

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

1255

APPENDICES

Appendix I

DEPARTMENT OF ADMINISTRATION

Five-Year Comparison—Total Funds

FY 96 Dollars	FY 93	FY 94	FY 95	FY 96	FY 97
Longevity Bonus	74,211.8	75,947.3	77,527.7	74,049.5	72,152.6
Protection, Community Services and Administration	2,511.7	2,658.2	3,590.5	3,663.8	3,691.8
Pioneers' Homes	33,847.6	32,696.0	31,724.3	30,626.9	31,038.7
Senior Services Grants	12,127.0	12,023.8	11,611.3	11,293.9	11,173.4
Public Defender	8,341.2	8,462.4	8,465.4	8,470.1	8,641.1
Office of Public Advocacy	7,580.2	7,573.7	7,545.3	7,429.9	7,605.6
Commissioner's Office	629.4	647.5	625.4	506.5	498.8
Citizens' Foster Care Review	0.0	124.9	178.8	139.6	138.3
Office of Labor Relations	0.0	0.0	0.0	0.0	1,080.2
Administrative Services	1,672.4	1,639.6	1,478.0	1,580.0	1,494.5
Personnel	5,088.4	5,138.2	5,220.8	4,308.9	3,129.9
Finance	7,345.1	7,234.3	6,742.1	6,551.8	5,940.8
General Services	4,191.2	4,212.9	4,489.2	4,674.4	4,532.1
Retirement and Benefits	8,542.8	8,054.5	8,494.3	8,347.7	8,109.5
EPORS	882.8	908.9	937.2	914.5	891.1
AOGCC	1,989.5	1,929.4	1,847.8	1,804.9	1,779.0
Alaska Public Offices Commission	722.4	683.6	684.1	650.5	642.0
Risk Management	20,547.6	19,511.5	19,621.9	19,068.2	21,966.8
Information Services	25,838.3	22,989.5	22,707.6	22,154.0	20,407.4
ARCS (Formerly RATNet)	1,532.2	1,351.4	1,381.4	978.8	913.5
Alaska Public Broadcasting Commission	6,874.3	6,619.7	6,200.5	4,553.1	4,359.3
Leasing and Facilities	34,681.2	34,503.6	31,381.2	29,046.1	30,547.2
TOTALS	259,156.9	254,910.7	252,454.9	240,813.1	240,733.6

DEPARTMENT OF ADMINISTRATION

FY 96 Authorized / FY 97 Governor's Request

COMPONENT		FY 96 AUTHORIZED	FY 97 REQUEST	VARIANCE
Longevity Bonus Grants	General Funds	72,152.6	72,152.6	0.0
	Total	72,152.6	72,152.6	0.0
Pioneers' Homes	GF Mental Health	414.0	420.8	6.8
	GF Program Receipts	5,123.5	7,948.5	2,825.0
	General Funds	24,304.8	22,669.4	(1,635.4)
	Total	29,842.3	31,038.7	1,196.4
	Permanent FT	477.0	477.0	0.0
	Permanent PT	85.0	82.0	(3.0)
Protection, Community Services, and Administration	Federal Receipts	1,319.2	1,319.9	0.7
	General Fund Match	145.9	146.9	1.0
	General Fund	1,674.9	1,741.6	66.7
	GF/Prog. Receipts	10.0	10.0	0.0
	GF/MHTIA	210.2	209.5	(0.7)
	I/A	209.7	211.0	1.3
	CIP	0.0	52.9	52.9
	Total	3,569.9	3,691.8	121.9
	Permanent FT	38.0	42.0	4.0
Permanent PT	0.0	1.0	1.0	
Nutrition, Transportation & Supplies	Federal Receipts	3,814.0	3,859.0	45.0
	General Fund Match	644.4	644.4	0.0
	General Fund	1,046.7	1,001.7	(45.0)
	Total	5,505.1	5,505.1	0.0
Senior Employment	Federal Receipts	1,554.0	1,554.0	0.0
	General Fund Match	198.3	198.3	0.0
	Total	1,752.3	1,752.3	0.0
Home & Community Based	Federal Receipts	45.0	0.0	(45.0)
	General Fund	1,065.6	1,110.6	45.0
	GF/MHTIA	1,621.6	1,871.6	250.0
	Total	2,732.2	2,982.2	250.0
Senior Residential	General Fund	1,015.0	933.8	(81.2)
	Total	1,015.0	933.8	(81.2)
Public Defender	General Fund	3,065.5	8,452.0	386.5
	GF/Prog. Receipts	187.6	189.1	1.5
	Total	8,253.1	8,641.1	388.0
	Permanent FT	103.0	105.0	2.0
	Permanent PT	4.0	3.0	(1.0)

Appendix 2 (Cont'd)

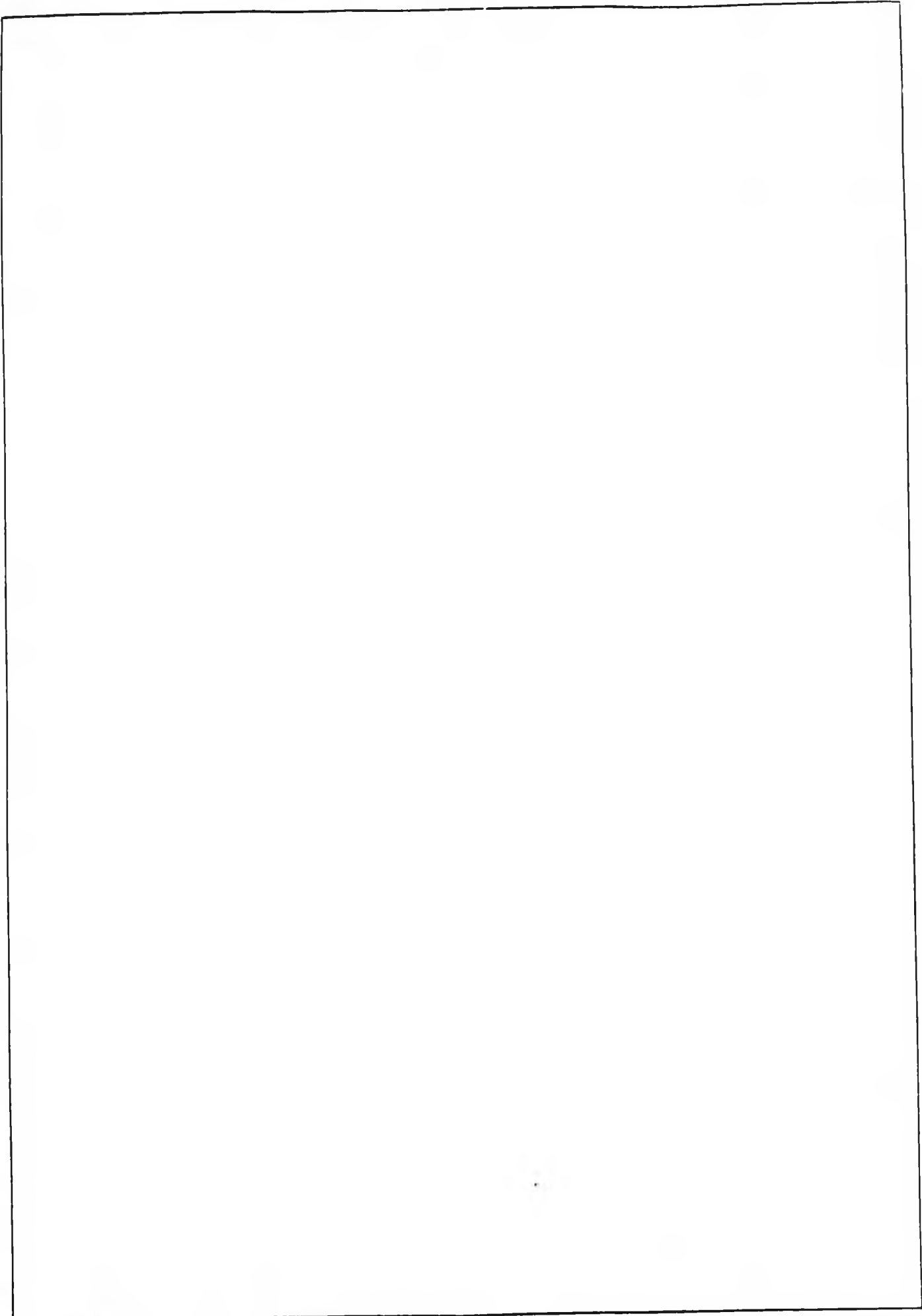
COMPONENT		FY 96 AUTHORIZED	FY 97 REQUEST	VARIANCE
Public Advocacy	Federal Receipts	15.0	15.3	0.3
	General Fund	6,493.5	6,819.3	325.8
	GF/Prog. Receipts	95.0	96.2	1.2
	GF/MHTIA	611.1	619.8	8.7
	I/A	25.0	55.0	30.0
	Total	7,239.6	7,605.6	366.0
	Permanent FT	36.0	35.0	0.0
	Permanent PT	0.0	1.0	1.0
Commissioner's Office	General Fund	378.5	383.7	5.2
	I/A	115.0	115.1	0.1
	Total	493.5	498.8	5.3
	Permanent FT	6.0	5.0	(1.0)
	Permanent PT	0.0	0.0	0.0
Citizen's Foster Care Review	General Fund	136.0	138.3	2.3
	Total	136.0	138.3	2.3
	Permanent FT	3.0	3.0	0.0
	Permanent PT	0.0	0.0	0.0
Labor Relations	General Fund	0.0	1,080.2	1,080.2
	Permanent FT	0.0	14.0	14.0
	Permanent PT	0.0	0.0	0.0
Administrative Services	General Fund	1,007.5	915.5	(92.0)
	I/A	532.0	579.0	47.0
	Total	1,539.5	1,494.5	(45.0)
	Permanent FT	25.0	24.0	(1.0)
	Permanent PT	0.0	0.0	0.0
Personnel	General Fund	3,333.8	2,201.7	(1,132.1)
	I/A	145.7	220.0	74.3
	CIP	0.0	0.0	0.0
	Total	3,479.5	2,421.7	(1,057.8)
	Permanent FT	51.0	37.0	(14.0)
	Permanent PT	0.0	2.0	2.0
Productivity Improvement Center	General Fund	0.0	0.0	0.0
	GF/Prog. Receipts	130.1	0.0	(130.1)
	GF Designated	0.0	128.0	128.0
	I/A	588.9	580.2	(8.7)
	Total	719.0	708.2	(10.8)
	Permanent FT	4.0	4.0	0.0
	Permanent PT	2.0	2.0	0.0
Finance	General Fund	6,384.0	5,919.0	(465.0)
	I/A	0.0	21.8	21.8
	Total	6,384.0	5,940.8	(443.2)
	Permanent FT	45.0	45.0	0.0
	Permanent PT	0.0	0.0	0.0
Purchasing	General Fund	1,664.5	1,626.4	(38.1)
	I/A	0.0	42.2	42.2
	Total	1,664.5	1,668.6	4.1
	Permanent FT	23.0	23.0	0.0
	Permanent PT	0.0	0.0	0.0

Appendix 2 (Cont'd)

COMPONENT		FY 96 AUTHORIZED	FY 97 REQUEST	VARIANCE
Property Management	General Fund	43.4	44.2	0.8
	GF/Prog Receipts	582.8	584.1	1.3
	Surplus Property	274.8	313.7	38.9
	Total	901.0	942.0	41.0
	Permanent FT	7.0	8.0	1.0
	Permanent PT	1.0	1.0	0.0
Central Duplication	General Fund	398.3	399.7	1.4
	I/A	1,590.9	1,521.9	(69.1)
	Total	1,989.2	1,921.5	(67.7)
	Permanent FT	24.0	22.0	(2.0)
	Permanent PT	1.0	1.0	0.0
	Retirement and Benefits	Ben. Sys. Receipts	3,959.9	3,886.7
PERS		2,225.7	2,250.2	24.5
TRS		1,785.2	1,807.7	22.5
Judicial Ret. Sys.		39.2	39.7	0.5
Nat. Guard Ret. Sys.		33.1	33.5	0.4
FICA Admin. Fund		90.8	91.7	.9
Total		8,133.9	8,109.5	(24.4)
Permanent FT		71.0	72.0	1.0
Permanent PT		0.0	0.0	0.0
EPORS		General Fund	891.1	891.1
	Total	891.1	891.1	0.0
AOGCC	Federal Receipts	100.0	100.0	0.0
	General Fund	1,658.7	1,679.0	20.3
	Total	1,758.7	1,779.0	20.3
	Permanent FT	21.0	20.0	1.0
	Permanent PT	0.0	0.0	0.0
	APOC	General Fund	580.2	587.8
GF/Prog. Receipts		53.6	54.2	0.6
Total		633.8	642.0	8.2
Permanent FT		9.0	9.0	0.0
Permanent PT		1.0	1.0	0.0
Risk Management	I/A	18,579.7	21,966.8	3,387.1
	Total	18,579.7	21,966.8	3,387.1
	Permanent FT	7.0	7.0	0.0
	Permanent PT	0.0	0.0	0.0
Computer Services	ISF Fund	13,544.6	0.0	(13,544.6)
	Total	13,544.6	0.0	(13,544.6)
	Permanent FT	100.0	0.0	(100.0)
	Permanent PT	0.0	0.0	0.0
Telecommunications	ISF Fund	8,041.9	0.0	(8,041.9)
	Total	8,041.9	0.0	(8,041.9)
	Permanent FT	45.0	0.0	(45.0)
	Permanent PT	0.0	0.0	0.0
Information Services	ISF Fund	0.0	20,407.4	20,407.4
	Total	0.0	20,407.4	20,407.4
	Permanent FT	0.0	141.0	141.0
	Permanent PT	0.0	0.0	0.0

Appendix 2 (Cont'd)

COMPONENT		FY 96 AUTHORIZED	FY 97 REQUEST	VARIANCE
RATNet	General Fund	779.8	0.0	(779.8)
	GF/Prog Receipts	15.0	0.0	(15.0)
	I/A	18.2	0.0	(18.2)
	IFC Gifts/Grants/Bequests	140.7	0.0	(140.7)
	Total	953.7	0.0	(953.7)
	Permanent FT	5.0	0.0	(5.0)
	Permanent PT	0.0	0.0	0.0
Alaska Rural Communications Services (ARCS, formerly RATNet)	General Fund	0.0	757.8	757.8
	IFC Gifts/Grants/Bequests	0.0	140.7	140.7
	GF Designated	0.0	15.0	15.0
	Total	0.0	913.5	913.5
Public Communications Services	General Fund	4,436.5	4,359.3	(77.2)
	Total	4,436.5	4,359.3	(77.2)
	Permanent FT	2.0	1.0	(1.0)
	Permanent PT	0.0	0.0	0.0
Leases	General Fund	23,171.0	24,177.6	1,006.6
	I/A	5,131.0	6,369.6	1,238.6
	Total	28,302.0	30,547.2	2,245.2
Internal Service Fund (Front Section Appropriation)	General Fund	0.0	0.0	0.0
	GF Prog. Receipts	55.0	0.0	(55.0)
	I/A	21,451.5	21,663.8	212.3
	IAR/Oil & Hazard Waste	80.0	150.5	70.5
	GF - Designated	0.0	55.0	55.0
	Total	21,586.5	21,869.3	282.8
TOTAL ALL FUND SOURCES				
Federal Receipts		6,847.2	6,848.2	1.0
General Fund		160,681.9	160,042.3	(639.6)
General Fund Match		988.6	989.6	1.0
GF/Program Receipts		6,197.6	8,882.1	2,684.5
GF/MHTIA		2,856.9	3,121.7	264.8
I/A		26,936.1	31,682.5	4,746.4
CIP		0.0	52.9	52.9
Surplus Property		274.8	313.7	38.9
Benefit System Receipts		3,959.9	3,886.7	(73.2)
PERS		2,225.7	2,250.2	24.5
TERS		1,785.2	1,807.7	22.5
Judicial Ret. Sys.		39.2	39.7	0.5
National Guard Retirement System		33.1	33.5	0.4
FICA Administrative Fund		90.8	91.7	0.9
Internal Service Fund		21,586.5	20,407.4	(1,179.1)
IFC Gifts/Grants/Bequests		140.7	140.7	0.0
General Funds Designated		0.0	143.0	143.0
TOTAL ALL FUNDS		234,644.2	240,733.6	6,089.4



DEPARTMENT OF ADMINISTRATION

Procurement Streamlining Initiative

Background

During the summer of 1995, Commissioner Boyer began an initiative to review state procurement practices and develop recommendations to streamline those practices. In a July memo to all agencies, Commissioner Boyer challenged participants to, "review our procurement practices with an eye towards improved efficiencies." He went on to say, "Good government dictates administrative processes that efficiently and effectively produce results while preserving public accountability."

What has occurred since, is an initiative involving stakeholders that is changing the state procurement culture. The initiative seeks to develop best solutions and practices for the efficient and economical acquisition of supplies, services, equipment, and leases to support state program operations by working with stakeholders.

Four Main Components of Initiative

1. Establish Procurement Advisory Council (PAC). Catalyst for continuous improvement and feed back from internal customers, vendor community, and private sector purchasing professionals.
2. Modify procurement laws as required to build the foundation of a streamlined procurement system.
3. Revise regulations and administrative manual policy to provide efficiencies.
4. Reengineer nonresponsive and dysfunctional procurement practices.

The large task group established as the Procurement Advisory Council was asked by Commissioner Boyer, "to review our procurement practices as well as best practices from other organizations and develop recommendations for streamlining our process." Sub groups reviewed specific issues or sections of statutes during September and October and made concept recommendations to PAC. To date, PAC has met six times, developed recommendations for changes to statute, initiated regulations and preference review work groups, and became an on-going part of the state procurement landscape.

Who is involved?

From the outset, advice and perspective of those outside of state government was sought. Purchasing professionals from ARCO have attended PAC meetings and shared their ideas and experience. Vendor ideas and participation has come from several vendors. Representatives of Buy Alaska/University of Alaska Small Business Development Center, the Juneau Procurement Technical Assistance Center, University of Alaska, AIDEA, EVOS Trustee Council, Department of Law, OMB, and various customers and procurement practitioners from ten different state agencies are participating.

Where Will This Initiative Lead?

- ◆ Changes in statute become the foundation and the beginning of a model procurement system. Changes in regulation, policy, and practices will be undertaken.
- ◆ Changes to statute, regulation, and policy will incorporate procurement reform concepts—several are similar to those enacted in the Federal Acquisition Streamlining Act of 1994.
- ◆ Stake holder task group made up of business and state practitioners will attempt to develop improved preference alternatives that foster Alaska Business and streamline procurement.
- ◆ Improved training for procurement practitioners
- ◆ More streamlined results oriented responsive system.

Major Changes Proposed for Procurement Code

After several months of review and discussion, PAC has recommended a number of revisions to the state procurement code. Legislation is expected during this session that will streamline the state's procurement process to develop more efficient and economical acquisition of supplies, services, equipment. Changes include:

- ◆ Simplify procedures for procurements of services and supplies under \$50,000, construction under \$100,000, and leases under 5,000 s.f.
- ◆ Allow additional discretion by procurement officers to accomplish the mission.
- ◆ Provide greater discretion to enter into a contract with a single source when in the state's best interest.
- ◆ Expand accountability of state officials.
- ◆ Permit simplified protest process in regulations for small procurements.
- ◆ Provide an innovative procurement process.
- ◆ Expand the use of Competitive Sealed Proposals to achieve best value.
- ◆ Prevent preference brokering. Require bidder to be in the line of business solicited by the state.

DEPARTMENT OF ADMINISTRATION

Public Communications

An active, vibrant, representative democracy rests upon a foundation of open, accessible, and informed communication among its peoples. Alaska, with its tremendous cultural diversity, its great distances, and its geographically isolated communities, relies more than other states on a robust system of communications technology to unify its citizens and ensure their access to essential information. The state and federal governments have provided significant support for the development of a variety of public telecommunications networks in Alaska, including operating and capital funding for public television, public radio, and the Rural Alaska Television Network (RATNet). As they have evolved over the years, these public communications byways have become increasingly two-way, bringing the voices of more and more Alaskans into the public discourse and decision-making. Because of its size and sparse population, Alaska cannot rely wholly on private investment to support the continued, necessary development of the state's communications infrastructure, particularly in the rural areas which comprise most of Alaska.

With state and federal operating support diminishing in recent years, a partnership of private citizens, public broadcasters, and state agencies has sought cost-benefits for state-supported telecommunications through creative planning and the use of emerging technology. One outcome of the planning was the state and federal funding of a capital project for satellite interconnection. The project is integrating through digital compression, the satellite delivery of public television, public radio, and the Alaska Rural Communications Service (formerly RATNet).

Besides the significant reductions in operating costs brought by the project, Alaskans are receiving improved program schedules and communications offerings. There are other positive developments. ARCS, having replaced RATNet, operates out of Bethel's KYUK, the public television station having integrated its local channel with the statewide public television network. The public television network, "Alaska One," provides a common schedule to audiences in Fairbanks, Juneau, and Bethel, reducing overhead in those sites. "Alaska Two" begins airing its coverage of the Legislature and other government functions this session out of KTOO, Juneau. Public radio audiences benefit as well, with regional networks of stations in 28 localities making cost-beneficial use of satellite interconnection. The hardware necessary to retrofit equipment in hundreds of communities has been ordered and will be in place within the next twelve months.

This budget reflects the new interrelatedness of statewide public communications budget components, anticipating future needs while addressing present realities. It thus ensures the continued effectiveness and cost-efficiencies of public communications to Alaskans while fostering public/private partnerships and support.

DEPARTMENT OF ADMINISTRATION

LABOR RELATIONS

Bargaining Unit Summary of Negotiations

Unit	Expires	Status
1. General Government (GGU)	6/30/96	Current agreement extends the terms of the prior contract with no change in monetary terms.
	6/30/99	Tentative agreement effective July 1, 1996, through June 30, 1999. Includes salary schedule adjustment equal to one-half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5 percent, for each year of the contract. The state's monthly health insurance contribution may increase up to \$50 for each eligible employee per month, with future increases matched by employee payroll deduction. Martin Luther King, Jr. Day will be observed by Class One employees. January 1, 1997, the employee's birthday will no longer be observed. February 1999, Lincoln's Birthday will no longer be observed. Correctional Officers will convert to a system of personal leave, with a 60 percent conversion of sick leave to personal leave. Overtime after 37.5 hours of work in a workweek, versus 37.5 in pay status. Monetary terms submitted for legislative approval.
2. Inlandboatmen (IBU)	5/31/96	Current agreement includes a lump sum payment of \$950.00 payable no later than July 15, 1996. Monetary terms submitted for legislative approval.
	5/31/99	Tentative agreement effective June 1, 1996, through May 31, 1999. Includes salary schedule adjustment equal to one-half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5 percent, for each year of the contract. A 4.5 percent increase is guaranteed if the CPI should exceed 9 percent over the term of the agreement. Monetary terms submitted for legislative approval.
3. Labor, Trades, and Crafts (LTC)	6/30/96	Current agreement includes the conversion to a system of personal leave. 50 percent of sick leave will be converted to personal leave with the remainder retained as sick leave. Contracting out provisions are changed to require a cost-efficiency study.

Appendix 5 (Cont'd)

Unit	Expires	Status
	6/30/96	<p>Tentative agreement effective July 1, 1996, through June 30, 1999. Includes wage schedule adjustment equal to one-half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5 percent for each year of the contract. A 4.5 percent increase is guaranteed if the CPI should exceed 9 percent over the term of the agreement. Tool allowance will increase by ten dollars (\$10) per month. State's monthly contribution to the Public Employees Local 71 Health and Welfare Trust may increase by up to \$26. Any increase in state contribution will be matched by payroll deduction from employees. Current employees will receive a one-time addition of two days to their leave accounts. Holidays proclaimed by the president of the United States will no longer be recognized. Monetary terms submitted for legislative approval.</p>
4. Marine Engineers (MEBA)	10/31/96	Negotiations have not formally commenced.
5. Masters, Mates, & Pilots (MM&P)	6/30/96	<p>Current agreement effective April 1, 1994, through June 30, 1996, includes a lump sum payment of \$950.00 payable no later than July 15, 1996. Monetary terms submitted for legislative approval.</p>
	5/31/99	<p>Tentative Agreement effective June 1, 1996, through May 31, 1999. Includes salary schedule adjustment equal to one half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5 percent, for each year of the contract. A 4.5 percent increase is guaranteed if the CPI should exceed 9 percent over the term of the agreement. Southwest Deck Officers shall be paid for the 31st day of the month if worked. Lincoln's Birthday shall be treated as a floating holiday. Monetary terms submitted for legislative approval.</p>
6. Supervisory (SU)	06/30/96	<p>Current agreement extends the prior agreement. Includes conversion of 20 percent of existing medical leave balances to personal leave effective December 16, 1995.</p>
	6/30/99	<p>Tentative Agreement effective July 1, 1996, through June 30, 1999. Includes salary schedule adjustment for overtime-eligible employees equal to one-half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5 percent, for each year of the contract. A 4.5 percent increase is guaranteed if the CPI should exceed 9 percent over the term of the agreement. The salary schedule for overtime ineligible</p>

Unit	Expires	Status
		bargaining unit members will increase 1.5 percent each year of the agreement. \$50,000 will be allocated for supervisory training each year of the agreement. The standby rate of pay for overtime-ineligible employees is increased from 0.75 hours pay per standby day to 1.25. Monetary terms submitted for legislative approval.
7. Public Safety (PSEA)	12/31/95	Current agreement. Arbitrator's award for 1992-94 received and amended. Extended one year by agreement.
	12/31/98	Tentative agreement. Effective January 1, 1996, to December 31, 1998. The salary schedule will increase by 1.5 percent each year of the agreement. Effective July 1, 1996, the State's health insurance contribution will increase to \$495. Effective July 1, 1997, the State's health insurance contribution will increase to \$520. Monetary terms submitted for legislative approval.
8. Correspondence Teachers (ACSEA)	6/30/96	Current agreement extends the terms of the prior contract.
	6/30/99	Tentative agreement effective July 1, 1996, through June 30, 1999. Includes salary schedule adjustment equal to one-half of the increase in the Anchorage Consumer Price Index (CPI-U) not to exceed 1.5 percent, for each year of the contract. Monetary terms submitted for legislative approval.
9. Confidential (K)	06/30/96	Negotiations in progress.
10. Alaska Vocational Technical Center (AVTEC)	06/30/96	Negotiations in progress.
11. Mt. Edgecumbe Teachers	06/30/97	Negotiations begin Winter 1996.

DEPARTMENT OF ADMINISTRATION
Funded and Projected Salary Increases Compared to Increases in the Anchorage CPI-U

% CPI Change	Cumulative Change	Year	CPI-U	Negotiated Wage Incr										
				GGU 2&3	GGU 1	SU	LTC	CEA	PSEA	IBU	MM&P	MEBA		
0.00%	0.00%	1984	103.25								3.0			
2.43%	2.43%	1985	105.76	5.0	5.0	3.5	5.0	5.0	5.0	5.0	2.0	2.0	2.0	
1.96%	4.39%	1986	107.83											
0.38%	4.77%	1987	108.24											
0.33%	5.10%	1988	108.60								2.1			
2.85%	7.96%	1989	111.70											
6.18%	14.13%	1990	118.60	3.3	4.25	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
4.55%	18.69%	1991	124.00	5.0	5.0	5.0	4.5	5.0	5.0	5.0	5.0	5.6	5.51	
3.39%	22.07%	1992	128.20	3.6	3.6	3.6	3.6	3.6			3.6	3.6	3.6	
3.12%	25.19%	1993	132.20											
2.12%	27.31%	1994	135.00							3.6				3.1
* 2.37%	29.68%	1995	138.20					2.5						
* 3.26%	32.94%	1996	142.70	1.5	1.5	1.5	1.5				1.5	1.5		
* 3.15%	36.09%	1997	147.20	1.5	1.5	1.5	1.5				1.5	1.5		
* 3.06%	39.15%	1998	151.70	1.5	1.5	1.5	1.5				1.5	1.5		
* 2.97%	42.11%	1999	156.20											
Total thru 95		16.9	17.9	15.4	16.4	19.4	19.9	16.0	14.5	17.5				
Projected to 99			21.4	22.4	19.9	20.9	19.4	19.9	20.5	19.0	17.5			

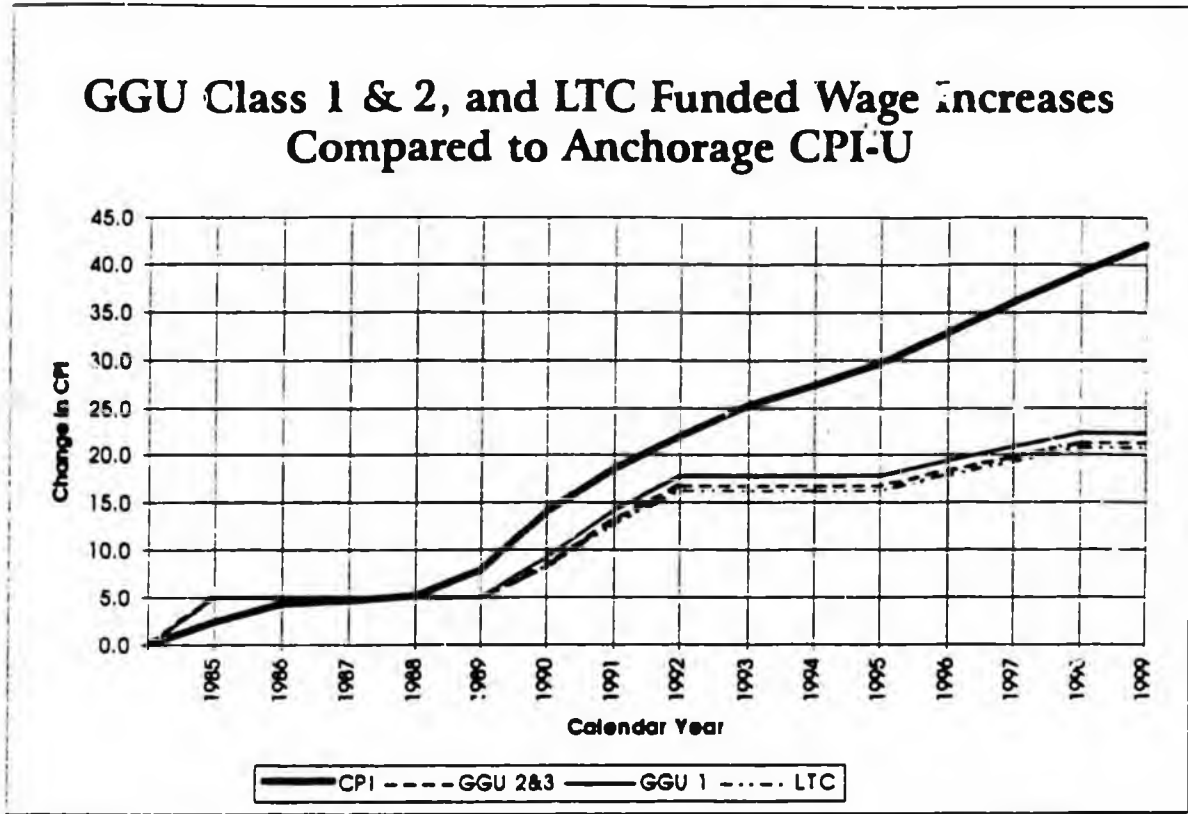
Notes: GGU, SU, LTC, IBU, and MM&P have negotiated 1/2 of the CPI cost of living increases capped at 1.5%
 Negotiations/Discussions to begin Winter 95/96 for Statutory EE's, CEA, and PSEA.
 Negotiations ongoing with Court System Employees.

* Projection

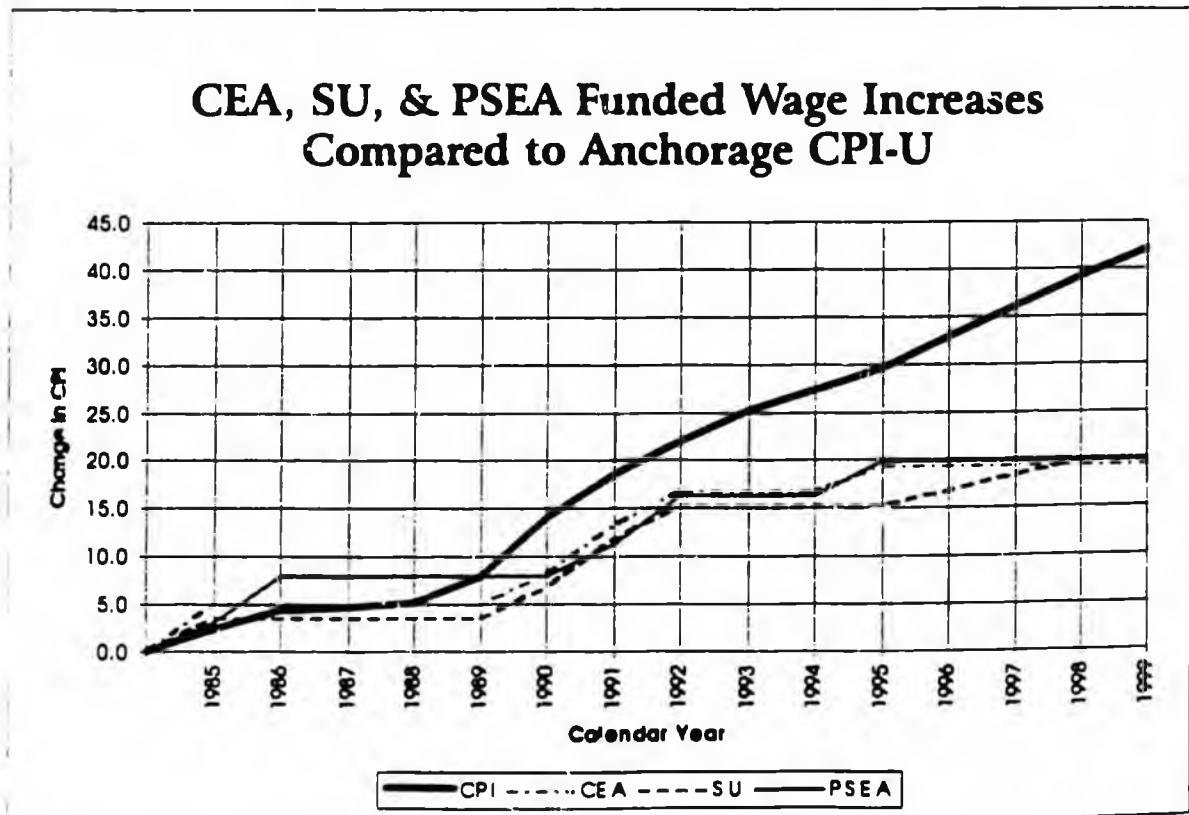
DEPARTMENT OF ADMINISTRATION
Funded and Projected Salary Increases Compared to Increases in the Anchorage CPI-U

	% CPI Change CPI	Wage Increase GGU 2&3	Wage Increase GGU 1	Wage Increase SU	Wage Increase LTC	Wage Increase CEA	Wage Increase PSEA	Wage Increase IBU	Wage Increase MM&P	Wage Increase MEBA
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1985	2.4	5.0	5.0	3.5	5.0	5.0	3.0	2.0	2.0	2.0
1986	4.4	5.0	5.0	3.5	5.0	5.0	8.0	2.0	2.0	2.0
1987	4.8	5.0	5.0	3.5	5.0	5.0	8.0	2.0	2.0	2.0
1988	5.1	5.0	5.0	3.5	5.0	5.0	8.0	4.1	2.0	2.0
1989	8.0	5.0	5.0	3.5	5.0	5.0	8.0	4.1	2.0	2.0
1990	14.1	8.3	9.3	6.8	8.3	8.3	8.0	7.4	5.3	5.3
1991	18.7	13.3	14.3	11.8	12.8	13.3	11.3	12.4	10.9	10.8
1992	22.1	16.9	17.9	15.4	16.4	16.9	16.3	16.0	14.5	14.4
1993	25.2	16.9	17.9	15.4	16.4	16.9	16.3	16.0	14.5	14.4
1994	27.3	16.9	17.9	15.4	16.4	16.9	16.3	16.0	14.5	17.5
1995	29.7	16.9	17.9	15.4	16.4	19.4	19.9	16.0	14.5	17.5
1996	32.9	18.4	19.4	16.9	17.9	19.4	19.9	17.5	16.0	17.5
1997	36.1	19.9	20.9	18.4	19.4	19.4	19.9	19.0	17.5	17.5
1998	39.2	21.4	22.4	19.9	20.9	19.4	19.9	20.5	19.0	17.5
1999	42.1	21.4	22.4	19.9	20.9	19.4	19.9	20.5	19.0	17.5

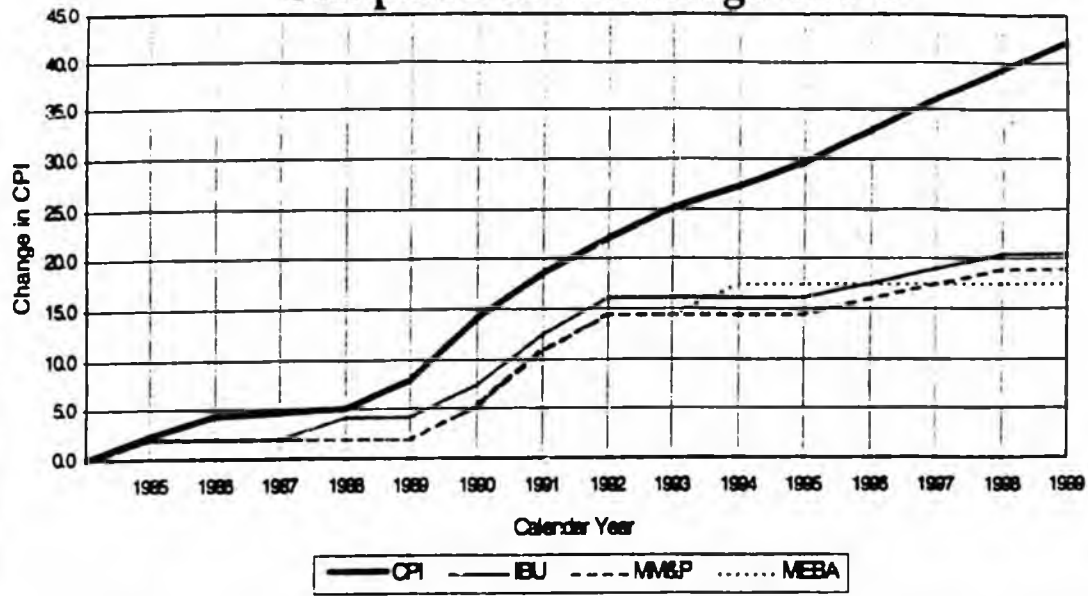
GGU Class 1 & 2, and LTC Funded Wage Increases Compared to Anchorage CPI-U



CEA, SU, & PSEA Funded Wage Increases Compared to Anchorage CPI-U



IBU, MM&P, and MEBA Funded Wage Increases Compared to Anchorage CPI-U



DEPARTMENT OF ADMINISTRATION

Information Services Fund Update

Background

From FY 83 through FY 93, information services (computer and telecommunication services) provided by the Department of Administration were funded primarily through general fund appropriations. However, over one-fourth of the entire annual budget appropriation (approximately \$6.0 million in the early 90s) was funded through "chargebacks" to customer agencies. The partial chargeback funding mechanism, along with an exponential increase in the demand for services, created many problems related to the management and funding of information systems. A 1989 Legislative Audit recommended that an internal service fund be established to account for the financing of cost-reimbursement services to customer agencies. The audit pointed out the following advantages in using an internal service fund:

- Account for the total cost of the activity;
- Provide greater ease in costing and pricing services;
- Accumulate resources for replacing fixed assets.

Since the objective of an internal service fund is to recover total cost through user charges, the relationship of costing and pricing for services is important. Cost analysis is the process of defining a service and establishing the cost of providing the service. Once an individual service has been defined, an internal service fund assists in identifying total costs for the service because all costs are discretely accounted. Total costs are divided by the number of units of service output to establish rates for a service. Rates for an upcoming fiscal year are provided to customer agencies for use in developing departmental budgets.

Depreciation expense needs to be a component of rates if there is an expectation that equipment replacement will be paid out of an internal service fund. As agencies pay for services provided, a portion of the cash collected is for depreciation expense, which may not require an immediate cash outlay. At the end of a fiscal year, cash would remain in the fund to the extent that depreciation expense exceeds fixed asset purchases. The cash would be available to fund future fixed asset purchases authorized by the legislature in operating or capital appropriations.

As a result of the audit recommendation, the administration and the legislature sought a return to a full chargeback system to more effectively manage the use and growth of the state's centralized computing and telecommunication services. Accordingly, Chapter 156/SLA 1990 was signed into law as AS 44.21.045. This statute established an internal service fund, titled Information Services Fund (ISF), and requires agencies to budget for their use of information services.

In order to operate under a fully recognized internal service fund, services provided must be funded through receipts for services. The implementation to full-rate-based services has taken a number of years. It was not until FY 93, that rates could be developed and mechanisms put in place to allow an orderly transition from being primarily funded from general funds to funding primarily from receipts for services. In FY 96, the final phase of base-budget transfers occurred paving the way for full-rate-based services in FY 97.

Current Situation

FY 97 rates have been developed in accordance with generally-accepted accounting principles (GAAP), and employ recommendations made by auditors to comply with GAAP and applicable federal guidelines. The following principles have had the largest effect on rates and thus corresponding changes to the budget structure:

- ◆ The department had previously included full depreciation as a component of computer services rates. The department had not included full depreciation for telecommunications equipment since most of the fixed assets for telecommunications was contributed capital not purchased from the ISF. Telecommunications rates for a year included a component for the expected cash outlay for fixed assets for that year. Office of Management and Budget (OMB) recommended in an April 1995 audit, that depreciation be included as a component of telecommunication rates. OMB auditors pointed out that including depreciation as a component of rates builds a cash reserve for future replacement of fixed assets. A systematic approach prevents significant rate fluctuations which may occur if replacement purchases were only included in rates during the year of purchase.

One could theorize that significant cash pools would accumulate in the ISF as a result of this requirement. However, this has not occurred due to several factors: 1) GAAP will not allow the payment of principle on equipment which is procured through lease/purchases. In the past, much of the equipment attributed to the Fund has been procured through lease/purchases. And 2) recent changes to the federal requirements restrict cash accumulations in the fund of up to 60 days of cash expenditures for normal operating expenditures.

The department received a number of capital appropriations in FY 96 and has requested additional capital appropriations in FY 97 to be funded from the Information Services Fund. These requests are funded primarily through the depreciation component included in the rates. Once cash accumulates sufficiently to fund the capital appropriations, expenditures will be made.

- ◆ Federal guidelines require that there be an explanation of how variances between revenues and expenses will be handled. OMB recommended in their April 1995 audit that over- or under-recoveries in the ISF in any particular year be rolled prospectively into rate development in the second subsequent year. FY 97 rates were based on FY 95 actual costs. In general, the department over-recovered for some services and under-recovered in other services in FY 95. These over- and under-recoveries have been factored into FY 97 rates. Adjustment of future rates to compensate for past over- or under-recoveries has the effect of maintaining a fund balance with no long-term profit or loss. This method is in compliance with GAAP and satisfies federal guidelines for explanations of how variances will be handled.

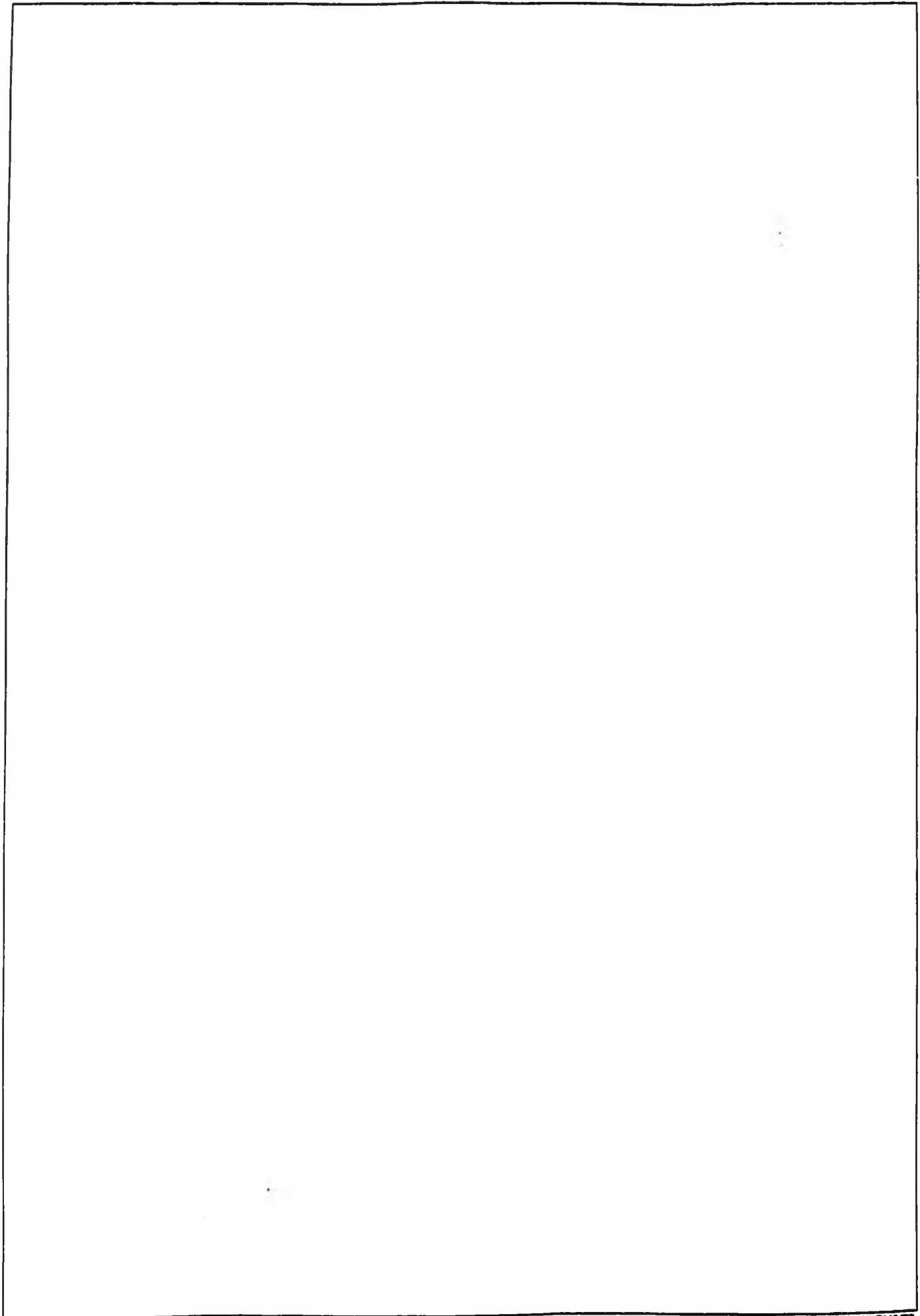
Thus changes made in this budget reflect full implementation of an internal service fund in accordance with AS 44.21.045.

DEPARTMENT OF ADMINISTRATION
Fee Schedule

Component	Service Provided	FY 95 Fee	FY 96 Fee	Proposed FY 97 Fee	FY 97 Budget Increase from Fee Change	Regulation #	Statute #
Pioneers' Homes	Basic Assisted Living Care	\$780 - \$860/Mo	\$860/Mo	\$1289/Mo	\$825,000.00 Total	2AAC 41.015	AS 47.55
Pioneers' Homes	Enhanced Assisted Living Care	\$965/Mo	\$965/Mo	\$1553/Mo	\$825,000.00 Total	2AAC 41.015	AS 47.55
Pioneers' Homes	ADRD Care	n/a	n/a	\$1579/Mo	\$825,000.00 Total	2AAC 41.015	AS 47.55
Pioneers' Homes	Coordinated Services	\$665-\$735/Mo	\$735/Mo	\$935/Mo	\$825,000.00 Total	2AAC 41.015	AS 47.55
Pioneers' Homes	Skilled Nursing Care	\$975-\$1100/Mo	\$1100/Mo	\$1884/Mo	\$825,000.00 Total	2AAC 41.015	AS 47.55
Longevity Bonus	Computer Disk with names and addresses of recipients by zip code	\$10/disk/Zip Code \$20/disk/Anch \$30/disk/Statewide	\$10/disk/Zip Code \$20/disk/Anch \$30/disk/Statewide	\$10/disk/Zip Code \$20/disk/Anch \$30/disk/Statewide	None		AS 09.25.110
Senior Services Administration	Assisted living licensing applications	n/a	\$25/bed every 2 years	\$25/bed every 2 years	None	2AAC 42.010	AS 44.33.910
Productivity Improvement Center (PIC)	Training Tuition	1/2 day	\$50.00	\$50.00	None		AS 39.25.050
		1 day	\$95.00	\$95.00			AS 39.25.050
		2 days	\$180.00	\$180.00			AS 39.25.050
		3 days	\$280.00	\$280.00			AS 39.25.050
		5 days	\$380.00	\$380.00			AS 39.25.050
PIC	Computer Training	1 day	\$135.00	\$135.00	None		AS 39.25.050
PIC	In-house Consulting	Hourly Fee	\$90.00	\$90.00	None		AS 39.25.050
		Daily Fee	\$1,000.00	\$1,000.00			AS 39.25.050
Telecom Services	Kenal Peninsula Microwave System	\$18,000 per channel	\$19,998 per channel	\$19,998 per channel	None		AS 44.21.310B
ARCS	Earth Station	\$70.00/hour	\$70.00/hour	\$70.00/hour	None		AS 44.21.310B
Computer Services	US Gov't Marine Fisheries/ Political Subdivisions	Annual Charge based on usage	Annual Charge based on usage	Annual Charge based on usage	None		AS 44.21.300B
Property Management	State Surplus Equipment Disposal	Amount of Sale	Amount of Sale	Amount of Sale	None		AS 44.68.110
Property Management	Federal Surplus Property Handling	% of acquisition cost	% of acquisition cost	% of acquisition cost	None		AS 44.68.120

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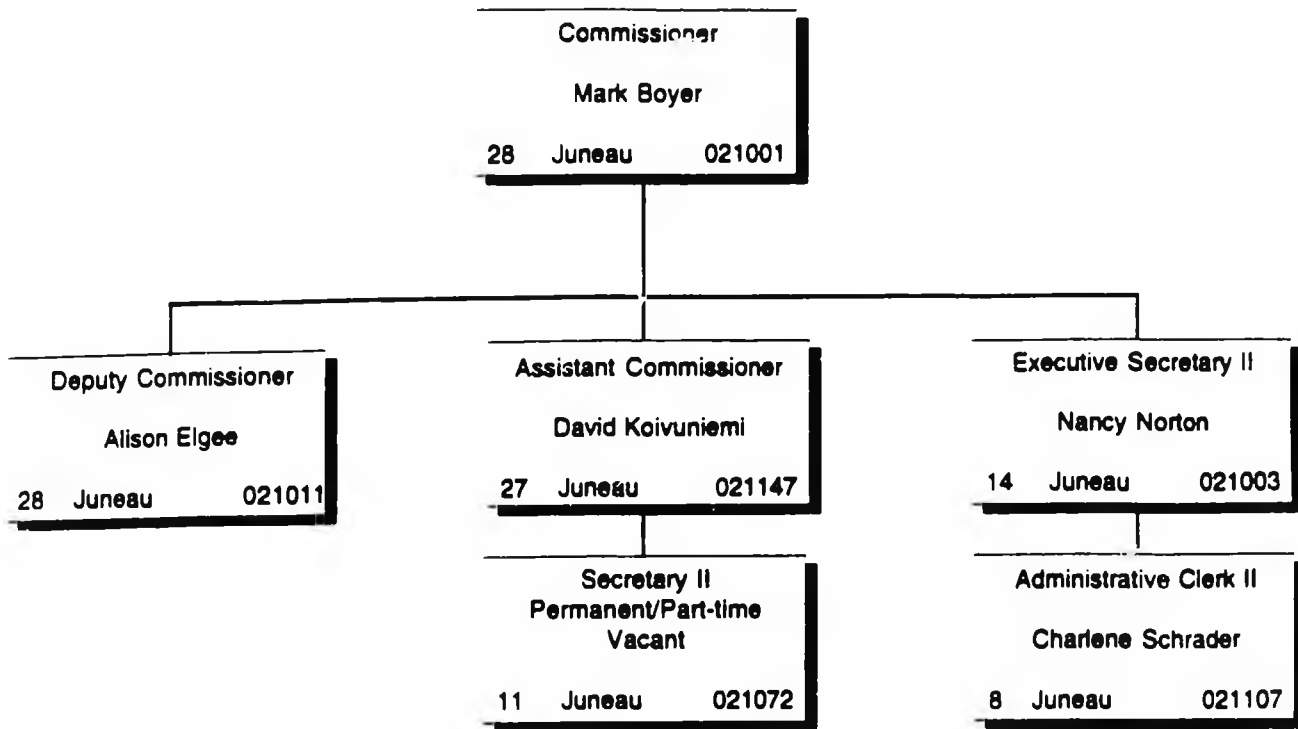
Component	Service Provided	FY 95 Fee	FY 96 Fee	Proposed FY 97 Fee	FY 97 Budget Increase from Fee Change	Regulation #	Statute #
APOC	Photo Copies	\$0.20/copy except Anchorage \$0.25/copy no charge if less than 11 copies. Personnel costs are charged if work from single requester exceeds 5hr./mo.	Same as FY 95	Same as FY 95	None	2AAC 50.910	AS 15.13.030(3) AS 15.13.030(5) AS 39.50.050(d) AS 24.45.101 AS 09.25.110 AS 09.25.115
APOC	Lobbyist Directory Lobbying Activity All Others	\$2.00 each \$5.00 each \$2.00 each	\$2.00 each \$5.00 each \$2.00 each	\$2.00 each \$5.00 each \$2.00 each	None	Same as above	Same as above
APOC	Computer Reports	\$0.30/sheet; no charge if less than 11 sheets. Personnel costs are charged if work from a single requester exceeds 5 hrs./mo.	Same as FY 95	Same as FY 95	None	Same as above	Same as above
APOC	Computer Disketts; copy of existing public document (no editing)	\$5.00/3.5" disk. \$2.00/5.25" disk. Personnel costs are charged if work from a single requester exceeds 5 hrs./mo.	Same as FY 95	Same as FY 95	None	Same as above	Same as above
APOC	Computer Diskette; custom computer reports requiring editing or staff time to set up or produce	\$17.00/disk. if work from a single requester exceeds 5 hrs./month \$13/disk plus personnel costs.	Same as FY 95	Same as FY 95	None	Same as above	Same as above
APOC	User Manuals	First copy free, additional; \$10.00 Campaign Disclosure \$4.00 - Conflict of Interest \$2.00 - Lobbyin; \$3.00 - Legislative Ethics Financial Disclosure	Same as FY 95	Same as FY 95	None	Same as above	Same as above
APOC	Audio Cassettes	\$7.50/tape Personnel costs are charged if work from a single requester exceeds 5 hrs./mo	Same as FY 95	Same as FY 95	None	Same as above	Same as above
APOC	Video Cassettes	\$5.00/tape	Same as FY 95	Same as FY 95	None	Same as above	Same as above
APOC	Lobbyist Registration	\$100.00	Same as FY 95	Same as FY 95	None	Same as above	Same as above
AOGCC	Drilling Permits	\$100/per application	\$100/per application	\$100/per application	None		AS 31.05.090
AOGCC	Well File Copies	\$.25/page	\$.25/page	\$.25/page	None	6AAC 95.130(a)	
AOGCC	Statistical Reports	\$.25/page	\$.25/page	\$10.00 Per Copy	None	6AAC 95.130(a)	



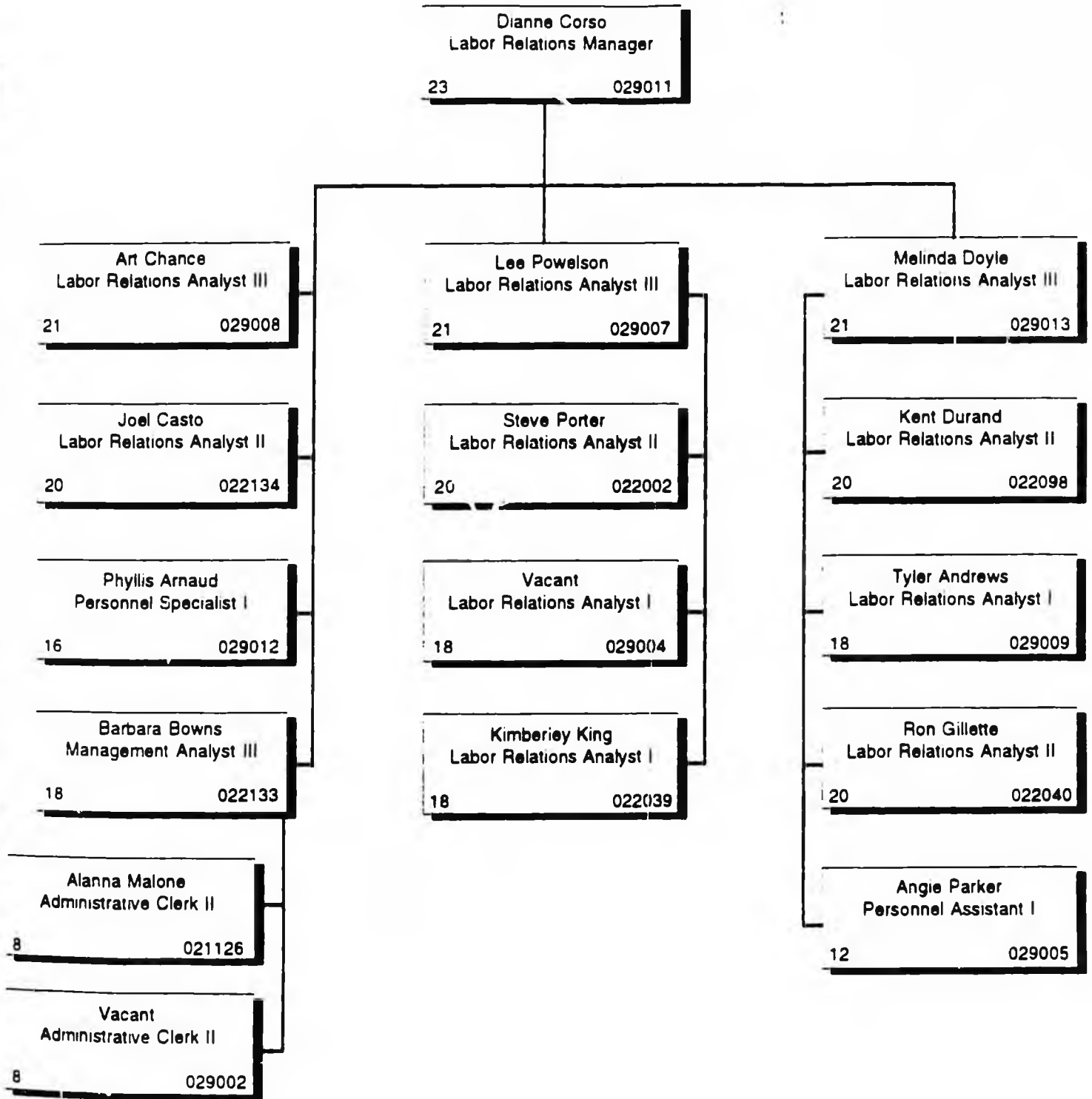
STAFFING CHARTS

The Staffing Charts which appear in this section are working documents and are for illustrative purposes only. They reflect FY 96 staffing levels at the time they were prepared. Please see Division Overview pages and Appendix 2 for FY 97 Governor's staffing numbers.

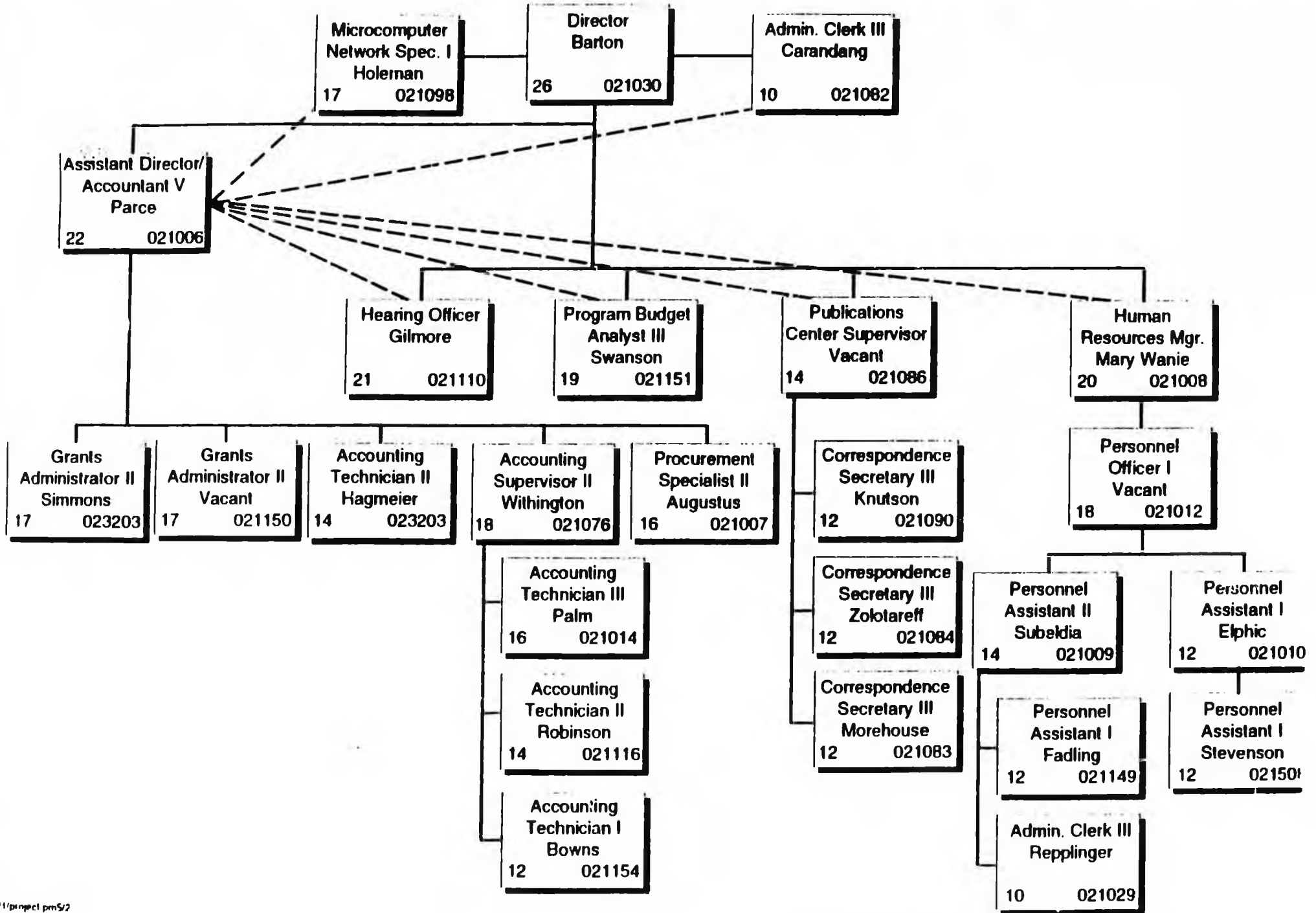
DEPARTMENT OF ADMINISTRATION
COMMISSIONER'S OFFICE



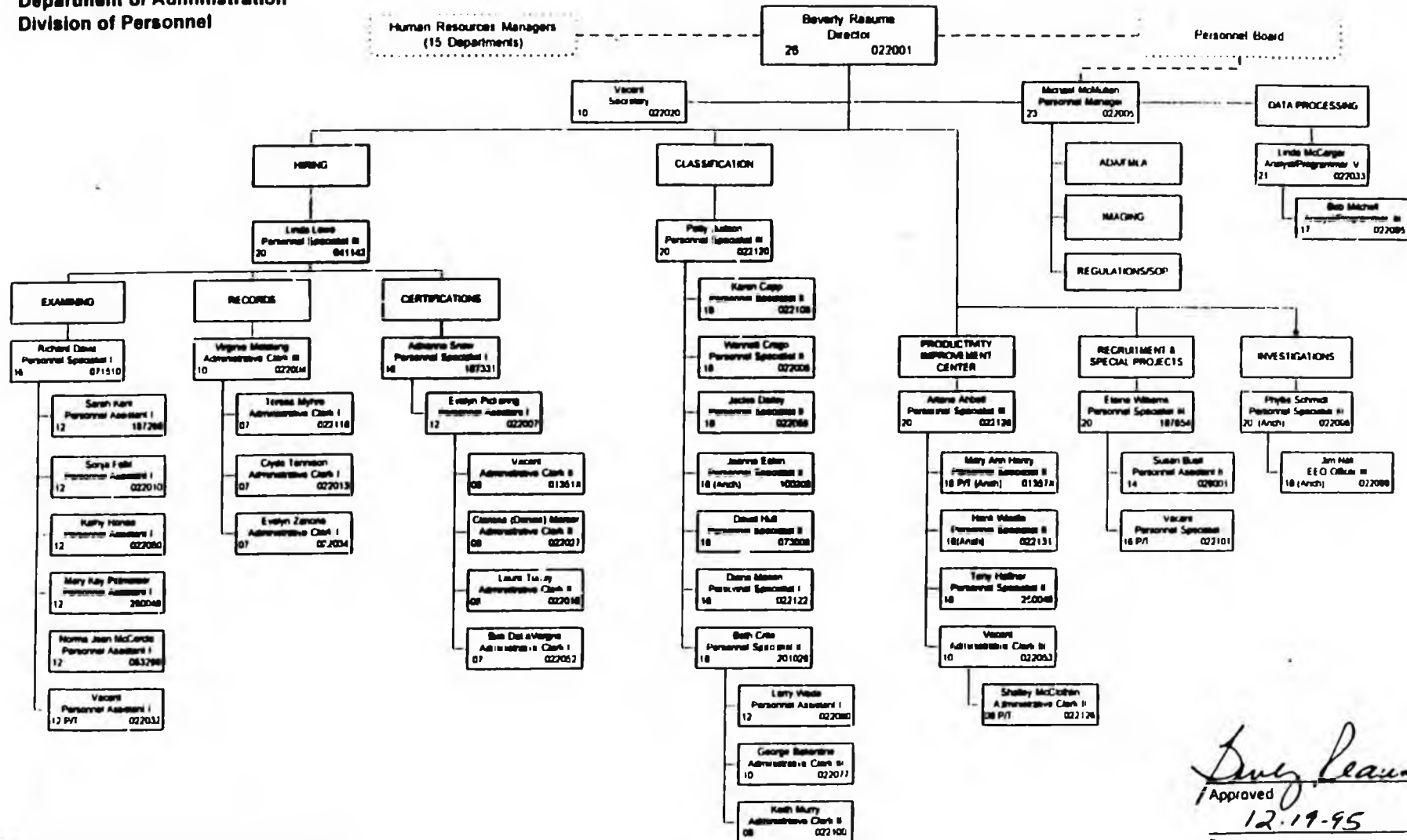
Department of Administration
 Commissioner's Office—Labor Relations Section
 Organizational Chart



DEPARTMENT OF ADMINISTRATION
DIVISION OF ADMINISTRATIVE SERVICES



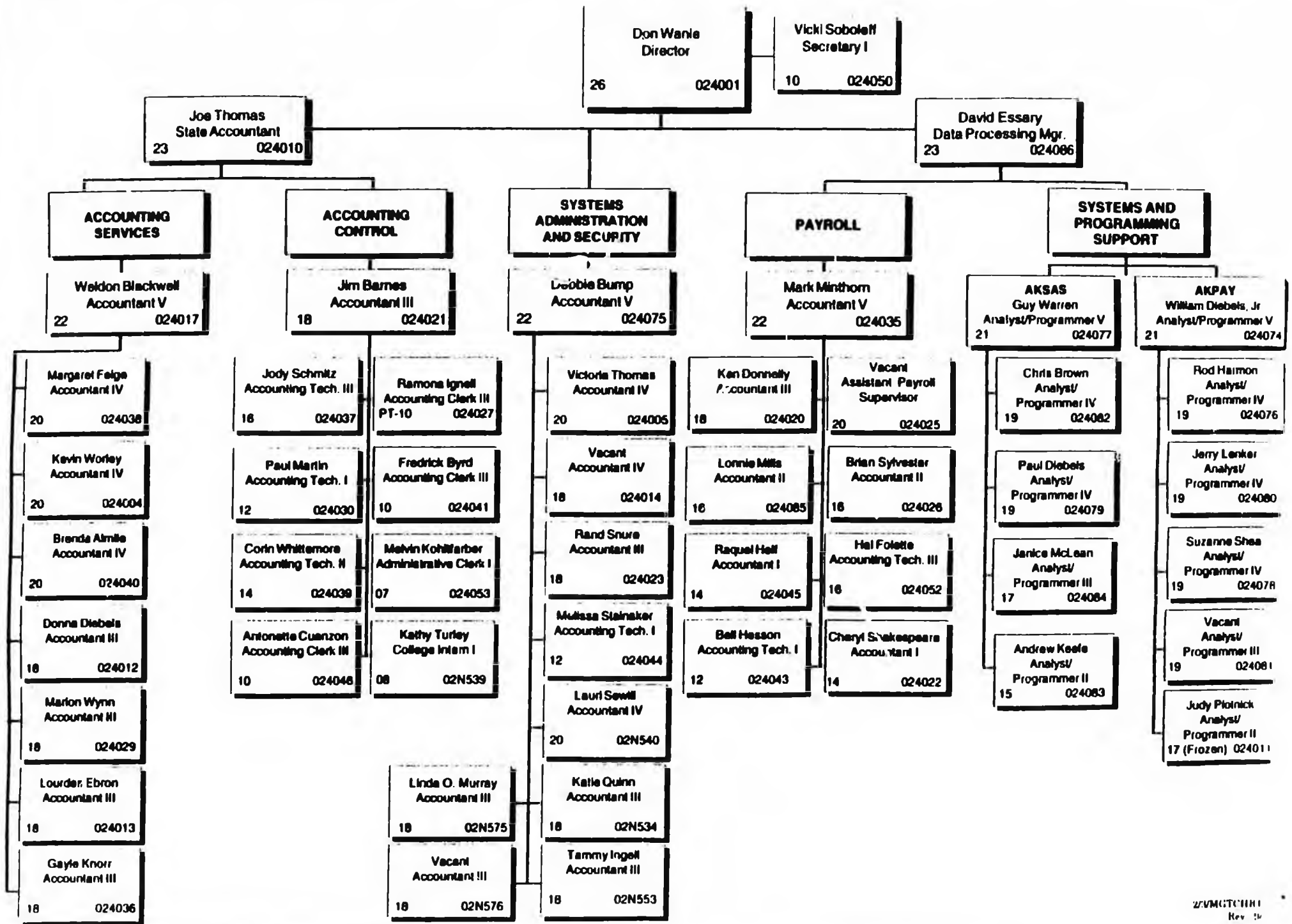
Department of Administration
Division of Personnel



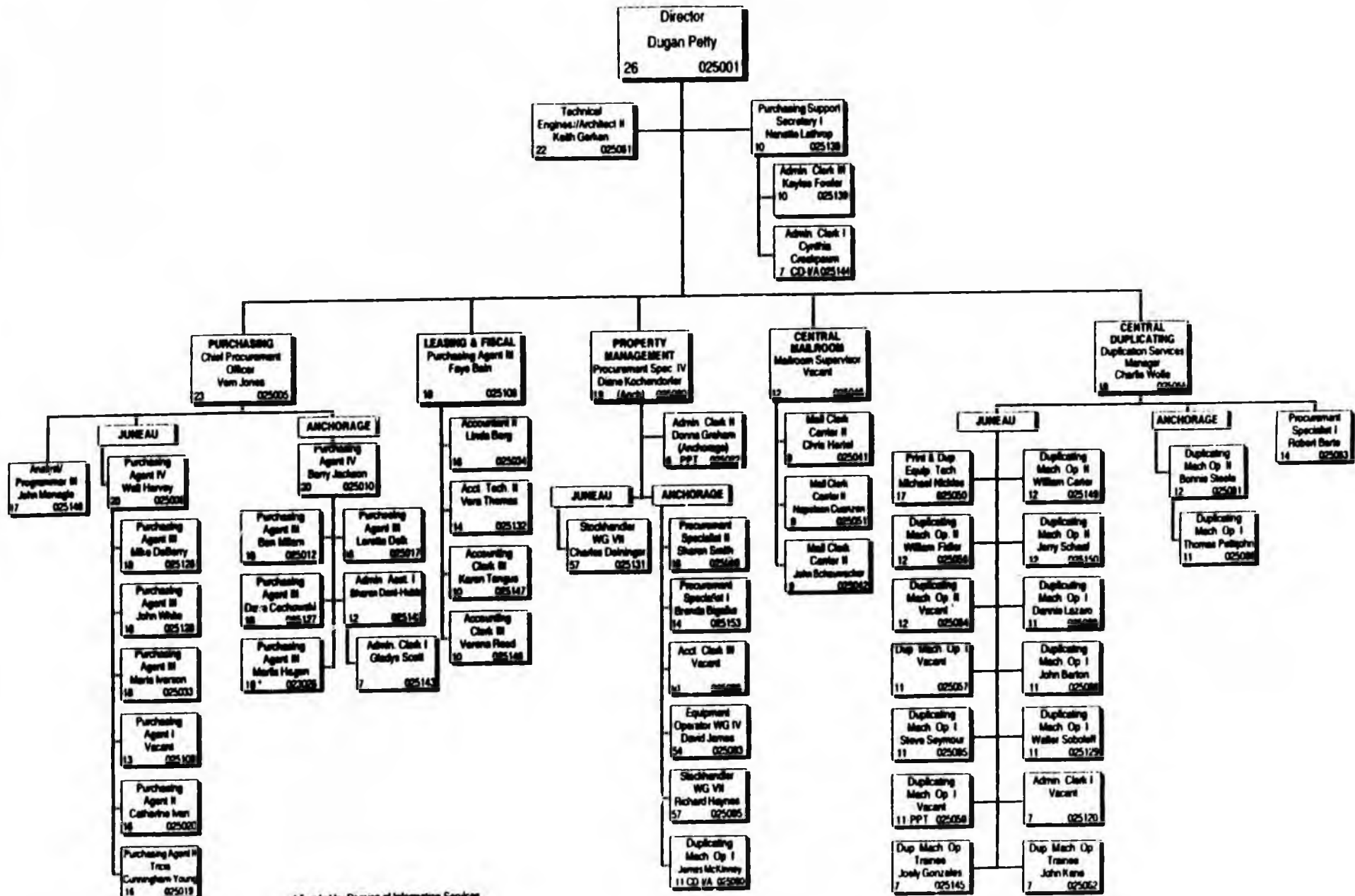
* Positions in Juneau unless Anchorage indicated

Beverly Reaume
Approved
12-19-95
Date

**DEPARTMENT OF ADMINISTRATION
DIVISION OF FINANCE**



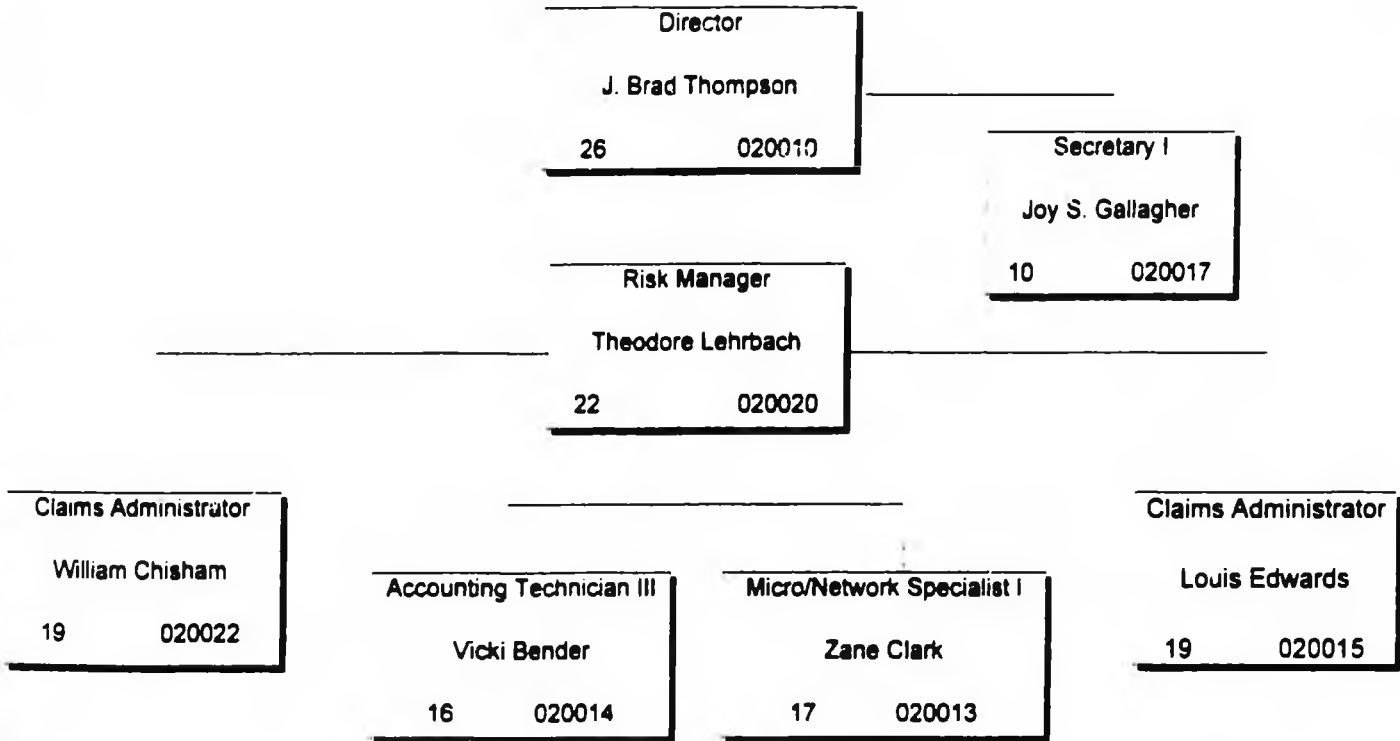
Department of Administration
 Division of General Services
 As of November 30, 1995




* Funded by Division of Information Services

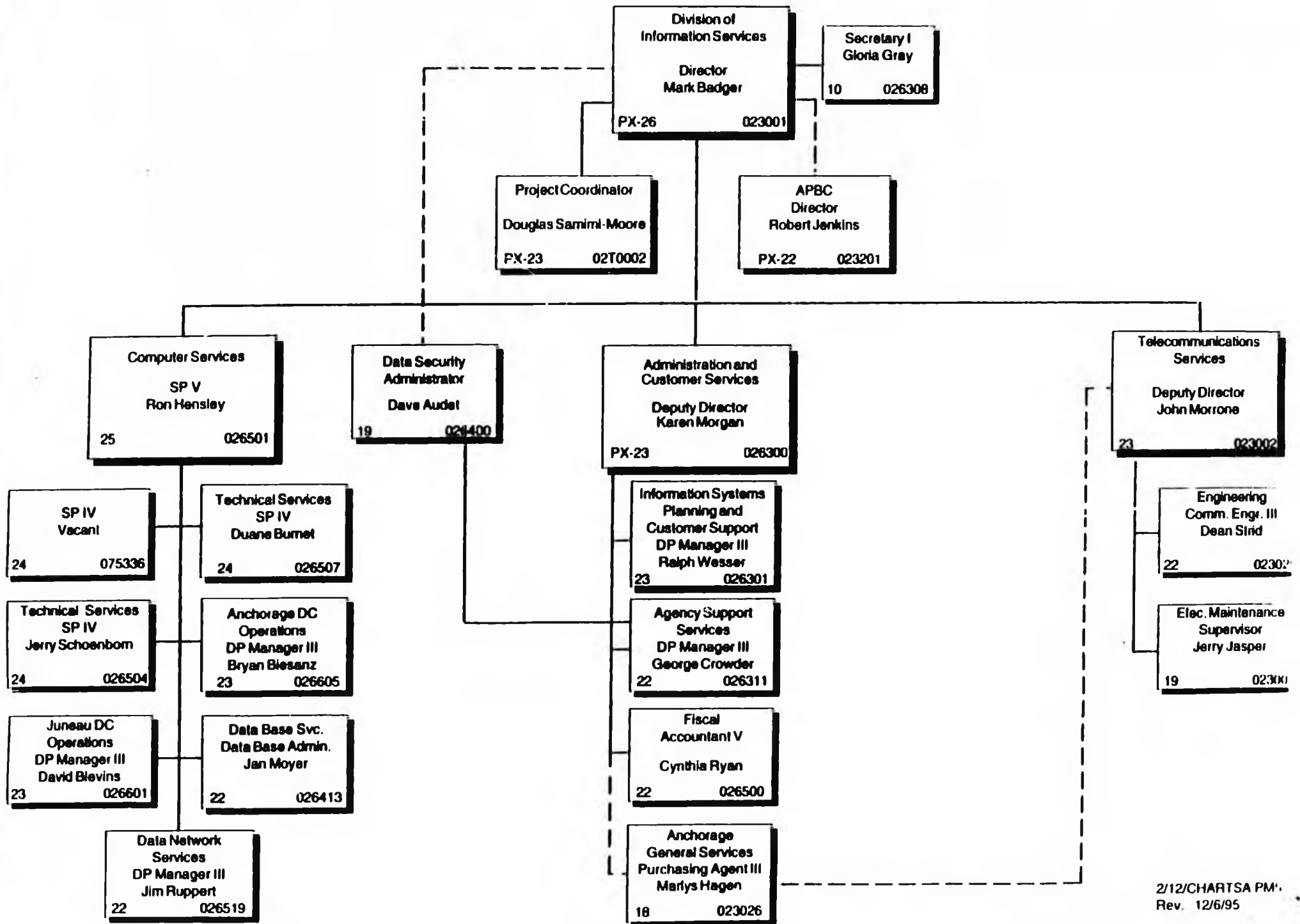
**DEPARTMENT OF ADMINISTRATION
DIVISION OF RISK MANAGEMENT**

Organization Chart - Juneau

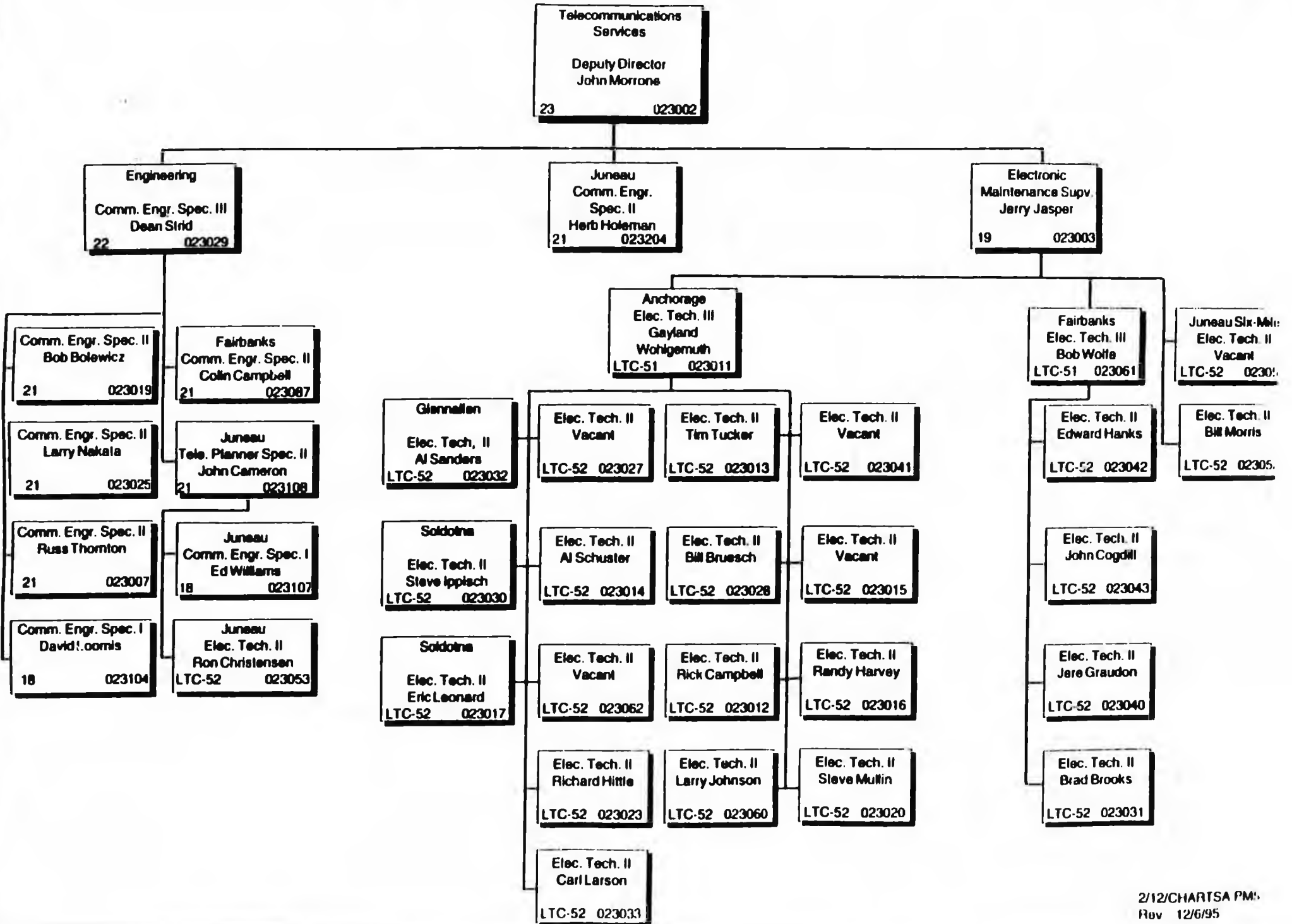



APPROVED _____
J. Brad Thompson, Director
DATE 1/6/96

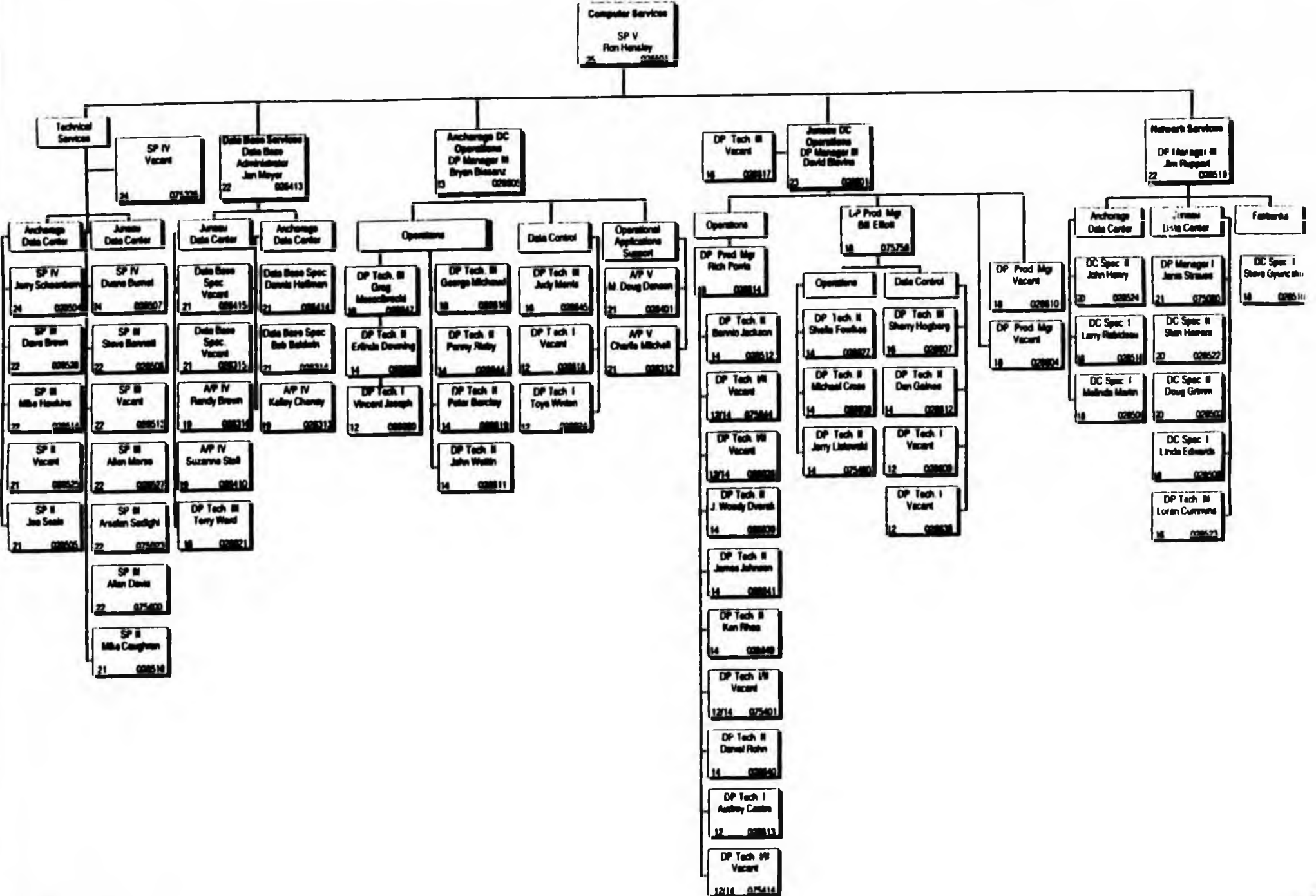
aska Department of Administration
 Division of Information Services
 (As of December 6, 1995)



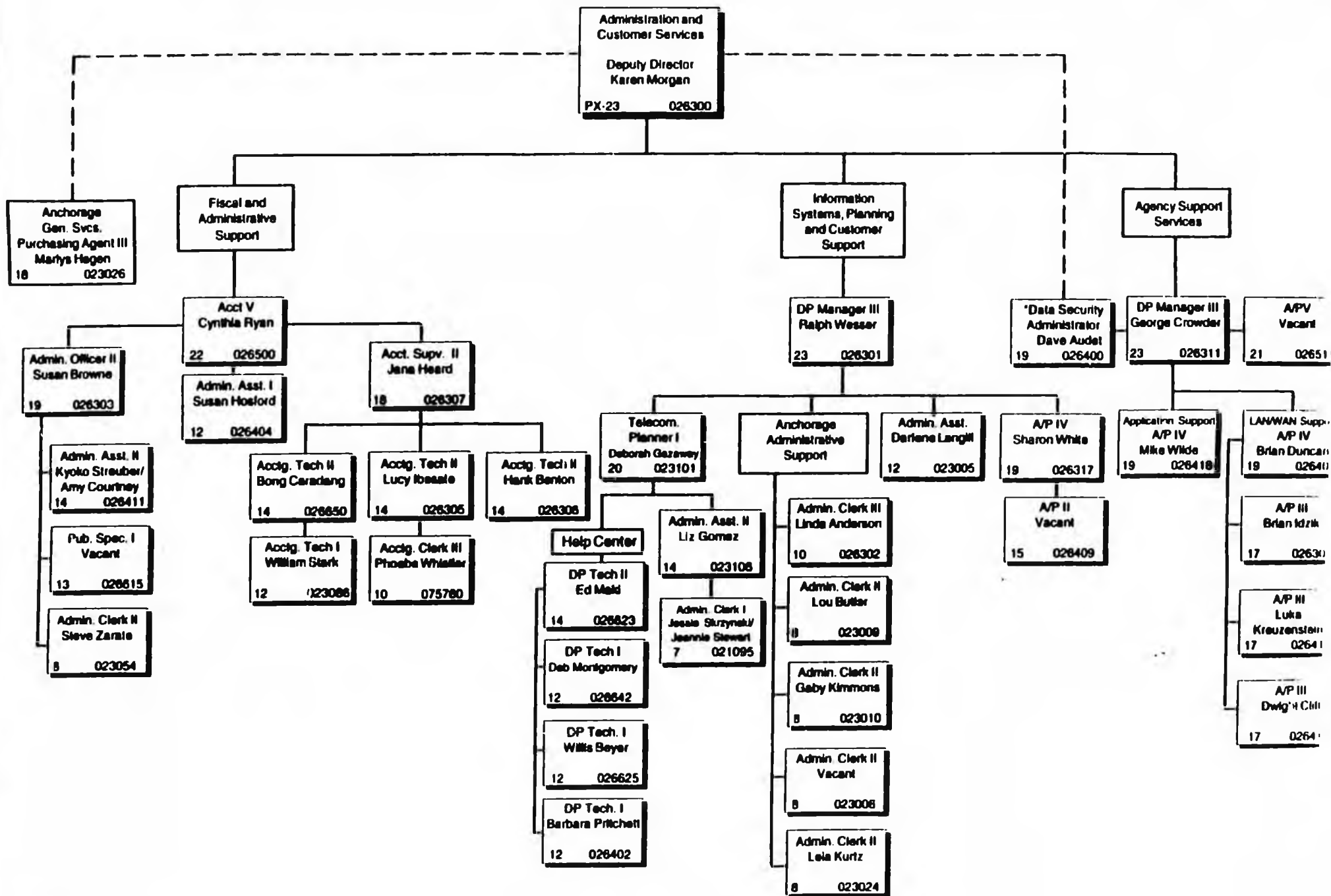
Alaska Department of Administration
 Division of Information Services
 (As of December 6, 1995)



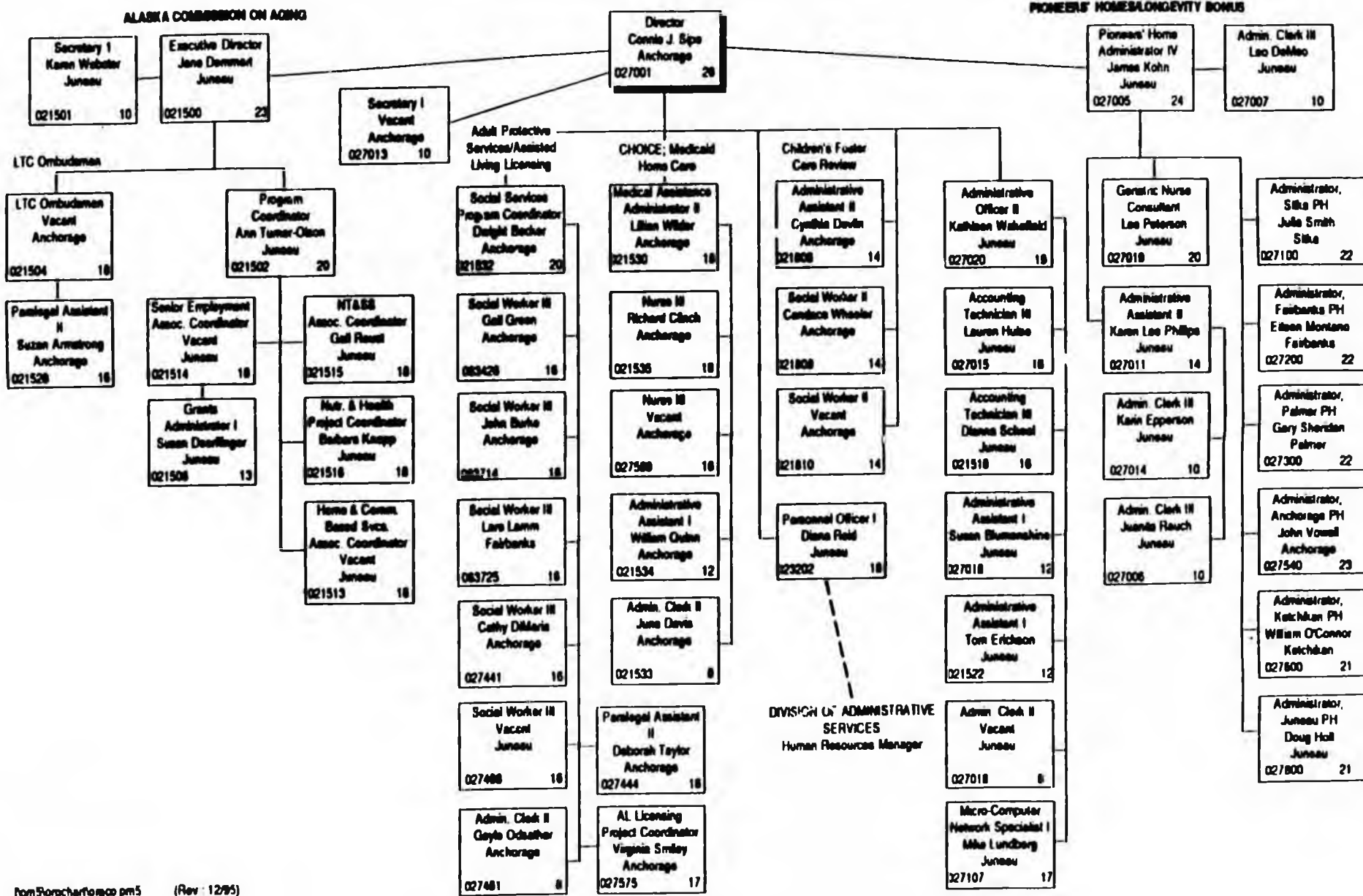
Department Administration
 Division of Information Services
 (As of December 6, 1995)



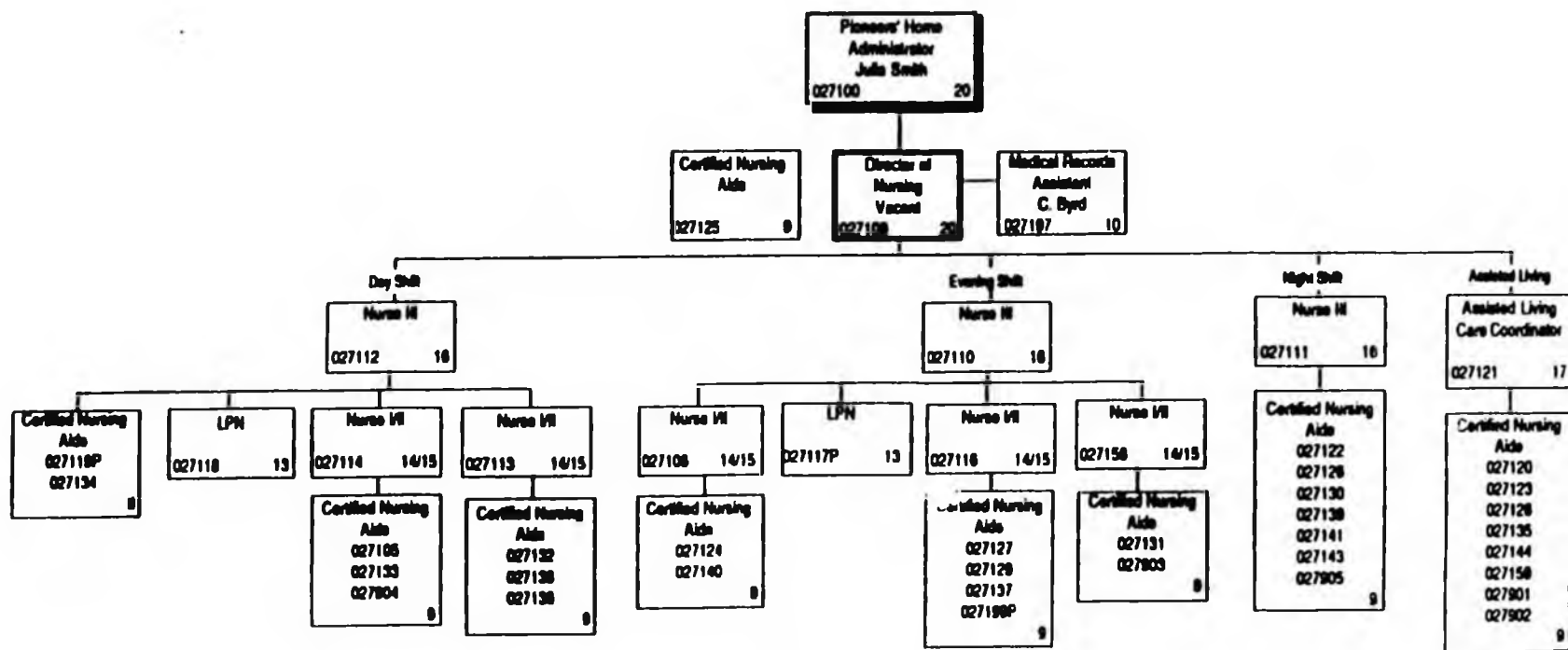
Alaska Department of Administration
 Division of Information Services
 (As of December 8, 1995)



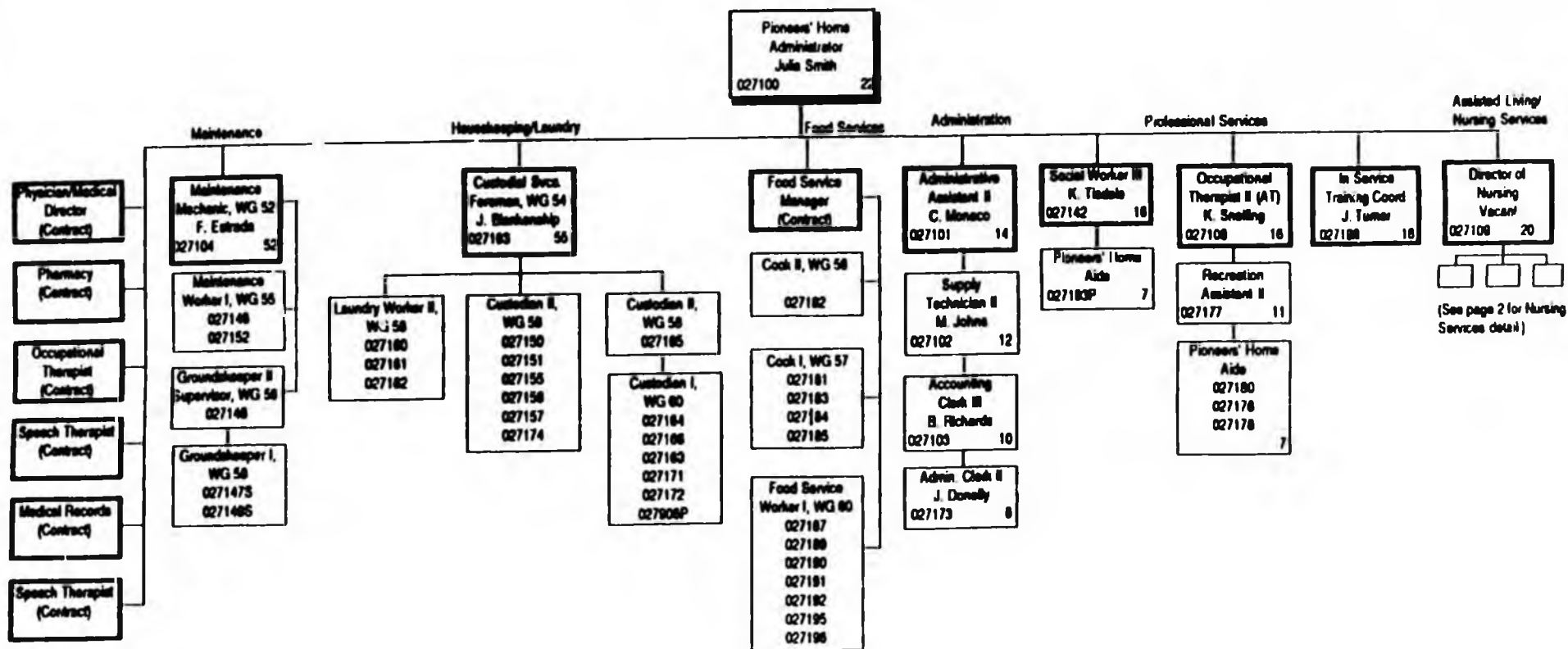
Department of Administration Division of Senior Services Senior Services Administration



Department of Administration
Division of Senior Services
Sifka Pioneers' Home
Nursing Services

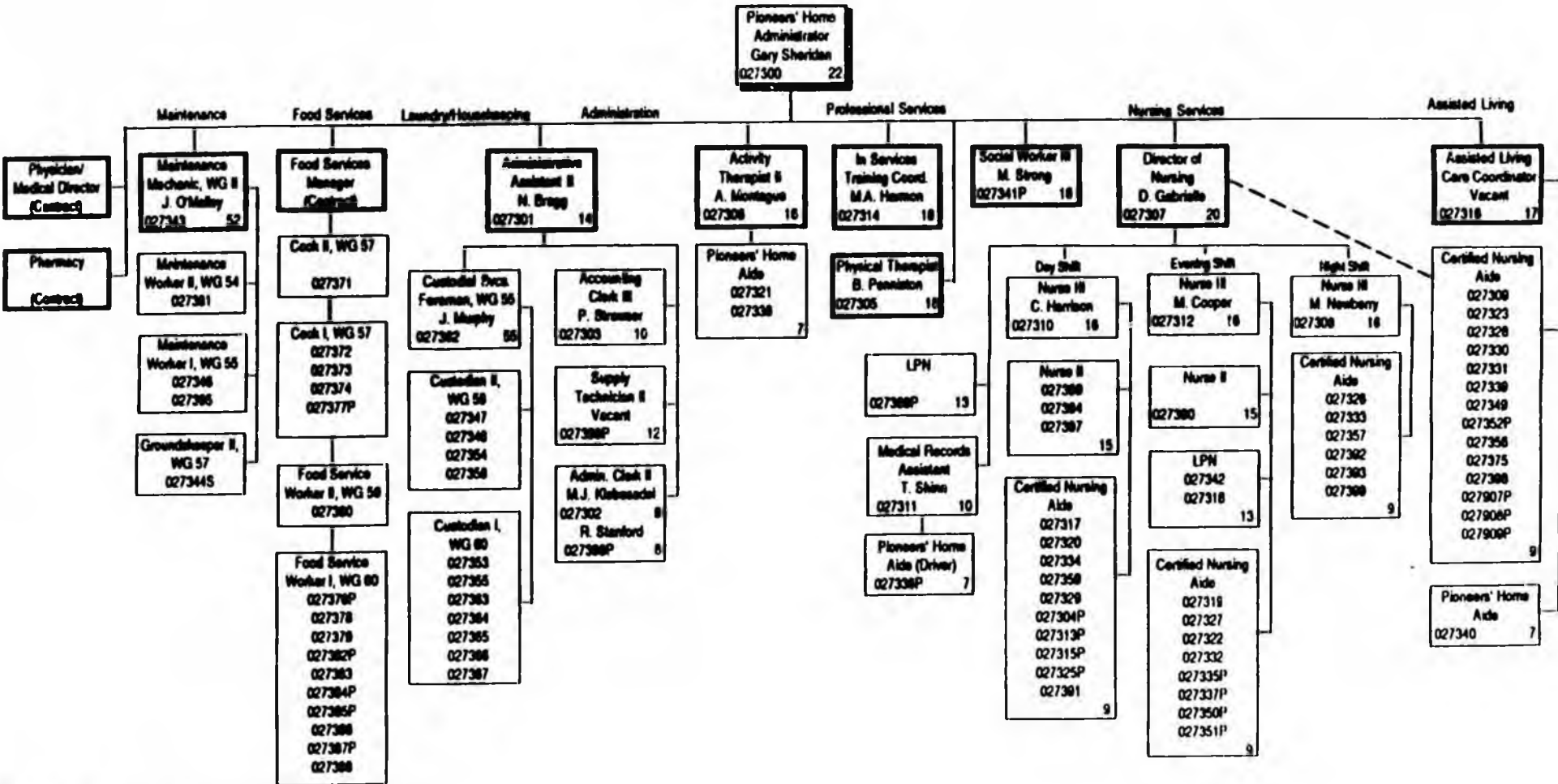


**Department of Administration
Division of Senior Services
Sitka Pioneers' Home**



(See page 2 for Nursing Services detail)

**Department of Administration
Division of Senior Services
Palmer Pioneers' Home**



Department of Administration
 Division of Senior Services
 Anchorage Pioneers' Home

Assisted Living/Nursing Section

Pioneers' Home
 Administrator
 John Vowell
 027540 23

Nursing Services

Assisted Living Services

Director of
 Nursing
 N. Boorn
 027409 26

Assisted
 Living Coordinator
 L. Wilko
 027485 17

Nurse III
 027578 18

Nurse IV
 027488 19

Nurse III
 025777 18

Nurse III
 027411 18

Day Shift

Evening Shift

Night Shift

Day Shift

Evening Shift

Night Shift

Nurse VII
 027410
 027415
 027543
 14/15

Certified Nursing
 Aide
 027425
 027431
 027438
 027440
 027482P
 027483P
 027484P
 027478
 027503
 027561
 027563
 027565
 027566
 9

Nurse VII
 027488
 027488P
 027578
 11/4/5

LPN
 027421
 027487P
 027581
 13

Certified Nursing
 Aide
 027428
 027429
 027439
 027437
 027478P
 027484P
 027487
 027488
 027567
 027588
 027587
 9

Nurse VII
 027413
 027541
 14/15

LPN
 027488
 13

Certified Nursing
 Aide
 027430
 027458P
 027548
 027568
 027582
 027585
 027584
 9

Nurse VII
 027412
 027545
 14/15

LPN
 027416
 027417
 027420
 027544
 027549
 13

Certified Nursing
 Aide
 027425
 027427
 027434
 027438
 027443
 027455
 027488
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 9

Nurse VII
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 027580
 14/15

LPN
 027547
 13

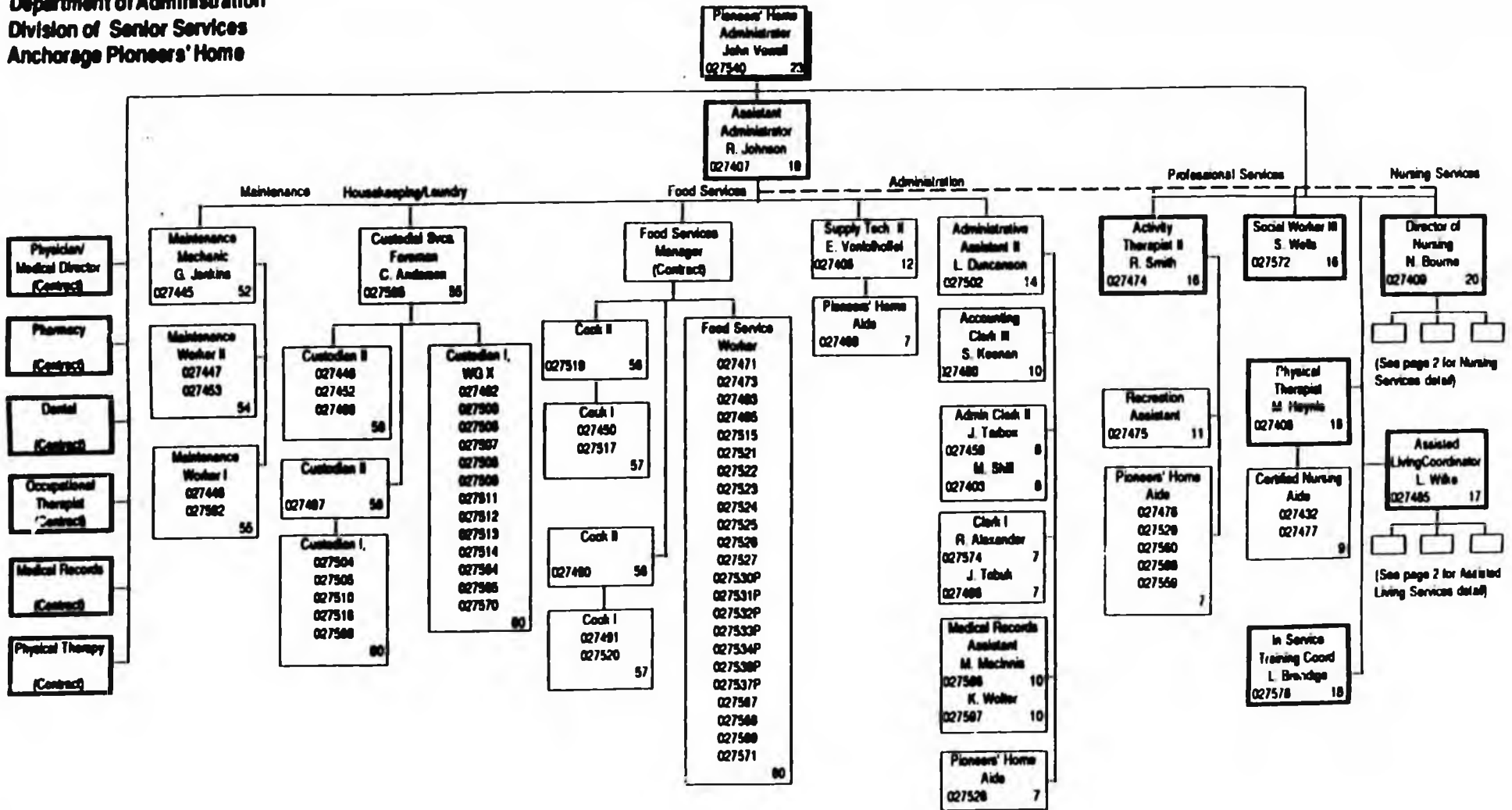
Certified Nursing
 Aide
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 027554
 027583
 027584
 027582
 9

Nurse VII
 027542
 14/15

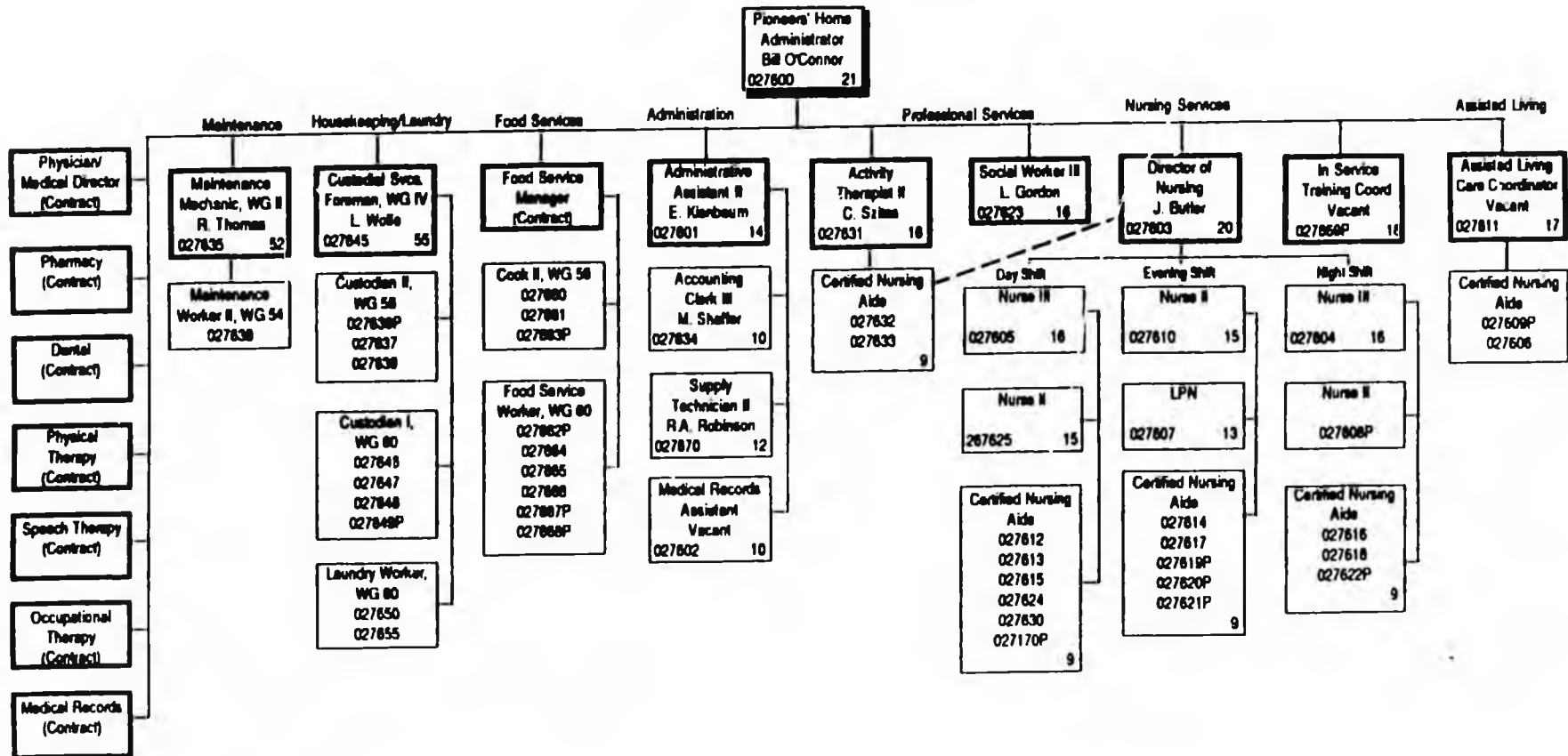
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Certified Nursing
 Aide
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 027483P
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 027580
 9

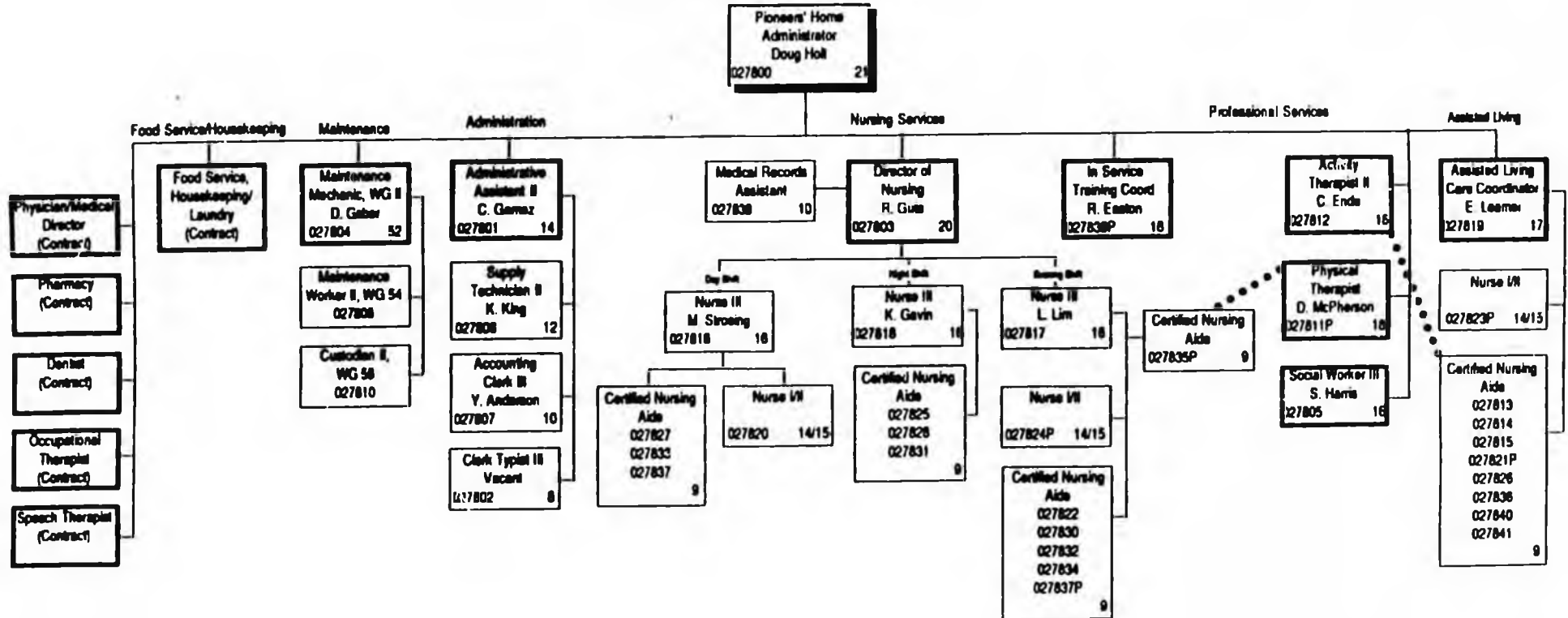
Department of Administration
 Division of Senior Services
 Anchorage Pioneers' Home



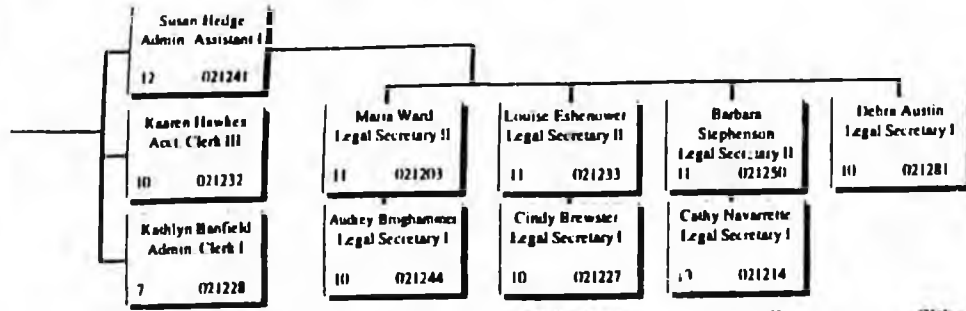
**Department of Administration
Division of Senior Services
Ketchikan Pioneers' Home**



Department of Administration Division of Senior Services Juneau Pioneers' Home



..... Position shared by both departments



Juneau

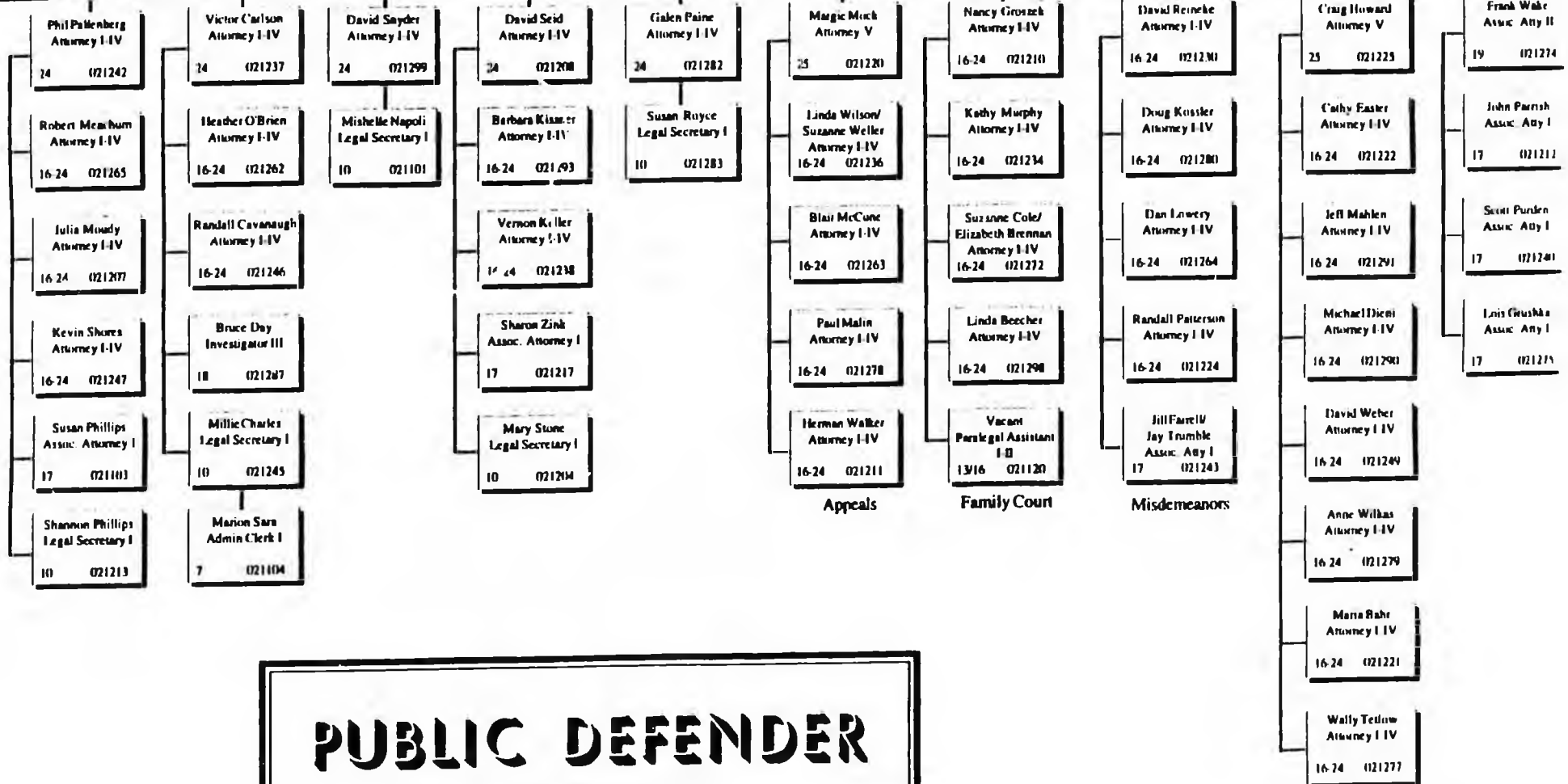
Bethel

Dillingham

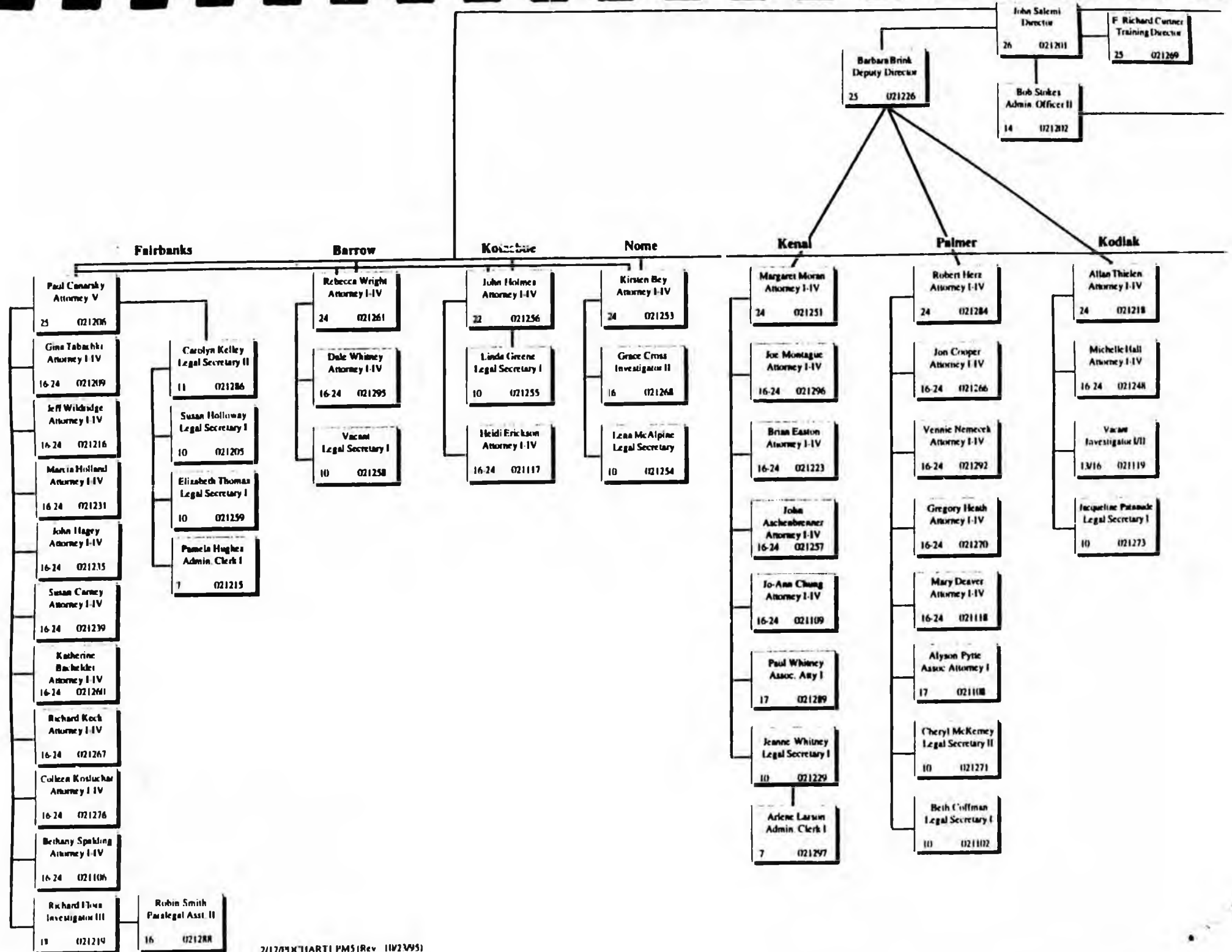
Ketchikan

Sitka

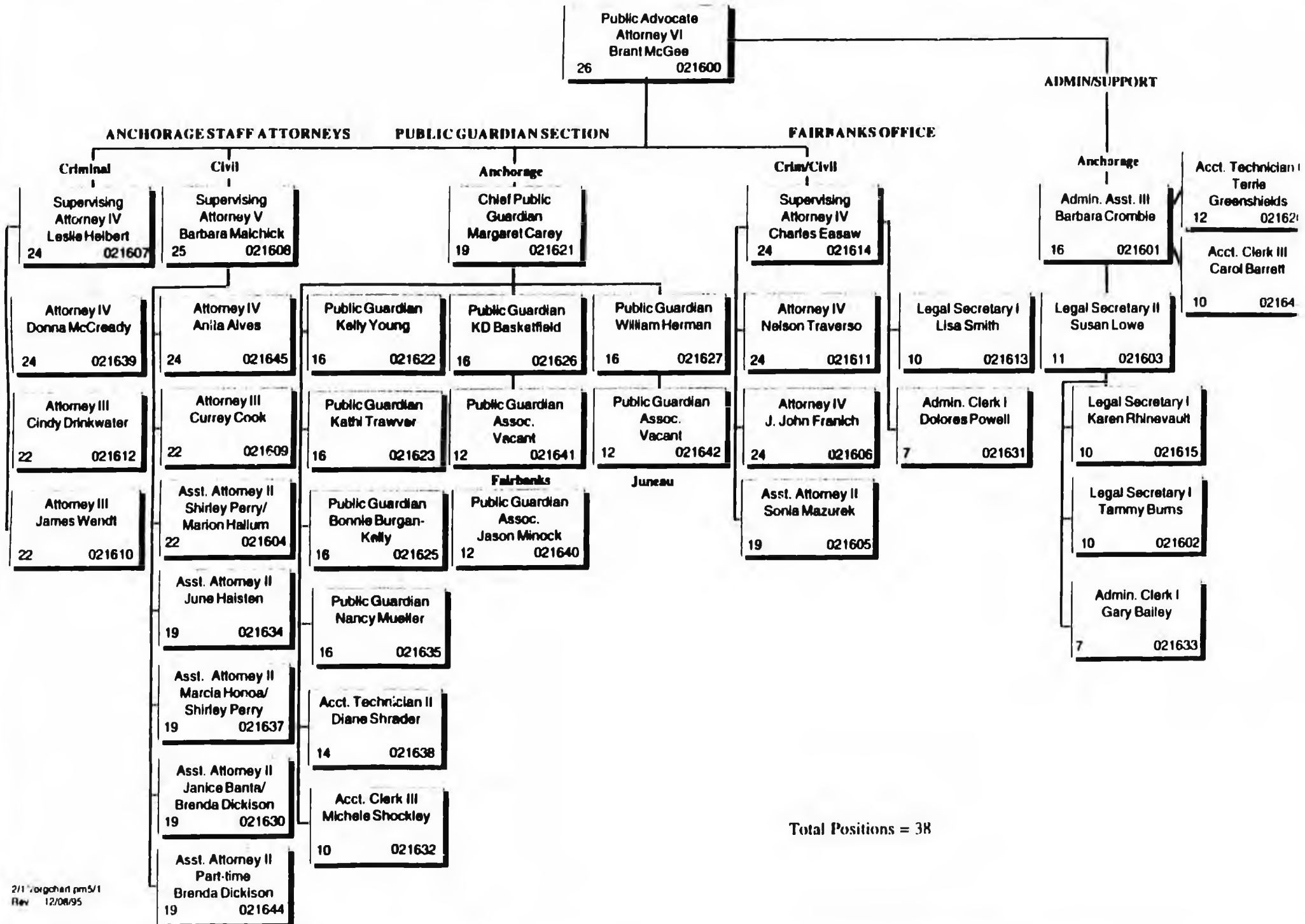
Anchorage



**PUBLIC DEFENDER
AGENCY**

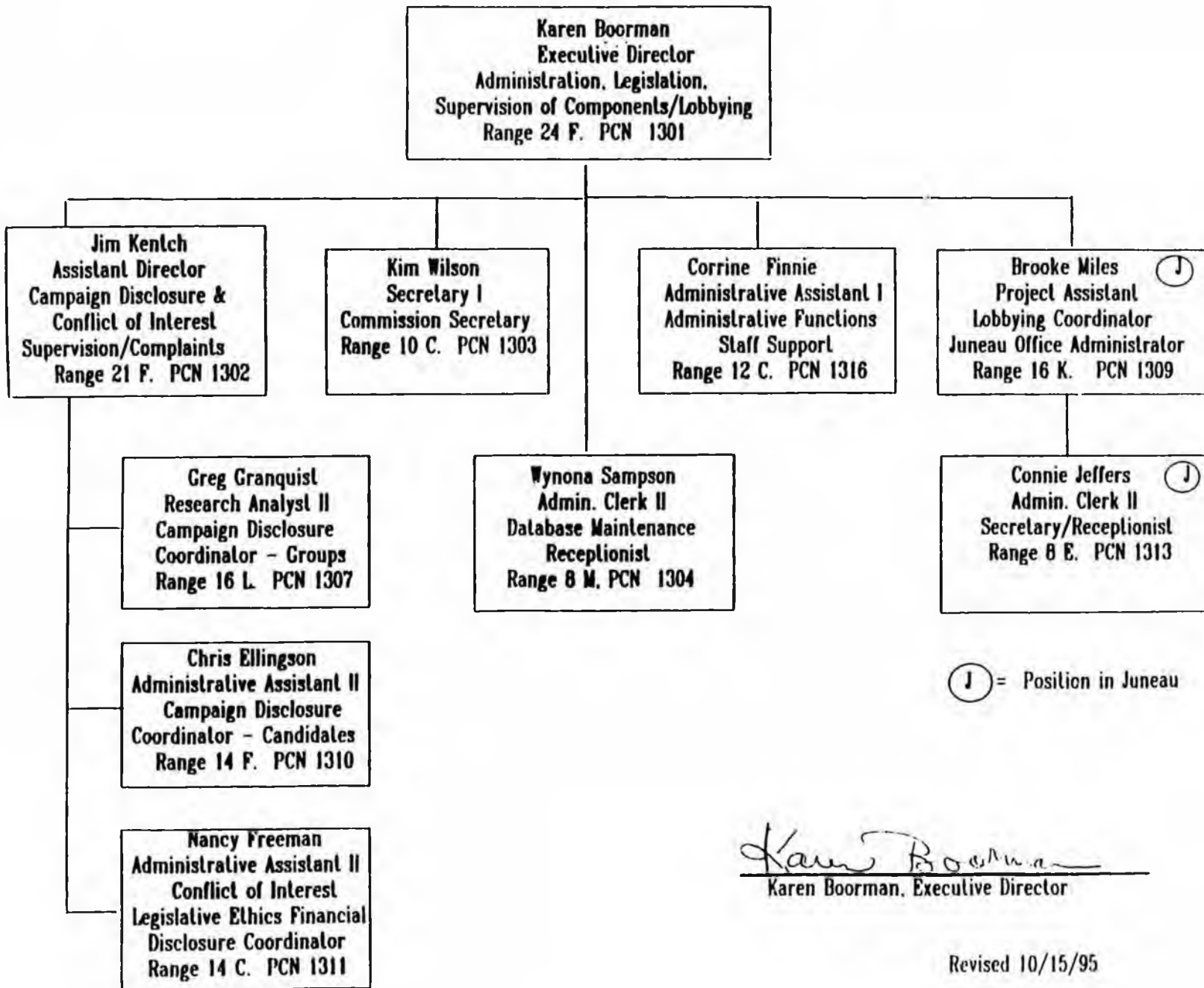


**DEPARTMENT OF ADMINISTRATION
OFFICE OF PUBLIC ADVOCACY**

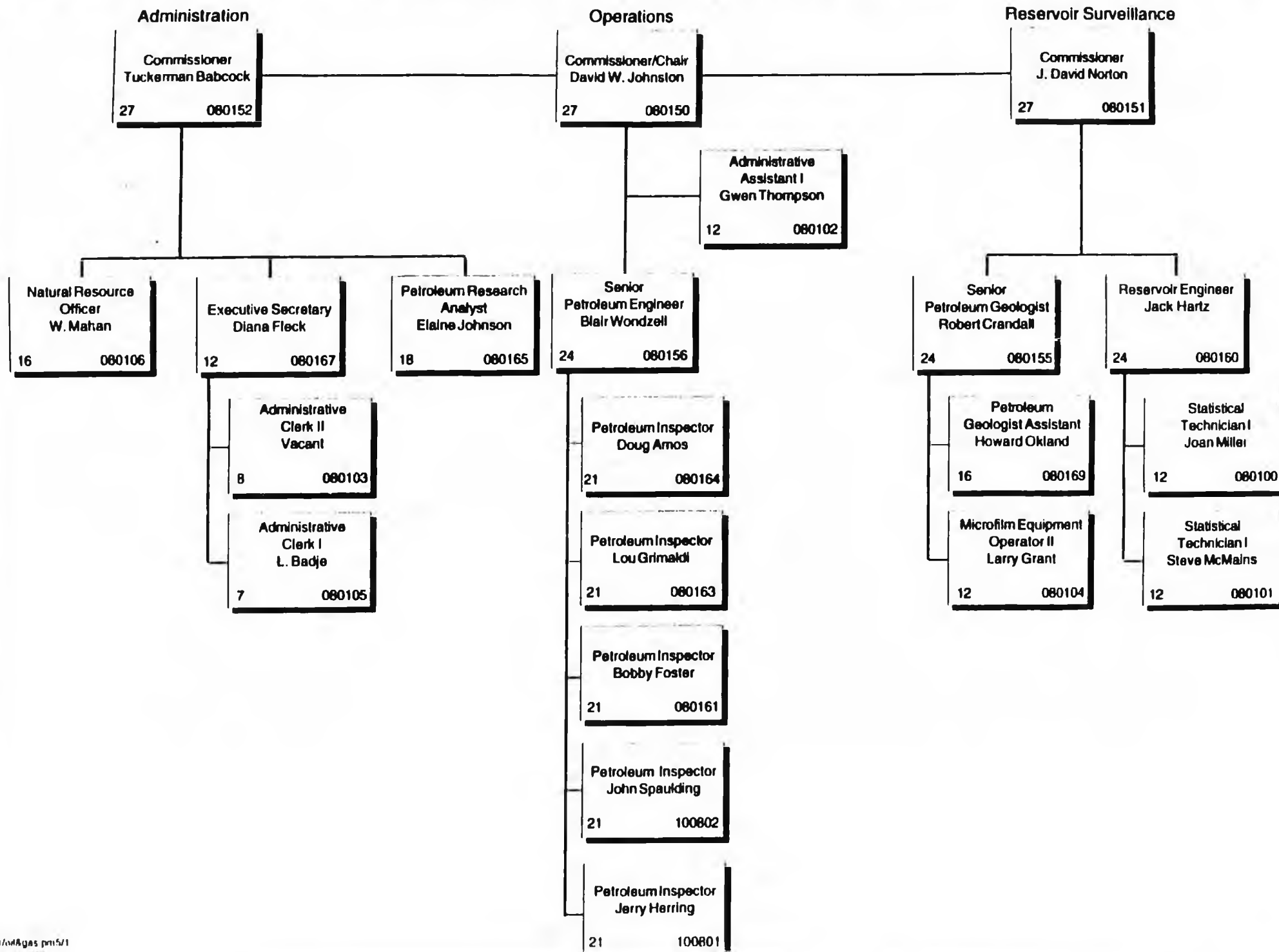


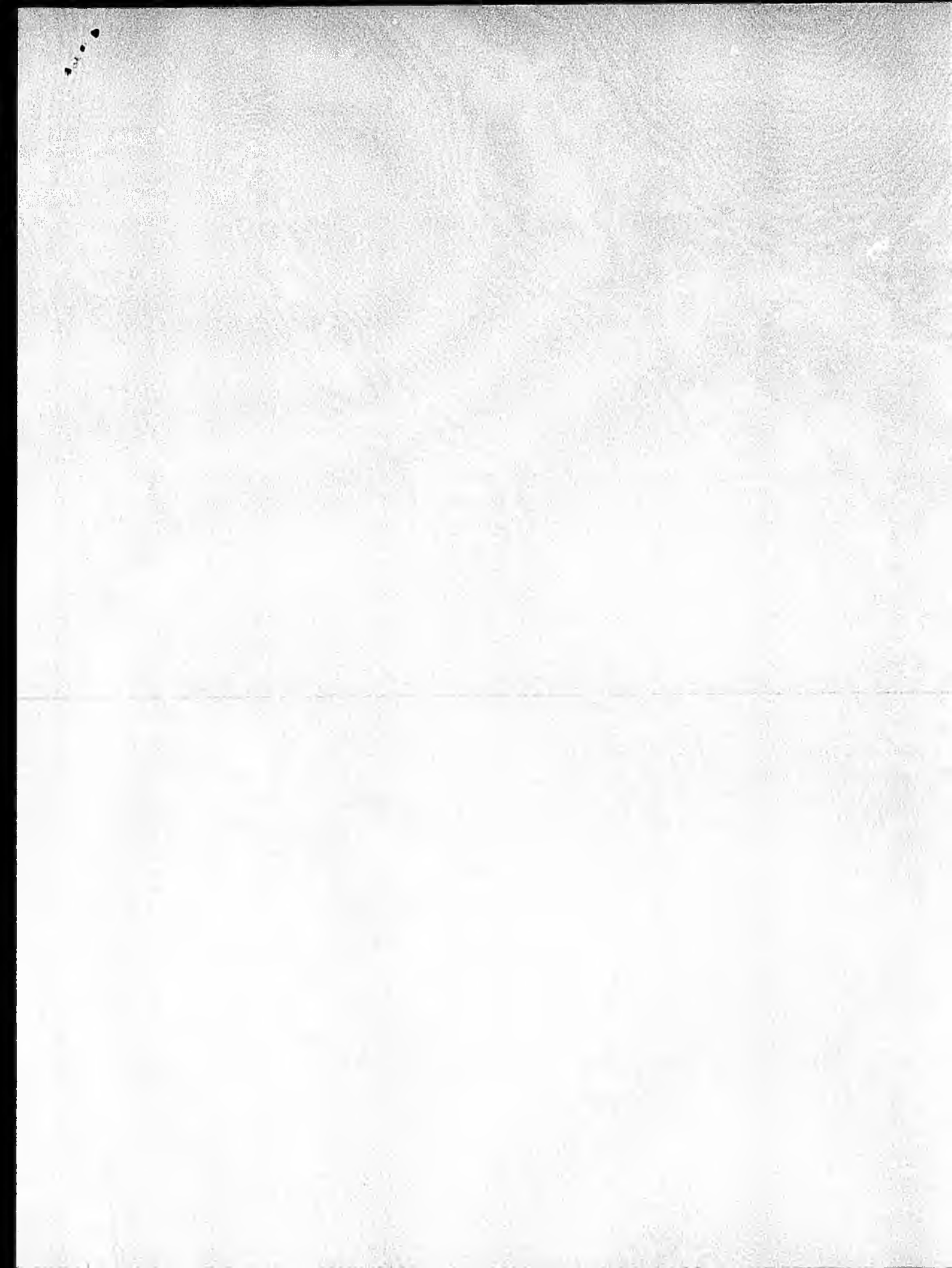
DEPARTMENT OF ADMINISTRATION

ALASKA PUBLIC OFFICES COMMISSION



**DEPARTMENT OF ADMINISTRATION
ALASKA OIL AND GAS CONSERVATION COMMISSION**





Attachment #

1/22/96

**Budget
Overview**

FY 97

Agency Request

Alaska Department of

REVENUE

January

1996

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Agency Budget Summary	9
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Department of Revenue FY97 Budget Overview

What does this Publication Provide?

The Department of Revenue submitted a detailed budget request through the Governor's Office of Management and Budget. This publication summarizes the Governor's budget request for the department; it highlights program and budget changes from prior years; it provides a quick reference for individual program budgets.

Section 1 summarizes the department's organization and budget. It provides (1) information on what the department does; (2) a summary of the agencies that are administratively attached to the department; and (3) a listing of the boards and commissions that the Commissioner, or the Commissioner's representative, sits on.

Section 2 provides information on the eight components of the department's operations:

- Income and Excise Audit Division
- Oil and Gas Audit Division
- Treasury Division
- Child Support Enforcement Division
- Permanent Fund Dividend Division
- Charitable Gaming Division
- Administrative Services Division
- Commissioner's Office

For each component, we provide (1) an organization chart, (2) a brief description of the programs and responsibilities, (3) a summary of the important issues facing each division and (4) a summary of past appropriations and the Governor's FY97 budget request. At the end of the section, we summarize the statutory authority for each component.

Section 3 provides information on Shared Taxes.

Section 4 provides information on the six boards and authorities that are attached to the Department for administrative purposes. Again, for each board or authority, we provide an organization chart, a brief description of the programs and responsibilities, and a summary of past appropriations and the Governor's FY97 budget request. At the end of the section, we summarize the statutory authority for each section.

Section 5 gives a summary of the Governor's five year capital budget request for the department and associated boards and authorities.

CORRECTION

**THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION**



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

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Section 1.

Agency Overview

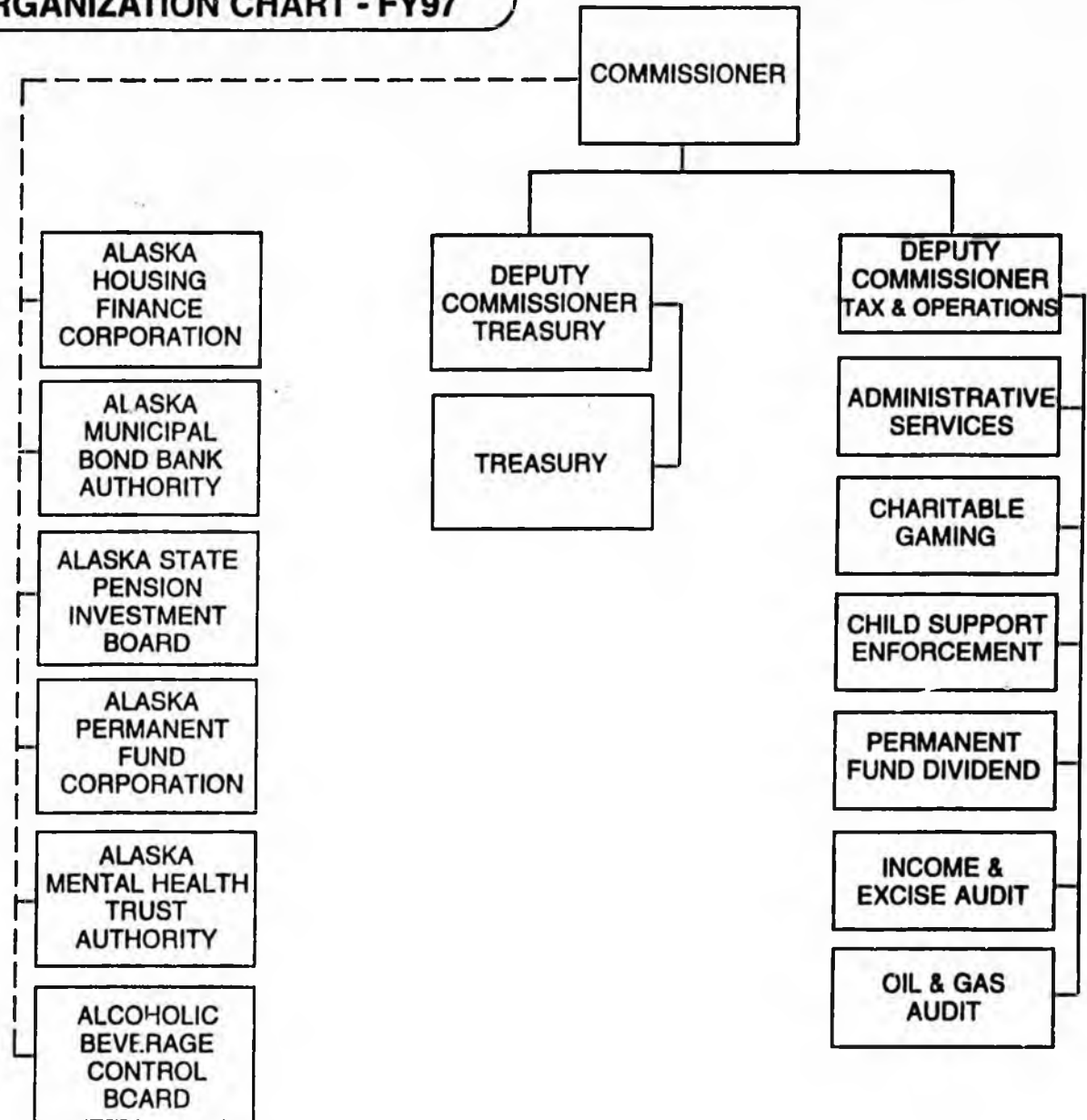
**Alaska Department of
REVENUE**

January

1996



**State of Alaska
DEPARTMENT OF REVENUE
ORGANIZATION CHART - FY97**



**DEPARTMENT
PROPOSED ORGANIZATION CHART - FY 97**

TOTAL	ANCH	FBKS	JNU	SEA	OTHER
PFT	214	3	145	9	
PPT(Seasonal)	5		8		
TEMP	16		62		

UNIT	HEADQUARTERS	FIELD OFFICES
Inc. & Excise Audit	Juneau	Anch/Sea
Oil & Gas Audit	Anchorage	
Treasury	Juneau	
Child Support Encf.	Anchorage	Fbks/Jnu
Perm. Fund Dividend	Juneau	Anch
Charitable Gaming	Juneau	Anch/Fbks
Admin. Svcs.	Juneau	
Commissioner	Juneau	

**BOARDS/CORPORATIONS/AUTHORITIES
PROPOSED ORGANIZATION CHART - FY 97**

TOTAL	ANCH	FBKS	JNU	SEA	OTHER
PFT	274	11	38		34
PPT	15	4	3		21
TEMP	8	2	2		3

UNIT	HEADQUARTERS	FIELD OFFICES
AK Hous. Fin. Corp.	Anchorage	Fbks/Dillingham/ Bethel/Nome/Kotz
AK Mun. Bond Bank	Anchorage	
AK State Pension Inv.	Juneau	
AK Perm. Fund Corp.	Juneau	
AK Ment. Health Trust	Anchorage	
ABC Board	Anchorage	

Department of Revenue FY97 Budget Overview

Agency Overview

The Department of Revenue has responsibility for:

- Collecting the correct tax due to the State
- Forecasting State general fund unrestricted revenues
- Investing the State's revenues
- Managing cash payments to the State and the State's debt
- Administering the Permanent Fund Dividend program
- Enforcing child support obligations
- Overseeing charitable gaming activities in the state
- Providing staff support for the Alaska State Pension Investment Board
- Providing administrative support for the Alcoholic Beverage Control Board, the Alaska Permanent Fund Corporation, the Alaska Housing Finance Corporation, the Alaska Mental Health Trust Authority, and the Alaska Municipal Bond Bank Authority

In the face of the demands of the fiscal gap, we are continuing to evaluate each of the operating divisions within the department. As we proceed, we hope to find further efficiencies in (1) centralizing operations; (2) reducing staffing and consolidating workloads; (3) developing innovative ways to carry out our responsibilities; and (4) increasing our efficient use of data processing. As we look for further ways to stretch the public dollar, we must keep in mind the fact that the main mission of three of our divisions - Oil and Gas Audit, Income and Excise Audit and Treasury - is to raise and protect general fund revenues. We must be careful not to propose budget reductions that will result in reductions in state revenues.

The table below shows the general fund changes from FY96 in our proposed FY97 budget:

Department of Revenue FY96 vs FY97 General Fund Budget

	FY96 Appropriated	FY96 Fiscal Notes	FY97 Adjustment of Base	FY97 Increase/ (Reduction)	Proposed FY97 Budget
Income & Excise Audit	\$3,513.6	\$0.0	\$40.5	(\$100.0)	\$3,454.1
Oil & Gas Audit	\$3,440.0	\$0.0	\$40.6	(\$200.0)	\$3,280.6
Treasury	\$768.6	\$0.0	\$8.0	(\$101.0)	\$675.6
Child Support Enforcement	\$1,854.6	\$46.1	(\$10.8)	\$64.9	\$1,954.8
Charitable Gaming	\$959.1	\$10.0	\$1.7	(\$60.0)	\$910.8
Administrative Services	\$372.1	\$0.0	\$2.7	\$84.0	\$458.8
Commissioner's Office	\$481.9	\$0.0	\$4.5	\$0.0	\$486.4
General Fund Total For Operations	\$11,389.9	\$56.1	\$87.2	(\$312.1)	\$11,221.1

Department of Revenue FY97 Budget Overview

Agency Overview, Continued

In addition to the day to day operations of the department, the Commissioner of Revenue, or the Commissioner's designee, is required by statute to sit on the following boards:

- Alaska State Pension Investment Board
- Alaska Permanent Fund Corporation
- State Bond Committee
- Alaska Housing Finance Corporation
- Alaska Industrial Development & Export Authority
- Alaska Royalty Oil & Gas Advisory Board
- Public School Fund Advisory Board
- State Assessment Review Board
- Alaska Municipal Bond Bank Authority
- Alaska Student Loan Corporation

The Commissioner is also a member of the Governor's Oil and Gas Policy Council. The department provides staff support to this council. The department has also provided information to the Long Range Financial Planning Commission during its deliberations. The department believes it is important for its staff to continue to be involved in the state's long term financial planning process.

Department of Revenue FY97 Budget Overview

Agency Budget Summary

Includes Boards and Commissions
(in thousands of dollars)

	FY94 FINAL AUTHORIZED	FY95 FINAL AUTHORIZED	FY96 AUTHORIZED	FY97 REQUEST
Personal Services	30,843.9	42,386.3	42,840.5	44,479.7
Travel	7,231.4	2,034.0	1,866.5	1,854.9
Contractual	43,829.4	59,732.5	70,266.7	66,495.1
Commodities	713.1	1,918.6	1,576.2	1,562.3
Equipment	1,007.3	1,988.4	996.3	840.9
Lands/Buildings	1,594.7	2,425.0	1,457.0	932.0
Grants	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0
Total	79,219.8	110,484.8	119,003.2	116,164.9
POSITIONS:				
PFT	590.0	780.0	760.0	780.0
PPT	15.0	53.0	55.0	32.0
Temp	58.0	73.0	72.0	71.0
FUNDING:				
1001 CBR Fund	0.0	0.0	451.5	448.5
1002 Federal Funds	7,101.5	28,076.5	26,955.6	27,027.7
1003 General Fund Match	1,708.1	1,689.9	1,860.7	1,914.8
1004 General Fund	9,104.7	8,948.8	8,459.6	8,236.9
1005 GF/Program Receipts	1,783.3	1,770.0	1,765.0	1,716.6
1007 Interagency Receipts	1,780.7	2,854.3	2,686.0	2,767.2
1011 Education Trust	35.2	35.1	19.7	16.6
1016 Federal Incentives	1,504.5	2,497.3	2,917.3	2,934.6
1017 Deferred Comp	0.0	148.0	45.9	75.4
1022 Corporation Receipts	34,328.1	41,182.9	46,215.7	41,651.6
1027 Int Airprt	0.0	0.0	0.0	24.5
1029 Public Employ Retire	10,223.1	10,891.6	12,885.1	14,241.3
1034 Teachers Retirement	6,695.3	7,255.7	7,852.8	8,228.0
1042 Judicial Retirement	90.3	90.9	100.7	103.4
1045 Military Retirement	25.8	29.1	35.4	16.4
1046 Student Loan	0.0	0.0	0.0	20.8
1048 University Receipts	71.3	71.4	67.9	30.4
1050 PFD Fund	4,430.9	4,354.5	4,418.1	4,595.4
1053 Investment Loss Trust	35.2	35.2	18.7	16.4
1061 CIP Receipts	0.0	96.6	1,174.5	1,147.7
1066 Public School Fund	301.8	302.0	120.2	57.2
1092 Mental Health Trust Inc.	0.0	155.0	952.8	0.0
1094 Mental Health Trust Admin	0.0	0.0	0.0	893.5

Does not include off-budget General Fund authorization for Shared Taxes.

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Section 2.

**Department
of Revenue
Division
Summaries**

**Alaska Department of
REVENUE**

January

1996

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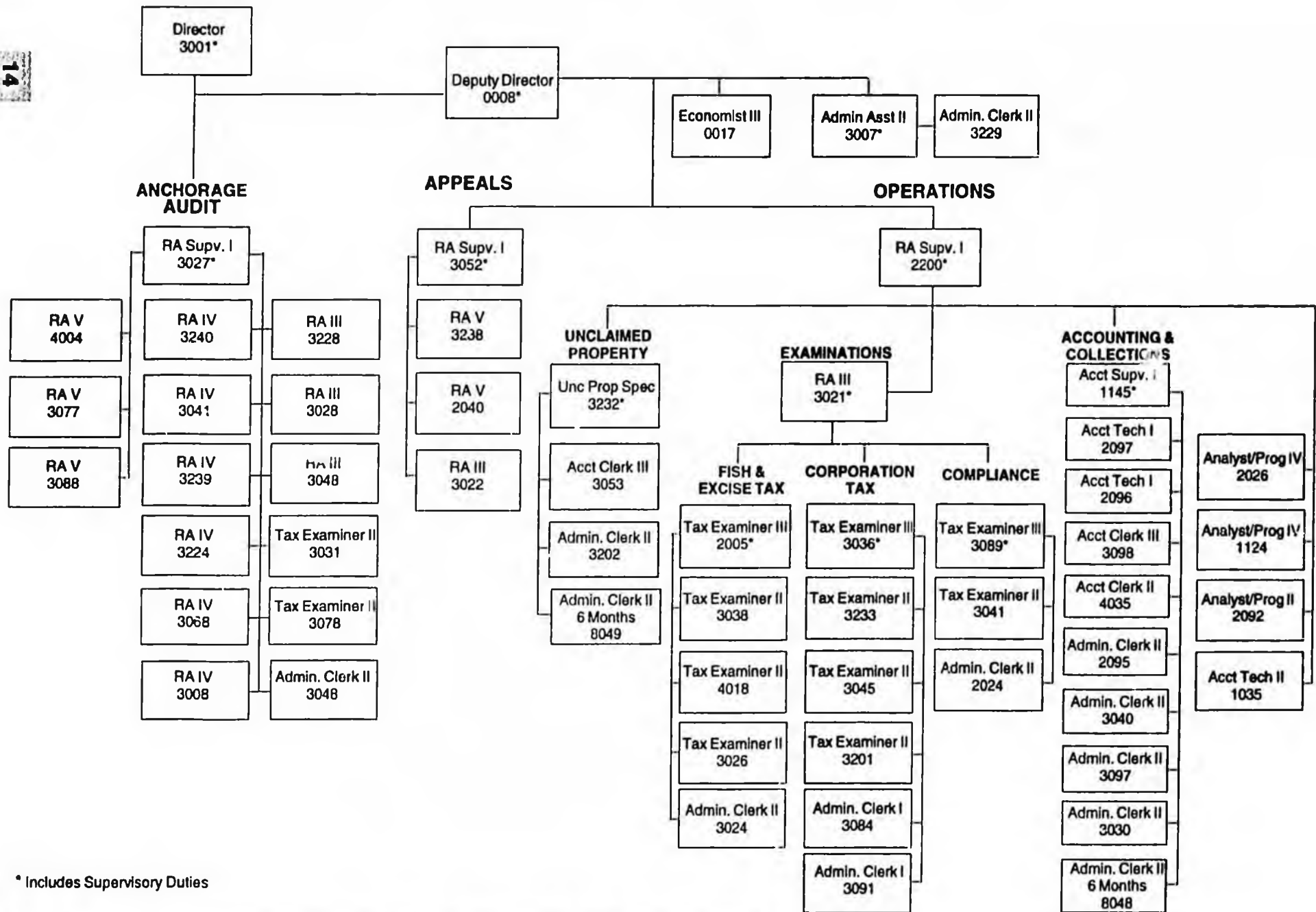
Department of Revenue FY97 Budget Overview

Budget Summary

(In thousands of dollars)

OPERATING SUMMARY

	FY94 FINAL AUTHORIZED	FY95 FINAL AUTHORIZED	FY96 AUTHORIZED	FY97 REQUEST
Personal Services	19,390.6	21,220.0	22,533.7	22,963.1
Travel	479.9	399.1	431.4	418.8
Contractual	21,510.2	7,077.3	8,093.6	7,762.8
Commodities	283.4	375.1	305.6	291.1
Equipment	938.6	1,070.7	172.6	146.9
Lands/Buildings	144.7	0.0	0.0	0.0
Grants	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0
Total	42,747.4	30,142.2	31,536.9	31,582.7
FUNDING:				
1001 CBR Fund	0.0	0.0	451.5	448.5
1002 Federal Funds	6,706.5	8,853.7	9,954.6	10,079.7
1003 General Fund Match	1,708.1	1,689.9	1,860.7	1,914.8
1004 General Fund	9,104.7	8,948.8	8,459.6	8,236.9
1005 GF/Program Receipts	1,157.2	1,115.7	1,125.7	1,069.4
1007 Interagency Receipts	657.5	2,142.0	2,072.5	2,137.5
1011 Education Trust	35.2	35.1	19.7	16.6
1016 Federal Incentives	1,504.5	2,497.3	2,917.3	2,934.6
1027 Int Airprt	0.0	0.0	0.0	24.5
1029 Public Employees Retire	10,223.1	0.0	0.0	0.0
1034 Teachers Retirement	6,655.3	0.0	0.0	0.0
1042 Judicial Retirement	90.3	0.0	0.0	0.0
1045 Military Retirement	25.8	0.0	0.0	0.0
1046 Student Loan	0.0	0.0	0.0	20.8
1048 University Receipts	71.3	71.4	67.9	30.4
1050 PFD Funds	4,430.9	4,354.5	4,418.1	4,595.4
1053 Investment Loss Trust	35.2	35.2	18.7	16.4
1061 CIP Receipts	0.0	96.6	50.4	0.0
1066 Public School Fund	301.8	302.0	120.2	57.2
POSITIONS:				
PFT	386.0	419.0	427.0	430.0
PPT	14.0	13.0	15.0	5.0
Temp	58.0	62.0	62.0	62.0



* Includes Supervisory Duties

Alaska Department of Revenue
INCOME & EXCISE AUDIT DIVISION
ORGANIZATION CHART - PROPOSED FY 97**

TOTAL	ANCH	FBKS	JNU	SEA
PFT	18		39	
PPT			2	
TEMP				

**The position to be eliminated by budget reduction has not been determined. The final organization chart will show 56 full time positions.

Income and Excise Audit Division

Overview

The Income and Excise Audit Division (IEAD) is responsible for forecasting and collecting state tax revenue from the following taxes: corporation net income, alcoholic beverages, motor fuel, tobacco, fisheries business, salmon enhancement, seafood marketing, salmon marketing, fishery resource landing, electric cooperative, telephone cooperative, mining license, coin-operated devices, and estate. IEAD also has responsibility for administering the state's unclaimed property program and shared tax programs.

IEAD has four sections. The Operations Section performs the following with respect to taxes: accounting, collections, tax return examination, compliance, and shared taxes administration. This section also administers the state's unclaimed property program and provides support for division-specific computer programming needs. The Audit Section performs taxpayer field audits for the taxes the division administers. This section also provides taxpayer assistance, researches tax policy, coordinates the division's efforts with the Internal Revenue Service, and assists with specific research projects as the need arises. The Appeals Section staff administer taxpayer informal conference requests, participate in settlement negotiations, research tax policy with the Audit Section, and coordinate the division's efforts with the Department of Law when tax appeals proceed to the formal hearing or court stage. Our research economist has the responsibility to (1) maintain forecast models for all state taxes except the Oil and Gas Production Tax and the Oil and Gas Property Tax; (2) assist the Economic Research Section of the Oil and Gas Audit Division in preparing revenue forecasts twice yearly; and (3) perform research and analysis related to proposals for altering existing taxes and introducing new state taxes.

Issues

The IEAD is in a transition period. During the last two years, our priorities have been to (1) catch up on and improve the efficiency of our audits of major oil and gas corporations for the corporation net income tax; and (2) modernize our data processing system. We have been successful in both areas. We moved from having a single auditor do a single audit to using a team approach for the corporation net income tax. By making this change, we reduced the time to complete an average audit from four years to eighteen months. Though we are still a number of years behind on some of our audits, we now have a two year plan to catch up. As we catch up, we are able focus more on auditing other taxpayers for other tax types. We have nearly completed the implementation of our new tax computer program, which has significantly automated our processing and review of tax returns.

Department of Revenue FY97 Budget Overview

As revenue from North Slope production declines and the State budget is reduced, the taxes for which IEAD has responsibility are becoming increasingly important. The division has taken budget cuts in each of the last three years. This year's budget request includes a general fund reduction of \$59,500 and a reduction of one position. During the last two years, the volume of tax returns filed has increased twenty percent, to over 23,000 returns annually. We have increased the number of corporation audits completed and have maintained a limited but focused tax compliance program.

Our goals for the next fiscal year are to (1) absorb increases in workload through efficiencies achieved with our new computer system; (2) continue to provide timely and accurate tax return processing; (3) continue our efforts to bring our audits and appeals current; and (4) do limited forecasting and compliance work.

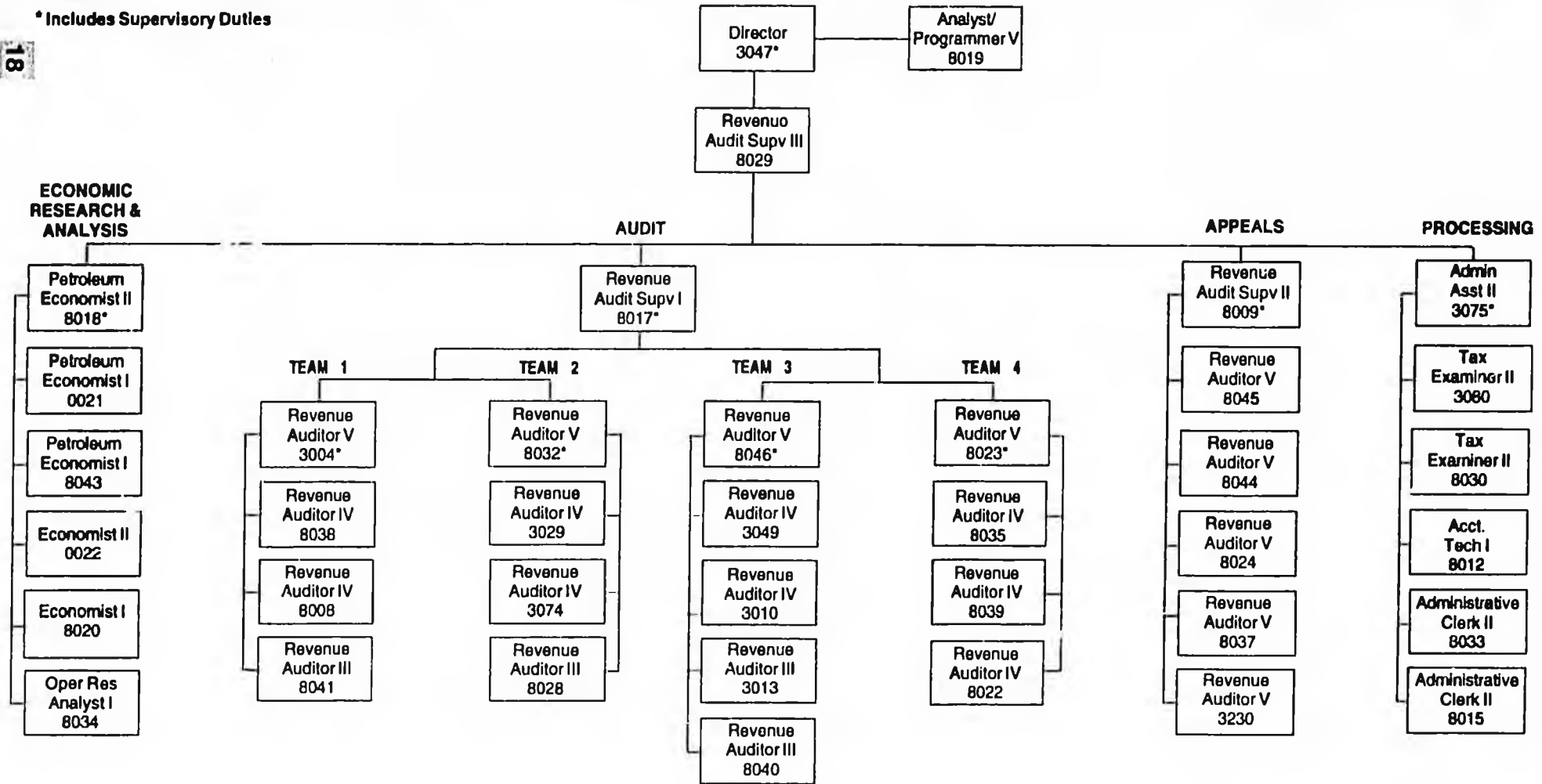
Department of Revenue FY97 Budget Overview

Income and Excise Audit Division

	FY94 FINAL AUTHORIZED	FY95 FINAL AUTHORIZED	FY96 AUTHORIZED	FY97 REQUEST
Personal Services	2,921.2	2,981.2	3,121.2	3,073.6
Travel	56.3	138.5	107.1	102.1
Contractual	317.3	298.3	255.1	248.2
Supplies	63.0	60.2	30.2	30.2
Equipment	190.5	123.0	0.0	0.0
Lands/Buildings	60.1	0.0	0.0	0.0
TOTAL	3,608.4	3,601.2	3,513.6	3,454.1
FUNDING:				
1004 General Fund	3,452.6	3,444.6	3,357.0	3,295.5
1005 GF/Program Receipt	155.8	156.6	156.6	158.6
POSITIONS:				
PFT	57.0	57.0	57.0	56.0
PPT	0.0	0.0	2.0	2.0
Temp	0.0	0.0	0.0	0.0

* Includes Supervisory Duties

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**Alaska Department of Revenue
OIL AND GAS AUDIT DIVISION
PROPOSED ORGANIZATION CHART - FY 97**

TOTAL	ANCH	FBKS	JNU	SEA
PFT	39			
PPT				
TEMP				

Department of Revenue FY97 Budget Overview

Oil and Gas Audit Division

Overview

The Oil and Gas Audit Division (OGAD) is responsible for collecting state tax revenue from the Oil and Gas Production Tax and Oil Surcharge, the Oil and Gas Property Tax, and the Conservation Tax. The OGAD is also responsible for forecasting oil and gas royalty and production tax revenue. The OGAD staff are working to resolve the last of the disputes related to the Separate Accounting Corporate Income Tax, which was repealed in 1981.

The OGAD is organized into five sections. The Processing Section is responsible for processing and performing the initial review and examination of all oil and gas production tax returns. The Audit Section audits oil production tax returns and performs audits of oil and gas royalty payments as requested by the Department of Natural Resources. The Appeals Section staff administer taxpayer informal conference requests, participate in settlement negotiations and coordinate the division's efforts with the Department of Law when tax appeals proceed to the formal hearing or court stage. The Property Tax administrator performs an annual statewide assessment of oil and gas property taxes. The Economic Research Section has the following responsibilities: (1) prepare semiannual revenue forecasts for the legislature and the executive branch; (2) perform real-time analysis of North Slope oil disposition contracts; (3) research economic issues related to the state's oil and gas revenues; and (4) provide support to the Commissioner's Office researching oil and gas policy issues. The staff in the Audit, Appeals, and Economic Research Sections also perform analysis as necessary for the promulgation of new regulations.

Issues

The OGAD is nearing resolution of the remaining production tax and separate accounting income tax disputes from the late 1970's and the 1980's. Regulations adopted in January 1995 clarified many issues related to the Oil and Gas Production Tax. The division is now developing additional regulations to provide clarity and tax certainty to its taxpayers. The net result of these two regulation projects is simplification of the audit process in the future.

Most of our production tax audits are now current. Future audits will be simplified. As a result, the division can move toward more real-time monitoring of oil markets and transportation costs. In addition, the division plans to become involved in future audits pertinent to the Trans Alaska Pipeline System tariffs.

The division's FY97 budget request includes a cut of \$159,400. It also includes the elimination of one full time position and the conversion of one full time position to part time.

With declining state revenues and a growing fiscal gap, policy makers are shifting their focus on the Department's short-term revenue forecast to our long-term revenue forecast. To respond to this shift, we will work to improve our long-term oil price forecasts and our assessments of long-term North Slope production volumes.

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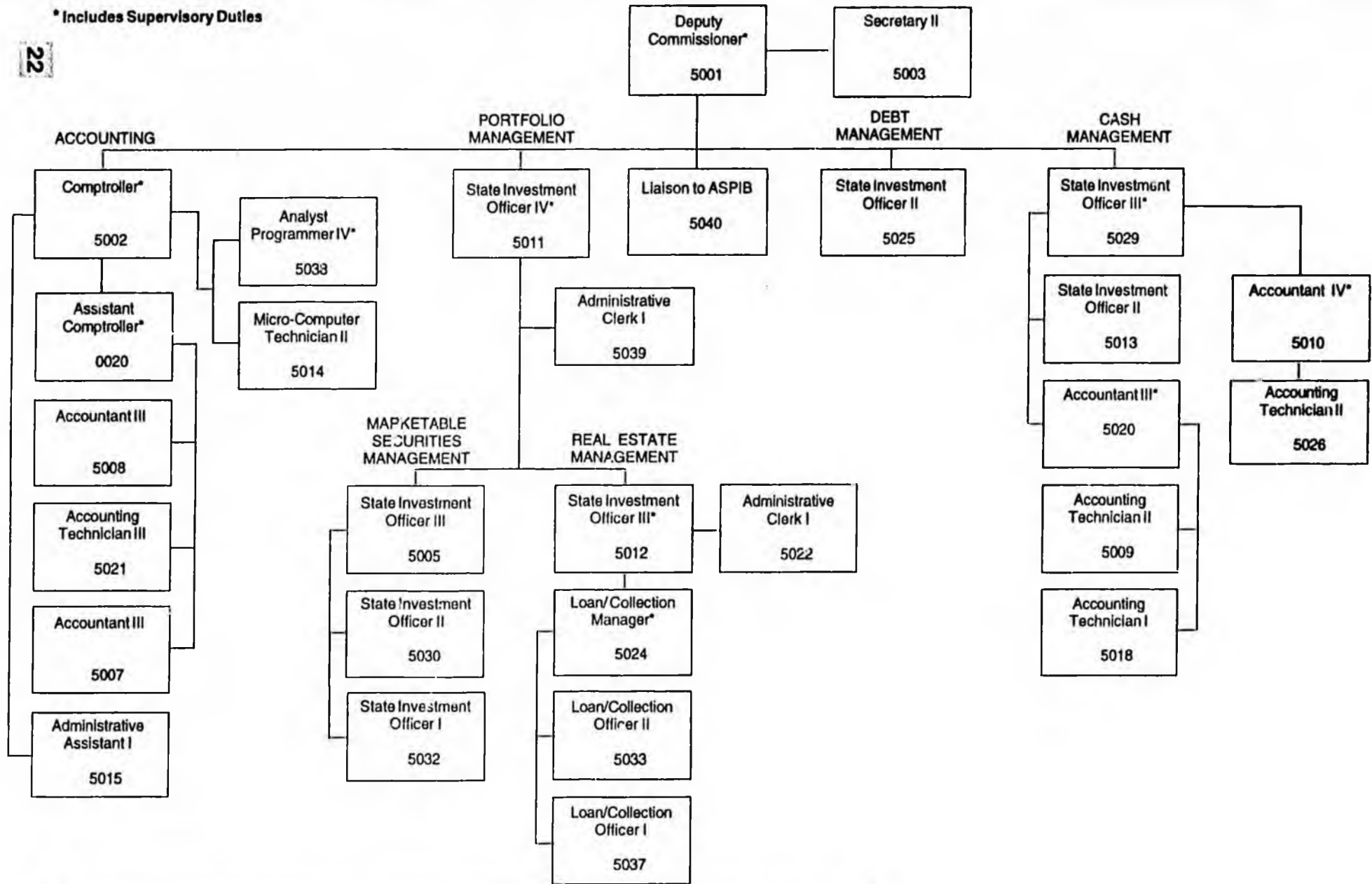
Department of Revenue FY97 Budget Overview

Oil and Gas Audit Division

	FY94 FINAL AUTHORIZED	FY95 FINAL AUTHORIZED	FY96 AUTHORIZED	FY97 REQUEST
Personal Services	2,796.4	2,932.9	2,932.9	2,853.8
Travel	108.6	59.6	105.3	94.3
Contractual	366.5	471.7	387.4	318.1
Supplies	27.4	15.2	14.4	14.4
Equipment	70.0	25.9	0.0	0.0
Lands/Buildings	0.0	0.0	0.0	0.0
TOTAL	3,368.9	3,505.3	3,440.0	3,280.6
FUNDING:				
1004 Gen Fund	3,368.9	3,505.3	3,440.0	3,280.6
POSITIONS:				
PFT	40.0	40.0	40.0	38.0
PPT	0.0	0.0	0.0	1.0
Temp	0.0	0.0	0.0	0.0

* Includes Supervisory Duties

22



**Alaska Department of Revenue
TREASURY DIVISION
ORGANIZATION CHART - PROPOSED FY 97**

TOTAL	ANCH	FBKS	JNU	SEA
PFT			29	
PPT				
TEMP				

Treasury Division

Overview

The Treasury Division (Treasury) manages the state's financial assets. This includes collection and disbursement of all state funds, investment of the twelve funds under the fiduciary control of the Commissioner of Revenue, the six retirement funds under the fiduciary control of the Alaska State Pension Investment Board and the issuance and oversight of all state debt. Treasury also serves as staff to the Alaska State Pension Investment Board (ASPIB) and the State Bond Committee.

Treasury is set up with four sections.

The Cash Management Section staff process all revenues, pay all expenditures, monitor the state's daily cash balances for investment purposes, ensure compliance with the Federal Cash Management Improvement Act and manage all state banking relationships. The Cash Management staff also perform accounting and reconciliation of cash transactions for the state.

The Portfolio Management section staff directly manage all of the fixed income portfolios of the state funds and pension funds, and oversee the activities of managers hired to invest funds not invested in the fixed income portfolios. The section also provides staff support for the ASPIB and manages the real estate holdings of the pension funds.

The Accounting Section oversees the safekeeping and custody of the state's financial assets. The staff (1) maintain the accounting records and provide monthly reports of all investment activity for state funds and (2) provide data processing support for Treasury.

The Debt Manager (1) serves as staff to the State Bond Committee; (2) has responsibility for issuance, refunding and administration of general obligation bonds, lease-financing, and International Airport System revenue bonds; and (3) prepares general fund cash flow projections for state policy makers. The Debt Manager is the principal state contact with the bond rating services and the national financial community.

Issues

Treasury's FY97 budget request reflects a revised budgeting method for the division. In the past, the costs of managing individual funds have not been accurately reflected in our budget. To revise our allocation, we reviewed the responsibilities of each position in the division. We then performed a cost allocation for each position to each of the state funds managed by the division, including the retirement funds under the fiduciary control of the ASPIB. Our FY97 budget request reflects this change. In addition, we reduced by \$112,600 our request for contractual services mainly by (1) negotiating reduced fees from external custody and investment advisory contracts; and (2) reducing our request for contractual software development by having treasury staff do the work instead. The combination of these reductions and the revised cost allocation results in a decrease in our general fund request of \$93,000, and an overall reduction of \$69,100.

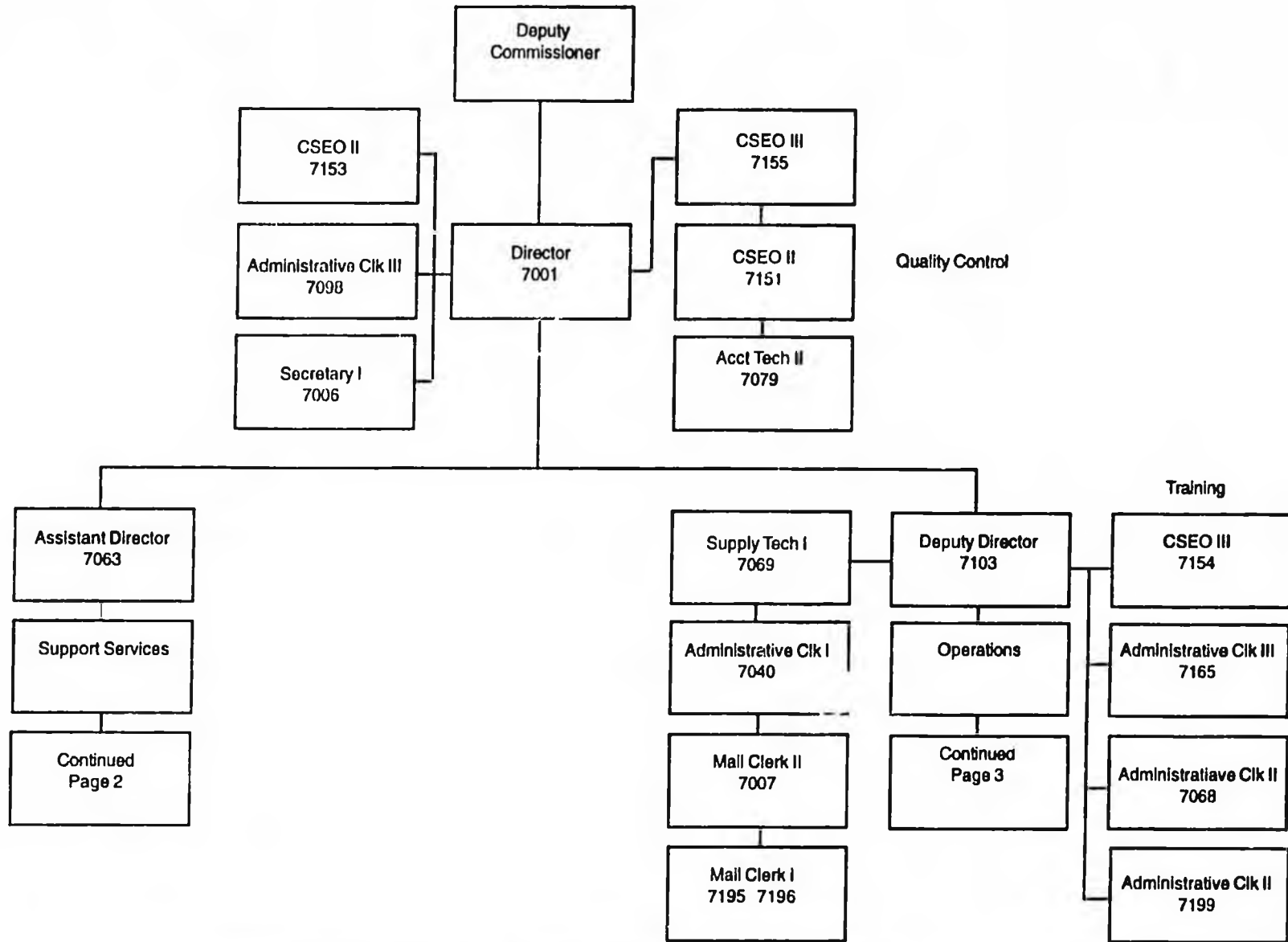
Department of Revenue FY97 Budget Overview

Treasury is working with other state agencies to ensure efficient management of the state's cash holdings. We are currently assisting several divisions in automating fee collections to decrease the time that payments are held before being deposited for investment. The division also continues to reassess its investment of state funds, maximizing returns wherever possible.

Department of Revenue FY97 Budget Overview

Treasury Division

	FY94 FINAL AUTHORIZED	FY95 FINAL AUTHORIZED	FY96 AUTHORIZED	FY97 REQUEST
Personal Services	1,993.1	2,035.9	2,065.1	2,109.4
Travel	181.3	22.3	22.3	24.6
Contractual	16,400.0	899.6	720.8	608.2
Supplies	38.3	38.3	45.0	17.5
Equipment	50.1	0.0	24.4	0.0
Lands/Buildings	0.0	0.0	0.0	0.0
TOTAL	18,612.7	3,046.2	2,853.2	2,784.1
FUNDING:				
1001 CBR Fund	0.0	0.0	451.5	448.5
1002 Federal Receipts	100.0	0.0	0.0	0.0
1004 General Fund	1,034.7	1,221.6	768.6	675.6
1007 Interagency Receipts	0.0	1,380.9	1,406.6	1,494.1
1011 Education Trust	35.2	35.1	19.7	16.6
1027 Int Airprt	0.0	0.0	0.0	24.5
1029 Public Employees Retire	10,223.1	0.0	0.0	0.0
1034 Teachers Retirement	6,695.3	0.0	0.0	0.0
1042 Judicial Retirement	90.3	0.0	0.0	0.0
1045 Military Retirement	25.8	0.0	0.0	0.0
1046 Student Loan	0.0	0.0	0.0	20.8
1048 University Receipts	71.3	71.4	67.9	30.4
1053 Investment Loss Trust	35.2	35.2	18.7	16.4
1066 Public School Fund	301.8	302.0	120.2	57.2
POSITIONS:				
PFT	29.0	29.0	29.0	29.0
PPT	0.0	0.0	0.0	0.0
Temp	0.0	0.0	0.0	0.0



Department Of Revenue CHILD SUPPORT ENFORCEMENT DIVISION ORGANIZATION CHART (PAGE 1 OF 3) - PROPOSED FY 97				TOTAL.	ANCH	FBKS	JNU
				PFT	201	5	4
				PPT			