

**02/06/14
BUDGET
OVERVIEW
FY 15:
OFFICE OF
MANAGEMENT &
BUDGET
SUPPLEMENTAL**

<TARGET><BILL></BILL><SUBJECT>02-06-14 BUDGET OVERVIEW
FY 15 OFFICE OF MANAGEMENT and BUDGET
SUPPLEMENTAL</SUBJECT><COMM>HFIN28</COMM></TARGET>



ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

State Capitol, Room 519

Rep. Alan Austerman, Co-Chair

Rep. Bill Stoltze, Co-Chair

Thursday, February 6, 2014

1:30 PM

Agenda:

HB 266-APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 267-APPROP: MENTAL HEALTH BUDGET

Governor's FY14 Supplemental Budget Overview:

Karen Rehfeld, Director, Office of Management & Budget

The bill was introduced and referred yesterday: HB 299-
SUPPLEMENTAL/CAPITAL/OTHER APPROPRIATIONS

FY15 Governor's Budget Overview:

Department of Law

Presenters:

Michael Geraghty, Attorney General, Department of Law

FY2014 Supplemental Summary

	UGF	DGF	Other Funds	Federal Funds	Total
Operating Agencies - Non-Formula	891.0	35.0	(17.9)	(23.1)	885.0
Operating Agencies - Formula	0.0	0.0	0.0	0.0	0.0
Fire Suppression	27,769.4	0.0	0.0	0.0	27,769.4
Agency Operating Subtotal	28,660.4	35.0	(17.9)	(23.1)	28,654.4
Debt Service	(15.5)	0.0	37.4	(21.9)	0.0
Disaster Funding	19,961.5	0.0	0.0	0.0	19,961.5
Settlements	1,846.1	0.0	0.0	0.0	1,846.1
Statewide Subtotal	21,792.1	0.0	37.4	(21.9)	21,807.6
Total Operating Supplementals	50,452.5	35.0	19.5	(45.0)	50,462.0
Capital	2,908.1	0.0	0.0	0.0	2,908.1
Total	53,360.6	35.0	19.5	(45.0)	53,370.1

FY2014 Supplemental Bill

Line	Back-up Page	Bill Section	Bill Page	Bill Line	Department	Component or Capital	PFT	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total	
1	OPERATING															
2	1	1	2	11	Administration	Office of Public Advocacy			Caseload Capacity and Appellant Backlog Funding to accommodate case load increases and address the appellant backlog. The impact of this supplemental is being considered for a FY2015 budget amendment.	193.0	0.0	0.0	0.0	1004 General Fund	193.0	
3	2	1	2	12	Administration	Public Defender Agency			Caseload Capacity and Appellant Backlog Funding to address case load increases and the appellant backlog. The impact of this supplemental is being considered for a FY2015 budget amendment.	650.0	0.0	0.0	0.0	1004 General Fund	650.0	
4	3	1	2	17	Military and Veterans Affairs	Alaska Military Youth Academy			Replace Unavailable Receipt Authority for Alaska State Employees Association One-Time Payment The Alaska Military Youth Academy (AMYA) does not receive nor is able to request federal or interagency receipts from the U.S. Department of Defense Challenge grant or through the Alaska Department of Education and Early Development formula funding. The one-time \$755 lump sum payment was made to General Government Unit employees in the second pay period of August 2013. This is a one-time request.	48.0	0.0	(24.9)	(23.1)	1004 General Fund 48.0 1007 Interagency Receipts (24.9) 1002 Federal Receipts (23.1)	0.0	
5	4	1	2	22	Natural Resources	Fire Suppression Activity			FY2014 Fire Activity This request provides general funds for expenditures incurred under the Declaration of Disaster Emergency process for the fall 2013 fire season. Additional authorization for this purpose is requested each year due to the unpredictable cost of each fire season.	22,769.4	0.0	0.0	0.0	1004 General Fund	22,769.4	
6	5	1	2	27	Revenue	Treasury Division			Investment Management of Public School Trust Fund Investment management fees are charged as a percent of the market value of invested assets under management. Market fluctuations affect the value of the assets and therefore the amount of the management fees. This amount covers the costs for the remainder of FY2014. This is a one-time request.	0.0	19.0	0.0	0.0	1066 Public School Trust Fund	19.0	

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7	6	1	2	27	Revenue	Treasury Division			Investment Management of Retiree Health Insurance Fund/Long Term Care Management Investment management fees are charged as a percent of the market value of invested assets under management. Market fluctuations affect the value of the assets and therefore the amount of the management fees. This amount covers the costs for the remainder of FY2014. This is a one-time request.	0.0	0.0	7.0	0.0	1143 Retiree Health Insurance Fund/Long Term Care	7.0
8	7	1	2	27	Revenue	Treasury Division			Investment Management of Power Cost Equalization Endowment Fund Investment management fees are charged as a percent of the market value of invested assets under management. Market fluctuations affect the value of the assets and therefore the amount of the management fees. This amount covers the costs for the remainder of FY2014. This is a one-time request.	0.0	16.0	0.0	0.0	1169 PCE Endowment Fund	16.0
9					Funding Summary - Operating Numbers				Sets out the funding by agency for the appropriations in section 1	23,660.4	35.0	(17.9)	(23.1)		23,654.4
10	CAPITAL														
11	8	3	3	25	Commerce, Community, and Economic Development	Capital			Inter-Island Ferry Authority This funding is designed to assist the Inter-Island Ferry Authority in providing daily service between Ketchikan and the Prince of Whales Island given current revenue and expenditures. These funds are not intended to be provided annually but considered as needed to continue this vital service.	500.0	0.0	0.0	0.0	1004 General Fund	500.0
12	9	3	3	29	Transportation and Public Facilities	Capital			Northern Region Emergency Flooding Disaster May 2013 Repair damaged areas, due to flooding and ice jams, which resulted in substantial damage to public infrastructure. These projects are not eligible for reimbursement from the Federal Highway Administration or the Federal Emergency Management Agency.	2,408.1	0.0	0.0	0.0	1004 General Fund	2,408.1
13					Funding Summary - Capital Numbers				Sets out the funding by agency for the appropriations in section 3	2,908.1	0.0	0.0	0.0		2,908.1
14					Fund Source Summary				Sets out funding by funding source for appropriations made in sections 1 and 3	26,568.5	35.0	(17.9)	(23.1)		26,562.5

FY2014 Supplemental Bill

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15	LANGUAGE														
16	15	6(a)	5	1	Environmental Conservation	Capital		L	<p>Reappropriate balances from several smaller municipalities' water and sewer projects that have been completed under budget, stalled, or canceled.</p> <p>The unexpended and unobligated balances, estimated to be a total of \$3,358,421, of the following appropriations, are reappropriated to the Department of Environmental Conservation for Village Safe Water and Wastewater Infrastructure Projects and Technical Assistance, First Time Service Projects:</p>	0.0	0.0	0.0	0.0	1002 Federal Receipts 2,517.7 1003 General Fund Match 200.0 1103 Alaska Housing Finance Corporation Receipts 640.7	0.0
17	17	6(b)	7	4	Environmental Conservation	Capital		L	<p>Scope Change: Sec1 Ch17 SLA2012 P114 L5 Haines - Barnett and Tower Road Water Tank Replacement and Infrastructure Improvements</p> <p>This will allow roof replacement at the Tower Road tank using excess funds appropriated for the Barnett tank replacement which is anticipated to be completed under budget.</p>	0.0	0.0	0.0	0.0	1004 General Fund	0.0
18	19	7	7	8	Health and Social Services	Capital		L	<p>Reappn: Sec13 Ch29 SLA2008 P149 L14</p> <p>Reappropriation for Eligibility Information System Replacement</p> <p>This will further the development of the replacement of the eligibility system for the State's welfare programs.</p> <p>The unexpended and unobligated balance, estimated to be \$81,232, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 149, lines 14 - 17 (Department of Health and Social Services, Evaluate Eligibility Information System Alternatives, Phase 2 - \$864,300), is reappropriated to the Department of Health and Social Services for eligibility information system replacement.</p>	0.0	0.0	0.0	0.0	1002 Federal Receipts 66.4 1004 General Fund 14.8	0.0
19	20	8(a)	7	13	Law	Deputy Attorney General's Office		L	<p>Judgments and Settlements</p> <p>Actual judgment and settlement costs received as of February 3, 2014.</p>	1,570.2	0.0	0.0	0.0	1004 General Fund	1,570.2
20	21	8(b)	7	17	Law	Deputy Attorney General's Office		L	<p>Judgments and Settlements</p> <p>Actual judgment and settlement costs incurred in the fiscal year ending June 30, 2014 but not yet included in the previous subsection.</p>	0.0	0.0	0.0	0.0	1004 General Fund	0.0

FY2014 Supplemental Bill

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21	22	9(a)	7	22	Military and Veterans Affairs	Capital		L	<p>Reappn: Sec1 Ch16 SLA2013 P70 L9 Reappropriation for Alcantra Facilities Projects This Army Guard Facilities Projects allocation will provide needed capital improvement projects at the Alcantra Armory. The original project will be completed using U.S. Army active duty resources that do not flow through the state budget.</p> <p>The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 16, SLA 2013, page 69, lines 23 - 24 (Army Guard Facilities Projects - \$5,589,000), and allocated on page 70, lines 9 - 10 (Fort Greely - Covered Shelter Buildings - \$350,000), estimated to be \$350,000, is reappropriated to the Department of Military and Veterans' Affairs, Army Guard Facilities Projects, and allocated for Alcantra Facilities Projects.</p>	0.0	0.0	0.0	0.0	1004 General Fund	0.0
22	23	9(b)	7	28	Military and Veterans Affairs	Capital		L	<p>Reappn: Sec7 Ch17 SLA2012 P166 L28 Reappropriation for Eielson Covered Storage A reappropriation of the original appropriation will provide needed protection of assets for the 168th Wing at Eielson Air Force Base. The original purpose of the appropriation is no longer necessary because The STARBASE program has been discontinued.</p> <p>The unexpended and unobligated balance of the appropriation made in sec. 7, ch. 17, SLA 2012, page 166, lines 28 - 30 (Move and Renovate STARBASE Building - \$195,000), estimated to be \$195,000, is reappropriated to the Department of Military and Veterans' Affairs for covered storage for the 168th Wing at Eielson Air Force Base.</p>	0.0	0.0	0.0	0.0	1004 General Fund	0.0
23	24	9(c)	8	1	Military and Veterans Affairs	Office of the Commissioner		L	<p>Arbitration Settlement - ASEA v. SOA, DMVA, AMYA The sum of \$111,328 is appropriated from the general fund to the Department of Military of Veterans' Affairs, Office of the Commissioner, for the purpose of paying judgments and settlements for the fiscal year ending June 30, 2014.</p>	111.3	0.0	0.0	0.0	1004 General Fund	111.3

FY2014 Supplemental Bill

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24	25	10	8	4	Natural Resources	Fire Suppression Activity		L	<p>FY2014 Projected Spring Costs for Wildland Fire Protection Additional authorization for this purpose is requested each year due to the unpredictable cost of each fire season. It is difficult to predict the amount necessary for spring 2014 fire suppression activity. The estimate of \$5.0 million will be adjusted based on costs incurred through June 30, 2014.</p>	5,000.0	0.0	0.0	0.0	1004 General Fund	5,000.0
25	26	11	8	8	Transportation and Public Facilities	Central Design and Engineering Services		L	<p>Settlement and Legal Fees Related to Old Quinhagak Airport Litigation In November 2013 (FY2014), a legal settlement of \$100.0 was negotiated. Associated legal fees amount to \$64.6 for a total cost of \$164.6 related to the Old Quinhagak Airport litigation. The sum of \$164,617 is appropriated from the general fund to the Department of Transportation and Public Facilities, office of the commissioner, for the purpose of paying costs associated with Old Quinhagak Airport litigation for the fiscal year ending June 30, 2014.</p>	164.6	0.0	0.0	0.0	1004 General Fund	164.6
26	27	12	8	12	Office of the Governor	Fuel Branch-wide Unallocated		L	<p>Amend: Sec22(e)(2) Ch14 SLA2013 P75 L29 Amend Fuel Allocation Percentage This will increase the University of Alaska's fuel trigger cap of 10% of the total appropriated plus or minus three percent to 15% of the total plus or minus three percent to cover an anticipated \$1.6 million shortfall for fuel and utility costs. The governor shall allocate amounts appropriated in (a) and (b) of this section as follows: (2) to the University of Alaska, 15 [10] percent of the total plus or minus three percent;</p>	0.0	0.0	0.0	0.0		0.0
27	28	13(a)	8	27	Debt Service	General Obligation		L	<p>Amend Sec25(h) Ch14 SLA2013 P81 L31 through P82 L22 Fund Source Change for Series 2010AB Federal reimbursement for eligible state bonds has been reduced by 8.7% in FY2014. General obligation bonds series 2010A and 2010B federal reimbursements were reduced by a total of \$414,540.</p>	414.6	0.0	0.0	(414.6)	1004 General Fund 414.6 1212 Federal ARRA (414.6)	0.0

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28	29	13(a)	8	27	Debt Service	General Obligation		L	Amend Sec25(h) Ch14 SLA2013 P81 L31 through P82 L22 Series 2013 Federal Reimbursement Eligibility General obligation bond series 2013A is eligible for federal reimbursement, but this funding source was not included in the FY2014 operating budget.	(430.1)	0.0	0.0	430.1	1004 General Fund (430.1) 1212 Federal ARRA 430.1	0.0
29	30	13(b)	11	3	Debt Service	International Airport Revenue Bonds		L	Repeal and reenact Sec25(i) Ch14 SLA2013 P83 L4 Debt Service Fund Source Changes This changes fund sources relating to FY2014 International Airport debt service in order to increase the amount of Passenger Facility Charges (PFC) currently approved, and to change the federal subsidy funding code from federal receipts (1002) to federal stimulus: ARRA 2009 (1212). As with previous supplemental requests in years past, this request utilizes amounts deemed by AIAS as surplus and available in order to help minimize the amount of revenue needed to be collected from airport customers while meeting debt service coverage ratios required under the bond resolution rate covenant.	0.0	0.0	37.4	(37.4)	1027 International Airports Revenue Fund (1,962.6) 1179 Passenger Facility Charges 2,000.0 1002 Federal Receipts (429.8) 1212 Federal ARRA 392.4	0.0
30	32	13(c)	11	20	Debt Service	International Airport Revenue Bonds		L	Amend Sec25(m) Ch14 SLA 2013 P83 L3 Early Redemption Fund Source Change In review of 2014 activity for its Optional Bond Redemption plan which was initiated in 2010, the Alaska International Airports System (AIAS) determined the use of International Airports Revenue Fund as the funding source for the full amount of FY2014 redemptions provided more optimal benefit in context of updated capital improvement program needs and debt management than does the partial funding from the AIAS Construction Fund.	0.0	0.0	23,000.0 (23,000.0)	0.0	1027 International Airports Revenue Fund 23,000.0 1112 International Airports Construction Fund (23,000.0)	0.0
31	33	14(a)	12	1	Fund Capitalization	Disaster Relief Fund		L	Recovery Efforts from the 2013 Spring Flood Disaster The sum of \$19,961,480 is appropriated from the general fund to the disaster relief fund (AS 26.23.300(a)).	19,961.5	0.0	0.0	0.0	1004 General Fund	19,961.5

FY2014 Supplemental Bill

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32	34	14(b)	12	3	Fund Capitalization	Disaster Relief Fund		L	Potential Disaster Relief Efforts This language provides authorization for actual disaster relief costs incurred in the fiscal year ending June 30, 2014 but not included in sec14(a) of the Governor's supplemental bill. The amount necessary, after application of the amount appropriated in (a) of this section, to pay for disaster activities is appropriated from the general fund to the disaster relief fund (AS 26.23.300(a)), subject to AS 26.23.020 and 26.23.025, for the fiscal year ending June 30, 2014.	0.0	0.0	0.0	0.0	1004 General Fund	0.0	
33		15			Ratifications (see below)			L							0.0	
34		16(a)	12	31	Lapse of Appropriations			L	The appropriations made by secs. 6, 7, 9(a) and 9(b) of this Act are for capital projects and lapse under AS 37.25.020.						0.0	
35		16(b)	13	2	Lapse of Appropriations			L	The appropriations made by sec. 14 of this Act are for the capitalization of a fund and do not lapse.						0.0	
36		17	13	4	Effective Date			L	This Act takes effect April 20, 2014.						0.0	
37															0.0	
38					Total of Supplemental Requests					53,360.6	35.0	19.5	(45.0)		53,370.1	
39	RATIFICATIONS															
40									AR and AR Name							
41	35	15	12	13	Commer. Community, and Economic Development	Economic Development		L	AR 29506-12 Economic Development	72,316.32					72,316.3	
42	36	15	12	15	Health and Social Services	Senior and Disability Services Medicaid Services		L	AR 23550-09 Senior and Disability Services Medicaid Services	1,813,095.49					1,813,095.5	
43	38	15	12	17	Health and Social Services	Facilities Management		L	AR 23930-09 Facilities Management	40,558.60					40,558.6	
44	38	15	12	18	Health and Social Services	Information Technology Services		L	AR 23934-09 Information Technology Services	99,425.22					99,425.2	
45	40	15	12	19	Health and Social Services	Health Care Services Medicaid Services		L	AR 23301-10 Health Care Services Medicaid Services	1,150,459.01					1,150,459.0	
46	42	15	12	20	Health and Social Services	Nursing		L	AR 23600-10 Nursing	1,025,104.52					1,025,104.5	

FY2014 Supplemental Bill

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47	44	15	12	21	Health and Social Services	Information Technology Services		L	AR 23934-10 Information Technology Services	831,584.92					831,584.92
48	46	15	12	22	Health and Social Services	Public Health Laboratory Services		L	AR 22794-11 Public Health Laboratory Services, Unbudgeted RSA	1,739.25					1,739.25
49	48	15	12	25	Labor and Workforce Development	Employment and Training Services		L	AR 28500-12 Employment and Training Services	139,571.51					139,571.51
50	50	15	12	26	Labor and Workforce Development	Special Projects		L	AR 28250-07 Special Projects	20,803.04					20,803.04
51	51	15	12	27	Labor and Workforce Development	Alaska Vocational Technical Center		L	AR 27766-12 Alaska Vocational Technical Center Maritime Training	31,128.00					31,128.00
52	52	15	12	29	Labor and Workforce Development	AVTEC Facilities Maintenance		L	AR 28630-05 Alaska Vocational Technical Center Facilities Maintenance	89,638.07					89,638.07