

LEG. FINANCE - BILLS 1979 - 1980 1117

HB 556

1117



RECORDS CERTIFICATION

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James O. Smith
Signature of Camera Operator

3/20/90
Date

Becky --

Jay wants this to go in the bill file for the budget bill.

It's agency comments concerning the FY 81 budget.

Pat

MEMORANDUM

State of Alaska

TO: Jerry Reinwand, Executive Assistant
Office of the Governor

DATE: May 9, 1980
RECEIVED
MAY 9 1980

Ron Lehr, Director
Division of Budget and Management

FILE NO:

Budget and Management

TELEPHONE NO:

Thru: Fran Ulmer, Director
FROM: Div. Policy Development and Planning

SUBJECT: Coastal Management BRU

Murray R. Walsh, Coordinator *MRW*
Office of Coastal Management

In our memo of May 2, 1980, we set out the differences between the House and Senate versions of the CZM BRU, and indicated our desired outcome of the Free Conference Committee on the Budget's deliberations. More has come to light since, and we write now to reemphasize the May 2 memo, and clarify our concerns over the portion of the CZM budget which is destined for local governments.

Originally, we had proposed that \$1.5 million be allocated to local programs during FY 81. The House has proposed \$2.5 million and the Senate's figure is \$2.0 million. Our original figure was predicated on the assumption that all of the local money would not only have to be obligated during FY 81, but expended during FY 81 as well. It is both our contention, and that of the Division of Community Planning, that \$1.5 million is still the absolute maximum of new money that could be obligated to, and expended by, local governments during FY 81. The situation could even be worse now, since a great deal of the FY 80 funds currently obligated to local governments, or to be obligated within the next month, will actually be expended during FY 81.

At this point, it seems fruitless to ask the Free Conference Committee on the Budget to reduce the amount destined for local governments to any figure below \$2,000,000. However, if the Committee were to allow local governments to expend grants they have received during FY 81 during the first half of FY 82, or during all of FY 82, then we may have a workable situation. We are not sure what form such a dispensation would take, but we understand that it could be done. Obtaining legislative authorization for local governments to expend FY 81 funds during FY 82 is one half the battle. We would also have to get a similar dispensation from the federal grantor agency, but we believe this can be done, if we have authorization from the legislature as well. In fact, this is a point of flexibility we should have anyway. It is simply erroneous to think that the Dept. of Community and Regional Affairs can receive a large amount of money at the beginning of a fiscal year, and then negotiate twenty five to thirty five contracts overnight, sign the contracts and still leave enough time for the local government to accomplish a full year's work. It has taken nearly eleven months for DCRA to do this during FY 80 for twenty eight grants. This is why so much of the local effort begun during FY 80 will have to run into FY 81 for completion.

In addition to the above concerns, we wish to reiterate our need for three additional permanent full-time positions, and plead for \$100,000 to be moved into the line 100 category from line 300 to pay for these positions. Also, we have learned that the Senate has deleted \$125,000 from the Division of Economic Enterprise budget which was to be pass-through CZM funds from DPDP and is needed by the Dept. of Commerce and Economic Development for their participation in ACMP.

The May 2, 1980 memo is attached for your convenience.

TO: Ron Lehr, Director
Division of Budget and Management
Office of the Governor

DATE: May 7, 1980

FILE NO:

TELEPHONE NO.

465-2200

FROM: Commissioner W. R. Hudson
Department of Administration

SUBJECT: FY 81 Budget -
Senate Version

After reviewing the Senate Version of the FY 81 Budget, we would like to make the following comments.

SOCIAL SERVICES CATEGORY

Longevity Bonus - The grants amount has been correctly reduced according to Budget Amendment #02-1. However, contractual services was reduced by 10.0 on the logic that with a reduced number of grants, associated costs would decrease. This is correct, but the amount which can be reduced is only 2.9. This is based on the amount of postage (31¢/month) for mailing checks and return postage on stubs for the decrease of 779 recipients for twelve months (779 x .31 x 12 = \$2,898). Therefore, we request that 7.1 be added to the contractual line item of the Longevity Bonus Program.

Pioneers' Homes - Overall, the budget for the Homes was increased due to a reduction in forced vacancy at Palmer. Minor reductions were made in Anchorage and since the appropriation and allocation levels remain the same as in FY 80 necessary adjustments can be made by Revised Program. The 2.5 reduction in Central Office travel is acceptable.

ADMINISTRATION OF JUSTICE CATEGORY

Public Defender Agency - The agency could function well next year on the House budget. The Attorney III for Kenai could be cut as this was added by the House and was not requested by the agency. Funding levels for travel, contractual services, commodities and equipment are realistic in the House version.

The following are considered by the agency to be minimum funding levels by district:

First District	Travel	29.3
Second District	Equipment	4.5
Third District	Misdemeanor Attorney	32.1

As the Anchorage Municipality increased area police coverage (Eagle River, etc.), the misdemeanor case load has shot up. The present staff is overextended and another attorney is needed to provide adequate defense.

Travel 49.1

May 7, 1980

Fourth District Attorney & Legal Secretary 70.9

The Fairbanks office has always been understaffed. It has a heavy case load and many trials resulting in a high "burn out" rate.

Bethel full-time Secretary 12.7
Travel 37.6

This position needs to become full-time so the office can be open and the phone answered during regular working hours.

GENERAL GOVERNMENT CATEGORY

Alaska Public Offices Commission - The Senate deleted two new requested positions. Because of the current workload one position was transferred to Anchorage from Juneau during FY 80, leaving only part-time staffing available for the Juneau Office. If the Administrative Assistant position is not approved it is likely that a full-time office in Juneau would not be reinstated although the final decision would be up to the Commission. The data entry position is required to eliminate the manual tracking of data and documents. More and more staff time is being consumed with the required records and reports. The Commission is required by law to make information available according to certain deadlines and this is becoming increasingly difficult to do manually.

Commissioner's Office - Restoration of the 50.0 for special contractual studies is my top priority for change to the Senate Budget. There are many uses for these funds, but needs change from year-to-year so it is not possible to say how these funds will be spent. One area which I believe needs research is employee benefits. For purposes of collective bargaining I believe we need a study which compares State employee salaries and benefits by bargaining unit with the private sector.

General Services and Supply:

Archives - The funding of the position of Records Analyst IV (Archivist) is essential to the State's archives program. There are approximately 500 cubic feet of inactive records (the equivalent of over 300 file cabinet drawers) in the State's record center awaiting review for their potential archival value. They are now eligible for destruction but an unknown percentage has a definite permanent value to the State. Without this archival position these records, as well as others being added daily, must be either stored for an indefinite time at considerable expense or they must be destroyed, resulting in the loss of records which at some time would have been invaluable to the Legislature, Executive Branch, municipalities, and private citizens. For instance, records concerning pipeline construction are currently being researched by the Attorney General's office for a court case involving millions of dollars.

May 7, 1980

The availability of certain records is important to the State's residents in their dealings with governmental agencies. Birth certificates, baptismal records, and tax records are important documents for determining eligibility for Longevity Bonus grants. In a time when access to the State's fisheries is becoming increasingly limited, the Archives program may be able to assist residents in documenting historical fisheries.

The former Governor and Attorney General of Texas have stated that, were it not for the records preserved in the Texas State Archives, the State would have lost billions of dollars to the federal government in their tidelands case, and tens of millions to Louisiana in a boundary dispute case. Similar programs in other states and in the federal government save millions of dollars by providing the right records at the right time in tideland cases, boundary disputes, election matters, audits and investigations, fiscal history, etc. For more information, see the attached memorandum from George Elgee.

Division of Data Processing:

Computing and Telecommunications - The deletion of 177.3 for depreciation is acceptable. However, we request that the new positions which the House and Senate have deleted be restored. The Fairbanks EDP Coordinator is needed to assist Fairbanks area users in coordinating activities with the Juneau and Anchorage Data Centers and in preparing Data Processing budget requests, feasibility studies, RFP's, etc. The additional accounting support is needed to provide information, prepare billings and maintain accounts for the chargeback system. Even though systems services is being eliminated from chargeback, the vast majority of work involved in the chargeback program is with the Data Center and computer terminals.

Equal Employment Opportunity - The two new positions which were cut from this budget are clerical positions. Because the Division now functions with clerical support provided in both offices by federally funded CETA positions it is particularly vulnerable to the federal cutbacks which are presently occurring. This is especially critical in the Anchorage office which is not able to rely upon a central word processing center. Even in Juneau, where a word processing center is available, other clerical functions such as filing, sorting statistical information, mass mailings, etc. are performed by professional staff. The result is that functions normally performed by EEO Officers, such as training, affirmative action plan development and monitoring, recruitment, evaluation of personnel procedures, and other duties, do not receive the time for which we are paying professional staff. It is important that the Division of Equal Employment Opportunity be provided the resources they need to assure fair hiring and employment practices by the State. As the representative of all residents, the State has an obligation to set an example which we would want to be followed in the private sector.

Ron Lehr, Director
Page 4

May 7, 1980

Retirement - The Clerk III position is needed for additional support in the area of mail processing. Each year the Division distributes newsletters, information handbooks, account statements, mass mailouts, and daily correspondence. The sorting, counting and stuffing are done with the lowest levels of personnel available; however, professional personnel are being used on an increasing basis when the existing clerical staff cannot handle the growing workload. Currently, the clerk assigned to the files is responsible for 40,000 records. Filing alone averages 1500-2500 documents per day. To alleviate the load we are currently utilizing the services of professional staff on an average of twenty-four hours per week. The obvious result of this is that we are using highly paid employees to do clerical duties while the regular services provided by the Division's staff are being impaired.

Briefly, on the subject of the requested data processing positions, we can accept the Senate Budget, knowing that we will have the ability to establish the positions in Retirement through the Revised Program process.

The only other changes to our budget are reductions in personal services in those budgets which had less than 3% vacancy. We don't expect these reductions to present any problems.

We would appreciate your passing this information along to the Free Conference Committee. If you have any questions, please call me or Judy Crondahl at 465-2277.

WRH/mjc

cc: Jerry Reinwand
Richard A. Smith
Jeff Morrison
Pat Clasby
Richard Aks
Nancy Carlson
Bob Stokes
All Directors, Department
of Administration

Attachment

STATE
OF ALASKA

MEMORANDUM

RECEIVED

APR 23 1980

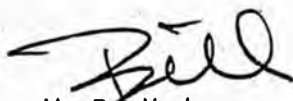
Budget and Management

TO: Ron Lehr, Director
Division of Budget and Management
Office of the Governor

DATE: April 21, 1980

FILE NO:

TELEPHONE NO: 465-2200

FROM: 
Commissioner W. R. Hudson
Department of Administration

SUBJECT: FY 81 Budget-House
Version

After reviewing the House Version of the FY 81 Budget, we would like to make the following comments.

Adventure Based Education - unless House Bill 578, or a similar bill is passed; and unless these funds are to be appropriated to the Municipal (or nonprofit) Grants Account, this BRU seems to be misplaced in this Department.

Longevity Bonus - the grants amount has been correctly reduced according to Budget Amendment #02-1. However, contractual services was reduced by 10.0 on the logic that with a reduced number of grants, associated costs would decrease. This is correct, but the amount which can be reduced is only 2.9. This is based on the amount of postage (31¢/month) for mailing checks and return postage on stubs for the decrease of 779 recipients for twelve months ($779 \times .31 \times 12 = \$2,898$). Therefore, we request that 7.1 be added to the contractual line item of the Longevity Bonus Program.

Pioneers' Homes - Overall, the budget for the Homes was increased due to a reduction in forced vacancy at Palmer. Minor reductions were made in Anchorage and if the appropriation and allocation levels remain the same as in FY 80 necessary adjustments can be made by Revised Program. The 2.5 reduction in Central Office travel is acceptable.

Science and Technology - if additional grants funds are appropriated in FCC CS HB 60, the 50.0 grants reduction is acceptable. The purpose of the 3.6 budgeted in the miscellaneous line item is unclear to the Director of that program. Therefore, the elimination of that amount will not have any known effect.

Commissioner's Office - Restoration of the 50.0 for special contractual studies is my top priority for change to the House Budget. Uses for these funds are legion, but needs change from year-to-year so it is not possible to say how these funds will be spent. One area which I believe needs research is employee benefits. For purposes of collective bargaining I believe we need a study which compares employee benefits by bargaining unit and with the private sector.

April 21, 1980

The Special Assistant position which we had requested to be transferred to the Commissioner's Office has been left in the Administrative Services. Assuming that appropriation and allocation levels are the same as in FY 80, we would request by Revised Program that this position be in the Commissioner's Office.

Central Mail - the budget amendment which we had requested, and which has been approved by the Governor's BRC is not included in the House Budget. It is our understanding that it was logged out of Budget and Management on April 10, but that no transmittal memo can be found. We urge you to transmit this as soon as possible.

Computing and Telecommunications - the deletion of 177.3 for depreciation is acceptable. However, we request that the new positions which the House has deleted be restored. The Fairbanks EDP Coordinator is needed to assist Fairbanks area users in coordinating activities with the Juneau and Anchorage Data Centers and in preparing Data Processing budget requests, feasibility studies, RFP's, etc. The additional accounting support is needed to provide information, prepare billings and maintain accounts for the chargeback system. Even though systems services is being eliminated from chargeback, the vast majority of work involved in the chargeback program is with the Data Center and computer terminals.

The only other changes to our budget are reductions in personal services in those budgets which had less than 3% vacancy. We don't expect these reductions to present any problems.

We would appreciate your passing this information along to the Free Conference Committee. If you have any questions, please call me or Judy Crondahl at 465-2277.

WRH/mjc

cc: Sue S. Greene
Richard A. Smith
Jeff Morrison
All Directors, Department
of Administration

MEMORANDUM

State of Alaska

TO: Ron Lehr, Director
Division of Budget
& Management
Office of The Governor

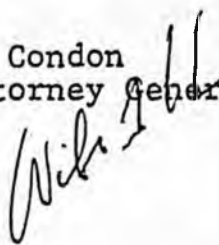
DATE: May 7, 1980

FILE NO

TELEPHONE NO: 465-3600

FROM: Wilson L. Condon
Deputy Attorney General

SUBJECT: Comments on the
House and Senate
Operating Budgets



I. PROSECUTION

To keep these comments brief, they largely focus on the position cuts in the Senate budget, although there were a number of other cuts which we believe should be restored. With few exceptions, the new positions requested in our prosecution budget were designed to accomplish two purposes: (1) ensure the continuation of the state's no-plea-bargaining policy; and (2) increase prosecution services to the rural areas of Alaska.

a) No Plea Bargaining. The following positions cut from the Senate budget impact the no-plea-bargaining policy:

- (1) Attorney III, Kenai;
- (2) Clerk Typist III, Kenai;
- (3) Clerk Typist III, Juneau

b) Rural Service. The following positions cut from the Senate budget impact the proposed increase in rural services:

- (1) Clerk Typist III, Bethel;
- (2) Attorney III, Criminal Appeals and Special Prosecutions;
- (3) Clerk Typist III, Criminal Appeals and Special Prosecutions;
- (4) Attorney IV, Criminal Appeals and Special Prosecutions;
- (5) Clerk Typist III, Criminal Appeals and Special Prosecutions.

Two attorneys and two clerical support staff people (2-5 above) were requested to enable us to consolidate all of our appeal work in the Office of Special Prosecutions and Appeals in Anchorage. If we can do that, that will free up the equivalent of one attorney in the Fairbanks office so we can increase service to Tok, Galena, Fort Yukon, Delta, Nenana and possibly Barrow (see comments on the Civil budget below). The second attorney and support staff person would free up time in the Bethel, Kodiak and Ketchikan offices, and, at least with respect to the former two, increase service in rural Alaska.

(6) Attorney III, Anchorage;

(7) Clerk Typist III, Anchorage.

These positions were deleted from both the House and Senate budgets. Their inclusion would permit us to better serve the Bristol Bay area and the Aleutian Chain (Dutch Harbor and Unalaska).

b) Other. A third attorney and support staff person deleted by the Senate were requested to provide increased drug enforcement. Further, the Senate deleted the special police advisor attorney paid for by the Department of Public Safety through a reimbursable services agreement. The Senate deleted all of the personnel in the Criminal Division for our victim witness coordinator program. Those positions consisted of a paralegal in Anchorage, a paralegal in Fairbanks, and a secretary in Anchorage.

Finally, it is critical that the \$35,000 Senate cut in Third Judicial District contractual and the \$8,700 cut in First Judicial District travel be restored. These amounts were cut this year also and had to be covered from the Governor's contingency fund.

In addition, the House increased the Governor's budget by adding \$348,000 for a pre-trial diversion program state-wide.

Conclusion. The House budget, minus the pre-trial diversion funds, would give us the minimum amount necessary to accomplish the policy goals set forth in our original budget submission.

II. CIVIL BUDGET

The Senate eliminated from our Civil budget an attorney position and support staff position for our Nome office. If the court system services Barrow with the two judges from the Second Judicial District as it says it will, then we believe we must have a three-attorney office in Nome, two-thirds prosecution, one-third civil, to be able to coordinate the Nome, Kotzebue and Barrow caseloads. Further, the large increase in our social service caseload in Fairbanks must be serviced in some way. This addition would allow us to take care of Barrow from Nome instead of Fairbanks, and thereby free up our Fairbanks social services attorney to cover the increasing load in the Fourth Judicial District.

III. CONSUMER PROTECTION

In order for us to maintain a consumer protection enforcement program outside the cities of Fairbanks, Anchorage, Juneau and Ketchikan, a large increase in the proposed Senate travel budget is absolutely essential. If the goals set forth in the House budget - namely, auto fraud enforcement and enforcement in rural Alaska -- are to be accomplished, then the House budget figures will be required.

WLC/lm

MEMORANDUM

TO: Ron Lehr, Director
Budget and Management
Office of the Governor

DATE: May 8, 1980

FILE NO:

TELEPHONE NO: 465-2300

FROM: Thomas K. Williams *TKW*
Commissioner
Department of Revenue

SUBJECT: FY 81 House and Senate Finance
Budgets

RECEIVED
MAY 9 1980
Budget and Management

NEW POSITION REQUESTS - FY 81 OPERATING BUDGET

Both the House Finance Budget and the Senate Finance Budget delete the eight positions we requested for the Audit Division to mount a more effective "invisible taxpayer" compliance program. In view of the enactment of individual income tax relief legislation (CH 22 SLA 1980), we agree with this basic adjustment.

However, in preparing fiscal notes for the tax relief bill (FCCS for SB 394) and the permanent fund dividend bill (FCCS for SB 122), we assumed certain components of our FY 81 budget request would be available to provide the resources necessary to implement the legislation.

In our FY 81 operating budget, we requested three full time Systems Analyst positions to be added to the Administration and Support BRU. One would be added to the Office of the Commissioner component (Budget Workbook, pages 1637 and 1638) to enhance the Research Section's ability to do their own programming and to respond to the many requests for information and statistics we receive annually from the Legislature and other State agencies. Two of the positions would be placed in the Management Services Component (Budget Workbook pages 1676-1677). One of these positions would have worked on designing and maintaining the programs necessary to tie each year's individual income tax master files (1974 - 1979) together for purposes of allowing us to scan historical filing patterns of each taxpayer. The other position would have worked on linking the Department of Revenue's computer files with information available to other State agencies for purposes of locating persons interacting with other agencies (eg. limited entry permittees, business loan applicants etc.) who are not paying taxes.

Admittedly, both of these latter positions were originally justified in terms of the "invisible taxpayer" compliance effort. However, the function they were to fulfill -- linking each tax year's master file with each other and linking Department of Revenue computerized data base with information data captured by other agencies -- is of even greater significance under the new legislation. The new tax legislation imposes a duty to accomplish that which we originally proposed to do. It requires developing the capability of cross-referencing every year of tax data we have on file. Obviously, this would likewise assist us in doing computerized audits of permanent fund dividend applications. Similarly, the permanent fund dividend legislation would require developing computerized access to information available to other State agencies relative to verification of residency claims.

In summary, the last two positions are still necessary to develop essentially the same systems and programming capability originally described to verify claims for tax exemptions under the new law and to audit permanent fund dividend applications for the purpose of reducing the incidence of fraud.

Of the three positions discussed above, the House would give us only the first and the Senate would delete all three. It is the position of the Department that the position in the Commissioner's Office is necessary to improve the quality of revenue forecasting ability and to provide a wider variety of statistical data to the public and other agencies.

In addition, the other two full-time Systems Analyst positions are absolutely critical if we are to have the resources necessary to design and maintain the Permanent Fund Dividend and the Individual Tax Exemption Master Files.

Travel

The Senate Finance Budget reduces the Office of the Commissioner travel account by 34.8 while the House Finance Budget reduced this travel by 10.0. The Office of the Commissioner cannot effectively carry out its responsibilities at the level proposed by the Senate Finance Budget.

FISCAL NOTE REQUESTS: FCCS FOR SB 122, FCCS FOR SB 394

Finally, I would observe that the Senate Finance Budget proposes to fund all fiscal note expenditures necessary to implement FCCS SB 122 and FCCS SB 394. However, the House Finance Budget does not reflect any consideration of the increased costs in the Audit and Enforcement BRU's. Further, the proposed figure in the House Finance Budget for Administration and Support is almost 180.0 short of what is required. Without the full funding contained in the Senate Finance Budget, we will not be able to implement the Permanent Fund Dividend payments, the 1979 tax rebate and the 1980 withholding refund which are authorized by the new legislation.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

POUCH F - STATE OFFICE BUILDING
JUNEAU, ALASKA 99811
(907) 465-2854

RECEIVED

MAY 6 1980

Budget and Management

MEMORANDUM

TO: Ron Lehr, Director
Division of Budget and Management

FROM: Kerry D. Romesburg, Executive Director
Alaska Commission on Postsecondary Education

DATE: May 6, 1980

A very upsetting situation has emerged from the Senate with regard to the budget for the Postsecondary Commission. The subcommittee for our budget recommended moving the Commission to Fairbanks. This was adopted by the Finance Committee and, by the time you receive this memorandum, should have cleared the Senate and be on its way to Free Conference. Following are highlights of their action:

1. full funding is provided for loans and grants;
2. a 50% short-funding is provided for commission, WICHE, and student loan administration;
3. the Commission is directed to move to Fairbanks by October 30, 1980, report its move to the Legislative Budget and Audit Committee, and seek a supplemental for the second half of our operating budget;
4. \$100 thousand has been added to the Commission administration budget to fund the move to Fairbanks;
5. included in the \$100 thousand is supposed to be funds for moving 4 people from Juneau to Fairbanks (Director, Assistant Director, Programs Administrator, and Academic Coordinator), move all the program files and equipment, purchase and establish nine computer terminals, make computer systems modifications as necessary, and pay for one year's space rental in Fairbanks.

The ramifications of these actions are great indeed. If we have to fire the entire staff of the student loan division and try to re-hire and re-train a whole new staff, the loan program will be in shambles. Apparently some persons believe that the loan awards, repayment, collection, and fiscal personnel can be summarily dismissed and replaced. They cannot. These people possess a great deal of skill that has come from training and years of experience. We are talking about 26 people in the loan division (some of whom have been with our program for over five years). Not only would this be disastrous for the administration of the loan program, it would be a sad waste of talent and training. The same arguments can be made for dismissal of the other five employees for our other programs. If this proposal succeeds, our entire operation, along with 35 positions would transfer from Juneau to Fairbanks.

Ron Lehr
May 6, 1980
Page 2

Administrative costs would be increased for all the Commission programs, the programs and services to the citizens of our State would be greatly disrupted, and no management or administrative purpose would be served. I do not support this move, and I can not justify it for management reasons. Any assistance you can give would be greatly appreciated.

MEMORANDUM

State of Alaska

TO: Ron Lehr, Director
Division of Budget & Management
Office of the Governor

DATE: April 30, 1980

FILE NO:

TELEPHONE NO: 465-2800

FROM: Marshall L. Lind, Commissioner
Department of Education

SUBJECT: Agency Responses to
House Version of FY81
Operating Budget

RECEIVED
MAY 5 1980
Budget and Management

The Department of Education has examined the House Finance Committee recommendations for our agency's FY81 operating budget. The following areas, which the House Finance Committee recommendations delete or reduce from the Governor's budget, are considered to be extremely critical.

I. BRU: Executive Administration

A. Component: Planning and Research

Reinstatement request: Position authority and funding for

1. Coordinator of Education Technology	63.9
2. Program Evaluator	94.5
3. Clerk Typist	23.3
Minimum additional funding: .	<u>\$181.7</u>

Effects of not obtaining additional funding:

These three positions represent the State Board of Education's top priorities for the FY81 budget. The Coordinator of Educational Technology is vital to the success of our previous efforts in the areas of technological development and application to education. The position was designed to carry out local district staff training to allow maximum use of new technology. The position was also scheduled to begin the collection and analysis of cost-effectiveness information upon which base long range plans and decisions concerning educational application of technology. Failure to reinstate the position will seriously hamper the efficient use of current technology and the systematic development of new, cost-efficient applications.

The Program Evaluator position and related support are extremely critical if the Department and the State are to be able to respond to concerns about local district program quality and accountability. If the positions cannot be reinstated, we request that \$241.6 be added to the contractual object code of this component to allow us to purchase the needed survey. If services are contracted, an additional 33% (\$59.9) is needed to accommodate higher costs.

B. Component: ETA

Reinstatement request: Position authority for

1. Education Associate III
2. Education Associate II

Minimum additional funding: -0-

The funds currently show in the 300 object code of the House Finance Committee recommendations. Our request is to move the \$58.1 from 300 to 100 with accompanying authority for two new positions. If this change cannot be made, we will contract for the services; however, this option does not begin to build the capacity in the Department to maintain programs already developed under ETA. Unless we build this capacity during the experimental stages of ETA, the long range success and impact of the project is seriously curtailed.

C. Component: Boards & Commissions

1. State Board of Education Travel

Minimum additional funding required: \$9.0

Effects of not obtaining additional funding:

Without the additional funding, the State Board of Education will need to cut out two board meetings in FY81. The recent proliferation of legal, policy and technical issues with which the Board must deal, has required meetings on a monthly basis. Since many of the Board decisions affect local school funding and operations, less frequent meetings could have a detrimental effect on the orderly provisions of public education in Alaska.

II. BRU: K-12 Education Program Support

Component: Educational Program Support

Reinstatement Request: Position authority and funding for

1. Education Specialist I (Bilingual)

Minimum additional funding required: \$60.6

Effects of not obtaining additional funding:

Over the past four years, the state Bilingual Education program has grown from an annual appropriation of \$650.0 to the current \$5,148.8. In addition, the program has been mandated for all school districts with eligible students. Currently 29 districts run state supported

Bilingual programs. However, the Department continues to have only one position to monitor district programs and to provide technical assistance to districts.

The requested position will allow for stricter monitoring of local programs and should result in savings to the state through a more careful auditing of district bilingual receipts and expenditures.

III. BRU: Adult and Postsecondary Support

Component: Grants Administration

Reinstatement request: Position authority and funding for

	<u>GF</u>
1. Community Education Specialist	\$ 23.1
2. Clerk Typist III	8.3
Additional travel for unit	<u>20.0</u>
Minimum Additional Funding:	\$ 82.2
(\$51.4 GF: \$30.8 Fed)	

The two Community Education positions have been established by RP in the past, partially funded by a federal grant. Both positions are currently filled.

The travel budget for the Adult and Continuing Education Unit has been reduced \$27.8 by the House Finance Committee. This reduction is below the FY80 authorized level of \$66.8. The increase in travel costs plus the increased demands on the unit to monitor field activity, especially in Community Education and Adult Basic Education, makes the reinstatement of at least \$20.0 to the 200 object code extremely critical.

Component: Alaska Skill Center

Reinstatement request: GF 24.0, increase of 500 object code

At the time the budget was prepared, this 24,000 addition represented the cost of heating the old high school at a fuel oil price of \$.66 per gallon. The price has increased to \$.943 per gallon and the center's operating budget simply cannot be extended to cover this additional cost. In the event the increment is not allowed, activity in several programs will be curtailed.

IV. BRU: State Library

Component: Regular Operations

Reinstatement request:

1. Full funding of current authorized GF positions	\$ 95.9
2. Correction in funding source	<u>77.7</u>
Minimum additional funding required:	\$173.6
(\$167.6 GF; \$6.0 Program Receipts)	

Effects of not obtaining additional funding:

Under the House Finance Committee recommendations for Personal Services, current positions will need to be cut with a concomitant reduction in services to the public.

The funding source cut of \$71.7 in general fund appears to be the result of a nonauthorization of the proposed Data Center. However, the Data Center was to be funded by program receipts, not General Fund. The recommended GF cut therefore, effects other library services. If the cut is sustained, current services will be reduced significantly.

V. BRU: Vocational Rehabilitation

A. Component: Services to Client

Action requested: Removal of legislative intent to earmark \$125.0 for Adult Basic Education Program.

Minimum additional funds required: (\$35.0)

Effects of House Finance Recommendation:

The Division of Vocational Rehabilitation does not have the authority to conduct classroom education program. Therefore, in this instance, legislative intent would be difficult to comply with. In addition, although the House Finance Committee recommendation specifies that \$125.0 be set aside for Adult Basic Education activity, only \$35.0 was added to the budget. Thus, to comply with the intent, \$90.0 additional funds would need to be taken out of case services, reducing services to eligible clients.

B. Component: Administration

Reinstatement Request: addition of \$30.0 under the 300 object code.
Minimum additional funds required: \$30.0

Effects of not obtaining additional funds:

The House reduction of \$30.0 over the Governor's recommendations would significantly retard the final development of the Divisions automated client accounting system. The system has been under development for several years by the Division of Data Processing but has not been successful. The \$30.0 in the FY81 budget was to accommodate final corrections to the system and to get it operational.

C. Component: Specialized Facilities

Reinstatement request: \$15.0 in Grants and Claims object code.
Minimum additional funds required: \$15.0

April 30, 1980

Effects of not obtaining additional funds:

This component supplies funds to the Alaska Sensory Impairment Center. A cut back will reduce orientation and mobility services to blind individuals.

D. Component: Employment of the Handicapped

Action requested: full funding of the two positions added by the House Finance Committee for the Governor's Committee on Employment of the Handicapped.

Minimum additional funding required: \$15.0

Effects of not obtaining additional funds:

The \$47.0 added by the Legislature is not sufficient to fully fund the additional positions of Executive Director (Range 20) and a Clerk Typist III. Full funding requires an additional \$15.0.

I hope that the above information is sufficient.

MEMORANDUM

State of Alaska

RECEIVED
MAY 9 1980
Budget and Management

TO: Jerry Reinwand, Chairman
Budget Review Committee
Office of the Governor

DATE:

FILE NO:

M-19

TELEPHONE NO:

465-3331 (TB)

FROM: *Helen D. Bairne*
Helen D. Bairne, Commissioner
Department of Health & Social Services

SUBJECT: House/Senate Versions
of FY 81 Operating Budget

In reviewing the House and Senate versions of the FY 81 Operating Budget, the Department of Health and Social Services has identified certain areas in which proper appropriation funding and/or language is critical to program operation. The areas listed below are the highest priority items and have been singled out from numerous other areas which are also important to DHSS functions. Realizing that only limited funds are available to our department, we have listed below only those areas in which we must have certain allowances in the appropriation bill in order to maintain services as determined in the FY 81 policy and detailed budgets and amendments.

I. HEALTH CATEGORY

1. General Relief Medical - DHSS projections show needs as authorized in the House version. The cuts made in the Senate appear to be arbitrary and would probably require a supplemental during the year.
2. Medicaid - The same as stated for General Relief Medical. As well, language is required in the bill to assure general funds support for the Hospitals and Nursing Home components should Revenue Sharing fall short due to Presidential budget cuts.
3. Public Health Programs - The regional office of DHEW has forewarned us of Presidential cuts in the Public Health area. This affects the department specifically by removing PHS 214(D) funds in several components: Home Health (16.2), TB Control (49.3), Epidemiology (10.0), Environmental Health (91.7), Child Development Services (31.6), Regional Laboratories (35.0), PH Administration (35.0), Health Education (13.2) and Grant to GAAB (55.0). The department requests that language be added to the appropriations bill to assure general fund support should these federal dollars be unavailable for our use.
4. Community Mental Health Grants - The Department in general supports the concept of regionalization as shown by appropriations to Haulakuk Corporation in the Senate version. However, this component cannot absorb the \$122.7 which is identified for transfer to Haulakuk. Additional funds totalling this amount should be placed in the Haulakuk appropriation in the Health category.
5. Alcohol and Drug Abuse Grants - In a similar light, intent was included in these two components requiring a transfer to Haulakuk. Instead,

additional funds, 342.5 for Alcohol Abuse Grants and 114.4 for Drug Abuse Grants, should be placed in the Mauneluk Health appropriation.

5. Office of State Health Planning & Development - The Health Planning Committee requested two positions but only one part time position was authorized by both House and Senate. Travel was also cut in this component and in Certification and Licensing. This could cripple the programs and may put it out of compliance with federal regulations. As a minimal compromise, the department supports the Senate version with travel restored to the Governor's request level.
6. Public Assistance Administration Admin. - The Senate version adds \$1000.0 to establish a Medicaid Information System. This system is encouraged by DHSS but current language which requires that the system be state operated using state owned equipment will necessitate an additional \$400-500.0 authorization.

II. SOCIAL SERVICES CATEGORY

1. Social Services (NMR0) - The Senate version which breaks out a portion for Mauneluk Corporation is supported. However, one position, a Child Protection Worker (SW III), must be a state employee according to counsel from the Attorney General's Office. This requires an additional \$52.5 in the Senate version.
2. Adult Supportive Services - The House version is requested here. The new position created by the House, a Family Violence Coordinator, is a vital position which is currently LEAA grant funded. The Senate version includes more funds, but the add-ons seem arbitrary and are not within program plans.
3. Institutional Care & Foster Care - The department supports the Senate version which established separate appropriations for these components and includes funds from related components in the Justice Category. DHSS supports the consolidation of these components.
4. Title XX - The department feels that the legislature should be put on notice that the Title XX Offset DRU is overfunded by \$268.0 according to latest word from federal officials.
5. Staff Development - Due to forewarning of Presidential cuts in the Title XX training grant, language is required on the bill which assure general fund support should the federal funds fall short.

III. JUSTICE CATEGORY

1. Local Facilities - The Senate version, which takes into account current more accurate projections, shows the amount required by this component. Any lower amount will require supplemental support during the year.

2. Youth Services/Institutional Care & Foster Care - The department supports the consolidation of those components with similar one in the Social Services category as shown in the Senate version.
3. Master Plan Statewide Pool - The department supports the House version which included funds for nine positions established in accordance with the Corrections Master Plan.

MEMORANDUM

State of Alaska

TO: Ron Lehr, Director
Division of Budget & Management
Officer of the Governor

DATE: May 8, 1980


RECEIVED

FILE NO:

MAY 8 1980

TELEPHONE NO:

Budget and Management

FROM: 
Edmund N. Orbeck, Commissioner
Department of Labor

SUBJECT: Department Priorities
for Free Conference, FY 81
Budget FCCSSCSCSHB 556
Social Services Category

A. Department Priorities, Social Services

These programs are considered critical and we would request supplemental funding next session:

1. General Funds for Administrative Services BRU: \$304.2

- a. Management Services: 200.0 Increase, Amendment at Free Conference
This amendment provides for increased administration costs connected with Workmen's Compensation and offsets shortfall in interagency receipts from grant programs.
- b. LMI Demographics: 104.2 (in House Budget), 109.3 (Gov. Request)
This population estimating unit meets needs we have received from public and private groups and individuals. Over 300 written responses to our overview publication indicated the need for more demographics.

2. Restore 6.0 Travel to Commissioner's Office

The Commissioner and staff must be able to respond to labor arbitration needs and planning issues such as the gasline.

B. BRU Analysis, Employment Stabilization Program

<u>BRU/Component</u>	<u>Comments</u>
1. Employment Security BRU	
a. Employment Services Component	Require Senate version. The Department cannot justify a full time position in Naknek as funded in the House version of the budget; this service must be provided out of Anchorage, Dillingham and Dutch Harbor offices.
b. Unemployment Insurance Component	Senate version incorporates required amendments, therefore is preferable.
c. Unemployment Insurance Fraud Component	Senate and House versions equal and acceptable.

B. BRU Analysis, Employment Stabilization Program (con't)

<u>BRU/Component</u>	<u>Comments</u>
d. CETA Services	As Requested.
e. ESD Director's Office	Senate and House versions equal and acceptable.
f. DP Applications	As Requested.
g. DP Operations	As Requested.
h. ES For Seafood	Prefer Senate Version (combined with ES Component) (see 1a above).
2. WIN Program BRU	Senate and House equal and acceptable.
3. Commissioner's Office BRU	Senate and House equal - travel cut to 80 percent of FY 79 actual, require 6.0 restoration.
4. Administrative Services BRU	
a. Management Services	Interagency receipts forecast to be \$250.0 - 300.0 short due to federal redistribution to larger states. \$200.0 General Fund Amendment required to maintain division efforts at 90 percent of continuation for Financial Management and Labor Force Research, and to undertake increased work from general funded program growth.
b. Labor Market Information	Require House version. Senate version cut demographics increment (109.3 Gov., 104.2 House). This program is essential to feed basic demographics information to State, University, Legislature and public users.
c. Research Contracts	Prefer Senate version. House version requires that a complex and long-term research effort be conducted in less than nine months and without the advantage of base data from LMI/demographics.

MEMORANDUM

State of Alaska

TO: Ron Lehr, Director
Division of Budget & Management
Office of the Governor

DATE: May 8, 1980

RECEIVED

FILE NO:

MAY 8 1980

TELEPHONE NO: 465-2700

Budget and Management

FROM: *Ed Orbeck*
Edmund N. Orbeck, Commissioner
Department of Labor

SUBJECT: Department Priorities,
Free Conference Committee
Budget Hearings, Public
Protection Category, FY'81
Operating Budget

A. Department Priorities, Public Protection

This program is considered critical in addressing public safety.

1. Fund Occupational Safety and Health Program to the extent and under option agreed upon by the Governor, May 8, 1980.
2. a) Travel reduction in Senate version of Mechanical Inspection BRU will preclude mandatory pressure vessel inspections and cause shortfall in program receipts.
b) Maximum program receipts expected is 227.0, therefore a supplemental is anticipated in the next session.

B. BRU Analysis, Worker Protection Program

<u>BRU/Component</u>	<u>Comments</u>
1. Administration of Workmen's Compensation	Must have Senate version which incorporates rent amendment.
2. Wage & Hour Administration	Must have Senate version which incorporates rent, and postage-telephone contractual amendments.
3. Fishermen's Fund	As requested.
4. Second Injury Fund	Must have Senate version which includes rent amendments.

C. BRU Analysis, Life and Property Protection Program

1. Mechanical Inspection
Must have House version in order to enforce electrical and certificate of fitness codes in southeast, particularly in view of Senate travel reduction. House version also provides necessary clerical support. Travel reduction in Senate version also precludes ability to conduct mandatory pressure vessel inspections and obtain required program receipts. This is a state statutory requirements and a state liability if the state fails to perform.

MEMORANDUM

State of Alaska

TO: Ron Lehr, Director
Division of Budget & Management
Office of the Governor

DATE: May 8, 1980

RECEIVED

FILE NO:

MAY 8 1980

TELEPHONE NO: 465 2700

Budget and Management

FROM: 
Edmund N. Orbeck
Commissioner
Department of Labor

SUBJECT: Department Capital
Improvement Projects,
FY'81 Budget Free-
Conference Committee

The requested Capital Projects are essential to the Department in meeting statutory responsibilities under Title 23, Labor and Workmen's Compensation.

1. PUBLIC PROTECTION - WORKMEN'S COMPENSATION

"INFORMATION HANDLING SYSTEM":

Senate and House equal at \$211.2.

Require \$85.0 amendment for total Capital Appropriation of \$296.2. This system is essential to enable the Board to meet statutory requirements; latest project estimates support \$296.2 level.

2. SOCIAL SERVICES - EMPLOYMENT SECURITY:

Senate version of Capital Budget is preferred since additional projects in the House version are scheduled for revised program review before Legislative Budget & Audit Committee (RP 80-282).

LOIS COOK

MAY 7, 1960

John Linn, Director
Division of Budget and
Management
Office of the Governor

MEMORANDUM

TO :

Carolyn S. Juss
Commissioner
Alaska Public Utilities Commission

FROM : Senate and House Budgets

The APC supports the Senate budget which has substantially funded the Governor's request for the agency.

Priority control of funding to the House Budget:

1. Rate increase in professional staff salaries. (Subject of Amendment 550-1, 1/17/60.) Support by Finance Commission in Senate and House Committee Committee Report. Supplemental budget will be necessary in the future.
2. Utilities position 1 - Without this position and travel funds, the Commission will be unable to monitor and enforce telephone service standards as required by the Governor's Telecommunications Task Force.
3. Class System 111 - Without this position, the existing processing delay in complaints and bill items will continue as long as it full time clerical support.
4. Consumer Protection - Information System 11 - Without this position the CP 11 position will not perform any information and operational functions.

CSJ/11

MEMORANDUM

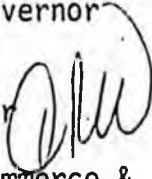
State of Alaska

TO: Ron Lehr, Director
Division of Budget &
Management
Office of the Governor

DATE: May 8, 1980

FILE NO:

TELEPHONE NO:

FROM: Charles R. Webber 
Commissioner
Department of Commerce &
Economic Development

SUBJECT: Senate and House
Budget Recommendations

The Department of Commerce and Economic Development has carefully analyzed the variances between the Senate and House versions of the Governor's FY '81 budget request. In light of our analysis, I am writing in hopes of enlisting the support of your office in securing from the Free Conference Committee the Governor's budget requests as outlined in the following prioritized list.

1. Public Protection -- Administration and Support

History:

In FY '79, the Division of Administrative Services consisting of myself, a deputy commissioner, the division director and the personnel, supply, accounting and public information sections of the department spent a total of \$39,300 in travel. The legislature last year cut that amount to \$23,400 for the current fiscal year. To date, it has been necessary to transfer an additional \$7,800 from contractual.

High rates of employee turnover and lack of public visibility have plagued the Administrative Services sections of all executive branch departments. In hopes of reducing employee turnover by providing incentives to remain within the department, we requested \$3,000 to provide for the training of lower range employees. Also requested was \$6,000 for an increased public awareness campaign to inform the public of services offered by the department.

Current Situation:

The House granted approval to the Governor's \$39,700 travel request for the division. The Senate, however, cut that figure to \$25,000.

The Senate also cut from the Governor's budget request in the contractual category the amount of \$26,000.

Action Requested:

That the Free Conference Committee fund the travel request at the level requested by the Governor and the contractual request at a level not less than \$17,000 less than that requested by the Governor.

Justification:

The Division of Administrative Services is responsible for the execution of major executive policy decisions issued in the economic development and public protection categories. In order to effectively accomplish this task, it is necessary that either myself or members of my staff remain in constant personal contact with government business and industry leaders about the State. It should be noted here, and made clear to the free conference committee, that only \$4,600 is directed toward out-of-state and foreign travel. Without adequate funding in this category, the department's contacts with Anchorage, Fairbanks and points beyond Southeast Alaska will be severely limited.

An increase in this category is also necessary in light of recent fuel price increases which have resulted in over a 30% increase in intrastate airline fares.

As far as the contractual category is concerned, the department is in greatest need of providing incentives to lower range employees to stay within the department and of informing the public of its services. The \$17,000 which was also cut for special management studies and/or audits can be done without, although its cut will preclude reorganizational plans of the department.

2. Development -- Energy and Power Administration.**History:**

The Division of Energy and Power Development is required to complete and revise a long-term power development plan for the State of Alaska.

Revised Request:

Neither the House nor the Senate included in the FY '81 budget the funds necessary to complete a long-term energy development plan. A revised request to accomplish this task is as follows:

Energy Specialist Range 18A	\$38,781.10
Travel Assoc. with Energy Specialist	\$ 3,500.00
Contractual	\$49,545.00
Commodities	\$ 200.00
TOTAL	<u>\$92,026.10</u>

Justification:

The Division is required to complete and revise a long-term power development plan. At the present time, the Division does not have the necessary resources to perform the required updates. Completion of the updated plan will provide the needed direction and assessment of progress being made toward meeting the State's goals and objectives. It will also provide direction from which new programs and projects can be developed and prioritized. This results in a more coordinated and efficient expenditure of State monies and resources.

With a combination of State personnel, FY '81 capital budget request and contracted services the completed update will include:

- A. Updated statewide energy supply and demand analysis resulting from ongoing data acquisition system to be carried out at least on a semiannual basis;
 - B. Detailed update of utility power production and costs data including comparisons of estimated versus actual consumption and costs;
 - C. Evaluation of existing and proposed project and their compatibility with the plan; and
 - D. Establishment of a Power Development Advisory Council to assist the Division in preparing a plan which reflects the views of both the private and public sector.
3. Public Protection -- Banking, Securities and Corporations.

History:

For the past three years, the Division of Banking and Securities has requested funding necessary to undertake an effort to recodify the Banking Code, AS 06.

Current Situation:

The House granted approval to the Governor's \$322,900 contractual request which included \$120,000 for the division's recodification effort. The Senate, however, deleted the \$120,000 for the recodification.

Action Requested:

That the Free Conference Committee fund the Division's recodification effort by adding the \$120,000 which the Senate deleted.

Justification:

There are numerous areas in the banking code that need changing. However, to mention just two areas that will have an immediate impact on the Alaskan citizen, and where no federal law exists for State banks, are cash reserve requirements and loan limitations. Restructuring cash reserves requirements would free up more dollars for the banks to invest in loans and securities. Restructuring loan limitations would allow State banks to compete equally with national banks.

Currently, State examiners do not have the necessary statutes to allow them the authority to pursue consumer complaints. The addition of consumer complaint laws would relieve the Alaskan citizen of the burden of retaining private counsel for relief in a minor complaint.

The requested funding would cover the retaining of a banking consultant knowledgeable in the banking provisions of other state and federal governments and who has a thorough understanding of the complexities of the banking industry nationwide. The consultant would coordinate the recodification effort, act as a catalyst for ideas from a committee composed of local bankers, legislators and the department, fold in all comments, and draft a bill for review of the committee. The requested funding would also cover travel and per diem expenses and preparation of an annotated bill for submission to the Legislature 18 months from initiating the project.

The Code Revision Commission was contacted and indicated no desire to undertake the necessary revisions.

4. Public Protection -- Insurance**History:**

During FY '80 three domestic insurance companies were formed in Alaska. Each company paid for its own statutory examinations by reimbursing the division for the entire cost. Currently, the reimbursements are deposited into the general fund and do not supplement the division's travel budget. This substantial unanticipated statutory duty to examine three additional companies will detract from the division's ability to respond to other citizens' issues despite the fact that the net cost to the State is nothing.

Current Situation:

The Senate cut the Division of Insurance's FY '81 travel budget from the Governor's request of \$48,000 to 34,200. The House made no cuts.

Action Requested:

That the Free Conference Committee fund the travel request at the level requested by the Governor.

Justification:

In the last 60 days, the Division has scheduled three out-of-State trips which will have a direct impact on the citizens of Alaska. Two trips are related to worker's compensation and deal with allocation of premiums between employment classifications. One significantly impacts air cargo employee classes. The other trip is to resolve rural property fire insurance problems and will result in a formal rural property insurance plan to increase availability of insurance for many Alaskans.

The vast majority of the Division's travel increase over FY '80 is allocated to intrastate travel and service to Alaskan residents through such things as public hearings, coordination of insurance disaster response and trips to assess firsthand the insurance problems of nonurban residents.

A reduction of \$13,800 from the Division's FY '81 travel budget will most directly impact the non-Juneau, non-Anchorage resident and will impede our effort to inform the public and benefit from their input since this is the most discretionary part of our travel budget.

It must also be pointed out that an error has been made in the Senate computation in the Weatherization component of the Energy and Power Development BRU. These funds are 100% federal funds and cannot be increased to accommodate an additional employee for Juneau. I believe the intent by the Senate Finance Committee was to transfer funds from Contractual Services to Personal Services to establish this position.

The Division of Economic Enterprise is presently undergoing a complete reorganization and a budget amendment will be completed within the next couple days. This amendment will address the concerns within the 302 program, the Asian Office components and the changes to the General Operations component.

CRW/tb3/9

TO: Ron Lehr, Director
Division of Budget and Management
Office of the Governor

DATE: 09 May 1980

FILE NO:

TELEPHONE NO: 465-4601

FROM: *R.L.S.*
Richard L. Rountree, Budget Officer
Administrative Services Division
Department of Military Affairs

SUBJECT: Senate Finance Budget

The following is the Department of Military Affairs' response in regard to the reductions in funding which are reflected in the Senate Finance version of the department's FY-81 Budget.

ALASKA DIVISION OF EMERGENCY SERVICES

See attached memo from Edward Newbury, Director of A.D.E.S.

MILITARY PREPAREDNESS

Air Training Support - Component

This program was cut (16.3) which includes 11.3 in Federal funding and 5.0 in State funding. This cut would have a detrimental effect on the facilities maintenance program at Kulis Air National Guard Base in Anchorage.


As you are aware; the Department of Military Affairs' FY-80 budget was substantially underfunded and our FY-81 budget submission was based on 95% of FY-80 authorization, in compliance with the Governor's Policy Guidance. In view of these facts and considering the actual inflation, experienced in FY-80; it is imperative that the Department of Military Affairs' programs cannot sustain further reductions in funding without drastic reductions in service. Also, the lack of adequate state funding has a direct effect on the amount of Federal participation funding within our Federal Contracts.

Ron Lehr, Director
Division of Budget & Management
Office of the Governor

DATE: May 8, 1980

FILE NO.

TELEPHONE NO.


Edward S.E. Newbury, Director
Alaska Division of Emergency Services
Department of Military Affairs

SUBJECT: FY'81 Senate Finance Budget

This office is concerned with the Senate Budget proposing substantial cuts of funding requested for Civil Preparedness Personal Services 9.6, travel 1.9, and commodities 3.9.

The statutory responsibilities of the Alaska Division of Emergency Services as provided for in AS 26.20 and 26.23 are to insure that preparations are made to cope with the effects of disasters and emergencies and to provide an organization, equipment, and facilities capable of coordinating activities to preserve life and property and to repair and recover from the effects thereof.

This office has been required to reduce certain elements of our overall planning and response in the past due to budget reductions. We feel that this reduction in the past was at least in part due to the reassignment of our Southeastern District Supervisor to the Anchorage office for training and familiarity with the new FEMA programs. With his training completed, the ADES office in the Capitol Building will be reopened approximately June 5, 1980.

Funding for personnel, e.g., Clerk Typist in the Juneau office is necessary and was considered so in our budget submission earlier. Travel and commodities required to support the Juneau office also represent a portion of that budget request.

As you are aware, this office has responded to four state-declared disasters in recent months. This response has required our limited staff to set aside ongoing planning, training, and local government assistance to a certain degree. Therefore, we request your assistance to provide the funding requested in the budget submission for authorized personnel strength and support.

MEMORANDUM

State of Alaska

TO: Free Conference Committee Members
Ron Lehr
Bob Grogan

DATE: May 9, 1980

FILE NO:

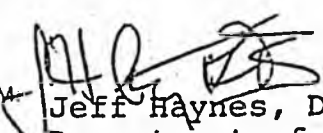
TELEPHONE NO:

RECEIVED

MAY 9 1980

Budget and Management

FROM:


Jeff Haynes, Deputy Commissioner
Department of Natural Resources

SUBJECT: Operating Budget

Attached is an analysis of the Governor's budget, the House budget, and the Senate budget.

RECEIVED

MAY 9 1980

MANAGEMENT & ADMINISTRATION

Budget and Management

	<u>Gov.</u>	<u>HOUSE</u>	<u>SENATE</u>	<u>DIFFERENCES</u>	<u>CONSEQUENCES</u>
Commissioner's Office	694.0	694.0	694.0		
Administrative Services	1457.6	1457.6	1455.3	Reduced by the Senate by 2.3 to provide for a higher vacancy factor.	
Information/Records Management	2599.6	2599.6	2599.6	Seven positions were converted from C.I.P. status to Operating Budget.	
Research/Special Projects	2074.8	2078.2	1702.2	Senate deleted Coastal Zone Management interagency receipts and the seven positions proposed to operate the project. The CZM project would be eliminated under the Senate bill. Senate further deleted two positions funded 100 percent by Federal receipts which were included in the Regional Resources Planning Project. The two positions eliminated were a Water Resources Planner and a Research Analyst for the on-going Susitna River Basin study. Under the Senate budget both aspects of the Regional Resource Planning Project will be eliminated.	<p>Elimination of the Coastal Zone Project means that the Department will be unable to perform coastal management consistency reviews as required by the Coastal Management Act, and able to provide assistance to municipalities in the development of local coastal management plans. Unless coastal management is eliminated statewide, this reduction puts DNR at a great disadvantage in protecting the interests of resource development projects with respect to the coastal management process.</p> <p>Elimination of the Federal portion of the Regional Resource Plans Project would eliminate the assimilation of water information into the department's proposals for land use and development. Since water resources are often the major limiting factor on development in an area, this is a substantial loss.</p>

	<u>GOV.</u>	<u>HOUSE</u>	<u>SENATE</u>	<u>DIFFERENCES</u>	<u>CONSEQUENCES</u>
Pipeline Surveillance	2669.0	2669.0	0	Senate budget zeros out the State Pipeline Coordinator's Office. This will eliminate 14 proposed positions and 7 existing positions, all located in Fairbanks. All of the affected positions are 100 percent funded by Northwest Pipeline Company.	Elimination of the Pipeline Surveillance component precludes the Department from undertaking any preparatory activities with respect to the right-of-way lease for the gas pipeline and related matters. It would virtually insure that the gas pipeline would be delayed and that the State would be held responsible for the delay. All funds requested are reimbursible by Northwest Pipeline Co.

LAND MANAGEMENT

Land Selection/Title Defense	561.7	561.7	495.2	Senate budget disallows 2 C.I.P. conversions	<p><u>The General Grant Selections Project</u> is for the purpose of (1) establishing priorities for conveyances of the State's land entitlement from the Federal government and (2) insuring that the Federal government conveys proper title to that land. Without this Project, the State's influence over the Federal conveyance process would be minimized.</p> <p><u>The Federal Mining Claims Project</u> is aimed at resolving the problem caused by conveyance of lands to the State by the government with Federal mining claims attached. Elimination of these funds would create land status problems and makes it difficult for the State to determine which claims are legitimate.</p>
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	<u>GOV.</u>	<u>HOUSE</u>	<u>SENATE</u>	<u>DIFFERENCES</u>	<u>CONSEQUENCES</u>
Land Disposal/Fee Title	3111.8	3111.8	3033.8	Senate budget disallows 2 C.I.P. Conversions in the FY 81 Land Disposal Project	The FY 81 Land Disposal Project would offer 100,000+ acres of State land for sale into private ownership during the fiscal year. The cadastral surveyor positions are for the purpose of overseeing the massive surveying and subdivision/parcel design for land disposals. Without these positions, the Department's ability to perform land disposals and to complete surveys/designs well enough in advance to maximize contact with local residents would be greatly reduced.
Limited Land Disposals	1704.0	1704.0	1704.0		
<u>WATER MANAGEMENT</u>					
Water Inventory/Assessment	385.3	385.3	164.8	Senate eliminates five positions and, as a consequence, eliminates three projects: 1. Water Well Log Collection 2. Village Assistance 3. Surface Water Monitoring	These reductions will all but eliminate three Projects. The <u>Water Well Log Collection Project</u> has been in place for a number of years, and is the means by which the Department obtains information on the quantity of water resources in an area by analyzing the figures contained in well logs submitted by drillers. It also benefits water well drillers because the information is automated and made available to the public. The <u>Village Assistance Project</u> would provide technical solutions to seven communities

	<u>GOV.</u>	<u>HOUSE</u>	<u>SENATE</u>	<u>DIFFERENCES</u>	<u>CONSEQUENCES</u>
Water Inventory/Assessment (cont.)					which are unable to develop satisfactory public water supplies because of quantity/quality problems. The <u>Surface Water Monitoring Project</u> is a statewide Project to determine the amount of surface water available for appropriation by various developmental users (actual and potential); it is necessary for issuance of water appropriations to individuals and industry.
Water Use Management	1194.1	1175.5	1010.9	Senate eliminates the 4 positions authorized by the Governor and the 3 positions authorized by the House. The results are the elimination of two projects and the curtailment of one: <ol style="list-style-type: none"> 1. Federal Reserve Water Rights Project is eliminated. 2. Interagency Review Project is eliminated. 3. Water Rights Administration Project is reduced from adjudicating 2300 water rights cases to 2100 water rights cases. 	Three Projects are severely impacted by the reductions. The <u>Water Rights Administration Project</u> adjudicates and awards water appropriations certificates to persons in the State so that they have a property interest in the water they depend on. There is already a backlog due to insufficient personnel. The <u>Federal Reserve Water Rights Project</u> is the means by which the State will protect itself against unwarranted Federal claims to State water resources through litigation and other means. The <u>Interagency Review Project</u> implements a memorandum of understanding between DNR, Fish and Game, and Environmental Conservation to expedite the processing of State permits related to water use.

	<u>GOV.</u>	<u>HOUSE</u>	<u>SENATE</u>	<u>DIFFERENCES</u>	<u>CONSEQUENCES</u>
Dam Inventory/Safety	105.2	105.2	0	Senate budget zeros out this component.	The <u>Dam Inventory Project</u> is designed to inventory dams in the State (between 50-100) for safety problems in the form of hazards to downstream property/residents and to assess for small-scale hydro potential. The <u>Dam Safety Project</u> would determine design changes necessary for unsafe dams whose failure would result in loss of life and/or property.
<u>FOREST MANAGEMENT</u>					
Timber Inventory/Sales	1052.7	1106.5	772.5	House budget added Beach/Log Salvage Project and Log Brands Project. Senate budget eliminates these two projects and also eliminates 2 of 6 proposed positions in the Small Timber Sales Project. However, the Senate reduced the budget for the Small Timber Sales Project by 280.2 when the project was only funded for 256.5. This appears to be an arithmetical error, but, if it is not, then the entire Small Timber Sales Project would be eliminated even though 4 positions are authorized for it. Additionally, 23.7 would have to be removed from another project to avoid overspending the BRU.	The <u>Small Timber Sales Project</u> is in response to a highly increased demand in the Fairbanks area for firewood permits/sales. The capital budget includes \$250,000 for new access roads for firewood. The reduction of this project would make it impossible to meet this demand and would cause a very serious reaction in the Fairbanks area because of the absence of firewood. Only small timber sales elsewhere (house logs, roof shakes, etc.) would be possible.
Forest Research	219.8	219.8	219.8		
Fire Protection	2882.8	2882.8	2882.8		
Forest, Land & Water Administration	1108.1	1108.1	1108.1		

OIL & GAS MANAGEMENTGOV.HOUSESENATEDIFFERENCESCONSEQUENCES

Lease Sales

1206.8

1420.8

807.4

House budget adds 214.0 for Miscellaneous Land Use Permit Project. Senate budget eliminates this project and also disallows 7 proposed positions intended to carry-out the State's Five-Year Oil and Gas Leasing Schedule.

Elimination of the MLUP project means that the Department will be unable to properly store and handle seismic information obtained from oil companies under new proposed MLUP regulations, and also will be unable to reimburse permittees for the costs they incur as a result of this requirement. This approach, which also is used by the federal government, will allow the state to obtain very cheaply seismic data collected on state lands that would cost many millions of dollars if purchased. The absence of seismic information reduces the State's knowledge about oil and gas resources it intends to lease. Elimination of other positions will hinder the State's ability to conduct oil and gas lease sales contained on the leasing schedule. If the positions are eliminated, DNR would have to concentrate the remaining positions on less than the full number of sales, resulting in cancellation or postponement of some sales.

Lease Sale Administration

398.7

491.7

491.7

Both House and Senate concur adding 93.0 for a Unitization Project.

Reservoir Management

0

0

0

Royalty Income/Accounting

200.3

200.3

200.3

RESOURCE INVENTORY/ASSESSMENT

GOV.

HOUSE

SENATE

DIFFERENCES

CONSEQUENCES

Geologic Investigations

199.7

217.7

234.6

House budget adds Healy Quadrangle Investigation and Western Clearwater Investigation. Senate budget eliminates these two projects and also eliminates the Remote Sensing Project. Senate budget adds the McGrath/Lime Hills Investigation Project.

The Healy Quadrangle Project is to complete a field investigation of the potential mineralization characteristics in this area (north flank of Central Alaska range) for use of miners and others.

The Western Clearwater Mountains Project is to complete publication of the results of a mineralization and bedrock mapping field investigation for miners use; all of the field work is complete.

The Remote Sensing Project uses satellite and high-altitude aerial photography to perform resource inventories. The results of these inventories will direct future field investigation to areas of high potential and eliminate the need for field investigations in areas of low potential. Since only 4% of the State has been accurately mapped and inventoried, information on the presence of natural resources, particularly where it can be obtained through less expensive means such as remote sensing is extremely important. Inventory information also guides land use decisions and serves as a basis for use and investment decisions by private industry.

	<u>GOV.</u>	<u>HOUSE</u>	<u>SENATE</u>	<u>DIFFERENCES</u>	<u>CONSEQUENCES</u>
Geologic Hazards	187.3	187.3	126.8	Senate budget eliminates one proposed position and, as a consequence, eliminates the General Geologic Hazards Project	The <u>Geologic Hazards Project</u> locates and describes for industry and the public, the geologic hazards of the State, which are numerous and dangerous. Advance knowledge of these hazards is necessary before the private sector commits funds to the development of residential areas, industrial sites, and other activities. While the State does not prohibit persons for building in hazard areas, private parties may have difficulty obtaining financing, insurance, zoning approvals, or other prerequisites if they locate in areas which turn out to be hazardous.

MINERALS & ENERGY DEVELOPMENT

Mineral Development	359.8	359.8	359.8
Coal Development	173.7	173.7	173.7
Geothermal Development	340.0	340.0	340.0
Mine Safety/Inspection	0	0	0
AROGDAB	149.7	149.7	149.7
Mineral Resources Administration	458.0	458.0	458.0

<u>PARKS</u>	<u>GOV.</u>	<u>HOUSE</u>	<u>SENATE</u>	<u>DIFFERENCES</u>	<u>CONSEQUENCES</u>
Youth Employment/Education	384.6	384.6	384.6		
Historic Resources Management	384.6	384.6	384.6		
Park Design	218.2	218.2	218.2		
Park Maintenance	2328.9	2328.9	2328.9		
Park Administration	389.2	389.2	389.2		
<u>AGRICULTURAL MANAGEMENT</u>					
Agricultural Development	160.6	160.6	122.7	The Agricultural Conservation Director position is deleted and the Horticulture Project is added. The Conservation director was funded by 43.3 in Federal receipts and 23.8 in General Fund match. Further, the agricultural Feasibility Studies Project is eliminated on the grounds that the Agricultural Action Council is funded for the same project.	
Agricultural Financing/ Promotion	263.1	263.1	203.8	Marketing Specialist position, funded by two-thirds Federal funds, is eliminated. This will eliminate the Marketing Project and will have adverse consequences for Alaska farmers attempting to sell their products.	
Agricultural Research/ Extension Services	370.4	370.4	361.9	Senate reduced by 8.5 to reflect a higher vacancy factor.	
State Fairs	162.3	287.5	287.5		
Director's Office	113.1	113.1	113.1		

MEMORANDUM

State of Alaska

TO: Jerry Reinwand, Executive Assistant
to the Governor
Ron Lehr, Director
Division of Budget & Management

DATE: May 16, 1980

FILE NO:

TELEPHONE NO: 465-4100

FROM: Ronald O. Skoog *Skoog*
Commissioner
Department of Fish and Game

SUBJECT: FY 81 Budget

As per your request, here is some additional background information for your use with the budget free conference committee.

- 1) Data Center (Commercial Fisheries)--both House and Senate made technical errors in the manner in which the decrements were taken (wrong commercial fisheries programs and positions). A net 190.9 should be restored to Senate version; assume this can be taken care of by a technical adjustment.
- 2) Senate cut total groundfish request, (491.8). House cut (250.0). House budget 241.8 would maintain program at approximately FY 80 level, saving current permanent positions. Understand that Groundfish program monies totaling 491.8 will be placed in DCED budget and RSA'd to Department. If not, then 491.8 needs to be added to Senate version as "priority reinstatement #12".
- 3) Hatchery operations remain a particularly difficult issue to deal with. F.R.E.D. Division needs the Senate version of the budget in T & D and Administration and 315.0 reinstated in operations in order to operate all existing facilities at some level of production with limited evaluation.

The legislature established the F.R.E.D. Division and the public voted the bond monies to construct the facilities (70+ million dollars). Cost efficiencies are only reached when facilities produce at or near design capacities. While the issues are complex, the choices are simple: either we operate the facilities and operate them efficiently, including evaluation, or we realize something less.

- 4) Assuming the technical corrections in the C.F. budget for the Data Center and the Groundfish monies being placed in DCED, the following represents the manner in which the Department would reinstate program or service costs if we were to receive a nonspecific reinstatement of from one-to-two million dollars and the Department programs funded by HB 60 remain.

CATEGORY	PRIORITY REINSTATEMENT LIST						DESCRIPTION
	100	200	300	400	500	TOTAL	
1. Administrative Services	134.0	0	0	0	0	134.0	Reinstates five (5) existing positions and one (1) new Acct. Tech. which will pay its own way by speeding collection of Federal receipts into the State General Fund.
2. Vessels Section	22.1	0	0	0	0	22.1	Reinstates existing Administrative Assistant position established by RP in FY 80. This is the only support position in the Section.
3. Commissioner's Office	45.6	15.0	5.0	0	0	65.6	Reinstates necessary levels of travel and contractual services for existing Commissioner's Office activities. Add new Special Assistant for External Affairs.
4. Public Communication	36.1	10.5	21.0	2.5	1.6	71.7	Replaces double reduction in personnel services, but no new position. Reinstates magazine and provides that t.v. spots be done with current staff.
5. Land & Water Conservation (Habitat)	103.5	0	0	0	0	103.5	Adds three (3) new positions associated with coordinating fish and wildlife concerns into the land disposal program.
6. Shellfish (C.F.)	145.6	0	0	0	0	145.6	Reinstates five (5) existing positions for research and management in Kodiak and Alaska Penn.
7. Salmon (C.F.)	223.2	17.5	97.6	31.5	26.5	396.3	Reinstate the following Salmon projects; Port Moller Test Fish, Nushagak R. Pink Forecast, Bristol Bay Stock Separation, Copper R. Stock Sep., Stock Sep. Anchorage, S.S.E. Coho Research, S.E. Port Sampling.
8. Operations (F.R.E.D.)	315.0	0	0	0	0	315.0	This amount above the Senate budget will insure the operation of all facilities at some level of production with limited evaluation. Reinstates 11 of 14 positions requested (all existing) numbers 1-11.
9. Administration (S.F.)	0	9.4	9.7	0	0	19.1	Reinstates necessary operating expenses.
10. Management (S.F.)	40.0	0	0	0	0	40.0	Reinstates field tech. positions for Kenai penn. clam surveys.
11. Environmental Monitoring (Habitat)	99.0	0	0	0	0	99.0	Add two new positions for Bristol Bay Oil and Gas lease review and timber sales monitoring.

MEMORANDUM

TO: Ron Lehr, Director
Div. of Budget & Management
Office of the Governor

DATE: May 14, 1980

FILE NO.

TELEPHONE NO.

465-4322

FROM: William R. Nix *WRN*
Commissioner
Dept. of Public Safety

SUBJECT: Response to FY81
Senate Budget

This responds to the Senate action on the FY81 Operating and Capital budget for the Department of Public Safety.

As you are aware, this Department's operating budget was in absolute concurrence with the Governor's philosophy and dollar ceiling. The Governor's operating budget was only a 7.4% increase from the FY80 authorization, substantially below the continuation level, considering the salary increase and inflationary costs. Even before, the FY80 budget experienced drastic cuts, having received an increase of only 2.6% from the FY79 total operating costs.

While my Department stands by everything that was included in the Governor's budget, restoration of the following items, deleted by the Senate, is absolutely essential for effective operation of the Department. The items are listed by category.

Administration of Justice

Detachments & CIB	STEP Team	\$207.1
	Clerk Typist/Kotzebue	22.4
	Travel funds	20.0
	(partial restoration)	
Narcotics	Drug Enforcement	241.0
AST Director's Office	Restore vacancy	11.2
Central Communications	Data Support	35.0
Academy	Travel funds	30.3
	Clerk Typist	17.4

NRMEC

FWP Detachments	Chemist	29.5
	Custodial Worker	20.2
	Travel funds	35.8
	Contractual Services	58.0
Vessels	Restore vacancy	11.0

Ron Lehr
May 14, 1980
Page 2

Public Protection

DMV/Field Operation	Restore travel	11.9
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Transportation

Vehicle Weight Enforcement	Restore commodities	<u>3.8</u>
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Total		\$754.6
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Detailed breakdown of the funding that needs to be restored is provided in the attachment.

WRN/bh

Attachment

Department of Public Safety

Response to FY81 Senate Budget

<u>BRU</u>	<u>Description</u>	<u>Cost-Breakdown</u>	
A. Detachments & CIB	1. Reinstate 1 Sgt. & 4 Troopers	100	\$174.9
	STEP team in Anchorage.	300	28.2
	All are existing PCN's. (Department budget request already deleted	400	<u>4.0</u>
	10 officer positions in this BRU; in addition, it has a vacancy of \$870.0 equivalent to an estimated 17 officer positions.)		207.1
	2. Clerk Typist - PPT Position converted to PFT (within "Continuation" Level), in Kotzebue. Existing PCN.	100	22.4
	3. Partial restoration of travel funds. The Senate cut is \$40.0 (FY81 budget will have \$587.0 only compared to FY79 actual, \$686.3 - excluding the costs for 2 new positions inserted by the Senate.)	200	<u>20.0</u>
			S/T 249.5
B. Narcotics	4. Drug Enforcement funds - Full restoration of Senate cut	200	85.0
		300	217.6
		400	<u>18.4</u>
			S/T 241.0
C. Central Communications	5. Reinstate 2 clerical positions (Anchorage) needed for the formulation of data to measure program accomplishments for the entire division (our request did eliminate 2 positions already.)	100	34.0
		500	<u>1.0</u>
			S/T 35.0
D. AST Director's Office	6. Restore Vacancy Cut by Senate. The small budget can't afford a total vacancy of \$29,200. (The Department's budget eliminated a Captain's position.)	100	11.2

E. Academy	7. Restore travel funds in full. In-service training of Field Officers will suffer.	200	\$ 30.3
	8. Reinstate a clerk-typist established in exchange for overtime.	100	<u>17.4</u>
			S/T 47.7
F. FWP Detachments	9. Restore chemist (existing PCN). This position is responsible for 10% of the Division's convictions. The services on blood and hair are not available on the private market. Need to testify as expert witness.	100	29.5
	10. Restore custodial worker (existing PCN). Janitorial services for the entire Department Facility in Kodiak.	100	20.2
	11. Reinstate travel funds in full	200	35.8
	12. Restore contractual services funds	300	<u>58.0</u>
			S/T 143.5
G. Vessels	13. Restore vacancy (without this, the budget will have a total vacancy of 7.3%)	100	<u>11.0</u>
			S/T 11.0
H. DMV/Field Operations	14. Restore travel funds. (Funding for Field Training; needed for error-free data.)	200	<u>11.9</u>
			S/T 11.9
I. Vehicle Weight Enforcement	15. Restore the Commodities. The small budget doesn't have the flexibility to absorb the cut.	400	<u>3.8</u>
			S/T 3.8
			Total \$754.6

Rev

TO:

DATE: May 12, 1980

Mr. George Matz
Budget Analyst
Div. of Budget and Management

FILE NO:

TELEPHONE NO: 465-2601

FROM:

C. Deming Cowles *cde*
Deputy Commissioner
Dept. of Environmental Conservation

SUBJECT: Senate Budget Cuts

As given to you by phone our priorities for request from the FCC are:

Priority #1. Replace the deleted monies in the Administrative Service Section, Office of the Commissioner budget. These funds provide for a Personnel Assistant positions' salary and benefits, plus necessary contractual (phone, rent, etc.) commodities and equipment (desk and chair) for the position. This sum is \$20,679. With all the personnel actions involved in the transfer of some 40 people to the Department, we consider the position critical to an effective operation.

In addition, the contractual funds were cut to the tune of \$12,700. The deletion of these funds, which include some of the inflation costs, will prevent us from meeting our obligations under the Centrex RSA.

The back up material for the Departments' other priorities are attached.

PRIORITY #2

Environmental Quality Operations - Central Alaska Regional Office

We request restoration of 10.0 in contractual services for Region II, Central Alaska. Included in contractual services are funds for basic office services in Anchorage, Valdez, Wasilla, and Soldotna. These funds cover office space rent, vehicle leasing, typewriter rental, xerox charges, telephone and tel x rentals, and publication of public notices. All of these are relatively fixed costs covered by leases or rental agreements and are necessary elements for any type of business operation.

The 10.0 reduction would severely hamper our operations in Central Alaska and could not be absorbed without a reduction in service to the public.

For example, a lesser number of vehicles or office equipment could result in delay in responding to a pollution incident because there are not enough vehicles available to travel to the scene, reduced visits to sites outside of the immediate office area, typing delay in issuing permits, and generally in a less efficient office operation. More significantly, however would be the difficulty in paying office rent in Anchorage and Wasilla when we have recently negotiated new contracts at a higher rate.

Administrative Assistant I

This position is to establish the Fairbanks Permit Information Center to supplement existing centers in Juneau and Anchorage. It would provide phone service and information on state and federal permit requirements. Area residents, developers, and consultants will be able to receive timely and effective help either through technical assistance or the handling of their master permit application. In addition, they would track the regions permit and certification program.

On a time available basis, they would assist in the preparation and implementation of the budget process, track disbursements and expenditures and answering many fiscal and personnel questions partially relieving the Regional Environmental Supervisor from some administrative and day-to-day details.

Over the years, our staff has grown as has our responsibilities to implement many departmental programs but little relief has been provided to assist in seeing that the many details are carried out by either clerical or administrative. In many cases, the Regional Environmental Supervisor has spent considerable time in administrative matters rather than implementing department policy and managing the professional staff.

This position is important from at least two aspects (1) it will provide a service where individuals may obtain the required information on permitting and receive help and (2) provide the needed administrative help to the Regional Environmental Supervisor and his staff. Without it much of the administrative responsibilities are performed by the Regional Environmental Supervisor since the clerical staff of two is already thinly stretched.

Environmental Quality Operations - Northern Regional Office
Total Cost 21.3 GF

Environmental Engineer I (EFO I) -- Haul Road

This position's primary duties are centered around maintaining the array of environmental standards either with limited use or full use of the road from either increased traffic or the establishment of facilities along the haul road. More specifically this person is responsible for minimizing environmental impacts from service centers, maintenance camps, campgrounds, tourist accommodations, recreational areas, erosion problems, oil spills, littering problems, water and wastewater problems, solid waste generation, off-road vehicles and working closely with other agencies on corridor planning.

With this position, we would be able to respond and act upon problems along the road while a manageable solution is near at hand whether associated with an oil spill from tanker truck accident, fuel storage and transfer operation, help in siting of a solid waste facility, help in removing an abandoned vehicle, elimination of a promiscuous dump, monitoring of existing permits in the corridor, locating a sewage disposal site, or providing safe drinking water along the road.

Without an individual assigned specifically to this area, many of the above problems may receive less attention and only as time permits from other staff members. This is a new area (Haul Road) just being opened and we should see that it is developed in an environmentally sound way to the benefit of all users. (This is an existing part-time position. Funding is requested to make it a full time position.)

Environmental Quality Operations - Northern Regional Office
Total Cost 40.2 (other funds - RSA)

Environmental Field Officer II (CZM)

This position's primary duties are centered on maintaining environmental standards within the north and northwest Alaska coastal regions. It is to work closely with the North Slope Borough, Regional Corporation, villages, towns, and other entities as coastal management plans are being developed and implemented as they relate to our statutory responsibilities. In addition, they would do A-95 reviews for ACMP consistency, work closely with industry on OCS exploration for aspects required by our regulations and review Corps "401" permits in wetlands for ACMP consistency and state certification.

With such a position, we could better minimize environmental impacts from resource exploration and development which might include such activities as plan reviews and permits in coastal areas for solid waste, wastewater disposal, drinking water or oil spill cleanup.

Without this position, we would not be able to provide the needed technical assistance in the development of CZM plans and activities as well as the necessary project reviews. Our ultimate goal will be that activities carried out within the adopted coastal zone areas will be consistent with the ACMP, local CZM plans and state statutes and regulations.

PRIORITY 6.

Environmental Quality Operations - Northern Regional Office

Gas Pipeline

At least a maintenance level budget (if progress is not made toward construction) is needed to continue the work started this year and to review and monitor field activities. Personnel are needed to help develop, review and implement the physical programs associated with this project and to design out environmental problems which were associated with construction of the taps line. During the past year, we have come a long way toward this goal by providing experience, expertise and much needed assistance.

If the activity should increase before next fiscal year, we may need some of the requested positions to provide the needed input to programs requiring our reviews and approvals. The house budget provides the needed flexibility for this project and additional staff would be hired only as needed..

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

TO: Ron Lehr, Director
Division of Budget & Management
Office of the Governor

DATE: May 15, 1980

FILE NO:

TELEPHONE NO: 465-4704

FROM: ~~Lee McVerney~~, Commissioner
Department of Community &
Regional Affairs

SUBJECT: Development Category
Operating Budget

The following are the requested restorations in the Department's Development Category Operating Budget. The page numbers reference the Legislative Short Form Development budget.

Pg. 109 - Community Planning Services - Community Planning Assistance

Request Governor Figure

Priority Order

- \$32.1 GF - Personal Services - State contribution toward support of positions to run HUD 701 Statewide Planning Program.
- \$34.2 GF - Travel - State contribution for monitoring Community Planning programs and Legislative capital improvement projects.
- \$41.6 GF - Personal Services - funds existing positions without merit increases.

Pg. 113 - Municipal Lands Trustee

Request Governor Figure

Priority Order

- \$20.6 GF - Personal Services 17.6, Contractual 3.0 - Funds a clerk typist position for the only clerical support to the Trust Program.
- \$40.1 GF - Personal Services 33.3, travel 3.2, Contractual 3.6 - Funds Land Management position to assist with land documents and inventories and disposal of land to communities.
- \$ 3.4 GF - Miscellaneous reductions.

Pg. 117 - Administration - Office of the Commissioner

Request Governor Figure

- \$21.0 GF - Personal Services - Secretary for Deputy Commissioner.

Addition

\$ 7.3 GF - Travel - Adjust to Actual FY '79 plus inflation for Commissioner and Deputy Commissioner Rural/CAP Board and Coastal Management Council Meetings and other Departmental responsibilities.

Pg. 119 - Administration - Administrative Services

Request Governor Figure

Priority Order

\$27,600 - Budget Amendment - transfer \$27,600 from "Other Funds" to "General Funds." Key punching error in Governor's Budget Submission under "Other Funds."

\$16,300 GF-Personal Services - Funds existing positions without merit increases.

\$27,600 GF-Funds a supply clerk for Departmental support and part-time clerk typist.

MEMORANDUM

State of Alaska

TO: Ron D. Lehr, Director
Division of Budget & Management
Office of the Governor

DATE: May 9, 1980

RECEIVED

FILE NO: 000H

MAY 9 1980

TELEPHONE NO: 465-3900

Budget and Management

FROM: Robert W. Ward, Commissioner
Department of Transportation
& Public Facilities

SUBJECT: 1981 Operating Budget

A review of the budgets proposed by the House and Senate reveals certain areas which should be modified. In total, the House budget is the one which most closely reflects the needs of the Department of Transportation and Public Facilities (DOT/PF). This memo will outline the most critical areas and the attachment will specify the adjustments which should be made to allow accomplishment of the services identified as high priorities.

The two adjustments to the House budget are not included in the attachments, but they should not be ignored.

Adjustments to House Budget

Airport Leasing - Add \$ 76.5 GF \$ 152.4 IARF

The request for this component would have allowed us to address the current expansion in lease activity at our trunk and secondary airports, as well as begin to plan for leasing the new International Satellite Terminal at Anchorage. As more operators wish to use our airports to fly products, such as fresh fish, and we expand our smaller airports, we will further increase the demand for lease and concession activity. One example of this growth is that during calendar 1976, the leasing section only prepared one bid offering; however, during the first nine months of calendar 1979, eight bid offerings were prepared including one 16 parcel, public outcry auction.

Telecommunications - Add \$ 73.7 GF

Questions raised by the analyst concerning the use of this equipment funding have been answered. The equipment is used to test and service television installations, not provide new ones.

Adjustments to Senate Budget

General Reductions

We are embarking on a new level of construction activity which will require that our administrative and support programs have the staff and resources to adequately provide for the increased demands. I do not feel that the Senate recommendations adequately addressed this situation since across the board increases in vacancy to 5% were made on these administrative units, and reductions in other line items were made to "hold at current levels." We would agree that the assessment of up to 3% vacancy for administrative units, even in the areas where our requests did not reflect vacancy, would be manageable as long as transfers were allowed. The Senate recommendations even reduced single position components.

The attached list indicates the majority of the additions which would be required to fund vacancy at 3% and restore the most critical items. It does not address every cut even though we feel that others should be restored.

CIP Conversions - Add \$ 2,215.5 GF Delete \$ 2,215.5 Other

Throughout both categories, the Senate budget reduced general funding for the conversion of CIP positions and related costs to approximately 50%. The current status of the overhead allocated to the 1978 bond issues will allow certain units to operate with this change. However, this will mean that the funds will not be restored to the projects, and we will need to continue our old methods of operation.

There are two specific units which we feel should not be reduced to 50% general funding because it will cause reductions in project funding, which were not contemplated. These two units are the Planning and Research Components and the Water & Harbor Facilities. These should be funded as requested, with allowance for a 3% vacancy factor.

Financial Management Regular & CIP Conversion - Add \$ 190.5 GF \$ 36.6 Other
(Reflects vacancy add-back, as well as 50% funding for CIP from other)

The task of providing financial accounting for projects, as well as data processing support for new and continuing applications within the Department, are responsibilities of these components. The deletion of the three new positions and equipment for data processing will hamper the efforts to improve our performance in these areas. The Department has not requested major increases in accounting staff to match the increase volume of activity because we have felt it is more efficient to expand our use of data processing. In order to address some of the problems being identified by Legislative Audit, as well as implement improvements proposed for our project programming and tracking system, increased efforts in the data processing field will be required.

Even though it was not completely explained in the budget, the new part time Clerk Typist I position was being requested to allow continuation of a temporary person. This person is now working in the position.

In summary, we feel that the House budget, with the two adjustments noted above, should be enacted. The Operating Budget for DOT/PF had very real growth, and I feel it probably had the lowest real increase of any State agency. This is not the best measure of funding requirements, but it does provide a reference point when you consider the expanded efforts the capital program placed on us, especially since we agreed to use standard budgeting procedures and cannot tap the projects for more administrative costs.

Attachments

Adjustments to Senate Budget
 Transportation Category
 Department of Transportation & Public Facilities

	<u>Vacancy to 3%</u>	<u>Other</u>
Commissioner's Office Travel	6.1	5.0
Internal Review	9.5	
Internal Review CIP (GF 50%) Travel is for audit of capital projects (GF 50%)	1.0	7.5
Administrative Services New positions are providing services to Marine Transportation (Ketchikan- Dispatching Juneau-Supply services) as this unit does for other DOT/PF functions.	83.9	21.3
Administrative Services - CIP (GF 50%) Equipment - Optical Survey value approx. \$395K now. This is about a 10% replacement (GF 50%)	7.5	36.0
Financial Management 3 DP positions and 1 PPT Clerk Typist (filled)	41.8	112.1
Financial Management - CIP (GF 50%) DP equipment (GF 50%)	27.5	45.7
Airport Leasing - CIP	.9	
Marine Transportation - Administration Seattle position filled and required		21.6
S.W. Shore Contractual - increased docking and equipment rental costs		31.3
S.E. M & O Administration	6.0	
Central M & O Administration	16.3	
Western M & O Administration	5.4	
Highway D & C Administration	6.0	
Travel		5.0
Design	10.3	
Construction	13.9	
CIP (GF 50%)	11.9	
Aviation Design & Construction Director	2.9	

Transportation Category

Page 2

	<u>Vacancy to 3%</u>	<u>Other</u>
Design	7.4	
Construction	7.0	
CIP (GF 50%)	1.2	
Water & Harbor Facilities	6.6	
Also change funding to 100% GF \$197.2		

Adjustments to Senate Budget
International Airport Revenue Fund Adjustments
Transportation Category
Department of Transportation and Public Facilities

Anchorage - Administration \$ 62.0

APCOA - parking - expanded lot and volume has
resulted in revenue increase from parking fees
from \$741,900 in 1979 to an estimate of
\$1,036,800 for 1981.

Anchorage - Equipment

Commodities - fuel for vehicles in excess of
standard inflation rates 22.2

Contractual Repairs 57.5

Fairbanks - Buildings Maintenance 65.2

Contractual - utility cost increases

Fairbanks - Security 25.7

Travel for training - According to Airport Manager,
the training is not available at U of A Fairbanks

\$ 226.6

Adjustments to Senate Budget
General Government Category
Department of Transportation and Public Facilities

Remote Village Radio 55.7

The Senate was concerned that radios did not exist in certain villages. A letter was provided to Senator Sackett that noted the specific location. These funds are required to continue the program.

Planning & Research CIP Conversion (Change Funding Source)

Administration	493.4
Central	494.8
Southeast	612.9
Interior	410.6

These four units should be funded from 100% general fund sources or it will be necessary to assess planning overhead costs against projects for which these costs were not anticipated.

Facilities Maintenance & Operations

Central
Interior

The budget deleted the funding for the expanded efforts at rural airports, but the statement was included that we should perform the services. This statement should be removed or the funding provided.

ALASKA POWER AUTHORITY

if not impossible to market debt for this project unless a state loan subordinate to the revenue bond debt is provided.

3. Tyee Lake Hydroelectric Project. The Power Authority requested, the Governor recommended, and the House budget includes \$10 million in the form of a subordinate construction loan, identical to the case of Swan Lake at Ketchikan. Again, the Senate's budget apparently deletes this item, thereby probably precluding development of this very important renewable energy project for Petersburg and Wrangell. As in the case of Swan Lake, a state loan subordinate to the payment of revenue bond debt service is needed to reduce the dollar value of the bond issue, increase the security of the bonds, and make them more readily marketable. Be advised that the original Power Authority request for \$10 million was predicated on a significantly stronger bond market than exists today or that is foreseen in the near future. Financial advisors now state that a minimum of \$15 million will be needed to insure bond marketability at reasonable cost. It is my understanding that the House, in recognition of these altered circumstances, has included funds in excess of the budgeted \$10 million in other legislation. I recommend that the Governor concur with the total funding level suggested by the House.

4. AVEC Fuel Conversion Project. The Governor's budget includes \$125,000 for continued development and testing of wood/coal gasification and generation technology for village application. The House concurred with this funding level, but the Senate has apparently deleted this item. Since the power Authority's primary responsibility is the development of proven technology and since this program is very definitely a research project, the appropriate agency for managing this undertaking is the Division of Energy and Power Development. I therefore concur in the Senate's deletion of this item from the Power Authority's budget. The funding, however, should be provided to DEPD to insure continued development of this promising solution to rural Alaska's electrical energy problems. The opportunity for conversion to a lower cost form of generation that utilizes local labor and energy resources must not be impaired by a lack of funding.


cc: Lois Cook
Chuck Webber

STATE
of ALASKA

MEMORANDUM

TO: [Ron Lehr, Director
Division of Budget & Management

DATE : May 8, 1980

FROM: Derrill L. Johnson 
Director of Administration
Commercial Fisheries Entry
Commission

SUBJECT: Senate Budget

As per your instructions, the following comments are offered regarding the Senate version of the Commission's budget. There are some technical problems that we have attempted to clarify in conversations with Bob Grogan (Legislative Finance Division); however, it appears that intent will not be established until the budget is discussed in free conference.

Personal Services

The intent indicates denial of the request to fund three new positions. The three positions were requested to correct funding problems in the following two Commission sections: (1) Licensing--from 1974 through 1979, the number of permits and vessel licenses issued by CFEC has increased by 136% with no increase in support for licensing. With significant efficiency improvements, the Commission has to date managed to keep license renewals within three weeks of request receipt. However, that performance is unacceptable for the fishing industry. In addition to an underfunding carry forward from prior years, the Commission has thus far in 1980 realized a 29% increase in issuances over this date in 1979. The increase is due primarily to a 275% increase in herring permits, 175% increase in halibut permits, and a 133% increase in bottomfish/black cod permits issued to date in 1980 as compared to 1979. The Commission cannot provide adequate service without upgrading the licensing function. These two position requests and the request for \$24.0 in the contractual line item for lease of a computer-driven card printer should provide for sufficient resources to process the anticipated \$3 million of licensing. (2) Adjudications--the Commission has described in numerous legislative hearings this year the presence of a 600 application backlog. These applications stem from hearing requests pursuant to the five application periods that have been held to date. This year we anticipate another 5,000 applications from limitation of the hand troll fishery, of which an estimated 20% will require adjudication to finally determine eligibility for a permit. Each adjudication requires at least one man week of

May 8, 1980

attention. With two hearing officers and two application technicians (and support staff), we will not finally determine the status of these applicants for several more years.

If the concern of the Legislature is more related to the growth of the Commission's permanent staff, AS 16.43.080(b) would allow the Commission to provide equivalent service if the request was funded as a contractual line item, however, we understand that this approach is contrary to Governor's policy.

Travel

We have discussed with Bob Grogan the correction that should occur in the travel line item transfer to the Fisheries Data Center sub-program. The transfer request was for \$1.0 and not the \$4.6 which was transferred. \$6.4 of the requested increase is intended for the hearing officer discussed above. \$2.8 of the request increase was inflation and represents an inflation rate of 7%--much lower than the expected rate of travel expense increase for FY 81.

Contractual

If the description is correct, then the variation should be \$213.4 instead of the \$226.4 listed. The \$11.0 reduction in inflation reduces by half a requested 7% inflation increase in this line item. Reductions in this are especially troublesome, since the Commission FY 80 budget was cut by approximately \$131. in the contractual line item base, although \$125. was made available via a special appropriation. While the major portion of the supplemental was used for a non-recurring special project (Upper Yukon River fishermen survey), such non-recurring needs are common and are funded via the contractual line item. In essence, the Commission acted as if we had received the requested funding but with a special provision that a particular special project be undertaken. For FY 81, the Senate proposes to reduce by \$11.0 a request built from an existing \$130. base deficit.

We hope these comments are of some use. Please do not hesitate to ask if we may be of further assistance.