

ALASKA LEGISLATURE

1403-2E

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

STATE OF ALASKA
 OFFICE OF MANAGEMENT & BUDGET
 DIVISION OF BUDGET REVIEW

DATE: 03/07/96
 TIME: 14:57:12
 PROG: PHSFY97

FY '97 OPERATING BUDGET INITIAL REQUEST TO GOVERNOR'S AMENDED TRANSACTIONS (PHASE 5), BY AGENCY

AGENCY: DEPARTMENT OF ADMINISTRATION

SER #	BUDGET REQUEST UNIT	COMPONENT	REF #	DESCRIPTION	GOV GEN FUNDS	GOV OTHER	GOV TOTAL
2083	SENIOR SERVICES	PROTECTION, COMMUNITY SERVICES	5100	Funding from Pioneers' Homes for verification of eligibility & records mana	0.0	325.0	325.0
1985	SENIOR SERVICES	SENIOR RESIDENTIAL SERVICES	5100	Partially restore funding for Kotzebue Senior Center	60.0	0.0	60.0
1631	LEGAL AND ADVOCACY SERVICES	PUBLIC DEFENDER AGENCY	5100	Show existing temporary positions	0.0	0.0	0.0
56	PERSONNEL	PERSONNEL	5100	Show funding from prior year capital appropriations	0.0	75.0	75.0
57	PERSONNEL	PRODUCTIVITY IMPROVEMENT CENTE	5100	Additional receipts from municipal governments for training services	20.0	-20.0	0.0
61	GENERAL SERVICES	PROPERTY MANAGEMENT	5100	Correct position count	0.0	0.0	0.0
64	RETIREMENT AND BENEFITS	RETIREMENT AND BENEFITS	5100	Reduced costs for record keeping services	0.0	-100.0	-100.0
*** AGENCY TOTAL ***					80.0	280.0	360.0

TITLE: FY97 Budget Amendment

DESCRIPTION:

This amendment increases the Interagency Receipts in the Protection, Community Services & Administration component via an RSA from the Pioneers' Homes component. Program Receipt authorization will be available in the Pioneers' Homes component as the result of proposed resident rate increases for FY97. These receipts will fund a Resident Financial Records Management unit, which will be responsible for the review of Pioneers' Homes residents financial records and for the verification of eligibility for indigent status. This process will become more important as the Homes work their way towards charging for the full cost of care by FY03. The Division expects that there will be an increase in requests for indigent status as the rates increase, and as regulations governing this area become more complex. It will be impossible for the individual Homes to manage this review without substantial Central Office assistance. It is also necessary to institute a universal financial disclosure system and prohibitions on asset divestiture at the beginning of the upward shift in rates. During the first year, the unit will be reviewing records on the current residents of the Homes, and those people on the active waiting list, a total of approximately 900 people.

Funding is included in the contractual line for support from the Department of Law, and for temporary help during the first year of operation, given the large initial number of reviews to be performed. This amendment also funds four PFT positions: one Eligibility Technician IV (R 16); two Eligibility Technicians II (R 14), and one Eligibility Technician I (R 13).

EXPENDITURES

Personal Services	189.3
Travel	
Contractual	104.4
Supplies	5.0
Equipment	26.3
Lands & Buildings	
Grants & Claims	
Miscellaneous	
Total	325.0

FUNDING SOURCES

1002 Federal Receipts	
1003 General Fund Match	
1004 General Fund	
1005 GF Program Receipts	
1037 GF Mental Health	
1007 Interagency Receipts	325.0
Total	325.0

STAFFING

Permanent Full-Time	4.0
Permanent Part-time	
Temporary	

AGENCY Department of Administration

BRU Senior Services

COMPONENT Protection, Community Services & Administration # 2083

Page 1 of 1
Revised Date

FY 97

**DECREMENT
or INCREMENT**

Form C5
Revised 8/1/95

5,100

TITLE: FY97 Budget Amendment

DESCRIPTION:

This amendment increases GF authorization in the Senior Residential Services Component to restore funding reduced from the Manillaq Association's Kotzebue Senior Center grant in the Governor's initial budget request. The net reduction for the component from FY96 Authorized is \$21.2.

EXPENDITURES

Personal Services	
Travel	
Contractual	
Supplies	
Equipment	
Lands & Buildings	
Grants & Claims	60 0
Miscellaneous	
Total	60 0

FUNDING SOURCES

1002 Federal Receipts	
1003 General Fund Match	
1004 General Fund	60 0
1005 GF Program Receipts	
1037 GF Mental Health	
Total	60 0

STAFFING

Permanent Full-Time	
Permanent Part-time	
Temporary	

AGENCY Department of Administration

BRU Senior Services

COMPONENT Senior Residential Services #1985

Page 1 of 1

Revised Date 01/22/96

FY 97

**DECREMENT
or INCREMENT**

Form C5

Revised 8/1/95

TITLE: FY97 Budget Amendment

DESCRIPTION:

Primary initiatives in FY97 are for reengineering the hiring process and imaging state applications. This increment will allow for expenditures of FY94 and FY96 CIP funds appropriated for these purposes. It will partially fund two positions assigned to these projects.

EXPENDITURES

Personal Services	75.0
Travel	
Contractual	
Supplies	
Equipment	
Lands & Buildings	
Grants & Claims	
Miscellaneous	
Total	75.0

FUNDING SOURCES

1002 Federal Receipts	
1003 General Fund Match	
1004 General Fund	
1005 GF Program Receipts	
1037 GF Mental Health	
1061 CIP Receipts	75.0
Total	75.0

STAFFING

Permanent Full-Time	
Permanent Part-time	
Temporary	

AGENCY Administration

BRU Personnel

COMPONENT Personnel 56

Page 1 of 1

Revised Date:

FY 97

1100

**DECREMENT
or INCREMENT**

Form C5

Revised 8/1/95

TITLE: FY97 Budget Amendment

DESCRIPTION:

Enrollment in Productivity Center (PIC) training is increasing for municipality employees. As a result, PIC's Designated Program Receipts income is increasing, while budgeted inter-agency receipts have not been realized

This proposal would exchange additional designated program receipts for reduced interagency receipts, with no change in overall total.

The PIC is entirely self-funded and has worked to increase overall income so they can offer quality training to state employees.

Without this change, the PIC may have to stop accepting non-state trainees if they have no ability to accept the non-state revenue to cover their costs.

EXPENDITURES

Personal Services	
Travel	
Contractual	
Supplies	
Equipment	
Lands & Buildings	
Grants & Claims	
Miscellaneous	
Total	0.0

FUNDING SOURCES

1002 Federal Receipts	
1003 General Fund Match	
1004 General Fund	
1005 GF Program Receipts	
1037 GF Mental Health	
1007 I/A Receipts	(20.0)
1091 Designated PR	20.0
Total	0.0

STAFFING

Permanent Full-Time	
Permanent Part-time	
Temporary	

AGENCY Administration

BRU Personnel

COMPONENT PIC 57

**DECREMENT
or INCREMENT**

Form C5
Revised 8/1/95

Page 1 of 1

Revised Date

FY 97

5100

TITLE: FY97 Budget Amendment

DESCRIPTION:

The Retirement and Benefits component has contractual agreements for record keeping and education services for two defined contribution plans: the Supplemental Annuity Plan and the Deferred Compensation Plan. A decrement is proposed since the component projects excess spending authority to meet the obligations of these agreements for FY97.

Expenditures related to record keeping and educational services for these programs are tied to the value of the total assets of each plan. As the value of the assets grow due to contributions and investment return, the amount of expenditures to the contracted record keeper increases. The level of budget authorization after this decrement should be sufficient to cover expenses in FY97 (unless market return is similar to that achieved in 1995.) The component constantly projects asset growth of these plans in relation to budget authorization. A budget increment for FY98 may be necessary to pay record keeping expenses.

EXPENDITURES

Personal Services	
Travel	
Contractual	(100.0)
Supplies	
Equipment	
Lands & Buildings	
Grants & Claims	
Miscellaneous	
Total	(100.0)

FUNDING SOURCES

1002 Federal Receipts	
1003 General Fund Match	
1004 General Fund	
1005 GF Program Receipts	
1037 GF Mental Health	
1017 Bene Sys Receipts	(100.0)
Total	(100.0)

STAFFING

Permanent Full-Time	
Permanent Part-time	
Temporary	

AGENCY Administration

BRU Retirement and Benefits

COMPONENT Retirement and Benefits #64

Page 1 of 1
Revised Date

FY 97

**DECREMENT
or INCREMENT**

Form C5
Revised 8/1/95

160

TITLE: FY97 Budget Amendment

DESCRIPTION:

To more accurately reflect personal services costs in the component thirteen temporary positions are shown in the FY97 budget. These are not new positions. The positions are used to subfill temporarily absent personnel and have been used in this way for years but have not been noted in prior year budget documents.

These positions are included in the revised CF1 form but are not reflected in the short form.

EXPENDITURES

Personal Services
Travel
Contractual
Supplies
Equipment
Lands & Buildings
Grants & Claims
Miscellaneous

Total

FUNDING SOURCES

1002 Federal Receipts
1003 General Fund Match
1004 General Fund
1005 GF Program Receipts
1037 GF Mental Health

Total

STAFFING

Permanent Full-Time
Permanent Part-time
Temporary

130

**DECREMENT
or INCREMENT**

Form C5

Revised 8/1/95

AGENCY Administration

BRU Legal and Advocacy Services

COMPONENT Public Defender 1631

Page 1 of 1

Revised Date:

FY 97

5100

TITLE: FY97 Budget Amendment

DESCRIPTION:

This amendment corrects the PFT and PPT counts for the Property Management Component. PCN 02-5060 is changed from PFT to PPT.

EXPENDITURES

Personal Services	
Travel	
Contractual	
Supplies	
Equipment	
Lands & Buildings	
Grants & Claims	
Miscellaneous	
Total	

FUNDING SOURCES

1002 Federal Receipts	
1003 General Fund Match	
1004 General Fund	
1005 GF Program Receipts	
1037 GF Mental Health	
Total	

STAFFING

Permanent Full-Time	(1.0)
Permanent Part-time	1.0
Temporary	

AGENCY Administration

BRU General Services

COMPONENT Property Management

Page 1 of 1

Revised Date:

FY 97

**DECREMENT
or INCREMENT**

Form C5
Revised 8/1/95

Commerce & Economic Development

Alaska State Legislature

REPRESENTATIVE
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House District 31

House Of Representatives

MEMORANDUM

DATE: March 20, 1996

TO: Representative Mark Hanley, Co-Chair
Representative Richard Foster, Co-Chair
House Finance Committee

FROM: Representative Pete Kelly *Pete*
Chair, House Budget Subcommittee on the
Dept. of Commerce & Economic Development

RE: Subcommittee Closeout Report

The House GF allocation for the Department of Commerce and Economic Development is \$34,962.5. The House Budget Subcommittee recommended a budget \$239.9 (GF) below this ceiling.

Please find below a written summary of the House Budget Subcommittee Closeout for the Department of Commerce and Economic Development. A spreadsheet is also attached.

Measurement Standards-

The subcommittee denied the proposed funding source conversion of \$876.5 from GF to GF/PR.

Insurance-

The subcommittee eliminated the position and funding for one insurance analyst; the subcommittee further reduced personal services by 119.1 which takes it back to the FY95 actual level, and reduced travel by 43.5 to take it back to the FY95 actual level.

Occupational Licensing-

Premium (overtime) pay was eliminated for a reduction of 18.5.

Alaska Public Utilities Commission-

The subcommittee denied two requested increments; 78.4 in personal services for a Utility Finance Analyst position, and 96.8 in contractual for a study of telecommunications market structure.

Commissioner's Office-

The subcommittee eliminated the position and funding, 80.7, for the Special Assistant

Administrative Services-

The subcommittee eliminated the position and funding for one mail clerk carrier, for a reduction of 35.8. The subcommittee further reduced personal services by 78.4 with the expectation that at least one additional full time position be eliminated as a result.

Trade and Development-

The subcommittee eliminated premium (overtime) pay for a reduction of 10.0. The Assistant Commissioner's salary was reduced by 6.0 to make it consistent with a Director's level salary. Funding for the Korean trade office was reduced by 25.0 with the expectation that savings be achieved through co-location with an office the Anchorage Convention Center and Visitor's Bureau has in Seoul. The subcommittee also denied the Governor's amendment for a 75.0 increment for the Northern Forum.

Tourism-

The subcommittee eliminated the position and funding, 38.2, for one administrative clerk associated with tourism inquiry fulfillment. Personal services was also reduced by 35.9 to close the Tok APLIC on June 30 instead of the end of September. The subcommittee further reduced personal services by 35.0.

Alaska Tourism Marketing Council-

The subcommittee eliminated premium pay for a reduction of 1.6.

Alaska Seafood Marketing Institute-

The subcommittee eliminated the GF match funding of 843.6 with the expectation that ASMI could use program receipts to be collected as a result of passage of HB397, which would make available \$1.3 million currently being held in escrow, or a portion of its existing program receipts collected from on-shore fish processors.

House DCED Budget Subcommittee Recommendation

Dept. of Commerce & Econ. Development					
From FY97 Governor's Request*					
BRU/Component	GF	GF/Desig.	GF/PR	GF Match	Explanation
Measurement Standards	876.5		-876.5		deny funding source switch to GF/PR, as proposed in FY97 budget request
Insurance		-59.2			eliminate position and funding for 1 insurance analyst-unfilled since approved last year
		-119.1			further reduce personal services to FY95 actual level
		-43.5			reduce field travel back to FY95 actual level
Occupational Licensing Operations		-18.5			eliminate premium pay
Licensing Boards					
AK Public Utilities Commission		-70.4			deny increment for Utility Finance Analyst position
		-96.8			deny increment for contract to study telecomm. market structure
Commissioner's Office	-80.7				eliminate position and funding for special assistant
Administrative Services	-78.4				streamline personal services through efficiencies; eliminate at least 1 position
	-35.8				eliminate position and funding for 1 mail clerk carrier
Trade and Development	-10				eliminate premium pay
	-6				reduce Assistant Commissioner's salary to Director level
	-25				reduce funding to Korea office; achieve savings through co-location with Anch. Convention Center & Visitors' Bureau office
Tourism	-35.9				eliminate personal svcs. funding to keep APLICS open through September
	-35				eliminate personal services/funding (nec. to keep Tok person on fulltime year round)
	-38.2				eliminate position and funding for 1 admin. clerk assoc. with inquiry fulfillment
AK Tourism Marketing Council	-1.6				cut premium pay
AK Seafood Marketing Institute				-843.6	eliminate general fund match; use GF/PR (processor \$) for federal match (HB397)
TOTAL Reductions = \$1,597.7					
*Accept all amendments with the exception of 75.0 Increment for Northern Forum					

MEMORANDUM

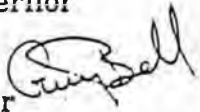
State of Alaska

TO: Nancy Slagle
Director
Division of Budget Review
Office of the Governor

DATE: March 22, 1996

FILE NO:

TELEPHONE NO:

FROM: Guy Bell, Director 
Division of Administrative Services
Department of Commerce and
Economic Development

SUBJECT: FY 97 Operating Budget
House Finance Subcommittee
Budget Reductions

The department has some very serious concerns with the cuts proposed for the Department of Commerce and Economic Development by the House DCED Budget Subcommittee.

Initially, we note that the Governor's FY 97 budget included \$2.7 million in reductions to the department's unrestricted general fund budget. The cuts proposed by the House Finance Subcommittee impact the department's programs an additional \$1.6 million. We also note that the proposed cuts go far beyond the caps set by the House for the department. The cap set for the department was \$1,357.8, while the proposal cuts \$1,597.7, a difference of \$239.9. These reductions will affect the ability of the department to carry out its dual missions of economic development and business regulation.

I will briefly discuss the impacts of each proposed cut.

Measurement Standards

Deny funding source switch to GF/PR (876.5)

- This change, although having no real programmatic impact, will impact the general fund and the fiscal gap. In originally proposing this funding source change, the department was trying to be responsible and find ways for regulatory programs to be self-funding—a goal that has been repeatedly stressed by the legislature in the past.

Insurance

This division is fully funded by designated program receipts that are generated by fees charged to the insurance industry. The fees are set by regulation. Since the mid-1980s when the Division of Insurance's program receipt funding was initiated, no one has testified in opposition to the division's fee proposals. None of the proposed changes to this division's budget will have any impact on the fiscal gap, since the amount collected from the licensees will be reduced an equivalent amount.

Personal Services cuts (\$178.3)

- This reduction will result in staff layoffs; which positions, where, and when will be determined later. We can say that a reduction of this magnitude will severely hurt the Insurance Division's ability to do its job. The division currently has only two vacant positions, an Insurance Analyst and an Administrative Clerk. Recruitment is underway for both. Because of the

specialized nature of our professional positions, recruitment is difficult, but experience has shown that once someone is hired, the person stays with the division for years.

Travel cuts to FY 95 Actual (\$43.5)

- The increase in the division's travel budget in FY 97 represents direct reimbursement receipts when examiners travel to examine insurance companies. This difference from FY 95 actuals is not the result of any increase in travel; rather, this is only the result of an IRS required change in accounting. If this cut is implemented, it will actually mean the division will have \$43.5 less in travel money than in FY 95. These cuts will impact the division's ability to do exams, with no benefit to the state.

Occupational Licensing

This division is fully funded by designated program receipts that are generated by fees charged to licensees. The fees are set by regulation. The proposed reductions to this division's budget will not have any impact on the fiscal gap, since the amount collected from the licensees will be reduced an equivalent amount.

Cut to Occupational Licensing premium pay (18.5)

- The department long ago eliminated all unnecessary overtime and scrutinizes it carefully. Some overtime is inevitable: boards meet on weekends; employees must travel and, by federal law, are required to receive overtime when they do. To claim to be cutting overtime is simply false: minimal overtime will continue to be incurred and paid and the cuts will have to be absorbed elsewhere.

APUC

Deny Increments (169.0)

- Arguments for these increments have been made in C5's, which are attached. With all the changes in telecommunications at the federal level, combined with rapidly changing technology, it is unrealistic to expect the APUC to operate at the same or less funding than in the past. In addition, this proposed cut also will have no impact on the fiscal gap.

Commissioner's Office

Currently the level of support to the Commissioner's Office is half of what it was under prior administrations, and further reductions would hinder the department's ability to have a positive impact on Alaska's economy. The Commissioner oversees nine line divisions and is statutorily required to sit on more than a dozen boards and commissions, including the Alaska Permanent Fund, the Alaska Railroad, and AIDEA, as well as more than 20 task forces that range from Arctic/polar issues to seafood marketing. Demands on the Commissioner's time are daunting, and an adequate staff is vital if the Commissioner is to speak effectively on behalf of Alaska on a wide range of issues.

In the past several years, the Commissioner's Office staff has been cut nearly in half, while still providing needed services to aid Alaska's economy. A deputy

commissioner position was eliminated in the late eighties; one special assistant position was eliminated in FY 96; the Governor's proposed budget already includes the elimination of a support staff position, leaving the support needs of the entire office in Juneau on the shoulders of the deputy, secretary, and executive secretary.

Eliminate Special Assistant (80.7)

- There is currently one special assistant position in the department. This person manages and coordinates inter- and intra-departmental projects for the Commissioner, including decisions involving the Governor's Office and the Legislature; works with the executive secretary and staff to manage the commissioner's time and provide thorough briefings; works with the assistant commissioner and special projects assistants to ensure follow through on economic development-related projects, including *Marketing Alaska*, Governor Knowles' economic development initiative; drafts policy statements and position papers for the Commissioner; and generally serves as the Commissioner's representative in economic development matters.

Deny Increment for Northern Forum (75.0)

- Cutting the state's contribution to the Northern Forum would severely hinder Alaska's—the only Arctic state in the U.S.—ability to participate in international economic policy discussions with other Arctic nations. The Northern Forum provides direct contact with governors/leaders of Arctic regions who have direct responsibility for key decisions affecting the region's unique economic and political activities. These face-to-face discussions are important to Alaska's economy, as well as our nation's security.

Administrative Services

The Division of Administrative Services serves the internal administrative needs of the department through management guidance, accounting, budget development, purchasing, property control, data and word processing, and human resources services (including employee recruitment, payroll, employee orientation, personnel issues/adjudication, etc.). The proposed reduction represents 13% General Fund cut, translating to as many as three of the division's nineteen positions.

General Reduction to Services (78.4)

- The division struggles to maintain its current level of services in view of increasing workloads generated by the Fair Labor Standards Act, federal tax law changes, increases in complexity in State accounting and budgeting, advances in computer technology, and decentralization of services from the Department of Administration. The division cannot cover this reduction by efficiencies. One option we will have to consider is to increase our charge to agencies for the services we provide.

Elimination of one Mail Clerk Carrier II (35.8)

- The department has two mail clerks (Range 9) to handle the massive amounts of mail generated from tourism inquiries and responses, occupational and business licenses, insurance licenses and registrations, banking applications and complaints, securities registrations, corporations filings, and requests for

information, and much more. Much of this correspondence is the actual receipt of revenues for the various divisions. Elimination of half of our mail clerk carrier staff would seriously bog down the distribution and processing of these transactions. It will also mean that divisions will need to contract out certain large mailings, increasing their operating costs.

Trade and Development

Eliminate Premium (Overtime) Pay (10.0)

- See above argument under Occupational Licensing.

Reduce Assistant Commissioner to Director level (6.0)

- The difference between a Range 27 (Asst. Comm.) and a Range 26 (Director) is approximately 3.0, not 6.0. See AS 39.27.011. A significant consideration in the DCED reorganization is to have a single person head up Tourism, Trade and Development, and because Tourism is headed by a Director, it was necessary (and appropriate) to have an Assistant Commissioner oversee TT&D.

Reduce Funding for Korea Office (25.0)

- The Subcommittee has proposed cutting 25.0 from DTD's Korea Office to reflect anticipated savings from co-locating with the Anchorage Convention and Visitor's Bureau. We do not anticipate savings tied to the move to be greater than 15.0 - 20.0.

Tourism

The Governor's FY 97 budget already calls for \$544.8 (18%) in responsible reductions to the Division of Tourism which will affect all its programs and services. The House Finance Subcommittee proposes to make an additional \$109.1 in reductions.

Eliminate Personal Services Funding to keep APLICs open through September (35.9)

- This reduction would close the Tok APLIC (Visitor Center) on June 30, just at the start of the peak tour season. Four seasonal positions will be eliminated. The Governor's budget plan would have kept the Tok APLIC open through the end of the tourist season in September.

Eliminate Tourism Secretary (35.0)

- Since Tourism and Trade and Development now share administrative staff, the elimination of the Tourism Secretary (35.0) would severely affect both divisions. What would remain would be two Administrative Clerks (Range 8 to serve as telephone receptionist/point of contact for both divisions and clerical/administrative support for a Director, a Section Chief (Planner IV), 13 Development Specialists, an Administrative Assistant, and an Administrative Manager. Even without this proposed cut, the current situation will be exacerbated through the administrative staff absorbing the administration of the Economic Development Matching Grant Program and the Product

Preference Program, because of the loss of the grants administrator already proposed in the Governor's budget.

Eliminate one administrative clerk associated with inquiry fulfillment (38.2)

- Since September 1, 1995, Inquiry has responded to 44,000 requests for information from potential visitors to Alaska. For the travel year ending August 31, 1995, we fulfilled just under 100,000 requests for information. Currently, Inquiry staff are struggling to respond to today's volume of requests. Average response time is slipping and other division and department staff are routinely being pulled from their regular work to assist in filling requests.

Alaska Seafood Marketing Institute

Elimination of the General Fund Match for the Federal Export Program (\$843.6)

- Two possibilities:
 1. ASMI will be unable to match the \$4 to \$5 million in federal Market Promotion Program funds. The MPP is the only export program for Alaska salmon products in Europe and Asia. For every \$1 of state match ASMI is able to leverage about \$4 in federal MPP funds and \$15 in combined federal and private company promotional support in foreign markets; or
 2. Re-allocate processor assessments from the domestic marketing activities to the MPP program to continue the MPP activities. This will result in a 50% reduction in the Summer promotion, a 25% reduction in the Fall promotion, and a significant reduction in the Spring/Lent program.
- Either of these options will lead to continued loss of Alaska markets to farmed salmon products. Given the current world glut, this will also lead to further decline in Alaska's ability to reduce the canned salmon inventory and will result in declining harvest levels and prices paid to Alaska fishers and processors. This in turn will result in fewer jobs and less state and local taxes from commercial fishing. (Note: Average one cent a pound ex-vessel value is worth \$7 million to the Alaska economy.)
- ASMI recognizes the need to reduce the state budget and intends to phase out the state match in the next few years. ASMI's plan for the future is to raise additional assessments from the industry to continue funding the export program. Due to the current crisis in the industry, ASMI requests that the match fund be held harmless from further cuts in FY 97.
- Any offshore processor funds that may become available from HB 397 are derived from whitefish and should not be used to promote salmon products in foreign countries.

Agency Totals - FY97 Operating Budget

Agency: Department of Commerce and Economic Development

	<u>FY95 Act</u>	<u>FY96Auth</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
Totals for Agency	55,719.8	61,309.6	60,374.3	60,449.3	58,776.6	-1,672.7	-2.8 %
<u>Objects of Expenditure:</u>							
Personal Services	22,354.8	23,268.7	23,368.7	23,349.1	22,760.3	-588.8	-2.5 %
Travel	2,147.5	2,055.3	2,100.2	2,100.2	2,056.7	-43.5	-2.1 %
Contractual	25,641.6	26,167.1	25,967.4	25,987.0	25,865.2	-121.8	-0.5 %
Commodities	665.9	614.6	594.2	594.2	594.2	-0.0	-0.0 %
Equipment	736.0	203.9	190.8	190.8	190.8	0.0	0.0 %
Lands/Buildings	91.5	0.0	0.0	0.0	0.0	0.0	0.0 %
Grants, Claims	4,082.5	9,000.0	8,153.0	8,228.0	8,153.0	-75.0	-0.9 %
Miscellaneous	0.0	-0.0	-0.0	-0.0	-843.6	-843.6	
<u>Funding Sources:</u>							
1002 Fed Rcpts	5,857.6	6,401.1	5,275.0	5,275.0	5,275.0	0.0	0.0 %
1003 G/F Match	1,090.4	890.4	043.6	843.6	0.0	-843.6	-100.0 %
1004 Gen Fund	13,013.1	13,079.0	10,479.8	10,554.8	11,009.7	454.9	4.3 %
1005 GF/Prgm	23,738.4	23,044.1	11,033.3	11,033.3	10,156.8	-876.5	-7.9 %
1007 I/A Rcpts	548.2	495.1	812.5	812.5	812.5	0.0	0.0 %
1022 Corp Rcpts	3,801.2	4,211.2	4,856.3	4,856.3	4,856.3	0.0	0.0 %
1025 Sci/Tech	4,390.1	9,508.0	9,514.7	9,514.7	9,514.7	0.0	0.0 %
1035 Vet Loan	281.2	238.0	216.8	216.8	216.8	0.0	0.0 %
1036 Cm Fish Ln	2,064.0	2,431.1	2,459.8	2,459.8	2,459.8	0.0	0.0 %
1040 Surety Fnd	94.2	275.3	194.1	194.1	194.1	-0.0	-0.0 %
1057 Small Bus	26.5	8.0	8.0	8.0	8.0	0.0	0.0 %
1061 CIP Rcpts	46.2	150.0	135.0	135.0	135.0	0.0	0.0 %
1067 Mining RLF	174.8	9.0	9.0	9.0	9.0	0.0	0.0 %
1068 Child Care	16.9	6.5	6.5	6.5	6.5	0.0	0.0 %
1069 Hist Dist	2.8	3.0	3.0	3.0	3.0	0.0	0.0 %
1070 Fish En Ln	252.3	271.7	274.9	274.9	274.9	0.0	0.0 %
1071 Alt Energy	289.6	276.2	279.5	279.5	279.5	0.0	0.0 %
1072 Res Energy	32.3	11.9	8.9	8.9	8.9	0.0	0.0 %
1091 GF/Desig			13,963.6	13,963.6	13,556.1	-407.5	-2.9 %
<u>Positions:</u>							
Perm Full Time	396.0	395.0	389.0	389.0	383.0	-6.0	-1.5 %
Perm Part Time	16.0	15.0	16.0	16.0	12.0	-4.0	-25.0 %
Non-Perm	2.0	0.0	0.0	0.0	0.0	0.0	

Component Summary - FY97 Operating Budget

General Funds and CBR

Agency: Department of Commerce and Economic Development

Page	Budget Component	FY95 Act	FY96Auth	Gov	Gov Amd	House	Gov Amd to House	
	Measurement Standards							
1	Measurement Standards	2,874.1	2,879.3	2,927.3	2,927.3	2,927.3	0.0	0.0%
	* BRU Total	2,874.1	2,879.3	2,927.3	2,927.3	2,927.3	0.0	0.0%
	Banking, Securities, and Corp							
2	Banking, Securities and Corp	1,641.9	1,631.5	1,665.7	1,665.7	1,665.7	0.0	0.0%
	* BRU Total	1,641.9	1,631.5	1,665.7	1,665.7	1,665.7	0.0	0.0%
	Insurance							
3	Insurance	3,695.3	4,002.0	4,148.7	4,148.7	3,926.9	-221.8	-5.3%
	* BRU Total	3,695.3	4,002.0	4,148.7	4,148.7	3,926.9	-221.8	-5.3%
	Occupational Licensing							
4	Operations	3,803.9	3,735.5	3,941.8	3,941.8	3,923.3	-18.5	-0.5%
5	Licensing Boards	157.0	250.8	262.5	262.5	262.5	0.0	0.0%
	* BRU Total	3,960.9	3,986.3	4,204.3	4,204.3	4,185.8	-18.5	-0.4%
	Alaska Public Utilities Comm							
6	Alaska Public Utilities Comm	3,409.8	3,515.9	3,968.2	3,968.2	3,801.0	-167.2	-4.2%
	* BRU Total	3,409.8	3,515.9	3,968.2	3,968.2	3,801.0	-167.2	-4.2%
	Executive Administration and Development							
7	Commissioner's Office	565.3	528.0	534.7	534.7	454.0	-80.7	-15.1%
8	Administrative Services	1,027.1	1,028.6	852.6	852.6	738.4	-114.2	-13.4%
9	Economic Development	2,189.7	1,909.2	0.0	0.0	0.0	0.0	37.5%
10	International Trade	1,184.1	1,135.0	0.0	0.0	0.0	0.0	
	* BRU Total	4,966.2	4,601.0	1,387.3	1,387.3	1,192.4	-194.9	-14.0%
	Division of Trade and Development							
11	Trade and Development			2,083.3	2,158.3	2,042.3	-116.0	-5.4%
	* BRU Total	0.0	0.0	2,083.3	2,158.3	2,042.3	-116.0	-5.4%
	Tourism							
13	Tourism Development	3,234.3	3,037.5	2,657.7	2,657.7	2,548.6	-109.1	-4.1%
14	Alaska Tourism Mktg Council	4,805.9	5,365.3	5,318.3	5,318.3	5,316.7	-1.6	-0.0%
	* BRU Total	8,040.2	8,402.8	7,976.0	7,976.0	7,865.3	-110.7	-1.4%
	Alaska Seafood Marketing Inst							
17	Alaska Seafood Marketing Inst	9,253.5	7,994.7	7,959.5	7,959.5	7,115.9	-843.6	-10.6%
	* BRU Total	9,253.5	7,994.7	7,959.5	7,959.5	7,115.9	-843.6	-10.6%

Component Summary FY97 Operating Budget

General Funds and CBR

Agency: Department of Commerce and Economic Development

<u>Page</u>	<u>Budget Component</u>	<u>FY95 Act</u>	<u>FY96Auth</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
***	Total Agency Expenditure	37,841.9	37,013.5	36,320.3	36,395.3	34,722.6	-1,672.7	-4.6%

One Way Comparison - FY97 Operating Budget

from Gov Amd to House

Agency: Department of Commerce and Economic Development

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Measurement Standards												
Measurement Standards												
Deny funding conversion; retain general funds	FndChg	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1004 Gen Fund		876.5										
1005 GF/Prgm		-876.5										
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance												
Insurance												
Eliminate vacant insurance analyst position	Dec	-59.2	-59.2	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1091 GF/Desig		-59.2										
Reduce personal services to FY95 actual level	Dec	-119.1	-119.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1091 GF/Desig		-119.1										
Reduce field travel to FY95 actual level	Dec	-43.5	0.0	-43.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1091 GF/Desig		-43.5										
		-221.8	-178.3	-43.5	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Occupational Licensing												
Operations												
Eliminate premium pay	Dec	-18.5	-18.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1091 GF/Desig		-18.5										
		-18.5	-18.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alaska Public Utilities Comrn												
Alaska Public Utilities Commission												
Deny Utility Finance Analyst III	Dec	-70.4	-70.4	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-1.0	-0.0	-0.0
1091 GF/Desig		-70.4										
Deny contractual services for telecom mkt structure review	Dec	-96.8	-0.0	-0.0	-96.8	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1091 GF/Desig		-96.8										
		-167.2	-70.4	0.0	-96.8	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Executive Administration and Development												
Commissioner's Office												
Eliminate position and funding for special assistant	Dec	-80.7	-80.7	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-80.7										
		-80.7	-80.7	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0

One Way Comparison - FY97 Operating Budget

from Gov Amd to House

Agency: Department of Commerce and Economic Development

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<u>Executive Administration and Development</u>													
Administrative Services													
Eliminate position and funding for mail clerk carrier	Dec	-35.8	-35.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-35.8											
Decrease personal services; eliminate at least 1 position	Dec	-78.4	-78.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-78.4											
		-114.2	-114.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
<u>Division of Trade and Development</u>													
Trade and Development													
Eliminate premium pay	Dec	-10.0	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-10.0											
Reduce Asst Commissioner's salary to Director level	Dec	-6.0	-6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-6.0											
Reduce funding for Korea office; co-locate with ACVB	Dec	-25.0	0.0	0.0	-25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-25.0											
Deny Northern Forum Grant	Dec	-75.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-75.0	-0.0	-0.0	-0.0	-0.0
1004 Gen Fund		-75.0											
		-116.0	-16.0	0.0	-25.0	0.0	0.0	0.0	-75.0	0.0	0.0	0.0	0.0
<u>Tourism</u>													
Tourism Development													
Eliminate Tok APLIC funding for FY97 (through Sept.)	Dec	-35.9	-35.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4.0	0.0
1004 Gen Fund		-35.9											
Reduce personal services funding	Dec	-35.0	-35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-35.0											
Eliminate position and funding for one clerk	Dec	-38.2	-38.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-38.2											
		-109.1	-109.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	-4.0	0.0
Alaska Tourism Marketing Council													
Eliminate premium pay	Dec	-1.6	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-1.6											
		-1.6	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

One Way Comparison - FY97 Operating Budget

from Gov Amd to House

Agency: Department of Commerce and Economic Development

Alaska Seafood Marketing Inst
 Alaska Seafood Marketing Institute
 Eliminate general fund match amount
 1003 G/F Match -843.6

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Dec	-843.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-843.6	0.0	0.0	0.0
	-843.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-843.6	0.0	0.0	0.0

STATE OF ALASKA
 OFFICE OF MANAGEMENT & BUDGET
 DIVISION OF BUDGET REVIEW

DATE: 03/07/96
 TIME: 19:14:35
 PROG: PH5FY97

FY '97 OPERATING BUDGET INITIAL REQUEST TO GOVERNOR'S AMENDED TRANSACTIONS (PHASE 5), BY AGENCY

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

SER #	BUDGET REQUEST UNIT	COMPONENT	REF #	DESCRIPTION	GOV GEN FUNDS	GOV OTHER	GOV TOTAL
2056	DIVISION OF TRADE AND DEVELOPM	TRADE AND DEVELOPMENT	5000	Northern Forum Grant	75.0	0.0	75.0
* 1948	ALASKA INDUSTRIAL DEVELOPMENT	ALASKA ENERGY AUTHORITY OPERAT	5000	Line item transfer from Personal Services to Contractual	0.0	0.0	0.0
*** AGENCY TOTAL ***					75.0	0.0	75.0

* transferred on 2/23

TITLE: Northern Forum Grant																																											
<p>DESCRIPTION: The Department of Commerce and Economic Development requests an FY97 budget amendment to include \$75.0 for a grant to the Northern Forum.</p> <p>The Northern Forum is an international organization of regional leaders in the north. It fills a critical role as an information link in the northern regions of the globe. More importantly, it acts as a facilitator and catalyst for action in the north, by encouraging regional economic development while addressing environmental protection, remediation and preservation. It offers unique communications access to the leaders who set our future pace and place in the north. The secretariat of the Northern Forum is located in Anchorage.</p> <p>This appropriation request continues the State of Alaska's commitment to and membership in the Northern Forum, which is funded through membership dues. At present, there is no money in the Governor's budget (operating or capital) for the Northern Forum. Until FY96, the Northern Forum was provided a grant from the operating budget of the Office of International Trade (OIT). In FY95, the grant amount was \$100.0. In FY96, the OIT's budget was reduced and the grant funding was eliminated. On a one-time basis, the department was able to use money in our Economic Development Matching Grants Program appropriation to fund the Northern Forum in FY96 in the amount of \$75.0. The limited amount of funding in the Governor's FY97 capital budget for the Economic Development Matching Grants Program will prevent us from using that as a funding source in FY97.</p> <p>We therefore, submit this operating budget amendment, in the amount of \$75.0 to cover the cost of the state's participation in the Northern Forum in FY97.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center; padding: 5px;">EXPENDITURES</th> </tr> <tr> <td style="padding: 5px;">Personal Services</td> <td style="width: 10%;"></td> </tr> <tr> <td style="padding: 5px;">Travel</td> <td></td> </tr> <tr> <td style="padding: 5px;">Contractual</td> <td></td> </tr> <tr> <td style="padding: 5px;">Supplies</td> <td></td> </tr> <tr> <td style="padding: 5px;">Equipment</td> <td></td> </tr> <tr> <td style="padding: 5px;">Lands & Buildings</td> <td></td> </tr> <tr> <td style="padding: 5px;">Grants & Claims</td> <td style="text-align: right; padding: 5px;">75.0</td> </tr> <tr> <td style="padding: 5px;">Miscellaneous</td> <td></td> </tr> <tr> <td style="text-align: right; padding: 5px;">Total</td> <td style="text-align: right; padding: 5px;">75.0</td> </tr> <tr> <th colspan="2" style="text-align: center; padding: 5px;">FUNDING SOURCES</th> </tr> <tr> <td style="padding: 5px;">1002 Federal Receipts</td> <td></td> </tr> <tr> <td style="padding: 5px;">1003 General Fund Match</td> <td></td> </tr> <tr> <td style="padding: 5px;">1004 General Fund</td> <td style="text-align: right; padding: 5px;">75.0</td> </tr> <tr> <td style="padding: 5px;">1005 GF Program Receipts</td> <td></td> </tr> <tr> <td style="padding: 5px;">1037 GF Mental Health</td> <td></td> </tr> <tr> <td style="text-align: right; padding: 5px;">Total</td> <td style="text-align: right; padding: 5px;">75.0</td> </tr> <tr> <th colspan="2" style="text-align: center; padding: 5px;">STAFFING</th> </tr> <tr> <td style="padding: 5px;">Permanent Full-Time</td> <td></td> </tr> <tr> <td style="padding: 5px;">Permanent Part-time</td> <td></td> </tr> <tr> <td style="padding: 5px;">Temporary</td> <td></td> </tr> </table>	EXPENDITURES		Personal Services		Travel		Contractual		Supplies		Equipment		Lands & Buildings		Grants & Claims	75.0	Miscellaneous		Total	75.0	FUNDING SOURCES		1002 Federal Receipts		1003 General Fund Match		1004 General Fund	75.0	1005 GF Program Receipts		1037 GF Mental Health		Total	75.0	STAFFING		Permanent Full-Time		Permanent Part-time		Temporary	
EXPENDITURES																																											
Personal Services																																											
Travel																																											
Contractual																																											
Supplies																																											
Equipment																																											
Lands & Buildings																																											
Grants & Claims	75.0																																										
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Total	75.0																																										
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Total	75.0																																										
STAFFING																																											
Permanent Full-Time																																											
Permanent Part-time																																											
Temporary																																											

**DECREMENT
or INCREMENT**
Form C5
Revised 8/1/95

AGENCY Commerce and Economic Development

BRU Trade and Development

COMPONENT Trade and Development #2056

Page 1 of 1
Revised Date:

FY 97

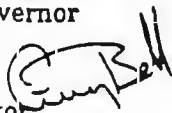
MEMORANDUM

STATE OF ALASKA

TO: Nancy Slagle, Director
Division of Budget Review
Office of Management and Budget
Office of the Governor

DATE: Monday, February 5, 1996

FILE NO.:

FROM: Guy Bell, Director 
Division of Administrative Services
Department of Commerce and
Economic Development

PHONE NO.: 465-2505

SUBJECT: FY 97 Budget Amendments

The Department of Commerce and Economic Development has three net-zero technical amendments to its operating budget submission, and one net-zero technical amendment to the loans budget submission.

Operating Budget Amendments

Division of Tourism

The CF2 form for the Division of Tourism was inadvertently omitted from their submission. It is attached.

Division of Trade and Development

The Division of Trade and Development has reviewed their travel and contractual services requests, and has some changes to allocations to specific projects, and inclusion of project funding source information. Attached are revised C200 and C300 forms.

AK Industrial Development and Export Authority

AEA Operations Component

A *Transfer Within Adjusted Base (C4)* transaction in the AEA Operations component transferring \$19.6 from personal services to contractual services was inadvertently omitted in the detail submission to the Division of Budget Review. Without the transfer the contractual services line item for engineering services for Bradley Lake and the Four Dam Pool is underfunded. Attached are a new C4 and a revised C300 forms.

Loans Budget Amendments

Division of Investments

The Division of Investments has revised its cashflow projection, and its estimate of loan demand for the Fisheries Enhancement Revolving Loan Fund. The revised FY96 *Cashflows Projections* and L1 and L2 forms for the Fisheries Enhancement Revolving Loan Fund are attached. There is no change to the FY 97 Loans Budget amount requested.

Please call me if you need additional information.

**OFFICE OF
MANAGEMENT & BUDGET**
FEB 05 1996

BUDGET REVIEW

CONTACT: Tom Garrett 465-2012

OBJECTIVES AND ACCOMPLISHMENT MEASURES:

Objectives pursued under this budget are:

- Increase direct employment in Alaska's travel industry from 27,000 to 30,000 by the year 2000.
- Increase Alaska resident employment in the travel industry from 84% to 90% by the year 2000.
- Increase visitor spending in non-urban areas of Alaska.
- Increase visitor spending in all non-peak season months, with an emphasis on increased spending in February through May, and September.
- Increase visitor satisfaction with Alaska tour products and destinations by 5%.

STATUTORY/REGULATORY CITATIONS

AS 44.33.119 - 44.33.135

**COMPONENT
OBJECTIVES AND
ACCOMPLISHMENT
MEASURES**

Form CF2
REVISED 8/1/95

AGENCY Commerce and Economic Development

BRU Tourism

COMPONENT Tourism Development # 1017

FY 97

Page 1 of 1

Revised Date:

CODE	TRAVEL AND MOVING CLASSIFICATION	FY 95 ACTUAL	FY 96 AUTHORIZED	FY 97 ADJ BASE	FY 97 GOVERNOR
72000	Total Travel and Moving Interagency Transfers (non-add)			185.7	180.7

FUNDING SOURCES

1002	Federal Receipts			22.6	22.6
1003	General Fund Match				
1004	General Fund			147.9	127.9
1005	General Fund Program Receipts				
1037	General Fund Mental Health				
1007	Interagency Receipts			6.3	6.3
1061	CIP Receipts			8.9	8.9
1091	Designated Program Receipts				15.0

CODE	DESCRIPTION	EXPLANATION	FY 96 AUTHORIZED	FY 97 ADJ BASE	FY 97 GOVERNOR
72240	FIELD TRAVEL - Travel necessary to serve clients, and for Marketing Alaska initiatives within the USA and overseas. Travel requirements include working on economic development projects; with individual clients wanting to relocate to, or invest in Alaska; and to present and participate in tradeshow, workshops and other such activities.			107.8	104.8
72330	BOARDS, COMMISSIONS AND LEGISLATORS' TRAVEL - Minerals Commission Travel			8.3	8.3
72500	PER DIEM - Per diem for staff and Minerals Commission			69.6	67.6

AGENCY Department of Commerce and Economic Development

BRU Trade and Development

COMPONENT Trade and Development #2056

Page 1 of 1

Revised Date: 2/2/96

FY 97

**TRAVEL AND
MOVING**

Form C200

Revised 11/1/95

CODE	CONTRACTUAL SERVICES CLASSIFICATION	FY 95 ACTUAL	FY 95 AUTHORIZED	FY 97 ADJ BASE	FY 97 GOVERNOR
73000	Total Contractual Services Interagency Transfers (non-add)			953.7 67.1	894.8 67.1

FUNDING SOURCES

1002	Federal Receipts			57.8	57.8
1003	General Fund Match				
1004	General Fund			782.2	723.3
1005	General Fund Program Receipts			62.0	62.0
1037	General Fund Mental Health				
1007	Interagency Receipts			10.0	10.0
1061	CIP Receipts			41.7	41.7

CODE	DESCRIPTION	EXPLANATION	FUNDING SOURCE	FY 97 ADJ BASE	FY 97 GOVERNOR
73100	Professional Services				
	Overseas Offices			586.0	536.0
	Japan Office	266.0	GF		
	Employment Contracts				
	Travel				
	Trade Shows				
	Office Rent				
	Operating Expenses				
	Korea Office	220.0	GF 210.0		
	Employment Contracts		IA 10.0		
	Travel				
	Trade Shows				
	Office Rent				
	Operating Expenses				
	Taiwan Office	50.0	GF		
	Honorary Trade Representative				

AGENCY Department of Commerce and Economic Development

BRU Trade and Development

COMPONENT Trade and Development #2056

**CONTRACTUAL
SERVICES**
Form C300
Revised 8/1/95

Page 1 of 3

Revised Date: 2/2/96

FY 97

CODE	DESCRIPTION	EXPLANATION (Continued)	FUNDING SOURCE	FY 97 ADJ BASE	FY 97 GOVERNOR
73100	Professional Services (continued)				
	Other Professional Services			120.0	130.0
	Anchorage Clerical Support (RSA to Commissioner's Office)	19.3	GF		
	Data Processing Technical Support (RSA to Administrative Services)	2.3	GF		
	Marketing Alaska Outreach/Technical Preparations	38.5			
	Business Problem Solving	10.0	FED	33.2	
	Performance Report Preparation	9.9	CIP	25.2	
	Made in Alaska Program Administration	50.0	PR	35.0	
			GF	15.0	
73253	Data Processing Chargeback - Department of Administration	1.2	GF	1.2	1.2
73300	Communication			90.3	85.4
	DOA basic telephone service (34 devices @ \$318.97) (10.8)	11.2	FED	4.2	
	Long distance telephone on DOA network	22.4	CIP	2.8	
	Long distance off network, Telecopy, Teleconferences	26.4	GF	53.0	
	DOA installation/change costs	1.3	GF		
	Shared department data line - DOA	2.6	GF		
	Phone Lease costs	1.5	GF		
	postage	20.0	GF		
73420	Transportation - DOT/PF State Equipment Fleet			0.5	0.5
	Shared Juneau Vehicle (\$.5)	0.5	GF		
73460	Transportation - Other			4.4	4.4
	Freight express charges, courier service	4.4	GF		
73500	Advertising, Printing, and Binding			116.7	104.7
	Central Duplicating and Quick Copy	5.0	GF		
	Subscriptions	5.6	GF		
	Silver Hand Products Promotion	15.0	PR		

**CONTRACTUAL
SERVICES
ADDITIONAL
EXPLANATION**
for Form C300
Revised 11/1/95

AGENCY Department of Commerce and Economic Development

BRU Trade and Development

COMPONENT Trade and Development #2056

Page 2 of 3

Revised Date: 2/2/96

FY 97

CODE	DESCRIPTION	EXPLANATION (Continued)	FUNDING SOURCE	FY 97 ADJ BASE	FY 97 GOVERNOR
73500	Advertising, Printing, and Binding (continued)		FED 1.4		
	Miscellaneous Advertising: workshops, regulations, RFPs, etc.	27.6) (CIP 1.0		
	Printing:		GF 25.2		
	Alaska Mineral Industry	11.0	PR		
	Alaska Minerals Commission Report	1.0	PR		
	Economic Performance Report	10.0) (FED 17.7		
	Presentation Materials	19.5	CIP 11.8		
	Hospitality	10.0	GF		
73700	Minor Repair and Maintenance			8.5	8.5
	Juneau, Anchorage and Fairbanks copier, computer, phone and fax repair	8.5	GF		
73800	Rentals and Leases			6.4	6.4
	Juneau and Anchorage Copiers	2.7	GF		
	Space/Storage Rental	3.7	GF		
73900	Other Expenditures and Services			19.7	17.7
	Dues and Membership Fees	5.8	GF		
	Trade show, conference and seminar registration	9.5) (FED 1.3		
			CIP 0.9		
			GF 7.3		
	Professional Training	1.4	GF		
	Risk Management (RSA to Department of Administration)	1.0	GF		

CONTRACTUAL
SERVICES
ADDITIONAL
EXPLANATION
for Form C300
Revised 8/1/95

AGENCY Department of Commerce and Economic Development

BRU Trade and Development

COMPONENT Trade and Development #2056

Page 3 of 3

Revised Date: 2/2/96

FY 97

CONTACT: William R. Snell, Executive Director (561-8050)

COMPONENT GOALS:

The purpose of the Alaska Energy Authority is to promote, develop, and advance the general prosperity and economic welfare of the people of the state by providing a means of constructing, acquiring, financing and operating and maintaining existing power projects that tap Alaska's natural resources to achieve the lowest reasonable consumer power costs.

AEA staffing is minimized to increase private sector and utility involvement, to the extent feasible.

	FY 95 ACTUAL	FY 96 AUTHORIZED	FY 97 GOVERNOR
EXPENDITURES:			
Personal Services	332.8	402.3	308.8
Other Program Costs	576.7	661.7	746.2
Total	909.5	1,064.0	1,055.0
FUNDING SOURCES:			
Federal Receipts			
General Fund Match			
General Fund			
GF Program Receipts			
GF Mental Health			
Other Funds	909.5	1,064.0	1,055.0
Total	909.5	1,064.0	1,055.0
STAFFING:			
Permanent Full-Time	5	5	4
Permanent Part-time			
Temporary			

DESCRIPTION OF COMPONENT SERVICES:

The goal of the AEA is to operate and maintain nearly \$1 billion in electrical generation and transmission facilities. Direct operating and maintenance responsibilities are contracted to user utilities to the extent feasible.

All Personal Services expenditures are for employees of the Alaska Industrial Development and Export Authority who provide direct operations and maintenance support of the AEA.

DESCRIPTION OF COMPONENT CHANGES:

**COMPONENT GOALS
AND SERVICES**

Form CF1
Revised 8/1/95

AGENCY Commerce and Economic Development

BRU Alaska Industrial Development & Export Authority

COMPONENT Alaska Energy Authority #1948

FY 97

Page 1 of 1

Revised Date: 2/2/96

DESCRIPTIVE TITLE: Bradley Lake and Four Dam Pool Engineering Services			
FROM		TO	
AGENCY Commerce and Economic Development BRU Alaska Industrial Development & Export Authority COMPONENT Alaska Energy Authority #1948		AGENCY Commerce and Economic Development BRU Alaska Industrial Development & Export Authority COMPONENT Alaska Energy Authority #1948	
DESCRIPTION: The reduction in personal services is due to staff turnover in FY95 that resulted in the reduction of range and step designations for three positions.	Amount	EXPENDITURES	Amount
	(19.6)	Personal Services Travel Contractual Supplies Equipment Lands & Buildings Grants & Claims Miscellaneous	19.6
	(19.6)	Total	19.6
	FUNDING SOURCES		
	(19.6)	1002 Federal Receipts 1003 General Fund Match 1004 General Fund 1005 GF Program Receipts 1037 GF Mental Health 1022 Corporate Receipts	19.6
	(19.6)	Total	19.6
	STAFFING		
		Permanent Full-Time Permanent Part-time Temporary	
DESCRIPTION: The operating agreements for Bradley Lake and the Four Dam Pool require AEA to perform certain engineering functions. Since the beginning of FY95 (after the legislative directed termination of all but one of the engineers on AEA's staff), most of the engineering services previously provided by AEA staff has been contracted out to professional engineering companies. This increased contractual cost has been offset by decreased expenditures on staff travel and equipment purchases, as well as by reducing expenditures for other types of contractual services (i.e. the annual audit, annual report production, management and engineering services from AIDEA). Funding for these costs is provided by administrative fees paid to AEA by the utilities purchasing power from the AEA owned facilities.			

**TRANSFER WITHIN
ADJUSTED BASE**
Form C4
Revised 8/1/95

AGENCY Commerce and Economic Development
 BRU Alaska Industrial Development & Export Authority
 COMPONENT Alaska Energy Authority #1948

FY 97

Page 1 of 1
 Revised Date: 2/2/96

CODE	CONTRACTUAL SERVICES CLASSIFICATION	FY 95 ACTUAL	FY 96 AUTHORIZED	FY 97 ADJ BASE	FY 97 GOVERNOR
73000	Total Contractual Services Interagency Transfers (non-add)	555.1	594.7	703.2	703.2

FUNDING SOURCES

1002	Federal Receipts				
1003	General Fund Match				
1004	General Fund				
1005	General Fund Program Receipts				
1037	General Fund Mental Health				
1007	Interagency Receipts				
1022	Corporate Receipts	555.1	594.7	703.2	703.2

CODE	DESCRIPTION	EXPLANATION	FY 96 AUTHORIZED	FY 97 ADJ BASE	FY 97 GOVERNOR
73100	RSA with UAA for Bradley Lake seismic monitoring		50.0	50.0	50.0
73100	Annual Audit		35.0	14.8	14.8
73100	Public relations contractor (annual report, trustee reports, PMC reporting, etc.)		15.0	7.5	7.5
73100	Management and office services from AIDEA (computer support, administrative support)		127.7	47.9	47.9
73100	Contractual engineering services for Bradley Lake and Four Dam Pool			162.6	162.6
73300	RSA with Dept. of Administration, Division of Information Services for circuit maintenance for voice/data and two-way radio circuits of Bradley Lake, Four Dam Pool and Anchorage-Fairbanks Intertie		290.0	306.8	306.8
73300	Dept. of Administration, Division of Information Services maintenance of two-way radio equipment of Bradley Lake, Four Dam Pool and Anchorage-Fairbanks Intertie			36.6	36.6

**CONTRACTUAL
SERVICES**
Form C300
Revised 11/1/95

AGENCY Commerce and Economic Development

BRU Alaska Industrial Development & Export Authority

COMPONENT Alaska Energy Authority #1948

FY 97

Page 1 of 2

Revised Date: 2/2/96

FY96 Cashflow Projections

Division of Investments
Alaska Department of Commerce and Economic Development

Loan Fund	FY96 Cash Balance 06-30-96	FY96 Operating Expense	FY96 Est. Loan Demand	FY96 Repayment Est.	FY96 Cash Balance 06-30-96
Active Loan Funds					
Commercial Fishing RLF 21608	3,982.0	(2,431.1)	(15,000.0)	15,970.6	2,522.4
Fisheries Enhancement RLF 21615	3,163.4	(271.7)	(4,011.0)	2,562.3	1,443.0
Small Bus. Econ. Dev. RLF 21641	97.5	0.0	(274.5)	177.0	0.0
Inactive Loan Funds					
WWII Veterans' 21605	0.0	(238.0)		273.0	36.0
Small Business 21607	0.0	(8.0)		48.1	38.1
Child Care 21612	0.0	(6.5)		45.7	38.7
Historical District 21614	0.0	(3.0)		87.2	84.2
Alternative Technology 21619	0.0	(278.2)		594.1	317.8
Residential Energy 21623	0.0	(11.8)		17.6	6.7
Mining 21625	0.0	(9.0)		84.4	75.4
Water Resources 11100	0.0	0.0		75.0	75.0
Totals	7,243.8	(3,255.4)	(19,285.5)	19,933.0	4,635.9

Inactive
6-30-XX Cash Balance transferred to General Fund
Sec 4, Ch 156, SLA 84 (Small Business)
Sec 44c, 45b, 56c, 74c, 78c & 89c, Ch 36, SLA 90 (other inactive funds)

Operating Budget - Sec 49, Ch 94, SLA 85

FY97 Cashflow Projections

Division of Investments
Alaska Department of Commerce and Economic Development

Loan Fund	FY97 Cash Balance 06-30-97	FY97 Operating Expense	FY97 Est. Loan Demand	FY97 Repayment Est.	FY97 Cash Balance 06-30-97
Active Loan Funds					
Commercial Fishing RLF 21608	2,522.4	(2,459.8)	(16,000.0)	16,562.6	625.2
Fisheries Enhancement RLF 21615	1,443.0	(274.9)	(5,345.0)	4,508.2	331.3
Small Bus. Econ. Dev. RLF 21641	0.0	0.0	(158.9)	158.8	0.0
Inactive Loan Funds					
WWII Veterans' 21605	0.0	(216.8)		216.8	0.0
Small Business 21607	0.0	(8.0)		37.7	29.7
Child Care 21612	0.0	(8.5)		33.0	24.5
Historical District 21614	0.0	(3.0)		87.2	84.2
Alternative Technology 21619	0.0	(279.5)		440.3	160.8
Residential Energy 21623	0.0	(8.9)		11.9	3.0
Mining 21625	0.0	(9.0)		63.8	54.8
Water Resources 11100	0.0	0.0		75.0	75.0
Totals	3,965.4	(3,266.4)	(21,503.9)	22,195.4	1,330.5

Inactive
6-30-XX Cash Balance transferred to General Fund
Sec 4, Ch 156, SLA 84 (Small Business)
Sec 44c, 45b, 56c, 74c, 78c & 89c, Ch 36, SLA 90 (other inactive funds)

FINANCIAL AND PROGRAM INFORMATION

	FY 95 ACTUAL	FY 96 BUDGETED	FY 96 PROJECTED	FY 97 GOVERNOR		YES	NO
Number of loans made	9	15	15	15		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Average loan amount	839.7	358.9	267.4	356.3	Are principal delerments allowed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Average loan term	25.0 yrs	25.0 yrs	25.0 yrs	25.0 yrs	If yes, state years	<input type="text" value="6-10"/>	yrs
Average loan interest rate	9.0%	8.5%	9.5%	9.5%			
Dollar amount of loan applications	8,752.9	5,383.0	4,011.0	5,345.0	Are interest delerments allowed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dollar amount of outstanding loans, FY-end	86,766.6	91,547.8	89,596.5	93,599.0	If yes, state years	<input type="text" value="6-10"/>	yrs
Annual delinquency rate	9.8%	2.5%	2.5%	2.5%			
Historic default rate	0.0%	N/A	N/A	N/A	Is loan forgiveness allowed?	<input type="text"/>	<input checked="" type="checkbox"/>
Annual default rate	0.0%	0.0%	0.0%	0.0%	If yes, state percentage	<input type="text"/>	%
Overhead rate	8.8%	1.3%	5.3%	5.3%			

DESCRIPTION/JUSTIFICATION OF LOAN PROGRAM:

The Fisheries Enhancement Revolving Loan Fund is used for hatchery planning, construction, and operation, and for enhancement and rehabilitation activities. The maximum loan amount is \$10 million per loan to qualified regional aquaculture associations and to local nonprofit corporations as approved by the regional aquaculture associations. The interest rate is fixed at the time of loan approval and is approximately 1% above the prime rate, not to exceed 9.5%. Interest does not accrue during the initial period, which is not less than six years or more than ten years from the date the loan is made. In addition, principal payments do not begin until after the initial period. Payments are generally made on an annual basis. Although the program has a 30 year maximum term, the average term is 25 years.

These loans further the economic development of commercial and sport fishing industries and aid subsistence fisheries. Resulting benefits are enhanced development of salmon resources (increased returns and egg production), economic development throughout the fishing industry, and creation of additional jobs.

Financing for these projects is not available from the private sector because of the liberal loan terms and interest rates necessary to make the projects feasible. Private institutions cannot afford to forego interest and principal payments for a six-to-ten year period, nor incur the high risk involved in these loans. It takes several years before the revenue generated from the sale of returning fish is available to make payments.

**LOAN FINANCIAL AND
PROGRAM INFORMATION**
Form L2
Revised 8/1/95

AGENCY Commerce and Economic Development
COMPONENT Investments
PROGRAM/TITLE Fisheries Enhancement Rev. Loan Fund

FY 97

Page 1 of 1
Revised Date: 1/23/96

PROGRAM TITLE: Fisheries Enhancement Revolving Loan Fund	AUTHORITY: AS 16.10.500-.620		FY 95 ACTUAL	FY 96 BUDGETED	FY 96 PROJECTED	FY 97 GOVERNOR
CONTACT: Claire Ishii, Administrative Assistant - 465-2634		CARRYFORWARD (Beginning)	0.0	2,952.4	3,163.4	1,443.0
LOAN PROGRAM GOALS AND OBJECTIVES: To promote the private ownership of salmon hatcheries by qualified nonprofit corporations for the purpose of contributing to the rehabilitation of Alaska's salmon fisheries. To assist in bringing private nonprofit hatcheries up to full production levels.		REVENUE:				
		Loan Repayments	2,234.5	2,815.5	2,562.3	4,508.2
		Bonds				
		Federal Funds (Appropriation)				
		Other Funds (Appropriation) *	9,934.9			
		Interest Retained				
		TOTAL	12,169.4	2,815.5	2,562.3	4,508.2
		EXPENDITURES:				
		Operating Expense (Appropriation)	253.1	271.7	271.7	274.9
		Debt Service				
		Cost of Bonds				
		Loans Issued	8,752.9	5,383.0	4,011.0	5,345.0
		TOTAL	9,006.0	5,654.7	4,282.7	5,619.9
		TRANSFERS TO GF				
		CARRYFORWARD (Ending)	3,163.4	113.2	1,443.0	331.3
		Permanent Full-Time	5	4	4	4
		Permanent Part-Time				
DESCRIPTION OF ACCOMPLISHMENT MEASURES: See additional explanation form.						

LOAN PROGRAM DESCRIPTION
Form L1
Revised 8/1/95

AGENCY Commerce and Economic Development
COMPONENT Investments
PROGRAM TITLE Fisheries Enhancement Rev. Loan Fund

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Revised Date: 1/23/96

FY 97

LOAN PROGRAMS CASH FLOW ANALYSIS - FY 97 BUDGET PREPARATION

PROGRAM	6/30/94 Balance (Act)	FY 95 Income (Act)	FY 95 Oper/ Debt Csh (Act)	FY 95 Loan Demand (Act)	FY 95 Tie to CF	6/30/95 Balance (Act)	FY 96 Income (Prog)	FY 96 Oper/ Debt Csh (Prog)	FY 96 Loan Demand (Prog)	FY 96 Tie to CF	6/30/96 Balance (Prog)	FY 97 Income (Gov)	FY 97 op/ Debt Csh (Gov)	FY 97 Loan Demand (Gov)	6/30/97 Balance (Gov)	FY 97 Tie to (Gov)	FY 97 CF request (Gov)	FY 97 (Other Funds request (Gov)												
Postsecondary Education																														
Student Loan Program	24,457.5	118,194.5	53,722.0	-52,935.5	0.0	35,994.5	121,000.0	-51,666.8	-55,000.0	0.0	50,327.7	105,000.0	-58,016.7	-55,000.0	42,291.0	0.0	0.0	0.0	0.0											
Commerce and Economic Development																														
Small Business	502.3	176.0	0.0	-578.8	0.0	97.5	177.6	0.0	-274.5	0.0	0.0	158.9	0.0	-158.9	0.0	0.0	0.0	0.0	0.0											
Commercial Fishing	9,298.4	15,094.9	-1,849.7	-18,540.7	0.0	3,982.9	15,970.6	-2,431.1	-15,000.0	0.0	2,522.4	16,562.6	2,459.8	-16,000.0	625.2	0.0	0.0	0.0	0.0											
Fisheries Enhancement	5,742.3	5,231.2	-353.1	-7,557.0	0.0	3,163.4	2,562.3	-271.7	-4,011.0	0.0	1,443.0	4,508.2	-274.9	-5,345.0	331.1	0.0	0.0	0.0	0.0											
*WW Veterans	0.0	393.5	-282.1	0.0	-111.4	0.0	273.0	-238.0	0.0	-35.0	0.0	216.8	-216.8	0.0	0.0	0.0	0.0	0.0	0.0											
*Small Business	0.0	56.6	-26.6	0.0	-28.0	0.0	44.1	-8.0	0.0	-38.1	0.0	37.7	8.0	0.0	29.7	29.7	0.0	0.0	0.0											
*Child Care	0.0	73.1	-17.0	0.0	-56.1	0.0	41.7	-4.3	0.0	-39.2	0.0	33.0	-6.5	0.0	26.5	26.5	0.0	0.0	0.0											
*Historical Interest	0.0	87.2	-2.9	0.0	-84.3	0.0	87.2	-3.0	0.0	-84.2	0.0	87.2	-3.0	0.0	84.2	84.2	0.0	0.0	0.0											
*Air Tech & Energy	0.0	425.1	280.3	0.0	-334.8	0.0	594.1	274.3	0.0	-317.9	0.0	440.3	-276.2	0.0	164.1	164.1	0.0	0.0	0.0											
*Res. Energy Conservation	0.0	32.6	32.6	0.0	0.0	0.0	37.6	-11.9	0.0	-5.7	0.0	11.9	8.9	0.0	3.0	3.0	0.0	0.0	0.0											
*Airway	0.0	242.4	173.4	0.0	-67.2	0.0	84.4	-9.0	0.0	-75.4	0.0	63.8	-9.0	0.0	54.8	54.8	0.0	0.0	0.0											
*Water Resources	0.0	75.0	0.0	0.0	-75.0	0.0	75.0	0.0	0.0	-75.0	0.0	75.0	0.0	0.0	75.0	75.0	0.0	0.0	0.0											
Community and Regional Affairs																														
Pumps Project	61,840.2	4,403.7	-476.8	0.0	-501.6	65,265.5	3,696.5	-667.0	-64,811.1	-683.9	3,000.0	4,526.3	-667.0	-3,389.3	3,000.0	470.0	0.0	0.0	2,000.0											
Bulk Fuel	1,192.3	1,426.7	-48.6	-1,157.0	0.0	1,513.4	2,011.0	-48.7	-2,400.0	0.0	1,075.7	2,525.0	-51.1	-2,400.0	1,149.6	0.0	0.0	0.0	0.0											
Rural Development Ind	604.4	88.9	-67.7	-346.5	0.0	279.3	204.0	-85.0	-385.0	0.0	13.0	198.7	-85.0	-126.7	0.0	0.0	0.0	0.0	0.0											
*Rural Electrification	0.0	246.9	0.0	0.0	-246.9	0.0	431.9	0.0	-250.0	-181.9	0.0	508.3	0.0	0.0	508.3	508.3	0.0	0.0	0.0											
Natural Resources																														
Agriculture	6,417.2	3,652.8	-1,244.2	-1,991.7	0.0	6,832.3	2,950.0	-1,429.0	-2,200.0	0.0	6,153.3	2,950.0	-1,641.9	-2,700.0	4,761.4	0.0	0.0	0.0	0.0											
Environmental Conservation																														
Alaska Clean Water	28,523.5	2,241.3	-113.0	-13,562.0	0.0	17,109.8	10,771.6	-296.5	-27,584.9	0.0	0.0	11,014.4	-445.5	-10,588.9	0.0	0.0	1,469.2	7,146.2	0.0											
Totals															-	1,415.6	1,469.2	9,436.2												

* 6/30 year end balance is automatically transferred to General Fund for revenue in next fiscal year

Community &
Regional
Affairs

Alaska State Legislature



REPRESENTATIVE
PETER KELLY

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House District 31

House Of Representatives

MEMORANDUM

DATE: March 20, 1996

TO: Representative Mark Hanley, Co-Chair
Representative Richard Foster, Co-Chair
House Finance Committee

FROM: Representative Pete Kelly *PK*
Chair, House Budget Subcommittee on the
Dept. of Community and Regional Affairs

RE: Subcommittee Closeout Report

The House GF allocation for the Department of Community and Regional Affairs (excluding MuniAssist/RevShare/SrCitTax/RentEquiv) is \$28,304.8. The budget recommended by the House Budget Subcommittee is \$197.8 (GF) below that ceiling.

Please find below a written summary of the House Budget Subcommittee recommendations for the Department of Community and Regional Affairs. A spreadsheet is also attached.

Administration and Support

Commissioner's Office-

The subcommittee reduced state funds to Alaska Legal Services by 161.0. The subcommittee eliminated the position for and denied the I/A receipts increment (70.1) for an additional Special Assistant.

Administrative Services-

The subcommittee reduced the Admin. Services component by 100.0 with the expectation that at least 2 full time positions be eliminated as a result.

Designated Grants-

The subcommittee denied the 80.0 increment for a designated grant.

Local Government Assistance

Training and Development-

The subcommittee recommended phasing out the Municipal Lands Trustee Program in one year instead two, as proposed by the Department, for a reduction of 65.1. Funding for supplies and materials was reduced by 12.0, and an increment of 50.0 for RUBA training materials was denied.

Child Assistance

Child Care-

The subcommittee eliminated position and funding for one project coordinator for a reduction of 68.7 and one administrative clerk for a reduction of 34.0.

Employment Training/Rural Development

Community Development Assistance-

The subcommittee eliminated the position and funding for the deputy director for a reduction of 80.8 and reduced travel by 2.2. The subcommittee recommended an increment of 30.0 in the grants line of this component for the Alaska Rural Development Council.

Statewide Service Delivery-

The subcommittee eliminated the position and funding for one administrative assistant for a reduction of 48.7

Energy

Energy Operations

The subcommittee eliminated five existing positions and their funding as follows:

Assistant Director	88.9
Secretary	37.3
Development Specialist	72.6
Rural Electrical Utility Worker	88.1
Publications Specialist	59.8

The subcommittee denied 2 increments for positions as follows:

Part-time college intern position	11.9
Part-time administrative clerk	11.1

The subcommittee reduced travel for the division by 10.0.

House DCRA Budget Subcommittee Closeout Recommendation

GF	I/A Rcpts.	Explanation	Increments
-161	-70.1	reduce state funding for AK Legal Services; will still receive federal funds deny I/A Rcpts. increment and position for Spec. Assistant for Children's mini-cabinet	
-100		streamline personal services through efficiencies; eliminate at least 2 positions	
-80		deny increment for designated grant	
-65.1		phaseout entire municipal lands trustee program funding in one year	
-12		reduce funding for supplies and materials to FY95 actual	
-50		deny increment for RUBA training materials	
-34		eliminate position and funding for 1 administrative clerk	
-68.7		eliminate position and funding for project coordinator	
-80.8		eliminate position and funding for deputy director	
-2.2		reduce travel increase funding to AK Rural Development Council	30
-48.7		eliminate position and funding for 1 administrative assistant	
-88.9		eliminate position and funding for Assistant Director	
-37.3		eliminate position and funding for secretary associated with Assistant Director and Director	
-72.6		eliminate position and funding for one development specialist	
-88.1		eliminate position and funding for 1 Rural Electrical Utility Worker	
-59.8		eliminate position and funding for Publications Specialist	
-11.9		deny increment for part-time college intern position	
-11.1		deny increment for part-time administrative clerk	
-10		reduce travel	
-1082.2	-70.1		30

DCRA
HOUSE REDUCTION IMPACT STATEMENTS

BRU/Component	GF	Impact of Cuts
Rural Energy Programs		
Energy Operations		
Eliminate Assistant Director	-88.9	<p>This position provides support to the Director with an emphasis on administrative and financial management. The position is needed so that the Director can dedicate more time towards the search for long-term solutions for statewide energy needs in rural Alaska. Areas needing executive attention include: bulk fuel storage (a \$200 million need); rural electric systems upgrades (a \$50 million need); the potential depletion of the Power Cost Equalization and Rural Electric Capitalization Fund and the resulting termination of two programs critical to rural communities: power cost equalization and utilities improvements matching grants (a \$20-22 million per year need).</p> <p>Lack of financial support will gravely and negatively impact the ability of rural electric utilities to provide for their customers. The Division is actively working towards securing federal funds for bulk fuel storage systems and for the upgrade of electric systems in rural Alaska. In addition, greater emphasis is being made to promote and assist communities that are served by a local utility to join a regional utility so they can benefit from lower bulk fuel prices, centralized availability of specialized staff on a routine basis for the maintenance of the systems, and centralized administrative support for billing customers, payroll and tax reporting, etc.</p> <p>If this position is not funded, a very substantial portion of the Director's time would be dedicated to the financial and administrative matters of the Division. The Division administers complex program and projects in the form of grants, pass-through federal grants, loans, necessary extensive accounting structures, specialized delegation of authority for procurement from the Department of Transportation relating to the rural projects, etc. The Assistant Director position can address the full range of internal financial and administrative needs, allowing the Director to work on developing new funding sources and new methods of service delivery.</p>
Eliminate Secretary to Assistant Director & Director	-37.3	<p>This position is associated with the Director and provides only incidental assistance to the Assistant Director. The position performs a wide range of secretarial tasks necessary for an efficient operation of the Director's office, plus maintains the energy library that is used by other state agencies, communities and contractors. Elimination of this position would affect the delivery of these services that are vital to the day-to-day needs of the Director (i.e.: scheduling meetings, travel, telephone, mailing, correspondence, etc.). This dollar reduction will cost more in reduced efficiency of the Director's office.</p>
Eliminate Development Specialist	-72.6	<p>Although the position has not been clearly identified, the FY97 salary level points to the Development Specialist II position that is funded by the federal Biomass program (2/3) and by the general fund and/or the power project fund (1/3). This position is essential to permit the continuation of the Biomass program. The position also performs as project manager for the construction of the Tazimina Hydroelectric Project, valued at over \$11 million, funded by a state grant of \$5 million, a federal pass-through grant of \$3.4 million, and a utility contribution of about \$3 million in the form of third party financing. These tasks cannot be reassigned as our staff is very limited and all positions are fully utilized on other on-going programs and projects.</p>

DCRA
HOUSE REDUCTION IMPACT STATEMENTS

BRU/Component	GF	Impact of Cuts
Child Care		
Eliminate Administrative Clerk	-34.0	The Administrative Clerk provides valuable and needed support to all staff and programs administered in the unit. The loss of this position would require professional staff to take on clerical duties in order to complete the work of the unit.
Eliminate Project Coordinator	-68.7	The position of Program Coordinator is responsible for day to day administration of the Resource Development and Resource and Referral programs. These two programs have a total of six grants distributed among four different grantees. The position also has responsibility for administration of the Consumer Education program. Up to two grants are made on the basis of responses to a Request for Proposals.
Community Development Assistance		
Eliminate Deputy Director	-80.8	This position is necessary for the oversight of federal programs run through the division. The programs are facing significant changes on the federal level and need constant oversight. Child Care, Workforce Development, One Stop Career Centers and Block Grant issues severely impact this division and its policies.
Travel	-2.2	Reduce travel
Statewide Service Delivery Area		
Eliminate Administrative Assistant	-48.7	The loss of this position reduces administrative support for the Private Industry Council, assistance for the publication efforts for the Economic Development Resource Guide, the Blue Book of Programs and Resources, and the JTPA Annual Report. This position also helps support clerical efforts wherever necessary within the Juneau office. Primary loss would be in the support for the Private Industry Council.

DCRA
HOUSE REDUCTION IMPACT STATEMENTS

BRU/Component	GF	I/A	Impact of Cuts
Administration & Support			
Commissioner' Office			
Reduce Alaska Legal Services	-161.0		Per the Director of Alaska Legal Services, three positions will be eliminated from either the Juneau, Fairbank Bethel or Anchorage offices and that they can no longer state they serve rural Alaska.
Eliminate Special Assistant For Children's Mini-cabinet		-70.1	This position plays a vital role in coordinating the efforts of all state agencies with programs related to children. It ensures there is no duplication of effort as well.
Administrative Services			
Eliminate at least two positions & streamline personal services through efficiencies	-100.0		Will cause the elimination of two or three positions. This reduction will cripple the Division of Administrative Services and will impact all programs throughout the department by causing delays in payments for child car programs, jobs programs, economic development programs, energy programs, etc; There will be an increase in Legislative Audit findings and the Division will be unable to make vendor payments within the 30 day statutory requirement resulting in interest penalties. Taking all reductions from the FY 96 authorized budget into consideration and the 100.0 personal services shortfall, there will be an elimination of approximately 10 positions within the Division of Administrative Services.
Local Government Assistance			
Training & Development			
Phase out entire Municipal Land Trustee Program in one year	-65.1		If the intent of this reduction were followed, the final remaining position with this program would be eliminated. Reductions to phase out the program were already made in the Governor's request. If the program were eliminated, it would be a violation of the statutory mandate for the program.

DCRA
HOUSE REDUCTION IMPACT STATEMENTS

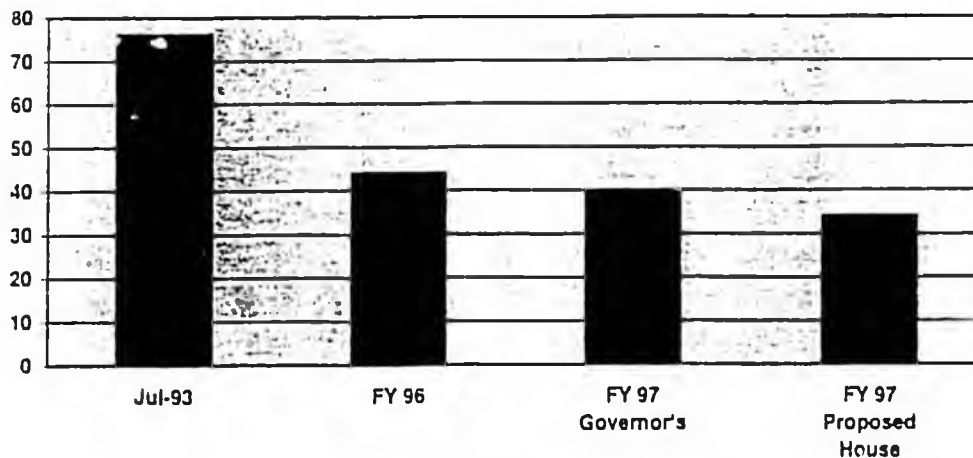
BRU/Component	GF	Impact of Cuts
Rural Energy Programs		
Energy Operations		
Eliminate Rural Electric Utility		
Worker	-88.1	<p>This is one of the three specialized electric utility workers attending to a wide range of planned energy projects statewide, plus emergencies, related to Bulk Fuel and Rural Power Systems Upgrade, Circuit Rider Program, etc. At the current staffing level, the Division can provide only limited services in response to the statewide needs. Deletion of this position would reduce the services at least by 33% plus another 5 to 10% in efficiency reduction. Any staff reduction in this area would be disastrous.</p>
Eliminate Publication Specialist	-59.8	<p>The position has been converted to a Project Assistant position dedicated to research analysis of power projects and alternative energy proposals, including the Utility Improvements matching grants. The position also performs a critical role in identifying non-state funding sources for energy projects and matching those sources with the eligible community(ies). If this very important function is eliminated, communities and the state would lose the opportunity of developing needed energy with limited state and community contributions.</p>
Deny increment for part-time College intern	-11.9	
Deny Increment for part-time administrative Clerk	-11.1	<p>Both positions are needed in course of the upcoming construction season. The college intern will relieve the project managers from the more basic engineering tasks, thus increasing the efficiency of the group working on bulk fuel and electric systems repairs/upgrades. The administrative clerk is used in the same period, and to serve the same group, while the Administrative Clerk III is on maternity leave. The level of activities during the construction season require the availability of a dedicated positions to maintain the travel scheduling, records, interact with staff working in the field, etc.</p>
Reduce Travel	-10.0	<p>Reduction of travel would limit the Division ability to serve the rural communities that participate in the energy programs. Also, travel expenditures are expected to increase, as the Division wishes to provide In house Circuit Rider Maintenance services for quarterly and emergency visits to about 70 communities statewide.</p>

Statewide Energy Programs (AS 42.50)

Staff Evolution FY 94 - 97

		<u>Number of Permanent Full-Time Positions</u>	
		<u>Approved</u>	<u>Deleted</u>
July 1993, Alaska Energy Authority (prior to enactment of Ch 18 SLA 93)		76	
FY 96, DCRA			
Division of Energy	34	44	(32)
Division of Admin. Services	<u>10</u>		
FY 97 Governor's Budget		40	(4)
Division of Energy	32		
Division of Admin. Services	<u>8</u>		
FY 97 Proposed House Sub-Committee Budget		34	(6)
Division of Energy	27		
Division of Admin. Services	<u>7</u>		

Energy Positions



Agency Totals - FY97 Operating Budget

	Agency: Department of Community & Regional Affairs							
	FY95 Act	FY96Auth	Gov	Gov Amd	House	Gov Amd to House		
Totals for Agency	146,807.6	147,912.7	142,599.9	139,923.9	138,801.6	-1,122.3		-0.8 %
<u>Objects of Expenditure:</u>								
Personal Services	10,889.2	10,951.2	11,104.8	11,104.8	10,288.3	-816.5		-7.4 %
Travel	854.5	1,305.2	1,320.6	1,320.6	1,299.6	-21.0		-1.6 %
Contractual	2,266.3	3,095.6	2,825.3	2,825.2	2,764.8	-60.4		-2.1 %
Commodities	149.1	180.0	189.3	189.1	175.7	-13.4		-7.1 %
Equipment	446.2	101.4	108.0	108.0	108.0	0.0		0.0 %
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0		
Grants, Claims	132,202.3	132,279.3	127,051.9	124,376.2	124,165.2	-211.0		-0.2 %
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0		-3.3 %
<u>Funding Sources:</u>								
1002 Fed Rcpts	22,980.0	29,014.9	29,007.9	29,007.9	29,007.9	0.0		0.0 %
1003 G/F Match	1,638.8	1,824.3	1,879.9	1,879.9	1,879.9	0.0		0.0 %
1004 Gen Fund	94,881.0	88,421.4	81,063.7	81,063.7	80,011.5	-1,052.2		-1.3 %
1005 GF/Prgm	64.4	87.9	87.9	87.9	87.9	0.0		0.0 %
1007 I/A Rcpts	7,480.5	7,960.7	9,191.3	8,900.9	8,830.8	-70.1		-0.8 %
1051 Rural Dev	67.8	95.4	96.4	96.4	96.4	0.0		0.0 %
1055 IA/OIL HAZ	13.5					0.0		
1061 CIP Rcpts	527.8	264.5	454.1	454.1	454.1	0.0		0.0 %
1062 Power Proj	472.0	667.0	671.7	671.7	671.7	0.0		0.0 %
1063 NPR Fund	25.5	50.0	50.0	50.0	50.0	0.0		0.0 %
1074 Bulk Fuel	48.4	48.7	49.3	49.3	49.3	0.0		0.0 %
1077 Gifts/Grnt		92.3	100.0	100.0	100.0	0.0		0.0 %
1089 Power Cost	18,607.9	19,385.6	19,947.7	17,562.1	17,562.1	0.0		0.0 %
<u>Positions:</u>								
Perm Full Time	191.0	185.0	180.0	180.0	167.0	-13.0		-7.2 %
Perm Part Time	6.0	7.0	3.0	3.0	1.0	-2.0		-66.7 %
Non-Perm	2.0	1.0	2.0	2.0	2.0	0.0		0.0 %

Component Summary - FY97 Operating Budget

General Funds and CBR

Agency: Department of Community & Regional Affairs

Page	Budget Component	FY95 Act	FY96Auth	Gov	Gov Amd	House	Gov Amd to House	
Administration and Support								
1	Office of the Commissioner	766.8	669.0	674.1	674.1	513.1	-161.0	-23.9%
2	Administrative Services	1,717.1	1,638.0	1,501.8	1,501.8	1,401.8	-100.0	-6.7%
3	Data and Word Processing	419.5	430.5	443.2	443.2	443.2	0.0	0.0%
4	Designated Grants	576.9		80.0	80.0	0.0	-80.0	-100.0%
	* BRU Total	3,480.3	2,737.5	2,699.1	2,699.1	2,358.1	-341.0	-12.6%
Senior Citizens/Disabled Veterans Tax Relief								
5	Homeowners Property Tax Exempt	1,163.8	1,163.8	0.0	0.0	0.0	0.0	
6	Renters' Equivalency Rebate	332.7	336.2	300.0	300.0	300.0	0.0	0.0%
	* BRU Total	1,496.5	1,500.0	300.0	300.0	300.0	0.0	0.0%
Municipal Revenue Sharing								
8	State Revenue Sharing	28,240.8	26,271.7	24,170.0	24,170.0	24,170.0	0.0	0.0%
9	Municipal Assistance	34,364.4	31,959.0	29,402.3	29,402.3	29,402.3	0.0	0.0%
	* BRU Total	62,605.2	58,230.7	53,572.3	53,572.3	53,572.3	0.0	0.0%
Local Government Assistance								
10	Training and Development	2,091.8	2,266.8	2,522.0	2,522.0	2,394.9	-127.1	-5.0%
11	State Assessor	138.2	148.9	154.2	154.2	154.2	0.0	0.0%
12	Local Boundary Commission	252.6	250.5	255.4	255.4	255.4	0.0	0.0%
13	Statewide Assistance	378.2	375.5	387.6	387.6	387.6	0.0	0.0%
15	Land Mgmt. & Planning Assist.	374.7				0.0	0.0	
16	Municipal Lands Trustee	153.4	154.2	0.0	-0.0	0.0	0.0	-100.0%
	* BRU Total	3,388.9	3,195.9	3,319.2	3,319.2	3,192.1	-127.1	-3.8%
Child Assistance								
17	Child Care	2,944.8	2,822.8	2,829.3	2,829.3	2,726.6	-102.7	-3.6%
18	Day Care Assistance Programs	11,087.4	11,211.1	11,211.1	11,211.1	11,211.1	0.0	0.0%
19	Head Start Grants	5,383.3	5,733.4	5,736.1	5,736.1	5,736.1	0.0	0.0%
	* BRU Total	19,415.5	19,767.3	19,776.5	19,776.5	19,673.8	-102.7	-0.5%
Employment Training/Rural Development								
20	Job Training Partnership Act	25.2	93.9	94.0	94.0	94.0	0.0	0.0%
22	Statewide Service Delivery	587.8	542.2	547.5	547.5	498.8	-48.7	-8.9%
23	Block Grants CIP	57.7	57.7	58.6	58.6	58.6	0.0	0.0%
24	Community Development Assist.	1,044.7	851.6	709.8	709.8	656.8	-53.0	-7.5%

Component Summary - 1997 Operating Budget

General Funds and CBR

Agency: Department of Community & Regional Affairs

<u>Page</u>	<u>Budget Component</u>	<u>FY95 Act</u>	<u>FY96Auth</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
Employment Training/Rural Development								
25	Rural Development Grants	1,263.6	1,042.1	137.0	137.0	137.0	-0.0	-0.0%
	* BRU Total	2,979.0	2,587.5	1,546.9	1,546.9	1,445.2	-101.7	-6.6%
Rural Energy Program--Energy Operations								
26	Energy Operations	3,206.2	2,314.7	1,817.5	1,817.5	1,437.8	-379.7	-20.9%
27	Power Cost Equalization	12.6					0.0	
	* BRU Total	3,218.8	2,314.7	1,817.5	1,817.5	1,437.8	-379.7	-20.9%
*** Total Agency Expenditure		96,584.2	90,333.6	83,031.5	83,031.5	81,979.3	-1,052.2	-1.3%

One Way Comparison - FY97 Operating Budget

from Gov Amd to House

Agency: Department of Community & Regional Affairs

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Administration and Support												
Office of the Commissioner												
Reduce GF for legal services 1004 Gen Fund	-161.0	0.0	0.0	0.0	0.0	0.0	0.0	-161.0	0.0	0.0	0.0	0.0
Delete position and I/A funding for Special Assistant 1007 I/A Rcpts	-70.1	-70.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
	-231.1	-70.1	0.0	0.0	0.0	0.0	0.0	-161.0	0.0	-1.0	0.0	0.0
Administrative Services												
Streamline personal services through efficiencies 1004 Gen Fund	-100.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
	-100.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
Designated Grants												
Deny increment for Ak. Marine Safety Education Association 1004 Gen Fund	-80.0	0.0	0.0	0.0	0.0	0.0	0.0	-80.0	0.0	0.0	0.0	0.0
	-80.0	0.0	0.0	0.0	0.0	0.0	0.0	-80.0	0.0	0.0	0.0	0.0
Local Government Assistance												
Training and Development												
Escalate phase-out of entire Municipal Lands Trustee program 1004 Gen Fund	-65.1	-44.5	-8.8	-10.4	-1.4	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Reduce funding for commodities to FY95 Actual level 1004 Gen Fund	-12.0	0.0	0.0	0.0	-12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deny increment for RUBA training materials 1004 Gen Fund	-50.0	0.0	0.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	-127.1	-44.5	-8.8	-60.4	-13.4	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Child Assistance												
Child Care												
Eliminate funding and one PFT administrative clerk 1004 Gen Fund	-34.0	-34.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Eliminate funding for Project Coordinator position 1004 Gen Fund	-68.7	-68.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
	-102.7	-102.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
Employment Training/Rural Development												
Statewide Service Delivery Eliminate funding and position auth. for one admin. clerk 1004 Gen Fund	-48.7	-48.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0

One Way Comparison - FY97 Operating Budget

From Gov Amd to House

Agency: Department of Community & Regional Affairs

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Employment Training/Rural Development												
Statewide Service Delivery												
	-48.7	-48.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Community Development Assistance												
Eliminate funding and position auth. for Deputy Director	-80.8	-80.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund	-80.8											
Reduce travel authorization	-2.2	0.0	-2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-2.2											
Add funds for Alaska Rural Development Council	30.0	0.0	0.0	0.0	0.0	0.0	0.0	300.0	0.0	0.0	0.0	0.0
1004 Gen Fund	30.0											
	-53.0	-80.8	-2.2	0.0	0.0	0.0	0.0	300.0	0.0	-1.0	0.0	0.0
Rural Energy Program--Energy Operations												
Energy Operations												
Eliminate funding and position auth. for Assistant Director	-88.9	-88.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund	-88.9											
Eliminate funding and position auth. for the Secretary I	-37.3	-37.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund	-37.3											
Eliminate funding and position auth. for Dev. Specialist	-72.6	-72.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund	-72.6											
Eliminate funding for PFT Rural Electrical Utility Worker	-88.1	-88.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund	-88.1											
Eliminate funding and position auth. for Pub. Specialist	-59.8	-59.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund	-59.8											
Deny increment for one PPT college intern	-11.9	-11.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0
1004 Gen Fund	-11.9											
Deny increment for part-time administrative clerk	-11.1	-11.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0
1004 Gen Fund	-11.1											
Reduce travel	-10.0	0.0	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-10.0											
	-379.7	-369.7	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	-5.0	-2.0	0.0

STATE OF AL. A
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 03/07/96
TIME: 17:50:50
PROG: PI15FY97

FY '97 OPERATING BUDGET INITIAL REQUEST TO GOVERNOR'S AMENDED TRANSACTIONS (PHASE 5), BY AGENCY

AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

SER #	BUDGET REQUEST UNIT	COMPONENT	REF #	DESCRIPTION	GOV GEN FUNDS	GOV OTHER	GOV TOTAL
1012	EMPLOYMENT/TRAINING/RURAL DEVE	STATE TRAINING AND EMPLOYMENT	5000	Adjust STEP funds to match Dept. of Labor's budget	0.0	-340.8	-340.8
1178	EMPLOYMENT/TRAINING/RURAL DEVE	STATEWIDE SERVICE DELIVERY	5000	Adjust STEP funds to match Dept of Labor's budget	0.0	50.4	50.4
1965	RURAL ENERGY PROGRAM	POWER COST EQUALIZATION	5000	Decrease PCE funding to extend the availability of funds	0.0	-2,385.6	-2,385.6
*** AGENCY TOTAL ***					0.0	-2,676.0	-2,676.0

CONTACT: Gloria Manni, Assistant Director, Division of Energy, 269-4642

COMPONENT GOALS:

The Power Cost Equalization Program (PCE) was established to reduce the consumer's cost of electricity generated and sold by electric utilities in rural Alaska where in 1984 diesel-fired generation produced more than 75% of total diesel generation. The program attempts to provide for the equalization of the power cost per kilowatt-hour in Anchorage, Fairbanks and Juneau. There are currently about 100 utilities eligible to participate in the PCE program. These utilities serve about 180 communities across the state. Approximately 76,000 residents of the state benefit from the PCE program.

The program is funded by the Power Cost Equalization and Rural Electric Capitalization Fund (PCE&RECF), AS 42.45.100, created by Ch 18, SLA 1993. Section 1(b) of the enabling legislation reflects the legislative intent and long-term commitment to fund PCE at a minimum level of \$17 million through the year 2013. However, based on current projections, the PCE&RECF can provide for 100% PCE funding through FY99, or through FY2000 if PCE funding is capped at \$17 million effective FY97. (Continued on next page...)

	FY 95 ACTUAL	FY 96 AUTHORIZED	FY 97 GOVERNOR
EXPENDITURES:			
Personal Services			
Other Program Costs	18,620.5	19,385.6	17,000.0
Total	18,620.5	19,335.6	17,000.0
FUNDING SOURCES:			
Federal Receipts			
General Fund Match			
General Fund	12.6		
GF Program Receipts			
GF Mental Health			
Other Funds	18,607.9	19,385.6	17,000.0
Total	18,620.5	19,385.6	17,000.0
STAFFING:			
Permanent Full-Time			
Permanent Part-time			
Temporary			

DESCRIPTION OF COMPONENT SERVICES:

This request would provide 85% funding of the Power Cost Equalization Program during FY97.

The PCE rates are determined on a community basis by using only the necessary and reasonable costs for each electric utility participating in the program. Customers must pay at least 9.5 cents for every kilowatt-hour eligible for PCE assistance. Should the utility's costs be more than 52.5 cents/kwh, the maximum PCE rate is 40.85 cents/kwh. Therefore, the variance in PCE rates produce a variance in amounts reimbursed to participating utilities. Residential and commercial customers receive PCE assistance on actual consumption up to 700 kwh/month. Community facilities are eligible for 70 kwh/month for residents of the community. State and federal customers are not eligible for PCE.

DESCRIPTION OF COMPONENT CHANGES:

The \$17,000.0 request for FY97 is expected to be sufficient to provide 85% funding of program requirements. PCE requirements are based on 100% of the FY96 program need, plus 2% for increased eligible sales and increased utility costs. Calculations assume no change to the minimum power costs [AS 42.45.100(c)(2)] by the Alaska Public Utilities Commission.

(Continued on next page...)

**COMPONENT GOALS
AND SERVICES**

Form CF1
Revised 8/1/95

AGENCY Community & Regional Affairs

BRU Rural Energy Programs

COMPONENT Power Cost Equalization #1965

Page 1 of 2

Revised Date: 2/5/96

FY 97

COMPONENT GOALS:

NOTE: The Division of Energy concurrently requests that per AS 42.45.050(b), 40% of the balance available in the FDPTF during FY97 is appropriated to the PCE&RECF (AS 42.45.100). Such appropriation has been proposed in SLA 1996 legislation (HB 412, Sec. 10, page 4, line 21; SB213, Sec. 10, page 4, line 2).

DESCRIPTION OF COMPONENT CHANGES (Continued):

Per administrative policy, this request reflects the Power Cost Equalization and Rural Electric Capitalization Fund (AS 42.45.100) as the funding source of the PCE program. Projections related to the PCE&RECF revenues and uses (see form C700) indicate that the fund will provide for PCE at \$17 million per year through FY2000. Then in FY2001, assuming a regular stream of revenue from the Four Dam Pool Transfer Fund, only about \$5.3 million, equivalent to about 30% of the levelized budget, would be available for PCE. (NOTE: Based upon PCE's current parameters, the FY2001 program demand would be \$24.4 million).

The sudden termination of the program in a short few years would shock electric rates in rural Alaska. Because of the varying PCE rates among communities, without PCE, rural customers' cost of electricity will increase from 20% to over 100%. Most of the 180 communities participating to PCE would experience high increases.

This reduced budget request will create hardship in some cases. However, by levelizing program funding, PCE could be extended one more year and, more importantly, this provisional measure will buy time to set up a plan that will include reconsideration of the critical aspects of the program parameters and evaluation of viable options for extending PCE through the year 2013, even if in an amended or reduced format.

Since the requested appropriation is expected to be insufficient for payment in full, the amount paid to each utility will be reduced on a pro-rata basis, as permitted by AS 42.45.110(i).

CF1
ADDITIONAL
EXPLANATION FORM
Revised 8/1/95

AGENCY Community & Regional Affairs

BRU Rural Energy Programs

COMPONENT Power Cost Equalization #1965

Page 2 of 2

Revised Date: 2/5/96

FY 97

CONTACT: Gloria Manni, Assistant Director, Division of Energy, 269-4642

OBJECTIVES AND ACCOMPLISHMENT MEASURES:

Continue to administer program compliance and disbursements to 98 electrical utilities, serving 174 communities.

Maintain good turn-around of payments.

Continue to provide administrative training, when needed, to the staff of the electrical utilities. This training is geared toward making staff self-sufficient/reliant in standard utility record keeping and administration.

STATUTORY/REGULATORY CITATIONS

AS 42.45.110

3 AAC 94.305-330

Page 1 of 1

Revised Date: 2/5/96

FY 97

**COMPONENT
OBJECTIVES AND
ACCOMPLISHMENT
MEASURES**

Form CF2

REVISED 8/1/95

AGENCY Community & Regional Affairs

BRU Rural Energy Programs

COMPONENT Power Cost Equalization

TITLE: Decrement Power Cost Equalization (PCE) funding to extend the availability of funds in the PCE&RECF

DESCRIPTION:

This decrement provides for 85% funding of the projected Power Cost Equalization (PCE) requirement, based on program projections provided in form C700.

PCE requirements vary in relation to the respective eligible costs of the participating utility and the cost of fuel. Therefore, the Division will continue to monitor program performance during the current FY to more closely estimate the FY97 funding level.

Projected cash flow to the Power Cost Equalization & Rural Electric Capitalization Fund (PCE&RECF) is expected to support PCE through FY99 at 100% funding. By proposing this reduction and capping future budget requests at the \$17 million level, PCE can be funded one more year, through FY2000.

Payments to individual utilities will be reduced on a pro rata basis, as permitted by AS 42.45 110(i).

EXPENDITURES

Personal Services	
Travel	
Contractual	
Supplies	
Equipment	
Lands & Buildings	
Grants & Claims	(2,385.6)
Miscellaneous	
Total	(2,385.6)

FUNDING SOURCES

1002 Federal Receipts	
1003 General Fund Match	
1004 General Fund	
1005 GF Program Receipts	
1037 GF Mental Health	
1089 Power Cost Equalization	(2,385.6)
Total	(2,385.6)

STAFFING

Permanent Full-Time	
Permanent Part-time	
Temporary	

AGENCY Community & Regional Affairs

BRU Rural Energy Programs

COMPONENT Power Cost Equalization #1965

Page 1 of 1

Revised Date: 2/5/96

FY 97

**DECREMENT
or INCREMENT**

Form C5

Revised 8/1/95

CODE	EXPENDITURE CLASSIFICATION	FY 95 ACTUAL	FY 96 AUTHORIZED	FY 97 ADJ BASE	FY 97 GOVERNOR
75025	Total Lands, Buildings, Non-structural Improvements Interagency Transfers (non-add)				
77000	Total Assistance, Grants, and Benefits Interagency Transfers (non-add)	18,620.5	19,385.6	19,385.6	17,000 0
78000	Total Miscellaneous and Debt Service Interagency Transfers (non-add)				

FUNDING SOURCES

1002	Federal Receipts				
1003	General Fund Match				
1004	General Fund	12.6			
1005	General Fund Program Receipts				
1037	General Fund Mental Health				
1007	Interagency Receipts				
1089	Power Cost Equalization and Rural Electric Capitalization Fund	18,607.9	19,385.6	19,385.6	17,000 0

CODE	DESCRIPTION	FY 96 AUTHORIZED	FY 97 ADJ BASE	FY 97 GOVERNOR
77100	<p>Power Cost Equalization program grants (AS 42.45.110). See attachment.</p> <p>This request is based on best current estimates that would provide for 85% funding of the Power Cost Equalization projected program demand. (See projections on page 2.)</p> <p>The PCE rate is determined by using only the necessary and reasonable costs for each electric utility participating in the program. All customers must pay at least 9.5 cents for every kwh eligible for PCE assistance. Although the PCE rates are calculated using a formula, the rates themselves vary among utilities participating in the program. Therefore, the variance in PCE rates produce a variance in amounts reimbursed to participating utilities.</p> <p>Electric utility customers eligible for PCE are: residential (up to 700kwh/mo.); commercial, excluding state and federal customers (up to 700 kwh/mo.); community facilities (up to 70kwh/mo. per resident, as an aggregate).</p>	19,385.6	19,385.6	17,000 0

LANDS, GRANTS, AND
MISCELLANEOUS
Form C700
Revised 8/1/95

AGENCY Community & Regional Affairs

BRU Rural Energy Programs

COMPONENT Power Cost Equalization Program #1965

Page 1 of 3

Revised Date: 2/5/96

FY 97

CONTINUATION OF Power Cost Equalization Program #1965

Division of Energy
Power Cost Equalization Program
FY97 Preliminary Budget Projections as of 11/22/95*

	Potential Growth Rates			
	2%	3%	4%	5%
FY96 PCE Grants Requirements	\$19,407,504	\$19,407,504	\$19,407,504	\$19,407,504
New Participating Utilities	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>
	\$19,507,504	\$19,507,504	\$19,507,504	\$19,507,504
Grants to FY96 Participating Utilities	\$19,507,504	\$19,507,504	\$19,507,504	\$19,507,504
Increased FY95 Rates/Power Sales				
FY95 Participating Utilities	\$390,150	\$585,225	\$780,300	\$975,375
New Participating Utilities	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>
FY97 PCE Grant Requirements	\$19,947,654	\$20,142,729	\$20,337,804	\$20,532,879
Levelized Funding Request	<u>\$17,000 00</u>			

*Based on FY96 program projections

Calculation of PCE grant requirement projections assume no change to the minimum power costs [AS 42.45.110(c)(2)] by the Alaska Public Utilities Commission.

C700
ADDITIONAL
EXPLANATION FORM
Revised 8/1/95

AGENCY Community & Regional Affairs

BRU Energy Operations

COMPONENT Power Cost Equalization #1965

Page 2 of 3

Revised Date: 2/5/96

FY 97

Division of Energy
Power Cost Equalization (PCE) and Rural Electric Capitalization (REC) Fund
 Projections of Fund Revenues and Expenditures as of 1/30/96

	1996	1997	1998	1999	2000	2001
1. Fund Balance at Beginning of Fiscal Year	\$63,289	\$48,450	\$36,616	\$24,595	\$12,357	\$275
2. Revenue						
2a. PCE/REC Fund Investment Income	(a) 3,400	2,157	1,516	865	212	0
2b. Four Dam Pool (FDP) Transfer Fund Allocation	2,547	4,462	4,562	4,634	4,706	4,773
Total	5,947	6,619	6,078	5,499	4,918	4,773
3. Expenditure						
3a. PCE Outlay	19,386	17,000	17,000	17,000	(b) 17,000	(b) 17,000
3b. Rural Electric Grants (3% of balance)	1,400	1,454	1,098	738	0	0
Total	20,786	18,454	18,098	17,738	17,000	17,000
Surplus (Shortage) = (2-3)	(\$14,839)	(\$11,834)	(\$12,020)	(\$12,239)	(\$12,082)	(\$12,227)
4. Fund Balance at end of Fiscal Year = (1+2-3)	\$48,450	\$36,616	\$24,595	\$12,357	(c) \$275	(c) (\$11,952)

Notes:

(a) Reflects actual earned interest on investments of approximately \$1.8 million recorded as of 1/18/96 projected earned interest for FY97.

(b) PCE Program requirements exceed funds available.

(c) Funding required from other source due to the depletion of the PCE & REC Fund.

Assumptions:

2b. FY96 reflects actual FDP Transfer Fund allocation (40% of total debt service). Following years' allocations are estimated. However, this revenue may be interrupted due to lack of legislative appropriation for allocation of moneys from the FDP Transfer Fund, or lack of revenue to the FDP Transfer Fund itself.

3b. Program terminates in FY2001 in order to accommodate PCE requirements.

C700
 ADDITIONAL EXPLANATION
 FORM
 Revised 8/1/95

AGENCY Community & Regional Affairs

BRU Energy Operations

COMPONENT Power Cost Equalization #1965

Page 3 of 3

Revised Date: 2/26/96

FY 97

TITLE: IA Receipt Authority Decrement

Nancy Anderson, 269-4847

DESCRIPTION:

This decrement reflects a decrease in the STEP component's projected interagency receipts from DOL. The combination of the SSOA and STEP components' interagency receipts from DOL are \$3333.6. This corresponds to the amount that DOL's FY97 budget RSA's to our department.

EXPENDITURES

Personal Services	
Travel	
Contractual	(0.1)
Supplies	(0.2)
Equipment	
Lands & Buildings	
Grants & Claims	(340.5)
Miscellaneous	
Total	(340.8)

FUNDING SOURCES

1002 Federal Receipts	
1003 General Fund Match	
1004 General Fund	
1005 GF Program Receipts	
1007 Interagency Rcpts	(340.8)
Total	(340.8)

STAFFING

Permanent Full-Time	
Permanent Part-time	
Temporary	

**DECREMENT
or INCREMENT**

Form C5
Revised 8/1995

AGENCY Community and Regional Affairs

BRU Employment/Training/Rural Development

COMPONENT State Training and Employment (#1012)

Page 1 of 1

Revised Date:

FY 97

TITLE: IA Receipt Authority Increment

Mark Mickelson, Program Coordinator, 466-4891

DESCRIPTION:

This increment reflects an increase to the SSDA component's allocation of the Interagency STEP funding DCRA receives from DOL. The combination of the SSDA and STEP components' Interagency receipts from DOL are \$3333.6. This corresponds to the amount that DOL's FY87 budget RSA's to our department.

EXPENDITURES

Personal Services	
Travel	
Contractual	
Supplies	
Equipment	
Lands & Buildings	
Grants & Claims	50.4
Miscellaneous	
Total	50.4

FUNDING SOURCES

1002 Federal Receipts	
1003 General Fund Match	
1004 General Fund	
1005 GF Program Receipts	
1007 Interagency Rcpts	50.4
Total	50.4

STAFFING

Permanent Full-Time	
Permanent Part-time	
Temporary	

**DECREMENT
or INCREMENT**

Form C5
Revised 8/1/85

AGENCY Community and Regional Affairs

BRU Employment/Training/Rural Development

COMPONENT Statewide Service Delivery #1178

Page 1 of 1

Revised Date:

FY 97

Corrections



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



CHAIR,
LEGISLATIVE COUNCIL

CO-CHAIR,
HOUSE SPECIAL COMMITTEE
ON MILITARY AND
VETERANS' AFFAIRS

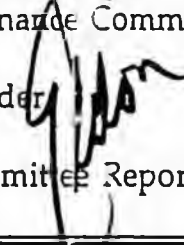
CO-CHAIR,
MILITARY AFFAIRS AND
ANCHORAGE CAUCUS

REPRESENTATIVE ELDON MULDER
DISTRICT 23 MULDOON-Ft. RICHARDSON

MEMORANDUM

DATE: March 19, 1996

TO: Representative Mark Hanley
CO-Chair, House Finance Committee

FROM: Representative Mulder 

RE: Corrections Subcommittee Report

The Subcommittee adopted the Governor's amendments into our working document. That included

- In the Correctional Academy component -- transferring travel funds into personal services
- In the Data and Word Processing component -- transferring I/A funding to federal funding (Subsequently, that funding was moved to CIP)
- In the Community Corrections Director's component -- Increased personal services \$1,200 to accommodate an excluded salary adjustment.

The attached spread sheet reflects the actions taken by the subcommittee. We are supporting.

The Subcommittee on Corrections adopted the committee report on a 3 - 2 vote with Representatives G. Davis, Rokeberg and Mulder voting "yes" and Representatives Brown and Navarre voting "no".

The committee report recommends a general fund appropriation to the Department of Corrections of \$131,178,600 and total funding of \$138,417,300. Both of these numbers are below the maximum caps established by the full committee.

DEPARTMENT OF CORRECTIONS FY 97 GOVERNOR'S REQUEST & SUBCOMMITTEE RECOMMENDATIONS													
Budget Component	Gov Amend FY97 Total Request	Subcommittee FY 97 Total Recommendation	Gov Amend FY 97 AI GF	Subcommittee Recommendation AI GF	C:	Subcommittee Recommended Funding Sources						CIP Receipts	IA Receipts
						GF/Program Receipts	GF/MI	Federal Receipts	PFD Funds	Correctional Industrios			
Admin. Support	7,223.80	6,909.20	6,191.50	5,876.90	5,876.90	0.00	0.00	0.00	0.00	0.00	541.00	491.30	
Office of the Comm	2,063.90	1,870.90	1,788.00	1,604.90	1,604.00							275.00	
Parole Board	490.80	478.80	490.80	478.80	478.80								
Cor. Academy	788.80	774.80	788.80	774.80	774.80								
Admin. Services	2,643.20	2,538.80	2,543.20	2,538.60	2,538.60								
Date & Word Proc	1,028.40	1,026.40	479.80	479.80	479.80			0.00			330.30	216.30	
Fac. Capital Imp. Unit	210.70	210.70	0.00	0.00	0.00						210.70		
Correction Industries	3,930.40	3,930.40	1,179.80	1,179.80	1,179.80	0.00	0.00	0.00	0.00	2,750.60	0.00	0.00	
Cor. Industry Admin.	1,179.80	1,179.80	1,179.80	1,179.80	1,179.80								
Cor. Ind. Product Cost	2,750.60	2,750.60	0.00	0.00	0.00					2,750.60			
Institutions	104,042.50	102,027.50	101,548.30	99,533.30	94,276.50	1,814.50	3,442.30	1,588.30	802.90	0.00	0.00	3.00	
Inst. Dir. Off	658.10	568.10	483.40	393.40	393.40					174.70			
Out of State Contract	6,006.10	6,006.10	6,006.10	6,006.10	6,006.10								
Inmate Health care	14,909.60	14,820.60	14,909.60	14,829.60	11,756.60		3,073.00						
Inmate programs	2,580.20	2,430.20	1,949.00	1,769.00	1,399.70		369.30			628.20		3.00	
Anvil Mountain	4,027.00	4,027.00	4,027.00	4,027.00	4,027.00								
Combined Hilland Mt	7,371.60	7,231.60	7,336.10	7,196.10	8,903.20	202.90		35.50					
Cook Inlet Cor. Cntr	9,508.00	9,360.00	8,255.00	8,107.00	7,858.30	248.70		1,253.00					
Fairbanks	7,281.50	7,145.50	7,216.70	7,080.70	7,059.60	21.10		64.80					
Ketchikan	2,689.60	2,689.60	2,686.00	2,686.80	2,666.30	20.60		2.70					
Lemon Creek	6,191.30	6,007.30	6,183.00	5,999.00	5,896.10	102.90		0.30					
Mal-Su Cor. Cntr	2,830.50	2,830.50	2,830.50	2,830.50	2,770.60	59.00							
Palmer Cor. Cntr	8,865.80	8,680.80	8,861.80	8,876.80	8,519.40	157.40		4.00					
6th Avenue	3,997.10	3,997.10	3,701.10	3,701.10	2,805.80	805.30		296.00					
Spring Creek	14,434.60	14,293.60	14,410.60	14,269.60	14,269.60			24.00					
Wildwood	8,561.00	8,450.00	8,561.00	8,450.00	8,434.30	15.70							
Yukon-Kuskokwim	4,130.50	4,130.50	4,130.50	4,130.50	4,130.50								
Unallocated Reduction		(620.00)		(620.00)	(620.00)								
Community Corrections	20,409.30	10,201.20	20,409.30	10,201.20	10,201.20	0.00							
Community Cor. Dir.	11,003.30	959.20	11,003.30	959.20	959.20								
Northern Reg Probation	2,470.00	2,470.00	2,470.00	2,470.00	2,470.00								
Southcentral Reg Prob	3,937.20	3,937.20	3,937.20	3,937.20	3,937.20								
Southeast Probation	345.00	845.00	845.00	845.00	845.00								
Point MacKenzie Rehab	2,153.80	1,989.80	2,153.80	1,989.80	1,989.80								
Community Residential Centers		9,574.90		9,574.90	8,964.90	610.00							
Contract Beds		9,574.90		9,574.90	8,964.90	610.00							
Community Jails	4,812.50	4,812.50	4,812.50	4,812.50	4,812.50								
Community Jails	4,812.50	4,812.50	4,812.50	4,812.50	4,812.50								
TOTAL	140,418.50	137,455.70	134,141.40	131,178.60	125,311.80	1,814.50	3,442.30	1,688.30	802.90	2,750.60	541.00	494.30	
House cap	138,417.30	138,417.30	132,140.20	132,140.20									
difference	2,001.20	(961.60)	2,001.20	(961.60)									
Revenue Source													
General Funds	134,141.40	131,178.60			130,568.60								
Federal Funds	1,688.30	1,688.30											
Other Funds	4,588.80	4,588.80											
TOTAL BUDGET	140,418.50	137,455.70											
House target	138,417.30	138,417.30											

DEPARTMENT OF CORRECTIONS FY 97 SUBCOMMITTEE RECOMMENDATION

Budget Component	Gov Amend FY97 Request	Subcommittee Recommendation FY 97	Difference Governor - Subcommittee	Gov Amend FY 97 Total GF	Subcommittee Recommendation Total GF	Explanation of Change
Admin. Support	7,223.80	6,909.20	314.60	6,191.58	5,876.90	
Office of the Commissioner	2,063.90	1,879.90	184.00	1,788.90	1,604.90	Reduce personal services 164.0 by eliminate PO IV in Anchorage and Special Asst. II in Juneau; reduce travel 10.0; reduce contracts 10.0 by eliminating IA transfer to Dept. of C&RA for Special Asst. Position.
Parole Board	490.80	478.80	12.00	490.80	478.80	Reduce travel by 12.0
Correctional Academy	788.80	774.80	14.00	788.80	774.80	Accept budget amendment and reduce personal services by 14.0 error in calculations
Admin. Services	2,643.20	2,538.60	104.60	2,643.20	2,538.60	Reduce personal services 104.6 eliminating personnel officer I and accounting clerk II
Data & Word Processing	1,026.40	1,026.40	0.00	479.80	479.80	move 248.4 from federal funding to CIP receipts; eliminate 3 programmer II positions
Fac- Capital Imp. Unit	210.70	210.70	0.00	0.00	0.00	
Correctional Industries	3,930.40	3,930.40	0.00	1,179.80	1,179.80	
Cor. Industry Admin.	1,179.80	1,179.80	0.00	1,179.80	1,179.80	
Cor. Ind. Product Cost	2,750.60	2,750.60	0.00	0.00	0.00	
Institutions	104,042.50	102,027.50	2,015.00	101,548.30	99,533.30	
Institution Director's Office	658.10	568.10	90.00	483.40	393.40	reduce personal services 90.0 eliminate asst. dir. programs
Out of State Contracts	5,006.10	6,006.10	0.00	6,006.10	6,006.10	
Inmate Health Care	14,909.60	14,829.60	80.00	14,909.60	14,829.60	reduce personal services 80.0 eliminate 2 psychiatric nurse asst. III (Now request)
Inmate Programs	2,580.20	2,400.20	180.00	1,949.00	1,769.00	reduce contract line by 180.0 GF
Anvil Mountain	4,027.00	4,027.00	0.00	4,027.00	4,027.00	
Combined Hilland Mountain/Meadow Creek	7,371.60	7,231.60	140.00	7,336.10	7,196.10	reduce personal services 140.0 eliminate Asst. Superintendent and Co III
Cook Inlet Cor. Center	9,508.00	9,360.00	148.00	8,255.00	8,107.00	reduce personal services 148.0 eliminate Asst. Superintendent, CO III, and PCN for Ed Coordinator, continue contract for service.
Fairbanks	7,281.50	7,145.50	136.00	7,216.70	7,080.70	reduce personal services 136.0 eliminate CO III and Education Coordinator
Keetchikan	2,689.60	2,689.60	0.00	2,686.90	2,686.90	
Lemon Creek	6,191.30	6,007.30	184.00	6,183.00	5,999.00	Reduce personal services 184.0 eliminate CO III, Ed Coordinator, CO II and day reporting operated by prison
Mat-Su Cor. Center	2,830.50	2,830.50	0.00	2,830.50	2,830.50	
Palmer Cor. Center	8,865.80	8,680.80	185.00	8,861.80	8,676.80	reduce personal services 186.0 eliminate education coordinator, CO III, CO II as a result of Elks Camp no longer being available

Budget Component	Gov Amend FY97 Request	Subcommittee Recommendation FY 97	Difference Governor - Subcommittee	Gov Amend FY 97 Total GF	Subcommittee Recommendation Total GF	Explanation of Change
6th Avenue	3,997.10	3,997.10	0.00	3,701.10	3,701.10	
Spring Creek	14,434.60	14,293.60	141.00	14,410.60	14,269.60	reduce personal services 141.0 eliminate asst. superintendent and CO III
Wildwood	8,561.00	8,450.00	111.00	8,561.00	8,450.00	reduce personal services 111.0 eliminate CO III and admn. clerk III
Yukon-Kuskokwim	4,130.50	4,130.50	0.00	4,130.50	4,130.50	
Unallocated Reduction		(620.00)	620.00		(620.00)	Reduce 10 CO IIs - portmolar guards
Community Corrections	20,409.30	10,201.20	10,208.10	20,409.30	10,201.20	
Community Corrections Director's Office	11,003.30	959.20	10,044.10	11,003.30	959.20	reduce personal services 84.5 eliminate dep. dir.; reduce contract lno 9959.6 eliminate 334.7 day reporting project, move 9574.9 for CRC beds and 610.0 program receipt authority to now BRU, move 50.0 for Pt. MacKenzie programs to PT. MacKenzie component
Northern Reg. Probation	2,470.00	2,470.00	0.00	2,470.00	2,470.00	
Southcentral Reg. Probation	3,937.20	3,937.20	0.00	3,937.20	3,937.20	
Southeast Probation	845.00	845.00	0.00	845.00	845.00	
Point MacKenzie Rehabilitation Program	2,153.80	1,989.80	164.00	2,153.80	1,989.80	reduce personal services 214.0 eliminate 4 CO IIs, increase contracts 50.0 move Pt. MacKenzie programs from Dir. Off to PT. MacKenzie
Community Residential Centers		9,574.90	(9,574.90)		9,574.90	
Contract Beds		9,574.00	(9,574.90)		9,574.90	Move 9574.9 for CRC contracts and 610.0 program receipt authority from Dir. Off. to this now BRU
Community Jails	4,812.50	4,812.50	0.00	4,812.50	4,812.50	
Community Jails	4,812.50	4,812.50	0.00	4,812.50	4,812.50	
TOTAL	138,417.30	137,455.70	2,962.80	134,141.40	131,178.60	
House cap	138,417.30	138,417.30		132,140.20	132,140.20	
Difference	2,001.20	(961.60)	2,962.80	2,001.20	(961.60)	
Revenue Source						
General Funds	34,140.20	131,178.60	2,961.60		131,178.60	
Federal Funds	1,688.30	1,688.30	0.00		1,688.30	
Other Funds	4,588.80	4,588.80	0.00		4,588.80	
TOTAL BUDGET	140,417.30	137,455.70	2,961.60		137,455.70	
House budget	38,417.30	138,417.30	0.00		138,417.30	

MEMORANDUM

State of Alaska
Department of Corrections
Division of Administrative Services
PHONE (907)465-3376; FAX (907)465-2006
P.O. Box 112000, Juneau, Alaska 99811-2000

TO: Nancy J. Slagle, Director
Division of Budget Review
Office of Management & Budget

DATE: March 22, 1996

FILE: A-1-8H: A-1-20

FROM: Margaret M. Pugh
Commissioner

SUBJECT: *FY97 Agency Operating
Request - House Finance
Subcommittee Actions*

Actions within the House Finance Subcommittee have reduced this department's FY97 Governor's Operating Budget Request as follows:

	<u>General Funds</u>	<u>Other Funds</u>	<u>Total</u>
Governor's Request	\$134,140.2	\$ 6,277.1	\$ 140,417.3
House Subcommittee	<u>\$131,178.6</u>	<u>\$ 6,277.1</u>	<u>\$ 137,455.7</u>
House Difference	(2,961.6)	\$ 0.0	(2,961.6)

The impacts of the House Finance Subcommittee budgetary actions within the Department of Corrections are as follows:

COMMISSIONER'S OFFICE (\$184.0)

- ▶ Deletes Probation Officer IV (\$76.0). Results in substantial delays Prisoner Classification Actions;
- ▶ Deletes the only Special Assistant to the Commissioner (\$88.0). Cripples the agency's ability to develop and respond to legislation and develop special projects;
- ▶ Cuts (\$10.0) in Travel. Inhibits Commissioner's ability to manage a statewide program with 26 local sites in all major communities in the state.
- ▶ Cuts (\$10.0) in Contracts. Eliminates support to C&RA for Children's & Youth Program

PAROLE BOARD (\$12.0)

- ▶ Cuts (\$12.0) in travel. Reduces travel for parole hearings: will cut down on discretionary hearings.

CORRECTIONAL ACADEMY (\$14.0)

- ▶ Cuts (\$14.0) in personal services. Eliminates funding for 4 Correctional Officer Recruits; reduces class size from 24 to 20.

ADMINISTRATIVE SERVICES (\$104.6)

- ▶ Deletes the Division's only Personnel Officer (\$67.7). Results in significant delays in ability of personnel section to handle staffing issues in an agency with 1400 employees.
- ▶ Deletes 1 of only 7 Accounting Clerks (\$36.9). Results in significant delays in time necessary to make vendor payments for \$ 39 Million dollars of goods and services purchased from the private sector.

DATA & WORD PROCESSING

- ▶ Deletes three requested Analyst Programmer positions, to be funded out of Interagency Receipts in an increment. These positions were to assist the agency in OBSCIS and HOFA reprogramming as part of our overall Criminal Justice Information System upgrade.
- ▶ Moved federal funding (\$248.4) requested on budget amendment for new Micro-Network Technicians & Specialists to CIP funding. Forces the agency to draw against CIP funding source for positions when OMB wants all such positions funded in Operating Budget.

CORRECTIONAL INDUSTRIES

- ▶ Creates a separate BRU for the Correctional Industries-Administration and Correctional Industries-Product components. Eliminates the department's ability to provide financial to support these operations, from other agency allocations.

INSTITUTIONS DIRECTOR'S OFFICE (\$90.0)

- ▶ Deletes the only Assistant Director (\$90.0) Eliminates the position responsible for supervision of Inmate Programs, including education, sex offender treatment, vocational training, substance abuse treatment, special women's programs, etc.

INMATE HEALTH CARE (\$80.0)

- ▶ Deletes increment for two Psychiatric Nurse Assistants 111 (\$80.0). Results in loss of small increment recommended by the Mental Health Trust Authority and the Mental Health Board, which were intended to provide needed female mental health services at Hiland Mtn. Correctional Center. Inhibits the departments ability to respond to Court concerns about programming for women inmates.

INMATE PROGRAMS (\$180.0)

- ▶ Cuts (\$180.0) in contractual services. Results in reductions in such inmate programs as Education, Substance Abuse Treatment, Sex Offender Treatment, and Vocational training. Impedes rehabilitation and worsens security due to idleness.

INSTITUTIONS-STATEWIDE (\$1,045.0)

- ▶ Eliminates three Assistant Superintendents, one each at Combined Hiland Mountain (\$68.4), Cook Inlet (\$74.1), and Spring Creek Correctional Centers (\$70.7).

Combined Hiland Mountain is the state's most complex facility with two campuses and an inmate population of both males and females. One assistant superintendent manages staff. The other manages special programs, including the sex offender treatment program on one campus and special women's programs on the other campus. Loss of the second assistant superintendent would significantly impede the facility's management of its special programs.

Cook Inlet is an overcrowded, high volume felony intake facility in Anchorage, which is so overcrowded that inmates are sleeping on the floors in some dorms and in the gym. The facility needs two assistant superintendents to provide special coverage at times of very high intake and to provide relief to other managers at night, on weekends and on vacations.

Spring Creek is the states largest facility, and the only designated maximum security facility. Consequently it houses a population of dangerous long term sentenced felons. Its security requirements are severe and the facility has a large number of difficult to manage prisoners. The second assistant superintendent manages classification and inmate programs in this difficult to manage facility.

- ▶ Eliminates four Education Coordinators, one each at Cook Inlet (\$52.7), Fairbanks CC (\$64.3), Lemon Creek CC (\$52.8), and Palmer CC (\$52.8). Significantly reduces the departments ability to provide Adult Basic Education, Life Skills training and Vocational Education to inmates who almost universally suffer from lack of educational attainment, skill training and social skills.
- ▶ Eliminates seven Correctional Officer 111's, one each at Combined Hiland Mountain (\$71.6), Cook Inlet, (\$21.2), Fairbanks, (\$71.7), Lemon Creek, (\$68.2), Palmer (\$69.0), Spring Creek, (\$70.3) and Wildwood (\$70.1) Correctional Centers. The intent of this reduction was to eliminate Cleary Court Monitors, but these positions are senior sergeants who have a multitude of duties including grievance resolution, shift supervision, records, classification, inmate work program supervision and others. Loss of these positions would significantly reduce the affected institutions to comply with court monitoring requirements and require the reallocation of other duties to other officers. The inmate population has grown by over 2000 daily on average since these positions were established in 1984.
- ▶ Eliminates two Correctional Officer 11.'s, one each at Lemon Creek (\$63.0) and Palmer (\$63.2) Correctional Centers. These officers have been in charge of programs which provide low cost alternatives to incarceration and return value added services to the communities through community work service.

The officer at Lemon Creek is in charge of the new Lemon Creek Community Work Service Program, which is cheaper than residential placement in the community and which provides a very cost effective alternative to incarceration for eligible inmates. This new program is strongly supported by Juneau law enforcement, judges and prosecutors.

The officer at Palmer has been in charge of the annual summer Elk's Camp program, which provided very cost effective alternatives to incarceration for misdemeanants in prior years, including a large number of DWI's.

- ▶ Eliminates one Administrative Clerk 111 at Wildwood Correctional Center (\$40.9) which significantly limits the facility's ability to process vendor payments and manage Inmates HOFA accounts.

"UNALLOCATED" (\$620.0)

- ▶ Eliminates ten Correctional Officer 11 positions; two at Combined Hiland Mountain Correctional Center (\$124.0), four at Wildwood (\$248.0), two at Lemon Creek (\$124.0), and two at Palmer (\$124.0).

These officers are all assigned to Perimeter Patrol, in order to keep inmates in the institutions, and to keep contraband out. These officers are absolutely necessary to maintain security at these facilities unless a significant, multimillion dollar capital investment is made in new technology, including Fencing, Electronic Sensors and other devices needed to ensure security.

COMMUNITY CORRECTIONS DIRECTOR'S OFFICE (\$418.0)

- ▶ Creates a new BRU for the Community Corrections Division. This action significantly impedes the department's ability to adjust financial, programming and staff support between Institutions, Inmate Programs and Community Corrections, when the mix of inmates, probationers and programming needs is in constant flux and requires periodic realignment.
- ▶ Deletes Deputy Director for Community Corrections (\$83.3). Results in loss of the senior manager responsible for daily supervision of the Interstate Compact, and all three regional probation offices, on the heels of a Legislative Audit which recommended a significant strengthening of the management of the Division of Community Corrections.
- ▶ Deletes funding for planned "Day Reporting Center" in Anchorage (\$334.7). Eliminates the department's ability to develop a cheap, effective, alternative community based program designed to keep probationers and parolees who are in danger of violating their conditions of release, from having to be reincarcerated in expensive facility beds.
- ▶ Denies base adjustment funding for four additional Correctional Officer 11's (\$214.0) at Pt. MacKenzie Farm. Continues to understaff the program at dangerous levels and prevents its expansion for additional offenders at a time when the department needs more capacity.

COMMUNITY RESIDENTIAL CENTERS BRU

- ▶ Creates a new BRU for Community Residential Center contract funding. This action limits the department's ability to use other funds to augment community corrections contractual funding as has been done several times in prior years, when necessary to increase the number of CRC beds in order to respond to overcrowding.

In closing, a budget amendment to open a program at Ft. Richardson Confinement Facility, that was supposed to have been submitted by OMB to the House Finance Subcommittee was inadvertently left out of the amendments package. Unless there is an adjustment in the Capital budget request to remedy this problem, the department will not be able to take advantage of a short term opportunity to use the facility to house misdemeanant and felony pretrial inmates presently housed at Sixth Avenue and Cook Inlet Pretrial, both of which are extremely overcrowded.

Because the amendment was not put forward, the House Finance Subcommittee budget does not include an additional \$566.6 of general funds and 23 new PFT positions for the proposed program at Ft. Richardson.

Should you have any questions on any of this information, please contact me immediately. Thank you.

CC: Bill Parker, Deputy Commissioner
Robert L. Cole, Director/Division of Administrative Services
Frank Sauser, Director/Division of Institutions
Lynda Zaugg, Director/Division of Community Corrections
DOC Budget/Revenue Files

Agency Totals - FY97 Operating Budget

Agency: Department of Corrections

	<u>FY95 Act</u>	<u>FY96Auth</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
Totals for Agency	125,531.5	137,909.9	140,417.3	140,418.5	137,455.7	-2,962.8	-2.1 %
<u>Objects of Expenditure:</u>							
Personal Services	83,179.1	85,362.4	87,101.3	87,213.6	84,744.7	-2,468.9	-2.8 %
Travel	1,057.3	1,387.3	1,383.4	1,272.3	1,250.3	-22.0	-1.7 %
Contractual	29,277.4	38,260.6	38,745.9	38,745.9	38,274.0	-471.9	-1.2 %
Comrnodities	9,790.8	10,725.3	11,017.9	11,017.9	11,017.9	0.0	0.0 %
Equipment	282.8	89.4	83.9	83.9	83.9	0.0	0.0 %
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	
Grants, Claims	1,944.1	2,084.9	2,084.9	2,084.9	2,084.9	0.0	0.0 %
Miscellaneous	0.0	-0.0	0.0	0.0	-0.0	-0.0	0.0 %
<u>Funding Sources:</u>							
1002 Fed Rcpts	1,648.4	1,754.4	1,688.3	1,936.7	1,688.3	-248.4	-12.8 %
1004 Gen Fund	114,141.0	126,097.9	128,273.4	128,274.6	125,311.8	-2,962.8	-2.3 %
1005 GF/Prgm	2,748.7	2,405.6	2,424.5	2,424.5	2,424.5	0.0	0.0 %
1006 GF/MHTIA	3,458.6					0.0	
1007 I/A Rcpts	374.0	320.6	742.7	494.3	494.3	0.0	0.0 %
1037 GF/MH		3,989.2	3,442.3	3,442.3	3,442.3	0.0	0.0 %
1050 PFD Fund	796.5	802.9	802.9	802.9	802.9	0.0	0.0 %
1059 Corr. Ind.	2,227.5	2,250.6	2,750.6	2,750.6	2,750.6	0.0	0.0 %
1061 CIP Rcpts	136.8	288.7	292.6	292.6	541.0	248.4	84.9 %
<u>Positions:</u>							
Perm Full Time	1,323.0	1,349.0	1,358.0	1,358.0	1,316.0	-42.0	-3.1 %
Perm Part Time	6.0	6.0	4.0	4.0	4.0	0.0	0.0 %
Non-Perm	0.0	21.0	21.0	24.0	24.0	0.0	0.0 %

Component Summary - FY97 Operating Budget

General Funds and CBR

Agency: Department of Corrections

<u>Page</u>	<u>Budget Component</u>	<u>FY95 Act</u>	<u>FY96Auth</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
Administration and Support								
1	Office of the Commissioner	1,285.3	1,859.2	1,788.9	1,788.9	1,604.9	-184.0	-10.3%
2	Parole Board	471.7	486.5	490.8	490.8	478.8	-12.0	-2.4%
3	Correctional Academy	447.9	783.9	788.8	788.8	774.8	-14.0	-1.8%
4	Administrative Services	2,587.9	2,526.9	2,643.2	2,643.2	2,538.6	-104.6	-4.0%
5	Data and Word Processing	430.0	513.3	479.8	479.8	479.8	0.0	0.0%
	* BRU Total	5,222.8	6,169.8	6,191.5	6,191.5	5,876.9	-314.6	-5.1%
Statewide Operations								
12	Transportation	465.8					0.0	
	* BRU Total	465.8	0.0	0.0	0.0	0.0	0.0	
Correctional Industries								
9	Correctional Industries Admin	1,150.5	1,165.6	1,179.8	1,179.8	1,179.8	0.0	0.0%
	* BRU Total	1,150.5	1,165.6	1,179.8	1,179.8	1,179.8	0.0	0.0%
Institutions								
13	Out-of-State Contractual	3,549.2	6,006.1	6,006.1	6,006.1	6,006.1	0.0	0.0%
11	Institution Director's Office	418.0	479.0	483.4	483.4	393.4	-90.0	-18.6%
7	Inmate Health Care	14,509.0	14,739.7	14,909.6	14,909.6	14,829.6	-80.0	-0.5%
8	Inmate Programs	1,786.0	1,945.1	1,949.0	1,949.0	1,769.0	-180.0	-9.2%
14	Anvil Mtn Correctional Center	3,922.3	3,986.1	4,027.0	4,027.0	4,027.0	0.0	0.0%
15	Combined Hiland Mtn Corr Ctr	7,297.7	7,259.2	7,336.1	7,336.1	7,196.1	-140.0	-1.9%
16	Cook Inlet Correctional Center	8,091.6	8,171.7	8,255.0	8,255.0	8,107.0	-148.0	-1.8%
17	Fairbanks Correctional Center	6,994.3	7,144.1	7,216.7	7,216.7	7,080.7	-136.0	-1.9%
18	Ketchikan Correctional Center	2,608.1	2,659.1	2,686.9	2,686.9	2,686.9	0.0	0.0%
19	Lemon Creek Correctional Ctr	6,062.3	6,121.7	6,183.0	6,183.0	5,999.0	-184.0	-3.0%
20	Mat-Su Correctional Center	2,743.9	2,800.6	2,830.5	2,830.5	2,830.5	0.0	0.0%
21	Palmer Correctional Center	8,806.9	8,776.9	8,861.8	8,861.8	8,676.8	-185.0	-2.1%
22	Sixth Avenue Correctional Ctr	3,537.3	3,660.8	3,701.1	3,701.1	3,701.1	0.0	0.0%
23	Spring Creek Correctional Ctr	13,825.9	14,270.1	14,410.6	14,410.6	14,269.6	-141.0	-1.0%
24	Wildwood Correctional Center	7,860.5	8,477.4	8,561.0	8,561.0	8,450.0	-111.0	-1.3%
25	Yukon-Kuskokwim Corr Center	3,908.5	4,089.2	4,130.5	4,130.5	4,130.5	-0.0	-0.0%
31	Unallocated		0.0	0.0	0.0	-620.0	-620.0	*****%
	* BRU Total	99,921.5	100,586.8	101,548.3	101,548.3	99,533.3	-2,015.0	-2.0%

Component Summary - FY97 Operating Budget

General Funds and CBR

Agency: Department of Corrections

<u>Page</u>	<u>Budget Component</u>	<u>FY95 Act</u>	<u>FY96Auth</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	Community Corrections							
26	Community Corrections	9,274.0	10,519.9	11,002.1	11,003.3	959.2	-10,044.1	-91.3%
	Director							
27	Northern Region Probation	2,237.4	2,444.5	2,470.0	2,470.0	2,470.0	0.0	0.0%
28	Southcentral Region Probation	3,666.0	4,043.1	3,937.2	3,937.2	3,937.2	0.0	0.0%
29	Southeast Region Probation	786.8	835.1	845.0	845.0	845.0	0.0	0.0%
30	Point MacKenzie Rehab Program	1,623.5	1,916.2	2,153.8	2,153.8	1,989.8	-164.0	-7.6%
	* BRU Total	17,587.7	19,758.8	20,408.1	20,409.3	10,201.2	-10,208.1	-50.0%
	Community Jails							
33	Community Jails		4,811.7	4,812.5	4,812.5	4,812.5	0.0	0.0%
	* BRU Total	0.0	4,811.7	4,812.5	4,812.5	4,812.5	0.0	0.0%
	Community Residential Centers							
	Contract Beds					9,574.9	9,574.9	
	* BRU Total	0.0	0.0	0.0	0.0	9,574.9	9,574.9	
	*** Total Agency Expenditure	120,348.3	132,492.7	134,140.2	134,141.4	131,178.6	-2,962.8	-2.2%

One Way Comparison - FY97 Operating Budget

from Gov Amd to House

Agency: Department of Corrections

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Administration and Support												
Office of the Commissioner												
Eliminate Probation Officer IV	Dec	-76.0	-76.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-76.0										
Eliminate Special Assistant	Dec	-88.0	-88.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-88.0										
Reduce Travel	Dec	-10.0	0.0	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-10.0										
Eliminate I/A xfer to Community & Regional Affairs	Dec	-10.0	0.0	0.0	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-10.0										
		-184.0	-164.0	-10.0	-10.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
Parole Board												
Reduce Travel	Dec	-12.0	0.0	-12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-12.0										
		-12.0	0.0	-12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Correctional Academy												
Reduce Gov's Amd Xfer to personal services	Dec	-14.0	-14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-14.0										
		-14.0	-14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Services												
Eliminate personnel officer I	Dec	-67.7	-67.7	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-67.7										
Eliminate Accounting Clerk II	Dec	-36.9	-36.9	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-36.9										
		-104.6	-104.6	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
Data and Word Processing												
Switch Federal Funds to CIP Receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		-248.4										
1061 CIP Rcpts		248.4										
Deny 3 programmer II positions	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.0	0.0	0.0
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.0	0.0	0.0
Institutions												
Institution Director's Office												
Eliminate Assistant Director /Programs	Dec	-90.0	-90.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-90.0										
		-90.0	-90.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0