

LEGISLATIVE FINANCE-HOUSE / SENATE FINANCE COMM. FILES 8879

HB 428 cont.

523

114

Marla N. Greenstein
February 4, 1990
Page 2

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1989</u>		
12/12	Legal research re Open Meetings Act	1.5
	Phone conference with Marla Greenstein	.3
	Draft response to Argument IV in opposition brief	2.8
12/13	Dictate Special Counsel's motion for enlargement of time	.2
	Dictate memorandum in support of motion	.6
	Dictate affidavit of Special Counsel	.4
	Dictate proposed order granting motion	.2
	Serve and file legal documents	.3
	Draft statement of the case, procedural facts with citations	2.8
	Confer with Marla Greenstein	3.0
	Phone conference with Frank Flavin	.3
12/14	Letter to Marla Greenstein forwarding copies of correspondence and document	.2
	Phone conference with Roma re deposition transcripts	.2
	Phone conference with Frank Flavin	.2
	Legal research re cases obtained from Marla Greenstein	1.8
	Draft statement of the case - procedural setting	3.0
12/15	Receive and peruse copy of letter from to Commission re recusing Commissioner and interrogatories directed to Commission	.1
	Receive and peruse Respondent's request for production dated 12/13/89	.1
	Draft response to Argument I in opposition brief	3.0
	Confer with Marla Greenstein and Frank Flavin	2.0
12/16	Draft responses to Arguments II through V; draft affidavit of Frank Flavin	6.5
12/17	Review deposition	.8
	Review entire file; prepare for Judge deposition	3.3

Marla N. Greenstein
February 4, 1990
Page 3

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1989</u>		
12/18	Review depositions in preparation for Judge deposition	.8
12/19	Review dictated draft of opposition to motion for summary judgment, check citations and make changes	2.0
	Attend deposition	2.0
	Confer with Marla Greenstein	.5
12/20	Dictate Special Counsel's response to Respondent's request for production dated 12/13/89	.2
	Dictate Special Counsel's response to Respondent's interrogatory dated 12/13/89	.2
	Serve and file legal documents	.3
12/21	Phone conference with Marla Greenstein re disqualification of	.2
12/26	Receive and peruse original and one copy of deposition from R & R Court Reporters	N/C
	Receive and peruse check for interim billing	N/C
	Receive and peruse copy of letter to Commission with enclosed opposition to Special Counsel's motion for enlargement of time and proposed order denying motion	.1
	Phone conference with Marla Greenstein	.2
12/27	Receive and peruse from R & R Court Reporters bill for deposition of \$279.00	N/C
	Receive and peruse signed order denying Special Counsel's motion for attorney's fees	.1
	Dictate Special Counsel's reply to Respondent's opposition to Special Counsel's motion for enlargement of time	1.2
	Serve and file legal document	.3
	Review deposition	.8

Marla N. Greenstein
February 4, 1990
Page 4

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1989</u>		
12/27	Draft Section I introduction and Section II underlying facts Read cases re ex parte contacts	4.5 1.0
12/28	Receive and peruse memo from R & R Court Reporters re misnumbering pages in depo Telephone call to R & R Court Reporters verifying pages are misnumbered and no missing text Letter to Marla Greenstein re page numbering errors in deposition Letter to Marla Greenstein re enclosed order denying motion for attorney's fees Legal research re due process and ex parte contacts Confer with Marla Greenstein	.1 .2 .2 .2 5.5 1.0
12/29	Check citations of fact; draft legal Argument VI Phone conference with Marla Greenstein	6.0 .2
12/30	Receive and peruse signed order granting Special Counsel's motion for enlargement of time Redraft and continue dictation of legal Argument VI Review prior brief drafts, check citations Revise affidavit of Frank Flavin	N/C 3.0 3.0 .4
<u>1990</u>		
1/2	Phone conference with Marla Greenstein Phone call to Frank Flavin's office Phone call to Frank Flavin's office Review and revise Argument VI section of opposition brief; check citations Phone conference with Frank Flavin Dictate Special Counsel's alphabetized list of witness Serve and file legal document	.2 .2 .2 1.0 .2 .4 .3

Marla N. Greenstein
February 4, 1990
Page 5

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/3	Receive and peruse from Marla Greenstein affidavit provided at the request of Special Counsel Confer with Marla Greenstein Review and revise draft of opposition to Respondent's motion for summary judgment; check citations	N/C .8 2.0
1/4	Receive and peruse Respondent's preliminary witness list Receive and peruse copy of letter from Burt Biss to Marla Greenstein re issuing subpoenas and with enclosed notices of taking depositions Long-distance telephone call to secretary re service of opposition Phone call to Marla Greenstein's office Phone call to Frank Flavin's office Review documents in preparation for hearing re depositions Phone conference with Marla Greenstein Travel to Court and attend hearing re deposition notices * Review Special Counsel's opposition to Respondent's motion for summary judgment for format and consistency; make corrections Final review of opposition brief	.1 .1 .2 .2 .2 .8 .4 1.0 2.5 1.5
1/5	Phone conference with Marla Greenstein Long-distance telephone call to office re service of summary judgment opposition Serve and file Special Counsel's opposition to Respondent's motion for summary judgment	.3 .2 .3
1/6	Receive and peruse signed order rescheduling formal disciplinary hearing to 2/2-2/4/90, memo from Marla Greenstein re deposition subpoenas, and excerpt of teleconference	.1

09213

Marla N. Greenstein
February 4, 1990
Page 6

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/8	Receive and peruse Respondent's motion to compel full response to interrogatory, memo in support and proposed order Confer with Marla Greenstein and Gail Voightlander	.1 1.5
1/9	Dictate letter to _____ and _____ re depositions of witnesses listed on Respondent's witness list Two phone conferences with Marla Greenstein	.3 .4
1/10	Receive and peruse copy of letter from _____ to Judge _____ re formal notice of recusal in case Receive and peruse Respondent's application for extension of time, affidavit of _____ and proposed order Receive and peruse Respondent's request for production dated 1/8/90 Receive and peruse memo from Marla Greenstein re enclosed tape of 1/4/90 closed proceedings teleconference and edited minutes of 11/17/89 closed session teleconference Receive and peruse Respondent's motion to compel, memo in support and proposed order Receive and peruse subpoena for appearance for taking oral deposition of Marla Greenstein Attend deposition of Marla Greenstein	.1 .1 .1 N/C .1 .1 7.0
1/11	Phone conference with Marla Greenstein Dictate Special Counsel's non-opposition to Respondent's application for extension of time Serve and file legal document	.2 .2 .3
1/12	Receive and peruse from Commission replacement page for 1/4/90 transcript of teleconference (excerpt) to replace correct date and subpoena for appearance for taking of oral deposition for Frank Flavin on 1/17/90	.1

Marla N. Greenstein
February 4, 1990
Page 7

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/13	Receive and peruse renofice of taking deposition of Frank Flavin on 1/17/90	.1
	Receive and peruse copy of letter from Marla Greenstein to re response to 12/29/89 interrogatory correction	.1
	Receive and peruse signed order granting Respondent's extension of time to 1/26/90	N/C
1/17	Receive and peruse from Alaska Stenotype transcript of Marla Greenstein deposition	N/C
	Phone conference with re his depo	.3
	Long-distance call to office	.2
	Long-distance call to office	.2
	Long-distance phone conference with re scheduling his deposition	.3
	Two phone conferences with Marla Greenstein	.4
	Attend deposition of Frank Flavin	3.5
1/18	Receive and peruse from Alaska Stenotype bill for Marla Greenstein's depo of \$274.50	N/C
	Long-distance telephone calls to office and home re his deposition	.3
1/19	Receive and peruse Respondent's motion for vacation of hearing date and resetting the same at a time mutually convenient, affidavit of and proposed order	N/C
	Receive and peruse copy of letter from Gail Voightlander re enclosed Marla Greenstein discovery responses and job description	.1
	Phone conference with Gail Voightlander re depos	.2
	Phone conference with Marla Greenstein	.3
	Review Respondent's motion for vacation of hearing date	.3
	Dictate Special Counsel's opposition to Respondent's motion for vacation of hearing date	.6
	Serve and file legal document	.3
	Long-distance call to office	.2

Marla N. Greenstein
February 4, 1990
Page 8

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/22	Receive and peruse letter from Gail Voightlander re rescheduling continuation of Marla Greenstein's deposition to 1/29/90 and Frank Flavin to 1/30/90	.1
*	Telephone call to home re his deposition	.2
*	Long-distance telephone call to secretary re depositions	.2
*	Long-distance call to office	.2
1/23	Receive and peruse memo from Alaska Stenotype re enclosed additional exhibit to Marla Greenstein's deposition	.1
	Receive and peruse Commission's response to Respondent's request for production dated 1/8/90	N/C
	Receive and peruse from Alaska Stenotype transcript of Frank Flavin deposition	N/C
*	Long-distance telephone call to office	.2
	Prepare notice of taking deposition of on 1/31/90	.2
	Serve and file legal document	.3
	Letter to re his deposition arrangements	.2
1/24	* Long-distance telephone call to office	.2
*	Long-distance telephone call to re scheduling his deposition on 1/31/90	.2
*	Long-distance telephone call to secretary re depositions	.2
	Prepare notice of taking telephonic deposition of on 1/31/90	.2
	Serve and file legal document	.3
	Letter to re his deposition arrangements	.2
1/25	Receive and peruse from Alaska Stenotype bill for Frank Flavin's deposition of \$166.50	N/C

Marla N. Greenstein
February 4, 1990
Page 9

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/25	Receive and peruse memo from Roma Lange re enclosed duplicate tape of Respondent's testimony	N/C
	Receive and peruse Respondent's motion to disqualify (FSK), affidavit in support of motion, memo in support and proposed order	N/C
	Two long-distance phone conferences with Marla Greenstein from South Carolina	.4
	Two long-distance phone conferences with from South Carolina	.4
1/26	Receive and peruse Respondent's motion to waive attorney/client privileges, memo in support and proposed order	N/C
	Receive and peruse reply in support of Respondent's motion for summary judgment	N/C
	* Long-distance telephone call to secretary re his deposition	.2
	* Long-distance telephone call to office	.2
	* Long-distance call from secretary re scheduling his deposition through	.2
1/27	Receive and peruse Respondent's reply to opposition to motion for vacation of hearing date	N/C
1/28	Review Respondent's motion to disqualify with attachments	.8
	Dictate Special Counsel's opposition to Respondent's motion to disqualify	1.2
	Dictate affidavit of Frank S. Koziol	.8
	Dictate proposed order denying Respondent's motion	.2
	Serve and file legal documents	.3
	Review Respondent's reply to opposition to motion for summary judgment	1.5
	Review Respondent's reply to opposition to motion to vacate hearing date	.5
	Review Respondent's motion to waive privilege	.3

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/29	Receive and peruse Respondent's request for oral argument, certificate of counsel re hearing and proposed order granting oral argument	.1
	Review article by _____ and prepare for deposition of _____	1.8
	* Telephone call to R & R Court Reporters scheduling 1/31/90 depositions	.2
	Prepare motion to file and publish depositions	.2
	Prepare affidavit in support of motion	.2
	Prepare proposed order granting motion	.2
	* Telephone call to Conference Operator to set up long-distance deposition of _____	.2
	Prepare notice of taking telephonic deposition of _____ on 1/30/90	.2
	Serve and file legal documents	.3
	* Telephone call to R & R Court Reporters scheduling 1/30/90 deposition	.2
	Long-distance phone conference with _____ re his deposition and subpoena	.2
	Long-distance phone conference with _____ re depositions	.3
	Long-distance phone conference with _____	.2
	Two phone conferences with Marla Greenstein	.4
	Two long-distance phone conferences with _____	.4
1/30	Receive and peruse from R & R Court Reporters transcript of _____ deposition	N/C
	Receive and peruse from Marla Greenstein edited transcript of 11/17/89 proceedings (excerpt)	N/C
	Receive and peruse signed order denying motion for vacation of hearing date	.1
	Attend long-distance telephonic deposition of _____	1.3
	Two phone conferences with Marla Greenstein	.4
	Review legal filings re motion for summary judgment to prepare for oral argument	1.8
	* Telephone call to R & R Court Reporters cancelling _____ deposition	.2

Marla N. Greenstein
February 4, 1990
Page 11

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/30	Prepare notice of cancellation of taking of deposition	.2
	Serve and file legal document	.3
1/31	Receive and peruse Commission's response to motion to waive attorney/client privilege	.1
	Legal research re evidence rules for exhibit introduction	.6
	Review file to identify exhibits to use, during formal hearing	.4
	Prepare Special Counsel's motion to admit exhibits into evidence	.2
	Serve and file legal document	.3
	* Long-distance telephone call to secretary re documents	.2
	Prepare for deposition	1.5
	Attend telephonic deposition of	1.0
	Review deposition transcript	.8
	Prepare cross-examination of	1.0
2/1	Receive and peruse from R & R Court Reporters billing for \$120.50	N/C
	* Telephone call to R & R Court Reporters ordering duplicate tape of deposition	.2
	* Telephone call to Roma re having cassette tape player available during hearing	.2
	* Revise discovery index; update filings in case	1.5
	Prepare drawing for opening statement; prepare opening statement	2.3
	Prepare for cross-examination of and	2.0
	Listen to tapes	1.3
	Review deposition transcript	.8
	Prepare cross-examination	1.0
	Attend oral argument on Respondent's motion for summary judgment	1.6

Marla N. Greenstein
February 4, 1990
Page 12

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
2/2	Prepare for opening statement	.8
	Prepare for cross-examination of	1.0
	Attend hearing	9.5
2/3	Prepare final argument	3.0
	Attend hearing	5.5
		<u>169.1</u>

PROFESSIONAL SERVICES RENDERED:

FSK - 161.7 hours at \$100.00 per hour:	\$16,170.00
* LVH - 7.4 hours at \$ 50.00 per hour:	<u>370.00</u>
<u>169.1</u>	<u>\$16,540.00</u>

Marla N. Greenstein
February 4, 1990
Page 13

COSTS INCURRED:

1989

10/20	Long-distance call to Wasilla AK	\$.50
	Long-distance call to Wasilla AK	.50
10/23	Long-distance call from Ketchikan to Anchorage	26.80
11/17	Long-distance call to Palmer AK	.61
	Long-distance call to Palmer AK	1.93
11/89	Copying charges for November - 13 pages at 25 cents each	3.25
12/29	Fee paid to R & R Court Reporters for deposition	279.00
12/89	Copying charges for December - 590 pages at 25 cents each	147.50

1990

1/5	Long-distance call to Wasilla AK	.50
1/17	Long-distance call to San Diego CA	.26
1/19	Long-distance call to San Diego CA	.54
1/22	Long-distance call to San Diego CA	.80
1/23	Long-distance call to San Diego CA	.54
	Fee paid to _____ for deposition witness fee and mileage	20.00
1/24	Long-distance call to San Diego CA	.54
	Fee paid to _____ for deposition witness fee	12.50
1/25	Long-distance call to Anchorage AK from South Carolina	11.44
	Long-distance call to Palmer AK from South Carolina	10.73
	Long-distance call to Anchorage AK from South Carolina	3.36
1/29	Fee paid to Alaska Stenotype Reporters for Marla Greenstein depo transcript	274.50
	Fee paid to Alaska Stenotype Reporters for Frank Flavin depo transcript	166.50
1/90	Postage charges for January	2.10
	Copying charges for January - 4,457 pages at 15 cents each [reduced rate due to volume of copies]	668.55

Marla N. Greenstein
February 4, 1990
Page 14

COSTS INCURRED CONTINUED:

1990

2/4	Fee paid to R & R Court Reporters for deposition transcript	\$ 120.50
	Fee paid to R & R Court Reporters for deposition transcript	268.00
	Fee paid to . . . for deposition services per his invoice	337.50
2/90	Copying charges for February - 37 pages at 25 cents each	<u>9.25</u>
	TOTAL COSTS INCURRED AS ITEMIZED:	<u>\$2,368.20</u>

STATEMENT

BANKSTON, McCOLLUM & FOSSEY

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

550 WEST SEVENTH AVENUE, SUITE 1800

ANCHORAGE, ALASKA 99501

(907) 276-1711

AMOUNT ENCLOSED \$ _____
PLEASE DETACH THIS STUB AND RETURN WITH YOUR REMITTANCE.

TO Alaska Commission on Judicial Conduct
310 "K" Street, Suite 301
Anchorage, AK 99501

Client 2621 Matter 0001
Invoice 007046 Page 1
11/30/89
A-2621-01

Matter 0001

<u>Date</u>	<u>Work Performed</u>	
11/01/89	Digest and maintain pleading indices and documents	
11/02/89	Conference; index and digest documents	
11/03/89	Prepare witness notebook; digest and index incoming documents	
11/09/89	Digest and index incoming documents and prepare trial notebook	
11/12/89	Telephone conference with	
11/13/89	Review documents; duplicate documents regarding trial notebook	
11/13/89	Telephone conference with ; telephone conference with Hayes; deposition	
11/16/89	Telephone conference with ; telephone conference with	
11/17/89	Deposition of ; conference with ; telephone conference with	
11/20/89	Telephone conference with ; telephone conference with pre hearing conference	
11/21/89	Travel to law library regarding cases	
11/22/89	Motion to dismiss; research	
11/24/89	Memorandum in support of motion to dismiss; research; hearing preparation	
11/26/89	Hearing preparation	
11/27/89	Hearing	
	Total Fees	2,238.00

Chronological List Of Expenses:

11/21/89	Depo copy fee -	ck# 7645
12/01/89	Xerox Charges	
12/01/89	West Law	
	Total Expenses	149.00
	Invoice Fees	2,238.00
	Expenses	149.00
	Invoice Total	2,387.00
	(Continued On Next Page)	

RECEIVED
DEC 1 1989

Alaska Commission
on Judicial Conduct

STATEMENT

BANKSTON, McCOLLUM & FOSSEY

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

650 WEST SEVENTH AVENUE, SUITE 1800

ANCHORAGE, ALASKA 99501

(907) 278-1711

AMOUNT ENCLOSED \$ _____

PLEASE DETACH THIS STUB AND RETURN WITH YOUR REMITTANCE.

Alaska Commission on Judicial Conduct

Client 2621 Matter 0001

TO

(Continued From Previous Page)

Invoice 007046 Page 2

11/30/89

Open Invoices From Previous Billings:

Invoice	Date	Orig. Amount	Late Charge	Payments	Balance Due
006760	10/31/89	3,419.00	0.00	0.00	3,419.00
Subtotals		3,419.00	0.00	0.00	3,419.00

Grand Total Due

5,806.00

TLS/4A:03

*11-1-89 estimate for total services
prior to Supreme Court = \$5,000.00*

AB

*11-1-89 Additional estimate for Supreme Court
rec., if necessary = \$3,000.00*

BANKSTON, McCOLLUM & FOSSEY

0960

LAW OFFICES OF
RICE, VOLLAND AND GLEASON
A PROFESSIONAL CORPORATION

WILSON A. RICE
PHILIP R. VOLLAND
SHARON L. GLEASON
LINDA M. CERRO

February 16, 1990

211 H STREET
ANCHORAGE, ALASKA 99501
(907) 276-5231
FAX (907) 278-6328

CONFIDENTIAL

Marla Greenstein
Executive Director
State of Alaska
Commission on Judicial Conduct
310 K Street, Suite 301
Anchorage, Alaska 99501

RECEIVED
FEB 16 1990

Alaska Commission
on Judicial Conduct

Re: Inquiry Concerning A Judge
CJC No. _____ - Supreme Court No. _____

Dear Marla:

This will confirm our telephone conversation concerning your request for an estimate of the attorney's fees and costs required to conclude the above-referenced matter. To date, the Commission has been billed \$3,409.33 in attorney's fees and costs. The approximate attorney's fees and costs incurred since our last billing to date, but not yet billed, are \$8,762.00 fees and \$95.83 in costs. This brings the total of fees and costs to date to \$12,267.16.

This office anticipates expending \$300-\$500 in costs associated with printing and binding the brief and an additional \$2,000-\$3,000 in attorney's fees. This estimate includes review, preparation, and participation in oral argument. The amount of future attorney's fees will depend upon whether any new issues are brought by petitioner. This variable has been included in the estimate.

Should you have any questions, please do not hesitate to call me.

Sincerely,

RICE, VOLLAND AND GLEASON, P.C.

Sharon L. Francis

Sharon L. Francis, Secretary

SF

Nov. 1, 1989 estimate by Bankston-McAllen = \$3,000

MS

M E M O R A N D U M

STATE OF ALASKA

DEPARTMENT OF REVENUE

TO: Hugh Malone, Commissioner
Alaska Department of Revenue

DATE: February 6, 1990

FILE NO: 7236G

TELEPHONE NO: (907) 465-2323

THRU: Royce Weller, Assistant
Commissioner
Alaska Department of Revenue

SUBJECT: FY90 OPERATING
BUDGET; SUPPLE-
MENTAL REQUEST

FROM: Ervin Jones, Director
Permanent Fund Dividend Division
Alaska Department of Revenue

As discussed earlier the division is facing a budget deficit for FY90 of approximately \$99,000. FY90 has been the most difficult year for the PFD program since the 1982 dividend. The workload increased dramatically in document processing, data processing support and in answering the public's concerns. Several changes in the PFD program came together in 1989 to cause this increased workload:

- a. Two-year return rule (Ch. 159, SLA88): This new requirement, passed into law in 1988, went into effect for the first time in 1989. We had thousands of calls and letters from applicants who didn't understand the law. Many thousands more failed to provide proof of physical presence, which resulted in more correspondence, phone calls, legislative contacts, etc.
- b. Two-year residency law (Ch. 107 SLA89): The new law changing the residency period from six months to twenty-four months becomes effective with the 1990 dividend year. The division has been inundated with inquiries and complaints, primarily from new Alaskans who arrived too late to qualify for the 1989 dividend. Those people are furious that they may not qualify until 1992!
- c. Birth certificate requirements: In 1989, for the first time, the division began requiring a certified birth certificate for adult first-time filers. This is being done as a preventative measure in response to hundreds of fraudulent applications filed in 1988. Although on the whole, we believe this measure has been very successful, it did create an unexpected amount of work both for our Information Offices and for the Document Processing group. We did not foresee the numbers of new Alaskans who had great difficulty in obtaining birth certificates (born in occupied countries in WWII; refugees from communist countries such as Cuba; older persons born at home in prairie states like Wyoming, etc.). This generated many incomplete applications as well as multiple contacts.

- d. The Department's challenge of Dividend Buyers: The division was defending the state against two major lawsuits in 1989: Jeffcoat vs. DOR and Frontier Financial Services vs. DOR. In the first case, the dividend-buyer plaintiff sued to prevent the Department of Revenue from requiring birth certificates from their clients. After several hearings, the State obtained Summary Judgment in favor of the division's position. In the second case, the dividend-buyer plaintiff attempted to circumvent the Department of Revenue's regulation restricting assignments of rights using address changes. The State won at Superior Court on the motion for injunction relief and at the Supreme Court on a motion for review. The case is now in Superior Court on the issues. Alaska Legal Services has been granted permission to intercede, arguing usury violations for the dividend sellers as a class. Both of these cases have cost a lot of management time, data processing support and document processing effort.
- e. Felon's case: The challenges to AS43.23.005(d) which denied dividends to incarcerated felons has created a lot of expense for the dividend division. Besides consuming a lot of management time and effort, responding to Judge Cutler's order has created a lot of document and data processing effort, and of course keeping up with Corrections' changing list of who was an incarcerated felon has magnified the problem.
- f. All of the above served to seriously slow down the processing of the 1989 applications. The number of "problem" applications doubled over 1988. The processing of responses to the division's request for missing and/or additional information, an effort which is normally completed by September, was not completed until late December and only then by using higher paid full-time employees such as conferees and managers. The budget cost of dealing with all of the above was the incremental expenditure of approximately \$123,000 in non-permanent positions, primarily Document Processors and Data Entry Clerks.. The real cost is in the irritation of the public, and can be measured by increased public contacts at the Dividend Information Offices. The number of such contacts was 15% higher for the first half of FY90 over the same period in FY89, and the problem continues. This does not include the sizable frustration of the general public who could not get through on the phone lines, because we couldn't staff the phones. At one point in November, the Fairbanks Office was receiving approximately 600 attempted phone calls per hour (we answered approximately 20 calls per hour during this same period). Because first-time filers in 1989 realize that losing the 1989 dividend means they will not be grandfathered in for 1990, the public contact from those applicants is intense, putting it very mildly.

Hugh Malone, Commissioner
February 6, 1990
Page 3

The FY90 operating budget for the Permanent Fund Dividend Division was very tight, which is to say there was no automatic fluff factor built in, so our ability to offset the above costs has been very limited, however several things have been and are being done to reduce the size of the deficit. We made a very serious effort to increase the competition for printing of the 1990 PFD booklet. As a direct result of that effort, we received three bids this year, the award going to Moore Business Forms at approximately \$10,500 below the amount budgeted. Tuition fees for training classes have been frozen to save \$7,500 through the end of the fiscal year. Finally, the toll-free public assistance/fraud tips line has been postponed until FY91, for a total savings of \$60,000.

Absent a supplemental appropriation of \$99,000, there will be a severe disruption of the 1990 Permanent Fund Dividend season. The processing of the 1990 applications will be frozen at the point immediately following the issuance of receipts, with the intention of pushing the remaining effort and costs into FY91. This will result in another pressure cooker year in FY91, and will create new problems, as the issuance of information request letters and denial notices are delayed, ultimately delaying the review process and the distribution of dividends. However, if this were done, only approximately \$65,000 in deferred costs could be realized as a savings in FY90.

The only way to reduce the deficit further is through lay-off of permanent employees. Aside from the human costs of such a decision, we must look at the snow-balling cost effects of eliminating public service positions in the state's most popular program. The average salary and benefits cost per permanent position in the Permanent Fund Dividend Division is \$3,494. I would have to lay-off 10 employees for the whole month of June, 1990 to realize this level of savings. Put in real terms, this magnitude of lay-off would mean the equivalent of shutting down the Dividend Information Offices in Anchorage and Fairbanks, or closing the Anchorage Dividend Review Unit for the month of June.



State of Alaska
ombudsman

Duncan C. Fowler

December 18, 1989

Senator Paul Fischer
Senate District D
Post Office Box 784
Soldotna, Alaska 99669

Reply to:

- P.O. Box 102636
Anchorage, AK 99510-2636
(907) 563-3673
(800) 478-2624
- P.O. Box W0
Juneau, AK 99911-3000
(907) 465-4970
(800) 478-4970
- P.O. Box 74358
Fairbanks, AK 99707
(907) 452-4001
(800) 478-3257

RE: Complaints against the Division of Permanent Fund Dividends

Dear Senator Fischer:

Thanks for your letter of November 20, 1989. As we discussed at the Kenai Airport, my office has also experienced an increase in complaints involving the Division of Permanent Fund Dividends (PFD) during 1989. There have been over 200 PFD complaints so far this year, including 75 just during the month of November. Most of these concern applicants who were unable to establish phone contact with the agency.

In most of the complaints we receive, the data required to prove eligibility, such as a birth certificate or proof of school attendance, was missing from the original application. The applicants had been asked for the missing data by the division and most had complied but that fact had not been recorded in the computer. Therefore, when the computer prepared to process their checks, it spit out a notice stating their file was incomplete instead. Applicants receiving those notices often were concerned the supplemental data they mailed in earlier had been lost. These Alaskans then became frustrated when unable to get through on the phone lines to find out what really happened. Phone lines are constantly busy and individual letters are not answered.

According to Ervin B. Jones, director of the Division of Permanent Fund Dividends, over 80,000 of the 524,832 applications submitted this year had either missing or conflicting data. Included were many of the 60,000 new filers who did not submit birth certificates or tax forms with the original application.

In order to alert applicants that certain information was missing, the PFD agency assigned all available personnel to the task of sending letters and necessary forms requesting the specific missing data. Thus the agency was unable to begin reviewing and processing the information received until October 10, 1989.

To date, 456,000 of the original applicants have received their checks. All missing data received prior to September 1, 1989, has been processed. Data received after September 1 is being processed by batch number as quickly as possible but the delay has been very lengthy. The division hopes to have all of the "missing data" received to date entered in the computer by December 19.

Mr. Jones told me last Friday that there were 17,000 applications still missing data and approximately 7,000 responses which have not yet been processed for payment. Of the 10,000 who have not responded, approximately 3,500 are out of state applicants without proof of physical presence required by AS 43.23.005(a)(3).

These numbers contrast sharply with the 1988 application process. At this time last year there were 4,400 incomplete applications compared with the 17,000 this year. This year's difference was primarily due to the change in documentation required. In 1988, all subsequent data was requested and processed by August and most eligible applicants (other than those selected for review or had not responded to requests for supplemental information) were approved for payment by September.

Mike McGee, chief of operations for the PFD division, states the agency was unable to anticipate the tremendous increase in applications with missing data. The agency budget did not contain adequate discretionary funds to obtain the necessary personnel and equipment to meet the demands in a timely manner.

In response to your concern over an increased number of cases held in review, Mr. McGee said to date only 11,700 applications have been selected to send to Anchorage for formal investigative review. It is anticipated that the total number of cases reviewed will be 15,000, a figure less than last year's 23,000. Mr. McGee stresses that many of these will ultimately receive their checks. No one will be denied solely because of missing data. That information may be submitted at any time in the future without penalty.

The process has been extremely cumbersome for many people this year. Mr. Jones is hoping to make positive changes for 1990. Among those requested improvements may be an automated phone system similar to the one implemented this year in the Child Support Enforcement Division. This would greatly improve applicant access to the agency. The system would enable a timely response to questions about the process and status of individual applications and more efficient use of staff time. This should result in fewer angry phone calls to both of our offices.

I believe a larger operating budget for the PFD should be considered by the legislature. Such a budget should allow a more flexible response to increases in demand for more personnel or technical assistance. Consideration should be made for adding additional seasonal staff during peak workload times. Mr. Jones estimates an additional \$200,000 to \$250,000 for staff would be necessary to respond to unanticipated demands on the division such as this year.

I anticipate Alaskans would favor an adequate budget. Faster processing would result in less confusion, frustration and anger, increased agency access, and most importantly, the timely receipt of the dividend payment which is tangible to so many. The down side to this, of course, would be the reduction of the size of the PFD check by about fifty cents. Not a bad investment when you consider the time lost by staff such as yours and mine responding to PFD complaints which could be used on other pressing matters.

In the meantime, Diane Shriner, one of my Anchorage investigators, is meeting with the PFD field supervisor on a regular basis to obtain answers to individual complainant's questions and to expedite payment when possible. If you wish, have your constituents with PFD complaints call my Anchorage office toll free at (800) 478-2624. We will be happy to assist them.

If other issues come up, please don't hesitate to call me.

Sincerely,



Duncan C. Fowler
Ombudsman



State of Alaska
ombudsman

Duncan C. Fowler

December 20, 1989

Representative Sam Cotten, Speaker of the House
11940 Business Blvd.
Eagle River, Alaska 99577

Dear Rep. Cotten:

This report covers our activities beginning with the second quarter of calendar year 1989 through the third quarter of the year.

A brief look at our statistics reflects the fact that Alaskans are seeking help from this office in record numbers. At our current rate, it appears we will receive over 10,000 inquiries by the end of FY'90. Over 6,000 of these inquiries are citizen complaints about government. The remaining 4,000 are requests for information and referral services. Both figures represent all-time highs for the office.

The office has released several major reports so far this year. I'll try to briefly summarize those, as well as a few other items of interest. Don't hesitate to call if you need additional statistical or public information about any of these cases.

AGRICULTURE

State Agriculture Policy

The week of June 30 I released a special report to Governor Steve Cowper recommending the governor initiate an executive review of the state's policy on agricultural development. This came as a result of investigation of six complaints about the state's involvement in the Matanuska Maid creamery and feed store operations. In the process of formulating that report we reviewed 120 of our past agriculture related complaints.

Our review indicated the state's agriculture policy lacks consistency and direction. Now that the dust has finally settled, it's apparent that the governor, Natural Resources Commissioner Lennie Gorsuch, Agriculture Division Director Frank Mielke and I don't see eye to eye on the adequacy of existing policies, or on the need for further development of policies which could provide guidance for future development in that area. However, it's clear from the subsequent announcement of several versions of that policy that my report has focused positive attention on the need to look ahead to where we're going before we get there. By the way, a copy of that report and the governor's reply was sent you on September 18.

Reply to:

- P.O. Box 102636
Anchorage, AK 99510-2636
(907) 563-3673
(800) 478-2624
- P.O. Box W0
Juneau, AK 99811-3000
(907) 465-4970
(800) 478-4970
- P.O. Box 74358
Fairbanks, AK 99707
(907) 452-4001
(800) 478-3257

Mat Maid Feed Store

Here are some of the issues from the complaints that started the ball rolling. Three complaints alleged that the Agriculture Revolving Loan Fund and Matanuska Maid engaged in unfair competition with private feed store operations. I found unfair competition was making an already difficult situation worse, and recommended the Matanuska Maid feed store curtail retail operations until a private buyer purchases the feed store. I also recommended Matanuska Maid continue feed sales to Pt. MacKenzie dairy farmers because only the state supported store can carry the extensive credit required by dairy farmers.

While the managers of the feed store and creamery deny they are running public companies, I found that, for all practical purposes, both operations are "agencies" of the state. Both are reliant on state money and I recommended they should adhere to state purchasing and other requirements. The division rejected several specific recommendations that would change its operations, but is apparently committed to liquidating the creamery and feed store. A sale will of course eliminate the competition problems.

CORRECTIONS

From January 1 through September 30 the office experienced a 140 per cent increase in the number of corrections complaints over the same period last year. This is remarkable in that we have made no conscious attempt to increase our accessibility or visibility to inmates.

Over 57% of these complaints are termed "premature" -- the inmates have not made adequate use of the existing grievance systems before they call us. My staff routinely refers those complaints back to the department to complete the internal grievance procedure. In many cases we provide information and explanations to the inmates on how to work with corrections staff and resolve their complaints. However, I am concerned that the dramatic increase in complaints indicates that inmates feel the grievance system is not functioning properly and is not credible. I view that system as a necessary safety valve, both in terms of encouraging inmates to deal with problems constructively and as a way of reducing costly litigation, such as the Cleary suit.

In conjunction with the Alaska Justice Center I offered to conduct a survey of inmates regarding the grievance system. I have also offered to work with the commissioner and her staff to improve the system, since it appears to be in the best interests of both our agencies to do so. The commissioner has not accepted either offer.

PERMANENT FUND

In late October I issued a report on excused absences from the state for purposes of the Permanent Fund Dividend program. The dividend statute, as written, not only requires Alaska residency, but also requires physical presence throughout the eligibility period, with some limited exceptions. Revenue has proposed regulations that would allow up to 180 days of otherwise unexcused absence over the new two-year eligibility period.

I found that approach would unfairly penalize frequent travelers, including a variety of "real Alaskans" whose employment requires such travel including airline

crews and some fishermen whose homes and families are in our state. I suggested applying the same criteria used by the longevity bonus program. That program allows absences of 90 days per year, except that absences less than 30 days are not counted toward the total. This approach would have the advantage of also simplifying the lives of our senior citizens by applying the same requirements for both programs, and allowing frequent short trips (and returns) by residents.

I also recommended that the department not allow the proposed travel exemptions for government officials who might travel on official business. I could not justify an exemption for state employees if similar consideration was not offered the private sector. The division does not plan to modify the proposed regulation but has offered to consider these recommendations along with other comments obtained during their public hearings.

By the way, my three offices, like yours I'm sure, have been inundated by hundreds of citizens unable to reach the PFD offices by phone. I received an inquiry from Senator Paul Fischer asking what our experience with the PFD program was this year. I thought you might be interested in my reply. The Senator has agreed to let me share it with you. I think it brings you up to date on this year's application process. The new documentation requirements and subsequent processing problems has caused an unexpected number of complaints for all of us.

CHILD SUPPORT - COMPUTERIZED PHONE ANSWERING SYSTEM "KIDS"

In mid-August the Child Support Enforcement Division implemented a new telephone system, the Key Information Delivery System, or "KIDS." The system is designed to allow callers to obtain general information, access information regarding their support cases, and communicate with caseworkers, 24 hours a day. The system should also allow caseworkers additional time to work cases.

We have closed 24 complaints about the system in the first three months of its operation. Complainants, already unhappy about child support problems, were further irritated by being forced to learn a somewhat complex system and not being able to talk to a "real person." (It is hard to vent your real feelings to a talking computer!) In addition to handling the underlying complaints, my staff has assisted callers in learning how to use the system, including how to leave messages that will result in timely personal response by CSED staff.

KIDS does result in less accessibility to the public, and has had its share of "growing pains." However, complaints seem to be dropping off. My staff is sensitive to public concerns regarding accessibility, and we will continue to watch for problems with the system. As long as CSED maintains its commitment to respond promptly to people using the system, there is no reason to believe that the public will not ultimately see better service from a hard pressed agency.

RAILROAD CROSSINGS

Early this year Alaska Railroad officials approached the ombudsman's office to enlist our help in resolving railroad crossing cost and liability disputes with several Railbelt municipalities. By now you should have received a copy of the resulting report.

As a result of the investigation, the railroad has agreed to reduce overhead charges and to meet with municipalities to consider cost sharing for maintenance of signalled crossings. The railroad also agreed to institute an appeals process, and to

publish rules governing crossings in the Alaska Administrative Code. These changes should go a long way toward avoiding the kinds of confrontational stalemates that had resulted from past railroad-community disputes.

DEPARTMENT OF TRANSPORTATION - POTENTIAL LAWSUITS AVOIDED

Ketchikan

My Juneau office investigated two complaints involving the Department of Transportation and Public Facilities (DOTPF). DOTPF created a 45-foot cliff adjacent to the complainants' land in the process of road construction. The complainants alleged that the four-foot fence that DOTPF planned to install was inadequate to prevent predictable accidents involving children.

I found the agency had abused its discretion by not installing a taller fence since it had created the dangerous condition. I was pleased that the agency and the complainants were able to agree on a five-foot fence, as well as some other modifications to increase safety in a clearly hazardous area.

Tok

My Fairbanks office received a complaint that DOTPF had crossed private land in constructing a road near Tok almost ten years ago. The owner had recently discovered the encroachment after a survey, but had been unable to obtain compensation.

While DOTPF admitted the encroachment, the agency apparently had no funds to compensate the owner. Faced with a statute of limitations that would bar his claim, the complainant came to our office in an attempt to avoid litigating what turned out to be a \$1,000.00 claim. Our investigator was able to work closely with DOTPF's right of way section in Fairbanks to obtain a waiver of the statute from the Department of Law while the agency sought funds for compensation.

This resolution allowed the state to avoid paying the complainant's full attorneys fees, as required by Alaska law in condemnation cases, not to mention its own. These fees would easily have exceeded the amount owed.

The resolution of these two cases is especially gratifying for several reasons. We were able to obtain good cooperation from DOTPF in resolving problems created by the agency. The solutions were creative, hopefully averted a tragedy (with attendant liability for the state), and clearly saved the state money.

POSTSECONDARY EDUCATION

Juneau Air Center

The Air Center folded its wings in March 1986, taking \$79,000 borrowed from the state by 29 students with it into bankruptcy. We received five complaints about the commission's insistence on full repayment of 15 of these loans. Some 13 other borrowers, all actively attending at the time the school closed, were granted eligibility for statutory forgiveness provisions. One inactive student borrower, who threatened to sue the commission, was offered eligibility for forgiveness and a partial loan write-off by the Department of Law.

One of the central issues in the dispute was the fact that the commission failed to determine in an August 1985 audit that the Air Center no longer had the required FAA certificate to allow it to function as a flight school. The bulk of the money lost by one of our complainants was the result of a loan issued after that audit. In addition, the commission also failed to promptly act on information it did have, some of which was obtained even before the audit, regarding abuses of the loan program. It was not until March 1986 that the commission stopped processing loan applications for the Air Center.

The commission changed its regulations after the school closed to require that loan funds be held in trust until earned, and to require disbursing of flight school loans on a monthly basis. The commission also agreed to further procedural changes recommended in our report. However, the commission, in consultation with the Department of Law, refused forgiveness eligibility or loan write-off to those individuals who had not already been granted that relief. I will not be surprised to see several lawsuits filed about this matter. Several have felt there has been inequitable treatment regarding the forgiveness provisions.

Taxable Nature Of Student Loan Forgiveness

As you know, the IRS recently requested information from the commission which indicates the federal government intends to pursue past taxes on portions of Alaska student loans forgiven under state law. We have worked closely with complainants and the Alaska congressional delegation in terms of providing information and referrals.

TORTURED LANGUAGE

Fish And Game

In April we received a complaint that the Department of Fish and Game had issued a public notice that was incomprehensible to the average Alaskan. Backed up by an inexpensive off-the-shelf computer program that determines readability, our investigator concluded that the complainant was correct. As written, the notice required a reading grade level of 27 (a college diploma and 11 years of post-graduate work). While our investigator's attempt to re-draft the notice resulted in some improvement, the re-draft still required a grade 15 reading level. Fish and Game disputes our finding that the notice was difficult to read. However, the agency has agreed to consider our suggestions, including the language suggested by our investigator, review of notices by a cross section of agency staff, and investing in the software.

Environmental Conservation

When is water taken from a fire hydrant "bottled directly from underground springs in Tongass Rain Forest, Alaska?" Answer: when the DEC agrees with a bottler to allow the use of misleading labels. Although our investigation found that DEC's action was contrary to law, the agency has not responded to several recommendations, including suspension of the agreement with the bottler. DEC has agreed to develop regulations outlining its authority in labeling matters.

NATIONAL GUARD

Our office receives a fair number of employee misconduct and procurement complaints, many of which are unsubstantiated. However, investigation disclosed several serious problems in the Anchorage office of the state guard.

Unauthorized and unqualified staff had written bid specifications and had signed contracts; a supervisor had sold real estate to his employees and had used state time and equipment on personal business; the same supervisor had allowed inappropriate use of staff time.

I recommended modification of agency procedures for contracting and compensatory time, an audit of a particular contract, and that the agency take appropriate (I did not recommend a specific action) personnel action after an in-house investigation. The guard accepted all recommendations.

ONLY IN FAIRBANKS

Can a Building Make Bail?

This summer a city policeman called the office wanting to know whom he should speak to regarding a disturbing-the-peace incident at a state office building. Visions of rowdy state employees immediately came to mind. Truth being stranger than fiction, the state building itself was being cited – for a noisy air-conditioning system.

Did You Say Witches?

Just prior to Halloween we received an inquiry from a member of the Witches Anti-Defamation League – honest. Judy, our exceptional secretary, asked three times just to be sure.

But it's the Principle of the Thing

My new regional director in Fairbanks, Mike Hostina, justified my faith in him recently when he fielded a complaint from a somewhat windy individual. The short version was that the complainant had lost his identification while in jail, and now that he was out could not cash checks without ID, but had no money to replace the ID. Mike saved himself another half hour of the story by offering the complainant the two dollars for a replacement.

Fixing an Owie

That's just the way former Deputy Ombudsman Sandy McGill put it when she got through putting this one to rights one summer afternoon. Just before Sandy left the Fairbanks office to return to teaching and further schooling for herself, she handled a complaint involving the Fairbanks Division of Lands office.

A recent immigrant and current Alaska resident had applied for a homestead parcel and had spent long hours at the lands office discussing his selection and his status with lands personnel. After he selected and staked the parcel, missing considerable work time, lands personnel realized that the program is open only to U.S. citizens.

Lands readily acknowledged their mistake, Sandy coordinated with the state's Risk Management division and Northern Adjusters, and the complainant was quickly compensated for the documented, wasted expenses he had incurred. Although the settlement was small, it allowed him to select a parcel in a different program. The complainant continues to work toward citizenship with some informal help from Fairbanks staff.

* * * * *

Please let me know if you have any comments on this report or if you would like additional information. I have posters and brochures which describe my office. They contain several good pointers for constituents on how to try and resolve their problems before they seek help.

Please accept my staffs' and my best wishes for you, your staff and family for a Happy Holiday Season! I look forward to seeing you when you return to Juneau next year.

Sincerely,



Duncan C. Fowler
Ombudsman

DCF:pjc
Enclosure

000237

INCREMENT-DECREMENT DESCRIPTION (Limit to 98 Characters)

FY89 & FY90 Supplemental

AGENCY CONTACT/PHONE NUMBER:

Mary Hakala 564-2800

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

FY89 Supplemental: \$1,753.3

The FY89 Debt Retirement program has a shortfall of \$1,753,291. The Mat-Su Borough received an overpayment in FY89, resulting in underpayment of three Boroughs: Juneau (\$5,968); Sitka (130,126); and North Slope (1,617,197). Mat-Su had failed to meet the statutory deadline for anticipated debt requests of October 15, 1987, but was inadvertently paid by Department staff.

FY90 Supplemental: \$894.6

In FY90 two other municipalities also failed to notify the Department of Education of anticipated debt requests prior to the October 15 (1989) deadline and were refused payment in FY90. ~~Juneau~~ and Sitka, \$117,810.

2742b/2

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.	2647.9	
800	Miscellaneous		
TOTAL		2647.9	
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	2647.9	
1005	Program Receipts/GF		
1007	I-A Receipts		
	Other		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent Staff Months		

<input type="checkbox"/> Enhance Existing Service Compared to FY 90	<input checked="" type="checkbox"/> Formula Program
<input type="checkbox"/> New Service Compared to FY 90	
<input type="checkbox"/> Continuation of FY 90 Service Level	

IMPACT FROM CAPITAL PROJECT (NAME)

Chapter _____ SLA _____ Page/Line _____

C5 INCREMENT/DECREMENT REQUEST

AGENCY PRIORITY _____ OF _____

AGENCY Department of Education

BRU School Debt Reimbursement

COMPONENT School Debt Reimbursement

PROJECT School Debt Reimbursement

FY - 91

Page _____ of _____

Revised _____

MEMORANDUM**STATE OF ALASKA**
 Alaska Department of
**NATURAL
 RESOURCES**

*Miss
 this on
 file?*

TO: Garrey Peska
 Chief of Staff
 Office of the Governor

DATE: February 9, 1990

FILE NO:

TELEPHONE: 465-2400

FROM: *Lennie Gozsuch*
 Commissioner

SUBJECT: Redoubt Volcano/Drift
 River Study

I am requesting an increment to reimburse the agency for work completed during the FY 90 budget year. The eruption of Redoubt Volcano necessitated immediate action to provide historical data and current analyses for use in predicting future activity and preventing further damage. The surprise eruption and its resulting effects and costs to the department could not be anticipated. Supplemental funds are needed for personnel costs and other expenses required to gather the information needed.

Major explosions December 14 - 16 threw huge quantities of volcanic ash high into the atmosphere, severely disrupting state and international air traffic for several days. At the same time, hot ash flows from the volcano melted large volumes of snow and glacial ice, triggering floods in lower Drift River in the vicinity of the Cook Inlet Pipeline Company (CIPC) tank farm, where crude oil from several production platforms in western Cook Inlet is temporarily stored prior to shipment in large tankers to Taiwan.

On January 2, 1990, a series of violent explosions of Redoubt Volcano again ejected considerable ash and generated an exceptionally large, warm tongue of mud and rocks that flowed very close to the tank farm, disrupting the electrical generators needed to pump oil stored at the facility. This loss of power eventually forced the oil industry to shut down several production platforms, and the State of Alaska is currently negotiating with CIPC over conditions under which the oil can be stored in the tank farm so long as Redoubt Volcano remains active.

Garrey Peska

-2-

February 9, 1990

A number of questions relating to the safety of petroleum storage facilities at the Drift River facility have been raised:

1. What is the likelihood of another large debris flow and major flood?
2. When are they most likely to occur?
3. How big will they be?
4. Where will they go?
5. How can the large storage tanks best be protected against rupture?

Detailed answers to these questions require the collection of considerable information. The purpose of this request is to provide funding for DGGs personnel, field work, office evaluation, and report writing so that agencies and the CIPC receive information relating to the unhindered passage of crude oil to Taiwan, protection of the Drift River facility, and avoidance of a major oil spill.

Most of our effort will be focused on coordination and exchange of technical information with scientists of the Alaska Volcano Observatory (AVO). DGGs personnel will collect some field data but severe winter conditions, deep snow, and lack of housing at the Drift River facility will likely prevent much field work until after spring breakup. In the meantime, pertinent technical reports must be reviewed and evaluated. Aerial photographs taken in 1954, 1957, 1960, 1967, 1973, 1974, 1978, and 1990 should be interpreted to determine the effects of past volcanic eruptions and flooding. State agencies should periodically be briefed on the continuing activity of Redoubt Volcano and the current knowledge of the geologic history of the volcano and the valley. Short field investigations would help determine where debris flows and flood waters flowed in early January and the hazards they presented to the tank farm.

There is considerable concern about the effect of spring breakup on the flow of the Drift River, which was diverted into a much smaller channel than normal when the main channel was at least partially plugged by mud and rocks. Two questions that should be evaluated are:

Garzey Pegka

-3-

February 9, 1990

1. Will spring melt in the drainage be accelerated by faster melting of ash-covered snow?
2. Will the new channel contain the spring flood?

Using surface profiles and other information supplied by CIPC and AVO and considering the past behavior of the Drift River (such as during the 1966 eruption and flood), proposals to mitigate short-term flood hazards to the tank farm will be evaluated by DGGS geologists and hydrologists.

The goal is to develop information on the frequency and magnitude of flooding during the past century or two and to identify the causes, if possible. In addition, this summer's field work will help identify potential sources of bedrock for riprap and armor rock needed to protect the entire levee around the tank farm.

A second part of this effort involves a hydrological evaluation with the goal of providing hydrological data and analyses for the rivers, lakes, and coastal waters surrounding Redoubt Volcano. The hydrological evaluation would accomplish the following objectives:

1. Conduct office and field investigations and measurements necessary to define the flows and quality of the streams in the vicinity of Redoubt Volcano.
2. Evaluate the volume and quality of the waters of the lakes near Redoubt Volcano.
3. Appraise the potential for outburst flooding, particularly from glaciers on Redoubt Volcano.
4. Predict the changes of channel characteristics and flow patterns and flood potential of streams adjacent to Redoubt Volcano.
5. Coordinate all DGGS hydrological investigation and data collection activity with other agencies involved in the evaluation and monitoring of Redoubt Volcano.

To accomplish these objectives, a geologist will devote one-third to one-half of his time to the Redoubt Volcano project and be assisted by a junior hydrologist. Tasks will include

Garrey Peska

-4-

February 9, 1990

coordination with other agencies, library research, field streamflow and water quality monitoring stations, historical stream characteristic documentation from aerial photo interpretation, and report preparation.

Personal Services	44.0
Travel	15.1
Contractual Services	12.6
Supplies	1.1
Equipment	<u>7.5</u>
Total	80.3

cc: Alison Elgee, Director
Division of Budget Review
Office of the Governor
Darcy Lloyd, Special Staff Assistant
Office of the Governor
Sharon Barton, Director
Division of Management
Bob Forbes, Director
Division of Geological and Geophysical Surveys

2. When are they most likely to occur?
3. How big will they be?
4. Where will they go?
5. How can the large storage tanks best be protected against rupture?

Detailed answers to these questions require the collection of considerable information. The purpose of this project is to provide funding for DGGs personnel, field work, office evaluation, and report writing so that agencies and the CIPC receive information relating to the unhindered passage of crude oil to Taiwan, protection of the Drift River facility, and avoidance of a major oil spill.

Most of our effort will be focused on coordination and exchange of technical information with scientists of the Alaska Volcano Observatory (AVO). DGGs personnel will collect some field data but severe winter conditions, deep snow, and lack of housing at the Drift River facility will likely prevent much field work until after spring breakup. In the meantime, pertinent technical reports must be reviewed and evaluated. Aerial photographs taken in 1954, 1957, 1960, 1967, 1973, 1974, 1978, and 1990 should be interpreted to determine effects of past volcanic eruptions and flooding. State agencies should periodically be briefed on the continuing activity of Redoubt Volcano and the current knowledge of the geologic history of the volcano and the valley. Short field investigations would help determine where debris tongues and flood waters flowed in early January and the hazards they presented to the tank farm.

There is considerable concern about the effect of spring breakup on the flow of the Drift River, which was diverted into a much smaller channel than normal when the main channel was at least partially plugged by mud and rocks. Two questions that should be evaluated are:

1. Will spring melt in the drainage be accelerated by faster melting of ash-covered snow?
2. Will the new channel contain the spring flood?

Using surface profiles and other information supplied by CIPC and AVO and considering the past behavior of the Drift River (such as during the 1966 eruption and flood), proposals to mitigate short-term flood hazards to the tank farm will be evaluated by DGGs geologists and hydrologists.

The goal is to develop information on the frequency and magnitude of flooding during the past century or two and to identify the causes, if possible. In addition, this summer's field work will help identify potential sources of bedrock for riprap and armor rock needed to protect the entire levee around the tank farm.

A second part of this effort involves a hydrological evaluation with the goal of providing hydrological data and analyses for the rivers, lakes, and coastal waters surrounding Redoubt Volcano. The hydrological evaluation would accomplish the following objectives:

1. Conduct office and field investigations and measurements necessary to define the flows and quality of the streams in the vicinity of Redoubt Volcano.
2. Evaluate the volume and quality of the waters of the lakes near Redoubt Volcano.
3. Appraise the potential for outburst flooding, particularly from glaciers on Redoubt Volcano.
4. Predict the changes in channel characteristics and flow patterns and flood potential of streams adjacent to Redoubt Volcano.
5. Coordinate all DGGs hydrological investigations and data collection activity with other agencies involved in the evaluation and monitoring of Redoubt Volcano.

- - - Continued on following page - - -

FY 90

C5

ADDITIONAL
EXPLANATION
FORM

Redoubt Volcano/Drift River Study
GDH/DGGS

AGENCY Natural Resources

BRU Geological Management

COMPONENT Geological Management

Page 2 of 3

Revised Date 2/14/90

To accomplish these objectives, a geologist will devote one-third to one-half of his time to the Redoubt Volcano project and be assisted by a junior hydrologist. Tasks will include coordination with other agencies, library research, field streamflow and water quality monitoring stations, historical stream characteristic documentation from aerial photo interpretation, and report preparation.

FY 90

CS

ADDITIONAL
EXPLANATION
FORM

Redoubt Volcano/Drift River Study

GDH/DGGS

AGENCY Natural Resources

BRU Geological Management

COMPONENT Geological Management

Page 3 of 3

Revised Date 2/14/90

MEMORANDUM

State of Alaska

TO: **Alison M. Elgee**
Director
Division of Budget Review

FROM: **Fred Fisher** *FF*
Program Budget Analyst
Division of Budget Review
Office of Management and
Budget

DATE: **February 21, 1990**

FILE NO:

TELEPHONE NO: **465-3568**

SUBJECT: **FY90 Supplemental**

The Department of Fish and Game is requesting a supplemental in the amount of \$298.0 for the Prince William Sound Aquaculture Corporation (PWSAC). These monies were approved in October by the Legislative Budget and Audit Committee as an RPL.

Since that time, the Department has decided that it would be more beneficial to have the PWSAC be the named grant recipient for this project. This will enable the Corporation to develop and construct a brood Stock maturation facility at the Main Bay Hatchery in a more cost-effective and timely manner.

I have attached a copy of the Department's backup memorandum on this project.

MEMORANDUM**STATE OF ALASKA**

TO: Alison Elgee, Director
 Division of Budget Review
 Office of Management and
 Budget

DATE: February 7, 1990**FILE NO:****THRU:****TELEPHONE NO:** 465-4100

W. Collinsworth
FROM: Don W. Collinsworth
 Commissioner
 Department of Fish and Game

BUDGET REVIEW
Supplemental
FEB 8 1990

The Alaska Department of Fish and Game (ADF&G), Fisheries Rehabilitation, Enhancement and Development (FRED) Division, is requesting a supplemental to the FY 90 budget, naming Prince William Sound Aquaculture Corporation (PWSAC) as the named grant recipient for the purpose of developing and constructing a broodstock maturation facility at the Main Bay Hatchery. The funding has been previously mentioned and approved in the Revised Program 11-90-123; however, it appears it is more appropriately addressed through a named grant recipient.

The estimated cost of the project is \$298,000, which will be funded by program receipts received as a direct result of the emergency cooperation response between FRED Division and PWSAC to provide a productive utilization of chum salmon that returned to the Main Bay Hatchery. The traditional harvest was closed due to the oil spill.

The production concept at Main Bay Hatchery involves using eggs from a remote brood source (Coghill Lake) to produce a 10 gram smolt on a 21-month production schedule. During the broodstock development phase (1987-1991), approximately four to five million smolt will be released annually. This level of production will result in commercially harvestable returns. The first significant adult returns to the hatchery will occur in 1991. The objective is to discontinue remote egtakes at Coghill Lake after egg collection in the fall of 1990 and collect eggs from adults returning to the hatchery beginning in 1991. In order to do this, an adult sockeye salmon collection and maturation system will have to be constructed.

Unlike pink and chum salmon, sockeye salmon require extended residence time in fresh water for the process of sexual maturation. It is common for sockeye salmon to migrate from salt water into lake systems and spend up to two months in the lakes before becoming sexually mature and moving into tributary streams to spawn. Extended fresh water residence time for adult sockeye salmon appears to be a critical factor in the maturation process.

The primary component of the system is a fresh water impoundment that will simulate a small lake in which adult sockeye salmon will mature. It is important that the control dam be constructed to an elevation that will not permit salt water to enter the impoundment at high tide. The dam will be constructed in the area of the temporary dam for the existing intertidal holding pond. Fish access to the impoundment will

be by Denil-type steep pass. The impoundment will be fed with hatchery effluent water at a rate of 10,000 to 12,000 gpm. Since maximum dam elevation will not exceed the level of the adjacent road bed, some seasonal high tides may occasionally overtop the dam and therefore a drain system at the base of the dam will be required to maintain fresh water integrity of the impoundment.

Prior to construction, the design will be approved by ADF&G to ensure compliance with the state's code and regulations. It is estimated that the construction phase will be completed by the fall of 1990. The new facility will become the property of the state and will be used to collect and mature 5,000 to 10,000 adult sockeye salmon annually.

cc: B. Allee

INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)

Main Bay Maturation Pond

AGENCY CONTACT/PHONE NUMBER:

Brian J. Allee/465-4160

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

This supplemental increment is for the development and construction of a broodstock maturation pond at Main Bay Hatchery naming Prince William Sound Aquaculture Corporation as the named grant recipient.

Design and construction will be completed by the fall of 1990, using program receipts. Upon completion, the maturation pond will be used to collect and mature 5,000 to 10,000 adult sockeye salmon annually.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	298.0	
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		298.0	
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts	298.0	
1007	I-A Receipts		
	PFT		
	POSITION PPT		
	INFORMATION Non Permanent		
	Staff Months	0	
<input checked="" type="checkbox"/>	Enhance Existing Service Compared to FY 89	<input type="checkbox"/>	Formula Program
<input type="checkbox"/>	New Service Compared to FY 89	<input type="checkbox"/>	New Facility
<input type="checkbox"/>	Continuation of FY 89 Service Level	<input type="checkbox"/>	Oper.
IMPACT FROM CAPITAL PROJECT (NAME)			
Chapter	SLA	Page/Line	

INCREMENT/
DECREMENT
REQUEST

Agency Priority _____ of _____

AGENCY Fish and Game

BRU FRED

COMPONENT FRED

FY 90

Page 1 of 1

Revised Date: _____

INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)
 Purchase of locomotives and rolling stock

AGENCY CONTACT/PHONE NUMBER:

Commissioner Mark Hickey, 465-3900

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

The purpose of this appropriation is to purchase locomotives and rolling stock to support transportation of coal from Wishbone Hill.

The economic benefits from the Wishbone Hill project are considerable for the State, Mat-Su Borough, Municipality of Anchorage and the City of Seward. This includes royalty payments, local tax receipts, and approximately 150 to 200 permanent jobs during the 15-year plus mine life.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Capital Outlay	9,000,000	
TOTAL			
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	9,000,000	
1005	GF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		
<input type="checkbox"/> Enhance Existing Service <input checked="" type="checkbox"/> Compared to FY 90			
<input type="checkbox"/> New Service Compared to FY 90		<input type="checkbox"/> Formula Program	
<input type="checkbox"/> Continuation of FY 90 <input checked="" type="checkbox"/> Service Level		<input type="checkbox"/> New Facility Oper.	
IMPACT FROM CAPITAL PROJECT (NAME)			
Chapter _____ SLA _____ Page/Line _____			

C5 INCREMENT/
 DECREMENT
 REQUEST

Agency Priority _____ of _____

AGENCY Alaska Railroad Corporation

BRU _____

COMPONENT _____

PROJECT _____

FY 91

Page _____ of _____

Revised Date: _____

STATE OF ALASKA

OFFICE OF THE GOVERNOR

**OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF BUDGET REVIEW**

STEVE COWPER, GOVERNOR

POUCH AM
JUNEAU, ALASKA 99811
PHONE: (907) 465-3568

February 9, 1990

The Honorable Lyman Hoffman
The Honorable Ron Larson
Co-Chairman, House Finance Committee
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

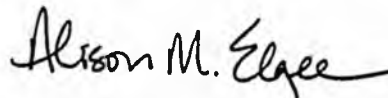
Re: Department of Labor Supplemental Requests

Dear Representatives Hoffman and Larson:

In accordance with the attached memo from the Department of Labor, I would ask that the following supplemental requests be withdrawn from further consideration due to availability of funds within the department to cover these requests:

\$20.0	Public Employee Relation Act Activity
\$15.0	Occupational Safety and Health Review Board
\$15.5	Worker's Compensation Board Payment
\$42.9	1990 Census and Reapportionment Activity

Sincerely,



Alison M. Elgee, Director

Attachment

MEMORANDUM

State of Alaska
Department of Labor

TO: Alison Elgee, Director
Division of Budget Review
Office of the Governor

February 8, 1990

FROM:  Jim Sampson, Commissioner
Department of Labor

465-2720

SUBJ: Withdrawal of FY90
Supplemental Requests

Please withdraw the Department of Labor's supplemental requests for FY90 from further consideration. These requests are:

- 20.0 for Public Employees Relation Act Activity
- 15.0 for Occupational Safety and Health Review Board
- 15.5 for Workers' Compensation Board Payment
- 42.9 for 1990 Census and Reapportionment Activity

Since the recent court decision affecting the state's employment preference law the Department of Labor has reduced the level of activity in these programs. The Alaska Supreme Court ruled that provisions of the law which differentiated between residents of different economic regions of the state was unconstitutional. What remains is a local hire law that still applies to the entire state, and it is this portion of the law that the department will continue to enforce. The technical support needed for enforcing the statewide employment preference is substantially less than was previously needed for enforcement between small regions of the state. As a result of this reduced level of activity, the Department of Labor has sufficient funds available to fund the supplemental requests for FY90.

Revised programs will be forthcoming shortly to reallocate funds within each appropriation to accommodate the purposes initially requested in the above supplementals. Budget amendments will likewise be forthcoming shortly to reallocate the funds for FY91.

cc: Wendy Matheny, Budget Analyst, OMB

RECEIVED
FEB 9 1990

BUDGET REVIEW

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF BUDGET REVIEW

STEVE COWPER, GOVERNOR

POUCH AM
JUNEAU, ALASKA 99811
PHONE: (907) 465-3568

February 9, 1990

The Honorable Lyman Hoffman
The Honorable Ron Larson
Co-Chairman, House Finance Committee
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

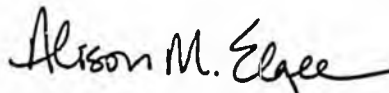
Re: Department of Labor Supplemental Requests

Dear Representatives Hoffman and Larson:

In accordance with the attached memo from the Department of Labor, I would ask that the following supplemental requests be withdrawn from further consideration due to availability of funds within the department to cover these requests:

\$20.0	Public Employee Relation Act Activity
\$15.0	Occupational Safety and Health Review Board
\$15.5	Worker's Compensation Board Payment
\$42.9	1990 Census and Reapportionment Activity

Sincerely,



Alison M. Elgee, Director

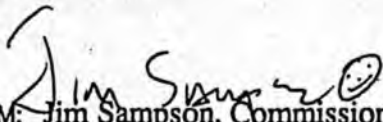
Attachment

MEMORANDUM

State of Alaska
Department of Labor

TO: Alison Elgee, Director
Division of Budget Review
Office of the Governor

February 8, 1990


FROM: Jim Sampson, Commissioner
Department of Labor

465-2720

SUBJ: Withdrawal of FY90
Supplemental Requests

Please withdraw the Department of Labor's supplemental requests for FY90 from further consideration. These requests are:

- 20.0 for Public Employees Relation Act Activity
- 15.0 for Occupational Safety and Health Review Board
- 15.5 for Workers' Compensation Board Payment
- 42.9 for 1990 Census and Reapportionment Activity

Since the recent court decision affecting the state's employment preference law the Department of Labor has reduced the level of activity in these programs. The Alaska Supreme Court ruled that provisions of the law which differentiated between residents of different economic regions of the state was unconstitutional. What remains is a local hire law that still applies to the entire state, and it is this portion of the law that the department will continue to enforce. The technical support needed for enforcing the statewide employment preference is substantially less than was previously needed for enforcement between small regions of the state. As a result of this reduced level of activity, the Department of Labor has sufficient funds available to fund the supplemental requests for FY90.

Revised programs will be forthcoming shortly to reallocate funds within each appropriation to accommodate the purposes initially requested in the above supplementals. Budget amendments will likewise be forthcoming shortly to reallocate the funds for FY91.

cc: Wendy Matheny, Budget Analyst, OMB

RECEIVED
FEB 9 1990

BUDGET REVIEW

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF BUDGET REVIEW

STEVE COWPER, GOVERNOR

POUCH AM
JUNEAU, ALASKA 99811
PHONE: (907) 465-3568

February 7, 1990

The Honorable Lyman Hoffman
The Honorable Ron Larson
Co-Chairmen, House Finance Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Re: House Bill 428 Supplemental Amendments

Dear Representatives Hoffman and Larson:

I have listed below technical changes and amendments to House Bill 428, making supplemental appropriations for fiscal year 1990 and prior fiscal years. Back-up is attached which further explains the need for the amendments.

* Sec. 2. The sum of \$249,200 [\$215,000] is appropriated from the general fund to the Department of Administration, Office of Public Advocacy, for additional contract costs for the year ending June 30, 1990.

* Sec. 13. The sum of ^{32,744} ~~\$302,653~~ is appropriated from the general fund to the Department of Revenue to refund additional electric and telephone cooperative tax revenue under AS 10.25.570 for the fiscal year ending June 30, 1989 [1990].

* Sec. 16. The sum of \$1,753,291 [\$1,753,300] is appropriated from the general fund to the Department of Education for the debt retirement program for fiscal year ending June 30, 1989, allocated

Representatives Hoffman and Larson

February 7, 1990

in the amounts listed below to the following Boroughs:

<u>Boroughs</u>	<u>Allocations</u>
Juneau	\$ 5,968
Sitka	130,126
North Slope	1,617,197

* Sec. 43. The sum of \$3,250,000 [\$1,567,000] is appropriated from the following funding sources to the Department of Transportation and Public Facilities, Alaska marine highway system, for vessel operations and increased overhaul costs for the fiscal year ending June 30, 1990:

General Fund	<u>\$1,000,000</u> [\$127,000]
General Fund Program Receipts	<u>\$2,250,000</u> [\$1,440,000]

* Sec. 47. The sum of \$136,000 is appropriated from the general fund to the Department of Transportation and Public Facilities, to reimburse the City and Borough of Juneau, for repairs and renovation under a Transfer of Responsibility Agreement #H79148 [#79148].

* Sec. 48. The sum of \$681,900 is appropriated to the Department of Community and Regional Affairs, child assistance program, to pay for costs of implementation of the Family Support Act transitional child care benefits program for the fiscal year ending June 30, 1990, from the following sources:

<u>Interagency Receipts</u>	<u>\$340,900</u>
[Federal Receipts	\$340,900]
General Fund Match	\$341,000

Representatives Hoffman and Larson

February 7, 1990

* Sec. 56. The sum of \$98,908 [\$101,025] is appropriated from the general fund to the following agencies for the fiscal year ending June 30, 1990, to pay miscellaneous claims and stale-dated warrants:

Governor	\$ 699
Administration	26,900
[Education	3,600]
Health and Social Services	37,327
Commerce and Economic Development	5,824
Military and Veterans' Affairs	2,254
Fish and Game	67
Public Safety	492
Transportation and Public Facilities	<u>24,752</u> [23,269]
Legislature	593

New Sections to be added:

* Sec. _____. The sum of \$340,900 in federal receipts is appropriated to the Department of Health and Social Services, Alaska Work Programs, to pay for costs of implementation of the Family Support Act transitional child care benefits program for the fiscal year ending June 30, 1990.

* Sec. _____. The sum of \$606,902 is appropriated from the general fund to the Department of Education for the underpayments due to PL81-874 for the public school foundation program for the fiscal year ending June 30, 1988.

* Sec. _____. The sum of \$397,102 is appropriated from the general fund to the Department of Education for the underpayments due to

Representatives Hoffman and Larson

February 7, 1990

PL81-874 for the public school foundation program for the fiscal year ending June 30, 1989.

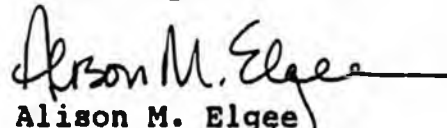
* Sec. _____. The sum of \$27,000 is appropriated from the general fund to the Department of Education for the boarding home program for full year funding for the fiscal year ending June 30, 1990.

* Sec. _____. The sum of \$40,000 is appropriated from the general fund to the Department of Education to implement House Bill 52, background checks for teacher certification applicants for the fiscal year ending June 30, 1990.

* Sec. _____. The sum of \$4,187,098 is appropriated from the general fund to the disaster relief fund for the following purposes:

Southcentral flood disaster 1986	1,874,530
Spring flood disaster (statewide) 1989	1,011,888
Anchorage flood disaster 1989	805,100
Kenai Peninsula Borough flood disaster 1989	495,580

Sincerely,


Alison M. Elgee
Director

cc: Senator Johne Binkley
Senator Rick Uehling

Attachments

AME/lb

MEMORANDUM

STATE OF ALASKA Department of Administration

to: Alison Elgee
Director
Division of Budget Review
Office of Management and Budget
Office of the Governor

DATE: January 25, 1990

Frank Baxter

TELEPHONE 465-2200

FROM: Frank Baxter
Commissioner
Department of Administration

SUBJECT: FY 90 Supplementals

RECEIVED
JAN 26 1990
BUDGET REVIEW

The following list has been updated to include accrued interest owed to court-appointed attorneys by the Office of Public Advocacy. It should be pointed out that the figure of \$249.2 is contingent upon payment of these bills before April 1, 1990. If the supplemental is not somehow "fast-tracked" and payment is delayed until July 1, 1990, the required amount will increase to \$\$259.4.

Longevity Bonus Grants	This increase is necessary to fund monthly longevity bonus payments to an increased number of participants, and the Legislature capped funding at \$50,000.0. This program is formula funded.	\$6,758.0
Pioneers' Homes	Funding necessary to maintain quality of care and avoid freezing admissions. Will provide for increased costs of heating fuel, utilities and alleviate disruption of services due to lay-offs.	\$358.3
Pioneers' Homes Nurse Therapist Salaries	Increased personal services costs related to Nursing and Physical Therapists job class evaluations.	\$380.0
Older Alaskans Commission	Arbitration award for terminated employee.	\$38.7
Public Defender	Eliminate 2-3 weeks forced leave without pay for all Attorneys.	\$242.8

Alison Elgee

-2-

January 3, 1990

Office of Public Advocacy	FY 89 increased caseload/will provide overdue payments including accrued interest to contract attorneys.	\$249.2
	FY 90 projected increase in Court appointed attorney caseload.	\$950.0
Labor Relations Agency	Possible amendments to both legal and administrative support contracts if upward trend in labor activity continues.	\$25.0
Alaska Public Offices Commission	Provides for development and implementation of cost-effective means of storing and retrieving election report data, and allows statewide access to this information. Also provides funding for a toll-free equal access number for candidates to obtain reporting information.	\$130.0
Miscellaneous Claims and Stale-Dated Warrants	Stale-dated warrants.	\$26.9
	Total FY 89	\$249.2
	Total FY 90	\$8,909.7
	Grand Total	\$9,158.9

FB/MM/pl

cc:

James J. Fox
Deputy Commissioner
Department of Administration

Alison Elgee

-3-

January 3, 1990

cc: (continued)

Gary Bader
Deputy Commissioner
Department of Administration

Kevin Brooks
Budget Analyst
Division of Administrative Services
Department of Administration

OFFICE OF PUBLIC ADVOCACY
PENDING FY69 BILLS

ATTORNEY/FIRM	LOCATION		AMOUNT OUTSTANDING	INTEREST IF PAID	TOTAL AMOUNT DUE
COURT-APPOINTED ATTORNEY BILLS					
Alaska Legal Svc.	Kodiak, Kotzebue, Dillingham	0	1,858.93	282.94	2,141.87
Ardum & Mason	Anchorage	0	575.00	74.75	649.75
Jama L. Bruce	Ketchikan	0	1,514.00	136.26	1,650.26
Phyllis Berdonaki	Ketchikan	0	1,307.50	138.75	1,446.25
Robert M. Baconovich	Fairbanks	0	699.90	48.99	748.89
Carol A. Branchie	Seldovia	0	4,484.25	289.04	4,773.29
Ron L. Butler	Anchorage	0	544.10	75.37	619.47
Alan Bortnick	Anchorage	0	35.00	4.35	39.35
Birch, Horton, Bittner & Chereh	Juneau	0	4,486.78	796.43	5,283.21
John G. Davies	Kenai	0	415.00	62.25	477.25
Thomas H. Dahl	Anchorage	0	1,656.41	199.09	1,855.50
Thomas A. Dooling	Dillon, Astana	0	1,916.51	287.47	2,203.98
Bernice Craver	Juneau	0	507.00	35.49	542.49
Dale Dolifka	Kanai	0	365.00	84.78	449.78
Robert B. Franz	Anchorage	0	530.00	75.40	605.40
Faulkner, Benfield, Doogan & Malms	Juneau	0	775.66	124.18	899.84
Constance Griffith	Ketchikan	0	2,540.50	236.50	2,777.00
Harold Green	Anchorage	0	1,165.00	151.45	1,316.45
Hartig, Rhodes, Norman, et. al.	Palmer	0	150.00	19.50	169.50
Huggan, Thorness, Sontz, et. al.	Anchorage	0	407.52	68.63	476.15
Erica Kracher	Palmer	0	1,300.65	179.48	1,480.13

OFFICE OF PUBLIC ADVOCACY
PENDING FY89 BILLS

ATTORNEY/FIRM	LOCATION	AMOUNT OUTSTANDING	INTEREST IF PAID BY APRIL 1, 1989	TOTAL AMOUNT DUE
Charlene Lichten	Anchorage	\$ 1,789.89	\$ 228.89	1,969.89
H. Van Z. Lawrence	Fairbanks	\$ 96.25	\$ 11.78	118.03
J. Russell Luffberry	Palmer	\$ 1,465.78	\$ 193.15	1,678.93
Keene & Curraill	Ketchikan	\$ 3,189.87	\$ 198.83	3,371.40
David Kallet	Juneau	\$ 1,711.60	\$ 259.68	1,981.28
Dennis McElvie	Fairbanks	\$ 112.90	\$ 14.37	128.67
Glen Marx	Anchorage	\$ 1,488.00	\$ 182.00	1,542.00
Michael O'Brien	Juneau	\$ 1,339.90	\$ 217.56	1,577.46
John C. Pharr	Anchorage	\$ 6,948.55	\$ 977.65	7,923.40
Lola Rodriguez	Wrangell	\$ 158.00	\$ 6.32	164.32
Robertson, Monagle & Easbaugh	Juneau	\$ 2,298.66	\$ 355.87	2,644.53
Arth Hildebrand	Kenai	\$ 416.75	\$ 54.17	478.92
Scott Sidell	Anchorage	\$ 1,092.45	\$ 144.28	1,148.73
Smith, Coe & Peterson	Anchorage	\$ 4,185.02	\$ 536.92	4,772.74
Ernest M. Schlereth	Anchorage	\$ 1,829.00	\$ 138.16	1,174.25
Stump & Stump	Ketchikan	\$ 7,586.25	\$ 682.76	8,269.01
Clifford H. Smith	Ketchikan	\$ 684.26	\$ 82.11	766.37
Dana Robert Stoker	Medalla	\$ 938.00	\$ 168.30	1,103.30
Taylor, Jungreis & Hanson	Anchorage	\$ 212.90	\$ 27.62	240.12
Melvin M. Stephens	Kodiak	\$ 989.92	\$ 98.39	1,049.31
CONTRACTOR BILLS				
Rex L. Butler	Anchorage	\$ 14,738.00	\$ 1,892.21	16,622.81
Larson, Timbers & Vartiainen	Wasco	\$ 11,688.35	\$ 1,516.79	13,189.10

OFFICE OF PUBLIC ADVOCACY
PENDING FY89 BILLS

ATTORNEY/FIRM	LOCATION	AMOUNT OUTSTANDING	INTEREST IF PAID BY APRIL 1, 1990	TOTAL AMOUNT DUE
Sullivan-Stephens Legal Services	Anchorage	4,813.57	743.79	5,557.36
EXTRAORDINARY/ COMPENSATION BILLS				
Alaska Legal Svc.	Nome	7,977.50	797.75	8,775.25
S. Joshua Berger	Fairbanks	483.00	48.30	531.30
Birch, Horton, Bittner & Charot	Juneau	11,884.99	1,188.49	12,417.88
Lynn Christensen/ Carol Brackley	Soldotna	7,485.25	551.89	8,439.14
Barbara Gray	Juneau	3,584.00	358.40	3,942.40
Patrick Conrady	Juneau	748.50	74.85	823.35
Casack & Holloy	Kenai	1,553.30	155.33	1,718.63
Donald Crossick	Sitka	4,897.00	489.70	4,827.70
Dale Dolifka	Kenai	3,695.00	369.50	4,064.50
Dahl & Hartke	Anchorage	1,493.00	149.30	1,642.30
Richards Ellsora	King Salmon	4,145.10	414.51	4,559.61
Faulkner, Banfield, Doogan & Holmes	Juneau	1,423.00	142.30	1,565.30
Garton & Oberly	Anchorage	564.00	56.40	620.40
Harold Green	Anchorage	6,678.00	667.80	7,345.80
Hughes, Therensen, Gantz, et. al.	Anchorage	1,573.00	157.30	1,730.30
Heppner & Hefferan	Wasilla	48.30	4.83	53.13
Jensen & Jensen	Wasilla	318.00	31.80	349.80
Michael Jungreis	Anchorage	7,788.00	778.80	8,566.80
Charlene Lightman	Anchorage	6,290.00	629.00	6,919.00
Ken Logatchi	Anchorage	10,935.00	1,093.50	12,028.50

OFFICE OF PUBLIC ADVOCACY
PENDING FY85 BILLS

ATTORNEY/FIRM	LOCATION	AMOUNT OUTSTANDING	INTEREST IF PAID BY APRIL 1, 1990	TOTAL AMOUNT DUE
Glen Mark	Anchorage	\$ 323.00	\$ 32.30	\$ 355.30
David Mallet	Juneau	\$ 9,155.00	\$ 915.50	\$ 10,070.50
Paul Milan	Anchorage	\$ 390.00	\$ 39.00	\$ 429.00
Edward T. Noonan	Fairbanks	\$ 2,329.00	\$ 232.90	\$ 2,561.90
Michael O'Brien	Juneau	\$ 1,989.00	\$ 198.90	\$ 2,187.90
Teri Powers	Anchorage	\$ 100.00	\$ 10.00	\$ 110.00
Draw Peterson	Anchorage	\$ 1,211.00	\$ 92.54	\$ 1,303.54
Ron Rhien	Fairbanks	\$ 774.00	\$ 77.40	\$ 851.40
John Rosie	Fairbanks	\$ 84.00	\$ 8.40	\$ 92.40
Robertson, Mongala, & Kesteven	Juneau	\$ 6,781.00	\$ 546.60	\$ 7,327.60
Ernest H. Schiereth	Anchorage	\$ 1,245.00	\$ 124.50	\$ 1,369.50
Joseph Stora	Kenai	\$ 2,285.00	\$ 228.50	\$ 2,513.50
Dana Robert Stoker	Wasilla	\$ 2,104.00	\$ 210.40	\$ 2,314.40
Smith, Coe & Peterson	Anchorage	\$ 2,463.00	\$ 246.30	\$ 2,709.30
Scott Sigall	Anchorage	\$ 931.00	\$ 93.10	\$ 1,024.10
Schandel & Callanen	Fairbanks	\$ 16.00	\$ 1.60	\$ 17.60
Schonen Law Firm	Wasilla	\$ 254.00	\$ 25.40	\$ 279.40
Clifford Smith	Natchikan	\$ 389.00	\$ 38.90	\$ 427.90
Janet Tappel	Seldotna	\$ 1,468.00	\$ 146.80	\$ 1,614.80
Fred Trice	Petersburg	\$ 251.00	\$ 25.10	\$ 276.10
G. Nan Thompson	Anchorage	\$ 3,954.00	\$ 395.40	\$ 4,349.40
Fred Valdez	Anchorage	\$ 386.00	\$ 38.60	\$ 424.60
Rene Wright	Anchorage	\$ 792.00	\$ 79.20	\$ 871.20
David T. Walker	Juneau	\$ 6,642.40	\$ 664.24	\$ 7,306.64
TOTAL		\$ 89,828.00	\$ 8,641.25	\$ 98,469.25

MEMORANDUM

STATE OF ALASKA
Department of Transportation and Public Facilities

TO: Alison Elgee, Director
Division of Budget Review
Office of Management & Budget

DATE: February 5, 1990

FILE NO:

TELEPHONE NO: 465-3900

FROM: Mark S. Hickey, Commissioner *M/S*
Department of Transportation
and Public Facilities

SUBJECT: AMHS Revised Supplemental Budget Request

In September, 1989, the AMHS was asked to calculate the amount of funding required to bring the M/V Columbia, M/V LeConte and M/V Tustumena out of lay up and back into service. The estimated cost for bringing these vessels into service is \$1,567,000. AMHS now has additional information that gives a clearer FY 90 financial picture of the entire system based on the first six months of operating expenditures/obligations and FY 89 actuals. It should be noted that because of the variable nature of certain costs in the AMHS (overhaul, leave usage, fuel) any estimate or projection is always subject to the impact of these variables.

Based on an analysis of this additional information, we now anticipate a need for supplemental funds in the amount of \$3,250,000. This supplemental includes \$1,000,000 for increased overhaul costs as a capital fund request for our FY 90 AMHS Improvements Appropriation. It also includes \$2,250,000 operating funds to cover increased operating costs and the service level mentioned above. These funds are needed in order to operate the currently published schedule, which is essentially the same level of service provided in FY 89.

We are confident that the vessel weeks of operation above those previously authorized for FY 90 will generate \$2,250,000 in revenues, thus our request is for this amount in program receipts authority and the balance of \$1,000,000 in CIP general funds. Again, this is a conservative projection of expenditures with the understanding there are still four vessel overhauls to be completed. While we have encumbered contract amounts, change orders for unpredictable serious problems could cause some added costs.

If these funds are not forthcoming we will be required to severely reduce our operating schedule accordingly. AMHS would be forced to keep the M/V Columbia and M/V Malaspina out of service until at

Overhaul costs are defrayed through appropriations in the operating and capital budgets, depending on the nature of the respective expenditures which fall into each category.

least the first week in July. In addition both the M/V LaConte and the M/V Tustumena would be placed in lay-up until at least late April. These actions would have a serious effect on our revenues, the communities which benefit from our service, as well as the confidence of the travelling public.

As you know, the AMHS experiences a number of variable costs. While some of these may be characteristic of other operating units within the department, such as the cost of fuel, others, such as vessel overhaul and personal services, have a dramatic effect on the Marine Highway System and vary by hundreds of thousands of dollars.

Each year every vessel in the fleet must undergo an annual overhaul. This is necessary to meet Coast Guard and American Bureau of Shipping standards. Due to the age and complexity of the vessels it is not possible to predict accurately the cost of each overhaul. When conditions are found which require repair, the vessel cannot sail unless those are complete. This is further compounded by the pervasive presence of asbestos which increases the costs tremendously. It is the case that these overhaul expenditures that are now running grossly over budget will cause absorption of funds that would otherwise go to operations. Therefore, vessels will be repaired but without the supplemental there would be inadequate funds to sail.

Additionally, in most other agencies personnel who are on leave are not replaced; work is allocated among remaining staff. This is not possible in AMHS. Due to Coast Guard and service level manning requirements, personnel who are on leave must be replaced. The difficulty in predicting leave usage, combined with the high accrual rates in marine bargaining unit contracts, have an extreme effect on AMHS budget projections.

A comparison of the original authorizations and projected expenditures for each AMHS component follows. In addition we have shown a breakdown of the comparative costs of operation and overhaul of each vessel in the fleet between fiscal year 1989 and our published schedule for fiscal year 1990. Finally, we have shown the comparable weeks of service for FY 89, for our original authorization, and for the schedule that is currently published; along with the estimated additional revenues associated with this level of service.

As can be seen in the tables that follow, the anticipated shortfall is confined to the vessel operation components. Examples of the changes which have occurred to create these conditions are discussed in the paragraphs following the tables; however, it is important to note that a portion of these costs have been included in the original \$1,567,000 estimate of the amount needed to bring the Columbia, LaConte and Tustumena back into service.

**COMPARISON OF FY 89 ACTUALS, FY 90 AUTHORIZED & FY 90 PROJECTED
(figures are shown in \$000's)**

Component	FY 89 ACTUALS	FY 90 AUTHORIZED	FY 90 PROJECTED	DIFFERENCE
Marine Admin	\$2,352.0	\$2,210.4	\$2,210.4	\$0.0
MFE Mngmt	434.6	339.6	339.6	0.0
Cus Ser Mngmt	2,422.3	2,521.3	2,521.3	0.0
Ops Mngmt	771.3	891.4	891.4	0.0
Marine CIP	1,261.5	1,387.9	1,387.9	0.0
Sub-total	\$7,241.7	\$7,350.6	\$7,350.6	\$0.0
SE Shore	\$2,567.4	\$2,620.0	\$2,618.4	\$1.6
SW Shore	680.2	789.5	790.3	(0.8)
SE Vssl Op/Ov	45,943.5	44,465.5	46,228.9	(1,763.4)
SW Vssl Op/Ov	9,359.7	8,717.6	9,205.0	(487.4)
Sub-total	\$58,550.8	\$56,592.6	\$58,842.6	(\$2,250.0)
Total Op Bdgt	\$65,792.5	\$63,943.2	\$66,193.2	(\$2,250.0)
Overhaul SIP	\$1,242.0	\$500.0	1,530.0	(\$1,000.0)
Total Operating and SIP Supplemental Request.....				(\$3,250.0)

COSTS BY VESSEL (in \$000's)

	FY 89 ACTUALS	FY 90 PROJECTED
TAKU	\$7,106.4	\$8,604.2
MALASPINA	8,548.9	7,647.1
CHILKAT	304.1	1.6
AURORA	4,251.0	4,718.9
COLUMBIA	6,175.9	7,013.1
LECONTE	5,014.9	4,809.7
MATANUSKA	8,856.9	9,206.5
ALL VESSELS*	5,685.4	4,227.8
TOTAL SE	\$45,943.5	\$46,228.9
TUSTUMENA	\$5,198.8	\$4,882.0
BARTLETT	3,329.0	3,662.0
ALL VESSELS*	831.9	661.0
TOTAL SW	\$9,359.7	\$9,205.0
SE & SW TOTAL	\$55,303.2	\$55,433.9

*Examples of "All Vessels" costs are risk management, certain benefits, and miscellaneous expenditures not attributable to a specific vessel, such as utility expenses at AMHS terminals. AMHS has improved the methods used to collect and allocate "All Vessels" expenditures by vessel (cost center). This change decreased "All Vessels" in FY 90 and appropriately spread costs to the respective vessels.

WEEKS OF OPERATION

	FY 89 ACTUAL ²	FY 90 AUTHORIZED	FY 90 PUBLISHED SCHEDULE	ADDITIONAL REVENUE ³ (\$000's)
COLUMBIA	15.3	15.0	19.0	\$1,625.0
MATANUSKA	45.0	43.5	43.5	
MALASPINA	42.9	31.0	32.0	\$255.0
TAKU	33.6	43.0	43.0	
SE MAINLINE	136.8	132.5	137.5	\$1,880.0
AURORA	39.4	44.5	44.5	
LECONTE	44.9	38.5	44.0	\$150.0
CHILKAT	14.6	0.0	0.0	
SE FEEDER	98.9	83.0	88.5	\$150.0
SE VESSELS	235.7	215.5	226.0	\$2,030.0
TUSTUMENA	38.4	34.0	38.5	\$220.0
BARTLETT	42.5	43.5	43.5	
SW VESSELS	80.9	77.5	82.0	\$220.0
TOTAL AMHS	316.6	293.0	308.0	\$2,250.0

The following paragraphs provide examples of the changes which have occurred to contribute to the anticipated budget shortfall.

Vessel Overhaul

Actual and estimated overhaul costs have increased by approximately \$1,000,000 over budget. This estimate assumes FY 90 overhaul costs to be \$3,243,000 in operating funds, and an additional \$1,530,000 in System Improvement funds. This figure is subject to change due to the uncertainty associated with meeting Coast Guard and American Bureau of Shipping standards and operating requirements.

² These are the actual weeks of service in FY 89, as opposed to the original planned schedule which was altered due to overhaul problems.

³ The actual FY 89 revenues were \$35.2 million. FY 90 revenues have been difficult to predict due to the impact of the oil spill and potential strike threats. However, confidence in this estimate is based on successful marketing by the Bellingham terminal, and the high level of interest and reservations to date for the schedules of the three additional vessels funded by this supplemental request.

Health Benefit Premiums

The FY 90 budget passed by the Legislature assumed the monthly premiums for each marine bargaining unit to be substantially lower than that currently experienced. The estimated shortfall resulting from health benefit premiums is approximately \$810,000. (See the attached spreadsheet for details on the calculation of this shortfall.) The following table summarizes the difference in premium costs between budgeted and actual.

	AMOUNT BUDGETED PER PREMIUM	ACTUALS JUL-NOV PER PREMIUM	ACTUALS DEC-JUN PER PREMIUM
	-----	-----	-----
IBUP	\$308.14	\$432.00	\$386.19
MMP	322.47	449.07	386.19
MEBA	345.51	485.26	426.29

Other Personal Services Items

-PERS increase from 9.65% to 10.02%

-Combined leave usage for IBUP in the Southeast System is up 12% from the same period in FY 89. Vacation leave has increased 11.8% and sick leave has increased 13.3%. Initial data indicates little change in leave usage for MEBA and MM&P, but complete information is not yet available due to programming changes currently underway.

-Leave and overtime are up in the Southwest System, although not at the same levels as Southeast, with the exception of MEBA, which is showing personal leave increases of 22.6% and overtime up 29.5%.

Fuel

Although prices were lower than projected earlier in the year, they are now rapidly increasing. We expect them to exceed budget projections by a small margin.

Summary

The variable nature of these expenses has combined to create a serious impediment to providing the level of ferry service expected by Alaskans. We feel these current estimates are as accurate as can be determined with the available information. Until there is a funding mechanism which allows for the significant swings experienced in vessel overhaul requirements, fuel costs, and leave usage, we will continue to see these variations in expenditures.

Therefore, we are requesting additional authorization for FY 90 as follows:

Operating funds as Program Receipts	\$2,250,000
AMHS Improvement funds as GF	<u>1,000,000</u>
Total request	\$3,250,000

**DETAIL ON CALCULATION OF HEALTH PREMIUM BUDGETED SHORTFALL
FY90 BUDGET PREMIUMS COMPARED TO FY90 ACTUAL & ESTIMATED PREMIUMS**

BUDGETED HEALTH BENEFIT PAYMENTS

	-----IBUP-----			-----MEBA-----			-----MHP-----			TOTAL AMHS
	PREMIUM AMOUNT	NO. OF PREMIUMS	TOTAL IBUP	PREMIUM AMOUNT	NO. OF PREMIUMS	TOTAL MEBA	PREMIUM AMOUNT	NO. OF PREMIUMS	TOTAL MHP	
JUL	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
AUG	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
SEP	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
OCT	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
NOV	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
DEC	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
JAN	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
FEB	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
MAR	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
APR	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
MAY	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
JUN	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177

TOTAL BUDGETED HEALTH BENEFIT PAYMENTS > 2,462,129

ACTUAL PAYMENTS TO DATE (JUL-JAN) WITH ESTIMATE FOR FEB-JUN

	-----IBUP-----			-----MEBA-----			-----MHP-----			TOTAL AMHS
	PREMIUM AMOUNT	NO. OF PREMIUMS	TOTAL IBUP	PREMIUM AMOUNT	NO. OF PREMIUMS	TOTAL MEBA	PREMIUM AMOUNT	NO. OF PREMIUMS	TOTAL MHP	
JUL	432.00	486	209,952	485.26	73	35,424	449.07	68	30,537	273,913
AUG	432.00	561	242,352	485.26	75	36,395	449.07	71	31,884	310,630
SEP	432.00	588	254,016	485.26	75	36,395	449.07	70	31,435	321,845
OCT	432.00	582	251,424	485.26	74	35,909	449.07	68	30,537	317,870
NOV	432.00	578	249,696	485.26	74	35,909	449.07	68	30,537	316,142
DEC	386.19	542	209,315	426.29	74	31,545	386.19	68	26,261	267,121
JAN	386.19	496	191,550	426.29	76	32,398	386.19	69	26,647	250,595
FEB	386.19	509	196,571	426.29	74	31,545	386.19	68	26,261	254,377
MAR	386.19	502	193,867	426.29	74	31,545	386.19	68	26,261	251,674
APR	386.19	472	182,282	426.29	74	31,545	386.19	68	26,261	240,088
MAY	386.19	445	171,855	426.29	74	31,545	386.19	68	26,261	229,661
JUN	386.19	463	178,806	426.29	74	31,545	386.19	68	26,261	236,612

ACTUAL AND ESTIMATED ACTUAL HEALTH BENEFIT PAYMENTS > 3,272,530

DIFFERENCE BETWEEN BUDGETED AND ACTUAL > (810,401)

MEMORANDUM

State of Alaska

TO: Alison M. Elgee
Director
Division of Budget Review
Management and Budget

FROM: Elmer Lindstrom
Program Budget Analyst
Division of Budget Review
Office of Management and Budget

DATE: February 7, 1990

FILE NO: 465-3568

TELEPHONE NO: House Bill 428

SUBJECT:

Federal requirements under the Family Support Act (Welfare Reform) require all federal receipts made available to the State for welfare reform programs to be appropriated to the Department of Health and Social Services -- even though another state agency may actually provide the services. Section 48 of House Bill 428 incorrectly appropriates \$340,900 in federal receipts to the Department of Community and Regional Affairs to pay for costs of implementation of the Family Support Act transitional child care benefits for fiscal year 1990. To correct this oversight Section 48 should be amended to replace "Federal Receipts" with "Interagency Receipts" and a new section should be added to the bill to appropriate \$340,900 in federal receipts to the Department of Health and Social Services for the same purpose.

* Sec. 48. The sum of \$681,900 is appropriated to the Department of Community and Regional Affairs, child assistance program, to pay for costs of implementation of the Family Support Act transitional child care benefits program for the fiscal year ending June 30, 1990, from the following sources:

<u>Interagency Receipts</u>	<u>\$340,900</u>
[Federal Receipts]	\$340,900]
General Fund Match	\$341,000

* Sec. _____. The sum of \$340,900 in federal receipts is appropriated to the Department of Health and Social Services, Alaska Work Program, to pay for costs of implementation of the Family Support Act transitional child care benefits program for the fiscal year ending June 30, 1990.

MEMORANDUM

State of Alaska

Department of Transportation and Public Facilities

TO: Alison Elgee, Director
Division of Budget Review
Office of Management and Budget

DATE: February 6, 1990

FILE NO.:

TELEPHONE NO.: 465-3900

FROM: Mark S. Hickey *MSH*
Commissioner

SUBJECT: Miscellaneous
Claims - Rev.

Attached is documentation to support the revision of the miscellaneous claims request for the Department of Transportation and Public Facilities from \$24,119.33 to \$24,751.38. The additional \$632.05 is required to pay an outstanding bill from August 1987 to Alaska Correctional Industries incurred by Central Region Maintenance and Operations.

Attachment

cc: Ron Clarke, Special Staff Assistant, Office of the Governor
Kit Duke, Regional Director, Central Region
Ron B. Lind, Director, Plans, Program and Budget
D. Randy Simmons, Deputy Commissioner, Budget and Finance

MEMORANDUM

State of Alaska

TO: Marjane DeSmet
Finance Officer
Management & Finance

DATE: February 1, 1990

FILE NO:

TELEPHONE NO: 266-1476

FROM: Lisa Emerson *LE*
Budget Analyst
Central/Intl Airports

SUBJECT: Miscellaneous Claims
Supplemental Approp.

Central Region is requesting a miscellaneous claims supplemental of \$632.05. This supplemental is for an FY88 outstanding invoice with Alaska Correctional Industries.

The attached documentation will support the miscellaneous claims supplemental request. Would you please submit this miscellaneous claim to the Legislature for inclusion in House Bill 428, section 56, page 9, line 21.

If you have any questions, please contact me.

LE

cc: Danith Warts, Budget Analyst, Stwd Plans, Programs & Budget

MEMORANDUM

State of Alaska

TO: Carl Russell
Accounting Supervisor
Administrative Services

THRU: Pam Franger *PF*
Assistant Manager
Central Region M&O

FROM: *JD* Joleen Hankins
Administrative Assistant

DATE: January 29, 1990

FILE NO.:

TELEPHONE NO.: 266-1443

SUBJECT: Supplemental
Appropriation to Cover a
Miscellaneous Claim

RECEIVED

JAN 30 1990

CENTRAL ACCOUNTING

Maintenance and Operations has an outstanding FY88 interagency AJ. Since this bill is more than two years old we must request a supplemental appropriation to pay "Alaska Correctional Industries". The total amount of the request will be \$632.05. All the necessary backup is attached.

We were not aware that this AJ never processed until earlier this month. Please submit this claim to Margene DeSmet, so it can be processed along with the other DOT/PF supplementals being requested this fiscal year. Thank you.

Attachments

/kk

Fisa,
Coding for these charges should be as follows: 25861172-57017-35710000-74820.
Lapse balance for FY88 attached.

JAN 3 1988

CENTRAL ACCOUNTING

B 0261737 S 0001

ADDITIONAL AUTH RD 24350

FDE*430-25: AGENCY JOURNAL ENTRY

TRANS CODE MINOR 25

DOCUMENT NUMBER A02617370001

SOURCE RD CODE 20124

TOTAL DEBIT AMOUNT 632.05

DESCRIPTION LONG INV 174 METAL

I CHANGED FISCAL PERIOD TO C

FISCAL PERIOD CODE C

-----OPEN ITEM----- TRAX

FIN	AMOUNT	SY	CC	PGM	LC	ACCT	FY	TYPE	NUM	LINE	FLD	LINE
1	-632.05											
2	632.05	88	25861132	57017	35110000	74820	88					
3												
4												

RC 2080555 12

PER JHANKINS 083188

3
4

PF1=QUIT 3=SUBMIT 4=BATCH ERRS 5=BASE 6=FINS 10=MODIFY

ASAB3000-03 RRN: 0054450
 RSN: 01575 CPD: 06/30/89

DISTRB RD: 24342 D01

STATE OF ALASKA
 STATEWIDE ACCOUNTING SYSTEM
 FINANCIAL TRANSACTION REGISTER

PAGE: 1
 DATE: 07/01/89

SELECTION INPUT RD: SOURCE RD: 24320 Y STATUS: E TRANS CODES: 430 40 430 41 145 90 145 95 430 25

TRANSACTION CODE, NAME AND DESCRIPTIONS	BATCH/SEQUENCE	DOCUMENT	RD CODES	DATE	TIME	TERMINAL	RSN
430-25 ACCTS RECEIVABLE JE	A0261737 0001	A02617370001	INPUT 20122	07/11/88	15:30:48	UJ39	01575
			SOURCE 24342	07/01/89	01:50:17:08		
INV 174 METAL	FPC COA	TRANS AMOUNT	CERT 24321	06/26/89	16:02:50	TAZM	STATUS
	C 89	632.05	AUTH 00176	06/30/89	15:35:58	AJWG	E
			AUTH 00/00/00	00:00:00			
			AUTH 20124	06/27/89	11:24:25	UJ39	
			LAST 24321	06/26/89	16:02:38	TAZM	

DOC ACT LINE	AMOUNT	SY	CC	PGM	LC	ACCT	FY	NMRTR	PT	OPEN ITEM	LIQN	IEAX	DESCRIPTION
001 001	632.05-									RC 2080555	012		
002 002	632.05	88	25861132	57017	35110000	74820	88						PER JHANKINS 083188

CODE	MESSAGE	LINE	INDICATIVE DATA
0001	COLLOCATION CODE NOT ON FILE	002	CC = 25861132
0217	PRECEDING MSGE APPLIES TO GENERATED LAPSE FQA	002	CC=25861132 SY=1989

Please send backup today.

FDE 430-25: AGENCY JOURNAL ENTRY
TRANS CODE MINOR 25
DOCUMENT NUMBER A02617370001
SOURCE RD CODE 20124
TOTAL DEBIT AMOUNT 632.05
DESCRIPTION LONG INV 174 METAF.

R 0261737 5 0001
ADDITIONAL AUTH RD 24350

I CHANGED FISCAL PERIOD TO C

FISCAL PERIOD CODE C

FIN	AMOUNT	SY	CC	PGM	LC	ACCT	FY	TYPE	NUM	LINE	FILE	LINE
1	-632.05											

-----OPEN ITEM----- TFA:
RC 2080555 12

2 632.05 88 25861132 57017 35110000 74820 88
PER JHANKINS 083188

3
4

PF1=QUIT 3=SUBMIT 4=BATCH ERRS 5=BASE 6=FINS 10=MODIFY

RECEIVED

CE...

ALASKA CORRECTIONAL INDUSTRIES

207375

INVOICE

Metal Products Division
Chugach Avenue, Bldg. 10
Kenai, Alaska 99611
(283-7296)

For Questions About Billings:
Industries Accountant (561-4426)
2200 E. 42nd Avenue
Anchorage, Alaska 99508

RD-245
2051471
Dan Carlsby No. 0174
416 to 4347
in 2000 of 20519

Date August 24, 1987

Sold To:
Department of Transportation
44149 Sterling Highway
Soldotna, Alaska 99669

Attn: Rhonda Oglesby

Shipped To:
Deliver to "same as billing
instructions."

TERMS: DUE UPON RECEIPT OF INVOICE
SALES ORDER NUMBER M-69
YOUR PO. NUMBER _____ FOB Solde
DATE ORDERED 8/14 DATE SHIPPED 8/

ITEM NO.	CATALOG NUMBER	QUANTITY SHIPPED	QUANTITY BACK ORDERED	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1	Custom	500	ea	Brackets for Culvert Markers, punch & holes	50	250 00
2	Custom	500	ea	Culvert Markers, drill & assemble to punch brackets	25	125 00
3	Custom	151	ea	Culvert Markers, drill only	N/C	N/C
4	Custom			Nuts, Bolts, & Washers, 3/8" x 2 1/2"		257 00
<p>JNO CENTRAL AUG 19 1988</p>						
<p>JNO CENTRAL SEP 16 1987</p>						
<p>ALASKA CORRECTIONAL INDUSTRIES RD #20155 - <u>PA</u> Date: <u>9/15/87</u> REVENUE TO: <u>20-66-1-455</u></p>						

COPIES:
Customer - White
Accounting - Blue
Production - Green
Packing List - Pink

PAY FROM THIS INVOICE

Installation Charge	
Freight Charge	
TOTAL	632 00

M E M O R A N D U M

**State of Alaska
Department of Education**

**TO: Alison Elgee
Director
Division of Budget Review
Office of Management & Budget**

DATE: January 19, 1990

FILE NO:

TELEPHONE NO: 465-2800

**FROM: *Mary Nakala, Jr*
William G. Demmert
Commissioner**

**SUBJECT: FY90 Supplemental
Requests**

The Department requests two additional supplementals: 1) \$506,902 for FY88 adjustments to the Foundation program resulting from technical admendments to PL81-874; and 2) \$27,000 to meet the projected full cost of the Boarding Home Program in FY90.

1) The Foundation adjustments represent underpayments to school districts due to overstatement of anticipated PL81-874 receipts in calculating district FY88 Foundation entitlements. The current Foundation formula, AS 14.17.021 requires that the Department use estimated receipts of PL81-874 by individual districts to calculate fiscal year entitlement. After audited data is received, reflecting actual PL81-874 receipts, the district's calculation of entitlement must be adjusted. The attached list of adjustments, totalling \$606,902 is necessary to accurately reflect school district entitlements for FY88.

HB 398, relating to adjustments to prior year foundation aid, was introduced by the Governor to enable the department to make these adjustments without necessitating an annual supplemental appropriation. If HB 398 does not pass the Legislature an additional supplemental for FY89 adjustments will be needed. The calculation of this supplemental need is currently underway within the Department and is to be completed within the next two weeks. As soon as this information is available it will be transmitted to OMB.

2) A shortfall of \$27,000 is projected in the Boarding Home Program in FY90. During the 1989 Legislative session the Boarding Home program projected cost was reduced from \$450,000 to \$200,000 based upon data then available to the Department. However, due to increased participation in the Boarding Home program in the current year, the full cost is now estimated at \$227,000. Without a supplemental appropriation prorating would be necessary. Since Board Home funds provide a stipend to families housing out-of-district student placements, prorating would pose a number of programmatic difficulties.

Attachment

**UNDERPAYMENTS TO DISTRICTS RESULTING FROM
TECHNICAL AMENDMENT CHANGES TO P.L. 81-874
REQUIRED BY THE U.S. DEPARTMENT OF EDUCATION**

Alaska Gateway	\$ 49
Bering Straits	\$62,526
Chugach	\$13,128
Copper River	\$ 3,134
Cordova	\$ 2,249
Delta/Greely	\$ 1,942
Galena	\$15,105
Haines	\$ 1,593
Iditarod	\$ 152
Juneau	\$ 50
Kake	\$89,167
Kashunamiut	\$59,311
Kenai	\$33,558
Klawock	\$26,828
Kodiak	\$48,851
Lake and Peninsula	\$94,032
Lower Kuskokwim	\$43,400
Lower Yukon	\$ 1,745
Nome	\$25,836
Petersburg	\$ 551
Pribilof	\$25,178
Valdez	\$ 755
Yukon Flats	<u>\$57,765</u>
TOTAL	\$606,902

M E M O R A N D U M

**State of Alaska
Department of Education**

**TO: Alison Elgee
Director
Division of Budget Review
Office of Management & Budget**

DATE: January 30, 1990

FILE NO:

TELEPHONE NO: 465-2800

**FROM: *William G. Demmert, Jr.*
Commissioner**

**SUBJECT: FY90 Supplemental
Requests**

The Department of Education respectfully requests two additional supplemental appropriations: 1) FY89 Foundation adjustments for PL81-874 overstatement; and 2) FY90 funding to implement HB 52, background checks for teacher certification applicants.

The Department of Education has finalized computation of FY89 Foundation adjustments necessary to meet federal PL81-874 guidelines and requests a supplemental of \$397,102 for FY89. As stated in our memo of January 19, 1990, these Foundation adjustments represent underpayments to school districts due to overstatement of anticipated PL81-874 receipts in calculating FY89 Foundation entitlements. The current Foundation formula, AS 14.17.021 requires that the Department use estimated receipts of PL81-874 by individual districts to calculate fiscal year entitlement. After audited data is received, reflecting actual PL81-874 receipts, the district's calculation of entitlement must be adjusted. The attached list of adjustments, totalling \$397,102 is necessary to accurately reflect school district entitlements for FY89.

HB 398, relating to adjustments to prior year foundation aid, was introduced by the Governor to enable the department to make these adjustments without necessitating an annual supplemental appropriation. Until such legislation passes, it will be necessary to request supplemental funding for each fiscal year.

HB 52 which requires the Department of Education to initiate background criminal checks has been recently passed by the Legislature and transmitted to the Governor for consideration. Although the bill has an immediate effective date, no lead time or financial resources are available for its implementation. Given the necessary start-up costs of implementation, a supplemental appropriation of \$40,000 is requested. Attached is an itemized list of these costs. If approved, the FY91 fiscal impact will be somewhat less than earlier anticipated, and the Department's fiscal note amended to compensate for this change. For example, first year equipment costs could be eliminated in FY91 if covered in FY90 through a supplemental appropriation.

page 2 of 2

If no additional funding is available implementation of HB 52 will not be possible until the beginning of FY91.

Please contact Mary Hakala (465-2800) or John Anttonen (465-2865) if additional information is needed.

Attachments

285

**UNDERPAYMENTS TO DISTRICTS RESULTING FROM
TECHNICAL AMENDMENT CHANGES TO P.L. 81-874 DURING FY89
REQUIRED BY THE U.S. DEPARTMENT OF EDUCATION**

Adak	\$89,018
Bering Straits	\$ 364
Bristol Bay	\$10,975
Chatham	\$ 6,171
Chugach	\$31,624
Cordova	\$ 2,025
Delta Greely	\$ 3,529
Dillingham	\$41,984
Galena	\$ 6,265
Haines	\$ 3,788
Hydaburg	\$ 8,487
Juneau	\$ 187
Kake	\$ 4,715
Kashunamiut	\$94,297
Ketchikan	\$ 73
Klawock	\$25,390
Kodiak	\$ 2,203
Lake & Peninsula	\$ 9
Lower Kuskokwim	\$18,696
Lower Yukon	\$ 7,091
Mat-su	\$ 9,666
Nenana	\$ 532
Nome	\$ 1,088
Northwest Arctic	\$ 6,328
Pelican	\$ 200
Petersburg	\$ 893
Sitka	\$ 25
Tanana	\$ 3,005
Unalaska	\$ 270
Valdez	\$ 440
Wainwright	\$ 165
Yakutat	\$17,599

Total

\$397,102

Senate CS for HB 52 (Finance)
FY90 Fiscal Impact

Personal Services: \$10.7

Clerk Typist III, for 4.5 months (February 16 through end of fiscal year): \$10.7

Contractual: \$12.4

Computer programming to integrate background check data into teacher certification data base & necessary system modifications: \$10.0

Telephone & postage associated with program change: \$.4

Development & revision of Teacher Certification application package to include background criminal checks: \$2.0

Commodities: 1.0

Supplies & first printing of forms: \$1.0

Equipment: 15.9

Computer terminal and printer to meet paperwork/notification requirements and data entry into teacher certification data base: \$6.0

File cabinet for records storage, desk, chair, phone and partition walls for position: \$9.9

INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)
Disaster Relief Fund-FY90 Supplemental

AGENCY CONTACT/PHONE NUMBER:

Ervin P. Martin 376-2337 or Jeff Morrison 465-4600

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

The amount requested will provide funding for the Disaster Relief Fund to meet funding for disaster emergency needs occurring to date and projected through the end of FY90. The amount of \$6,072,098 is composed of the following elements:

- | | |
|---|-----------|
| 1. Additional funding for 1986 Southcentral Flood disaster | 1,874,530 |
| 2. Additional funding for 1989 Spring Flood Disaster | 1,011,888 |
| 3. Additional funding for the 1989 Anchorage Flood disaster | 805,100 |
| 4. Additional funding for the 1989 Kenai Peninsula Borough Flood disaster | 495,580 |
| 5. Projected additional needed for funds in the Disaster Relief Fund for FY90 | 2,000,000 |

TOTAL REQUEST

6,187,098

In each of the first three disasters listed above, the state allocation from the Disaster Relief Fund totaled \$1,000,000, the maximum amount by state law without legislative authorization. Because of this, we believe it is necessary to specify the purpose of the funds in the appropriation section.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	COV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.	6,072.1	
800	Miscellaneous		
TOTAL		6,072.1	
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match	6,072.1	
1004	General Fund		
1005	CF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION			
PFT			
PPT			
Non Permanent			
Staff Months			
<input type="checkbox"/> Enhance Existing Service <input checked="" type="checkbox"/> Compared to FY 90		<input type="checkbox"/> Formula Program <input type="checkbox"/> New Facility Oper.	
<input type="checkbox"/> New Service Compared to FY 90			
<input type="checkbox"/> Continuation of FY 90 Service Level			
IMPACT FROM CAPITAL PROJECT (NAME)			
Chapter _____ SLA _____ Page/Line _____			

C5 INCREMENT/DECREMENT REQUEST

Agency Priority _____ of _____

AGENCY Military & Veterans Affairs

BRU Disaster Relief Fund

COMPONENT _____

PROJECT _____

FY 91

Page 1 of _____

Revised Date: 08-00-90

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

TO: Rep. Ron Larson and Rep. Lyman Hoffman, Co-chairs
Members
House Finance Committee

FROM: Rep. Fran Ulmer, Chair
Budget Subcommittee on Department of
Administration

DATE: February 8, 1990

RE: Supplemental requests for DOA

The subcommittee met on February 1st and discussed the proposed supplemental requests from the Governor's office, which are listed below:

Longevity Bonus Payments	\$6,758.0
Office of Public Advocacy-FY 89 contracts	215.0
Office of Public Advocacy-FY 90 contracts	950.0
Labor Relations Agency Admin/Legal costs	25.0
Pioneers Home-Operating/Reclassification costs	738.3
Older Alaskans Commission-Arbitration Award	38.7
Public Defender-Eliminate Forced LWOP	193.6
APOC-election Report Data System	130.0
LTC Arbitration Award-Columbus-Day Holiday-1988	370.9 HB 453

The DOA subcommittee supports the Governor's supplemental requests. We would like to bring special attention to the request from the Office of Public Advocacy. Due to a large increase in their court appointed caseload, without swift passage of HB428, they will run out of operating funding sometime in March.

House Finance

2/8/90

Page 2

An additional request has been submitted for this supplemental from Rep. Hoffman in the amount of \$125,000 for the replacement of the T.V. antenna for KYUK in Bethel, which failed on December 14, 1989. Although this request was not submitted in time for review by the subcommittee, I would ask for your support in including \$125.0 for the KYUK antenna in the supplemental before the House Finance Committee.

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE-CHAIRMAN, HOUSE
HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

MEMBER, HOUSE LABOR AND
COMMERCE COMMITTEE

CHAIR, CHILDREN'S CAUCUS

FAIRBANKS

1098 LAKEVIEW TERRACE
FAIRBANKS, ALASKA 99701
(907) 456-6473

JUNEAU

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3466

House of Representatives

To: Representative Ron Larson, Co-Chair
House Finance Committee

From: Representative Mark Boyer, Chair *MB*
Dept. of Health and Social Services Budget Subcommittee

Date: February 8, 1990

Subject: FY 90 Supplemental Appropriations

Attached is a summary of supplemental requests for the Department of Health and Social Services. I believe all the requests are justified and should be funded in full. It is important to note that several of the requests require early approval.

Current projections indicate that the funding for the Medicaid program will be exhausted by May 8, 1990 at the current rate of expenditure. To avoid disruption in payments or coverage, sections 18, 19, and 20 need to be approved by April 15. The OBRA '89 requirements that are effective April 1 also drive the necessity of this early funding.

The Old Age Assistance - Alaska Longevity Bonus Hold Harmless request must also be acted on by April 1, or at least assurances given that it will be funded. There is a two month time frame necessary for notifying the federal government of discontinuation of benefits as well as promulgation of emergency regulations should the legislature fail to fund this section.

If the Medical Assistance requests for Medicaid and Medicaid Non-Facilities are not funded, emergency regulations would be necessary. At least one month lead time would be needed and the effect would be elimination of approximately 14 optional Medicaid services in order of priority. Attached is a list of those Medicaid services.

FAIRBANKS 20B

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
FY 90 SUPPLEMENTAL

Section		General Funds	Federal Funds
17	Assistance Payments: OAA-ALB Hold Harmless The Longevity Bonus was funded in FY 90 for only eleven months. This covers the hold harmless payments for recipients of federal Old Age Assistance payments. Consequence of Not Funding Low income seniors would lose eligibility to Old Age Assistance during month of June. State would have to notify the federal govt. of discontinuation. Emergency regulations would be announced by April 1 if there is an indication that this would not be funded.	413.0	0
18	Medical Assistance: Medicaid Non-Facilities 1) Congress passed OBRA 89 which mandates medicaid coverage, effective April 1, of pregnant women and children with family income up to 133% of the federal poverty level. The act eliminates Alaska's phased in coverage approach at 100% of the poverty level (as part of the "Healthy Baby" act), requiring immediate coverage of children up to, but not including, six years old. Increased eligibles will require more money for claims processing and pre-admission screening for an estimated 2,855 new women and children. 2) FY 90 budget was based on a 3.8% national CPI for price increases. However, according to the actual medical care index, medical care inflation is now 7.1%. 3) FY 90 budget anticipated a 3.0% increase in utilization. Actual increase is 11.8% Consequence of Not Funding Department would be forced to eliminate optional medicaid services and face possible restraining order.	2,919.6	2,919.5

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

HOUSE FINANCE COMMITTEE



House of Representatives

FAIRBANKS

1098 LAKEVIEW TERRACE
FAIRBANKS, ALASKA 99701
(907) 456-6473

JUNEAU

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3466

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
FY 90 SUPPLEMENTAL**

Section	General Funds	Federal Funds
<p>19 Medical Assistance: Medicaid Facilities</p> <p>1) Increase in new facilities and additional beds in existing facilities. North Star Hospital, a new adolescent psychiatric and chemical abuse facility in Anchorage certified in August 1989. In Jan. 1990, Mary Conrad Center in Anchorage added 7 intermediate care beds.</p> <p>2) Same as Medicaid Non Facilities</p> <p>3) Same as Medicaid Non Facilities</p> <p>Consequence of Not Funding</p> <p>Department would be forced to eliminate optional medicaid services and face possible restraining order.</p>	7,152.5	7,152.5
<p>20 Medical Assistance: Indian Health Services</p> <p>This covers OBRA 89 ("Healthy Baby") eligibles within the Indian Health Service. The costs are billed to Medicaid and paid for with 100% federal funds.</p>	0	3,446.2
<p>21 Medical Assistance: State Facilities Shortfall</p> <p>All federal funds for increased medicaid cost/utilization at API and Harborview</p>	0	882.0
<p>22 Medical Assistance: Central Admin: Legal Costs</p> <p>The state is in a dispute with the federal government over medicaid facility rates. The feds are imposing an upper-limit cap on nursing home and hospital rates and contend we are exceeding them. If we lose, the state has a liability estimated at \$20 million. The FY 90 budget included intent language directing the department to seek a supplemental appropriation if funding was insufficient.</p>	50.0	50.0

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

HOUSE FINANCE COMMITTEE



House of Representatives

FAIRBANKS

1098 LAKEVIEW TERRACE
FAIRBANKS, ALASKA 99701
(907) 456-6473

JUNEAU

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3466

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
FY 90 SUPPLEMENTAL

Section		General Funds	Federal Funds
23	Medical Assistance: Claims Processing	309.4	657.6
	<p>The state has a contractor who processes medicaid claims. The volume of claims has exceeded the amount provided for in the contract (Contract= 30,800 claims per month, estimated volume= 47,750). In addition, providers often seek prospective temporary rates that, when final, require reprocessing at a cost to the state of \$6.23 per claim. This is less than AETNA charges to process a claim.</p> <p>Consequence of Not Funding</p> <p>Claims would be rolled forward to July for FY 91 payment. Providers would not be paid until then.</p>		
24	State Health Services: Nursing Reclassification	354.4	0
	<p>Public Health nurses were reclassified as a result of a Dept of Admin review to investigate problems in recruiting, hiring and retaining nurses for State positions. The impetus for the review was a letter of legislative intent. The result was a one range salary increase effective July 1, 1989.</p> <p>Consequence of Not Funding</p> <p>1) 14 Public Health Nurses would be laid off. 2) Offers to 6 new nurses would be withdrawn and State's credibility for future recruitment would be damaged.</p>		
25	Institutions & Admin: API Nursing Reclassification	266.8	0
	<p>Same as State Health Services: Nursing Reclassification. Note: this request would be more appropriately funded from the Alaska Mental Health Trust Account.</p> <p>Consequence of Not Funding</p> <p>Staff would be laid off. If immediate notice is given, one unit would be completely shut down. In two months, two units would be closed. These two units are for patients with psychosis and for short term intensive treatment services for the chronically mentally ill.</p>		