

HB 72

OPERATING

BUDGET

AMENDMENTS

(FILE 4)

<TARGET><BILL>HB 72</BILL><SUBJECT>HB 72 OPERATING BUDGET
AMENDMENTS (FILE 4)</SUBJECT><COMM>HFIN29</COMM></TARGET>



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
Pat Pitney, Director

Court Plaza Building
240 Main Street, Suite 802
Juneau, Alaska 99811-0020
Main: 907.465.4660
Fax: 907.465.2090

March 26, 2015

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

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

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

The Honorable Mark Neuman
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 513
Juneau, AK 99801-1182

Re: FY 2016 Operating Budget Amendments HB 72/ SB 28
FY 2015 Supplemental Budget Amendments HB 94/SB 40

Dear Finance Committee Co-Chairs,

Enclosed please find proposed amendments to the FY 2015 capital supplemental and FY 2016 operating budget.

These amendments include a reduction to the FY 2016 debt service budget for refinanced general obligation bonds, a capital supplemental request for the completion of the Cordova Community Center funded by Exxon Valdez Oil Spill Settlement funds, and a reappropriation to fund the new Kachemak Selo K-12 school construction project with available completed project funding.

Thank you for your consideration of these operating budget amendments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Pat Pitney".

Pat Pitney
Director

Enclosures

cc: David Teal, Director, Legislative Finance

FY2016 Governor Amended Summary

Amendments Submitted Feb 17, 2015	UGF	DGF	Other Funds	Federal Funds	Total
Operating					
Operating Agencies - Non-Formula	7,000.0	754.2	17,977.0	0.0	25,731.2
Operating Agencies - Formula	(20,000.0)	0.0	0.0	0.0	(20,000.0)
Fund Transfers	5,000.0	(14,000.0)	0.0	0.0	(9,000.0)
Total Operating Amendments	(8,000.0)	(13,245.8)	17,977.0	0.0	(3,268.8)
Total Capital Amendments	8,350.0	0.0	850.0	23,142.8	32,342.8
Total February 17, 2015 Amendments	350.0	(13,245.8)	18,827.0	23,142.8	29,074.0
Amendments Submitted March 6, 2015					
Operating					
Operating Agencies - Non-Formula	1,365.9	0.0	0.0	0.0	1,365.9
Total Operating Amendments	1,365.9	0.0	0.0	0.0	1,365.9
Total Capital Amendments	0.0	0.0	0.0	0.0	0.0
Total March 6, 2015 Amendments	1,365.9	0.0	0.0	0.0	1,365.9
Amendments Submitted March 19, 2015					
Operating					
Operating Agencies - Non-Formula	410.1	(16.7)	0.0	0.0	393.4
Total Operating Amendments	410.1	(16.7)	0.0	0.0	393.4
Total Capital Amendments	0.0	0.0	0.0	4,497.0	4,497.0
Total March 19, 2015 Amendments	410.1	(16.7)	0.0	4,497.0	4,890.4
Amendments Submitted March 26, 2015					
Operating					
Debt Service	(2,055.1)	0.0	0.0	0.0	(2,055.1)
Total Operating Amendments	(2,055.1)	0.0	0.0	0.0	(2,055.1)
Total Capital Amendments	0.0	0.0	0.0	0.0	0.0
Total March 26, 2015 Amendments	(2,055.1)	0.0	0.0	0.0	(2,055.1)
Total FY2016 Operating Amendments	(8,279.1)	(13,262.5)	17,977.0	0.0	(3,564.6)
Total FY2016 Capital Amendments	8,350.0	0.0	850.0	27,639.8	36,839.8
Total FY2016 Amendments	70.9	(13,262.5)	18,827.0	27,639.8	33,275.2

FY2016 Operating Amendments
HB 727/SB 27

Line	Back-up Page	Department	Component	PFT	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total
1	1	Debt Service	General Obligation		L	FY2016 Funding Series 2009A The State refinanced the callable portion of the series 2009A general obligation bonds with the series 2015B bonds on March 24, 2014. The net impact is a reduction of \$2,055,142 in debt service for FY2016.	(5,884.6)	0.0	0.0	0.0	1004 General Fund	(5,884.6)
2	2	Debt Service	General Obligation		L	FY2016 Funding Series 2015B The State refinanced the callable portion of the series 2009A general obligation bonds with the series 2015B bonds on March 24, 2014. The net impact is a reduction of \$2,055,142 in debt service for FY2016.	3,829.5	0.0	0.0	0.0	1004 General Fund	3,829.5
3						FY2016 Operating Amendments Total	(2,055.1)	0.0	0.0	0.0		(2,055.1)

Change Record Detail with Description (1438)
Debt Service

Scenario: FY2016 Governor Amds Submitted Mar 26 (12421)
Component: General Obligation (792)
RDU: Debt Service (251)
Title: FY2016 Funding Series 2009A

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Dec	-5,884.6	0.0	0.0	0.0	0.0	0.0	0.0	-5,884.6	0	0	0
	1004 Gen Fund	-5,884.6										

The State refinanced the callable portion of the the series 2009A general obligation bonds with the series 2015B bonds on March 24, 2014. The net impact of this refinancing is that debt service for FY2016 will decrease by \$2,055,142.

- (1) the sum of \$37,700 from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2009A general obligation bonds, for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2009A;
- (2) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2009A, after the payment made in (1) of this subsection, estimated to be \$7,002,400, [\$12,887,000,] from the general fund for that purpose;
- (13) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2015A and 2015B, estimated to be \$13,829,458 [\$10,000,000,] from the general fund for that purpose;
- (14) the amount necessary for payment of trustee fees on outstanding State of Alaska general obligation bonds, series 2009A, 2010A, 2010B, 2012A, 2013A, 2013B, [and] 2015A, and 2015B estimated to be \$5,300, from the general fund for that purpose;

Subsection (h)(13) was amended by the Legislature, to reduce the amount for series 2015A from \$20,000,000 to \$10,000,000.

Change Record Detail with Description (1438)
Debt Service

Scenario: FY2016 Governor Amds Submitted Mar 26 (12421)
Component: General Obligation (792)
RDU: Debt Service (251)
Title: FY2016 Funding Series 2015B

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Inc	3,829.5	0.0	0.0	0.0	0.0	0.0	0.0	3,829.5	0	0	0
	1004 Gen Fund	3,829.5										
<p>The State refinanced the callable portion of the the series 2009A general obligation bonds with the series 2015B bonds on March 24, 2014. The net impact of this refinancing is that debt service for FY2016 will decrease by \$2,055,142.</p> <p>(1) the sum of \$37,700 from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2009A general obligation bonds, for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2009A;</p> <p>(2) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2009A, after the payment made in (1) of this subsection, estimated to be \$7,002,400, [\$12,887,000,] from the general fund for that purpose;</p> <p>(13) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2015A and 2015B, estimated to be \$13,829,458 [\$10,000,000,] from the general fund for that purpose;</p> <p>(14) the amount necessary for payment of trustee fees on outstanding State of Alaska general obligation bonds, series 2009A, 2010A, 2010B, 2012A, 2013A, 2013B, [and] 2015A, and 2015B estimated to be \$5,300, from the general fund for that purpose;</p> <p>Subsection (h)(13) was amended by the Legislature, to reduce the amount for series 2015A from \$20,000,000 to \$10,000,000.</p>												
Totals		3,829.5	0.0	0.0	0.0	0.0	0.0	0.0	3,829.5	0	0	0

FY2016 Operating Budget Amendment (HB 72/SB 27)

Amend the DEBT AND OTHER OBLIGATIONS subsection (h) as follows:

(h) The following amounts are appropriated to the state bond committee from the specified sources, and for the stated purposes, for the fiscal year ending June 30, 2016:

(1) the sum of \$37,700 from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2009A general obligation bonds, for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2009A;

(2) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2009A, after the payment made in (1) of this subsection, estimated to be **\$7,002,400**, [\$12,887,000,] from the general fund for that purpose;

(3) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2010A and 2010B, estimated to be \$2,194,004, from the amount received from the United States Treasury as a result of the American Recovery and Reinvestment Act of 2009, Build America Bond credit payments due on the series 2010A general obligation bonds;

(4) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2010A and 2010B, estimated to be \$2,227,757, from the amount received from the United States Treasury as a result of the American Recovery and Reinvestment Act of 2009, Qualified School Construction Bond interest subsidy payments due on the series 2010B general obligation bonds;

(5) the sum of \$12,000 from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2010A and 2010B general obligation bonds, for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2010A and 2010B;

(6) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2010A and 2010B, after payments made in (3), (4), and (5) of this subsection, estimated to be \$4,725,080, from the general fund for that purpose;

(7) the amount necessary, estimated to be \$29,121,925 for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2012A, from the general fund for that purpose;

(8) the sum of \$22,000 from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2013A general obligation bonds, for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2013A;

(9) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2013A, estimated to be \$427,658, from the amount received from the United States Treasury as a result of the American Recovery and Reinvestment Act of 2009, Qualified School Construction Bond interest subsidy payments due on the series 2013A general obligation bonds;

(10) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2013A, after payments made in (8) and (9) of this subsection, estimated to be \$11,185, from the general fund for that purpose;

(11) the sum of \$221,500 from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2013B general obligation bonds, for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2013B;

(12) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2013B, after the payment made in (11) of this subsection, estimated to be \$15,949,000, from the general fund for that purpose;

(13) the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds, series 2015A **and 2015B**, estimated to be **\$13,829,458** [\$10,000,000,] from the general fund for that purpose;

(14) the amount necessary for payment of trustee fees on outstanding State of Alaska general obligation bonds, series 2009A, 2010A, 2010B, 2012A, 2013A, 2013B, [and] 2015A, **and 2015B** estimated to be \$5,300, from the general fund for that purpose;

(15) the amount necessary for the purpose of authorizing payment to the United States Treasury for arbitrage rebate on outstanding State of Alaska general obligation bonds, estimated to be \$100,000, from the general fund for that purpose;

(16) if the proceeds of state general obligation bonds issued is temporarily

insufficient to cover costs incurred on projects approved for funding with these proceeds, the amount necessary to prevent this cash deficiency, from the general fund, contingent upon repayment to the general fund as soon as additional state general obligation bond proceeds have been received by the state; and

(17) if the amount necessary for payment of debt service and accrued interest on outstanding State of Alaska general obligation bonds exceeds the amounts appropriated in this subsection, the additional amount necessary to pay the obligations, from the general fund for that purpose.



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March 19, 2015

The Honorable Pete Kelly
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
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The Honorable Steve Thompson
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State Capitol, Room 515
Juneau, AK 99801-1182

The Honorable Mark Neuman
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 513
Juneau, AK 99801-1182

Re: FY 2016 Operating Budget Amendments HB 72/ SB 28
FY 2016 Mental Health Budget Amendments HB 73/SB 28

Dear Finance Committee Co-Chairs,

Enclosed please find proposed amendments to the FY 2016 operating budget.

These amendments are based on recently completed negotiations with the Masters, Mates, and Pilots Union and the Marine Engineers' Beneficial Association. It also reflects a technical structure change to reflect the reorganization of the State Pipeline Coordinator's Office in the Governor's Amended budget.

Thank you for your consideration of these operating budget amendments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pat Pitney".

Pat Pitney
Director

Enclosures

cc: David Teal, Director, Legislative Finance

FY2016 Operating Budget Amendment (HB 72/SB 27)
FY2016 Mental Health Budget Amendment (HB 73/SB 28)

Amend the SALARY AND BENEFIT ADJUSTMENTS subsection (a) as follows:

SALARY AND BENEFIT ADJUSTMENTS.

(a) The operating budget appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2016, of the following ongoing collective bargaining agreements:

- (1) Alaska Correctional Officers Association, representing the correctional officers unit;
- (2) Confidential Employees Association, for the confidential unit;
- (3) Alaska Public Employees Association, for the supervisory unit;
- (4) Alaska State Employees Association, for the general government unit;
- (5) Public Safety Employees Association;
- (6) Alaska Vocational Technical Center Teachers' Association;
- (7) Inlandboatmen's Union of the Pacific, Alaska Region, for the unlicensed marine unit[.];
- (8) International Organization of Masters, Mates, and Pilots, for the masters, mates, and pilots unit;**
- (9) Marine Engineers' Beneficial Association, representing licensed engineers employed by the Alaska marine highway system.**

FY2016 Governor Amended Summary

Amendments Submitted Feb 17, 2015	UGF	DGF	Other Funds	Federal Funds	Total
Operating					
Operating Agencies - Non-Formula	7,000.0	754.2	17,977.0	0.0	25,731.2
Operating Agencies - Formula	(20,000.0)	0.0	0.0	0.0	(20,000.0)
Debt Service	0.0	0.0	0.0	0.0	0.0
Fund Transfers	5,000.0	(14,000.0)	0.0	0.0	(9,000.0)
Total Operating Amendments	(8,000.0)	(13,245.8)	17,977.0	0.0	(3,268.8)
Total Capital Amendments	8,350.0	0.0	850.0	23,142.8	32,342.8
Total February 17, 2015 Amendments	350.0	(13,245.8)	18,827.0	23,142.8	29,074.0

Amendments Submitted March 6, 2015	UGF	DGF	Other Funds	Federal Funds	Total
Operating					
Operating Agencies - Non-Formula	1,365.9	0.0	0.0	0.0	1,365.9
Operating Agencies - Formula	0.0	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0	0.0
Fund Transfers	0.0	0.0	0.0	0.0	0.0
Total Operating Amendments	1,365.9	0.0	0.0	0.0	1,365.9
Total Capital Amendments	0.0	0.0	0.0	0.0	0.0
Total March 6, 2015 Amendments	1,365.9	0.0	0.0	0.0	1,365.9

Amendments Submitted March 19, 2015	UGF	DGF	Other Funds	Federal Funds	Total
Operating					
Operating Agencies - Non-Formula	410.1	(16.7)	0.0	0.0	393.4
Operating Agencies - Formula	0.0	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0	0.0
Fund Transfers	0.0	0.0	0.0	0.0	0.0
Total Operating Amendments	410.1	(16.7)	0.0	0.0	393.4
Total Capital Amendments	0.0	0.0	0.0	4,497.0	4,497.0
Total March 19, 2015 Amendments	410.1	(16.7)	0.0	4,497.0	4,890.4

Total FY2016 Operating Amendments	(6,224.0)	(13,262.5)	17,977.0	0.0	(1,509.5)
Total FY2016 Capital Amendments	8,350.0	0.0	850.0	27,639.8	36,839.8
Total FY2016 Amendments	2,126.0	(13,262.5)	18,827.0	27,639.8	35,330.3

FY2016 Operating Amendments

HB 72/SB 27

HB 73/SB 28

Line	Backup Page	Department	Component	PFT	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total
1	1	Natural Resources	State Pipeline Coordinator's Office			<p>Transfer the State Pipeline Coordinator's Office Component from the Administration and Support RDU to the Oil and Gas RDU</p> <p>This structure change is needed to reflect the reorganization of the State Pipeline Coordinator's Office per the Governor's amended budget.</p>	0.0	0.0	0.0	0.0	N/A	0.0
2	2	Transportation & Public Facilities	Marine Vessel Operations			<p>FY2016 Health Insurance Rate Reduction Masters, Mates, and Pilots Union</p> <p>Effective July 1, 2015, the employer's health insurance contribution will be the amount of money that is necessary to maintain the select benefits default/economy plan, or the actual cost of the Masters, Mates and Pilots' health insurance plan, whichever is lower.</p>	(24.2)	(8.2)	0.0	0.0	1004 General Fund (\$24.2), 1076 Marine Highway System Fund (\$8.2)	(32.4)
3	3	Transportation & Public Facilities	Marine Vessel Operations			<p>FY2016 Salary Increases Masters, Mates, and Pilots Union</p> <p>Effective July 1, 2015, the wage schedule in effect on June 30, 2015 will increase by 1%; the hourly wage assigned to the second mate job classification will be increased by 3%; and the hourly wages assigned to permanent employees in the Chief Mate job classification on specific vessels will be increased by 2%.</p>	303.4	0.0	0.0	0.0	1004 General Fund	303.4
4	4	Transportation & Public Facilities	Marine Vessel Operations			<p>FY2016 Salary Increase for Marine Engineers' Beneficial Association</p> <p>The purpose of this amendment is to fund FY2016 salary increases for the Marine Engineers' Beneficial Association. 1% cost of living adjustment.</p>	156.0	0.0	0.0	0.0	1004 General Fund	156.0
5	5	Transportation & Public Facilities	Marine Vessel Operations			<p>FY2016 Health Insurance Rate Reduction Marine Engineers' Beneficial Association</p> <p>The select benefits economy plan is changing from \$1,371 to \$1,346 per month.</p>	(25.1)	(8.5)	0.0	0.0	1004 General Fund (\$25.1) 1076 Marine Highway System Fund (\$8.5)	(33.6)
6	6	Salary and Benefit Adjustments	N/A		L	<p>Amend subsection (a) of the SALARY AND BENEFIT ADJUSTMENTS sections of the operating and mental health bills to include the above bargaining union agreements.</p> <p>(8) International Organization of Masters, Mates, and Pilots, for the masters, mates, and pilots unit;</p> <p>(9) Marine Engineers' Beneficial Association, representing licensed engineers employed by the Alaska marine highway system.</p>	0.0	0.0	0.0	0.0	N/A	0.0
7						FY2016 Operating Amendments Total	410.1	(16.7)	0.0	0.0	0.0	393.4

Numbers Only

Change Record Detail with Description (1438)
Department of Natural Resources

Scenario: FY2016 Governor Amds Submitted Mar 19 (12413)

Component: State Pipeline Coordinator's Office (1191)

RDU: Oil and Gas (601)

Title: Transfer State Pipeline Coordinator's Office Component to Oil and Gas RDU

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Misadj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

This is a technical structure change to reflect the State Pipeline Coordinator's Office that was reorganized in the Governor's Amendment request. This transfer will relocate the State Pipeline Coordinator's Office from the results delivery unit Administration and Support to Oil and Gas.

Numbers Only

Change Record Detail with Description (1438)
Department of Transportation/Public Facilities

Scenario: FY2016 Governor Amds Submitted Mar 19 (12413)

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Title: FY2016 Health Insurance Rate Reduction for International Organization of Masters, Mates, and Pilots

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	SalAdj	-32.4	-32.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	-24.2										
	1076 Marine Hwy	-8.2										

The purpose of this amendment is to account for FY2016 Health Insurance Rate Reductions for the International Organization of Masters, Mates and Pilots, for the masters, mates and pilots unit.

The provisions of the new contract as they relate to FY2016 are as follows:

Effective July 1, 2015, the Employer's health insurance contribution will be the amount of money that is necessary to maintain the Select Benefits Default/Economy Plan, or the actual cost of the Masters, Mates and Pilots' health insurance plan, whichever is lower.

Numbers Only

Change Record Detail with Description (1438)
Department of Transportation/Public Facilities

Scenario: FY2016 Governor Amds Submitted Mar 19 (12413)

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Title: FY2016 Salary Increases for International Organization of Masters, Mates, and Pilots

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	SalAdj	303.4	303.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	303.4										

The purpose of this amendment is to fund FY2016 Salary Increases for the International Organization of Masters, Mates and Pilots, for the masters, mates and pilots unit.

The provisions of the new contract as they relate to FY2016 are as follows:

- Effective July 1, 2015, the wage schedule in effect on June 30, 2015 will increase by 1%.
- Effective July 1, 2015 the hourly wage assigned to the second mate job classification will be increased by 3%.
- Effective July 1, 2015 the hourly wages assigned to permanent employees in the Chief Mate job classification on specific vessels will be increased by 2%.
- Effective July 1, 2015 the hourly wages assigned to permanent employees in the Master job classification on specific vessels will be increased by 1 %.

Numbers Only

Change Record Detail with Description (1438)
Department of Transportation/Public Facilities

Scenario: FY2016 Governor Amds Submitted Mar 19 (12413)

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Title: FY2016 Salary Increase for Marine Engineers' Beneficial Association

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	SalAdj	156.0	156.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	156.0										

1% FY2016 cost of living adjustment for Marine Engineers' Beneficial Association (MEBA) members.

Numbers Only

Change Record Detail with Description (1438)
Department of Transportation/Public Facilities

Scenario: FY2016 Governor Amds Submitted Mar 19 (12413)

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Title: FY2016 Health Insurance Rate Reduction for Marine Engineers' Beneficial Association

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	SalAdj	-33.6	-33.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	-25.1										
	1076 Marine Hwy	-8.5										
Totals		-33.6	-33.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Health insurance rate reduction for Marine Engineers' Beneficial Association (MEBA). The select benefits economy plan is changing from \$1,371 to \$1,346 per month per employee.

FY2016 Governor Amended Summary

Amendments Submitted Feb 17, 2015	UGF	DGF	Other Funds	Federal Funds	Total
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Operating Agencies - Non-Formula	7,000.0	754.2	17,977.0	0.0	25,731.2
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Fund Transfers	5,000.0	(14,000.0)	0.0	0.0	(9,000.0)
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Total Capital Amendments	8,350.0	0.0	850.0	23,142.8	32,342.8
Total February 17, 2015 Amendments	350.0	(13,245.8)	18,827.0	23,142.8	29,074.0

Amendments Submitted March 6, 2015	UGF	DGF	Other Funds	Federal Funds	Total
Operating					
Operating Agencies - Non-Formula	1,365.9	0.0	0.0	0.0	1,365.9
Operating Agencies - Formula	0.0	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0	0.0
Fund Transfers	0.0	0.0	0.0	0.0	0.0
Total Operating Amendments	1,365.9	0.0	0.0	0.0	1,365.9
Total Capital Amendments	0.0	0.0	0.0	0.0	0.0
Total March 6, 2015 Amendments	1,365.9	0.0	0.0	0.0	1,365.9

Total FY2016 Operating Amendments	(6,634.1)	(13,245.8)	17,977.0	0.0	(1,902.9)
Total FY2016 Capital Amendments	8,350.0	0.0	850.0	23,142.8	32,342.8
Total FY2016 Amendments	1,715.9	(13,245.8)	18,827.0	23,142.8	30,439.9

FY2016 Operating Amendments to
HB 72

Line	Backup Page	Section	Bill Page	Bill Line	Department	Component	PFT	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total	Component Totals (Includes Mental Health) Numbers and Language
1	1	1	28	18	Natural Resources	Mining, Land, & Water	2		Public Access Assertion Defense Unit (PAAD) Restore positions to continue work on existing lawsuits, conduct navigability determinations, and address other Revised Statute 2477 (RS2477) items and navigability research necessary to resolve conflicts with the federal government and others.	525.7	0.0	0.0	0.0	1004 General Fund	525.7	FY2016 December Budget: \$28,381.7 FY2016 Total Amendments: (\$1,174.0) FY2016 Total: \$27,207.7
2	2	1	28	18	Natural Resources	Mining, Land, & Water			Klutina Road Survey and Anticipated Depositions for Dickson Case This one-time funding will cover the costs associated with current litigation cases including survey of the Klutina Lake Road RS 2477 as part of the state's Revised Statute (RS) 2477 defense following a successful motion practice where the court now requires the land owner to allow entry, and 20 depositions anticipated for the Dickson RS 2477 defense case in FY2016.	86.0	0.0	0.0	0.0	1004 General Fund	86.0	FY2016 December Budget: \$28,381.7 FY2016 Total Amendments: (\$1,174.0) FY2016 Total: \$27,207.7
3	3	1	38	11	University of Alaska	Budget Reductions/ Additions - Systemwide			FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT) Restore the general fund portion of University of Alaska Federation of Teachers (UAFT) FY2016 salary increases.	754.2	0.0	0.0	0.0	1004 General Fund	754.2	FY2016 December Budget: \$13,565.5 FY2016 Total Amendments: (\$11,183.9) FY2016 Total: \$2,381.6
4									FY2016 Operating Amendments Total	1,365.9	0.0	0.0	0.0	0.0	1,365.9	

Numbers Only

Change Record Detail with Description (1440)
Department of Natural Resources

Scenario: FY2016 Governor Amds Submitted Mar 6 (12407)

Component: Mining, Land & Water (3002)

RDU: Land and Water Resources (602)

Title: Partial Restoration of Public Access Assertion Defense Unit (PAAD)

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Inc	525.7	212.2	30.0	274.5	9.0	0.0	0.0	0.0	2	0	0
	1004 Gen Fund	525.7										

Restore positions to continue work on existing lawsuits, conduct navigability determinations, and address other Revised Statute 2477 (RS2477) items and navigability research necessary to resolve conflicts with the federal government and others. It is expected that other Division of Mining, Land and Water staff may be needed to assist in some of the litigation efforts. The restoration of partial funding will cover some of the necessary costs at a reduced level but will not cover work to continue submissions of additional Recordable Disclaimers of Interest (RDIs) nor costs of defending or asserting new cases, although new cases are anticipated. The existing and imminent lawsuits include Mosquito Fork of the Fortymile River Navigability, Hunz V AK, Stikine River, Kotsina River, Chicken Area RS2477, Klutina RS2477, Dickson V State RS2477, and Chenega Village RS2477.

Numbers Only

Change Record Detail with Description (1440)
Department of Natural Resources

Scenario: FY2016 Governor Amds Submitted Mar 6 (12407)

Component: Mining, Land & Water (3002)

RDU: Land and Water Resources (602)

Title: Restore One-Time Item for Klutina Survey and Anticipated Depositions for Dickson Case

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	IncOTI	86.0	0.0	0.0	86.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	86.0										

This one-time funding will cover the costs associated with current litigation cases including survey of the Klutina Lake Road RS 2477 as part of the state's Revised Statute (RS) 2477 defense following a successful motion practice where the court now requires the land owner to allow entry, and 20 depositions anticipated for the Dickson RS 2477 defense case in FY2016.

Numbers Only

Change Record Detail with Description (1440)
University of Alaska

Scenario: FY2016 Governor Amds Submitted Mar 6 (12407)

Component: Budget Reductions/Additions - Systemwide (1296)

RDU: Budget Reductions/Additions (233)

Title: FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT)

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Inc	754.2	754.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	754.2										
Restore the general fund portion of University of Alaska Federation of Teachers (UAFT) salary increases for FY2016. This includes a 2% salary increase and a one-time \$900.00 lump sum payment to all eligible members.												
Totals		754.2	754.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

FY16 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 72

OFFERED BY:

DEPARTMENT: Natural Resources
APPROPRIATION: Land and Water Resources
ALLOCATION: Mining, Land and Water

ADD: \$525.7 general fund (1004)

POSITIONS: 2 PFT

EXPLANATION:

The purpose of this amendment is to restore partial funding for the Public Access and Assertion Defense Unit, which was proposed for deletion in the Governor's FY2016 amended budget.

Restore positions to continue work on existing lawsuits, conduct navigability determinations, and address other Revised Statute 2477 (RS2477) items and navigability research necessary to resolve conflicts with the federal government and others. It is expected that other Division of Mining, Land and Water staff may be needed to assist in some of the litigation efforts. The restoration of partial funding will cover some of the necessary costs at a reduced level but will not cover work to continue submissions of additional Recordable Disclaimers of Interest (RDIs) nor costs of defending or asserting new cases, although new cases are anticipated. The existing and imminent lawsuits include Mosquito Fork of the Fortymile River Navigability, Hunz V AK, Stikine River, Kotsina River, Chicken Area RS2477, Klutina RS2477, Dickson V State RS2477, and Chenega Village RS2477.

Line items:

\$212.2 Personal Services

\$30.0 Travel (field work)

\$274.5 Services (expert witnesses, outside contracts for photography, archive researchers, depositions, mediation fees, RSA for history and archaeology support, RSA for Department of Law support)

\$9.0 Commodities (supplies and hardware for field work)

FY16 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 72

OFFERED BY:

DEPARTMENT: Natural Resources
APPROPRIATION: Land and Water Resources
ALLOCATION: Mining, Land and Water

ADD: \$86.0 general fund (1004)

POSITIONS: none

EXPLANATION:

The purpose of this amendment is to restore one-time funding for the Public Access and Assertion Defense Unit, which was proposed for deletion in the Governor's FY2016 amended budget.

This one-time funding will cover the costs associated with current litigation cases including survey of the Klutina Lake Road RS 2477 as part of the state's Revised Statute (RS) 2477 defense following a successful motion practice where the court now requires the land owner to allow entry, and 20 depositions anticipated for the Dickson RS 2477 defense case in FY16.

Line items:
\$86.0 Services (survey and depositions)

FY16 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 72

OFFERED BY:

DEPARTMENT: University of Alaska

APPROPRIATION: University of Alaska

ALLOCATION: Budget Reductions/Additions - Systemwide

ADD: \$754.2 General Fund (1004)

POSITIONS:

EXPLANATION:

The purpose of this amendment is to restore the general fund portion of the University of Alaska Federation of Teachers (UAFT) FY2016 Salary Increases for consideration by the legislature. The general fund portion of these salary adjustments was not included in the Governor's amended budget requests.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
Pat Pitney, Director

Court Plaza Building
240 Main Street, Suite 802
Juneau, Alaska 99811-0020
Main: 907.465.4660
Fax: 907.465.2090

February 17, 2015

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

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

The Honorable Mark Neuman
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 513
Juneau, AK 99801-1182

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

Re: FY 2016 Operating Budget Amendments HB 72/SB 27
FY 2016 Mental Health Budget Amendments HB 73/SB 28

Dear Finance Committee Co-Chairs,

Enclosed, please find proposed amendments to the FY 2016 operating budget.

The requests are based on information received after the submission of the Governor's endorsed budget. These amendments include: a decrement related to Medicaid reform, partial restoration of the community jails program, re-allocation within the Department of Transportation & Public Facilities for restoring some summer 2015 Alaska Marine Highway Services impacted in the endorsed budget, other re-allocations, and flexibility and contingency language.

Thank you for your consideration of these operating budget amendments.

Sincerely,

A handwritten signature in black ink that reads "Pat Pitney".

Pat Pitney
Director

Enclosures

cc: David Teal, Director, Legislative Finance Division

FY2016 Governor Amended Summary

Amendments Submitted Feb 17, 2015	UGF	DGF	Other Funds	Federal Funds	Total
Operating					
Operating Agencies - Non-Formula	7,000.0	754.2	17,977.0	0.0	25,731.2
Operating Agencies - Formula	(20,000.0)	0.0	0.0	0.0	(20,000.0)
Debt Service	0.0	0.0	0.0	0.0	0.0
Fund Transfers	5,000.0	(14,000.0)	0.0	0.0	(9,000.0)
Total Operating Amendments	(8,000.0)	(13,245.8)	17,977.0	0.0	(3,268.8)
Total Capital Amendments	8,350.0	0.0	850.0	23,142.8	32,342.8
Total February 17, 2015 Amendments	350.0	(13,245.8)	18,827.0	23,142.8	29,074.0

Line	Back-up Page	Section	Bill Page	Bill Line	Department	Component	PFT	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total	Component Totals (Includes Mental Health) Numbers and Language
1	1	1	5	27	Commerce, Community and Economic Development	Economic Development			Restore Funding for Named Recipient Grant for Alaska Native Arts Marketing The Alaska Native Arts Foundation (ANAF) has notified the department that this funding is needed to continue operations. ANAF is an economic development organization focused on building a market for Alaska Native artworks. ANAF provides marketing and business training to artists in rural communities, purchases artwork directly from rural artists, assists with direct sales, works to broaden the domestic and international market for Alaska Native Art, provides online information and reference materials, and facilitates artists online sales through third-part marketplaces.	300.0	0.0	0.0	0.0	1004 General Fund	300.0	FY2016 December Budget: \$21,627.6 FY2016 Total Amendments: (\$2,957.8) FY2016 Total: \$18,669.8
2	2	1	5	27	Commerce, Community and Economic Development	Economic Development			Reduce Tourism Activities Reallocate funding for the Alaska Native Arts Marketing named recipient Grant.	(150.0)	0.0	0.0	0.0	1004 General Fund	(150.0)	FY2016 December Budget: \$21,627.6 FY2016 Total Amendments: (\$2,957.8) FY2016 Total: \$18,669.8
3	3	1	7	8	Commerce, Community and Economic Development	Alaska Seafood Marketing Institute			Reduce Alaska Seafood Marketing Activities Reallocate funding for the Alaska Native Arts Marketing named recipient Grant.	(150.0)	0.0	0.0	0.0	1004 General Fund	(150.0)	FY2016 December Budget: \$26,758.1 FY2016 Total Amendments: (\$2,762.9) FY2016 Total: \$23,995.2
4	4	1	8	22	Corrections	Regional and Community Jails			Partially Restore Regional and Community Jails Program and Cover Prisoner Transportation Costs The Department of Corrections (DOC) will renegotiate contracts with communities to provide short-term confinement of unsentenced persons detained under state law for the actual cost per bed per day. This funding will also be used to cover any additional costs for prisoner transportation.	7,000.0	0.0	0.0	0.0	1004 General Fund	7,000.0	FY2016 December Budget: \$10,486.6 FY2016 Total Amendments: (\$3,486.6) FY2016 Total: \$7,000.0
5	5	1	10	24	Education and Early Development	Alaska Postsecondary Education/ Program Administration and Operations			Budget Structure Modification for Accounting and Reporting Purposes This structural modification is being sought to comply with AS 14.42.190, improve the accuracy of the state's Comprehensive Annual Financial Report (CAFR) and make the funding relationship between the Alaska Student Loan Corporation (ASLC) and the Alaska Commission on Postsecondary Education (ACPE) transparent.	0.0	0.0	0.0	0.0	1007 Interagency Receipts 13,802.0 1106 Postsecondary Receipts (13,802.0)	0.0	FY2016 December Budget: \$22,810.2 FY2016 Total Amendments: \$0 FY2016 Total: \$22,810.2
6	6	1	10	new	Education and Early Development	Alaska Student Loan Corporation/ Loan Servicing			Budget Structure Modification for Accounting and Reporting Purposes This structural modification is being sought to comply with AS 14.42.190, improve the accuracy of the state's Comprehensive Annual Financial Report (CAFR) and make the funding relationship between the Alaska Student Loan Corporation (ASLC) and the Alaska Commission on Postsecondary Education (ACPE) transparent.	0.0	0.0	13,802.0	0.0	1106 Postsecondary Receipts	13,802.0	FY2016 December Budget: \$0 FY2016 Total Amendments: \$13,802.0 FY2016 Total: \$13,802.0

FY2016 Op Amendments
 HB 73/SB 27
 HB 73/SB 28

Line	Back-up Page	Section	Bill Page	Bill Line	Department	Component	PFT	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total	Component Totals (Includes Mental Health) Numbers and Language:
7	7-8	1	18	4	Health and Social Services	Health Care Medicaid Services			Medicaid Cost Containment Initiatives The Department of Health and Social Services has identified ways to control growth in the current Medicaid program that will achieve an approximate \$20,000.0 general fund savings in the current Medicaid program. The majority of the initiatives will require new regulations and fee schedules and include changes to shift costs to 100% federal match for tribal services, changes to the Personal Care Assistance services eligibility requirements, to medical equipment, vision, dental, behavioral health, hearing services, transportation costs, and a contract for management of care.	(20,000.0)	0.0	0.0	0.0	1004 General Fund	(20,000.0)	FY2016 December Budget: \$888,931.4 FY2016 Total Amendments: \$112,348.9 FY2016 Total: \$1,001,280.3
8	9	1	22	14	Military and Veterans Affairs	Alaska Aerospace Corporation			Replace General Funds with Aerospace Receipts for Contracts Replace general fund receipts with Aerospace receipt authority to account for commercial contract revenue.	0.0	0.0	1,510.2	0.0	1101 Aerospace Receipts	1,510.2	FY2016 December Budget: \$6,123.5 FY2016 Total Amendments: (\$1,832.6) FY2016 Total: \$4,290.9
9	10	1	22	15	Military and Veterans Affairs	Alaska Aerospace Corporation Facilities Maintenance			Replace General Funds with Aerospace Receipts for Contracts Replace general fund receipts with Aerospace receipt authority to account for commercial contract revenue.	0.0	0.0	2,664.8	0.0	1101 Aerospace Receipts	2,664.8	FY2016 December Budget: \$5,127.8 FY2016 Total Amendments: \$1,832.6 FY2016 Total: \$6,960.4
10	11	1	28	21	Transportation & Public Facilities	Statewide Procurement			One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule This one-time decrement to Statewide Procurement will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.	(200.0)	0.0	0.0	0.0	1004 General Fund	(200.0)	FY2016 December Budget: \$1,452.2 FY2016 Total Amendments: (\$213.0) FY2016 Total: \$1,239.2
11	12	1	30	17	Transportation & Public Facilities	Central Region Highways & Aviation			One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule This one-time decrement to Central Region Highways and Aviation will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.	(1,942.2)	0.0	0.0	0.0	1004 General Fund	(1,942.2)	FY2016 December Budget: \$59,445.2 FY2016 Total Amendments: (\$15,200.7) FY2016 Total: \$44,244.5
12	13	1	30	18	Transportation & Public Facilities	Northern Region Highways & Aviation			One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule This one-time decrement to Northern Region Highways and Aviation will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.	(3,084.1)	0.0	0.0	0.0	1004 General Fund	(3,084.1)	FY2016 December Budget: \$75,048.6 FY2016 Total Amendments: (\$6,423.5) FY2016 Total: \$68,625.1
13	14	1	30	19	Transportation & Public Facilities	Southcoast Region Highways & Aviation			One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule This one-time decrement to Southcoast Region Highways and Aviation will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.	(1,062.7)	0.0	0.0	0.0	1004 General Fund	(1,062.7)	FY2016 December Budget: \$17,526.6 FY2016 Total Amendments: \$8,280.3 FY2016 Total: \$25,806.9

FY2016 Op Amendments
 HB SB 27
 HB 73/SB 28

Line	Back-up Page	Section	Bill Page	Bill Line	Department	Component	PFT	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total	Component Totals (Includes Mental Health) /Numbers and Language
14	15	1	31	9	Transportation & Public Facilities	Marine Vessel Operations			Restoration of Service In order to restore full service to the currently published Alaska Marine Highway System schedule and to not cancel existing reservations, \$6,289.0 is added to Marine Vessel Operations component. This restores funding for service and provides for the eliminated fuel trigger. With this restoration no current reservations will need to be rescheduled.	6,289.0	0.0	0.0	0.0	1004 General Fund	6,289.0	FY2016 December Budget: \$117,013.1 FY2016 Total Amendments: \$2,781.0 FY2016 Total: \$119,794.1
15	16-17	1	31	20	University of Alaska	Budget Reductions/ Additions - Systemwide			FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT) The contract, approved by the UA Board of Regents, includes the following: grid adjustments in FY2016 2%, FY2017 2%, and FY2018 2%; a \$900 lump sum payment (\$307.4 per year) for eligible members each year of the contract, coincident with the annual salary increase; and an increase of .5% of base for market adjustments in FY2017 only.	754.2	754.2	0.0	0.0	1004 General Fund 754.2 1048 Univ Rcpt 754.2	1,508.4	FY2016 December Budget: \$13,565.5 FY2016 Total Amendments: (\$11,938.1) FY2016 Total: \$1,627.4
16	18	1	31	20	University of Alaska	Budget Reductions/ Additions - Systemwide			Reduce General Fund Portion of FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT) This item reduces the general fund portion of the FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT) as an additional reduction.	(754.2)	0.0	0.0	0.0	1004 General Fund	(754.2)	FY2016 December Budget: \$13,565.5 FY2016 Total Amendments: (\$11,938.1) FY2016 Total: \$1,627.4
17	19	18/ new	new	new	Office of the Governor/Branch-wide Unallocated Appropriations			L	Authority to Transfer Between Appropriations To mitigate unanticipated consequences of budget reductions and provide the executive branch with the flexibility to provide solutions, address emerging needs, and implement cost saving measures, the authority to transfer up to 5% of unrestricted general fund authorization between appropriations within a department and up to 2% of unrestricted general fund authority between departments is being requested. The Office of Management and Budget will be required to approve the department transfer requests and report and justify them to the legislature semi-annually.	0.0	0.0	0.0	0.0	1004 General Fund	0.0	
18	20	new	new	new	Fund Transfers	Oil and Hazardous Substance Release Prevention Account		L	Contingency Language for General Funds If Settlement Not Received The FY2016 Response Fund projection assumes the Department will receive a large settlement for a site in Aniak of approximately \$5 million. Those funds would need to be received and in the bank in advance of June 30, 2015, in order to be transferred to the Prevention Account as part of the Department's FY2016 appropriation. If a settlement agreement is not signed by all parties by the end of February 2015, it is highly unlikely that the funds would be received by the State in time to be available to transfer to the Prevention Account for FY2016 expenditures. At this time, the Department feels it would be prudent to assume this settlement will not be received in time for use in FY2016, increasing the Prevention Account shortfall to an estimated \$6.9 million.	5,000.0	0.0	0.0	0.0	1004 General Fund	5,000.0	FY2016 December Budget: \$15,160.7 FY2016 Total Amendments: \$3,109.6 FY2016 Total: \$18,270.3

FY2016 Operating Amendments
 HB 73/SB 27
 HB 73/SB 28

Line	Back-up Page	Section	Bill Page	Bill Line	Department	Component	PFT	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total	Component Totals (Includes Mental Health) Numbers and Language
19	21	8(a)	48	16	Fund Transfers	Permanent Fund Dividend Fund		L	FY2016 November 30, 2014 Projection Update The November 30, 2014 projection for the transfer from the earnings reserve account (AS 37.13.145) to the Alaska Permanent Dividend Fund for the purpose of paying dividends and administrative costs is estimated to be \$1,402 million, down from the \$1,405 million estimate in the October 31, 2014 projection used when the Governor's amended budget was released.	0.0	(3,000.0)	0.0	0.0	1041 Permanent Fund Earnings Reserve Account	(3,000.0)	FY2016 December Budget: \$1,405,000.0 FY2016 Total Amendments: (\$3,000.0) FY2016 Total: \$1,402,000.0
20	22	8(b)	48	21	Fund Transfers	Permanent Fund Earnings Reserve to Permanent Fund Principle		L	FY2016 November 30, 2014 Projection Update The November 30, 2014 projection for the transfer from the earnings reserve account (AS 37.13.145) to the Alaska Permanent Dividend Fund to offset the effect of inflation on the principal is estimated to be \$894 million, down from the \$905 million estimate in the October 31, 2014 projection used when the Governor's amended budget was released.	0.0	(11,000.0)	0.0	0.0	1041 Permanent Fund Earnings Reserve Account	(11,000.0)	FY2016 December Budget: \$905,000.0 FY2016 Total Amendments: (\$11,000.0) FY2016 Total: \$894,000.0
21									FY2016 Operating Amendments Total	(8,000.0)	(13,245.8)	17,977.0	0.0		(3,268.8)	

Numbers Only

Change Record Detail with Description (1438)
Department of Commerce, Community, and Economic Development

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Economic Development (2743)

RDU: Economic Development (598)

Title: Restore Funding for Named Recipient Grant for Alaska Native Arts Marketing

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Inc	300.0	0.0	0.0	0.0	0.0	0.0	300.0	0.0	0	0	0
	1004 Gen Fund	300.0										

The Alaska Native Arts Foundation (ANAF) has notified the department that this funding is needed to continue operations. ANAF is an economic development organization focused on building a market for Alaska Native artworks. ANAF provides marketing and business training to artists in rural communities, purchases artwork directly from rural artists, assists with direct sales, works to broaden the domestic and international market for Alaska Native Art, provides online information and reference materials, and facilitates artists' online sales through third-part marketplaces. Additionally, ANAF operates a centrally-located gallery on 6th avenue in downtown Anchorage that draws more than 50,000 visitors per year, and is the only year-round Alaska Native art gallery and store in the state. ANAF is in a period of transitioning to self-sustainability while working with corporations to build a fundraising coalition. Without state support during the transition period, the goal of self-sustainability cannot be met and ANAF would no longer provide services to artists and patrons who help sustain rural communities.

Numbers Only

Change Record Detail with Description (1438)
Department of Commerce, Community, and Economic Development

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Economic Development (2743)

RDU: Economic Development (598)

Title: Reduce Tourism Activities

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-150.0	0.0	0.0	-150.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	-150.0										

The reduction to services for Tourism Marketing will limit the amount of advertising and other marketing strategies that promote Alaska as a travel destination for both Alaska residents and non-residents. The number of travel shows attended will decrease, as well as the amount of tours conducted for both domestic and foreign travel industry representatives. The monitoring of marketing program effectiveness and efficiency will be reduced, and research on travel that supports travel related businesses marketing strategies will be scaled back.

Numbers Only

Change Record Detail with Description (1438)
Department of Commerce, Community, and Economic Development

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Alaska Seafood Marketing Institute (393)

RDU: Alaska Seafood Marketing Institute (126)

Title: Reduce Alaska Seafood Marketing Activities

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
N	Dec	-150.0	0.0	0.0	-150.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-150.0										

The Alaska Seafood Marketing Institute (ASMI) is a public-private partnership between the State of Alaska and the seafood industry funded through a mix of a voluntary industry tax, federal grant, and general fund monies. Unrestricted general funds represent about one-quarter of ASMI's revenue, most of which matches federal funding.

Reducing ASMI's budget may impact Alaska's standing in the global market place, and could result in lost product demand, shrinking market share, and declining prices.

Numbers Only

Change Record Detail with Description (1438)
Department of Corrections

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Regional and Community Jails (2035)

RDU: Population Management (550)

Title: Partially Restore Regional and Community Jails Program and Cover Prisoner Transportation Costs

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Inc	7,000.0	0.0	0.0	7,000.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	7,000.0										

Partially restore funding to the Regional and Community Jails program for state holds to pay actual costs per man-day. A portion of these funds may be used for additional prisoner transportation costs to cover more frequent transports in some communities.

Numbers Only

Change Record Detail with Description (1438)
Department of Education and Early Development

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Program Administration & Operations (2738)

RDU: Alaska Postsecondary Education Commission (68)

Title: Budget Structure Modification for Accounting and Reporting Purposes

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1007 I/A Rcpts	13,802.0										
	1106 P-Sec Rcpt	-13,802.0										

This structural modification is being sought to comply with AS 14.42.190, improve the accuracy of the state's Comprehensive Annual Financial Report (CAFR) and make the funding relationship between the Alaska Student Loan Corporation (ASLC) and the Alaska Commission on Postsecondary Education (ACPE) transparent.

Prior to requesting this change, ACPE's Chief Finance Officer conferred with Department of Administration (DOA), Finance staff (State Accountant and others). DOA Finance staff discussed internally and responded that they agree ACPE's costs should be represented as part of the general government expenditures in the CAFR. Because of the current budget structure, general government expenditures are being understated by the amount of ACPE costs paid by ASLC. The means of rectifying the matter is to modify the budget structure to clearly show the funding relationship between ACPE and ASLC.

This change will make the separate legal entities represented by ASLC and ACPE transparent to the public. ACPE pre-existed ASLC by sixteen years and has basic governmental responsibilities such as regulating postsecondary institutions in Alaska and administering state student financial aid programs.

ASLC owns the loan portfolio that is generating receipts; therefore, ACPE is funded with interagency receipts. AS 14.42.190 states, "The operating budget of the corporation is subject to AS 37.07." ASLC is not currently reflected in the budget structure even though it pays ACPE for loan servicing activities and other program-related costs. ASLC's budget should reflect authority to spend its receipts for operating per AS 14.42.190.

Without this change, the State of Alaska will continue to understate general government expenditures in the CAFR and will have no budget structure to reflect the separate legal status and funding relationship between ASLC and ACPE.

Numbers Only

Change Record Detail with Description (1438)
Department of Education and Early Development

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)
Component: Loan Servicing (3096)
RDU: Alaska Student Loan Corporation (637)
Title: Budget Structure Modification for Accounting and Reporting Purposes

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Inc	13,802.0	0.0	0.0	13,802.0	0.0	0.0	0.0	0.0	0	0	0
	1106 P-Sec Rcpt	13,802.0										

This structural modification is being sought to comply with AS 14.42.190, improve the accuracy of the state's Comprehensive Annual Financial Report (CAFR) and make the funding relationship between the Alaska Student Loan Corporation (ASLC) and the Alaska Commission on Postsecondary Education (ACPE) transparent.

Prior to requesting this change, ACPE's Chief Finance Officer conferred with Department of Administration (DOA), Finance staff (State Accountant and others). DOA Finance staff discussed internally and responded that they agree ACPE's costs should be represented as part of the general government expenditures in the CAFR. Because of the current budget structure, general government expenditures are being understated by the amount of ACPE costs paid by ASLC. The means of rectifying the matter is to modify the budget structure to clearly show the funding relationship between ACPE and ASLC.

This change will make the separate legal entities represented by ASLC and ACPE transparent to the public. ACPE pre-existed ASLC by sixteen years and has basic governmental responsibilities such as regulating postsecondary institutions in Alaska and administering state student financial aid programs.

ASLC owns the loan portfolio that is generating receipts; therefore, ACPE is funded with interagency receipts. AS 14.42.190 states, "The operating budget of the corporation is subject to AS 37.07." ASLC is not currently reflected in the budget structure even though it pays ACPE for loan servicing activities and other program-related costs. ASLC's budget should reflect authority to spend its receipts for operating per AS 14.42.190.

Without this change, the State of Alaska will continue to understate general government expenditures in the CAFR and will have no budget structure to reflect the separate legal status and funding relationship between ASLC and ACPE.

Numbers Only

Change Record Detail with Description (1438)
Department of Health and Social Services

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)
Component: Health Care Medicaid Services (2077)
RDU: Medicaid Services (595)
Title: Medicaid Cost Containment Initiatives

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-20,000.0	0.0	0.0	0.0	0.0	0.0	-20,000.0	0.0	0	0	0
	1004 Gen Fund	-20,000.0										

The Department of Health and Social Services has worked to identify ways to control growth in the current Medicaid program. The following list includes initiatives the Department will undertake to achieve a \$20,000.0 general fund (GF) savings in FY2016 in the current Medicaid program.

The majority of these initiatives will require new regulations and fee schedules along with holding public hearings and consultation with tribes. This will require reallocating staff and priorities to accomplish this in a timely manner. The Department will need the cooperation of the Department of Law and the Lieutenant Governor's office to meet tight deadlines to realize savings in FY2016.

10% shift in expenses to 100% Federal Medicaid Assistance Percentages (FMAP) for tribal for Neonatal Intensive Care Unit (NICU), Orthopedic, Obstetrics (OB) – \$10,000.0 GF
 Based on federal fiscal year 2012 (FFY12) figures, Alaska Native/American Indian Medicaid recipients received services at non-tribal providers that totaled \$316 million, which is approximately \$158 million in general funds. A conservative 10% of this would equate to a \$20 million cost shift from non-tribal to tribal providers. The expenditures still occur, but the federal match would go up to 100% and offset \$10 million in general funds. It is anticipated that the expansion of and enhanced Orthopedic, OB and NICU services at Alaska Native Medical Center (ANMC), increased dental services across tribal facilities, and tribal long term care beds, that the Department will see a cost shift of \$20 million to tribal providers. This would equate to \$10 million in general fund savings.

Change eligibility for Personal Care Assistance (PCA) services – \$2,500.0 GF
 Change threshold to qualify for PCA services from one to two activities of daily living (ADL) or more and possible other eligibility changes.

Possible savings in Durable Medical Equipment, Vision, and Hearing – \$1,000.0 GF
 Regulation/rate changes required.

Increase number in the Super Utilizer contract for management of care – \$2,500.0 GF
 Currently have a contract with MedExpert to reach out to this group of high utilizers of Emergency Room services to manage their care and get them assigned to a primary care provider.

Dental – \$1,000.0 GF
 Requires regulation changes and adopting a new fee scale.
 Implement guidelines on no decay in the past year and/or an oral hygiene requirement before beginning orthodontia (except for the cleft palate cases where timing is important for satisfactory treatment even if some teeth will decay with the bands on).
 Implement an edit in going from partial to full dentures (e.g., 3 years or 5 years) - other states limit the number of times dentures are covered for adults in states that have adult services.
 Implement recommendations on restricted use of panoramic films and full mouth films allowing for justified exceptions.

Implement utilization control for Behavioral Health services – \$2,000.0 GF
 Would include services for conduct disorder, recipient support services, and behavioral rehabilitation services. This would require regulation changes.

Transportation – \$1,000.0 GF

Numbers Only

Change Record Detail with Description (1438)
Department of Health and Social Services

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Health Care Medicaid Services (2077)

RDU: Medicaid Services (595)

Title: Medicaid Cost Containment Initiatives

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP

Adopt a fee schedule instead of paying billed prices for ground transportation. This would require regulation changes and adopting a fee schedule.

Numbers Only

Change Record Detail with Description (1438)
Department of Military and Veterans Affairs

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Alaska Aerospace Corporation (1424)

RDU: Alaska Aerospace Corporation (127)

Title: Replace General Funds with Aerospace Receipts for Contracts

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Inc	1,510.2	0.0	0.0	0.0	0.0	0.0	0.0	1,510.2	0	0	0
	1101 AERO Rcpts	1,510.2										

Replace general fund receipts with Aero Receipt authority to account for commercial contract revenue.

Numbers Only

Change Record Detail with Description (1438)
Department of Military and Veterans Affairs

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Alaska Aerospace Corporation Facilities Maintenance (2362)

RDU: Alaska Aerospace Corporation (127)

Title: Replace General Funds with Aerospace Receipts for Contracts

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Inc	2,664.8	0.0	0.0	0.0	0.0	0.0	0.0	2,664.8	0	0	0
	1101 AERO Rcpts	2,664.8										

Replace general fund receipts with Aero Receipt authority to account for commercial contract revenue.

Numbers Only

Change Record Detail with Description (1438)
Department of Transportation/Public Facilities

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Statewide Procurement (2851)

RDU: Administration and Support (333)

Title: One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-200.0	-200.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	-200.0										

This one-time decrement to Statewide Procurement will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.

Numbers Only

Change Record Detail with Description (1438)
Department of Transportation/Public Facilities

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Central Region Highways and Aviation (564)

RDU: Highways, Aviation and Facilities (408)

Title: One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-1,942.2	0.0	0.0	-1,942.2	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	-1,942.2										

This one-time decrement to Central Region Highways and Aviation will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.

Numbers Only

Change Record Detail with Description (1438)
Department of Transportation/Public Facilities

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Northern Region Highways and Aviation (2068)

RDU: Highways, Aviation and Facilities (408)

Title: One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-3,084.1	0.0	0.0	-3,084.1	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	-3,084.1										

This one-time decrement to Northern Region Highways and Aviation will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.

Numbers Only

Change Record Detail with Description (1438)
Department of Transportation/Public Facilities

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Southcoast Region Highways and Aviation (603)

RDU: Highways, Aviation and Facilities (408)

Title: One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-1,062.7	0.0	0.0	-1,062.7	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-1,062.7										

This one-time decrement to Southcoast Region Highways and Aviation will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.

Numbers Only

Change Record Detail with Description (1438)
Department of Transportation/Public Facilities

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)
Component: Marine Vessel Operations (2604)
RDU: Marine Highway System (334)
Title: Restoration of Service as a One Time Item

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	IncOTI	6,289.0	0.0	0.0	6,289.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	6,289.0										

In order to restore full service to the currently published Alaska Marine Highway System schedule and to not cancel existing reservations, \$6,289.0 is added to Marine Vessel Operations component. With this restoration, no current reservations will need to be rescheduled.

Numbers Only

Change Record Detail with Description (1438)
University of Alaska

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Budget Reductions/Additions - Systemwide (1296)

RDU: Budget Reductions/Additions (233)

Title: FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT) Base Adjustment

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	SalAdj	1,201.0	1,201.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	600.5										
	1048 Univ Rcpt	600.5										

The contract, approved by the UA Board of Regents, includes the following: grid adjustments in FY2016 2%, FY2017 2%, and FY2018 2%; a \$900 lump sum payment (not to base) for eligible members each year of the contract, coincident with the annual salary increase; and an increase of .5% of base for market adjustments in FY2017 only. This item accounts for the base adjustment only.

Numbers Only

Change Record Detail with Description (1438)
University of Alaska

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Budget Reductions/Additions - Systemwide (1296)

RDU: Budget Reductions/Additions (233)

Title: FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT) Lump Sum Payment (FY2016-FY2018)

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	IncT	307.4	307.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	153.7										
	1048 Univ Rcpt	153.7										
Totals		307.4	307.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

The contract, approved by the UA Board of Regents, includes the following: grid adjustments in FY2016 2%, FY2017 2%, and FY2018 2%; a \$900 lump sum payment (not to base) for eligible members each year of the contract, coincident with the annual salary increase; and an increase of .5% of base for market adjustments in FY2017 only. This item accounts for the lump sum portion (not to base) only.

Numbers Only

Change Record Detail with Description (1438)
University of Alaska

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Budget Reductions/Additions - Systemwide (1296)

RDU: Budget Reductions/Additions (233)

Title: Reduce General Fund Portion of FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT)

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-754.2	-754.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-754.2										

Reduce General Fund Portion of FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT) as an additional reduction.

Change Record Detail with Description (1438)
Branch-wide Unallocated Appropriations

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)
Component: Branch-wide Unallocated (3063)
RDU: Branch-wide Unallocated (620)
Title: Authority to Transfer Between Appropriations

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Misadj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

To mitigate unanticipated consequences of budget reductions and provide the executive branch with the flexibility to provide solutions, address emerging needs, and implement cost saving measures, the authority to transfer up to 5% of unrestricted general fund authorization between appropriations within a department and up to 2% of unrestricted general fund authority between departments is being requested. The Office of Management and Budget will be required to approve the department transfer requests and report and justify them to the legislature semi-annually.

Proposed language:

At the discretion of the Office of Management and Budget, up to five percent of the unrestricted general fund authorization may be transferred between appropriations within a department and up to two percent of the unrestricted general fund authorization may be transferred between appropriations between departments. It is the intent of the legislature that transfers between departments do not increase in the unrestricted general fund authority for any department by more than two percent. It is the intent of the legislature that the Office of Management and Budget submit a report of transfers between appropriations that occurred in the first half of FY2016 by January 30, 2016, and a report of transfers in the second half of FY2016, by September 1, 2016, to the House and Senate Finance Committees and the Legislative Finance Division. It is the intent of the legislature that the departments find efficiencies, and use savings from those efficiencies, to implement priorities of the State of Alaska.

Change Record Detail with Description (1438)
Fund Transfers

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)
Component: Oil and Hazardous Substance Release Prevention Account (2499)
RDU: OpSys DGF Transfers (non-add) (606)
Title: Aniak Settlement

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Cntngt	5,000.0	0.0	0.0	0.0	0.0	0.0	0.0	5,000.0	0	0	0
	1004 Gen Fund	5,000.0										

(new) If the amount necessary to pay obligations of the prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release prevention and response fund (AS 46.08.010(a)) exceeds the unexpended and unobligated balance of the prevention account (AS 46.08.010(a)(1)) during the fiscal year ending June 30, 2016, the amount necessary to pay obligations of the prevention account (AS 46.08.010(a)(1)), not to exceed \$5,000,000, is appropriated from the general fund to the prevention account (AS 46.08.010(a)(1)).

The FY2016 Response Fund projection assumes the Department will receive a large settlement for a site in Aniak of approximately \$5 million. Those funds would need to be received and in the bank in advance of June 30, 2015, in order to be transferred to the Prevention Account as part of the Department's FY2016 appropriation. If a settlement agreement is not signed by all parties by the end of February 2015, it is highly unlikely that the funds would be received by the State in time to be available to transfer to the Prevention Account for FY2016 expenditures. At this time, the Department feels it would be prudent to assume this settlement will not be received in time for use in FY2016, increasing the Prevention Account shortfall to an estimated \$6.9 million.

Without a transfer of general funds into the Prevention Account in FY2016, the Division's ability to prevent, respond to, and clean up spills would be greatly diminished. If the shortfall is \$6.9 million, the Department would need to implement the following measures to address such a significant budget reduction:

- Approximately 60 full time SPAR staff would be laid off. With bumping rights, this impact would be felt Department-wide.
- The Contaminated Sites program would be largely eliminated and the State would no longer review clean-up activities on private and state-owned sites to ensure they comply with state regulations. These regulations are in place to protect human health from exposure to dangerous chemicals and stop the migration of those chemicals onto other properties. The elimination of this program would also mean that new sites would not be identified, monitored, and forced to comply with state laws. The federal government would only step in if the site qualifies as a superfund site. The State would have no ability to provide technical assistance to impacted communities or advise the public on the potential risks they may be exposed to. The State would only retain federally-funded oversight of federal facilities.
- The Prevention and Emergency Response program would be significantly reduced, the effect of which would mean the State would substantially reduce efforts related to small spills, and focus the remaining resources on significant spill events. Local communities would be expected to respond to smaller spills in their area. In addition, the Department would stop participating in industry drills and exercises to practice response capacity in the case of a spill. The Department would retain enough core capacity to respond to a large, catastrophic spill event.
- The cost recovery section of SPAR would be significantly reduced with the decreases in the other programs placing less demand on staff to pursue cost recovery from responsible parties.

In order to address this potential significant revenue shortfall, the Department proposes contingency language that will transfer up to \$5 million in general funds into the Prevention Account if the Aniak settlement is not received by June 20, 2015.

Change Record Detail with Description (1438)
Fund Transfers

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)

Component: Permanent Fund Dividend Fund (2616)

RDU: Permanent Fund Transfers (613)

Title: FY2016 Funding Estimate - November 30, 2014 Projection Update

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Misadj	-3,000.0	0.0	0.0	0.0	0.0	0.0	0.0	-3,000.0	0	0	0
	1041 PF Earn Rs	-3,000.0										

November 30, 2014 projection - \$1,402,000,000. These amounts are typically updated in the Alaska budget system quarterly as applicable. The December 2014 projections were not made available before the Governor's amended budget was released. These amounts will be updated in the budget system next, in the Authorized or Management plan scenario.

ALASKA PERMANENT FUND CORPORATION. (a) The amount authorized under AS 37.13.145(b) for transfer by the Alaska Permanent Fund Corporation on June 30, 2015, estimated to be \$1,402,000,000, is appropriated from the earnings reserve account (AS 37.13.145) to the dividend fund (AS 43.23.045(a)) for the payment of permanent fund dividends and for administrative and associated costs for the fiscal year ending June 30, 2015.

Change Record Detail with Description (1438)
Fund Transfers

Scenario: FY2016 Governor Amds Submitted Feb17 (12363)
Component: Permanent Fund Earnings Reserve to Permanent Fund Principal (2726)
RDU: Permanent Fund Transfers (613)
Title: FY2016 Funding Estimate - November 30, 2014 Projection Update

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Misadj	-11,000.0	0.0	0.0	0.0	0.0	0.0	0.0	-11,000.0	0	0	0
	1041 PF Earn Rs	-11,000.0										
<p>November 30, 2014 projection - \$894,000,000. The December 2014 projections were not made available before the Governor's amended budget was released. These amounts will be updated in the budget system next, in the Authorized or Management plan scenario.</p> <p>(b) After money is transferred to the dividend fund under (a) of this section, the amount calculated under AS 37.13.145(c) to offset the effect of inflation on the principal of the Alaska permanent fund during the fiscal year ending June 30, 2016, estimated to be \$894,000,000, is appropriated from the earnings reserve account (AS 37.13.145) to the principal of the Alaska permanent fund.</p>												
Totals		-11,000.0	0.0	0.0	0.0	0.0	0.0	0.0	-11,000.0	0	0	0

FY2016 Operating Budget Amendment (HB 72/SB 27)
FY2016 Mental Health Budget Amendment (HB 73/SB 28)

Amend the operating bill OFFICE OF THE GOVERNOR section to add a subsection and amend the mental health trust bill to add a new section as follows:

*Sec. 18/(new). OFFICE OF THE GOVERNOR. (new) At the discretion of the Office of Management and Budget, up to five percent may be transferred between appropriations within a department and up to two percent may be transferred between appropriations between departments. It is the intent of the legislature that transfers between departments do not increase in the unrestricted general fund authority for any department by more than two percent in total. It is the intent of the legislature that the Office of Management and Budget submit a report of transfers between appropriations that occurred in the first half of FY2016 by January 30, 2016, and a report of transfers in the second half of FY2016, by September 1, 2016, to the House and Senate Finance Committees and the Legislative Finance Division. It is the intent of the legislature that the departments find efficiencies, and use savings from those efficiencies, to implement priorities of the State of Alaska.

FY2016 Operating Budget Amendment (HB 72/SB 27)
FY2016 Mental Health Budget Amendment (HB 73/SB 28)

Amend the SALARY AND BENEFIT ADJUSTMENTS subsection (b) as follows:

SALARY AND BENEFIT ADJUSTMENTS.

(b) The operating budget appropriations made to the University of Alaska in sec. 1 of this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2016, for university employees who are not members of a collective bargaining unit and to implement the terms for the fiscal year ending June 30, 2016, of the following collective bargaining agreements:

- (1) Fairbanks Firefighters Union, IAFF Local 1324;
- (2) United Academics - American Association of University Professors,
American Federation of Teachers;
- (3) United Academic - Adjuncts - American Association of University
Professors, American Federation of Teachers;
- (4) Alaska Higher Education Crafts and Trades Employees, Local 6070;
- (5) **University of Alaska Federation of Teachers (UAFT).**

FY2016 Operating Budget Amendment (HB 72/SB 27)

Amend * Sec. 23. FUND TRANSFERS. by adding a new subsection as follows:

(new) If the amount necessary to pay obligations of the prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release prevention and response fund (AS 46.08.010(a)) exceeds the unexpended and unobligated balance of the prevention account (AS 46.08.010(a)(1)) during the fiscal year ending June 30, 2016, the amount necessary to pay obligations of the prevention account (AS 46.08.010(a)(1)), not to exceed \$5,000,000, is appropriated from the general fund to the prevention account (AS 46.08.010(a)(1)).

FY2016 Operating Budget Amendment (HB 72/SB 27)

Amend * **Sec. 8. ALASKA PERMANENT FUND CORPORATION.** by amending subsections (a) and (b) as follows:

(a) The amount authorized under AS 37.13.145(b) for transfer by the Alaska Permanent Fund Corporation on June 30, 17 2016, estimated to be \$1,402,000,000 [\$1,405,000,000], is appropriated from the earnings reserve account 18 (AS 37.13.145) to the dividend fund (AS 43.23.045(a)) for the payment of permanent fund dividends and for administrative and associated costs for the fiscal year ending June 30, 2016.

(b) After money is transferred to the dividend fund under (a) of this section, the amount calculated under AS 37.13.145(c) to offset the effect of inflation on the principal of the Alaska permanent fund during the fiscal year ending June 30, 2016, estimated to be \$894,000,000 [\$905,000,000], is appropriated from the earnings reserve account (AS 37.13.145) to the principal of the Alaska permanent fund.