilitating the Savoonga Airport. The work includes resurfacing the runway, taxiway, apron and airport access road, applying a dust palliative to the operating surfaces and replacing the lighting system. The taxiway will be realigned to meet geometric standards.</p>		4,840.0			4,840.0

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
105	3 Capital	Transportation	<p>Takotna: Airport Relocation This amends an existing FY2009 project (sec. 13, ch. 29, SLA2008, page 164, line 16), increasing the FY2009 allocation to \$10,500,000. Relocate the airport to a new location about a mile east of the village. This will include acquiring property and constructing the following to current standards: new runway, taxiway, apron, airport lighting and visual aids, snow removal equipment building and an airport access road.</p>		5,000.0			5,000.0
106	3 Capital	Transportation	<p>Surface Transportation Program Appropriation \$15,750,000</p>					0.0
107	3 Capital	Transportation	<p>Chena Hot Springs Road: Milepost 24 to 56 Rehabilitation This is a new FY2009 project. The project consists of 32 miles of roadway reconditioning and paving with 1.5" of hot mix asphalt. The work includes bridge seismic retrofits and upgrading traffic signs, guardrail, striping, and approaches.</p>		1,430.0			1,430.0
108	3 Capital	Transportation	<p>Ester Weigh Station Scale Replacement This is a new FY2009 project. Replace the scale at the Ester weigh station and return it to service. The Ester Weigh Scale has currently been removed from service due to inaccuracies in its measurements. The steel scale deck support system and steel scale mechanisms have deteriorated beyond the point of reasonable repair. The extensive corrosion present is almost certainly a direct cause of the recent loss of accuracy of the scale system.</p>		120.0			120.0

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
109	Capital	Transportation	<p>Kotzebue: Shore Avenue Rehabilitation and Erosion Protection</p> <p>This amends an existing FY2009 project (sec. 13, ch. 29, SLA2008, page 170, line 3), increasing the FY2009 allocation to \$20,590,000.</p> <p>This project was originally requested as an FY2010 project. A corresponding decrement for FY2010 will be submitted as a budget amendment.</p> <p>Reconstruct Shore Avenue from Lake Street, through the primary commercial area of Kotzebue, approximately 4,400 feet to the end of the road at Crowley Dock. Shore Avenue will be paved, new sidewalks, a pathway, parallel parking, an open space on the seaward side, and an erosion protection revetment on the seaside.</p>		14,200.0			14,200.0
110			Sets out the funding by agency for the appropriations in sec. 1.					0.0
111			Summarizes by fund source the funding for the appropriations in secs. 1 and 3.					0.0
112	Administration	AOGCC	Extend lapse date of AOGCC appropriation for reservoir depletion studies, sec. 61(d), ch. 30, SLA 2007, as amended by sec. 34(a), ch. 29, SLA 2008, from June 30, 2009 to June 30, 2010.					0.0
			The estimated carryforward amount is \$1.4 million.					
113	Education	ACPE - Program Administration & Operations	Extend lapse date from June 30, 2009 to June 30, 2011 for the Mental Health Employee Loan Repayment Program, which is appropriated and allocated in sec 1, ch. 28, SLA 2008, page 2, line 31 - page 3, lines 3 - 5. This program makes payments on participant education loans over eight quarters. The lapse extension is necessary to be able to make payments for the entire period.					0.0

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
114	Capital	Education	Increase the FY09 appropriation and allocation for the Maudry J. Sommers K-12 School Major Maintenance project. When HB 373, now ch. 107, SLA 2008, passed last year, the participating share amounts for some districts were revised and funds were appropriated in sec. 61(b), ch. 29, SLA 2008, page 220 and 221, to those districts whose amounts were lowered. Tanana City School District should have received a similar adjustment to make up the difference between a 5% and 10% participating share.	392.5				392.5
115	Capital	Education	Repeal the \$98,056 balance of the appropriation made in sec. 60, ch. 3, FSSLA 2005, page 140, line 24, for Alaska Gateway - Dot Lake School Mechanical Upgrade. In section 14(d) the funds are reappropriated to the Department of Transportation and Public Facilities, Southeast Region Highways and Aviation, for the purchase of required safety equipment at rural airports.	(98.1)				(98.1)
116	Capital	Education	Repeal the \$54,753 balance of the appropriation made in sec. 60, ch. 3, FSSLA 2005, page 142, line 13, for Southeast Island - Thorne Bay House Access Ramp. In section 14(m) the funds are reappropriated to the Department of Transportation and Public Facilities, Alaska Marine Highway System for vessel and terminal overhaul and rehabilitation.	(54.8)				(54.8)
117	Education	School Performance Incentive program	Based on prior year trends, the department believes that only \$2.5 million will be needed for this program in FY09, freeing up \$2.3 million.	(2,300.0)				(2,300.0)
118	Education	School Performance Incentive program	This subsection appropriates the amount necessary if the \$2.5 million left in the appropriation is insufficient to make the payments.					0.0
119	Capital	Environmental Cons	Transfer the balance of \$208,578 AHFC Dividend and \$625,800 Federal funds from Tununak Flush Tank and Haul, and Washeteria Project (ED 38), made in sec. 1, ch. 135, SLA 2000, page 10, line 30, to a new Village Safe Water Study, Design and Construction Projects allocation.		(625.8)	(208.6)	AHFC Dividend	(834.4)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
120	Capital	Environmental Cons	New allocation: Village Safe Water Study, Design and Construction Projects \$834,387 - Sec. 1, Ch. 135, SLA 2000. This supplemental is needed to meet federal funding agency requirements and to ensure that federal funds for water and sewer improvements throughout the state are retained.		625.8	208.6	AHFC Dividend	834.4
121	Health & Soc Svcs	Medicaid Services	Payment Error Rate Measurement (PERM) is a new, ongoing federal audit program. If the PERM audits find that providers have been overpaid, the federal funds must be reimbursed to CMS within a very short period of time. We anticipate getting the audit findings in April or May and have to report them in the quarter ending June 2009. This is our best estimate of potential overpayments for all Medicaid direct service components.	450.0		50.0	Statutory Designated Prgm. Rcpts.	500.0
122	Capital	Health & Soc Svcs	Amend the appropriation made in sec. 13, ch. 29, SLA 20089, page 149, lines 24 - 27 for the McLaughlin Youth Center Renovation to Meet Safety and Security Needs, Phase 1, by replacing GF with \$303.5 of unappropriated NTSC Bond Proceeds and \$14,000.0 of Miscellaneous Earnings from NTSC Bonds.	(15,469.9)		14,303.5	303.5 NTSC Bonds 14,000.0 Misc Earnings (from NTSC Bonds)	(1,166.4)
123	Capital	Transportation	Reappropriate the unexpended and unobligated balance of \$944,400 of the appropriation made in sec. 4, ch. 82, SLA 2006, page 120, lines 32 - 33 for Wik Road Improvements to the Department of Health and Social Services, McLaughlin Youth Center Renovation to Meet Safety and Security Needs, Phase 1.			(944.4)	NTSC Bonds	(944.4)
124	Capital	Health & Soc Svcs	Reappropriate the unexpended and unobligated balance of \$944,400 of the appropriation made in sec. 4, ch. 82, SLA 2006, page 120, lines 32 - 33 for Wik Road Improvements to the Department of Health and Social Services, McLaughlin Youth Center Renovation to Meet Safety and Security Needs, Phase 1.			944.4	NTSC Bonds	944.4

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
125	Capital	Education	Reappropriate the unexpended and unobligated balance of \$222,022 of the appropriation made in sec.1(a), ch. 131, SLA 2000, page 2, line 9, for Kashunamit - Chevak School Replacement to the Department of Health and Social Services, McLaughlin Youth Center Renovation to Meet Safety and Security Needs, Phase 1.			(222.0)	NTSC Bonds	(222.0)
126	Capital	Health & Soc Svcs	Reappropriate the unexpended and unobligated balance of \$222,022 of the appropriation made in sec.1(a), ch. 131, SLA 2000, page 2, line 9, for Kashunamit - Chevak School Replacement to the Department of Health and Social Services, McLaughlin Youth Center Renovation to Meet Safety and Security Needs, Phase 1.			222.0	NTSC Bonds	222.0
127	Capital	Health & Soc Svcs	Amend the appropriation made in sec. 4, ch. 29, SLA 2007, page 13, lines 10 - 14, by changing the project's name by deleting "Ekjutna" from the title: "MH Southcentral Foundation [EKLUTNA] Residential Psychiatric Treatment Center - Match for Bring the Kids Home" in order to expand the locations that can be considered for the center.					0.0
128	Health & Soc Svcs	Foster Care Special Needs	Miscellaneous claim for denied Medicaid billing from Providence Medical Center in FY06. A child in foster care with an emergency medical condition was hospitalized for surgery and recovery. The foster parents realized they would not be able to deal with the child's medical needs, so the child stayed in the hospital until a specialized foster home placement could be found. The department was notified of the unpaid bill in August 2008. The exact amount of the invoice is \$217,603.41.	217.6				217.6
129	Health & Soc Svcs	Probation Services	Miscellaneous Claim in the amount of \$298.75 from FY06. The invoice from the Bristol Bay Area Health Corporation was not received until June 2008.	0.3				0.3
130	Health & Soc Svcs	Alaska Pioneer Homes	Pioneer Homes have been collecting more revenues than projected from the residents' own resources, enabling them to reduce GF and increase RSS to stay authorization-neutral. They do not think there will be an effect on the FY10 budget since this revenue stream varies from year to year.	(740.0)		740.0	Receipt Supported Services	0.0

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
131	Health & Soc Svcs	Children's Services: Children's Services Management	Increase GF due to identified problems with School Based Claims process and resulting reduction in achievable revenues. See related items in Administrative Support Services, Front Line Social Workers, Information Technology and Women, Children and Family Health. A corresponding FY10 budget amendment is likely.	165.0		(165.0)	I/A Receipts	0.0
132	Health & Soc Svcs	Children's Services: Front Line Social Workers	Increase GF due to identified problems with School Based Claims process and resulting reduction in achievable revenues. See related items in Administrative Support Services, Children's Services Management, Information Technology and Women, Children and Family Health. A corresponding FY10 budget amendment is likely.	955.3		(955.3)	I/A Receipts	0.0
133	Health & Soc Svcs	Public Health: Nursing	Increase GF due to reduction of RSA with Medicaid Services due to recent determination of error in billing methodology related to Nursing. See related items in Medicaid Services and Nursing. A corresponding FY10 budget amendment is likely.	4,000.0		(4,000.0)	I/A Receipts	0.0
134	Health & Soc Svcs	Public Health: Women, Children and Family Health	Increase GF due to identified problems with School Based Claims process and resulting reduction in achievable revenues. See related items in Administrative Support Services, Children's Services Management, Front Line Social Workers and Information Technology. A corresponding FY10 budget amendment is likely.	347.8		(347.8)	I/A Receipts	0.0
135	Health & Soc Svcs	Dept. Support Services: Administrative Support Services	Increase GF due to reduction of RSA with Medicaid Services due to recent determination of error in billing methodology related to Nursing. See related items in Medicaid Services and Nursing. A corresponding FY10 budget amendment is likely.	800.0	(800.0)			0.0
136	Health & Soc Svcs	Dept. Support Services: Administrative Support Services	Increase GF due to identified problems with School Based Claims process and resulting reduction in achievable revenues. See related items in Children's Services Management, Front Line Social Workers, Information Technology and Women, Children and Family Health. A corresponding FY10 budget amendment is likely.	431.5		(431.5)	I/A Receipts	0.0
137	Health & Soc Svcs	Dept. Support Services: Information Technology	Increase GF due to identified problems with School Based Claims process and resulting reduction in achievable revenues. See related items in Administrative Support Services, Children's Services Management, Front Line Social Workers and Women, Children and Family Health. A corresponding FY10 budget amendment is likely.	216.5		(216.5)	I/A Receipts	0.0

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
138	Health & Soc Svcs		Reflects fund source changes from sec. 9(h)-(k)					0.0
139	Labor	Commissioner's Office	The \$850.0 fiscal note for ch. 22, SLA 2007 (HB 177, AGIA) was appropriated in sec. 2, ch. 28, SLA 2007, page 44, line 22. Sec 34(e), Ch 29, SLA 2008, Pg 210, Ln 22 extended the lapse date to June 30, 2009. The department will not spend the entire amount in FY09, therefore they request that the lapse date be extended through June 30, 2010 in order to complete the work with the estimated balance of \$325.0.					0.0
140	Law	Deputy Attorney General's Office	Judgments and Settlements The actual amount of the FY2009 Judgments and Settlements that are finalized as of February 2, 2009 is \$90,061.64.	90.1				90.1
141	Law	Deputy Attorney General's Office	Judgments and Settlements Language The amount necessary to pay judgments awarded against the state on or before June 30, 2009, is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments against the state for the fiscal year ending June 30, 2009.					0.0
142	Law	Second Judicial District	Extend the lapse date for the Sexual Assault/Domestic Violence Federal Earmark, made in sec. 27(d), ch. 11, SLA 2008, page 104, line 29 (SB 256), from June 30, 2009 to June 30, 2010 Further extending the lapse date to June 30, 2010 will enable the department to continue to fund additional attorneys and paralegals in Bethel, Barrow and Anchorage to aid in the prosecution of domestic violence as well as adult and child sexual assault cases. It is estimated that approximately \$89,700 would be available to carry forward.					0.0

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
143	Law	Third Judicial District: Anchorage	Extend the lapse date for the Sexual Assault/Domestic Violence Federal Earmark, made in sec. 27(d), ch. 11, SLA 2008, page 104, line 30 (SB 256), from June 30, 2009 to June 30, 2010 Further extending the lapse date to June 30, 2010 will enable the department to continue to fund additional attorneys and paralegals in Bethel, Barrow and Anchorage to aid in the prosecution of domestic violence as well as adult and child sexual assault cases. It is estimated that approximately \$149,000 would be available to carry forward.					0.0
144	Law	Fourth Judicial District	Extend the lapse date for the Sexual Assault/Domestic Violence Federal Earmark, made in sec. 27(d), ch. 11, SLA 2008, page 104, line 31 (SB 256), from June 30, 2009 to June 30, 2010 Further extending the lapse date to June 30, 2010 will enable the department to continue to fund additional attorneys and paralegals in Bethel, Barrow and Anchorage to aid in the prosecution of domestic violence as well as adult and child sexual assault cases. It is estimated that approximately \$407,900 would be available to carry forward.					0.0
145	Law	BP Corrosion	Extend the lapse date for the BPXA Corrosion Litigation appropriation made in sec. 1, ch. 27, SLA 2008, page 31, line 20, from June 30, 2009 to June 30, 2010 Further extending the lapse date to June 30, 2010 will enable the department to pursue claims for penalties and lost revenues for the 2006 Prudhoe Bay pipeline spills and production shutdowns. It is estimated that approximately \$1,900,000 would be available to carry forward.					0.0
146	Natural Resources	Oil & Gas	Extend lapse date on sec. 24(p), ch. 159, SLA 2004 (Gasline Right of Way and Application from June 30, 2009 to June 30, 2011. Due to the number of projects under development and the work involved with right of ways and associated permitting there is huge demand for work not covered by the companies involved: ANGDA, ENSTAR, Denali and TransCanada. The estimated carryforward is \$2,965,800.					0.0

8633

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
147	Revenue	Resource Rebate	Extend lapse date from June 30, 2009 to June 30, 2010 for the Alaska Resource Rebate Program, appropriated in sec.1(b), ch. 1, 45SLA 2008, in order to finalize determinations for approximately 10,000 applicants in some stage of having their eligibility determined, already denied but not yet appealed, or in appeal status.					0.0
148	Revenue	AHFC	Fund source change from corporate receipts to federal, mostly in personal services. Now that AHFC is in HUD's Moving to Work agency status, there are sufficient federal resources to cover these expenses. There is a corresponding increase in the FY10 budget.		674.3	(674.3)	AHFC Rcpts	0.0
149	Revenue	ARM Board	Implementation of cost allocation plan wherein FY09 is based on FY07 net asset values that realized a large increase in value of the funds under management. This is compounded by prior year allocations that were a flat amount and may not have charged benefit systems their full fair share, as well as an increase in the number of participants. Plus, ARM Board is managing additional new investment options for participants (SBS, deferred comp). The FY10 budget contains a corresponding increase of \$249.0 relating to investment options and it is likely that an FY10 budget amendment will also be proposed.				890.0 Benefit Systems Rcpts (700.0) PERS (190.0) TRS	0.0
150	Capital	Transportation	Mission Road (Kodiak Island) - Upgrade and Repair This amends an existing FY2009 project (sec. 13, Ch 29, SLA 2008, page 159, line 14), increasing the FY2009 appropriation to \$782,600. Additional funding is being requested to cover costs for the project because the low bid came in higher than expected. Project work was initiated during the fall of 2008 and will resume in the spring of 2009 and is scheduled for completion mid-summer of 2009.	207.6				207.6

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
151	Capital	Transportation	The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 82, SLA 2006, page 84, line 23 (Anchorage: Hillcrest Bridge Repairs - \$192,600) is reappropriated to the Department of Transportation and Public Facilities, Mission Road (Kodiak Island) - Upgrade and Repair. The bridge repairs have been completed and the trucking company's insurance covered the cost.	(192.6)				(192.6)
152	Capital	Transportation	The unexpended and unobligated balance, not to exceed \$15,000, of the appropriation made in sec. 7, ch. 82, SLA 2006, page 128, line 22 (Willow - Fishhook Road Plowing - \$41,000) is reappropriated to the Department of Transportation and Public Facilities, Mission Road (Kodiak Island) - Upgrade and Repair.	(15.0)				(15.0)
153	Transportation	Central Region Highways and Aviation	Anchorage Snow Haul (Roads) Snowfall in Anchorage this winter has returned to the amount that used to be considered normal for the area. Including the heavy snowstorms over the holidays, the accumulation of snow plowed from the roads onto the shoulders and sidewalk areas reached the level that required hauling it away. To date, snow haul expenses have nearly exhausted the annual operating budget of \$250. Supplemental funding of \$250.0 will allow for one additional snow haul for the remainder of the winter. With the appropriation made in sec. 1, the department will have funds for one additional snow haul.	31.5				31.5
154	Capital	Transportation	The unexpended and unobligated balance of the appropriation made in sec. 13, ch. 29, SLA08, page 16, line 13 and allocated on page 160, line 32 (Yakutat Multi-Purpose Dock - \$555,000) is reappropriated to the Department of Transportation and Public Facilities, Central region Highways and Aviation for Anchorage snow haul costs.	(5.5)				(5.5)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
155	Capital	Transportation	The unexpended and unobligated balance, not to exceed \$26,000, of the appropriation made in sec. 7, ch. 82, SLA 2006, page 128, lines 22 - 23 (Willow - Fishhook Road Plowing - \$41,000), is reappropriated to the Department of Transportation and Public Facilities, Central Region Highways and Aviation for Anchorage snow haul costs.	(26.0)				(26.0)
156	Capital	Transportation	Alaska Railroad Crossing Maintenance and Operations Agreement The Alaska Railroad Corporation (ARRC) issued the Alaska Department of Transportation (ADOT) a "blanket permit" for the placement of ADOT facilities (roads, road crossings, pathways, etc.) on ARRC property about twenty years ago. Through this permit, ADOT is obligated to reimburse the ARRC for its work on the highway/railroad crossing surfaces. This request is necessary to reimburse ARRC for work performed under this permit as follows: Pittman Road 2/4/06 to 5/07 \$180.2 Seward Highway (Lawing) 4/21/07 to 9/07 \$398.9 Girdwood Toadstool 9/8/07 to 12/07 \$146.7 Whittier Tunnel Original Construction 6/1/02 to 12/31/02 \$92.6 Whittier Tunnel Monthly Billings for Signal Trouble Calls 1/01/04 to 3/31/08 \$230.2	1,048.7				1,048.7

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
157	14(c)(1-17) Capital	Transportation	<p>The unexpended and unobligated balances on June 30, 2009, of projects identified in the Department of Transportation and Public Facilities' January 2009 Capital Project Status Report are reappropriated to the Department of Transportation and Public Facilities for the construction and maintenance of Alaska Railroad Corporation crossings on state roads. Project citations are as follows:</p> <ul style="list-style-type: none"> (1) sec. 53, ch. 120, SLA 1980, page 91, line 14, and allocated on page 91, line 15 (2) sec. 163, ch. 96, SLA 1991, page 42, line 9 (3) sec. 152, ch. 5, FSSLA 1992, page 41, line 21 (4) sec. 152, ch. 5, FSSLA 1992, page 41, line 22 (5) sec. 19, ch. 79, SLA 1993, page 20, line 30 (6) sec. 10, ch. 4, FSSLA 1994, page 12, line 29, and allocated on page 13, line 33 (7) sec. 9, ch. 103, SLA 1995, page 3, line 16 (8) sec. 84, ch. 103, SLA 1995, page 21, line 26 (9) sec. 135, ch. 103, SLA 1995, page 40, line 34, and allocated on page 41, line 11 (10) sec. 135, ch. 103, SLA 1995, page 40, line 34, and allocated on page 41, line 14 (11) sec. 100, ch. 123, SLA 1996, page 58, line 30, and allocated on page 58, line 31 (12) sec. 100, ch. 123, SLA 1996, page 58, line 30, and allocated on page 59, line 4 (13) sec. 46, ch. 100, SLA 1997, page 24, line 19 (14) sec. 46, ch. 100, SLA 1997, page 24, line 20 (15) sec. 82, ch. 100, SLA 1997, page 58, line 8, and allocated on page 58, line 9 	(1,048.7)				(1,048.7)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
158	14(d)-(e) Transportation	Southeast Region Highways and Aviation	Airport Rescue and Fire Fighting Safety Equipment Standards set by the National Fire Protection Association require Southeast Region to upgrade self-contained breathing equipment used in Airport Rescue and Fire Fighting (ARFF) operations. The upgrades include the Personal Alert Safety System (PASS) which activates an alarm when a firefighter becomes disabled inside a burning structure. Twenty-six sets are needed at a cost of over \$5,000 per set. This equipment will reduce the risk of death and injuries to firefighters at Alaska's southeast rural airports. Reappropriation in 14(d) from sec. 7(d) provides \$98.1 Reappropriation in 14(e) provides \$39.0	137.1				137.1
159	14(e) Capital	Health & Soc Svcs	Reappropriate the balance of \$39,012 of the appropriation made in sec. 1, ch. 82, SLA 2006, page 73, lines 31 - 33, for the Ready to Read, Ready to Learn Program Development project to the Department of Transportation and Facilities, Southeast Region Highways and Aviation, for the purchase of required safety equipment at rural airports.	(39.0)				(39.0)
160	14(f) Capital	Transportation	Delete \$350,400 of the \$400,000 GF-funded FY09 Department of Transportation and Public Facilities capital project, Bridge Repair and Upgrade, appropriated in sec. 13, ch. 29, SLA 2008, page 158, lines 21 and 22, to be replaced with reappropriated AHFC Dividend.	(350.4)				(350.4)
161	14(g) Capital	Public Safety	Reappropriate the \$350,400 AHFC Dividend balance of the appropriation made in sec. 1, ch. 61, SLA 2001, page 23, lines 26 - 27 for the Emergency Communications: Southeast Upgrade project to the Department of Transportation and Public Facilities to replace general funds appropriated in FY09 for bridge repair and upgrade.			(350.4)	AHFC Dividend	(350.4)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
162	Capital	Transportation	Reappropriate the \$350,400 AHFC Dividend balance of the appropriation made in sec. 1, ch. 61, SLA 2001, page 23, lines 26 - 27 for the Emergency Communications: Southeast Upgrade project to the Department of Transportation and Public Facilities to replace general funds appropriated in FY09 for bridge repair and upgrade.			350.4	AHFC Dividend	350.4
163	Capital	Transportation	Alaska Marine Highway System: Columbia Fuel Management System This is a new FY2009 project. Install a Stellar Marine ESP 1000, Electronic Speed Pilot power management system to provide precision control of ship speed and fine tune throttle settings to maximize the vessel's propulsive efficiency.	499.5				499.5
164	Capital	Military & Vets	Reappropriate the \$484,518.10 balance of the appropriation made in sec. 1, ch. 82, SLA 2006, page 75, line 11 for the Alaska Military Youth Academy Expansion to the Department of Transportation and Public Facilities for the Alaska Marine Highway System: Columbia Fuel Management System. Total project cost is \$499.5.	(484.5)				(484.5)
165	Capital	Natural Resources	Reappropriate the \$9,059.26 balance of the appropriation made in sec. 7, ch. 82, SLA 2006, page 127, line 26 for the Juneau Subport Asbestos Abatement project to the Department of Transportation and Public Facilities for the Alaska Marine Highway System: Columbia Fuel Management System. Total project cost is \$499.5.	(9.1)				(9.1)
166	Capital	Health & Soc Svcs	Reappropriate the \$1,006.25 balance of the appropriation made in sec. 4, ch. 30, SLA 2007, page 94, lines 25 - 26 for the Anchorage Pioneers Home Safety Upgrades project to the Department of Transportation and Public Facilities for the Alaska Marine Highway System: Columbia Fuel Management System. Total project cost is \$499.5.	(1.0)				(1.0)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
167	Capital	Public Safety	Reappropriate the \$4,913,222 balance of the appropriation made in sec. 1, ch. 82, SLA 2003, page 33, lines 9 - 11 for the Fairbanks Public Safety Bldg - Indoor Firing Range Lead Removal project to the Department of Transportation and Public Facilities for the Alaska Marine Highway System: Columbia Fuel Management System. Total project cost is \$499.5.	(4.9)				(4.9)
168	Capital	Transportation	Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation This amends an existing FY2009 project (sec. 13, ch. 29, SLA2008, page 158, line 17), increasing the FY2009 appropriation to \$10,600,000. Effective January 2009, the Ketchikan Shipyard increased their prices 18.5% to 20% to the Alaska Marine Highway System (AMHS) for state funded maintenance overhauls of AMHS vessels. This cost increase to AMHS will impact six scheduled vessel maintenance overhauls this fiscal year, with a budgeted value of \$3,500,000. Total of secs. 14(l) and (m) is \$702.1.	647.3				647.3
169	Capital	Transportation	The unexpended and unobligated balances of projects are reappropriated to the Department of Transportation and Public Facilities, Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation. Project citations are as follows; (1) sec. 82, ch. 100, SLA 1997, page 59, line 11, and allocated on page 59, line 12 - \$12,356 (2) sec. 131, ch. 139, SLA 1998, page 56, line 17 - \$407,700 (3) sec. 1, ch. 82, SLA 2006, page 84, line 33 - \$4,352 (4) sec. 20(b), ch. 30, SLA 2007, page 148, line 27 - \$63,299	(487.7)				(487.7)
170	Capital	Commerce	The Organization Grant appropriation made in sec. 1, ch. 3, FSSLA 2005, page 3, line 29 is not needed as the community of Naukati elected not to form a municipal government. The appropriation's balance is reappropriated to the Department of Transportation and Public Facilities for the Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation project.	(75.0)				(75.0)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
171	14(j)(6) Capital	Education	Reappropriate the unexpended and unobligated general fund balance of \$17,825 made in sec. 1, ch. 82, SLA 2006, page 65, line 25 for the Demolition and Site Restoration, Northern Lights School project to the Department of Transportation and Public Facilities for the Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation project.	(17.8)				(17.8)
172	14(j)(7) Capital	Education	Reappropriate the unexpended and unobligated general fund balance of \$66,772 made in sec. 4, ch. 30, SLA 2007, page 89, line 24 for the Pedro Bay Old School Demolition project to the Department of Transportation and Public Facilities for the Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation project.	(66.8)				(66.8)
173	14(m) Capital	Education	Reappropriate the \$54,753 balance of the appropriation made in sec. 60, ch. 3, FSSLA 2005, page 142, line 13, for Southeast Island - Thorne Bay House Access Ramp to the Department of Transportation and Public Facilities, Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation project. (The negative amount is shown in sec. 7(d)).	54.8				54.8
174	14(n) Transportation	Marine Vessel Operations	The Inlandboatmen's Union of the Pacific (IBU) has ratified a new three- year contract. This request is for the FY09 one-time bonus of \$2,137/employee in pay status on July 1, 2008 (\$1,917.8) plus a health insurance increase of \$16 from \$852 to \$868 per month (\$81.3). The contract calls for wage increases of 5% in FY10 and 4% in FY11, along with health insurance increases.	1,999.1				1,999.1
175	15(a) Debt Service	Debt Retirement Fund	Reduce general fund capitalization for School Debt Reimbursement as additional School Fund (cigarette tax revenue) funding is available per the Fall 2008 Revenue Sources Book, Figure 5-3, page 67.	(600.0)				(600.0)
176	15(a) Debt Service	Debt Retirement Fund	School construction bonds issued are below what was originally projected for FY2009, requiring less GF capitalization of the Debt Retirement Fund. General fund capitalization after both transactions is \$104,427,500.	(2,015.8)				(2,015.8)
177	15(b) Special Appropriations	Oil and Gas Tax Credit Fund	Reduce the FY2009 appropriation for oil and gas tax credits from \$400 million to \$200 million to reflect the Department of Revenue's updated estimate for this fiscal year.	(200,000.0)				(200,000.0)

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
178	Capital	Commerce	Amend the NPRA grants appropriation made in sec 38, ch. 29, SLA 2008 to the actual amount of NPRA funds received by reducing the North Slope Borough's Arctic Fox Continuing Study by \$53.5 in favor of maintaining Nuiqsut's Youth Recreation grant as requested by the Mayor of the North Slope Borough.		(53.5)			(53.5)
179	Debt Service	Administration Lease Financing	Name Change Only -- Sec. 27(1)(4), ch. 27, SLA 2008, page 86, line 6 - the name of the facility needs to be updated: <u>Goose Creek [POINT MACKENZIE] Correctional Center [FARM]</u>					0.0
180	Debt Service	Administration Lease Financing	Repeal the debt service appropriation for the Spring Creek Correction Center -- Sec. 27(1)(2), ch. 27, SLA 2008, page 86, line 4 since bond payments will not be due until FY2010.	(1,755.6)				(1,755.6)
181	Debt Service	Administration Lease Financing	Repeal the debt service appropriation for the Yukon Kuskokwim Correction Center -- Sec. 27(1)(3), ch. 27, SLA 2008, page 86, line 5 since bond payments will not be due until FY2010.	(951.8)				(951.8)
182	Debt Reimbursement	School Construction Debt Reimbursement	FY2009 projections of the cigarette tax revenue to the School Fund are above the original estimates, so funds are available to supplant the amount drawn from the Debt Retirement Fund.				(600.0) DRF 600.0 School Fund	0.0
183	Debt Reimbursement	School Construction Debt Reimbursement	School construction bonds issued are below what was originally projected for FY2009.			(2,015.8)	Debt Retirement Fund	(2,015.8)
184	Fish and Game	Wildlife Conservation Special Projects	Additional statutory designated program receipt authority is needed to accept funds from the National Fish and Wildlife Foundation to support two new research projects related to Dall Sheep and Grizzly Bears in northern Alaska. Additional EVOS authority is needed for continued research on Harlequin Ducks in Prince William Sound. Reduce excess federal and interagency receipt authority.		(100.0)	100.0	50.0 EVOS 160.0 SDPR (110.0) I/A Rcppts	0.0
185	Constitutional Budget Reserve Fund		Add language to access the CBR to balance the FY09 budget.					0.0
186	Lapse of Appropriations							0.0
187	Effective date of April 19, 2009							0.0
188								0.0
189			Total of Supplemental Requests	(218,609.8)	75,911.0	9,202.3		(133,496.5)
190								
191	RATIFICATIONS		AR and AR Name					
192	18(a) Natural Resources	Fire Suppression Activity	AR 37313-08 Fire General Fund	1,470,229.86				1,470,229.86

FY2009 SUPPLEMENTAL REQUESTS

Sec. No.	Department or Capital	Component or, if capital, Department	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
193	18(b)(1) Corrections	Capital	AR 51299-06 Offender Tracking Information System Development	59,856.00				59,856.00
194	18(b)(2) Education	Teaching and Learning Support	AR 17722-07 Student and School Achievement	3,954.34				3,954.34
195	18(b)(3) Health & Social Svcs	Administrative Support Services	AR 22729-05 Integrated Strategic Planning	710.00				710.00
196	18(b)(4) Health & Social Svcs	Administrative Support Services	AR 22733-05 Transitions to Work	6.49				6.49
197	18(b)(5) Public Safety	Council on Domestic Violence and Sexual Assault	AR 47180-08 Domestic Violence	29,544.44				29,544.44
198	18(b)(6) Transportation	Anchorage Airport Safety	AR 57538-06 Anchorage Airport Safety	9,773.65				9,773.65

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

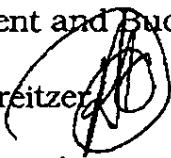
SARAH PALIN, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

Memorandum

To: Karen Rehfeld
Director, Office of
Management and Budget

Date: July 25, 2008

From: Annette Kreitzer 

Phone: 907-465-5671

Subject: Department of Administration FY2009 GF Savings Plan

We have reviewed the FY2009 operating budget of the Department of Administration (DOA) to determine where reductions can be made to meet the Governor's savings target. I believe reductions for FY2009 can be made which will result in GF savings for FY2009 and which will limit the impact to the services we provide to our customers. My recommendations are as follows:

Division of Finance (DOF)

(\$300.0) GF

This reduction will be offset with an increase in unbudgeted CIP receipts. The DOF currently has capital project funding in excess of \$40 million GF for statewide systems replacement. The division plans to use staff resources to work on the project, and expect that staff efforts over the next several fiscal years will be at a level to support charging the project \$300.0 annually.

Enterprise Technology Services (ETS)

(\$300.0) GF

ETS received in excess of \$800.0 GF for salary and health insurance cost increases for FY2009 for all units within the division. ETS also has in excess of \$7.0 million of GF in the FY2009 budget for SATS/ALMR operations. I believe we can aggressively manage vacancy and achieve efficiencies in non-personal services costs in all areas of ETS to meet the targeted savings.

Department Wide Personal Services Reduction

(\$200.0) GF

I am proposing to spread \$200.0 of GF reduction among all divisions within the department that have GF in their personal services budget. The reduction will be based on each divisions' percentage share of the amount of the total GF received for salary and health insurance increases for FY2009. The reductions

July 25, 2008

will be modest for each division, and I believe with careful management of vacancy we can achieve the savings.

Retirement & Benefits GF Reduction (\$107.6) GF

The Division of Retirement & Benefits will see a reduction of GF needed in FY2009 for costs related to the defined contribution retirement plan. This reduction, which was projected in the fiscal note for SB141 (CHAPTER 9 FSSLA 05), and which should have been made in the FY2009 budget, was inadvertently overlooked.

Year End Lapsing (\$200.0) GF

For the past several years the DOA has lapsed in excess of \$200.0 of GF each year. I believe it is reasonable to expect that to occur again in FY2009. As we progress through FY2009 we will be looking to identify specifically where this lapse will occur.

The total amount of FY2009 GF savings identified here is \$1,107,600. This exceeds our target amount by \$7,600.

Please let me know if you have questions or need additional information.

cc: Kevin Brooks, Deputy Commissioner, Department of Administration
Rachael Petro, Deputy Commissioner, Department of Administration
Division Directors, Department of Administration

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

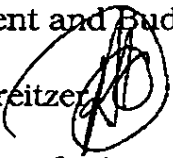
SARAH PALIN, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

Memorandum

To: Karen Rehfeld
Director, Office of
Management and Budget

Date: July 25, 2008

From: Annette Kreitzer 

Phone: 907-465-5671

Subject: Department of Administration FY2009 GF Savings Plan

We have reviewed the FY2009 operating budget of the Department of Administration (DOA) to determine where reductions can be made to meet the Governor's savings target. I believe reductions for FY2009 can be made which will result in GF savings for FY2009 and which will limit the impact to the services we provide to our customers. My recommendations are as follows:

Division of Finance (DOF) (\$300.0) GF

This reduction will be offset with an increase in unbudgeted CIP receipts. The DOF currently has capital project funding in excess of \$40 million GF for statewide systems replacement. The division plans to use staff resources to work on the project, and expect that staff efforts over the next several fiscal years will be at a level to support charging the project \$300.0 annually.

Enterprise Technology Services (ETS) (\$300.0) GF

ETS received in excess of \$800.0 GF for salary and health insurance cost increases for FY2009 for all units within the division. ETS also has in excess of \$7.0 million of GF in the FY2009 budget for SATS/ALMR operations. I believe we can aggressively manage vacancy and achieve efficiencies in non-personal services costs in all areas of ETS to meet the targeted savings.

Department Wide Personal Services Reduction (\$200.0) GF

I am proposing to spread \$200.0 of GF reduction among all divisions within the department that have GF in their personal services budget. The reduction will be based on each divisions' percentage share of the amount of the total GF received for salary and health insurance increases for FY2009. The reductions

July 25, 2008

will be modest for each division, and I believe with careful management of vacancy we can achieve the savings.

Retirement & Benefits GF Reduction (\$107.6) GF

The Division of Retirement & Benefits will see a reduction of GF needed in FY2009 for costs related to the defined contribution retirement plan. This reduction, which was projected in the fiscal note for SB141 (CHAPTER 9 FSSLA 05), and which should have been made in the FY2009 budget, was inadvertently overlooked.

Year End Lapsing (\$200.0) GF

For the past several years the DOA has lapsed in excess of \$200.0 of GF each year. I believe it is reasonable to expect that to occur again in FY2009. As we progress through FY2009 we will be looking to identify specifically where this lapse will occur.

The total amount of FY2009 GF savings identified here is \$1,107,600. This exceeds our target amount by \$7,600.

Please let me know if you have questions or need additional information.

cc: Kevin Brooks, Deputy Commissioner, Department of Administration
Rachael Petro, Deputy Commissioner, Department of Administration
Division Directors, Department of Administration



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Office of the Commissioner

Sarah Palin, Governor
Emil Notti, Commissioner

Date: August 1, 2008

To: Karen Rehfeld, Director
Office of Management and Budget

From: Emil Notti, Commissioner *Emil Notti*
Department of Commerce, Community and Economic Development

Subject: FY09 General Fund Savings Plan

The Department of Commerce, Community, and Economic Development has looked at a variety of areas to determine where to achieve the \$80,000 of general funds savings requested by the Governor. After discussions with the directors of the impacted divisions and careful consideration of the options, I am proposing the following general fund cuts:

The Office of Economic Development (OED): \$60,000.

Although \$290,000 was added via a fiscal note for the newly created film office, the regulations process and the position approval and recruitment has taken longer than anticipated. As a result, OED will be able to achieve one-time savings of \$60,000 from the FY09 budget. However, the film office will be fully operational fairly soon, and OED will need the full \$290,000 in FY10.

The Division of Community and Regional Affairs: \$16,000.

Due to significant staff turnover, DCRA is actively recruiting for a number of positions. The payroll costs of these temporarily vacant positions should be enough to address most of this reduction. Additional cuts will be made by reducing staff travel. This travel reduction will result in a reduced presence at conferences this year, including the Southeast Conference, Alaska Municipal League, and AFN.

Because DCRA's turnover is typically very low, this cut will be difficult to sustain when the positions are filled. If this cut carries into FY10, the delivery of its programs may be negatively impacted.

Division of Administrative Services: \$4,000.

Reductions in travel (in numbers of trips and the length of trips) and delaying the purchase of some equipment should enable this division to achieve these savings. These savings are probably sustainable and can be carried into FY10.

P.O. Box 110800, Juneau, Alaska 99811-0800

Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: <http://www.commerce.state.ak.us/>

STATE OF ALASKA /

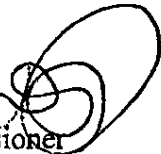
DEPARTMENT OF CORRECTIONS

MEMORANDUM

Division of Administrative Services
P.O. Box 112000
Juneau, Alaska 99811-2000
Phone (907) 465-3376 Fax (907) 465-2006

To: Karen J. Rehfeld, Director
Office of Management and Budget
Governor's Office

DATE: July 31, 2008

From: Dwayne Peebles 
Deputy Commissioner
Department of Corrections

SUBJECT: DOC FY09 Savings Scenario

The Department of Corrections appreciates the opportunity to provide the requested information on potential general fund savings for FY2009. This was a valuable exercise in looking for inefficiencies and areas where we identify long-term practices that can save general fund dollars in future years.

Challenges and Possibilities:

- FY 09 Anticipated Supplemental Requirements: Fuel/energy cost increases for 24/7 facilities. In addition to physical plant increased costs, this also includes increased transport cost and increased commodities—all tied to fuel and energy increased costs.
- FY09 *Knowns*: If population remains static, we will not be in supplemental mode *except for fuel/utilities*, and possibly *medical*. We can draw from Electronic Monitoring (EM) and Out-of-State (OOS)—OOS will generate fewer trips if populations remain static as of 7/31/08 (3696 max cap - 3626 incarcerated = -70).

Savings Scenario--\$3,910.0 GF, \$123.0 MHTAAR = \$4,033.0:

- Substance abuse treatment program FY09 increases, \$1,132.8: These services are expansion of treatment services appropriated for ¾ of the fiscal year and are the major part of the department's initiative to reduce recidivism. The expansion for the services have not been implemented and will not result in lay offs or cancelation of contracts. Impact: Elimination of this program expansion will result in increased population growth in future years requiring additional facility construction or purchase of contract beds; adversely impact the program design of the new 1,536 bed prison in the Mat/Su Borough and adversely impact the credibility of the department with the legislature to obtain funding for these programs in future years.
- Freeze Substance Abuse Coordinator and Education Program Coordinator (or the equivalent), \$199.6: the substance abuse position is vacant, this will not result in a layoff situation. The Education Program Coordinator position is expected to become vacant by 10/1/08 and will remain unfilled, duties will be absorbed by existing filled positions.

- 3rd year fiscal note funding for Sex Offender Polygraph, \$752.5: 1) the Sex Offender Polygraph program is under performing, however, it has recently shown improvements in our ability to hire qualified polygraphists; and, 2) we propose to restrict the funding for the 2 PFT probation officer positions until the program is performing at full levels. (*NOTE: this does not impact the YKCC (Bethel) program.*)
- Electronic Monitoring (EM) FY08 increase, \$881.1: we have not increased EM by 50 slots as originally proposed. In FY09, adding 40 Community Residential Center (CRC) beds is being proposed which will reduce overcrowding in the Anchorage Correctional Complex and allow the out-of-state placements to remain static.*
- Freeze SCCC Micro-Tech (or equivalent) and HMCC Food Service Lead, \$148.6: this does not generate lay-offs, these are vacant positions that we believe the duties can be absorbed by existing staff (HMCC) or by institutions sharing a Micro-Tech (WWCC and SCCC).
- Mental Health Services FY09 increase, \$246.0: we have not implemented this increase in services by providing treatment materials; or, fund existing vacant positions that were to be reallocated to mental health to facilitate increased services. Not implementing increased services minimizes the impact versus reducing or eliminating an existing service. This does not create a lay-off situation.
- Increase the vacancy factor from 3.3% to 6.25% for Probation/Parole, \$672.4: while this will increase the caseload for existing PO's, the positions are vacant and this does not create a lay-off situation.

**With OMB approval, DOC procured the CRC beds in July 2008, using EM funds*

Conservation and Efficiencies--In Process of Implementation:

- Energy Conservation Measures: DOC Energy Savings Performance Contracting w/Siemens Financial
 - Savings will not be measurable until project is complete and enough time has lapsed to generate a comparative analysis on energy savings
- Cost Containment Measure: Standardized Menu
 - Nutritionist/Contractor submitted first draft of standardized menu on 7/25/08; review is underway. Until standardized menus are adopted and implemented in the institutions, there is no measurable savings. Standardized menu savings will be linked to standard procurements (below) and may be possible to evaluate savings by the end of FY09.
- Cost Containment Measure: Western States Contracting Alliance (WSCA), standardized procurement
 - SOA/DGS is within a few weeks of signing the final WSCA contracts
 - WSCA allows states to purchase as much or as little at any one time at negotiated bulk flat rates
 - We pay NO freight and shipping costs, exceptions: Bethel, Nome, Fairbanks, Pt. McKenzie

- DOC anticipates primary savings on paper products and cleaning supplies
 - Contract is not in place; no measurable savings as yet
- Fund Source Change: SGF to GF/MH – No direct savings, fund change
 - Working with AMTHA to complete preliminary identification of FY10 funds by early September; and, any amounts remaining will be captured in FY11.
- Liquidated Damage Recovery: Out-of-State (OOS) Contract with Corrections Corporation of America (CCA)
 - In FY08, the department recovered \$275.0 in contract funds for not providing services included in the contract. The department has taken due diligence in controlling the OOS agreement by holding the CCA accountable and to the terms of the contract.
 - In FY09, we anticipate recovering up to \$200.0

If you require additional information, please feel free to contact us.

cc: Joe Schmidt, Commissioner
Leslie Houston, Director of Administrative Services
April Wilkerson, Budget Chief
Steve Hildebrand, OMB Budget Analyst

DEC FY 2009 General Fund Savings Report Proposal

Identify General Fund Type (GF, GFPR or GFM)	Program	Savings Amount	Describe Impact
GFPR	Air - Air Non-Point & Mobile Source Program	\$34,980	It is projected at this point that all these receipts will not be realized in FY09.
GF	SPAR - Industry Preparedness and Pipeline Operations	\$208,520	In fiscal year 2008 DEC received an appropriation of \$606,500 and 4 positions for the purpose of pipeline compliance oversight and North Slope flow line integrity. The department has encountered extreme difficulties in the classification and recruitment of these four positions. One position has been filled with the incumbent to begin in August, however, we don't expect to fill the other 3 positions until later this year. This is a one time savings and will not be available in FY10.
GF / GFM / GFPR	All Divisions - Implement agency based travel program	\$126,500	This would eliminate \$56,000 in travel agent fees annually and one position estimated at \$70,500.
GF / GFM / GFPR	Mileage Tickets	\$20,000	Current balance of the DEC mileage account would allow approximately 50 tickets to be purchased. This would be allocated to a variety of programs.

TOTAL \$390,000

**Department of Education & Early Development
FY2009 Management Plan Discussion**

The Department of Education & Early Development has conducted an internal review of general fund program expenditures to identify potential areas of savings to meet the target provided by the Governor's Office of Management & Budget. While developing a management plan to minimize program impact but still attaining the goal, it is critical to review the overall fund source levels for program operations compared to annual growth and the personal services required for agency operations.

General fund for the Foundation Program, Boarding Home Grants, Youth in Detention, Special Schools, School Performance Incentive Program, Pupil Transportation, Alaska Challenge Youth Academy, Early Learning Coordination (Head Start) and WWAMI were not considered for targeted restrictions. The School Debt Reimbursement expenditures are not included in ABS under the Department of Education & Early Development and were not manually added for this analysis but do have a human resource impact. These totals are included in the analysis of personal services expenditures because of the human resources required to manage and execute these authorized programs.

Based on the program funding levels recorded in ABS under Management Plan scenarios for each given fiscal year with the exception of FY2009 which is still being developed, the overall growth of general fund personal services expenditures remains relatively low as shown below. For FY2009, only 2.13% of the total budget (all fund sources) is allocated to personal services and this represents an annual change of -.04% since FY2004. The sharp decline in the total position count from FY2004 to FY2005 was due to a statewide realignment/integration which transferred programs to more appropriate agencies and also included the elimination of specific programs or reductions through efficiency measures.

	FY2009	FY2008	FY2007	FY2006	FY2005	FY2004
Positions:						
Permanent Full Time	332	331	304	298	294	319
Permanent Part Time	14	15	39	40	37	61
Non Permanent	0	0	0	0	0	1
	346	346	343	338	331	381
Position count change from FY08	0					
Position count change from FY04	-35					
% Change from FY04	-9.19%					
% Personal Services to Total Agency Funds	2.13%	2.05%	2.01%	2.09%	2.01%	2.34%
% Change from FY08	0.08%					
% Change from FY04	-0.21%					
5 year average annual growth	-0.04%					
General Fund % Personal Services to Total Agency Funds	0.67%	0.61%	0.65%	0.68%	0.57%	0.61%
% Change from FY08	0.06%					
% Change from FY04	0.06%					
5 year average annual growth	0.01%					
General Fund Personal Services Comparison to Personal Services Total all fund sources	31.38%	29.74%	32.49%	32.48%	28.41%	26.02%
% Change from FY08	1.64%					
% Change from FY04	-5.36%					
5 year average annual growth	1.07%					

The general fund allocated to personal services represents less than 1% of the total agency funding. The general fund allocated to personal services in the DEED budget

**Department of Education & Early Development
FY2009 Management Plan Discussion**

represents less than 1/3 of the total funding allocated specifically for personal services. The average annual growth of general fund personal services compared to overall personal services authorization allocated within DEED budget is only 1.07% as illustrated over the six year period.

In order to mitigate the perception of cutting programs or services connected to other funding sources, DEED did not to include general fund match in the following analysis of positions. This analysis identifies the specific components containing funding for personal services, and the percentage funded with general funds.

Component	Percentage General Fund	Total Position count
Executive Administration	100%	8
Administrative Services	77%	8
Information Services	30%	6
School Finance	58%	13
Student & School Achievement	16%	70
Mt. Edgecumbe	30%	44
Libraries	100%	35
Archives	89%	10
Museums	97%	18

Executive Administration

The Executive Administration component provides oversight and leadership to the agency in support of the mission and vision of the State Board of Education & Early Development. Historically, this component has maintained extremely low staffing levels relative to the responsibilities and duties. For FY2009, this component received general funds through a fiscal note associated with SB 285 which also authorized three new positions for the Statewide System of Support (district intervention). The total position count of eight shown for this component includes these three new positions created specifically for the Statewide System of Support directing state resources to fund activities necessary to fulfill the constitutional mandate clearly defined in the Moore v. State decision. In the review to identify areas where efficiencies can be managed, the Department of Education & Early Development will meet the OMB target in components other than Executive Administration. General funds to support essential staff and State Board of Education & Early Development priorities remain critical to the success of the entire agency in execution of the mission to ensure quality standards-based instruction to improve academic achievement for all students.

Administrative Services

This unit has maintained stable staffing levels and supports the activities of the entire department. With a low turnover rate, the vacancy factor must remain relatively low to accurately reflect the personal services expenditures necessary for this unit. This unit has available funding from interagency receipts collected from various components and has historically been able to return funding to the programs at the end of the fiscal year. This section would be able to restrict \$5.0 general fund in the contractual line item by allocating expenditures to the interagency fund source.

**Department of Education & Early Development
FY2009 Management Plan Discussion**

Information Services

Beginning in FY2007, the Information Services section has seen extremely challenging levels of turnover and difficulties in the recruitment process to keep the section fully staffed with experienced personnel. We anticipate stabilization within this section since two key positions have been filled. On going recruitment issues for Analyst/Programmer positions will continue to exist but restricting funds based on any anticipated vacancies would be detrimental to funding contractors through the ETS Task Order system which has become a critical component to meeting the business requirements of the department while these positions are vacant. This section has seen significant savings related to software expenditures and the enterprise agreement with Microsoft for educational discounts. This section would be able to restrict \$5.0 in the contractual line item in support of the efficiency efforts.

School Finance & Facilities

The School Finance & Facilities section manages K-12 Foundation program, Pupil Transportation, School Debt Reimbursement, the CIP process, and the audit process. While all of these programs are removed from the operational areas where funding could be restricted for FY2009, the personal services associated with providing the human resources necessary to execute these programs are contained in this section. Within this section, PCN 05-1058, Statistical Technician II, Range 14 with a total cost projected at \$66,519 for FY2009, remains unfilled due to recruitment difficulties. Under the current memo of instruction from OMB regarding job reclassification, this section will seek the approval of an upgrade for this position to accurately reflect the duties required to meet the business needs of this section. DEED anticipates the approval and recruitment process to take several months and can restrict approximately 4 months of the costs associated with the position for a total of \$16.9 to manage a lapse savings for FY2009.

Student & School Achievement

This section manages most of the federal funding for education programs administered through DEED. The majority of the federal receipt authority is located in the grants line item. The general fund in this component is approximately 4.6% of the total funds authorized for this component (FY2009 Management Plan). The largest expenditure of general fund is the contract costs for Data Recognition Corporation to administer the Comprehensive Statewide System of Assessments which includes the High School Graduation Qualifying Examination. A newly funded general fund program for the development of a longitudinal data system is also contained within this component for the first time in FY2009. This program was funded previously with federal receipts from a 3 year grant. During the FY2009 budget cycle, it was anticipated that the federal receipts would expire or be fully expended. We have since received approval for a no-cost grant extension on the period of performance and contractual obligations were moved into the current fiscal year accordingly. Recruiting fully qualified, expert Analyst/Programmers required due to the complexity of this project continues to be an issue. Managing the use of the DOA/ETS Task Order system or other procurement procedures for professional services must be utilized to fill the void while recruitment efforts continue. A projected 6 month vacancy can be managed to allow a restriction of \$36.5 for PCN 05-8723 and 05-8724, Analyst/Programmer II, Range 16 positions. Specific projected costs associated

**Department of Education & Early Development
FY2009 Management Plan Discussion**

with hardware/software maintenance identified for the general fund appropriation can be deferred to FY2010 due to the timing of the maintenance and licensing renewals. General fund in the amount of \$100.0 may be restricted in order to contribute to the managed lapse savings target for FY2009.

Mt. Edgecumbe High School

Mt. Edgecumbe High School has been successful in managing the increasing costs of running the State Boarding School's academic and residential programs with the help of additional funding for fuel costs through various energy relief funding measures. The additional increases in the funding available through the Foundation Program will also contribute substantially to the success of this program. To avoid the appearance of making unnecessary reductions to this program when fuel costs could realistically require some level of supplemental funding and until the energy costs stabilize or begin trending toward a manageable growth, DEED recommends not restricting any general funds associated with this program pre-maturely for FY2009.

State Facilities Rent

This component contains the funding necessary for leased space acquired through General Services and also space associated with the Public Building Fund. DEED received a general fund appropriation to provide off site storage for the State Archives. The Division of General Services is preparing a Request for Proposals (RFP) to acquire existing space or provide a build to suit contract for the necessary square footage. The RFP will be made public at the end of July with an anticipated award date of September. Since the appropriation anticipated the lease costs on an annual basis, \$60.0 may be restricted in order to contribute to the managed lapse savings target for FY2009.

Libraries, Archives and Museums

The Division of Libraries, Archives and Museums (LAM) provides services to the public, the legislature and the executive branch. The (LAM) budget has been impacted by rising costs associated with materials, books, periodicals and online database subscriptions required to provide reference and research services. These costs erode the capacity of this unit to maintain a budget with little or no growth to mitigate the pressure on existing general fund appropriations.

This component has identified several areas that will be restricted without impacting the delivery of services to the public. Through vacancies associated with staff turnover and recruitment efforts, this division will be able to restrict \$11.8 for PCN 05-3080, Librarian I Range 16, and \$24.8 for PCN 05-3508, Micrographics Manager (Archives) Range 17.

By deferring purchases of equipment and museum acquisitions, another \$10.0 will be restricted in the commodities line item.

School Performance Incentive Program

A lapse balance could occur within the School Performance Incentive Program in FY09 but will not be included as part of the DEED reduction analysis since the payments are formula driven based on assessment data and not subject to savings attributable to

**Department of Education & Early Development
FY2009 Management Plan Discussion**

management decisions. In FY 07, the payments totaled approximately \$1.9 million and \$3.86 million lapsed. The FY08 payments are projected to be close to \$1.1 million which will leave a lapse balance of nearly \$2.5 million. If the trend continues, a significant lapse balance may be available in FY09 that could be included as part of the overall OMB savings target. Ideally, the final year of the School Performance Incentive Program will reflect greater improvements in student performance throughout the state.

The proposed general fund managed lapse savings will be restricted as follows:

Component	General Fund Proposed Managed Lapse
Administrative Services Total	5.0
Information Services Total	5.0
School Finance & Facilities	16.9
Student & School Achievement Total	136.5
State Facilities Rent	60.0
Library Operations	16.8
Archives	24.8
Museum Operations	5.0
Total Proposed General Fund Restriction	270.0

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME ADMINISTRATIVE SERVICES

SARAH PALIN, GOVERNOR

P.O. BOX 115526
JUNEAU, AK 99811-5526
PHONE: (907) 465-6085
FAX: (907) 465-6078

MEMORANDUM

TO: Karen Rehfeld, Director
Office of Management and Budget

THRU:

FROM: Tom Lawson, Director

DATE: August 1, 2008

SUBJECT: FY09 General Fund Savings Plan

The purpose of this memo is to outline the Department of Fish and Game's (ADF&G) FY09 savings plan as requested by Governor Palin. Per your June 26, 2008 memo, the department's targeted savings goal is \$1.0 million of general fund (GF). ADF&G determined that the most equitable method of allocating the savings target within the department should be based on the percentage of GF in each division.

Following is the proposed ADF&G FY09 savings plan. Savings plans for most divisions are based on extending the vacancies of already vacant positions or leaving positions vacant for a period of time, once the incumbent departs. It must be noted that generally, extended vacancies in divisions are the result of our inability to attract candidates because of non-competitive wages and benefits. Vacant positions put a significant strain on existing staff as the workloads of vacant positions must be absorbed.

Division of Commercial of Commercial Fisheries – \$644.2

The Division of Commercial Fisheries continues to experience recruitment difficulties within each regional, headquarters, and special projects components.

SE Region: The SE Region Fisheries Management component will leave a Fishery Biologist vacant for over 7 months. This position has been vacant and work has been and will continue to be absorbed by other positions. Savings from this position is expected to result in a one-time spending reduction of \$41.9.

Central Region: The Central Region Fisheries Management component will leave 3 positions (Vessel Technician, and 2 Fishery Biologists) vacant for a minimum of three months. Savings from these positions are expected to result in a one-time spending reduction of \$37.7.

AYK Region: The AYK Region Fisheries Management component will leave vacant 7 positions (4 Fishery Biologists, Research Analyst, Program Technician, and F&G Regional Supervisor) for a minimum of three months. Savings from these positions are expected to result in a one-time spending reduction of \$94.5.

Westward Region: The Westward Region Fisheries Management component will leave vacant 4 positions (4 Fishery Biologists). for a minimum of three months. Savings from these PCNs are expected to result in a one-time spending reduction of \$85.0.

HO Fisheries Management: The Headquarters Fisheries Management component will leave 11 positions (Deputy Director, 2 Analyst Programmers, Database Manager, 2 Biometricians, 3 Fishery Biologists, Fisheries Scientist, and F&G Regional Supervisor) for a minimum of two to three months. Many of the vacant positions within headquarters have been vacant for a while and recent recruitment efforts have failed. It is hoped that a successful applicant pool will be available when these positions are recruited again. In the interim, some staff members have been placed in acting status or others have taken on additional duties. Neither are good long-term solutions. Savings from these positions are expected to result in a one-time spending reduction of \$284.9.

CF Special Projects: Every effort will be made to leave positions vacant longer than usual to try and achieve a GF savings of \$100.2.

Division of Sport Fisheries – \$67.9

The Division of Sport Fisheries is experiencing ongoing recruitment difficulties in positions throughout the state, particularly at the professional level (biometricians, fishery scientists, fishery biologists). This general fund decrease in personal services could be absorbed in FY09 due to these vacancies, but with ongoing recruitments and a fully staffed division this general fund decrease would be difficult to absorb in future fiscal years.

Division of Wildlife Conservation – \$123.5

The Division of Wildlife Conservation will manage this requested spending reduction through the vacancy of its new Wildlife Scientist position. This position is required by the division to oversee the scientific rigors of division research. The position must receive final classification action by the Division of Personnel and complete the recruitment and hiring process. This is expected to require six months of time, achieving a one-time FY09 savings of approximately \$60.0. Additionally, the division continues to experience recruitment difficulties within each region. To achieve the balance of the savings required by this target, the division will extend by one month the vacancy period when positions turnover. If savings by this mechanism do not materialize, the division would have to reduce spending on field research. The division does not anticipate the savings to be sustainable in future years.

Commissioner's Office – \$13.4

The Commissioner's Office generally budgets for a zero vacancy factor, but due to turnover with clerical staff, the actual vacancy factor is higher than zero. Historically, the Commissioner's Office has a very tight budget, but in FY09 every effort will be made to manage position costs with a reduced personal services line.

Division of Administrative Services – \$42.2

The Division of Administrative Services has recruitment and retention issues in all positions in Juneau where most of the staff are located. The division generally budgets for a 5 percent vacancy factor, but due to turnover of clerical staff and the inability to fill higher level positions, the actual vacancy factor has been higher than 5 percent. This personal services reduction amount is possible in FY09 due to recruitment and retention issues. However, the division will continue to actively recruit for these higher level professional positions and does not expect the savings to be sustainable in future years.

Boards Support – \$20.6

The Boards Support Section was able to procure a new contract for printing for FY09 that was less than last year's costs. This contractual services reduction amount is possible due to a one time savings because of the lower bid award to the vendors and the section does not anticipate the savings to be sustainable in future years.

Division of Subsistence – \$36.2

For FY09, the Division of Subsistence is projecting to use carry-forward federal indirect receipts savings from the previous year to pay for services normally paid with general fund. The division does not anticipate the savings to be sustainable in future years.

Division of Habitat – \$52.0

The Division of Habitat will manage the requested reduction in spending by reducing its contractual services by \$30.0; FY09 lease costs will be less than in FY08 due to the transition from the Department of Natural Resources to ADF&G per Executive Order 114. The division will also reduce commodities by \$22.0; many older computers and office supplies were updated in FY08 so FY09 expenses should be less. This GF decrease will be very difficult to absorb in future fiscal years due to decreases in several of the division's interagency agreements that provide key personal services support.

cc: Denby Lloyd, ADF&G Commissioner
David Bedford, ADF&G Deputy Commissioner
ADF&G Division Directors and Boards Executive Directors

73000
per
70m

20.6 + 30

22.0

SARAH PALIN
Governor



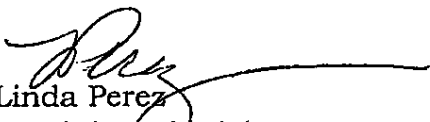
P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

MEMORANDUM

TO: Karen Rehfeld, Director
Office of Management and Budget

DATE: August 1, 2008

FROM: 
Linda Perez
Administrative Director
Office of the Governor

SUBJECT: FY 2009 Savings Plan

As requested, the Office of the Governor has identified \$465.0 in potential GF savings in FY 2009. We will create a 'savings plan' management encumbrance for these funds against our FY 2009 Executive Office appropriation.

We will continue to review our accounts throughout the year to identify any additional savings that may be realized in FY2009.

cc: Mike Nizich, Acting Chief of Staff
Joan Brown, Chief Budget Analyst
Sara Peacock, Finance Officer

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER
FINANCE AND MANAGEMENT SERVICES

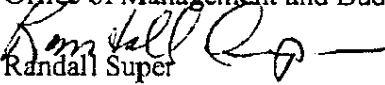
SARAH PALIN, GOVERNOR

P.O. Box 110650
Juneau, AK 99811-0650
Phone: (907) 465-3082
Fax: (907) 465-2499

MEMORANDUM

DATE: July 31, 2008

TO: Karen Rehfeld
Director
Office of Management and Budget

FROM: 
Randall Super
Deputy Commissioner

SUBJECT: Governor's \$20 million Savings Target

The Department of Health and Social Services will achieve its portion of the Governor's savings target through a range of management and program actions. To most effectively manage achievement the department will establish restrictions on AKSAS limiting each affected division's expenditure authority. However, as the year progresses the department may adjust the allocation of those restrictions to reflect actual activity; but will maintain restrictions totaling the department's \$4,760.0 general fund target.

	GF
Summary	Amount
Position Management	(500.0)
Senior Benefits Program	(500.0)
Medicaid Client Travel	(437.6)
Administrative Travel	(134.5)
Additional Medicaid Reductions	(3,187.9)
Total	(4,760.0)

Position Management - \$500.0 GF

The department will manage position vacancy and turnover to achieve an additional savings totaling \$500.0 in general funds through a combination of management techniques. Division directors will evaluate the necessity of filling each individual position (new or becoming vacant), may hold positions that become vacant open longer before recruitment, or may lay off positions

determined less essential to achieving the division's mission. This target is allocated between the divisions based on the number of authorized positions in each division divided by the total authorized positions in the Department. The following table displays the Division and the allocation of this portion of the target.

Division	PFT	PPT	Non-Perm	Total Positions	% of Total Positions	Target Amount
Alaska Pioneer Homes	557	49	40	646	17.6%	88.0
Behavioral Health	304	15	27	346	9.4%	47.1
Children's Services	475	2	7	484	13.2%	65.9
Health Care Services	91	-	7	98	2.7%	13.4
Juvenile Justice	467	5	18	490	13.4%	66.8
Public Assistance	528	9	-	537	14.6%	73.2
Public Health Senior and Disabilities Services	519	16	15	550	15.0%	74.9
Commissioner's Office/FMS	119	1	3	123	3.4%	16.8
Boards and Commissions	357	1	17	375	10.2%	51.1
	19	-	2	21	0.6%	2.9
Totals	3,436	98	136	3,670		500.0

Senior Benefits Program - \$500.0 GF

The new Senior Benefits Program helps low-income seniors who are at least 65 years of age remain independent in the community by providing a monthly cash benefit.

During a special session in late June 2007, the Alaska Legislature passed legislation to create a new program to benefit low-income seniors, which followed the sunset and end of the SeniorCare program on June 30. The department successfully transitioned almost 7,000 seniors from the former SeniorCare program to the new Senior Benefits Program, and continues to process applications for individuals newly eligible under the income limits. By FY09, the division expects 11,000 seniors will qualify for assistance under this new program. Individual monthly payments are \$125, \$175 or \$250 depending on the senior's gross annual income. Income limits are tied to the Alaska Federal Poverty Guidelines and will change annually.

The FY09 appropriation for the program includes \$19,662.3 in benefits and \$683.1 for administrative costs. With actual caseload and expenditure data through the end of April, the Department conservatively projects that it will not expend \$500.0 GF of the appropriation by the end of FY09.

Medicaid Client Travel – \$875.2 (\$437.6 GFM/\$437.6 Fed)

The divisions will reduce the Medicaid FY09 Travel Authorization by 2%. The 2% reduction target is calculated based on the 5/27/08 MMIS FY08 projected Travel expenditure of \$43,760.3. Division reductions are calculated based on that division's percentage portion of the total Medicaid authorization times the FY08 projected actual travel expenditure multiplied by 2%. This reduction estimate does not include any savings that may result from an internal review of the State Travel Office by the Department of Administration.

Medicaid Services Transportation

Estimated FY08 Actuals as of 5/27/08 43,760.3

<i>Division Allocation based on FY08 Exp to Date</i>			Total	GF Portion
DHCS	876,032	57.3%	(501.5)	(250.8)
DBH	168,921	14.3%	(125.3)	(62.7)
OCS	16,146	1.4%	(12.0)	(6.0)
DSDS	318,610	27.0%	(236.4)	(118.2)
Total Services Transportation		100.0%	(875.2)	(437.6)

Agency Travel – \$134.5 GF

Each division will reduce the FY09 Travel line allocation within its programs by 2%. This reduction estimate does not include or reflect any savings that may result from an internal review of the State Travel Office by the Department of Administration.

FY09 DHSS Travel Budget by Appropriation

Alaska Pioneer Homes	24.3	(0.5)
Behavioral Health	617.0	(12.3)
Children's Services	1,026.7	(20.5)
Adult Preventative Dental Medicaid Services	-	
Health Care Services	179.9	(3.6)
Juvenile Justice	415.8	(8.3)
Public Assistance	666.8	(13.3)
Public Health	2,646.5	(52.9)
Senior and Disabilities Services	304.5	(6.1)
Departmental Support Services	455.9	(9.1)
Boards and Commissions	388.3	(7.8)
Human Services Community Matching Grant	-	
Community Initiative Matching Grants	-	
Agency Total	6,725.7	(134.5)

Additional Medicaid Program - \$3,187.9 GF

The final portion of the target will be achieved through actions by the Division's within their portions of the Medicaid program to reduce expenditures. The Division's portion of the target will be achieved by allocating the reduction between the divisions based on their portion of the

FY2008 Medicaid expenditures similar to the Medicaid Client Travel above. However, given the sensitivity around children in the custody of the state the small amount (43.6) allocated to the Office of Children's Services has been reallocated to the Division of Health Care Services.

Division of Health Care Services	(1,870.4)
Division of Behavioral Health	(456.5)
Division of Senior & Disability Services	<u>(861.0)</u>
Total	<u>(3,187.9)</u>

- cc: William Hogan, Commissioner
William J. Streur, Deputy Commissioner
Jay Butler, Chief Medical Officer
Sherry Hill, Assistant Commissioner
Wilda Laughlin, Special Assistant
HSS Division Directors
HSS Administrative Managers

Brown, Joan A (GOV)

From: Bell, Guy B (DOL)
Sent: Thursday, July 31, 2008 10:46 AM
To: Towne, Barbara L (GOV); Brown, Joan A (GOV); Rehfeld, Karen J (GOV)
Cc: Helms, Michael E (DOL); Bishop, Clark C (DOL); Stone, David (DOL); Endicott, William D (DOL); Keith, Brynn (DOL); Hegg, Paul S (DOL); Mitchell, Grey R (DOL); Lisankie, Paul F (DOL); Geldhof, Corine S (DOL); Nelson, Thomas W (DOL); Esposito, Fred W (DOL); Walsh, Cheryl A (DOL)
Subject: FY 09 GF Lapse Projection.xls
Attachments: FY 09 GF Lapse Projection.xls

I have enclosed our general plan to reach the general fund savings target. We hope to achieve the target by managing travel and personal services costs. Specific actions include the following:

1. Data Processing Section will delay the hiring of a position to implement Chapter 92, SLA 08. This position is critical to our achieving the security requirements contemplated in Chapter 92, but given that we have just completed the classification process and given the hiring timeline, we feel we can achieve the proposed level of savings.
2. Various components have had some difficulty recruiting and while we continue to actively pursue qualified candidates for critical positions, we believe the extended vacancy in some areas will enable us to manage toward a general fund lapse.
3. Other components are identified for modest general fund savings that we think are achievable through prudent management.

If circumstances arise in specific components that require adjustments we will keep you apprised.

Guy

Department of Labor and Workforce Development
 FY 09 General Fund Lapse Projection

Component	Total GF	GF Red.	Notes
Commissioner's Office	\$ 658.5	\$ 4.4	Travel Management
Management Services	\$ 184.6	\$ 12.0	Vacancy Management
Data Processing	\$ 426.7	\$ 25.0	Delay hire of position to implement Ch. 92, SLA 08.
Labor Market Information	\$ 1,242.2	\$ 8.0	Vacancy Management
Workers' Compensation	\$ 3.3	\$ 3.3	Restrict GF and manage cost of travel, contractual, personal services.
Second Injury Fund	\$ 0.2	\$ 0.2	Restrict GF and manage cost of travel, contractual, personal services.
Wage and Hour	\$ 1,588.8	\$ 40.0	Delay maint. of new Certified Payroll System-system development is still underway
Mechanical Inspection	\$ 1.3	\$ 1.3	Restrict GF and manage cost of travel, contractual, personal services.
Employment & Training	\$ 1,312.8	\$ 128.0	Adjust funding distribution for Tok/Glenallen PCN's/delay hiring some PCN's
Unemployment Insurance	\$ 942.4	\$ 42.0	Vacancy Management
Business Services	\$ 2,323.8	\$ 5.0	Vacancy Management
AVTEC	\$ 4,783.2	\$ 5.0	Vacancy Management
VR Administration	\$ 3.9	\$ 3.9	Restrict GF and manage cost of travel, contractual, personal services.
VR Client Services	\$ 3,897.3	\$ 50.0	Vacancy Management
Disability Determination Unit	\$ 1.9	\$ 1.9	Restrict GF and manage cost of travel, contractual, personal services.
		\$ 330.0	


MEMORANDUM

STATE OF ALASKA

Department of Law

To: Karen J. Rehfeld, Director
Office of Management and Budget

Date: July 31, 2008

From: Talis Colberg, Attorney General
Department of Law 

Subject: FY2009 General Fund
Savings Plans

CONFIDENTIAL: DELIBERATIVE PROCESS PRIVILEGE

OMB has requested the Department of Law propose a savings plan for FY2009 that will generate \$1,030,000 in general fund cost savings. We have identified the following areas where general funds can be saved.

RDU	Component	Description	FY2009 General Fund Savings	Potential Carryover to FY2010
Civil	Commercial and Fair Business	Move \$200,000 in existing unused SDPR authority from Labor and State Affairs to Commercial and Fair Business and expended additional consumer protection program receipts instead of general funds	\$200,000	\$200,000
Civil	Human Services	Lapse the majority of the \$500,000 Curyung multi-year supplemental. The case appears to be settling and the Dept had minimal costs during FY08. NOTE: If the status of the settlement suddenly changes we could have to revisit this item.	\$475,000	
Criminal	2 nd Judicial	Fund Barrow Victim Witness Paralegal with federal earmark money from July 2008 – September 2009 (new PCN approved in FY09 budget)	\$106,200	\$26,550
Criminal	OSPA	Recruitment time will result in estimated start dates of the new Attorney and LOM of Sept 1, 2008 (2 mos x \$35,000/month)	\$75,000	
Criminal	4 th Judicial	The current lease will renew in November 2008 at a lower rate as the cost of amortizing leasehold improvements drop off.	\$78,000	\$78,000

All	Various	Slow down PC replacement cycle (currently 3 years)	\$95,800	\$37,500
		Total	\$1,030,000	\$342,050

Approximately 33% of the FY2009 savings will carry forward into FY2010. Following is a discussion of other constraints facing the Department as it moves into the FY2010 budget planning process.

Civil Division Billing Methodology:

Over \$29 million of the Civil Division's costs are captured for accounting purposes in a cost allocation pool. From there these costs are billed out to the Division's clients based upon actual attorney and paralegal hours worked on cases times a uniform billing rate. "Clients" are either RSA's with other agencies or the Division's own general fund. Reduction in charges to any RSA or to general funds can happen one of two ways -- either the billing rate is reduced (which affects all clients) or fewer hours are billed (which affects only the client being billed to).

Reduce hourly billing rate: First, the hourly billing rate can be reduced by cutting actual costs in the pool. On average, 51% of our professionals' time is billed to the Division's general funds. Every dollar saved in the pool by the direct reduction of costs only equates to 51 cents in savings to general fund cases -- the other 49% benefit is passed along to other agencies when time is billed to them. Or stated differently, to reduce billings to the Division's general funds by \$1 a total of \$1.96 in costs must be cut from the pool. This equitable sharing of costs across all matters the attorneys work on makes the exercise of finding general fund specific savings extra burdensome for the department.

Reduce the number of hours billed: The second way to reduce charges to the general fund would be to reduce hours worked on matters funded from the Division's general fund. A quarter of the Division's general fund is used to cover work on human services and child protection -- areas that do not readily lend themselves to simply not performing the work as a way of reducing the dollars billed. Another 30% of the Division's general funds are spent on oil and gas related matters. Because the nature of this work requires the department to engage expensive outside counsel and continues to be an area of heavy investment by the State, the Division has sought supplementals and increments for the last few years. For all intents and purposes attempts to save money in this area will simply result in a subsequent supplemental.

The remaining 45% of the Division's general fund billings are primarily in the areas of Labor and State Affairs, Opinions and Appeals and Statehood Defense. These billings include matters such as representation of the State in significant civil appellate matters (approximately 100 active cases at any time) before the Alaska Supreme Court, Ninth Circuit and U.S. Supreme Court; legal matters relating to Indian law, native sovereignty, federal subsistence, land into trust, Tongass National Forest, ANSCA, RS 2477, ANILCA access rights; ownership of navigable waters; involvement in ethics, elections, personnel and employment litigation; and advice for the State acting as an employer as well as legal advice when requested by the Offices of the Governor and Lt. Governor.

Lease Expirations:

Our lease in Anchorage is expiring and the Division of General Services has estimated the increase to market rate with the signing of a new lease will result in an additional \$1.5 million in rent per year. As a result, in FY 2010 roughly \$510,000 in general funds will be required for the Criminal Division as well as \$485,000 in additional interagency authority and \$505,000 in general funds for the Civil Division. The Civil Division's share will be charged through the pool and is likely to require us to raise our billing rates approximately \$2.00/hour.

Our Bethel and Kenai offices are currently functioning seriously below the state's space standards. We are currently investigating the availability of additional space and determining the actual expected increase in costs.

Personnel Services:

HB417: The passage of HB417 was accompanied by a fiscal note that did not include the effect to the Department of Law of dozens of attorneys suddenly receiving pay increments years in advance of when longevity increases would have happened (or as in the case of those at M step resulted in pay increments to those who would otherwise have never seen another increase other than COLA). The costs to us in FY2009 alone will be \$235,000.

During the FY2007 budget process, the Civil Division's Statehood Defense general funds were cut and replaced with carry forward reappropriated funds. As we stated at the time, we believe the reappropriated funds will cover the reduced general funds through FY2009 but we will need to seek replacement general funds in FY2010.

Federal Funds:

The Criminal Division received two multi-million dollar earmarks in 2004 to fund expanded work in the areas of rural prosecution and domestic violence and sexual assault. These funds expire in FY2009 and FY2010. We are anticipating carry-over funds and are proceeding with requests to extend with the appropriate federal agency but the exact impact to our FY2010 budget is still undetermined.

Karen, we look forward to our meetings with you and the Chief of Staff in August to further discuss these items.

MEMORANDUM

State of Alaska

Department of Military & Veterans Affairs
Division of Administrative Services

TO: Lena Simmons
Budget Analyst
Office of Management and Budget

DATE: August 4, 2008

FROM: Susan Colligan
Director

SUBJECT: FY09 Cost Savings
Plan

The Department of Military and Veterans Affairs has followed Governor Palin's direction during her administration regarding budget expectations. DMVA has met or exceeded the expectations of no O&M Supplemental in SFY08 and a "No Growth" budget for SFY09. At this time we have not been able to identify any additional savings that would not impact the effectiveness of our programs and our mission.

As you know DMVA is responsible for the Army and Air National Guard military force, the State Defense Force, Alaska Military Youth Academy, Homeland Security and Emergency Management, and the Naval Militia, being fully prepared to protect Alaska from any threat, disaster, or emergency at all times. This can only be accomplished with adequate resources of military and civilian personnel and support costs to maintain the necessary infrastructure in preparation and response to any threat, disaster, or emergency. As a department with the responsibility of the military forces for protection, preparedness, and recovery, it is important to ensure that we do not jeopardize our ability to respond to our mission by reducing necessary resources with cost savings measures.

We are willing to look at our budget over time and identify any additional savings that might be available.

We look forward to discussing this information with you. Please contact me at 428-6881 if you have any questions.

MEMORANDUM

State of Alaska

Department of Military & Veterans Affairs
Division of Administrative Services

TO: Lena Simmons
Budget Analyst
Office of Management & Budget

DATE: August 19, 2008

FROM: Susan Colligan
Director *Susan Colligan*

SUBJECT: FY09 Savings Plan

Per your request of August 13, I am providing additional information on how this department has continued to hold the line in the operating budget. As we stated before, the Department of Military and Veterans Affairs has followed Governor Palin's direction during her administration regarding budget expectations.

In FY2008, the department contributed to the Governor's target reduction request by: discontinuing the JROTC program which resulted in a \$40.0 general fund reduction; reduced general funds related to publication distribution by \$25.0; cost savings of approximately \$215.0 in general funds through efficiencies in facility maintenance costs; and deleted a net of nine permanent full-time positions department-wide resulting in a reduction of approximately \$233.0 in general funds.

The Department submitted a no new growth FY2009 budget as requested by the Governor. It is our understanding that DMVA was the only department to follow the Governor's direction of no new growth. The department also adhered to the Governor's direction of no position increases in the budget.

Additionally, the department proposed efficiencies through consolidation of Information Technology Services and Procurement. This consolidation will allow for better management and support of these functions across the entire department. Although no specific savings has been identified with these consolidations, efficiencies will allow for maintaining required staffing levels to provide the department-wide support in a more accountable and efficient manner.

Another important thing to consider with DMVA's budget is that while DMVA has not asked for new funding per the Governor's direction, other departments have. As a result the base funding level to find "savings" is much tighter for DMVA than other agencies that have seen increased funding requests under this Administration.

With those points made, DMVA is committed to help the Palin Administration meet the goal of reducing spending, but cannot identify specific dollar savings at this time. However, the department will monitor use of overtime, travel, and contracting costs where possible without impairing its ability to meet its mission and requirements of the Federal/State Cooperative Agreement.

If you have any further questions, please contact me at 428-6881.

cc: John Cramer, Deputy Commissioner
Laura Baker, Deputy Director, DAS
Teri Clark, Budget Analyst



400 Willoughby, Suite 500

PO Box 111010

Juneau, AK 99811-1010

TO: Karen J. Rehfeld, Director
Office of Management and Budget

FROM: Leta Simons, Director
Support Services Division

THRU: Tom Irwin, Commissioner

DATE: July 18, 2008

RE: FY09 General Fund Savings Plan

The Department of Natural Resources has developed a FY2009 savings plan as requested by the Office of Management and Budget in the memo dated June 26, 2008. The targeted savings for DNR is \$1.24 million, approximately 1% of our operating budget for FY09.

FY09 SAVINGS PLAN

DNR will realize cost savings for FY09 by restricting transfers from the Personal Services line item, thereby allowing excess funds due to vacancies to lapse rather than be transferred for use in other line items. Savings estimates by component are detailed on the attached spreadsheet. Actual savings may differ from this initial plan. We will monitor the variance between budgeted and actual Personal Services expenditures quarterly, and recommend adjustments as needed.

IMPACT

For all components, the impact will be the same. Funds that were previously available to purchase office furniture and equipment, pay down DNR's leave balance, conduct special events such as the AGIA forum, pay for unexpected buildout and move expenses, purchase software and other technology resources that became available, cover increases in the cost of facilities and commodities, and otherwise cover a variety of unexpected and under-budgeted expenses will not be available in FY09. A tighter budget with reduced margin for error will likely result in an increase in the amount of time spent on budget management and a decrease in time devoted to program management and service delivery.

DNR FY09 Cost Savings Plan
 Details by Component

	Component	Line Item	Planned Savings
423	Commissioner's Office	Personal Services	-
424	Administrative Services	Personal Services	48,400
427	Information Resource Management	Personal Services	-
439	Oil & Gas Development	Personal Services	465,500
2847	Petroleum Systems Integrity Office	Personal Services	129,700
1191	Pipeline Coordinator	Personal Services	2,200
2680	Alaska Coastal and Ocean Management	Personal Services	75,000
2733	Large Project Permitting	Personal Services	-
2460	Claims, Permits & Leases	Personal Services	184,300
2456	Land Sales & Municipal Entitlements	Personal Services	-
2459	Title Acquisition & Defense	Personal Services	105,300
916	Water Development	Personal Services	49,000
2440	Director's Office/Mining, Land & Water	Personal Services	-
435	Forest Management & Development	Personal Services	16,700
2132	Non-Emergency Hazard Mitizagion Projects	Personal Services	-
1031	Geological Development	Personal Services	24,800
802	Recorder's Office/Uniform Commercial Code	Personal Services	-
455	Agricultural Development	Personal Services	-
2204	North Latitude Plant Material Center	Personal Services	41,100
2235	Agriculture Revolving Loan Program Admin	Personal Services	-
2633	Conservation and Development Board	Personal Services	16,600
2441	Public Services Office	Personal Services	-
1199	Trustee Council Projects	Personal Services	-
1650	Interdepartmental Information Technology Chargeback	Personal Services	-
1635	Mental Health Trust Lands Administration	Personal Services	-
2225	Citizen's Advisory Commission on Federal Areas	Personal Services	19,800
2226	RS 2477/Navigability Assertions and Litigation Support	Personal Services	-
2705	Fire Suppression Preparedness	Personal Services	20,800
451	State Historic Preservation Program	Personal Services	-
452	Parks Management	Personal Services	33,700
2136	Parks & Recreation Access	Personal Services	7,100
			<u>1,240,000</u>



STATE OF ALASKA
Department of Public Safety
MEMORANDUM



To: Karen Rehfeld, Director
Office of Management & Budget

Date: February 4, 2009

Telephone: 907-465-5488

From: Dan Spencer, Director
Administrative Services

Subject: FY09 Savings
Target

The Department of Public Safety has examined our budget and business practices to consider the means by which we might achieve the Governor's targeted general fund savings of \$2,280,000 for this department. Obviously, we will do our best to make efficient use of state resources and where possible we will make processes more efficient, so long as those efficiencies do not come with an unacceptable cost in effectiveness nor cause a significant drop in services we provide unless we have discussed that with the Governor's Office.

So far as it is practical and prudent we may reduce staff assigned to special events, curtail some lower priority enforcement activity, and take other measures that will not significantly reduce services. We will also work to implement technological improvements funded in the FY09 capital budget; this will not provide operating budget savings in FY09, but it will help us provide better service in a cost effective manner. We have already planned measures such as targeted use of airline miles to hold down increasing travel costs for recruiting and training.

However, unless we immediately reduce services significantly, I do not expect the department to lapse this amount of general funds. My assessment of our fiscal situation is that the department will need a multi-million dollar FY09 supplemental appropriation if we intend to continue to provide the same level of services in FY09 as we did in FY08. Our efforts to save money may reduce the amount of supplemental appropriations required, but will not eliminate the need.

As you know, the Governor requested more than \$4 million in supplemental appropriations for the department in FY08. The legislature did not fully fund that request and the Alaska State Trooper RDU was forced to reduce services to save more than \$900,000 in the last two months of FY08. In recognition of the FY08 supplemental needs, the Governor's amended FY09 budget included an increase of about \$3.4 million just to ensure a continuation level of service. That amount was reduced by more than \$1.3 million. Additionally, the legislature inadvertently failed to appropriate more than \$650,000 for the Anchorage prisoner transportation agreement even though we are providing those services, so that will need to be requested as supplemental funding. And finally, rising inflation for all facets of operations, not just for fuel, will almost certainly drive our cost of operations even higher.

The managers and staff of the department are serious about being good stewards of public funds and accomplishing our mission in a cost effective manner. Unfortunately, we cannot at this time tell you that we have any realistic expectation of lapsing enough general funds to meet the savings goal established for the department.

As always, I would be happy to answer any questions you may have.

State of Alaska
Department of Revenue
Administrative Services Division



SARAH PALIN, GOVERNOR
333 Willoughby Avenue, 11th Floor
P.O. Box 110400
Juneau, Alaska 99811-0405
Phone: (907) 465-2300
Fax: (907) 465-2394

MEMORANDUM

To: Karen Rehfeld
Director
Office of Management & Budget

Date: August 1, 2008

From: Jerry Burnett *JOB*
Director
Administrative Services Division

Phone: 465-2312

Subject: FY2009 GF Savings Plan

In response to the Governor's request that departments collectively meet a savings target of \$20 million general fund for FY2009, the Department of Revenue proposes the following savings plan to meet its target of \$390.0.

General funds in the Department of Revenue exist primarily in the Tax Division, which accounts for over 81% of the department's general fund budget. The Treasury Division has about 9%, and the Commissioner's Office and Administrative Services have 1.4% each. The remaining general fund is spread in small amounts amongst minimally funded agencies such as the Long-term Care Ombudsman.

The operating budgets for Treasury, the Commissioner's Office and Administrative Services each contain a mix of funding sources that are based on cost allocation plans and indirect cost recovery. The general fund in these budgets serves to supplement the receipt-based allocation methods that are used, reduces the amount that must be charged back to GF-funded programs, and provides funding for costs that aren't otherwise allocable. For example, Treasury allocates the cost of managing the investments of the state's general fund to the GF in their budget; this cost isn't allocable to other funds being invested by Treasury. With the increase in the state's general fund accounts, Treasury may actually require an increase of GF in their budget in order to maintain proper cost allocation. Removing general funds from these three components is not recommended, due to the effect on other funds and other components cited above.

In order to meet the general fund reduction target, the department must look to the Tax Division. The largest cost in the Tax Division's budget is personal services, which accounts for 78% of its overall funding. Because this division has had high vacancy rates of up to 20% in recent years, much effort has gone into the recruitment and retention of tax auditors and other staff critical to meeting the division's mission of collecting revenues for use by state government. Currently we have managed to reduce the vacancy to near 12% which is the lowest level in several years, but the Tax Division continues to have turnover and it will require aggressive recruitment to maintain that level.

August 1, 2008

Page 2

To achieve savings of \$390.0, the equivalent of four tax auditor positions would need to be left vacant for one year. This is in addition to the positions which will be held vacant to meet the budgeted vacancy factor of approximately 10%. The actual positions held vacant will be determined by the division based on workload priorities. The division will supplement personal services savings by reducing travel whenever possible.

During the 2008 legislative session the Tax Division requested funding for four audit master positions that were established as part of the ACES legislation passed during the special session in 2007. This request was short-funded by the legislature in the amount of \$200.0 with the expressed intent that the Tax Division would be able to ask for supplemental funding in FY2009 if the positions are filled. The Tax Division's general fund increment request to implement ACES was further reduced by an additional \$473.2 from the FY2009 Governor's Amended budget. When combined with the \$390.0, the division will receive a total general fund reduction in their current year budget of \$1,063.2.

To minimize the impact of this reduction on the Tax Division, the Department of Revenue intends to closely review all line items and programs for potential savings as part of the management plan budget exercise and will continue to work with OMB to achieve the Governor's savings goals.

cc: Pat Galvin, Commissioner
Marcia Davis, Deputy Commissioner
Brian Andrews, Deputy Commissioner

MEMORANDUM

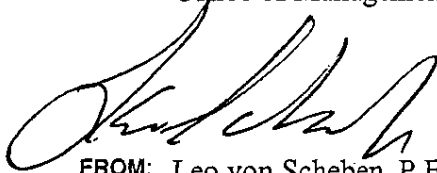
State of Alaska

Department of Transportation & Public Facilities
Office of the Commissioner

TO: Karen Rehfeld, Director
Office of Management and Budget

DATE: August 4, 2008

TELEPHONE NO: 465-3901
TEXT TELEPHONE: 465-3652
FAX NUMBER: 586-8365



FROM: Leo von Scheben, P.E., L.S., M.B.A.
Commissioner

SUBJECT: FY09 Operating
Savings

This is in response to your memo of June 26, 2008, requesting our department savings plan for FY09. Over the years the department has been faced with maintaining services at fairly flat funding levels and staff have implemented many cost efficiencies as a result. For example, DOT&PF has warehouses in Juneau, Anchorage, Fairbanks and Ketchikan that allow the purchase of supplies in quantity at lower prices and then distribute and charge those supplies as they are needed. I am including a list of program efficiencies that are either currently being implemented or plan to be implemented in the future.

Alaska Marine Highways

- Starting Oct. 1, 2008, the Alaska Marine Highway System will commence the use of "Force Account" work. Force account work allows the use of the State's own workforce, when the costs are determined to be less than with a bid contract. A labor-cost comparison indicates that as much as \$599.0 could be saved by using vessel engineering staff as opposed to outside manufacturer's labor.
- During the last overhaul of the M/V Aurora, an electronic voyage power management system was installed. This system controls the vessel's power and speed settings to effect fuel consumption savings. With the setting of the departure point, arrival point and time-to-destination, the system controls the engines, via the most efficient means, bringing the vessel to its destination - taking into account all the external forces the vessel may encounter. The Aurora is seeing a fuel savings of over 12% as a result of this computerized control system. This new system cost \$250.0 to install through a federal project and is projecting a fuel costs savings of \$378.0 this year (based on fuel at \$4.00/gallon). AMHS plans to install this system aboard 9 vessels as they rotate through their federal overhaul projects.

Highways and Aviation

- Implementation of "pave and trade" road projects where state owned facilities are improved to local government standards and then turned over to the local governments for ownership and responsibility for maintenance. Such has taken place in Petersburg, Juneau, Wrangell, Haines, Wasilla, Palmer and Anchorage. Estimated annual savings is \$109.5.
- Reimbursing employees for use of personal aircraft to reduce commercial travel costs for maintaining outlying rural airports. Estimated annual savings is \$8.0.
- Reducing overtime. Estimated annual savings is \$500.8.

"Providing for the safe movement of people and goods and the delivery of state services."

- Installation of magnetic cards and readers at bulk fuel tanks at maintenance stations to monitor fuel consumption and theft protection. There is no estimate of savings at this time.
- Increased heavy equipment size to accomplish more highway snow/ice removal work, with same labor hours. Estimated annual savings is \$300.0.
- Acquired modern, secure/dedicated frequency FM-band radios, both vehicle-mounted and hand-held, to provide much better communication and field execution efficiency with available personnel. Estimated annual savings is \$100.0.
- Deployed RWIS (Road Weather Information system) to have remote cameras and thermo-sensors to dispatch crews more timely and efficiently. Estimated annual savings is \$25.0.
- Now post all seasonal weight restriction notices on Public Notice website, thus informing many more users without answering phone calls or paying for newspaper notices. Estimated annual savings is \$25.0.
- Applying dust control products on roads and airports as well as winter road icing practices has helped us decrease overall maintenance cost by retaining fines, and reducing frequency of surface maintenance. Estimated annual savings has been \$400.0.
- Established a statewide training program for Equipment Operators. Adequately training operators provides for efficiencies in work and repair of equipment. This has reduced the cost of preventable accidents by reducing damage to state equipment. We have seen a 40% reduction in equipment damage which is about \$150.0 cost savings per year. Savings could also result from less damage to other items such as overhead doors and airport lighting. These can range from \$20.0 to \$50.0 per incident.
- Installation of LED lights in all traffic signals in the Anchorage District. Estimated annual savings is \$350.0.

Facilities

- Participated in the Energy Performance Contract for three of our large energy consuming facilities: Aviation Avenue Building, Department of Public Safety Headquarters, and Anchorage Annex Building. Cost savings are used to pay for upgrades to facilities. Once upgrades are paid for, all savings are available for reallocation or cover rising cost of utilities. Annual savings is \$63.5 which covers the cost of the Siemens contract. These improvements include:
 - a. Installing new energy efficient lighting
 - b. Add motion light sensors
 - c. Install Direct Digital Controls for HVAC fans to shut down in the evening
- Reducing heating fuel for remote snow removal equipment buildings. Installation of low temperature "fixed" thermostats at our SREBs. Our contractor maintained airports were using too much fuel relative to contracted work activities. We installed tamper proof thermostats set at 45 degrees in the SREBs. This effort, in conjunction with aggressive control of available funding allowed NR SREB heat to come in on-budget vs. over-budget in prior years. Estimated annual savings is \$65.0.
- Installed Variable Frequency Drive Fan motors in the Boney Court Facility saving over \$25.0 annually in electric costs.
- Retrofitted lighting at the Anchorage Boney Court Building with new energy efficient T8 lighting saving an average of \$3.0 per month or about \$36.0 annually in electric costs. Transition to T-8 florescent has improved our electrical efficiency in upgraded buildings by 10% over the past ten years. There is an initiative in progress to retrofit our Tok, Tazlina, and Valdez buildings to even more efficient T-5 technology lamps. Occupancy sensors

"Providing for the safe movement of people and goods and the delivery of state services."

- reduce lighting costs and have been retrofitted in many of our buildings. All new buildings incorporate them. Northern Region estimated annual savings is \$100.0.
- Installed high efficiency boilers in the Department of Public Safety Headquarters, Anchorage Boney Court and Kodiak Griffin facilities saving approximately 20% in gas consumption. Estimated annual savings is \$27.2.
 - Replaced roofs on Anchorage Building Maintenance Building and on the Ninilchik, Kalsin Bay and Chulitna Maintenance Stations with energy efficient roof systems reducing heating oil consumption by 20% and 15%. Estimated annual savings is \$6.5.
 - Installed insulated thermo pane windows at the Bethel Combined Facility reducing heating fuel consumption by 10%. Installed insulated thermo pane windows at the Juneau, 7-Mi facility. Estimated annual savings is \$1.2.
 - There are ongoing energy projects to retrofit many of the older existing facilities with upgraded high efficiency lighting. Estimated savings could be 25% of lighting costs.
 - Altered heating and cooling set-points in many facilities to 68 degrees for heating and 72 degrees for cooling. The impact of this measure has not been determined at this time.
 - Smart building technology. New construction and some retrofitted buildings have Direct Digital Control systems that improve fuel and electric efficiency while improving the comfort level of occupants. This technology enables remote monitoring and control of the buildings which drastically cuts employee time/travel to them. In addition, system alarms and trending identifies failing components before they fail, reducing overall repair cost. Estimated annual savings is \$100.0.
 - Alternative schedules for Roving Crew. The 7on/7off schedule reduces "windshield time" and increases productivity. The crew works remote jobs and stays onsite for their shift, eliminating commute time and overall cost. The LOA pays them long term per diem vs. the higher cost short term. This has enabled completion of projects that would otherwise be too costly to consider. Estimated annual savings is \$40.0.
 - Dispatching personnel by trade. This major organizational change greatly improved efficiency. Previously Facilities personnel were each assigned buildings. Some buildings needed more attention than others which caused inefficiencies. Now personnel are dispatched centrally by trade. If the building needs plumbing work, a plumber is dispatched. If there is an electrical problem, an electrician is sent. The respective district foremen dispatch staff for optimum use of available staff. Estimated annual savings is \$30.0.
 - Northern Region mandated many of the LTC employees to achieve a Journey level in a second trade. Many jobs can be completed by a single employee as a result. We have been able to defer staffing increases as a result. Estimated annual savings is \$160.0.
 - Locking fuel tanks. While we have found no lock stops a determined thief, locks installed on our fuel tanks have reduced fuel theft. With the rising fuel cost, this is going to be more of a problem than ever. Estimated annual savings is \$50.0.
 - Installation of "heat recovery" systems at our diesel generator powered facilities. These systems recover wasted heat from the diesel's cooling system. Instead of using a typical radiator, we route the coolant through a heat exchanger and use it as heat in our buildings. These systems reduce station heating fuel consumption by up to 40% depending on the size of the shop. Estimated annual savings is \$200.0.
 - Use of thermographic cameras. These cameras allow us to "see" where our heat loss is. We have used camera data to make decisions on door and window replacement, weather stripping, and insulation projects. This is new technology we began using in FY08. No

"Providing for the safe movement of people and goods and the delivery of state services."

- savings data is available, but it is very obvious it can be a big heating (and cooling) cost saver. Estimated annual savings is \$40.0.
- Right tools for the job. To cover all buildings situated throughout Northern Region with only 40 maintenance technicians, having the right tool for the job is critical. Investment in tools has improved job efficiency by reducing necessary manpower and "gofer" trips to rent or buy the proper tool. Estimated annual savings is \$60.0.
 - Computerized Maintenance Management System. We have implemented a system that streamlines administration of the workforce documentation. Face to face communications are reduced by inputting data remotely that is reviewed and approved by management. The system called the Buildings Interface includes all aspects of building management. Workers check the computer to view assigned jobs, record data including time, parts, materials, actions taken and status. The system maintains a searchable database of completed, in progress, and scheduled work. Workers do not have to wait in line to receive their jobs for the day or week. They know in advance and plan accordingly. Since all workers log on daily, it serves as a bulletin board for group communications. Estimated annual savings is \$120.0.
 - Conversion to oil fired hydronic heat. All Peger Road complex buildings were built with electric heat. We have converted most buildings to hydronic heat and realized a 15% energy cost savings. With the rising cost of fuel oil however, this savings may be eroded. Estimated annual savings is \$100.0.

Measurement Standards and Commercial Vehicle Enforcement (MSCVE)

- Movement of MSCVE to Virtual Servers (VMWare) which will realize a savings of \$14.4 in 2009 in server costs alone, and will have additional savings throughout the subsequent years. Virtualization essentially lets one computer do the job of multiple computers by sharing the resources of a single computer across multiple environments. Virtual servers and virtual desktops will allow MSCVE to host multiple operating systems and multiple applications locally and in remote locations, freeing MSCVE from physical and geographical limitations. The Information Services section of Administrative Services Division is looking at this for possible efficiencies in other areas of the department.
- MSCVE purchased a 100/500 gallon prover to be placed in Dutch Harbor this past year. To move the prover to various locations as needed during the testing of fuel meter devices, MSCVE acquired an X-class extended cab pick-up truck. This will allow MSCVE to no longer ship a truck and prover to Dutch Harbor for the annual inspections. This will result in a cost savings of \$3.0 or more each subsequent year.
- MSCVE will be moving toward the automation of the load analysis impact on bridge structures for overweight permits. This automation should increase the efficiency of the Commercial Vehicle Customer Service Center in the number of permits issued by 12%. This increase in efficiency will reduce overtime needed to process permits as well as increase the revenue received. It will also eliminate any potential errors of these impact calculations, protecting public infrastructure.
- Measurement Standards is often requested by a company to go to a site for a special inspection or for a re-inspection of devices. The companies agree to pay for all costs associated with the trip using our Device Inspection Request form. In FY08, MSCVE increased RSS by \$30.0 and in FY09 an additional \$5.0 to offset the expenditure to travel to these locations. Prior to this increase in RSS, these expenditures were funded by GF/GOR and caused a shortfall in the travel budget every year, affecting regularly scheduled trips to inspect devices to assure market place confidence and equitable trade.

"Providing for the safe movement of people and goods and the delivery of state services."

Construction

- Eliminated the Construction/M&O Director at a position savings of \$153.0.

Transportation Management and Security

- Keep the Integrated Vegetation Management Coordinator position vacant an additional three (3) months (\$11.8). Delaying the filling of this position will impact the department's ability to address our longstanding brush control issues and the new challenge of noxious weeds infesting our right of ways.

Contracts and Appeals

- The Engineer/Architect II position will be reclassified to a Procurement Specialist position. Since the Design/Build program is up and going, an engineering position is no longer needed. Anticipated savings is expected to be \$32.0.

Administrative Services

- The following vacant positions will be kept open longer resulting in a savings of \$41.6: Accountant III, Administrative Clerk III, and Procurement Specialist II.

Program Development

- Keep two more positions vacant resulting in savings of \$5.5. Leaving these positions vacant could interfere with meeting Federal requirements set by Federal Highways Administration (FHWA). Our solution is to cross train existing staff to cover the FHWA required duties of the vacant positions.

Statewide Design and Engineering Services

- The Division will not complete as many bridge inspections during FY09 as originally anticipated. Those inspections will be delayed until FY10. This will provide an estimated savings of \$20.0.

Department-wide initiatives

- Implemented an electronic procurement system throughout most of the department (still training vessel crew on this program). This is an on-line stock request program that has increased processing efficiencies for purchase and receipt of orders. It has reduced the amount of redundant data entry and has allowed in at least one office to convert a clerical position to an additional procurement position.
- Partially implemented an electronic time sheet program that reduces the amount of data entry and thus errors associated with payroll processing and AKSAS charges to projects.
- Travel is more scrutinized by the regions especially travel that is not specific to a project. Estimated annual savings is \$5.5. Mileage is being used where ever possible – the department's most recent mileage balance is 355,000 which is pretty low for the size of this agency.
- Converted computer replacement schedules to 4 years as opposed to 3 years. Estimated annual savings is \$60.3.
- Software purchases (i.e., Adobe) are not made for all computers which reduces the number of software licenses in use and renewed each year. Estimated annual savings is \$22.8.
- Equipment is being sent in for repair instead of replacement.

"Providing for the safe movement of people and goods and the delivery of state services."

- Implement more sharing of copiers, scanners and plotters between the different sections within the regions. Estimated annual savings is \$32.0.
- The use of cellular phones by each section is monitored closely and reviewed each year to identify areas where costs can be reduced by eliminating phones and changing calling plans. Estimated annual savings is \$4.7.
- Eliminated the agreement with a local courier service to pick up recycling and instead use warehouse staff during their frequent trips between the Juneau offices to deliver recycling to the recycling center. Estimated annual savings is \$1.0.

As you can see, we are dedicated to providing state services in as efficient manner as possible. The past several years have shown that DOT&PF has little to no general fund lapse balances. We have also needed supplemental funding to cover the cost increases associated with fuel, utility and contractual services. I expect that we will be seeking supplemental funding again this year for the same reasons. If further costs savings are required of this agency, then service reductions would be necessary. I am hesitant to offer reductions in Marine Highway service, reduced maintenance on roads, airports and public buildings, or elimination of any positions. I would appreciate your feedback on the items we are presenting to you. If I can be of further assistance, please do not hesitate to call.

cc: Jim Beedle, Deputy Commissioner of Marine Operations
Christine Klein, Deputy Commissioner of Aviation
Frank Richards, Deputy Commissioner of Highways & Public Facilities
Nancy Slagle, Director, Division of Administrative Services

MEMORANDUM

STATE OF ALASKA

*Department of Administration
Office of the Commissioner*

To: Karen Rehfeld
Director
Office of Management & Budget

Date: January 14, 2009

From: Annette Kreitzer
Commissioner



Phone: 465-2200

Subject: Quarterly Reporting on
FY2009 GF Savings Plan

The approved components of the Department of Administration FY2009 GF Savings Plan and second quarter estimates are as follows:

Savings Plan	Savings Target	Est. Jan. 15 Savings	Comments
Division of Finance GF Reduction	\$300.0	\$300.0	Savings will be Achieved.
ETS GF Reduction	\$300.0	Unknown	We continue to be challenged with this target.
Department Personal Services Reduction	\$200.0	\$75.0 - \$200.0	Many divisions should be able to achieve.
R&B Reduction	\$107.6	\$107.6	Savings is achieved.
Year End Lapsing	\$200.0	Unknown	It is too early to estimate amounts. Some of these savings may be difficult to achieve.

Please let me know if you need additional information.

C: Kevin Brooks, Deputy Commissioner
Rachael Petro, Deputy Commissioner
DOA Directors

DCCED 2nd Qtr Savings Plan
31-Dec-08

Component	Savings Plan	Savings Target	1st Qtr Savings	2nd Qtr Savings	Total Savings	Comments
Administrative Services	Cut travel and delay equipment purchases	4.0	1.0	1.0	2.0	Director is not traveling to Anchorage as often (\$2.0 savings) The savings plan is on track.
Community and Regional Affairs	Cut travel & leave positions vacant	16.0	16.0	0.0	16.0	Although it appears that DCRA has met its target (and absolutely plans to meet this target), given the challenges communities now face, DCRA must absorb the following: --\$10.1 for the FY09 contractual increases. --Costs associated with the Ketchikan Gateway Borough lawsuit (DCRA was going to request this in the supplemental bill) The savings plan is on track.
Office of Economic Development	Savings occurred due to delay in hiring two Film Office positions	60.0	42.5	17.5	60.0	A delay in hiring two film positions (\$150.0 appropriated for the positions) has allowed OED to meet its goal. However, achieving additional savings will be difficult for the following reasons: --The two film positions have been hired. --Travel costs for two film positions will be incurred. --OED must absorb another \$1.8 due to contractual salary agreements The savings plan is on track.
Savings Plan Totals		80.0	59.5	18.5	78.0	

STATE OF ALASKA


MEMORANDUM

DEPARTMENT OF CORRECTIONS

Division of Administrative Services
P.O. Box 112000
Juneau, Alaska 99811-2000
Phone (907) 465-3339 Fax (907) 465-3315

TO: Karen Rehfeld, Director
Office of Management and Budget
Office of the Governor

DATE: January 15, 2009

FROM: Leslie Houston, Director 
Division of Administrative Services

PHONE: 465-3339

SUBJECT: FY2009 2nd Quarter General Fund
Savings Plans

The falling price of oil is certainly a mixed-blessing. For the Department of Corrections (DOC), this has alleviated our fears as we anticipated a large fuel cost-related supplemental. The 38% surcharges on our foodstuffs has dropped to less than 4%; our shipping costs have dropped; and most of all, our energy costs in all facilities with the exception of Anvil Mountain (Nome) and Yukon-Kuskokwim (Bethel) have dropped and stabilized. Barring the price of oil rising sharply, we believe we are secure with our level of fuel/energy funding for FY2009.

Following is the updated DOC FY2009 2nd Quarter General Fund savings and efficiencies status report:

- **Savings Plan, \$672.4:** Statewide Probation/Parole V&T- we will meet this savings.
- **Energy Conservation Measures:** We are resubmitting the DOT Energy Savings Plan and DOC Analysis. This is the same document that was submitted with the 1st Qtr Savings Update. Please let us know if you have questions and we can coordinate a teleconference to include Facilities/Project Manager, Charlie Finch.
- **Cost Containment Measures**
 - **Western States Contracting Alliance (WSCA) Standardized Procurement:** this is a multi-state buying consortium contract facilitated by DGS. The first vendor Waxie was found by the DOC to be unresponsive, and in some cases, charging more for products than competing vendors that are not included in the WSCA contract. The second vendor Coastwide (aka Corporate Express) is no improvement. We have determined WSCA purchasing is not cost effective for all of our facilities. The four institutions located in the Anchorage Bowl may eventually realize savings when DGS can secure a reliable vendor, however, the other eight institutions will no longer attempt to participate in the WSCA purchasing process because the products offered are more costly.

The DOC agreed to be a pilot agency for this contract based on the savings we would gain. To date, we have no measurable savings from this contract. We will continue attempting to participate through the 3rd quarter of FY2009, if no improvements are made we will be seeking alternate forms of procurement that are both reliable and cost-effective.

o **Standardized Menu:** We are on target to implement the standardized menu by February 1, 2009. The savings are unknown, we should be able to evaluate savings by the end of FY2009.

o **Out-of-State Liquidated Damage Recovery, \$429.0:** On October 20, 2008, DOC received a check from the out-of-state contract vendor Corrections Corporation of America (CCA) in the amount of \$429.0. These funds are being applied to prior fiscal years 2007 and 2008—there is no savings in FY2009.

If you require additional information, please feel free to contact me directly.

Attachment: Energy Savings Plan

Cc: Joe Schmidt, Commissioner
Dwayne Peeples, Deputy Commissioner
April Wilkerson, Budget Chief

State of Alaska, DOT&PF - Energy Performance Contracting Phase II - DOC Statewide Facilities

Project Goals

- A** - The primary goal of this program is to reduce energy consumption by investing in high efficiency electrical and mechanical equipment with a highly favorable return on investment (ROI).
- B** - Our secondary goal was to utilize the savings generated by the high ROI systems, such as lighting, heat reclaim units, etc. and invest those savings in systems with longer payback periods. We specifically looked at systems that were not being funded via our 6-year capital improvement program due to higher priority items (emergency repairs, etc.) displacing them.
- C** - Our Tertiary goal was to install systems that could reduce the workload on our staff and allow their efforts to be directed on planned maintenance and less on emergency response on antiquated equipment failures.

Project Financial Data

Financed Amount	\$ 9,010,700	Annual Interest Rate	4.3%
Rebates & Down payments	\$ -	Finance Period	15 years
Escrow Interest Earnings (17 Months)	\$ 201,428	Finance Payments / Year	12/Year
Total Project Cost to ADOC	\$ 9,010,700	Interest Payments (Total)	\$ 4,547,038
Annual Utility Savings	\$ 913,329	Energy Escalation	3.5%
Annual Operating Savings	\$ 5,152	Operational Escalation	2.0%
Monthly Lease Payment	\$ 75,109	Number of Lease Payments	198
ROI	15 years	Buy-Out option after Month 25	\$ 9,560,760
Construction Period	18 months	Construction Completion Date	2/28/2009
Energy/Utility Savings (over 15 years)	\$ 13,699,933	ESCO (Siemens) cost	\$ 7,339,895
Operational Savings (over 15 years)	\$ 77,284	SLS (Sylvania Lighting Services Corp.)	\$ 1,670,805
Total Savings	\$ 13,777,217	Total Contract Services	\$ 9,010,700
Maximum Loan term	16.5 Years	Final Scheduled Payment	2/1/2024

Facility Improvement Measures (FIM's)

Lighting Upgrades	FIM # 1.00	New or renovated lighting fixtures
- Lighting Controls	FIM # 1.01	New lighting controls
Water Conservation	FIM # 2.00	Flow control on toilets, shower & laundries
Electrical Motors	FIM # 3.00	Replace with new high efficiency motors
- Variable Frequency Drive Applications	FIM # 3.01	Replace constant speed motors with VFD's
Building Automation System	FIM # 4.00	Replace antiquated and or missing HVAC controls
- Vending Misers	FIM # 4.01	Occupancy Sensor controls
Mechanical Retrofits	FIM # 5.00	
- Heat Recovery	FIM # 5.01	Repair or replace Heat Recovery systems
- Valve Insulation	FIM # 5.02	Provide and install piping and valve insulation
- Burner Replacement	FIM # 5.03	Replace antiquated fuel burning equipment
- Air Handler Conversions	FIM # 5.04	Convert Constant Volume to Variable Air Volume Fan Conversions...
- Return Air Conversions	FIM # 5.05	Convert 100% make up air systems to balanced return air systems

MEMORANDUM

State of Alaska
Department of Education
& Early Development

To: Karen J. Rehfeld
Director
Office of Management & Budget

Date: January 15, 2009

Phone: 465-2875

FAX: 465-3452

File: OMBQuarterly

From: Mark E. Lewis *MEL*
Administrative Services Director

Subject: Quarterly Reporting FY2009

The Department of Education & Early Development has reviewed our targeted general fund savings for the second quarter of FY2009.

Savings Plan	Savings Target	January 15 Savings	Comments
Administrative- Information Services contractual line items	\$10.0	\$5.0	On track to achieve this savings target
School Finance & Facilities personal services vacancy	\$16.9	\$16.9	On track to achieve this savings target
Student & School Achievement personal services vacancy	\$36.5	\$36.5	On track to achieve this savings target
Student & School Achievement contractual line items	\$100.0	\$50.0	On track - IT infrastructure issues may require use of this funding. Other departmental balances will be identified to meet this target.
State Facilities Rent	\$60.0	\$30.0	Funding identified is tied to occupancy date of the new leased facility and build out requirements. EED is tracking progress.
Library, Archives & Museums	\$46.6	\$23.3	On track to achieve savings.
Savings Plan Totals	\$270.0	\$161.7	

**FY 2009 General Fund Savings Quarterly Report
December 31, 2008**

Savings Plan	Savings Target	Dec 31 Savings	Savings Amount
Uncollectible GPPR	\$34,980	\$17,490	On track to achieve this savings target.
In fiscal year 2008 DEC received an appropriation of \$606,500 and 4 positions for the purpose of pipeline compliance oversight and North Slope flow line integrity. The department has encountered extreme difficulties in the classification and recruitment of these four positions. One position has been filled with the incumbent to begin in August, however, we don't expect to fill the other 3 positions until later this year. This is a one time savings and will not be available in FY10.	\$208,520	\$0.00	The return of the GF from the Contaminated Sites component to the Industry Preparedness and Pipeline Operations (IPP) did not occur. Since the vacant positions are in the IPP component the funding source realizing this savings is now Oil/Hazardous Response funding (1052) not GF as originally appropriated. We are continuing to review current spending levels to identify areas in which we may be able to cut back on our GF spending.
This would eliminate \$56,000 in travel agent fees annually and one position estimated at \$70,500.	\$126,500	\$0.00	The managed travel process is still in place so no savings have been realized this quarter. Savings not realized this quarter total \$50,377.
Current balance of the DEC mileage account would allow approximately 50 tickets to be purchased. This would be allocated to a variety of programs.	\$20,000	\$2,087	On track to achieve this savings target. Update of mileage use procedure is completed and mileage usage is on the rise.
Savings Plan Totals	\$390,000	\$19,577	

Department of Fish and Game FY09 General Fund Savings Plan As of December 31, 2008									
Savings Plan Item	Division	Savings Target	1st Quarter savings	2nd quarter savings	Cumulative savings	Comment (update)			
SE Region - leave positions vacant for 3 months	Comm Fish	41.9	20.0	11.9	31.9	PCN expected to remain vacant for about 7 mm. The target amount may not be met if estimated service step increases of 10.0 are unfunded.			
Central Region - leave positions vacant for 3 months	Comm Fish	37.7	37.7	(12.4)	25.3	PCNs have remained vacant for the required 3 mm but the target amount may not be met if estimated service step increases of 12.4 are unfunded.			
AYK Region - leave positions vacant for 3 months	Comm Fish	94.5	94.5	(6.7)	87.8	PCNs have remained vacant for the required 3 mm but the target amount may not be met if estimated service step increases of 6.7 are unfunded.			
WW Region - leave positions vacant for 3 months	Comm Fish	85.0	85.0	100.0	185.0	PCNs have remained vacant for the required 3 mm. The region has identified additional savings due a cancelled project and the availability of other funding sources.			
HQ Fisheries Mgmt - leave positions vacant for 3 months	Comm Fish	284.9	284.9	(100.0)	184.9	While PCNs have remained vacant for the required 3 mm the target amount is not expected to be met due miscellaneous expenditures and if estimated service step increases of 16.6 are unfunded. However, the Westward region has identified additional savings that cover this components savings target.			
CF Special Projects - leave positions vacant for 3 months	Comm Fish	100.2	25.0	25.1	50.1	PCNs have remained vacant for the required 3 mm. The region is on track to meet its savings objective.			

Department of Fish and Game FY09 General Fund Savings Plan As of December 31, 2008		Division	Savings Target	1st Quarter savings	2nd quarter savings	Cumulative savings	Comment (update)
Realize savings due to ongoing recruitment difficulties	Sport Fish	67.9	14.8	15.5	30.3	The target amount may not be met if estimated service step increases of 37.6 are unfunded.	
Wildlife Scientist position - hold vacant for 6 months.	Wildlife Cons	60.0	30.4	29.6	60.0	Held vacant for 6 months. On-Target	
Division vacancies - hold open for an additional month	Wildlife Cons	63.5	18.3	33.5	51.8	On-target	
Reduction in personal services line	Comm office	13.4	4.0	-	4.0	Due to unanticipated moving expenses for two newly appointed staff members, the personal services savings from the deputy commissioner position vacancy is no longer available. The 1st quarter GF savings amount is still valid.	
Reduction in personal services line	Admin Services	42.2	10.0	-	10.0	The division has had to absorb some unanticipated Information Technology costs. In addition, the target amount may not be met if estimated service step increases of 7.0 are unfunded.	
Reduction in printing/lower bid award.	Boards	20.6	20.6	-	20.6	The target has been met. The Board's Support Section was able to procure a new contract for printing for FY09 that was less than last year's costs. This contractual services reduction has allowed for a savings of approximately 20 percent for each legal notice and call for proposals mail out. We are currently working on a multi-year bid for the printing of proposal books.	

Department of Fish and Game FY09 General Fund Savings Plan As of December 31, 2008						
Savings Plan Item	Division	Savings Target	1st Quarter savings	2nd quarter savings	Cumulative savings	Comment (update)
Division of Subsistence	Subsistence	36.2	9.1	-	9.1	9.1 The division is not on track to realize the target savings especially if estimated service step increases of 6.5 are unfunded.
Reduce Contractual Services	Habitat	30.0	6.0	-	6.0	6.0 The Habitat Division has been unable to meet its projected second quarter GF savings plan due the transition from DNR to ADF&G and the associated move costs as well as other contractual and personnel costs. Specifically, line 300 and line 400 funds where we had anticipated savings, will need to be shifted to line 100 to cover a potential shortfall.
Reduce Commodities	Habitat	22.0	5.0	-	5.0	5.0 The Habitat Division has been unable to meet its projected second quarter GF savings plan due the transition from DNR to ADF&G and the associated move costs as well as other contractual and personnel costs. Specifically, line 300 and line 400 funds where we had anticipated savings, will need to be shifted to line 100 to cover a potential shortfall.
Total		1,000.0	665.3	96.5	761.8	

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. Box 110650
Juneau, AK 99811-0650
Phone: (907) 465-3030
Fax: (907) 465-3068

KJE
- Primary

MEMORANDUM

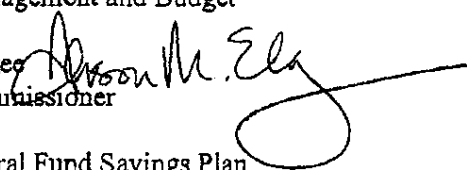
OFFICE OF
MANAGEMENT & BUDGET

DATE: December 30, 2008

JAN 0 8 2009

TO: Karen Rehfeld
Director
Office of Management and Budget

FROM: Alison M. Elgee
Assistant Commissioner



SUBJECT: FY2009 General Fund Savings Plan

In response to the Governor's FY2009 General Fund Savings Plan, the Department of Health and Social Services fully restricted the \$4.7 million general funds allotted as its share. The restrictions will remain in place throughout the year and the impacted entities are monitoring their expenditures to ensure the general funds will not be needed.

Savings Plan	Savings Target	Dec 31 Savings	Comments
Position Management	<\$500.0>	<\$250.0>	On track
Senior Benefits Program	<\$500.0>	<\$250.0>	On track
Medicaid Client Travel	<\$437.6>	<\$218.8>	On track
Administrative Travel	<\$134.5>	<\$67.2>	On track
Additional Medicaid Reductions	<\$3,187.9>	<\$1,594.0>	On track
Savings Plan Totals	<\$4,760.0>	<\$2,380.0>	

If you have additional questions regarding this issue, please contact me at 465-1630.

cc: Patrick Hefley, Deputy Commissioner
Bill Streur, Deputy Commissioner
Kate Bowns, Acting Budget Manager

H:\BSECDATA\FY09 Budget\FY09 Gov's Savings Plan 4.3 mil HSS

FY09 General Fund Lapse Projections
 Department of Labor and Workforce Development
 01-12-09

Savings Plan	Savings Target	Dec 31 Savings	Comments
Commissioner: Travel Savings	\$ 4.4	\$ 2.2	On track to achieve this savings target
Management Services Vacancy Management	\$ 12.0	\$ 6.0	On track to achieve this savings target
Data Processing Hiring Delay	\$ 25.0	\$ 25.0	Met target – position now filled.
Labor Market Info: Vacancy Management	\$ 8.0	\$ 4.0	Met target.
Workers' Comp: Restrict GF	\$ 3.3	\$ 3.3	Met target.
Second Injury Fund: Restrict GF	\$ 0.2	\$ 0.2	Met target.
Wage and Hour: Certified Payroll System Maintenance	\$ 40.0	\$ 20.0	On track to achieve this savings target
Mechanical Inspection: Restrict GF	\$ 1.3	\$ 0.7	On track to achieve this savings target
Employment & Training: Personal Services	\$ 128.0	\$ 64.0	On track to achieve this savings target
Unemployment Insurance: Vacancy Management	\$ 42.0	\$ 21.0	On track to achieve this savings target
Business Services: Vacancy Management	\$ 5.0	\$ 5.0	Met target.
AVTEC: Vacancy Management	\$ 5.0	\$ 2.5	On track to achieve this savings target
DVR: Hold 2 PCNs vacant Client Services Component	\$ 50.0	\$ 50.0	Met target
DVR: Reduce travel costs by using accrued miles. VR Administration & Disability Determinations Unit	\$ 5.8	\$ 5.8	Met target
Savings Plan Totals	\$ 330.0	\$ 209.7	

MEMORANDUM

State of Alaska
Department of Law
Division of Administrative Services
Phone (907) 465-3672 Fax (907) 465-5419

To: Mike Crabb, Budget Analyst
Office of Management & Budget
Office of the Governor

Date: January 15, 2009

From: Dave Blaisdell, Director
Administrative Services Division
Department of Law

Telephone: 465-3673
Subject: 2nd Quarterly Report
FY2009 Savings Plan

As requested, this memorandum is intended to report on the Department of Law's progress during the second quarter of FY2009 toward meeting the Savings Plan goal of \$1,030,000 set out in Attorney General Colberg's July 31, 2008 memo to Karen Rehfeld.

Savings Plan	Savings Target	Dec 31 Savings	Comments
Move \$200K in unused SDPR to offset GF expenditures on consumer protection matters.	\$200.0	\$0.0	Savings will not be realized until final quarter of FY09 when these adjustments are customarily made.
Lapse majority of \$500K Curyung Supplemental.	\$475.0	\$245.2	Expenditures against this approp have totaled only \$4,830 through the second quarter. Savings goal appears to be on target.
Fund Barrow VW Paralegal from federal earmark.	\$106.2	\$34.9	Position was not filled until mid-August and vacated in mid-November. It is currently only 50% allocated to federal earmark funds. If filled in January savings may only reach \$58K
Delay filling new OSPA attorney and LOM until after first quarter.	\$75.0	\$75.0	Savings target fully achieved.
Fairbanks DA office lease reduction after November 2008.	\$78.0	\$78.0	Savings target fully achieved.
Slow PC hardware replacement cycle.	\$95.8	\$0.0	Savings will not be realized until final quarter of FY09 when these purchases are customarily made.
Savings Plan Totals:	\$1,030.0	\$433.1	

As with last quarter, although the total savings through December may not appear at first glance to be "on-target" I would note that for several of the items originally listed the actual savings were not anticipated until specific payments or adjustments were made. In two cases those payments or adjustments would not customarily occur until the last quarter of the fiscal year. In the case of the Barrow victim/witness paralegal it was previously reported that we could not fund the position 100%

from the federal earmark funds originally cited; however, the position has been vacant for three of the last six months so some additional savings have been realized through vacancy as well as federal funding.

If you have any questions or would like to discuss any of these matters in greater detail, please don't hesitate to call.

MEMORANDUM

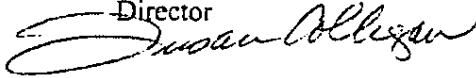
State of Alaska

Department of Military & Veterans Affairs
Division of Administrative Services

TO: Lena Simmons
Budget Analyst
Office of Management and Budget

DATE: January 15, 2009

FROM: Susan Colligan
Director



SUBJECT: FY09 Cost Savings
Second Quarter Update

I am responding to OMB's request for a second quarter update on FY09 cost savings for the Department of Military and Veterans' Affairs.

As you know in August 2008 DMVA provided you with information on how the department has continued to hold the line on the operating budget. In addition to holding the line on the budget, DMVA submitted cost savings in FY08 (budget reductions) and consolidated department core services to achieve efficiencies.

In the Governor's FY10 budget, the department has again, held the line on the budget with no major changes to the base funding level. As a result of the recent budget reductions and holding the line on the budget, the base funding level to find "savings" is much tighter for DMVA than other agencies that have seen increased funding requests under this Administration.

The department is continuing to monitor overtime, travel (we have been using up unused tickets and will be using mileage as a means to reduce costs), and contracting costs but at this time cannot identify specific dollar savings due to the loss in buying power of our base budget to maintain services without impairing our ability to meet our mission and the requirements of the Federal/State Cooperative Agreement.

If you have any further questions, please contact me at 428-6881.

cc: John Cramer, Deputy Commissioner
Laura Baker, Deputy Director, DAS
Teri Clark, Budget Analyst, DAS

Department of Natural Resources
 FY09 Cost Savings Plan
 Second Quarter Report, for the Period Ending 12/31/2008

Component	Line Item	Planned Savings	Savings due to Vacancies 7/1/2008 - 9/30/2008	Savings due to Vacancies 7/1/2008 - 12/31/2008
423	Commissioner's Office	Personal Services -	13,375	42,600
424	Administrative Services	Personal Services 48,400	-	49,500
427	Information Resource Management	Personal Services -	2,887	14,300
439	Oil & Gas Development	Personal Services 465,500	250,720	321,500
2847	Petroleum Systems Integrity Office	Personal Services 129,700	38,703	78,400
1191	Pipeline Coordinator	Personal Services 2,200	10,136	18,000
2680	Alaska Coastal and Ocean Management	Personal Services 75,000		
2733	Large Project Permitting	Personal Services -		
2460	Claims, Permits & Leases	Personal Services 184,300	11,172	8,000
2456	Land Sales & Municipal Entitlements	Personal Services -		
2459	Title Acquisition & Defense	Personal Services 105,300	26,610	29,900
916	Water Development	Personal Services 49,000	2,070	12,700
2440	Director's Office/Mining, Land & Water	Personal Services -		
435	Forest Management & Development	Personal Services 16,700		
2132	Non-Emergency Hazard Mitizagion Projects	Personal Services -		
1031	Geological Development	Personal Services 24,800	71,355	101,400
802	Recorder's Office/Uniform Commercial Code	Personal Services -		
455	Agricultural Development	Personal Services -		
2204	North Latitude Plant Material Center	Personal Services 41,100	11,595	14,100
2235	Agriculture Revolving Loan Program Admin	Personal Services -		
2633	Conservation and Development Board	Personal Services 16,600	5,191	15,100
2441	Public Services Office	Personal Services -		
1199	Trustee Council Projects	Personal Services -		
1650	Interdepartmental Information Technology Chargeback	Personal Services -	16,055	28,500
1635	Mental Health Trust Lands Administration	Personal Services -		
2225	Citizen's Advisory Commission on Federal Areas	Personal Services 19,800	8,547	15,500
2226	RS 2477/Navigability Assertions and Litigation Support	Personal Services -		
2705	Fire Suppression Preparedness	Personal Services 20,800	95,148	
451	State Historic Preservation Program	Personal Services -		
452	Parks Management	Personal Services 33,700	101,030	149,900
2136	Parks & Recreation Access	Personal Services 7,100	2,351	4,000
		<u>1,240,000</u>	<u>666,945</u>	<u>903,400</u>

1st quarter notes

DNR will restrict the Personal Services line items in the above components for a total realized cost savings of \$666,945 as of 9/30/2008. This amount represents a little more than half of the FY09 cost savings goal amount of \$1.24 million for our agency. Since payroll adjustments are not made quarterly, subsequent adjustments may cause a change in the amount or the source. However, we do expect to meet the target goal by the end of the fiscal year.component

2nd quarter notes

DNR will restrict transfers from Personal Services line items in the above components for a total realized cost savings of \$903,400 as of 12/31/2008. This amount represents 75% of the FY09 cost savings goal amount of \$1.24 million for our agency. We expect to meet the target goal by the end of the fiscal year.

State of Alaska

Department of Revenue
Administrative Services Division



SARAH PALIN, GOVERNOR

333 Willoughby Avenue, 11th Floor

P.O. Box 110400

Juneau, Alaska 99811-0405

Phone: (907) 465-2300

Fax: (907) 465-2394

MEMORANDUM

To: Karen Rehfeld
Director
Office of Management & Budget

Date: January 15, 2009

From: Ginger Blaisdell *Blaisdell*
Director
Administrative Services Division

Phone: 465-2312

Subject: FY2009 GF Savings Plan
Second Quarter Report

In response to the Governor's request that departments collectively meet a savings target of \$20 million general fund for FY2009, the Department of Revenue proposed holding three positions vacant in the Tax Division to meet its savings plan target of (\$390.0).

During the first quarter of FY2009, unexpected vacancies and delays in filling newly created positions resulted in sufficient savings in the personal services line to allow the Tax Division to fill these positions for the balance of FY2009 and still meet the target. The \$390.0 GF has been restricted in the personal services line of the Tax Division budget.

Savings Plan	Savings Target	December 31 Savings	Comments
Hold three positions vacant in Tax Division for FY2009	\$390.0	\$390.0	Savings goal achieved
Savings Plan Totals	\$390.0	\$390.0	

MEMORANDUM State of Alaska

Department of Transportation & Public Facilities
Administrative Services Division

TO: Karen Rehfeld, Director
Office of Management and Budget

DATE: January 19, 2009

TELEPHONE NO: 465-3911
FAX NO: 465-3124

FROM: Nancy J. Slagter 
Director

SUBJECT: 2nd Quarter Report
FY2009 GF Savings

This in response to your October 27, 2008 memo requesting the status of achieving cost savings this year. The following is the information you requested for DOT&PF:

Savings Plan	Savings Target	December 31 Savings	Comments
AMHS use of force account	599.0	-	Authorization restricted. Savings should begin during 3 rd quarter.
AMHS - fuel management system	378.0	189.0	Authorization restricted. On track to achieve savings target.
MSCVE - virtual servers	14.4	14.4	Authorization restricted. Savings has already been realized for FY09.
MSCVE - prover transport	3.0	3.0	Authorization restricted. Savings has already been realized for FY09.
MSCVE-automation of load analysis	7.7	3.0	Authorization restricted. Overtime reduction has been reflected in FY09 Mgmt Plan. On track to achieve savings target.
MSCVE-travel for re-inspection services (third-party billing)	5.0	2.9	Authorization restricted. Billing for special inspections directly to customer. On track to achieve savings target.
TM&S - Integrated Vegetation	11.8	11.8	Authorization restricted. Position held vacant.
Contracts & Appeals - reclass	32.0	32.0	Authorization restricted. Position held vacant.
Admin Svcs - positions	41.6	22.7	Authorization restricted. Positions held vacant.
Prog Dev -position vacancies	5.5	5.5	Authorization restricted. Positions vacant.

"Providing for the safe movement of people and goods and the delivery of state services."

SD&ES - bridge inspections	20.0	-	Authorization restricted. On track to achieve savings target.
Dept wide - travel	5.5	-	Savings will be realized by year-end.
Dept wide - computer replace	60.3	-	Savings will be realized by year-end.
Dept wide - software purchases	22.8	-	Savings will be realized by year-end.
Dept wide - shared equipment	32.0	-	Savings will be realized by year-end.
Dept wide - cell phones	4.7	-	Savings will be realized by year-end.
Admin Svcs - courier svcs	1.0	-	On target - the contract has been cancelled
Total	1,244.3	284.3	

Please let me know if you require any further information.

December 31, 2008 Savings Target Update

Department	Original Saving Target	Savings as of Dec. 31, 2008	Supplemental Bill Budget Reduction	Comments
Administration	1,100.0	607.6	1,100.0	Savings target is a challenge.
Commerce, Community, and Economic Dev.	80.0	78.0	80.0	On track to meet target.
Corrections	3,910.0	672.4	750.0	Original savings target reduced.
Education & Early Development	270.0	2,461.7	2,570.0	On track to meet original target. Increased savings of \$2,300.0 comes from the School Performance Incentive Program
Environmental Conservation	390.0	19.6	390.0	Savings target is a challenge.
Fish & Game	1,000.0	761.8	1,000.0	More or less on track to meet target.
Governor	440.0	465.0	465.0	On track to meet target.
Health & Social Services	4,760.0	2,380.0	4,760.0	On track to meet target.
Labor & Workforce Development	330.0	209.7	330.0	On track to meet target.
Law	1,030.0	433.1	980.0	More or less on track to meet target.
Military & Veterans Affairs	160.0	0.0	0.0	Held harmless from savings target.
Natural Resources	1,240.0	903.4	1,240.0	On track to meet target.
Public Safety	2,280.0	0.0	0.0	Held harmless from savings target.
Revenue	390.0	390.0	390.0	Savings target has been achieved.
Transportation	3,220.0	284.3	1,500.0	Original savings target reduced.
Debt		2,015.8	2015.8	Savings due to reduced school debt reimbursement need.
	20,600.0	11,682.4	17,570.8	