

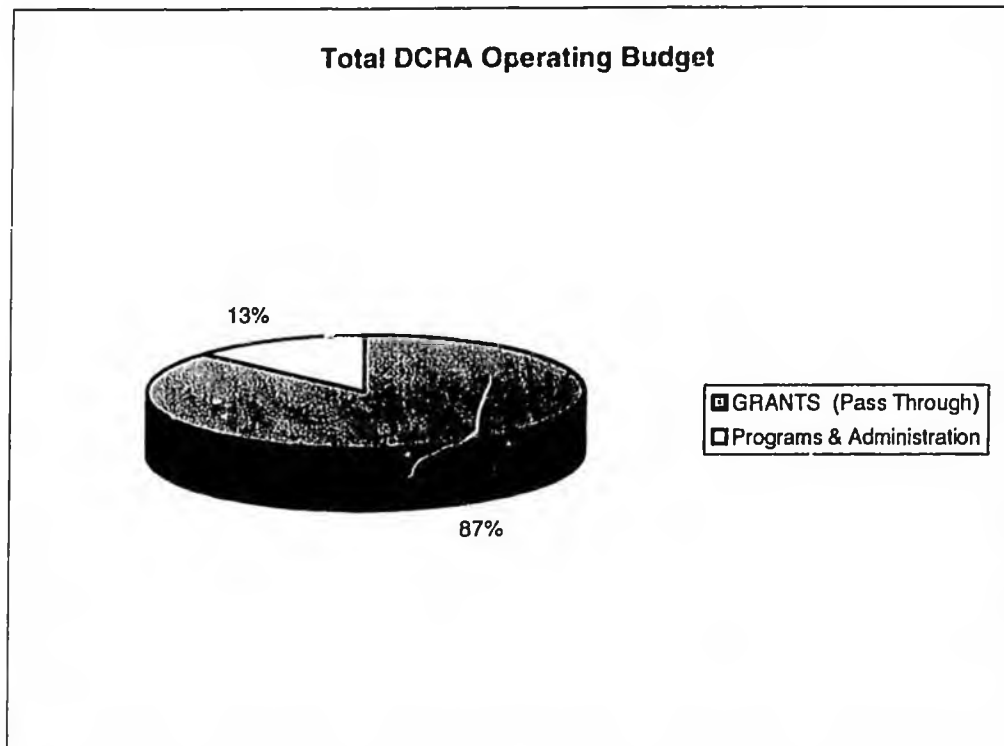
ALASKA LEGISLATURE

1584

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

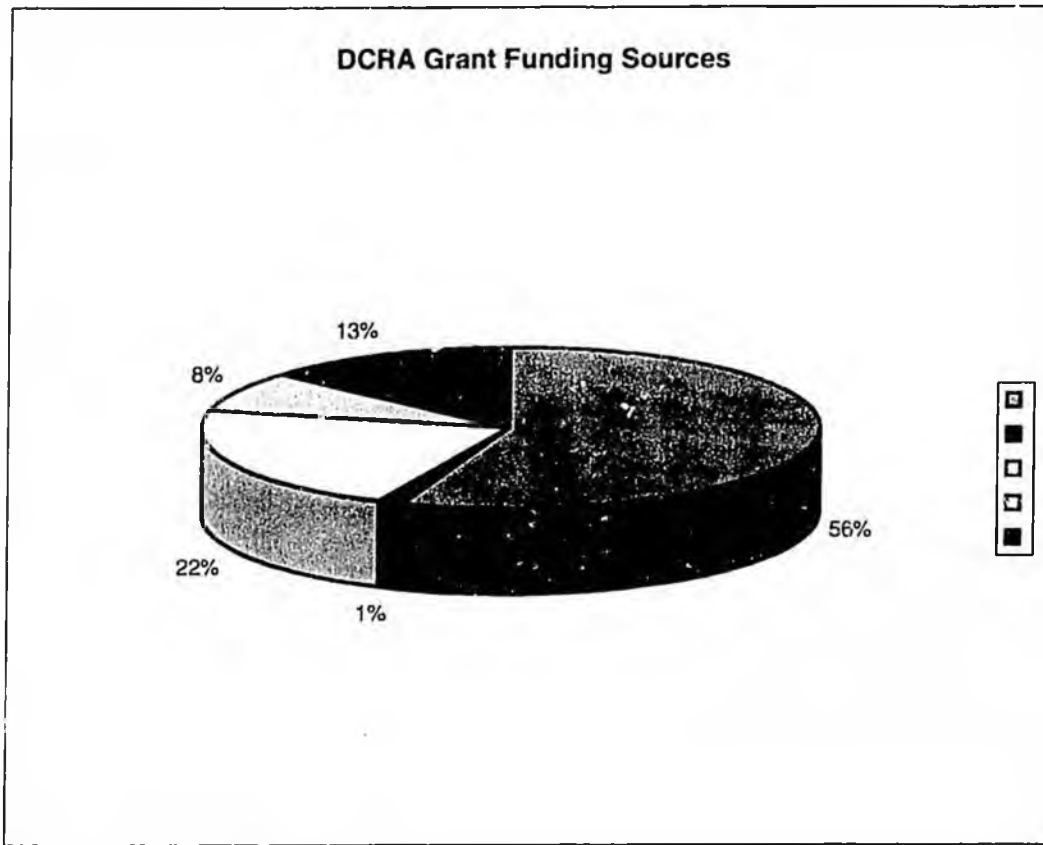
DCRA FY 98 Operating Budget Request  
Summary of All Funds  
Prepared By DCRA

GRANTS (Pass Through)	126,671.2
Programs & Administration	<u>19,560.1</u>
Total DCRA Budget	146,231.3



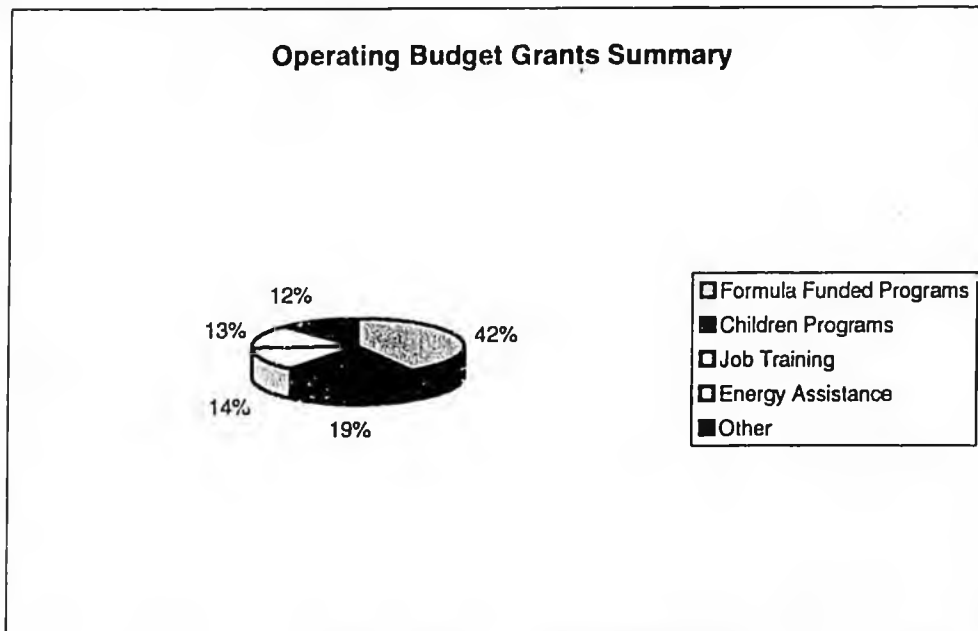
DCRA FY 98 Operating Budget Request  
Summary of Pass Through Grants By Funding Source  
Prepared BY DCRA

General Funds	70,510.5
General Fund Match	1,534.4
Federal Funds	27,568.5
Interagency	10,007.8
Other	<u>17,050.0</u>
<b>Total Grants (Pass Through Funds)</b>	<b>126,671.2</b>



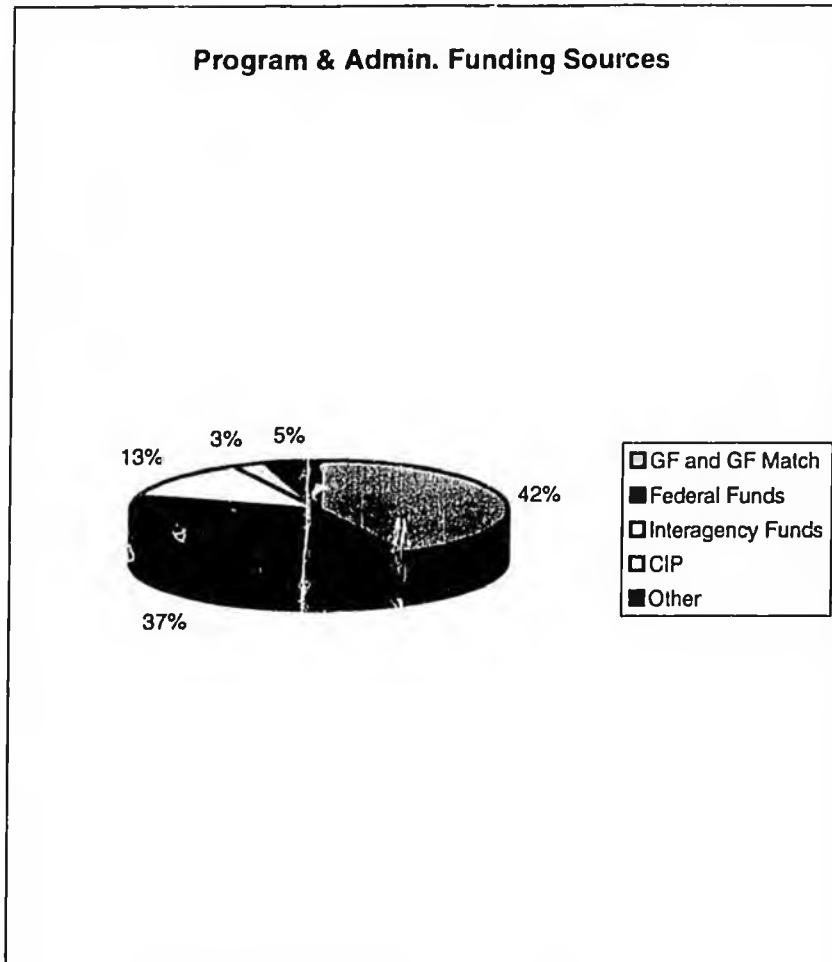
DCRA FY98 Operating Budget Request  
 Summary Of Pass Through Grants By Program  
 Prepared By DCRA

PROGRAMS	TOTAL Authorized	General Funds	G/F Match	Federal	I/A	Other
Formula Funded Programs	52,640.1	52,640.1	0.0	0.0	0.0	0.0
Children Programs	24,386.3	17,695.6	1,534.4	1,250.2	3,906.1	0.0
Job Training	17,163.9	4.8	0.0	14,018.3	3,140.8	0.0
Energy Assistance	17,000.0	0.0	0.0	0.0	0.0	17,000.0
Other	15,480.9	170.0	0.0	12,300.0	2,960.9	50.0
National Forest Receipts	10,000.0	0.0	0.0	10,000.0	0.0	0.0
Alaska Legal Services	100.0	100.0	0.0	0.0	0.0	0.0
ARDORS	620.0	0.0	0.0	0.0	620.0	0.0
Amerlcorp	2,300.0	0.0	0.0	2,300.0	0.0	0.0
Raw Territorial Fish Tax	1,000.0	0.0	0.0	0.0	1,000.0	0.0
Alaska Coastal Zone Mgmt	1,340.9	0.0	0.0	0.0	1,340.9	0.0
National Petroleum Reserve	50.0	0.0	0.0	0.0	0.0	50.0
Rural Utility Business Assist.	70.0	70.0	0.0	0.0	0.0	0.0
<b>TOTALS</b>	<b>126,671.2</b>	<b>70,510.5</b>	<b>1,534.4</b>	<b>27,568.5</b>	<b>10,007.8</b>	<b>17,050.0</b>



DCRA FY 98 Operating Budget Request  
Summary Of Program /Admin Funds By Funding Source  
Prepared By DCRA

GF and GF Match	8,302.7
Federal Funds	7,301.6
Interagency Funds	2,475.3
CIP	557.5
Other	923.0
<b>Total Program &amp; Admin.</b>	<b>19,560.1</b>



DCRA FY 98 Operating Budget Request  
 Detail of Pass Through Grants By Funding Source  
 Prepared by DCRA

Program	Gen Fund	GF Match	Fed	I/A	Other	Total
<b>Formula Funded Programs</b>						
Senior Citizen/Renters	300.0					300.0
Revenue Charing	23,614.1					23,614.1
Municipal Assistance	28,726.0					28,726.0
<b>Sub-Total Formula Funded</b>	<b>52,640.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>52,640.1</b>
<b>Children Programs</b>						
Child Care Grants	1,819.1					1,819.1
Resource & Referral		170.0		255.0		425.0
Education & Training	200.0		464.9	192.1		857.0
Day Care Assistance	9,846.7					9,846.7
Child Care Devlop. BG (Carryover)			700.0			700.0
Alaska Temporary Assistance Pgm.		1,364.4		3,459.0		4,823.4
Head Start	5,829.8		85.3			5,915.1
<b>Sub-total Children</b>	<b>17,695.6</b>	<b>1,534.4</b>	<b>1,250.2</b>	<b>3,906.1</b>	<b>0.0</b>	<b>24,386.3</b>
<b>Job Training Programs</b>						
State Empl. & Training Prog.				3,140.8		3,140.8
Job Training Partnership Funds (including National Reserve Grant)	4.8		14,018.3			14,023.1
<b>Sub-total Job Training</b>	<b>4.8</b>	<b>0.0</b>	<b>14,018.3</b>	<b>3,140.8</b>	<b>0.0</b>	<b>17,163.9</b>
<b>Energy Programs</b>						
Power Cost Equalization					17,000.0	17,000.0
<b>Sub-total Energy Assistance</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>17,000.0</b>	<b>17,000.0</b>
<b>Other Programs</b>						
National Forest Receipts			10,000.0			10,000.0
Alaska Legal Services	100.0					100.0
ARDORS				620.0		620.0
Americorps			2,300.0			2,300.0
Raw Ter. Fish Tax				1,000.0		1,000.0
Ak. Coastal Zone Mgmt.				1,340.9		1,340.9
Nat. Petroleum Reserve					50.0	50.0
Rural Utility Business Assistance	70.0					70.0
<b>Sub-total Other Programs</b>	<b>170.0</b>	<b></b>	<b>12,300.0</b>	<b>2,960.9</b>	<b>50.0</b>	<b>15,480.9</b>
<b>Department Totals</b>	<b>70,510.5</b>	<b>1,534.4</b>	<b>27,568.5</b>	<b>10,007.8</b>	<b>17,050.0</b>	<b>126,671.2</b>

DCRA FY 98 Operating Budget Request  
 Detail of Admin./Program  
 By Funding Source  
 Prepared by DCRA

Program	General Funds	GF Match	Federal Funds	Interagency	CIP Receipts	Other	Total
<b>Administration</b>							
Commissioner's Office	416.5			112.8			529.3
Division of Admin Services	1,271.2	70.9		391.1	91.6		1,824.8
Data Processing	351.0	14.0		366.9			731.9
One Stop Shop Program			3,656.7				3,656.7
Sub-total	2,038.7	84.9	3,656.7	870.8	91.6	0.0	6,742.7
<b>Local Government Assistance</b>							
Training & Development	2,170.9		578.8	204.7			2,954.4
State Assessor	154.8						154.8
Local Boundary Commission	256.4						256.4
Statewide Assistance	389.6			35.5			425.1
Sub-total	2,971.7	0.0	578.8	240.2	0.0	0.0	3,790.7
<b>Child Care Programs</b>							
Child Care Grants	274.2	178.9	90.4	876.7			1,420.2
Resource & Referral							
Dependent Care							
Education & Training							
Child Care Develop. BG							
Day Care Assistance							
Alaska Temporary Assistance Pgrm.							
Head Start	145.6	60.8	64.7				271.1
Sub-total	419.8	239.7	155.1	876.7	0.0	0.0	1,691.3
<b>Job Training Programs</b>							
Job Training Partnership Act	93.9		1,463.5	56.3			1,613.7
Statewide Service Delivery	480.2		1,004.1	203.7			1,688.0
State Employment & Training				89.4			89.4
Sub-total	574.1	0.0	2,467.6	349.4	0.0	0.0	3,391.1
<b>Community &amp; Economic Development</b>							
Rural Develop. Assist./ARDORS	463.6		50	138.2	296.1	127.8	1,075.7
Block Grant Programs, CDQ's, Alaska							0.0
Rural Devl. Council, RDIF							0.0
Sub-total	463.6	0.0	50.0	138.2	296.1	127.8	1,075.7
<b>Other Programs</b>							
Americorps & other Division of Com. & Rural Development Programs	327.4		254.8			69.8	652.0
Energy Assistance	1,157.8	25.0	138.6	0.0	169.8	725.4	2,216.6
<b>Total Admin. &amp; Program Delivery</b>	<b>7,953.1</b>	<b>349.6</b>	<b>7,301.6</b>	<b>2,475.3</b>	<b>557.5</b>	<b>923.0</b>	<b>19,560.1</b>

**Department of Community Regional Affairs  
 Summary of Changes Between  
 FY 97 and FY 98 General Funds  
 Operating Budget**

<b>FY 97 AUTHORIZED GENERAL FUNDS</b>	<b>81981.4</b>
<b><u>DECREMENTS</u></b>	
<b>Administrative &amp; Program Delivery</b>	
Division of Administrative Services	-180.0
Local Government Assistance	-160.0
Deputy Director DCRD	-35.0
Statewide Service Delivery (Job Training)	-15.0
Child Care Administration	-35.0
Energy Operations	-400.0
Sub-total	<b>-825.0</b>
<b>Pass Through and Formula Funded</b>	
Child Care Grant Program	-50.0
Revenue Sharing (2.3%)	-555.9
Municipal Assistance (2.3%)	-676.3
Sub-total	<b>-1282.2</b>
<b><u>INCREMENTS</u></b>	
<b>Administrative &amp; Program Delivery</b>	
Rural Utility Business Assistance	225.0
<b>Pass Through and Formula Funded</b>	
Head Start Program	300.0
<b><u>OTHER ADJUSTMENTS</u></b>	
OMB Adjustments for Salary and Health Premiums	127.6
OMB Adjustments for Business Efficiencies (Travel, dues and subscriptions)	-28.0
Fiscal Note HB 466 (Legislation denotes DCED)	-151.2
 <b>FY 98 GENERAL FUND REQUEST</b>	 <b>80347.6</b>

# **Overview of the Department of Community and Regional Affairs**



**Mike Irwin, Commissioner  
January 1997**

# DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS AGENCY OVERVIEW

## DCRA MISSION

*To foster the development of self reliant and productive individuals, families and communities by providing training, technical assistance and financial support.*

## MAJOR GOALS AND STRATEGIES

### Strengthen Individuals

- Ensure that residents of small rural communities in Western Alaska get the maximum benefits from their participation in the Community Development Quota (CDQ) program, a fisheries development initiative.
- Provide individual Alaskans with the job training programs they need through the federal Job Training Partnership Act (JTPA) and the state-funded State Training and Employment Program (STEP).
- Provide employment and job training services that are more user-friendly and efficient by creating a "One Stop" opportunity for these services through physical collocation and electronic linking of the various agency programs that offer these services.

### Strengthen Families

- Improve the overall quality of life of low-income children and parents through a comprehensive Head Start program of education, health, nutrition, social services, parent involvement and career development.
- Ensure parents access to affordable, high quality child care programs by providing funding and technical assistance to care givers and parents, allowing parents to take advantage of job training and work opportunities. A focus is to decrease barriers to working, and increase employment, by assisting low-to-moderate income families with child care costs. Programs also provide assistance to support Alaska Temporary Assistance Program (ATAP) families who are at risk of going on welfare.

## **MAJOR GOALS AND STRATEGIES, Continued...**

### **Strengthen Communities**

- Increase the capacity of local government to effectively provide essential public services by providing communities training and onsite technical assistance.
- Ensure that the State's significant investment in rural infrastructure is properly managed and maintained by providing technical assistance targeted at rural utility business management.
- Enhance the availability and quality of basic local government services by providing financial assistance that supplements local revenue generation (State Revenue Sharing, Municipal Assistance, shared Fisheries Business Tax, shared National Forest Receipts).
- Support the provision of local power generation at a reasonable cost and quality that can serve as a foundation for local economic development and community development.
- Improve the safety and cost effectiveness of energy sources for power generation and heating in rural Alaska by constructing and repairing bulk fuel storage facilities.
- Promote local economic development projects with targeted funding and Economic Development Specialist positions who can serve as catalysts to help make projects succeed.
- Provide rapid assistance, through coordinated response projects, to communities experiencing sudden economic dislocation as a result of major economic disruptions.

# DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

Stronger  
Local Governments  
& Economies

Reliable  
Energy Systems

Fiscal  
Accountability

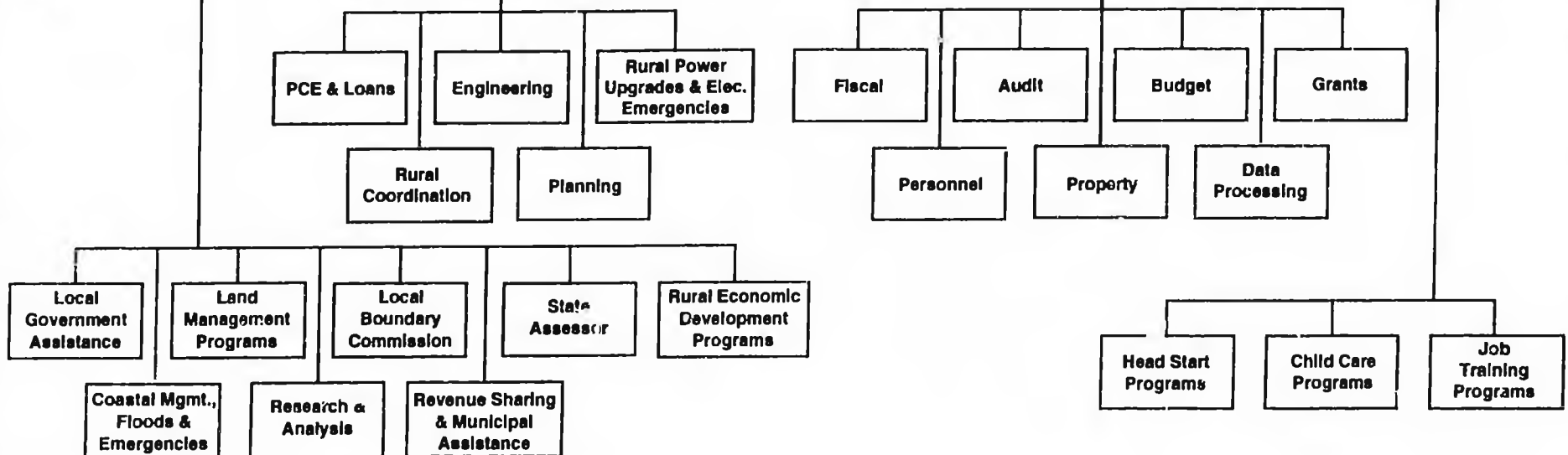
Stronger  
Individuals & Families

**Municipal and  
Regional Assistance  
Division**

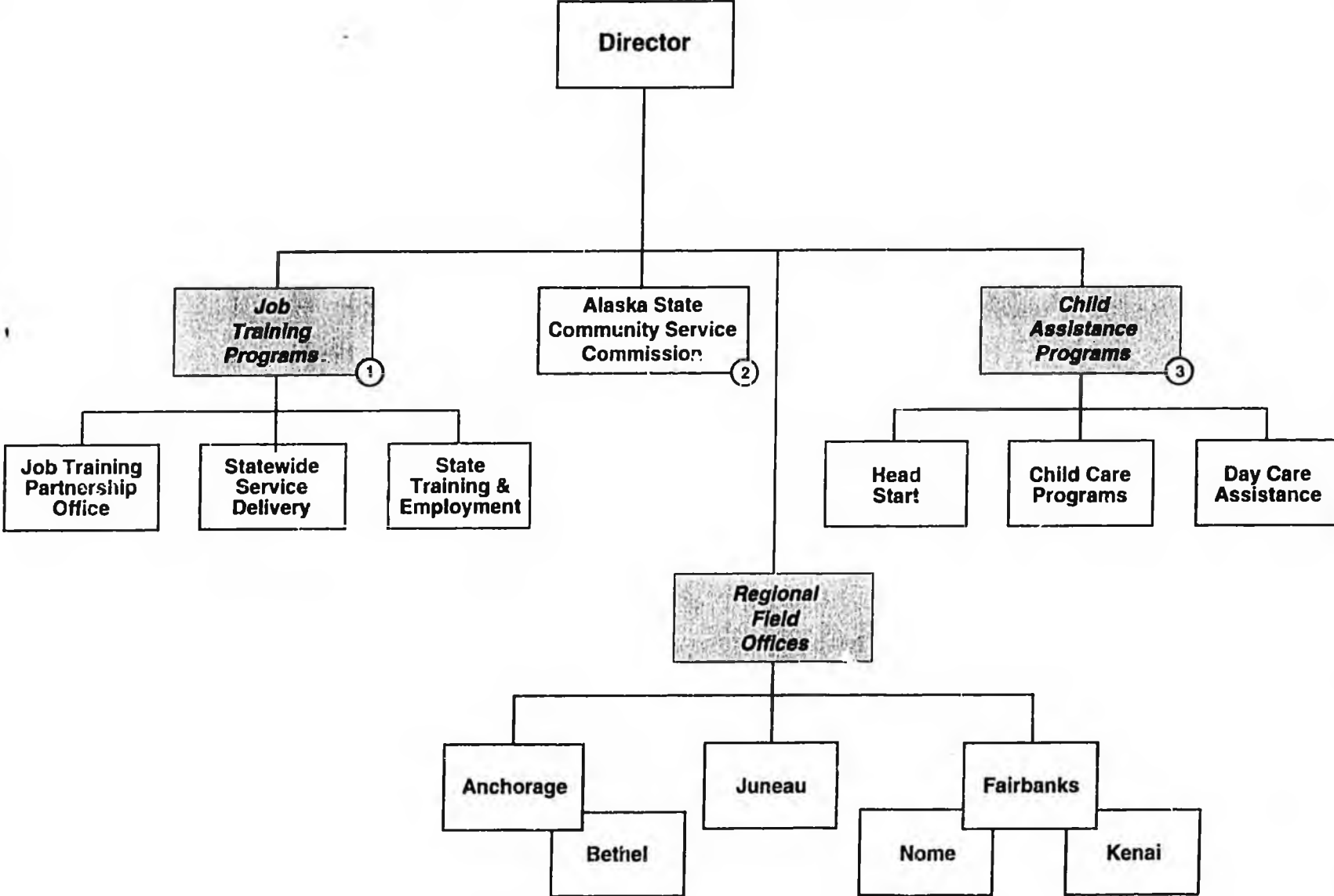
**Division of  
Energy**

**Division of  
Administrative  
Services**

**Division of  
Community and Rural  
Development**



# Division of Community and Rural Development



**DIVISION OF COMMUNITY AND RURAL DEVELOPMENT (DCRD)  
PROGRAM DESCRIPTION**

**1. JOB TRAINING PROGRAMS:**

**JOB TRAINING PARTNERSHIP OFFICE (JTPO)** — Administrative Order 122; P.L. 97-300; 20 CFR Parts 626-631 — Administers the federal JTPA at the state level; provides funds to local service delivery areas which provide services to participants.

**JOB TRAINING SERVICE DELIVERY** — Administrative Order 113; 19 AAC 60.01; P.L. 97-300; AS 44.47; 20 CFR Parts 626-631 — Provides training and employment opportunities to low-income adults, youth, and workers who have been dislocated due to industry closure.

**STATE TRAINING AND EMPLOYMENT PROGRAM (STEP)** — Chapter 95, SLA 1989; Chapter 17, SLA 1991 & 1993; Chapter 116, SLA 1996; 10 AAC 87.10-990 — Provides training and employment services to unemployed and likely to become unemployed Alaskans in order to reduce demand for unemployment insurance benefits.

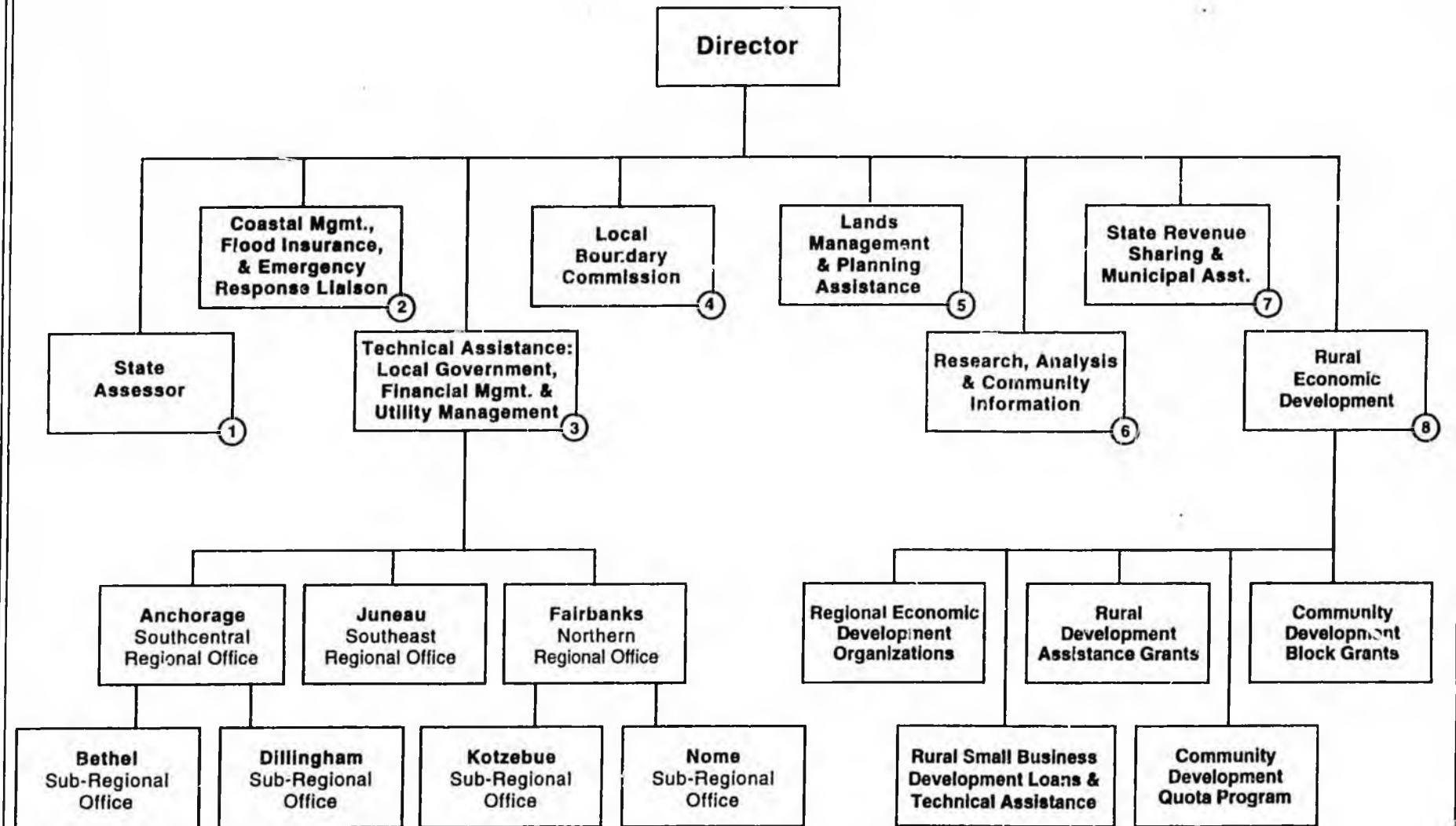
**2. ALASKA STATE COMMUNITY SERVICE COMMISSION (ASCSC)** — 45 CFR 2550 — Provides pass through grant funding and technical assistance to eligible Alaskan communities and volunteer service organizations to enhance the overall quality of life for community residents by expanding community and volunteer service development opportunities.

**3. CHILD ASSISTANCE PROGRAMS:**

**HEAD START** — AS 44.17.030; AS 44.47.050 — Provides state/local match for the federal Head Start program.

**CHILD CARE/DAY CARE ASSISTANCE** — P.L. 104-193; AS 44.47.250-310; 45 CFR 98-99; 19 AAC 65.011-901 — Provides day care assistance to low-income working/training parents and operating grants to child care facilities.

## Municipal and Regional Assistance Division



## **MUNICIPAL AND REGIONAL ASSISTANCE DIVISION (MRAD) PROGRAM DESCRIPTION**

1. **STATE ASSESSOR** — AS 29.45.105; AS 29.45.090; AS 14.17.140(2); AS 44.47.050(1) and (19) — The State Assessor's duties include correction of major errors in municipal assessment, valuation or taxation procedures; and production of annual full and true value determinations for property taxing municipalities to be used for local tax limitations and the school foundation program.
2. **COASTAL MANAGEMENT, FLOOD INSURANCE, AND EMERGENCY RESPONSE LIAISON** — AS 44.47.050-44.47-095, AS 46.13.020 — Provides technical assistance and administers coastal resource districts for the federal Coastal Zone Management Program; ensures National Flood Insurance Program is provided to municipalities statewide; and participates in the State Emergency Response Commission.
3. **LOCAL GOVERNMENT ASSISTANCE, FINANCIAL MANAGEMENT ASSISTANCE AND UTILITY MANAGEMENT ASSISTANCE** — Article X, Section 14 of the State Constitution; AS 44.47 — Program provides financial management, administrative, service delivery and planning assistance to local governments. Also provides the Rural Utilities Business Advisory (RUBA) Program.
4. **LOCAL BOUNDARY COMMISSION** — Article X, Section 12 of the State Constitution; AS 44.47 and AS 29 — Commission makes determinations on incorporations of boroughs or cities, annexations, detachments, and dissolutions; performs feasibility studies; holds public hearings in affected areas.

**ORGANIZATIONAL GRANTS** — AS 29.05.180; AS 29.05.190 — Provides funds for two or three years on a descending scale to newly incorporated cities or boroughs, to defray the costs of transition to a new status.

5. **LANDS MANAGEMENT PLANNING AND ASSISTANCE** — AS 44.47.050-100; SECTION 14(C)(3) OF P.L. 92.203 — Protects state and local government investments in buildings and facilities by actively working with agencies and communities to assure adequate site control for publicly-funded projects. Also provides general land management assistance to communities. Provides training and assistance on planning, mapping and other requirements of the Alaska Native Claims Settlement Act (ANCSA) which requires transfers of land from native corporations to municipalities or transfers in trust for future municipalities.

**MUNICIPAL LANDS TRUSTEE (MLT)** — AS 44.47.150 — Provides a trustee relationship between the state and unincorporated communities. Holds in trust land transferred under ANCSA from native corporations until the communities incorporate.

## **MUNICIPAL AND REGIONAL ASSISTANCE DIVISION, Continued...**

### **6. RESEARCH, ANALYSIS AND COMMUNITY INFORMATION:**

**DATA COLLECTION AND INFORMATION MANAGEMENT** — Technical development, research, data collection, and maintenance activities for the following Department databases: the DCRA Community Database, which produces Community Profiles, custom data reports, and computer data files; the Rural Alaska Project Identification and Delivery System (RAPIDS) Database, a compilation of both funded and potential capital improvement projects in rural communities; the Municipal Revenue/Expenditure Database; and the Municipal Officials Database, which produces the annual *Municipal Officials Directory*. Much of this information is available on the World Wide Web. The department's web page was developed by this section.

**POPULATION AND SOCIO-ECONOMIC DATA** — Provides technical support to municipalities for local population censuses or estimates, and certifies municipal populations for State Revenue Sharing and Municipal Assistance program purposes. Provides information and analysis of decennial U.S. Bureau of Census data to local, state, federal, and private requestors.

**ISSUES ANALYSIS AND SPECIAL PROJECTS** — Conducts research and analysis on special issues, and provides technical support for departmental projects.

### **7. STATE REVENUE SHARING AND MUNICIPAL ASSISTANCE SECTION:**

**STATE REVENUE SHARING** — AS 29.60.010-300 — Entitlement program for local governments and unincorporated communities which provides funds for road maintenance, fire protection, health facilities. Provides an on-going source of revenue for communities with little or no tax base. Program in existence since 1970.

**MUNICIPAL ASSISTANCE** — AS 29.60.350-370 — Entitlement program for municipal entities, the purpose of which is to reduce or maintain property taxes while providing important public services. The legislature may appropriate to the Municipal Assistance fund 30% or more of the Corporate Income Tax collected in the previous fiscal year.

**SHARED FISHERIES BUSINESS TAX PROGRAM** — AS 43.75.137 — Funding for the program is transmitted from the Department of Revenue to DCRA and allocated to municipalities based on a demonstration by the municipalities that they suffered significant effects from fisheries business activities.

**NATIONAL FOREST RECEIPTS PROGRAM** — AS 14.15.180 — 25% of the income earned from activities within the national forest is distributed to boroughs and cities within the national forest. Federal law requires that the funds be expended only for the benefit of public schools and public roads.

**MUNICIPAL AND REGIONAL ASSISTANCE DIVISION, Continued...**

**8. RURAL ECONOMIC DEVELOPMENT PROGRAMS:**

**ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM — AS 44.47.830** — Provides matching grants to regional organizations to prepare and implement regional economic development strategies. Referred to as the ARDOR program.

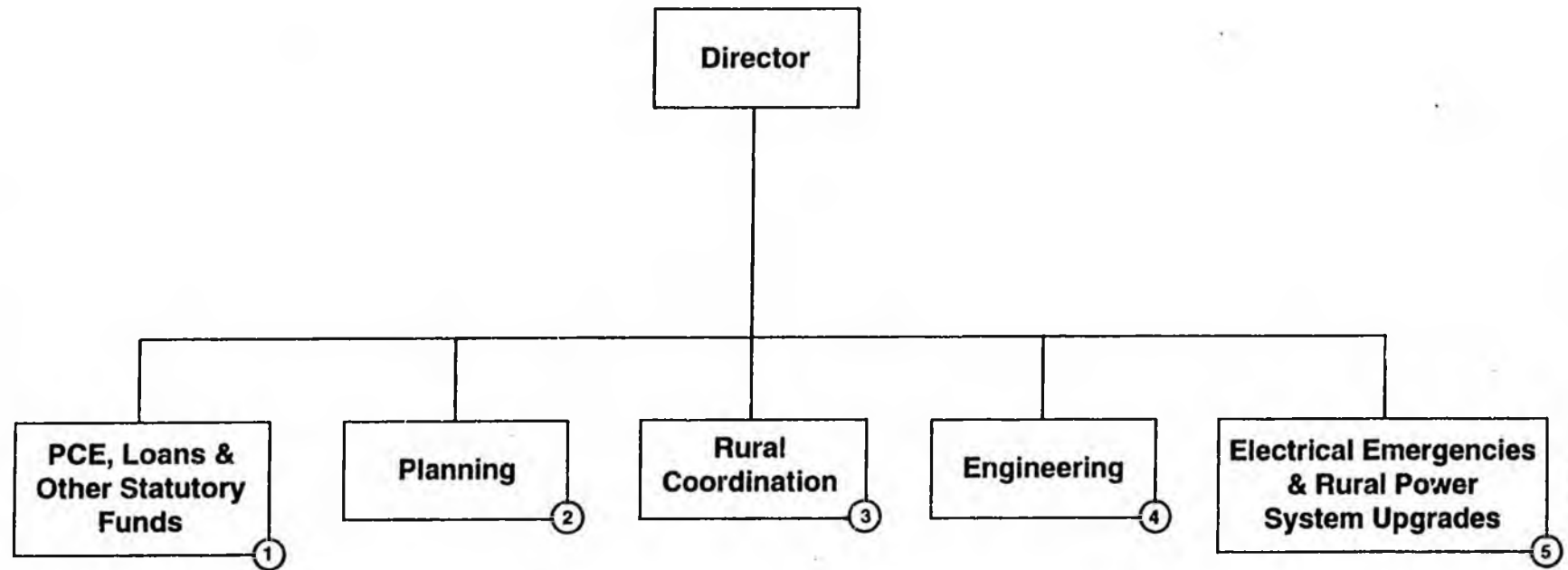
**RURAL DEVELOPMENT ASSISTANCE (RDA) GRANTS — AS 44.47.130, 19 AAC 60.010** — Provides funds for development aid to rural areas of the state.

**COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG) — AS 44.47.130** — Provides various services to low-income groups in the state with federal funds; provides funds for capital projects for economic and community development.

**RURAL SMALL BUSINESS DEVELOPMENT LOANS AND TECHNICAL ASSISTANCE — AS 44.47; 19 AAC 70.010-900** — Implements and manages Rural Development Initiative Fund (RDIF) loans; provides department with assistance in development of new initiatives; provides technical assistance to field Economic Development Specialists.

**COMMUNITY DEVELOPMENT QUOTA PROGRAM (CDQ) — 6 AAC 93.010-900; 50 CFR 657.20, 675.27, 676.24** — Provides staff support and technical assistance to eligible communities and their economic development organizations in a private/public partnership to recommend allocation of Bering Sea fisheries resources.

## Division of Energy



**DIVISION OF ENERGY (DOE)  
PROGRAM DESCRIPTION**

**1. POWER COST EQUALIZATION, LOAN PROGRAMS AND OTHER STATUTORY FUNDS:**

**POWER COST EQUALIZATION (PCE)** – AS 42.45.100. Core element to ensure the financial viability of centralized power production in rural communities, and therefore increase the standards of living through the availability of communications, lighting, and the operations of a variety of infrastructures, including water and sewer systems, incinerators, etc.

**POWER PROJECT LOAN FUND** – AS 42.45.010. Provides financing for development of power projects, conservation facilities, bulk fuel storage, transmission and distribution lines, or potable water supplies.

**BULK FUEL REVOLVING LOAN FUND** – AS 42.45.250. Provides financing to rural communities with a population of less than 2,000 for the bulk purchase of petroleum fuels.

**RURAL ELECTRIFICATION REVOLVING LOAN FUND** – AS 42.45.020. Provides financing to certified utilities to extend new electric service in areas they may serve.

**FOUR DAM POOL TRANSFER FUND** – AS 42.45.050. Fund holds a note payable by the Alaska Energy Authority/AIDEA for the long-term financing of the construction costs of the Four Dam Pool projects.

**SOUTHEAST ENERGY FUND** – AS 42.45.040. Provides for capital grants to the utilities participating in the power transmission intertie between the Swan Lake and Tye Lake hydroelectric projects.

**POWER COST EQUALIZATION AND RURAL ELECTRIC CAPITALIZATION FUND (PCE & RECF)** – AS 42.45.100. Fund balance provides for the Power Cost Equalization and for Utility Improvement Matching Grants programs.

**2. PLANNING:**

**ALTERNATIVE ENERGY DEVELOPMENT** – AS 42.45.400. Provides for:

- Planning, construction and financing assistance for alternatives to oil-fired systems (including renewable and alternative fuels, coal, wind, shallow gas deposits) and system enhancements (including waste heat recovery and village interties).
- Bioenergy Program for Alaska: This federally-funded program promotes the use of wood waste and municipal solid waste for conversion to energy.
- Institutional Conservation Program, State Energy Program and Rebuild America Program: These federally-funded programs fund energy conservation measures in schools, hospitals and public facilities.

## **DIVISION OF ENERGY, Continued...**

**POWER STATISTICS PROGRAM** – The annual *Alaska Electric Power Statistics* report provides comprehensive information on electric utilities in the state. A group of utilities fund 50% of this program.

### **3. RURAL COORDINATION:**

**RURAL ELECTRIC UTILITY COORDINATION** – AS 42.45.400. Assists rural stand-alone utilities with upgrades to energy systems; develops management plans towards the concept of consolidation in the form of cooperatives or regional utilities; assists communities to apply for federal funds for energy projects and, once funds are obtained, ensures that projects are developed in compliance with industry standards and national compliance codes.

**RURAL ELECTRIC UTILITY TRAINING AND MANAGEMENT ASSISTANCE** – AS 42.45.400. Provides for training of rural utility operators, utility managers and administrative staff. It includes the powerhouse operator training program funded by the State Training and Employment Program (STEP).

### **4. ENGINEERING:**

**BULK FUEL SYSTEM REPAIRS AND UPGRADES** – AS 42.45.400. Provides for grants and contracts for the design and repair/upgrade of bulk fuel storage and handling facilities in rural Alaskan communities which are dependent on seasonal fuel delivery and long-term storage capacity. Includes an Environmental Protection Agency (EPA) demonstration grant for consolidation.

**RURAL BULK FUEL TANK FARM PROGRAM** – AS 42.45.400. Provides for assessment of tank farm conditions, emergency repairs, and comprehensive upgrade and consolidation of rural tank farm facilities.

**UTILITY IMPROVEMENTS** – AS 42.45.180. Provides matching funds (75-25) to rural electric utilities participating in the PCE program for projects that will reduce the cost of electric power.

**ELECTRIC SERVICE EXTENSION FUND** – AS 42.45.200. Provides matching funds (60-40) to electric utilities to extend new service to residential customers and small businesses, and for utility improvements.

**DIVISION OF ENERGY, Continued...**

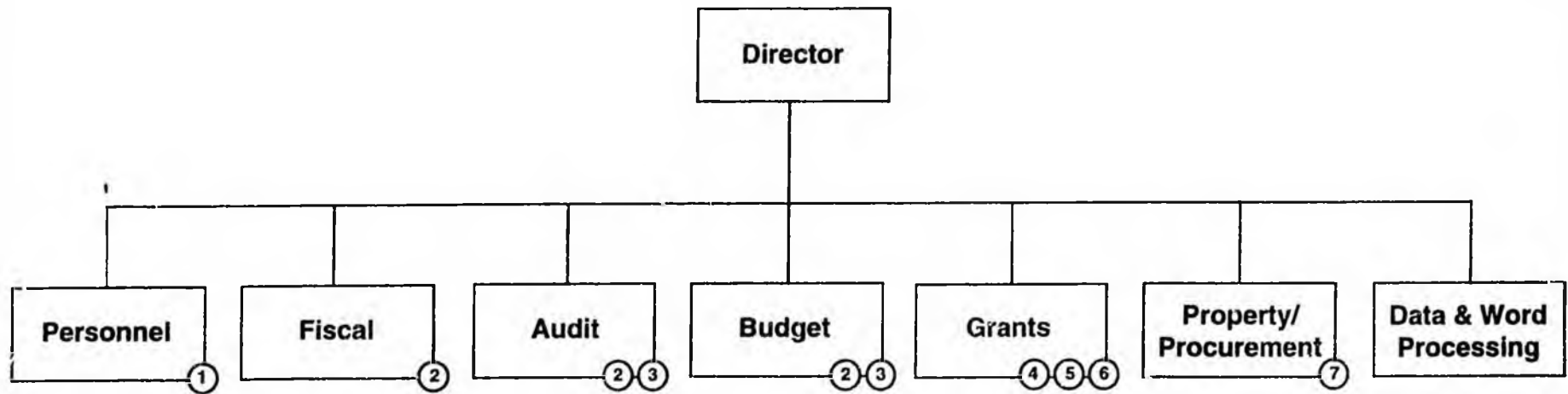
**5. ELECTRICAL EMERGENCIES & RURAL POWER SYSTEM UPGRADES PROGRAM:**

**ELECTRICAL EMERGENCIES PROGRAM** – AS 42.45.400. Provides funds and technical assistance in electrical emergencies when a community has lost the ability to generate or transmit power to its customers and the condition is a threat to life, health and property in the community and may result in the freezing of water and sewer systems, closure of public facilities due to lack of light and heat, loss of communications, etc.

**RURAL POWER SYSTEM UPGRADES** – AS 42.45.400. Provides for:

- Capital improvements to eliminate life, health and safety hazards and to enhance efficiency.
- Technical assistance to assess system deficiencies and design solutions.
- Project evaluation, including engineering, environmental and economic analysis of power projects.

## Division of Administrative Services



## **DIVISION OF ADMINISTRATIVE SERVICES (DAS) PROGRAM DESCRIPTION**

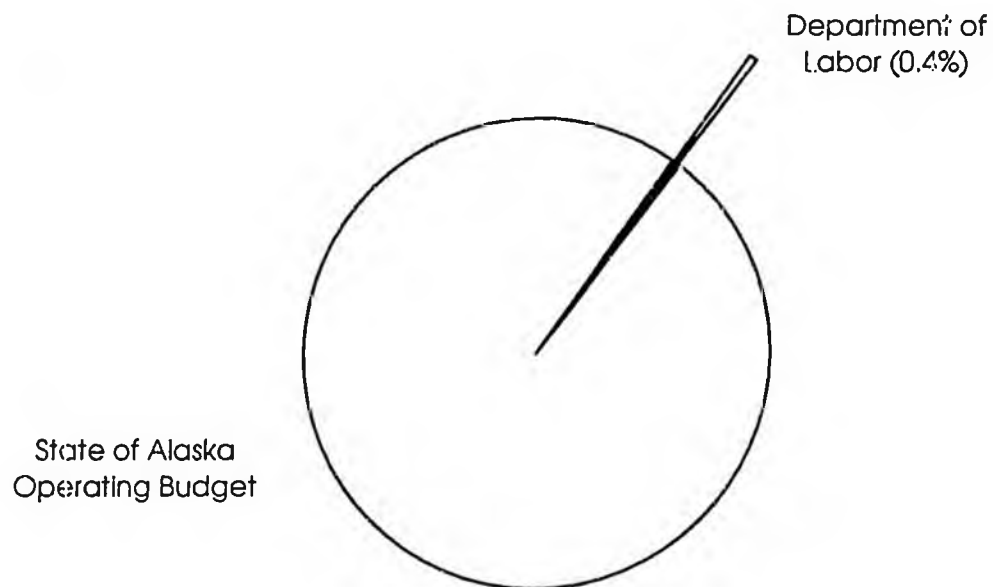
The Administrative Services Division ensures departmental compliance with the following statutes and administers grants under three statutory programs.

- 1. PUBLIC OFFICERS AND EMPLOYEES — AS 39**
- 2. FISCAL PROCEDURES ACT — AS 37.05.010 - 37.05.995**
- 3. EXECUTIVE BUDGET ACT — AS 37.07.010 - 37.07.130**
- 4. GRANTS TO NAMED RECIPIENTS — AS 37.05.316**
- 5. GRANTS TO UNINCORPORATED COMMUNITIES — AS 37.05.317**
- 6. COMMUNITY PROJECT MATCHING GRANTS — AS 37.06.020**
- 7. PUBLIC CONTRACTS — AS 36**

# ALASKA DEPARTMENT OF LABOR

## FY 98 BUDGET OVERVIEW

### FY 97 General Fund Operating Budget Comparison



## DEPARTMENT OF LABOR

### AGENCY CONTACTS

Tom Cashen, Commissioner	465-2700
Ed Flanagan, Deputy Commissioner	465-2700
Dwight Perkins, Special Assistant	465-2700
Jan Hart DeYoung, Hearing Examiner Alaska Labor Relations Agency	269-4895 (Anchorage)
Arbe Williams, Director Administrative Services Division	465-2720
Rebecca J. Nance, Director Employment Security Division	465-2712
Al Dwyer, Director Labor Standards & Safety Division	465-4855
Paul Grossi, Director Worker's Compensation Division	465-2790

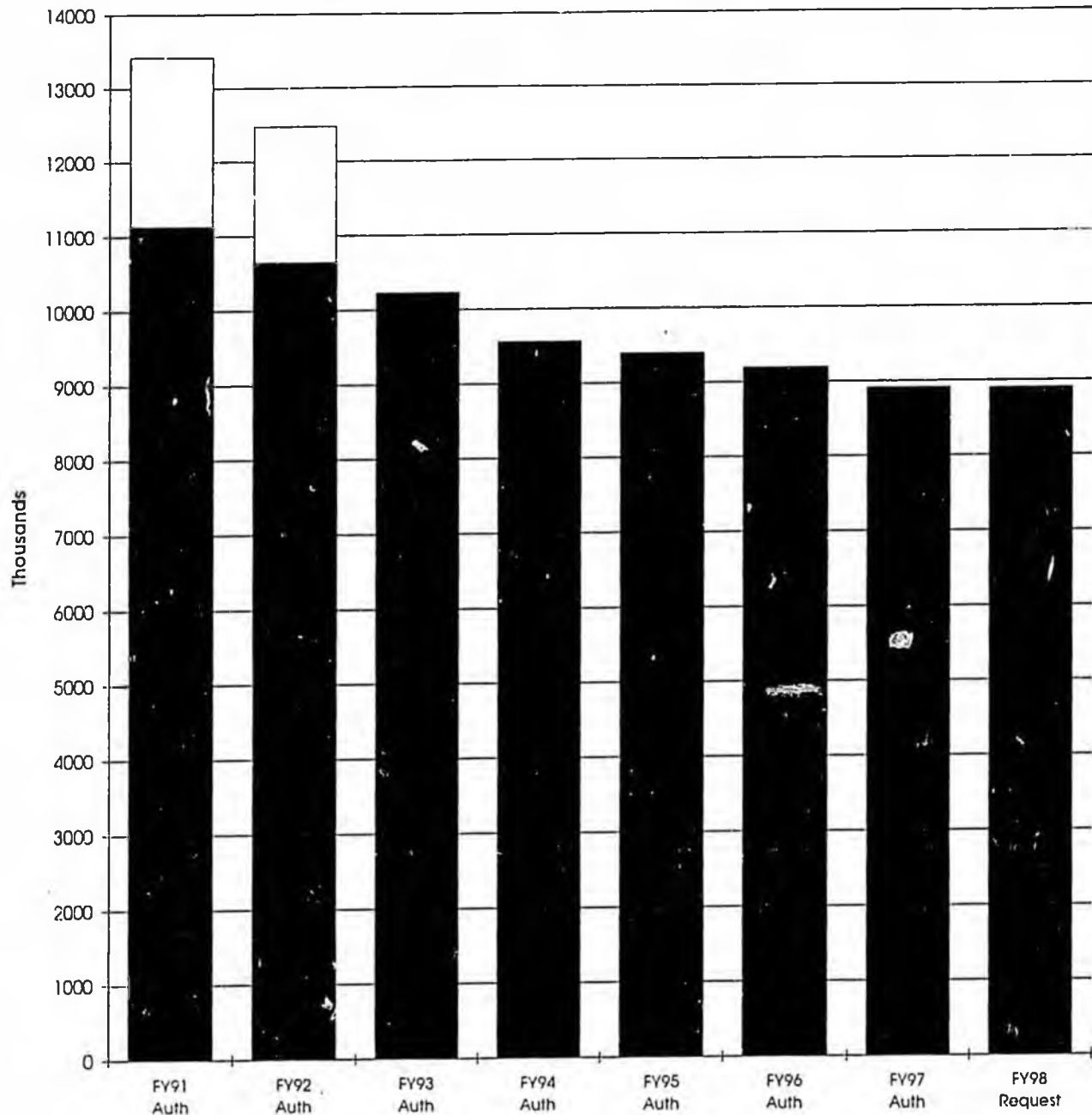
State of Alaska  
 FY 97 Authorized Budget Comparison

1/17/97

Source: Legislative Finance Summary dated 12/16/96

	General Funds		Total Funds	Positions			
				PFT	PPT	Non- Perm	
1. Education	686,492.9	1. Education	903,381.0	1. University of Alaska	3,469	244	0
2. Health & Social Services	350,330.8	2. Health & Social Services	862,401.0	2. Transportation	2,704	702	0
3. Administration	169,791.5	3. University of Alaska	435,221.6	3. Health & Social Services	2,049	59	10
4. University of Alaska	167,492.8	4. Transportation	339,612.0	4. Corrections	1,352	0	24
5. Corrections	129,036.9	5. Administration	264,133.0	5. Administration	1,091	102	94
6. Transportation	128,179.0	6. Corrections	138,745.5	6. Public Safety	869	46	1
7. Public Safety	86,085.2	7. Community & Regional Aff.	138,416.4	7. Revenue	791	34	75
8. Community & Regional Aff.	81,981.4	8. Revenue	117,578.3	8. Fish & Game	757	838	95
9. Alaska Court System	48,905.1	9. Fish & Game	105,196.8	9. Alaska Court System	653	42	21
10. Natural Resources	43,561.1	10. Public Safety	96,593.3	10. <b>Labor</b>	645	52	0
11. Fish & Game	39,864.1	11. Natural Resources	71,604.2	11. Natural Resources	569	231	824
12. Commerce	38,958.0	12. Commerce	69,619.9	12. Environmental Conservation	483	4	4
13. Law	32,366.1	13. <b>Labor</b>	60,128.1	13. Education	463	107	5
14. Legislature	31,113.3	14. Alaska Court System	48,984.4	14. Law	446	7	0
15. Governor	19,766.7	15. Law	48,600.9	15. Commerce	390	16	0
16. Environmental Conservation	15,904.8	16. Environmental Conservation	45,763.2	16. Legislature	224	279	0
17. Revenue	12,162.8	17. Military & Vet Affairs	35,320.3	17. Governor	178	4	49
18. <b>Labor</b>	8,901.3	18. Legislature	31,247.5	18. Community & Regional Aff.	171	3	0
19. Military & Vet Affairs	7,084.9	19. Governor	23,463.6	19. Military & Vet Affairs	160	0	45
<b>Total</b>	<b>2,097,978.7</b>	<b>Total</b>	<b>3,836,011.0</b>	<b>Total</b>	<b>17,464</b>	<b>2,774</b>	<b>1,247</b>

### Alaska Department of Labor - GENERAL FUNDS



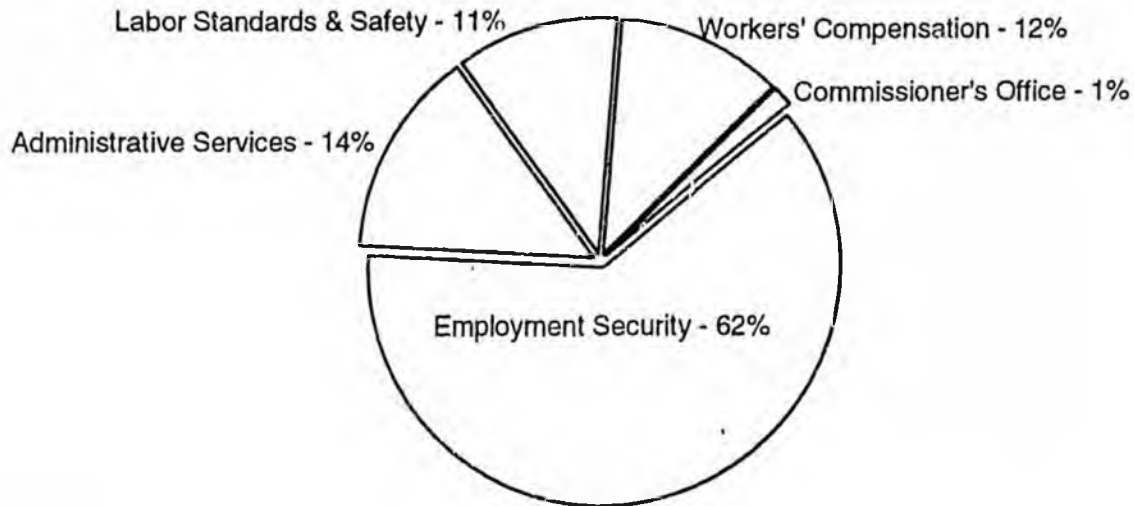
Note: During FY 91 & FY 92 the State Training & Employment Program (STEP) was classified as general funds. In FY 93 STEP classification was changed to non-general funds. Amounts for the STEP program are shown as unshaded in the appropriate years.

#### Major Fund Changes

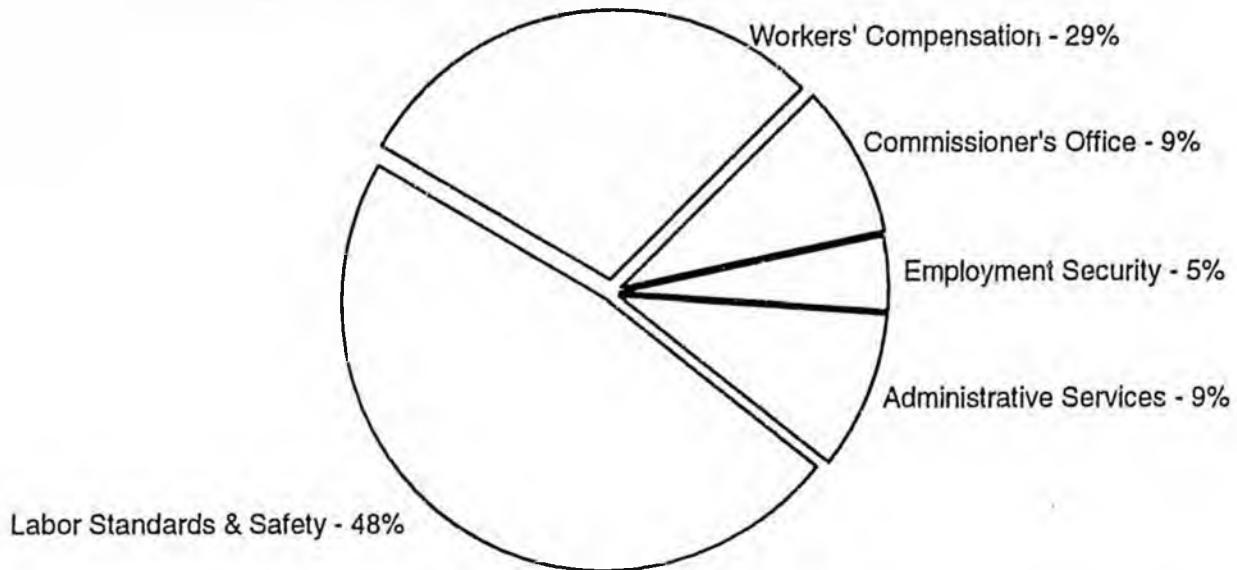
FY 91 - FY 92	Decreases for 5%+ reductions and STEP
FY 92 - FY 93	Increase for DP Chargeback, STEP fund source change, Unallocated & Misc cuts
FY 93 - FY 94	Reductions to Labor Market Info, Comm Offc, Work Comp, Labor Standards & Safety
FY 94 - FY 95	Reductions to Data Processing, Labor Market Info and Occ Safety & Health
FY 95 - FY 96	Reduction to Occupational Safety & Health
FY 96 - FY 97	Increase for COLA, Reductions to Wage & Hour, Mechanical Inspection and Work Comp & Misc cuts
FY 97 - FY 98	Increase for COLA, Reduction to Alaska Work Programs, Reduction for Better Business Practices

# Department of Labor

## FY 98 Operating Budget Request by Division



## FY 98 GENERAL FUND Operating Budget Request by Division

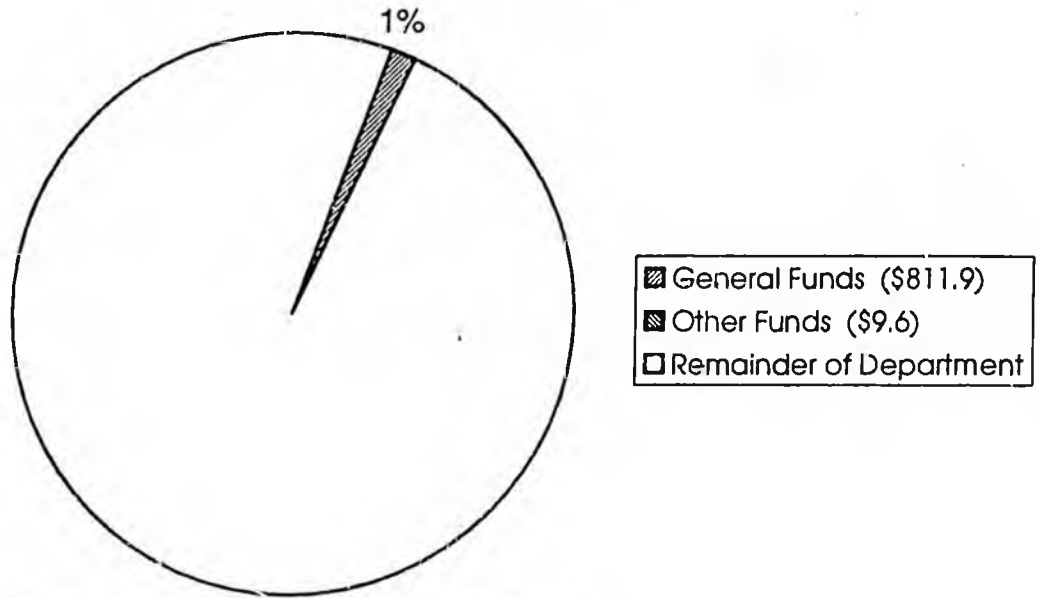


The Department is comprised of the Commissioner's Office, which includes the Alaska Labor Relations Agency, and four divisions:

- Administrative Services
- Employment Security
- Labor Standards & Safety
- Workers' Compensation

The Department of Labor's mission as set out in Title 23 is to foster and promote the welfare of the wage earners in the state, improve their working conditions and advance their opportunities for profitable employment.

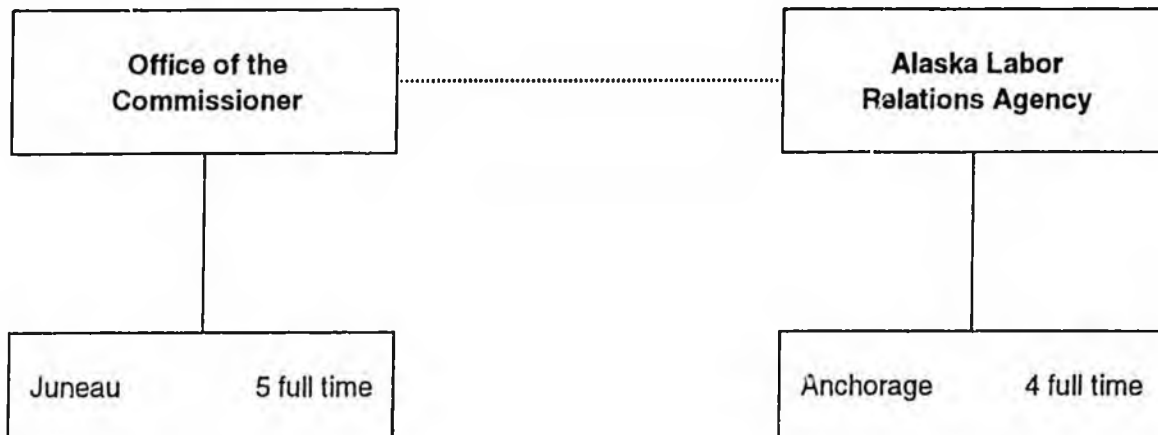
**COMMISSIONER'S OFFICE**



Department of Labor's FY 98 Budget Request

The Office is comprised of two components:

- Office of the Commissioner - (\$480.3 GF)
- Alaska Labor Relations Agency - (\$331.6 GF)



## **OFFICE OF THE COMMISSIONER**

### **Commissioner's Office**

- formulate policy to fulfill the department's mission to provide for the health and economic welfare of Alaska's workers in order to build a stable workforce and a healthy economy
- provide oversight of the department's programs to ensure that Alaska's employers and employees are treated fairly
- work cooperatively with other agencies to ensure the efficient administration of the department's programs; to provide the opportunity to share resources; and to provide better services to the public

### **ISSUES**

- Respond to an increasing demand for services within the resources available.
- Require efficient program operations in support of better service to Alaska's workers, job seekers and businesses.
- Get Alaskan residents to work.

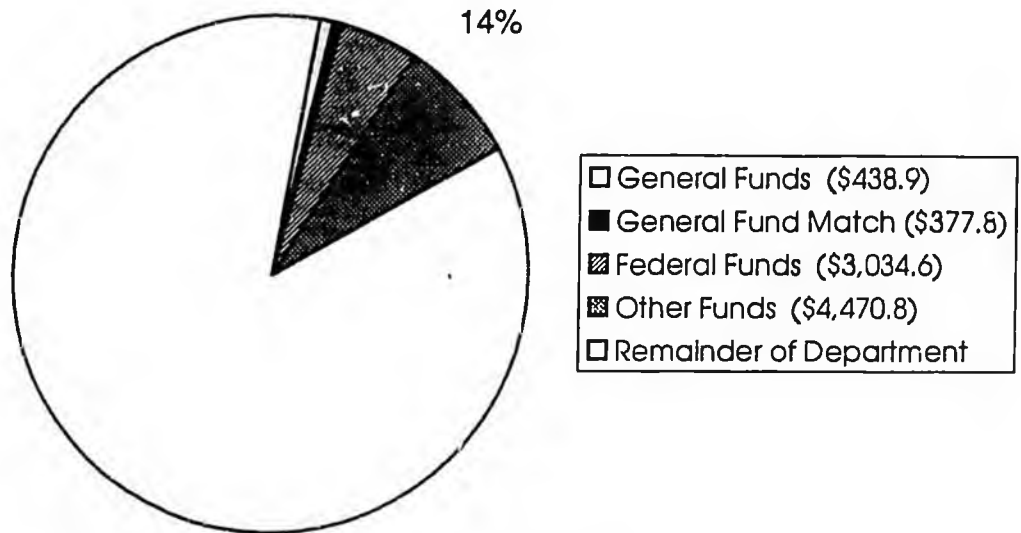
### **Alaska Labor Relations Agency**

- through conciliation, mediation and formal administrative hearings
  - hear disputes over the composition of public employee bargaining units
  - hear unfair labor practice charges
  - consider employee claims for religious exemption from the obligation to pay fees to a bargaining representative
- conduct elections on union representation for collective bargaining

### **ISSUES**

- Focus on mediation and conciliation to contain the cost of operation and the cost of labor disputes on public sector employers and employees.
- Work with interested parties to form an Alaska chapter of Industrial Relations Research Association (IRRA) to reduce government's role in labor relations by encouraging participation by public and private sector professionals in the field of labor relations, to encourage communication between labor and management and to provide an opportunity to explore solutions to labor management disputes in a neutral environment.
- Provide public access to Board activities and decisions via the Internet.

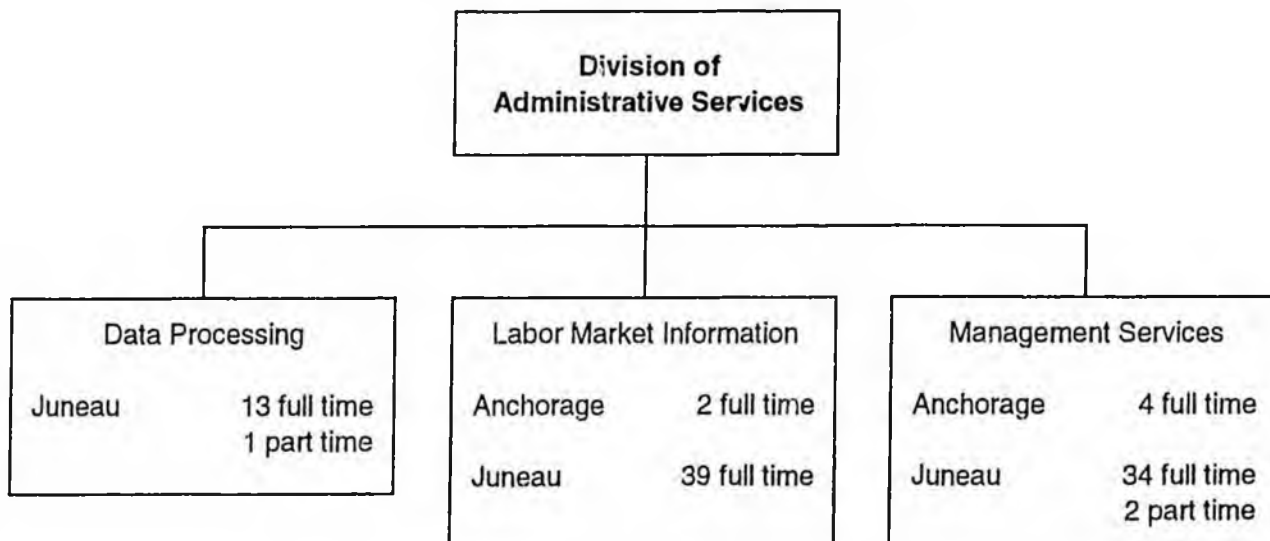
## ADMINISTRATIVE SERVICES DIVISION



Department of Labor's FY 98 Budget Request

The Division is comprised of three components:

- Data Processing
- Labor Market Information - (\$438.9 GF, \$71.7 GFM)
- Management Services - (\$306.1 GFM)



## **ADMINISTRATIVE SERVICES DIVISION**

### **Management Services**

- budget planning, monitoring and reporting
- federal, state and unemployment insurance trust fund accounting
- publications services
- personnel management, training and labor relations
- systems analysis and network programming
- purchasing, supply, mail and office space management

### **Data Processing Operations**

- centralized management of the department's data processing operation
- long-range planning and coordination of operations with other state agencies
- WAN operation and maintenance
- application and equipment installation and maintenance
- database management
- system security

### **Labor Market Information (Research & Analysis)**

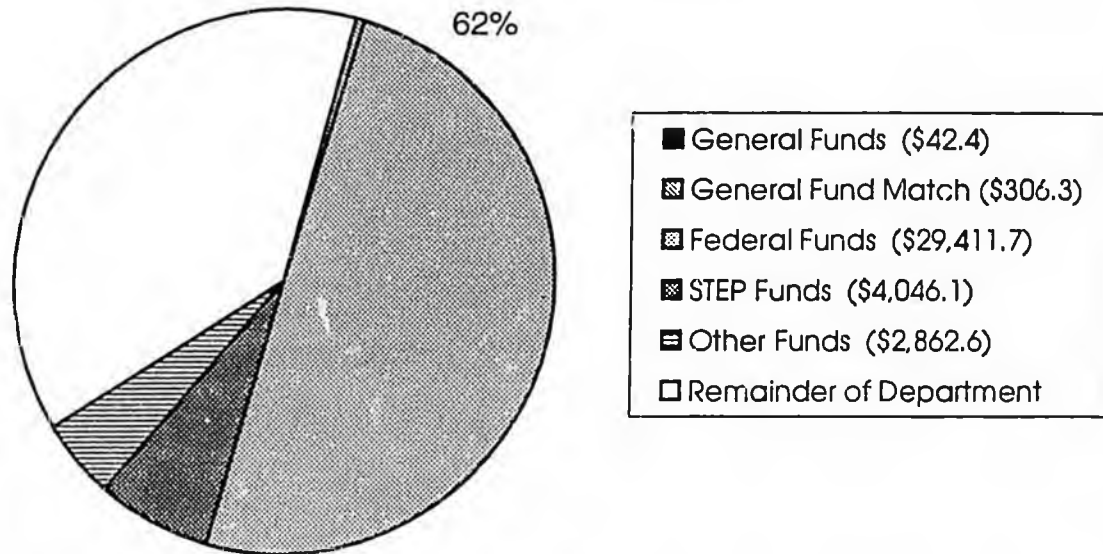
- produce economic and demographic information
- provide a monthly analysis of the condition of Alaska's labor market
- forecast employment by industry and occupation
- provide population analysis and projections
- provide housing market information for communities statewide
- report on resident hire in the state
- produce geographic information in support of the decennial census and redistricting
- provide information on occupational injuries and fatalities
- perform employment and training program evaluation

## **ADMINISTRATIVE SERVICES DIVISION**

### **ISSUES**

- Identify and provide centralized financial and management services in support of the department's programs.
- Contain the cost of data processing operations in light of the elimination of the "cap" on the cost of data processing support provided by the Department of Administration.
- Produce and distribute employment, labor market and demographic information to meet the needs of Alaska's job seekers, Alaskan workers and businesses, and the state's policy makers and program managers.

## EMPLOYMENT SECURITY DIVISION



Department of Labor's FY 98 Budget Request

The Division is comprised of four components:

- Alaska Work Programs (JOBS) - (\$306.3 GFM)
- Employment/Unemployment Services - (\$4.8 GF)
- Governor's Committee on Employment of People with Disabilities - (\$37.6 GF)
- State Training & Employment Program

Division of Employment Security					
Anchorage	109 full time 12 part time	Juneau	167 full time 30 part time	Seward	3 full time 1 part time
Bethel	2 full time 1 part time	Kenai	14 full time 5 part time	Sitka	1 full time 2 part time
Dillingham	1 part time	Ketchikan	7 full time 2 part time	Soldotna	1 full time
Eagle River	3 full time 1 part time	Kodiak	5 full time 4 part time	Tok	1 part time
Fairbanks	38 full time 3 part time	Kotzebue	2 part time	Valdez	2 full time 1 part time
Glennallen	1 part time	Nome	2 full time 1 part time	Wasilla	17 full time 2 part time
Homer	1 full time 1 part time	Petersburg	1 full time		

## **EMPLOYMENT SECURITY DIVISION**

### **Employment Services**

- Employment Service offices in Anchorage, Bethel, Dillingham, Eagle River, Fairbanks, Glennallen, Homer, Juneau, Kenai, Ketchikan, Kodiak, Kotzebue, Mat-Su, Nome, Petersburg, Seward, Sitka, Tok and Valdez
- vocational counseling, guidance, and career planning for adult workers
- aptitude, interest, and skill testing for job seekers & workers who need re-training;
- group workshops and "Job Clubs" on job seeking, interviewing, and resumes
- access to the largest pool of job seekers in Alaska
- match workers to employers with jobs
- assist with affirmative action, hiring, and recruitment plans for Alaska's employers

### **Unemployment Services (UI)**

( Temporary wage replacement (unemployment insurance) for eligible workers who are unemployed through no fault of their own)

- process timely payment of unemployment insurance (UI) benefits to eligible workers
- conduct field audits to help employers pay taxes in timely, accurate way
- protect the UI Trust Fund against fraudulent claims; recovery of mis-claimed payments
- ensure quality of UI payment service, meeting strict federal performance standards and objectives
- hear and decide appeals by claimants and employers through Appeals Tribunal

## EMPLOYMENT SECURITY DIVISION

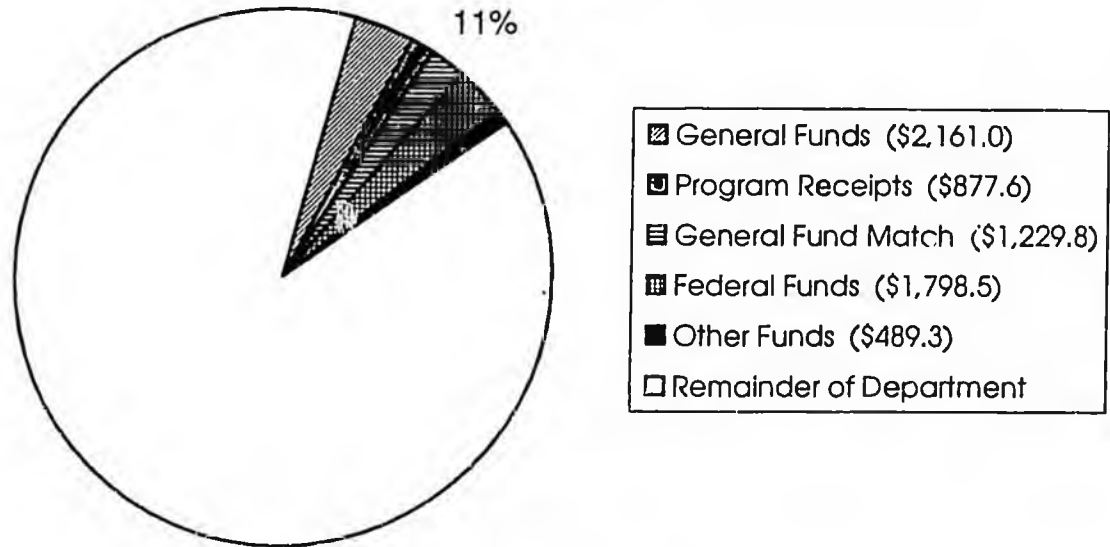
### **Other Services**

- The Alaska Works Program (JOBS), jointly administered with the Department of Health & Social Services, provides a labor exchange for AFDC and food stamp recipients.
- The Worker Profiling and Re-employment Services Program for UI recipients is intended to hasten their return to work.
- The veterans programs provide special services to veterans as mandated by law.
- The seafood initiative is designed to increase resident hire in the seafood industry.
- One-Stop and collocation of services with other employment and training agencies improve the delivery of services through partnerships, shared facilities, electronic connections and staffing.
- The Governor's Committee on the Employment of People with Disabilities provides educational opportunities for employers on the positive aspects of hiring people with disabilities and assists in development of accommodations.
- The State Employment & Training Program, funded through the UI Trust Fund with one-tenth of 1% of workers' wages subject to regular UI contributions, targets the training needs of Alaskan workers and businesses.
- Career Transition Centers, established in Alaskan communities and staffed in collaboration with partner agencies, assist with major layoffs,

### ISSUES

- Implement One-Stop Workforce Development Centers, at the direction of the Alaska Human Resources Investment Council and in partnership with Public Assistance, Job Training (JTPA), Vocational Rehabilitation, Adult Basic Education, and the Alaska Native Coalition on Employment and Training where feasible, which offer the public options for self-service, group services and individual services as needed and provide an opportunity for programs to share costs.
- Implement centrally located UI Call Centers to provide faster service to the public, reduce overhead and eliminate inefficiencies.
- Encourage the USDOL to set performance standards and mandates that recognize the needs of Alaska's workers and businesses in order to mitigate the uncertainty of federal funding.

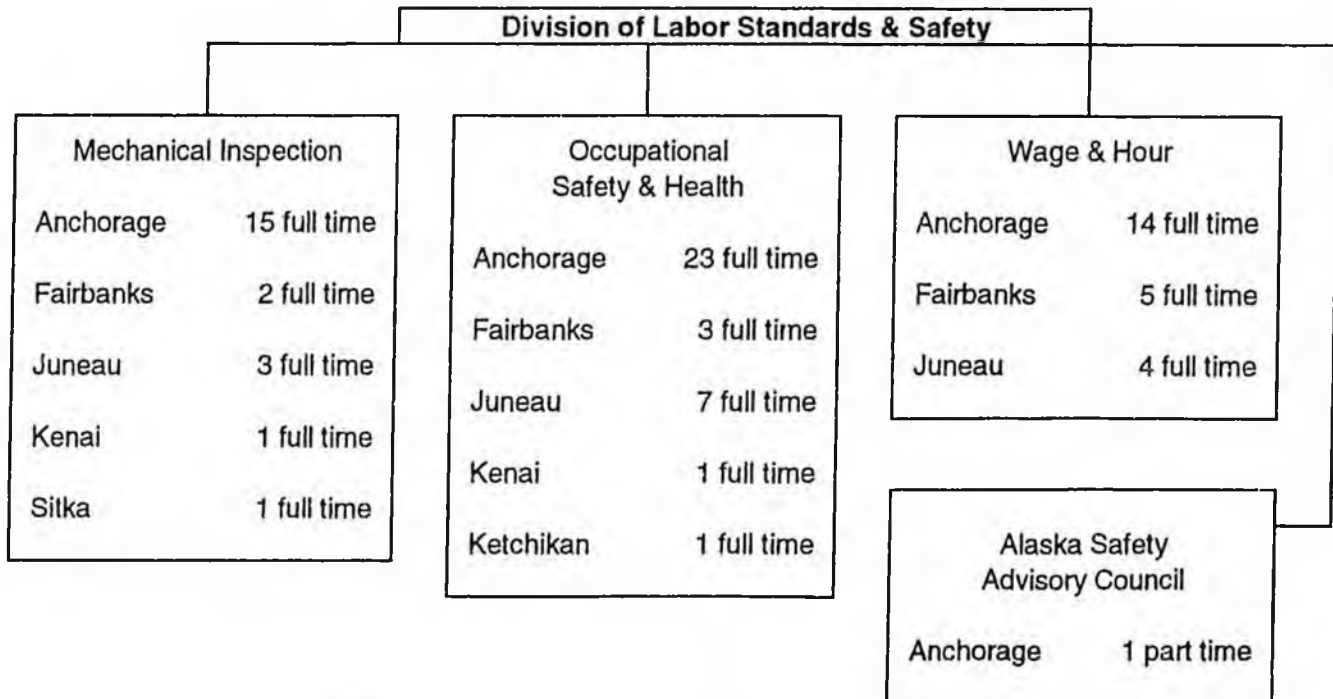
## LABOR STANDARDS & SAFETY DIVISION



Department of Labor's FY 98 Budget Request

The Division is comprised of four components:

- Alaska Safety Advisory Council - (\$107.2 PR)
- Mechanical Inspection - (\$689.6 GF, \$770.4 PR)
- Occupational Safety & Health - (\$1,229.8 GFM)
- Wage & Hour - (\$1,471.4 GF)



## **LABOR STANDARDS & SAFETY DIVISION**

### **Mechanical Inspection**

- inspect
  - plumbing and electrical installations
  - boilers & pressure vessels
  - elevators, wheelchair lifts, and recreational devices such as ski lifts, tramways and amusement rides
- license electricians, plumbers, hazardous painters, asbestos abatement workers and blasters
- coordinate the enforcement of contractor and electrical & mechanical administrators licensing with the Department of Commerce & Economic Development and the requirement for Worker's Compensation insurance with the Division of Worker's Compensation

### **Wage & Hour**

- ensure that Alaska's workers
  - receive minimum wages and overtime as entitled by law
  - receive the benefits of family leave as entitled by law
  - receive employment preference and prevailing wages on public works projects
- protect minors from abuse and exploitation in the workplace
- license employment agencies

### **Alaska Occupational Safety and Health**

- enforce the state's occupational safety and health laws
- focus enforcement activities on Alaska's high-hazard industries
- provide consultation and training services to Alaska's workers and businesses

### **Alaska Safety Advisory Council**

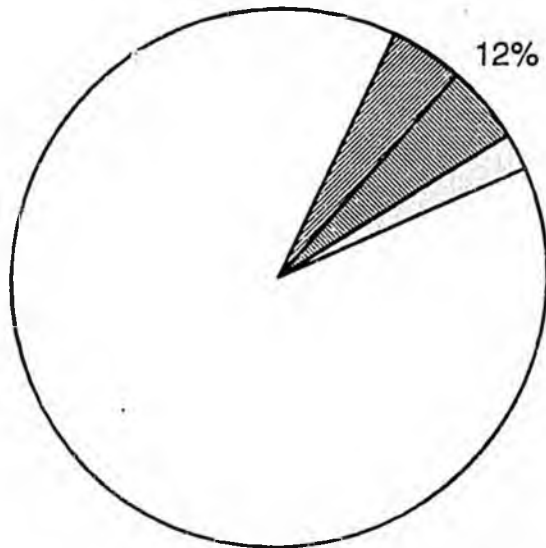
- sponsor the annual Governor's Safety Conference attended by safety professionals in both the public and private sector

## **LABOR STANDARDS & SAFETY DIVISION**

### **ISSUES**

- Implement the Voluntary Protection Program (VPP) for large Alaskan employers and the Safety & Health Achievement Recognition Program (SHARP) for smaller employers to eliminate the need for safety inspections except in the event of an injury or fatality.
- Coordinate administrative inspection and investigation activities with the enforcement of workers' compensation insurance and licensing activities to eliminate the unfair competitive advantage these businesses' have over legitimately insured and licensed Alaskan businesses; and to assist the Child Support Enforcement Division in the enforcement of child support laws.
- Provide training and assistance to school districts and employers interested in participating in the federal school-to-work initiative

## WORKERS' COMPENSATION DIVISION

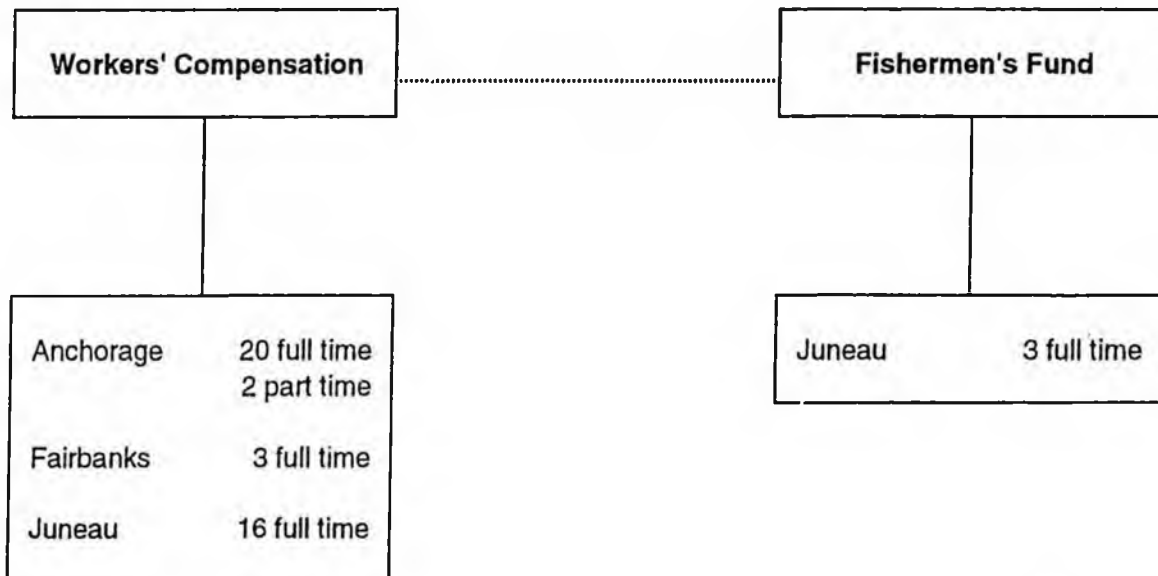


	General Funds (\$2,557.5)
	Second Injury Fund (\$2,854.9)
	Fishermen's Fund (\$1,304.2)
	Other Funds (\$49.4)
	Remainder of Department

Department of Labor's FY 98 Budget Request

The Division is comprised of two components:

- Workers' Compensation - (\$2,557.5 GF)
- Fishermen's Fund



## **WORKER'S COMPENSATION DIVISION**

Serves as administrative arm to the Alaska Workers' Compensation Board to implement the state's Workers' Compensation laws.

Administers the Fishermen's Fund and provides administrative support to the Fishermen's Fund Advisory and Appeals Council which serves in an advisory and appellate capacity. Money to support the fund comes from its users: 60% of the revenue derived from the issuance of commercial fishing crew member licenses and from the first entry permit of a fisherman licensed by the Commercial Fisheries Entry Commission.

### **Workers' Compensation**

- adjudicate disputes regarding workers' compensation coverage between employees and employers, or their insurers, through mediation or administrative hearings
- administer a voluntary reemployment program for workers unable to return to the jobs they held at the time of their injury
- investigate uninsured employers
- administer the state's self-insurance program
- administer the employer reimbursement program for workers who qualify under the Second Injury Fund

### **Fishermen's Fund**

- process claims from commercial fishermen for assistance with the costs for occupational injuries and illness

## WORKER'S COMPENSATION DIVISION

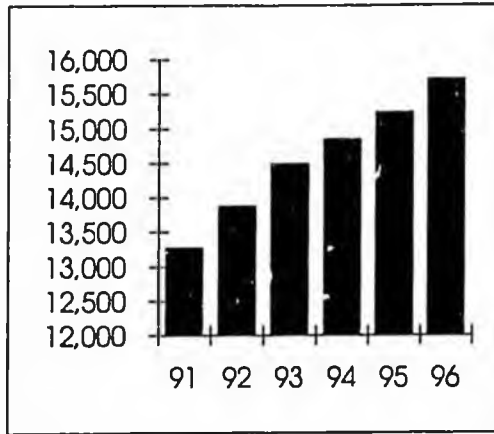
### ISSUES

- Coordinate with the Division of Insurance investigators to reduce fraud.
- Continue aggressive investigation of uninsured employers, in coordination with the Division of Labor Standards & Safety, to eliminate unfair competition, increase the pool of insured employers (and the premium tax paid to the general fund), and encourage workplace safety to reduce the cost of coverage to Alaskan businesses.
- Continue the implementation of administrative efficiencies such as the completion of the electronic workers' compensation information handling system to provide better services to the public and more useful information to the state's legislators and policy makers.
- Participate in deliberations with the Workers' Comp Ad hoc Committee to formulate legislation that meets the needs of Alaskans, employees and employers.

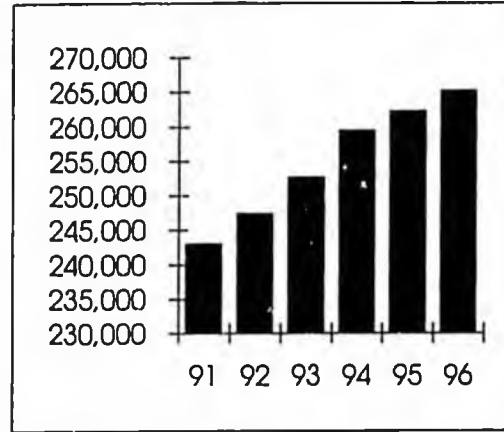
## Department of Labor

### General Fund Budget versus the Alaska Work Force

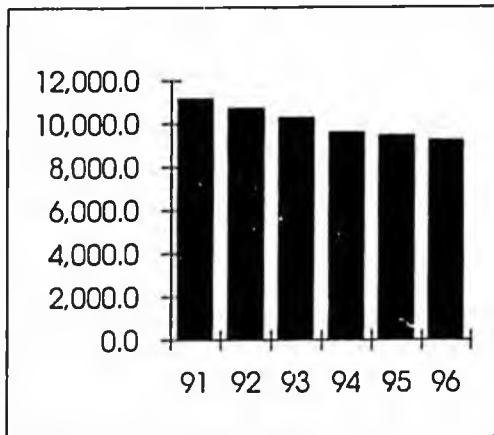
Number of Employers



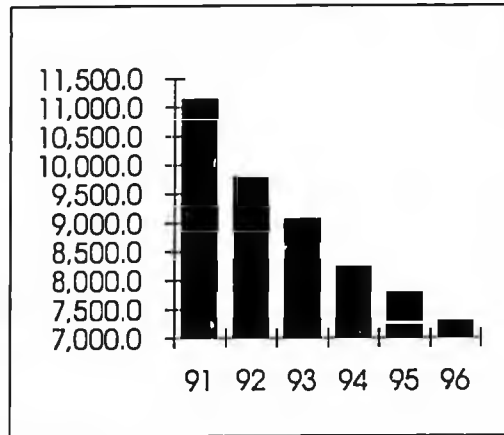
Number of Employees



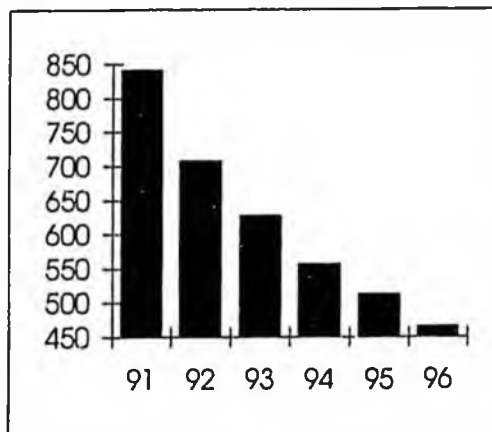
General Fund Budget



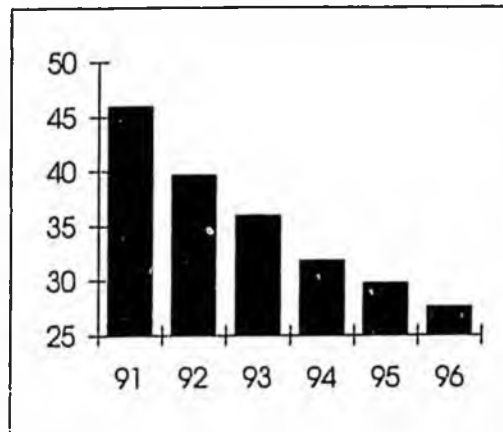
GF Budget in 1991 Dollars



1991 Dollars per Employer



1991 Dollars per Employee





Department of Labor FY98 Operating Budget Summary

12/17/96 3:31 PM

Component	100	200	300	400	500	700	Misc	Total	1002	1003	1004	1005	1091	1007	1061	1049	Other	Total	PFI	PPI	DOC	Comments/Description	
	Pers Svc	Travel	Contr	Supplies	Equip	Grants			Fed	GFM	GF	P/R	Desig	I/A	CIP	T&B							
<b>Labor Market Info</b>																							
FY97 Confr Comm	2,190.5	50.4	475.7	49.5	23.1		(1.4)	2,787.8	868.4	70.8	433.1		2.0	1,413.5				2,787.8	38	2	Misc Reduct	Distribute miscellaneous reduction imposed by the Legislature	
Distr Misc Reduct		(1.4)					1.4														COLA	COLA for new union contracts	
COLA Adj	28.2							28.2	12.5	0.6	4.0			11.1				28.2			COLA Cut	Legislative reduction of COLA funding for anticipated savings from RIP	
CCLA Underfunding	(10.2)							(10.2)	(3.0)	(0.6)	(4.0)			(2.6)				(10.2)					
FY97 Auth	2,208.5	49.0	475.7	49.5	23.1			2,805.8	877.9	70.8	433.1		2.0	1,422.0				2,805.8	38	2	PACS Recon	PACS Reconciliation position adjustments	
PACS Recon																				3	(2)	Budget Recon	Transfer federal authorization from Employ/Unemploy Svcs for direct receipt of funds
Budget Recon			308.7					308.7	308.7									308.7			COLA	COLA for new union contracts	
COLA Adj	30.2							30.2	13.4	0.6	4.2			12.0				30.2			Health Ins	Health insurance cost increase	
Health Ins Adj	11.8							11.8	5.3	0.3	1.6			4.6				11.8			C4	Line Item Transfer Equipment to Personal Services to align with expenditures	
Line Item Transfer	20.0					(20.0)																	
FY98 Adj Base	2,270.5	49.0	784.4	49.5	3.1			3,156.5	1,205.3	71.7	438.9		2.0	1,438.6				3,156.5	41				
I/A Adjustment			(308.7)					(308.7)						(308.7)				(308.7)			C5	Delete excess Interagency Receipt authorization (now received as federal)	
FY98 Req	2,270.5	49.0	475.7	49.5	3.1			2,847.8	1,205.3	71.7	438.9		2.0	1,129.9				2,847.8	41				
<b>Comm Office</b>																							
FY97 Confr Comm	398.5	27.5	42.7	6.7	1.8		(1.4)	475.8			471.8			4.0				475.8	5		Misc Reduct	Distribute miscellaneous reduction imposed by the Legislature	
Distr Misc Reduct			(1.4)				1.4														COLA	COLA for new union contracts	
COLA Adj	4.3							4.3			4.3							4.3			COLA Cut	Legislative reduction of COLA funding for anticipated savings from RIP	
COLA Underfunding	(0.8)							(0.8)			(0.8)							(0.8)					
FY97 Auth	402.0	27.5	41.3	6.7	1.8			479.3			475.3			4.0				479.3	5		COLA	COLA for new union contracts	
COLA Adj	4.7							4.7			4.7							4.7			Health Ins	Health insurance cost increase	
Health Ins Adj	1.5							1.5			1.5							1.5			C4	Transfer OSRI Review Board support from Management Services	
Transfer Function	5.4		0.2					5.6						5.6				5.6					
FY98 Adj Base	413.6	27.5	41.5	6.7	1.8			491.1			481.5			9.6				491.1	5				
BBP Reduction		(0.9)	(0.3)					(1.2)			(1.2)							(1.2)			C5	Better Business Practices Reduction	
FY98 Req	413.6	26.6	41.2	6.7	1.8			489.9			480.3			9.6				489.9	5				
<b>At Labor Relations</b>																							
FY97 Confr Comm	266.7	21.4	29.7	4.9	2.8		(0.9)	324.6			324.6							324.6	4		Misc Reduct	Distribute miscellaneous reduction imposed by the Legislature	
Distr Misc Reduct		(0.9)					0.9														COLA	COLA for new union contracts	
COLA Adj	3.4							3.4			3.4							3.4			COLA Cut	Legislative reduction of COLA funding for anticipated savings from RIP	
COLA Underfunding	(0.7)							(0.7)			(0.7)							(0.7)					
FY97 Auth	269.4	20.5	29.7	4.9	2.8			327.3			327.3			4.0				327.3	4		COLA	COLA for new union contracts	
COLA Adj	3.7							3.7			3.7							3.7			Health Ins	Health insurance cost increase	
Health Ins Adj	1.3							1.3			1.3							1.3			C4	Line Item Transfer Travel to Personal Services to align with expenditures	
Line Item Transfer	0.7	(0.7)																					
FY98 Adj Base	275.1	19.8	29.7	4.9	2.8			332.3			332.3							332.3	4				
BBP Reduction		(0.5)	(0.2)					(0.7)			(0.7)							(0.7)			C5	Better Business Practices Reduction	
FY98 Req	275.1	19.3	29.5	4.9	2.8			331.6			331.6							331.6	4				
<b>Fishermen's Fund</b>																							
FY97 Confr Comm	143.3	18.5	89.1	5.7	4.0	1,039.4		1,300.0									1,300.0	1,300.0	3		COLA	COLA for new union contracts	
COLA Adj	1.9							1.9			1.9							1.9			COLA Cut	Legislative reduction of COLA funding for anticipated savings from RIP	
COLA Underfunding	(0.5)							(0.5)			(0.5)							(0.5)					
FY97 Auth	144.7	18.5	89.1	5.7	4.0	1,039.4		1,301.4			1,301.4							1,301.4	3		COLA	COLA for new union contracts	
COLA Adj	1.9							1.9			1.9							1.9			Health Ins	Health insurance cost increase	
Health Ins Adj	0.9							0.9			0.9							0.9			C4	Line Item Transfer Personal Services to Travel and Contractual to align with expenditures	
Line Item Transfer	(10.7)	9.8	0.9					0.0															
FY98 Adj Base	136.8	28.3	90.0	5.7	4.0	1,039.4		1,304.2			1,304.2							1,304.2	3				
BBP Reduction		(0.5)	(0.2)					(0.7)			(0.7)							(0.7)					
FY98 Req	136.8	28.3	90.0	5.7	4.0	1,039.4		1,304.2			1,304.2							1,304.2	3				
<b>Workers Comp</b>																							
FY97 Confr Comm	2,183.7	44.0	261.8	55.0	10.0	2,869.6	(7.4)	5,416.7			2,517.2	29.6		19.3			2,850.6	5,416.7	37	4	Misc Reduct	Distribute miscellaneous reduction imposed by the Legislature	
Distr Misc Reduct							7.4														COLA	COLA for new union contracts	
COLA Adj	26.2							26.2			24.2			0.2			1.8	26.2			COLA Cut	Legislative reduction of COLA funding for anticipated savings from RIP	
COLA Underfunding	(19.1)							(19.1)			(18.6)						(0.5)	(19.1)					
FY97 Auth	2,190.8	44.0	261.8	55.0	10.0	2,862.2		5,423.8			2,522.8	29.6		19.5			2,851.9	5,423.8	37	4	COLA	COLA for new union contracts	
COLA Adj	28.4							28.4			26.2			0.2			2.0	28.4			Health Ins	Health insurance cost increase	
Health Ins Adj	11.2							11.2			10.1			0.1			1.0	11.2			C4	Line Item Trans Grants to Personal Services & Contractual to align with expend. 2 posts to PFI	
Line Item Transfer	27.3		20.5			(47.8)													2	(2)			
FY98 Adj Base	2,257.7	44.0	282.3	55.0	10.0	2,914.4		5,463.4			2,559.1	29.6		19.8			2,854.9	5,463.4	39	2			
BBP Reduction		(1.0)	(0.6)					(1.6)			(1.6)							(1.6)			C5	Better Business Practices Reduction	
FY98 Req	2,257.7	43.0	281.7	55.0	10.0	2,814.4		5,461.8			2,557.5	29.6		19.8			2,854.9	5,461.8	39	2			

Department of Labor FY98 Operating Budget Summary

12/17/96 3:31 PM

Component	100	200	300	400	500	700	Misc	Total	1002	1003	1004	1005	1091	1007	1041	1049	Other	Total	PFT	PPT	DOC	Comments/Description	
	Pers Svc	Travel	Contr	Supplies	Equip	Grants			Fed	GFM	GF	P/R	Desig	I/A	CIP	T&B							
<b>Wage &amp; Hour</b>																							
FY97 Contr Comm	1,270.2	66.0	191.5	23.1	9.0		(4.2)	1,555.6			1,450.2			105.4				1,555.6	23		Misc Reduct	Distribute miscellaneous reduction imposed by the Legislature	
Distr Misc Reduct	(4.2)						4.2															COLA	COLA for new union contracts
COLA Adj	14.3							14.3			13.9			0.4				14.3				COLA Cut	Legislative reduction of COLA funding for anticipated savings from RIP
COLA Underfunding	(11.3)							(11.3)			(11.2)			(0.1)				(11.3)					
FY97 Auth	1,269.0	66.0	191.5	23.1	9.0			1,558.6			1,452.9			105.7				1,558.6	23		COLA	COLA for new union contracts	
COLA Adj	16.7							15.7			15.3			0.4				15.7				Health Ins	Health insurance cost increase
Health Ins Adj	6.6							6.6			6.5			0.1				6.6			C4	Line Item transfer Contractual to Personal Services for Contractor Licensing RSA	
Line Item Transfer	2.1		(2.1)																				
FY98 Adj Base	1,293.4	66.0	189.4	23.1	9.0			1,580.9			1,474.7			106.2				1,580.9	23				
I/A Adjustment	(68.5)							(68.5)						(68.5)				(68.5)				C5	Delete excess Interagency Receipt authorization for Director's position (now charges direct)
I/A Adjustment	(2.3)	(3.0)						(5.3)						(5.3)				(5.3)				C5	Delete excess Interagency Receipt authorization for Internal Audit RSA
BBP Reduction		(1.5)	(1.8)					(3.3)			(3.3)							(3.3)				C5	Better Business Practices Reduction
FY98 Req	1,222.6	61.5	187.6	23.1	9.0			1,503.8			1,471.4			32.4				1,503.8	23				
<b>Mechanical Insp</b>																							
FY97 Contr Comm	1,307.5	133.2	181.2	11.9	2.0		(3.9)	1,631.9			681.7	671.9		278.3				1,631.9	20		SB 98	Fiscal Note authorization for SB 98 the Personal Responsibility Act	
SB 98 Fiscal Note	37.1		14.5	0.7	6.5			58.8						58.8				58.8	1		Misc Reduct	Distribute miscellaneous reduction imposed by the Legislature	
Distr Misc Reduct			(3.9)				3.9															COLA	COLA for new union contracts
COLA Adj	17.1							17.1			6.9	6.7		3.5				17.1				COLA Cut	Legislative reduction of COLA funding for anticipated savings from RIP
COLA Underfunding	(9.6)							(9.6)			(4.7)	(4.3)		(0.6)				(9.6)					
FY97 Auth	1,352.1	133.2	191.8	12.6	8.5			1,698.2			683.9	674.3		340.0				1,698.2	21				
PACS Recon																				(1)		PACS Recon	PACS Reconciliation position adjustments
Budget Recon	26.5		94.2	11.0	5.0			136.7				57.7	29.0	50.0				136.7	1		Budget Recon	Transfer Licensing Program from Occupational Safety & Health	
COLA Adj	18.9							18.9			7.7	7.3		3.9				18.9				COLA	COLA for new union contracts
Health Ins Adj	5.2							5.2			2.0	2.1		1.1				5.2				Health Ins	Health insurance cost increase
FY98 Adj Base	1,402.7	133.2	286.0	23.6	13.5			1,859.0			693.6	741.4	29.0	395.0				1,859.0	21				
Increase I/A Auth	96.9		3.1					100.0						100.0				100.0	1			C5	Increase Interagency Receipt authorization for Occupational Licensing RSA
I/A Adjustment	(5.2)		(37.1)	(0.7)	(6.5)			(49.5)						(49.5)				(49.5)				C5	Delete excess Interagency Receipt authorization due to licensing program consolidation
BBP Reduction		(3.0)	(1.0)					(4.0)			(4.0)							(4.0)				C5	Better Business Practices Reduction
FY98 Req	1,494.4	130.2	251.0	22.9	7.0			1,905.5			689.6	741.4	29.0	445.5				1,905.5	22				
<b>Occ Safety &amp; Health</b>																							
FY97 Contr Comm	2,131.9	202.0	538.5	52.2	13.5		(3.6)	2,934.5	1,621.7	1,214.7		57.7	29.0	11.4				2,934.5	35		SB 98	Fiscal Note authorization for SB 98 the Personal Responsibility Act	
SB 98 Fiscal Note	24.3		25.2	0.5				50.0						50.0				50.0				Misc Reduct	Distribute miscellaneous reduction imposed by the Legislature
Distr Misc Reduct	(3.6)						3.6				14.4	11.7		0.6				26.8				COLA	COLA for new union contracts
COLA Adj	26.8							26.8			(1.6)	(7.6)		(0.4)				(9.7)				COLA Cut	Legislative reduction of COLA funding for anticipated savings from RIP
COLA Underfunding	(9.7)							(9.7)			(0.1)							(9.7)					
FY97 Auth	2,169.7	202.0	563.7	52.7	13.5			3,001.6	1,634.5	1,218.8		57.7	29.0	61.6				3,001.6	35				
Budget Recon	(57.5)		(73.2)	(1.0)	(5.0)			(136.7)						(50.0)				(136.7)	(1)		Budget Recon	Transfer Licensing Program to Mechanical Inspection	
COLA Adj	29.0							29.0			15.4	12.7		0.9				29.0				COLA	COLA for new union contracts
Health Ins Adj	7.9							7.9			4.2	3.5		0.2				7.9				Health Ins	Health insurance cost increase
Line Item Transfer	42.6		(42.6)																			C4	Line Item transfer Contractual to Personal Services for direct charging of Director's position
FY98 Adj Base	2,191.7	202.0	447.9	51.7	8.5			2,901.8	1,654.1	1,235.0				12.7				2,901.8	34				
I/A Adjustment	(1.3)							(1.3)						(1.3)				(1.3)				C5	Delete unrealized Interagency Receipt authorization
Increase Fed Auth	104.0	20.8	5.6	6.0				144.4	144.4									144.4	1			C5	Increase Federal authorization for Asbestos VPP and SHARP grants
BBP Reduction		(1.3)	(3.9)					(5.2)				(5.2)						(5.2)				C5	Better Business Practices Reduction
FY98 Req	2,294.4	229.5	449.6	57.7	8.5			3,039.7	1,798.5	1,229.8				11.4				3,039.7	35				
<b>AK Safety Advisory</b>																							
FY97 Contr Comm	22.9	9.0	59.9	15.0				106.8					106.8					106.8	1				
COLA Adj	0.4							0.4				0.4						0.4				COLA	COLA for new union contracts
COLA Underfunding	(0.3)							(0.3)				(0.3)						(0.3)				COLA Cut	Legislative reduction of COLA funding for anticipated savings from RIP
FY97 Auth	23.0	9.0	59.9	15.0				106.9				0.1	106.8					106.9	1				
Budget Recon	6.8		(13.8)	7.0				(0.0)										(0.0)				Budget Recon	Transfer between line items to align budget with anticipated expenditures
OMB Rev Adj												(0.1)	0.1									OMB Adj	OMB adjustment to change FY 97 COLA fund source to Designated Program Receipts
COLA Adj	0.4							0.4						0.4				0.4				COLA	COLA for new union contracts
Health Ins Adj	0.2							0.2						0.2				0.2				Health Ins	Health insurance cost increase
Line Item Transfer	(3.5)				3.5																	C4	Line Item transfer Personal Services to Equipment to align with expenditures
FY98 Adj Base	26.9	9.0	46.1	22.0	3.5			107.5				0.0	107.5					107.5	1				
BBP Reduction		(0.3)						(0.3)						(0.3)				(0.3)				C5	Better Business Practices Reduction
FY98 Req	26.9	8.7	46.1	22.0	3.5			107.2				0.0	107.2					107.2	1				

Department of Labor FY98 Operating Budget Summary

12/17/96 3:31 PM

Component	100 Pers Svc	200 Travel	300 Contr	400 Supplies	500 Equip	700 Grants	Misc	Total	1002 Fed	1003 GFM	1004 GF	1005 P/R	1071 Desig	1007 I/A	1061 CIP	1049 T&B	Other	Total	VFI	PPT	DOC	Comments/Description
-----------	-----------------	---------------	--------------	-----------------	--------------	---------------	------	-------	-------------	-------------	------------	-------------	---------------	-------------	-------------	-------------	-------	-------	-----	-----	-----	----------------------

DOL TOTAL																						
FY97 Contr Comm	37,385.7	1,150.1	14,883.8	814.0	633.9	4,854.0	(25.0)	59,696.5	34,774.1	1,993.0	5,929.2	759.2	196.6	7,294.1	78.6	574.9	8,076.8	59,696.5	544	52		
FY97 Auth	37,760.0	1,147.8	14,918.1	815.2	640.4	4,846.6		60,128.1	35,023.8	1,997.1	5,945.9	761.7	196.6	7,443.2	79.3	581.0	8,079.5	60,128.1	645	52		
Change	374.3	(2.3)	34.3	1.2	6.5	(7.4)		431.6	249.7	4.1	16.7	2.5		149.1	0.7	6.1	2.7	431.6	1			
FY97 Auth	37,760.0	1,147.8	14,918.1	815.2	640.4	4,846.6		60,128.1	35,023.8	1,997.1	5,945.9	761.7	196.6	7,443.2	79.3	581.0	8,079.5	60,128.1	645	52		
FY98 Adj Base	38,470.3	1,156.9	14,921.8	832.2	642.8	4,798.8		60,822.8	35,500.4	2,023.7	6,030.7	771.0	197.7	7,521.0	80.6	592.4	8,105.3	60,822.8	632	65		
Change	710.3	9.1	3.7	17.0	2.4	(47.8)		694.7	476.6	26.6	84.8	9.3	1.1	77.8	1.3	11.4	5.8	694.7	(13)	13		
FY98 Adj Base	38,470.3	1,156.9	14,921.8	832.2	642.8	4,798.8		60,822.8	35,500.4	2,023.7	6,030.7	771.0	197.7	7,521.0	80.6	592.4	8,105.3	60,822.8	632	65		
FY98 Req	37,350.4	1,173.4	14,343.5	837.5	631.3	4,798.8		59,134.9	34,244.8	1,913.9	6,011.7	771.0	197.4	7,123.9	74.6	592.4	8,205.2	59,134.9	596	77		
Change	(1,119.9)	16.5	(578.3)	5.3	(11.5)			(1,687.9)	(1,255.6)	(109.8)	(19.0)		(0.3)	(397.1)	(6.0)		99.9	(1,687.9)	(36)	12		
FY98 Req	37,350.4	1,173.4	14,343.5	837.5	631.3	4,798.8		59,134.9	34,244.8	1,913.9	6,011.7	771.0	197.4	7,123.9	74.6	592.4	8,205.2	59,134.9	596	77		
FY98 Contr Comm	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Change	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
FY98 Contr Comm	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
FY98 Auth	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Change	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
FY98 Auth	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
FY98 Adj	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Change	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Total Change	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

GF Changes FY97 Contr Comm to FY98 Auth					Total	
FY97 Contr Comm to FY97 Auth	4.1	16.7	2.5		23.3	COLA for new union contracts
	20.1	61.8	7.2	0.8	89.9	COLA for new union contracts
	6.5	23.0	2.1	0.3	31.9	Health Insurance cost increase
FY97 Auth to FY98 Adj Base	26.6	84.8	9.3	1.1	121.8	
	(5.8)	(19.0)		(0.3)	(29.1)	Better Business Practices Reduction
	(170.0)				(100.0)	AWP General Fund Match reduction for contractual savings
FY98 Adj Base to FY98 Amnd Req	(109.8)	(19.0)		(0.3)	(129.1)	
FY98 Amnd Req to FY98 Contr Comm						
FY98 Contr Comm to FY98 Auth						
FY98 Auth to FY98 Adj						
Total	(79.1)	82.5	11.8	0.8	16.0	

**Budget  
Overview**

**FY 98**

**Agency Request**

**Alaska Department of  
REVENUE**

**January**

**1997**

Department of Revenue FY98 Budget Overview

Table of Contents

1. **AGENCY OVERVIEW** ..... 5  
Agency Organization Chart ..... 6  
Agency Mission ..... 7  
Agency Budget Summary ..... 9

2. **DIVISION SUMMARIES** ..... 11  
  
Revenue Operations Budget Summary ..... 13  
Component Overview, Budget Summaries, and Organization Charts:  
*Income and Excise Audit* ..... 14  
*Oil and Gas Audit* ..... 18  
*Treasury Management* ..... 22  
*Child Support Enforcement* ..... 26  
*Permanent Fund Dividend* ..... 32  
*Charitable Gaming* ..... 36  
*Administrative Services* ..... 40  
*Commissioner's Office* ..... 44  
Statutory Basis ..... 49

3. **FORMULA FUNDED PROGRAMS** ..... 53  
Shared Taxes Overview and Statutory Basis ..... 54  
Shared Taxes Summary ..... 55

4. **BOARDS, COMMISSIONS AND AUTHORITIES BUDGET** ..... 57  
Boards, Commissions and Authorities Budget Summary ..... 59  
Component Overviews, Budget Summaries and Organization Charts:  
*Alcoholic Beverage Control Board* ..... 60  
*Alaska Municipal Bond Bank Authority* ..... 64  
*Alaska Permanent Fund Corporation* ..... 68  
*Alaska Housing Finance Corporation* ..... 72  
*Alaska Mental Health Trust Authority* ..... 92  
*Alaska State Pension Investment Board* ..... 97  
Statutory Basis ..... 101

5. **CAPITAL PROJECT REQUESTS** ..... 103

Department of Revenue FY98 Budget Overview

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## What does this Publication Provide?

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

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

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

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

For each component, we provide (1) an organization chart, (2) a brief description of the programs and responsibilities, (3) a summary of the important issues facing each division, (4) a brief synopsis of changes in the FY98 proposed budget, and (5) a summary of past appropriations and the Governor's FY97 budget request. At the end of the section, we summarize the statutory authority for each component.

Section 3 provides information on Shared Taxes.

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

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

**Department of Revenue FY98 Budget Overview**

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**Section 1.**

# **Agency Overview**

**Alaska Department of  
REVENUE**

**January**

**1997**

**State of Alaska  
DEPARTMENT OF REVENUE  
ORGANIZATION CHART - FY98**

COMMISSIONER

ALASKA  
HOUSING  
FINANCE  
CORPORATION

ALASKA  
MUNICIPAL  
BOND BANK  
AUTHORITY

ALASKA STATE  
PENSION  
INVESTMENT  
BOARD

ALASKA  
PERMANENT  
FUND  
CORPORATION

ALASKA  
MENTAL HEALTH  
TRUST  
AUTHORITY

ALCOHOLIC  
BEVERAGE  
CONTROL  
BOARD

DEPUTY  
COMMISSIONER  
TREASURY

TREASURY

DEPUTY  
COMMISSIONER  
TAX & OPERATIONS

ADMINISTRATIVE  
SERVICES

CHARITABLE  
GAMING

CHILD SUPPORT  
ENFORCEMENT

PERMANENT  
FUND DIVIDEND

INCOME &  
EXCISE AUDIT

OIL & GAS  
AUDIT

**DEPARTMENT  
ORGANIZATION CHART - PROPOSED FY 98**

TOTAL	ANCH	FBKS	JNU	SEA	OTHER
PFT	274	5	153	1	2
PPT(Seasonal)	7		5		
TEMP	0		62		

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

**BOARDS/CORPORATIONS/AUTHORITIES  
ORGANIZATION CHART - PROPOSED FY 98**

TOTAL	ANCH	FBKS	JNU	SEA	OTHER
PFT	296	18	13		31
PPT	7	3	1		15
TEMP	6	1	2		0

UNIT	HEADQUARTERS	FIELD OFFICES
AK Hous. Fin. Corp.	Anchorage	Bethel/Crdva/Dlhm Fbks/Homer/Jnu Kenai/Ketch/Kod Kotz/Nome/Ptrbrg Swrd/Sitka/Valdez Wasilla/Wrangel
AK Mun. Bond Bank	Anchorage	
AK State Pension Inv.	Juneau	
AK Perm. Fund Corp.	Juneau	
AK Ment. Health Trust	Anchorage	
ABC Board	Anchorage	

## Department of Revenue FY98 Budget Overview

### Agency Mission

To collect the correct state tax equitably, efficiently and expeditiously to fund services for Alaskans; to prudently manage the state treasury and the state pension funds; to ensure that eligible Alaskans receive their permanent fund dividends promptly; to ensure that children receive the financial support they need through the establishment and enforcement of child support orders; to issue charitable gaming licenses and permits and ensure that the state and charities receive the amounts to which they are entitled; to regulate the manufacture, barter, possession and sale of alcoholic beverages in the state; and to provide administrative support to the Alaska Permanent Fund Corporation, the Alaska Housing Finance Corporation, the Alaska Mental Health Trust Authority, and the Alaska Municipal Bond Bank Authority.

### Operating Strategy

We continue to assess and evaluate the way we do business in the operating divisions of the Department of Revenue. Our management philosophy stresses ongoing reassessment of our programs to identify cost-saving ways to consolidate, innovate, and centralize our functions. This approach must be balanced, however, with the fact that the main mission of three of our divisions - Oil and Gas Audit, Income and Excise Audit, and Treasury - is to raise and protect general fund revenues. A delicate balance must be achieved in which we can continue to find operating efficiencies without jeopardizing our ability to raise and protect general fund revenues.

In our day to day operations, we stay focused on the "Three Es" - Education, Empowerment, and Enforcement. Taxpayers, child support obligors, and licensees need accurate information about their responsibilities and the payments they are required to make, and when and how to make them. They need easy-to-use forms and simplified filing and payment procedures. This allows them to comply with the laws of the state and do it voluntarily. If they do not comply, however, we are ready to enforce those statutes as is our vested responsibility.

#### Changes in Department General Fund Budget from FY97 to FY98

The Department reduced its general fund budget by approximately \$120,000 from FY97 to FY98. In the Oil & Gas Audit Division, the Retirement Incentive Program (RIP) savings begin to accrue in FY98, but will become more significant in FY99. We show a slight increase in Treasury expenditures, but this is primarily due to the costs associated with the strong performance of the stock market. We show a modest reduction in the Child Support Enforcement Division (CSED) general funds primarily due to CSED's ability to maximize its federal incentives and other federal funding.

## Department of Revenue FY98 Budget Overview

### Department of Revenue FY97 vs FY98 General Fund Budget

	FY97 Appropriated	FY97 Fiscal Notes	FY93 Adjustment of Base	FY98 Increase/ (Reduction)	Proposed FY98 Budget
Child Support Enforcement	1937.7	145.4	23.6	(37.5)	2,069.2
Alcoholic Beverage Control Board	644.4	0.0	10.5	(1.4)	653.5
Income & Excise Audit	3,447.7	0.0	57.6	(5.7)	3,499.6
Oil & Gas Audit	3,090.4	0.0	12.1	(85.9)	3,016.6
Treasury	1,116.2	0.0	9.9	15.2	1,141.3
Charitable Gaming	899.9	0.0	14.2	(.8)	913.3
Commissioner's Office	424.3	0.0	4.0	(3.0)	425.3
Administrative Services	456.8	0.0	4.4	(.5)	460.7
<b>Total</b>	<b>12,017.4</b>	<b>145.4</b>	<b>136.3</b>	<b>(119.6)</b>	<b>12,179.5</b>

Department of Revenue FY98 Budget Overview

**Agency Budget Summary**

Includes Boards and Commissions  
(In thousands of dollars)

	FY95 FINAL AUTHORIZED	FY96 FINAL AUTHORIZED	FY97 AUTHORIZED	FY98 REQUEST
Personal Services	42,386.3	42,840.5	44,789.5	46,648.9
Travel	2,034.0	1,866.5	1,893.0	1,844.8
Contractual	59,732.5	70,266.7	67,701.2	79,146.2
Commodities	1,918.6	1,576.2	1,568.9	1,742.2
Equipment	1,988.4	996.3	958.7	930.7
Lands/Buildings	2,425.0	1,457.0	232.0	0.0
Grants	0.0	0.0	700.0	615.0
Miscellaneous	0.0	0.0	(265.0)	0.0
<b>Total</b>	<b>110,484.8</b>	<b>119,003.2</b>	<b>117,578.3</b>	<b>130,927.8</b>

**POSITIONS:**

Permanent Full Time	780	760	791	793
Permanent Part Time	53	55	34	38
Temporary	73	72	75	71

**FUNDING:**

1001 CBR Fund	0.0	451.5	0.0	0.0
1002 Federal Funds	28,076.5	26,955.6	27,872.7	28,742.2
1003 General Fund Match	1,689.9	1,860.7	2,043.1	1,963.4
1004 General Fund	8,948.8	8,459.6	8,417.5	8,423.2
1005 GF/Program Receipts	1,770.0	1,765.0	1,702.2	1,792.9
1007 Interagency Receipts	2,854.3	2,686.0	2,791.9	2,837.9
1011 Education Trust	35.1	19.7	16.6	17.6
1016 Federal Incentives	2,497.3	2,917.3	3,182.8	3,571.7
1017 Deferred Comp	148.0	45.9	75.4	3,205.3
1022 Corporation Receipts	41,182.9	46,215.7	41,639.8	43,286.1
1027 Int Airport	0.0	0.0	24.6	31.2
1029 Public Employ Retire	10,891.6	12,885.1	14,241.3	19,219.4
1034 Teachers Retirement	7,255.7	7,852.8	8,228.0	10,423.5
1042 Judicial Retirement	90.9	100.7	103.4	156.2
1045 Military Retirement	29.1	35.4	16.4	44.0
1046 Student Loan	0.0	0.0	20.9	22.4
1048 University Receipts	71.4	67.9	30.2	35.0
1050 PFD Fund	4,354.5	4,418.1	4,931.4	4,873.9
1053 Investment Loss Trust	35.2	18.7	16.4	17.5
1061 CIP Receipts	96.6	1,174.5	1,274.2	1,259.2
1066 Public School Fund	302.0	120.2	56.7	78.5
1092 Mental Health Trust Inc	155.0	952.8	0.0	0.0
1094 Mental Health Trust Admin	0.0	0.0	892.8	892.8
1098 Children's Trust Earnings	0.0	0.0	0.0	33.9

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

**Department of Revenue FY98 Budget Overview**

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**Section 2.**

**Department  
of Revenue  
Division  
Summaries**

**Alaska Department of  
REVENUE**

**January**

**1997**

**Department of Revenue FY98 Budget Overview**

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Department of Revenue FY98 Budget Overview

**Budget Summary**

(in thousands of dollars)

**OPERATING SUMMARY**

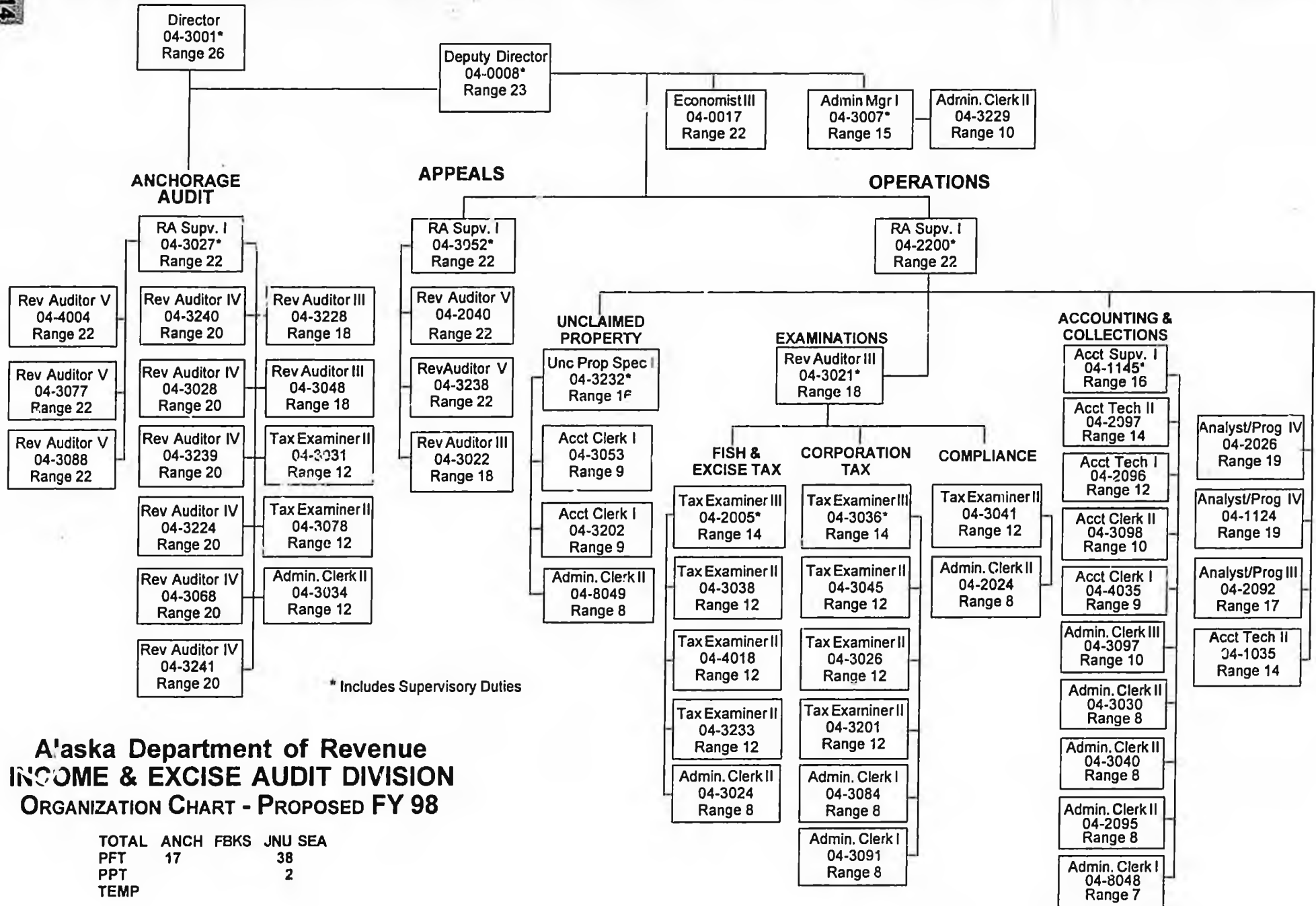
	FY95 FINAL AUTHORIZED	FY96 FINAL AUTHORIZED	FY97 AUTHORIZED	FY98 REQUEST
Personal Services	21,220.0	22,533.7	23,315.9	23,877.2
Travel	399.1	431.4	456.9	458.3
Contractual	7,077.3	8,093.6	8,703.9	8,915.6
Commodities	375.1	305.6	297.7	408.1
Equipment	1,070.7	172.6	264.7	127.4
Lands/Buildings	0.0	0.0	0.0	0.0
Grants	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	(150.0)	0.0
<b>Total</b>	<b>30,142.2</b>	<b>31,536.9</b>	<b>32,889.1</b>	<b>33,786.6</b>

**FUNDING:**

1001 CBR Fund	0.0	451.5	0.0	0.0
1002 Federal Funds	8,853.7	9,954.6	10,928.8	11,341.0
1003 General Fund Match	1,689.9	1,860.7	2,043.1	1,963.4
1004 General Fund	8,948.8	8,459.6	8,417.5	8,423.2
1005 GF/Program Receipts	1,115.7	1,125.7	1,057.8	1,139.4
1007 Interagency Receipts	2,142.0	2,072.5	2,162.3	2,237.9
1011 Education Trust	35.1	19.7	16.6	17.6
1016 Federal Incentives	2,497.3	2,917.3	3,182.8	3,571.7
1027 Int Airport	0.0	0.0	24.6	31.2
1029 Public Employees Retire	0.0	0.0	0.0	0.0
1034 Teachers Retirement	0.0	0.0	0.0	0.0
1042 Judicial Retirement	0.0	0.0	0.0	0.0
1045 Military Retirement	0.0	0.0	0.0	0.0
1046 Student Loan	0.0	0.0	20.9	22.4
1048 University Receipts	71.4	67.9	30.2	35.9
1050 PFD Funds	4,354.5	4,418.1	4,931.4	4,875.9
1053 Investment Loss Trust	35.2	18.7	16.4	17.5
1061 CIP Receipts	96.6	50.4	0.0	0.0
1066 Public School Fund	302.0	120.2	56.7	78.5
1098 Children's Trust Earnings	0.0	0.0	0.0	33.9

**POSITIONS:**

Permanent Full Time	419	427	441	435
Permanent Part Time	13	15	7	12
Temporary	62	62	62	62



\* Includes Supervisory Duties

**Alaska Department of Revenue  
INCOME & EXCISE AUDIT DIVISION  
ORGANIZATION CHART - PROPOSED FY 98**

TOTAL	ANCH	FBKS	JNU	SEA
PFT	17		38	
PPT			2	
TEMP				

**Department of Revenue FY98 Budget Overview**  
**Income and Excise Audit Division**

**Overview**

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

IEAD has four sections. The Operations Section performs the following with respect to taxes: accounting, collections, tax return examination, compliance, and shared taxes administration. This section also administers the state's unclaimed property program and provides support for division-specific computer programming needs. The Audit Section performs taxpayer field audits for the taxes the division administers. This section also provides taxpayer assistance, researches tax policy, coordinates the division's efforts with the Internal Revenue Service, and assists with specific research projects. The Appeals Section administers taxpayer informal conference requests, participates in settlement negotiations, researches tax policy, and coordinates the division's efforts with the Department of Law when tax appeals proceed to the formal hearing or court. The Research Section (1) maintains forecast models for all state taxes except oil and gas production tax and property tax types; (2) assists the Oil and Gas Audit Division in preparing semiannual revenue forecasts; and (3) performs research and analysis related to proposals for altering existing tax structures and introducing new state taxes.

**Issues**

IEAD has four main issues we are working on: 1) expanding our examination of industries other than oil & gas corporations, 2) improving our use of new technology to offset budget reductions, 3) completing a major review of oil & gas corporate tax regulations, and 4) addressing a decline in revenue through the erosion of our tax base and nonfiling activities of certain taxpayers.

1) Efficiencies gained from using a team audit approach has made more staff audit hours available for examination of businesses and tax programs in addition to our major oil & gas taxpayers. The focus for these resources is implementing an enhanced automated motor fuel reporting system and an expanded review of mining and exempt organizations. Within the next year we expect both a formal hearing decision and new legislation to address the taxation of exempt organizations. 2) We continue to modify both the hardware and software which runs our Computer Tax Accounting System. Our objectives include increasing the data entry speed and having more automated data audits (versus field audits) to highlight compliance problems. These steps are necessary to enable us to keep production growing while absorbing \$180,000 in budget cuts over the past two fiscal years. 3) We are working with the industry to simplify our oil & gas tax regulations and hope to have public hearings and final regulations by early FY98. 4) We are working to identify weaknesses in the taxing scheme to broaden the overall tax base. First the use of oxygenated fuel (gasohol) in Anchorage is costing the state Treasury \$8 million in FY97 due to an unanticipated tax exemption. The department is recommending legislation to

## Department of Revenue FY98 Budget Overview

address this. Secondly we have been actively seeking taxpayers who have not been meeting their annual filing requirements. Pursuing nonfiling taxpayers spreads the tax burden equitably and insures that a broad-based tax system exists.

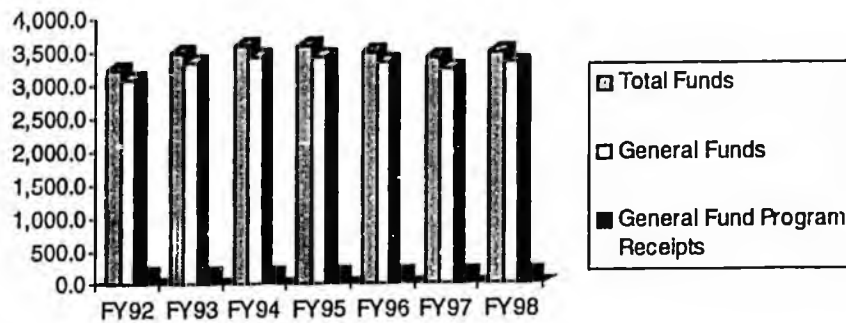
### Changes from FY97 to FY98

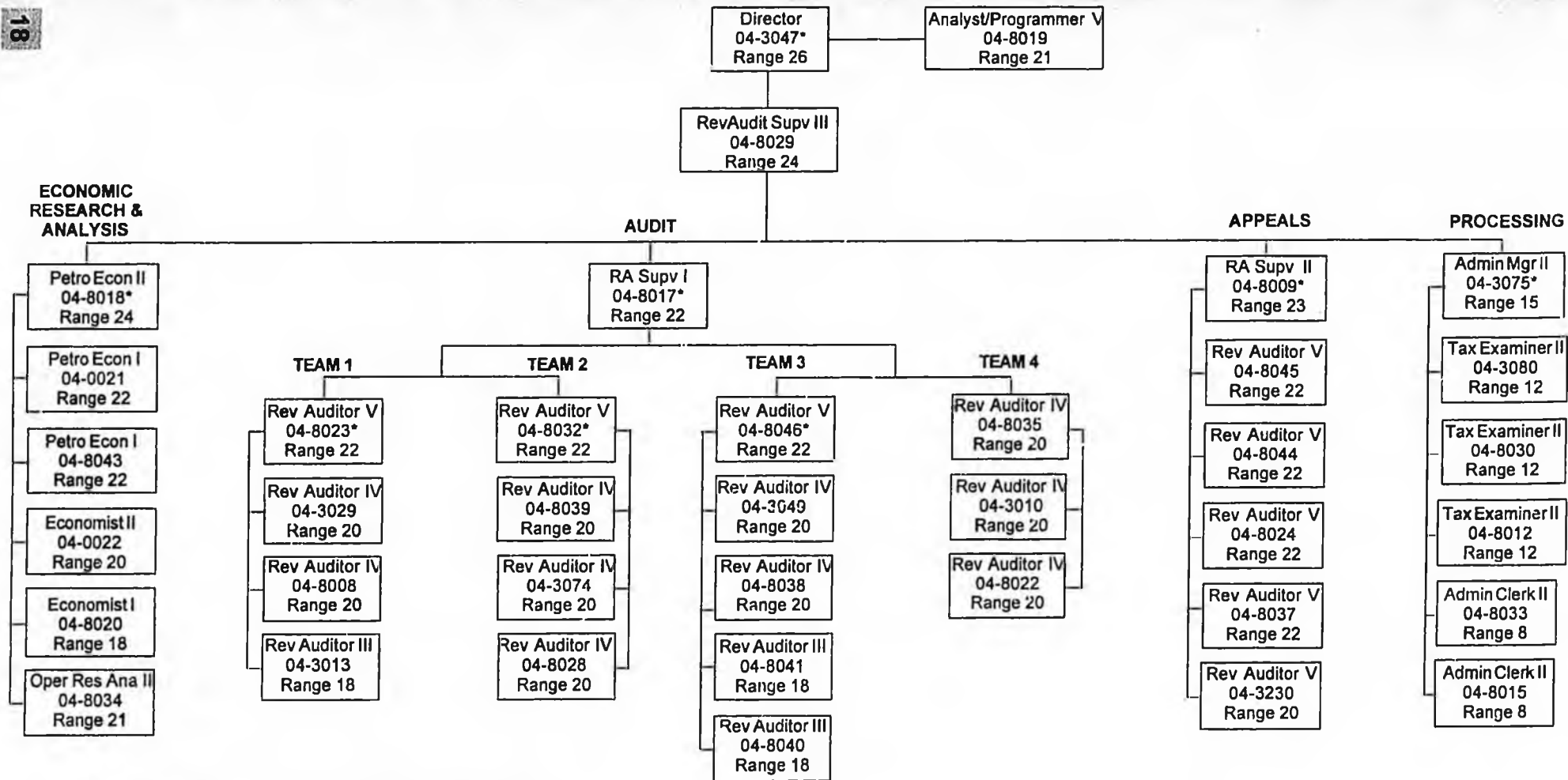
The budget request for FY98 includes the deletion of one position in the Anchorage Field Office. The deletion of this vacant position enables the IEAD to stay within allowed vacancy rates.

**Department of Revenue FY98 Budget Overview**  
**Income and Excise Audit Division**

	FY95 FINAL AUTHORIZED	FY96 FINAL AUTHORIZED	FY97 AUTHORIZED	FY98 REQUEST
Personal Services	2,981.2	3,121.2	3,067.6	3,125.2
Travel	138.5	107.1	102.1	99.3
Contractual	298.3	255.1	247.8	244.9
Supplies	60.2	30.2	30.2	30.2
Equipment	123.0	0.0	0.0	0.0
Lands/Buildings	0.0	0.0	0.0	0.0
<b>Total</b>	<b>3,601.2</b>	<b>3,513.6</b>	<b>3,447.7</b>	<b>3,499.6</b>
<b>FUNDING:</b>				
1004 General Fund	3,444.6	3,357.0	3,289.8	3,339.3
1005 GF/Program Receipt	156.6	156.6	157.9	160.3
<b>POSITIONS:</b>				
Permanent Full Time	57	57	56	55
Permanent Part Time	0	2	2	2
Temporary	0	0	0	0

**FY92 - FY98 Summary**





**Department of Revenue  
OIL AND GAS AUDIT DIVISION  
ORGANIZATION CHART - PROPOSED FY 98**

\* Includes Supervisory Duties

TOTAL	ANCH	FBKS	JNU	SEA
PFT	32			
PPT	6			
TEMP				

## Department of Revenue FY98 Budget Overview

# Oil and Gas Audit Division

### Overview

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

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

### Issues

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

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

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

### Changes from FY97 to FY98

The Division's FY98 budget request includes an overall reduction of \$73.8 and the deletion of one full-time position from an employee who participated in the Retirement Incentive Program (RIP). We anticipate that an additional five to eight employees will participate in the RIP program in FY98. If the number of employees who are scheduled to RIP in 1998 do not do so, staff reductions will be made to offset the budget shortfall.

Department of Revenue FY98 Budget Overview

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Department of Revenue FY98 Budget Overview

Oil and Gas Audit Division

	FY95 FINAL AUTHORIZED	FY96 FINAL AUTHORIZED	FY97 AUTHORIZED	FY98 REQUEST
Personal Services	2,932.9	2,932.9	2,663.6	2,616.8
Travel	59.6	105.3	34.3	89.8
Contractual	471.7	387.4	318.1	295.6
Supplies	15.2	14.4	14.4	14.4
Equipment	25.9	0.0	0.0	0.0
Lands/Buildings	0.0	0.0	0.0	0.0
<b>Total</b>	<b>3,505.3</b>	<b>3,440.0</b>	<b>3,090.4</b>	<b>3,016.6</b>

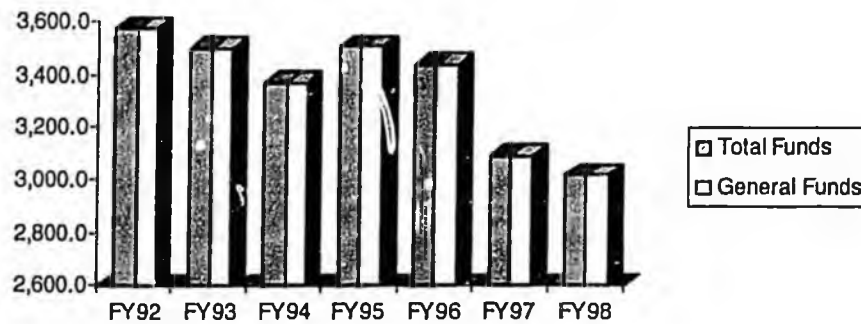
**FUNDING:**

1004 General Fund	3,505.3	3,440.0	3,090.4	3,016.6
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**POSITIONS:**

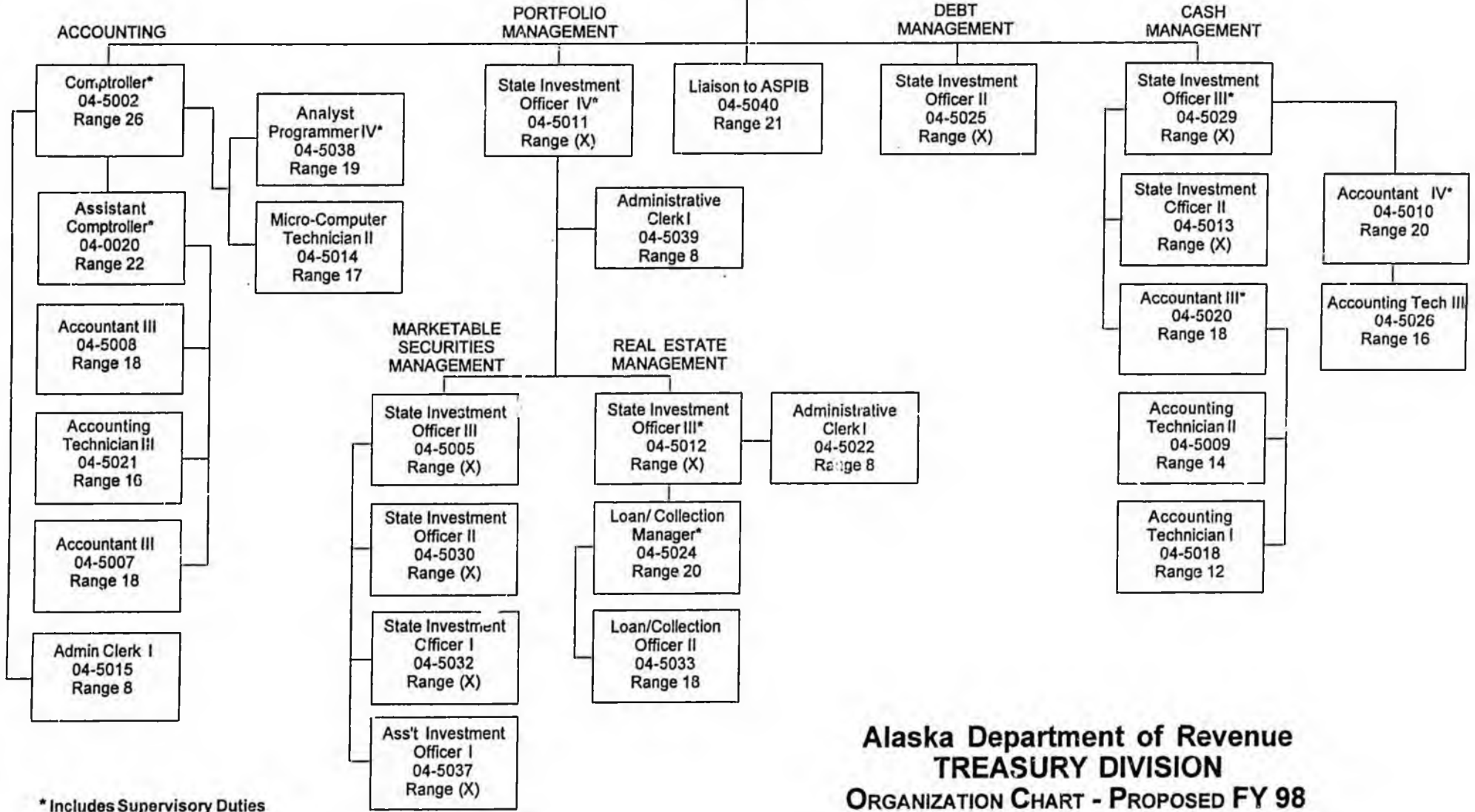
Permanent Full Time	40	40	38	32
Permanent Part Time	0	0	1	6
Temporary	0	0	0	0

FY92 - FY98 Summary



Deputy  
Commissioner\*  
04-5001  
Range 28

Secretary II  
04-5003  
Range 11



\* Includes Supervisory Duties

**Alaska Department of Revenue  
TREASURY DIVISION  
ORGANIZATION CHART - PROPOSED FY 98**

TOTAL ANCH FBKS JNU SEA  
PFT 29  
PPT  
TEMP

## Department of Revenue FY98 Budget Overview

# Treasury Division

### Overview

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

Treasury is set up with four sections:

The Cash Management Section staff processes all revenues, pays all expenditures, monitors the state's daily cash balances for investment purposes, ensures compliance with the Federal Cash Management Improvement Act and manages all state banking relationships. The Cash Management staff also performs accounting and reconciliation of cash transactions for the state and prepares general fund cash flow projections for state policy makers.

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

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

The Debt Manager serves as staff to the State Bond Committee and has responsibility for issuance, refunding and administration of general obligation bonds, lease-financing, and International Airport System revenue bonds. The Debt Manager is the principal state contact with the bond rating services and the national financial community.

### Issues

In FY98 the Division will focus on meeting or exceeding investment benchmarks for all of the funds managed by the Division. Treasury will also work on assisting other agencies in converting to electronic payments and an automated draw-down system for federal funds.

### Changes from FY97 to FY98

The FY98 budget for Treasury includes a \$73,800 increase in personal services for salary increases for the Investment Officers in the Portfolio Management Section. These are exempt positions, currently held by two Chartered Financial Analysts (CFA's), two CFA candidates and the Chief Investment Officer. To fulfill fiduciary responsibility for the funds managed, the Division believes it is necessary to pay competitively to ensure qualified personnel are in these positions. The competition for candidates locally is the Permanent Fund Corporation. Nationally, competition exists in investment brokerage firms, Wall Street, and throughout the world.

## Department of Revenue FY98 Budget Overview

Because Treasury provides staff to the Alaska State Pension Investment Board (ASPIB) and a substantial amount of time is directed toward managing the retirement funds, Treasury has a cost allocation agreement with the Board whereby ASPIB funds 70% of all personal services costs in Treasury.

This request also includes a new funding source for Alaska Children's Trust Fund. Treasury has been managing the investments for this fund since July 1996.

Treasury has requested a \$34,400 increment in General Fund contractals. (This increment has been offset partially by a General Fund decrement in personal services. The net increment in General Funds is \$18,000.) This is to cover an increase in the cost of current investment information services plus the addition of a new service to monitor equity markets. Treasury utilizes these services (which include Bloomberg, Telerate, Salomon Yieldbook, BARRA, S&P Credit Reporting and Moody's) to monitor the credit standing of fixed income securities held or being evaluated for purchase; to run what-if analyses on current portfolios to determine the likely outcome of various market changes; and to analyze and monitor the performance of external equity managers. The cost of these tools are shared 70/30 with ASPIB under our cost allocation agreement. Rates for Bloomberg increased in the fall of FY 97, and BARRA is being added as the other products do not provide equity analytics.

NOTE: Treasury's budget does not include funding from or expenditures for the CBRF. As a result of discussions regarding the CBRF's asset allocation during the last legislative session, a portion of CBRF has been invested in equities (beginning in FY97). Treasury will be seeking FY97 CBRF funding for the resultant fees in a supplemental to be introduced early in the coming session. Depending on our ability to gain funding and thereby maintain the current asset allocation, our FY98 budget may increase by the amount of CBRF investment related management fees.

**Department of Revenue FY98 Budget Overview**

**Treasury Division**

	<b>FY95 FINAL AUTHORIZED</b>	<b>FY96 FINAL AUTHORIZED</b>	<b>FY97 AUTHORIZED</b>	<b>FY98 REQUEST</b>
Personal Services	2,035.9	2,065.1	2,097.6	2,208.8
Travel	22.3	22.3	24.6	23.6
Contractual	399.6	720.8	608.2	665.9
Supplies	38.3	45.0	17.5	17.5
Equipment	50.1	24.4	24.4	24.4
Lands/Buildings	0.0	0.0	0.0	0.0
<b>Total</b>	<b>3,046.2</b>	<b>2,853.2</b>	<b>2,772.3</b>	<b>2,940.2</b>

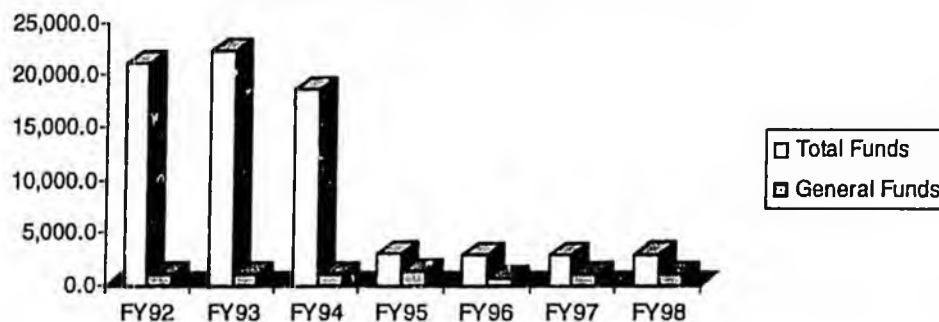
**FUNDING:**

1001 CBR Fund	0.0	451.5	0.0	0.0
1004 General Fund	1,221.6	768.6	1,116.2	1,141.3
1007 Interagency Receipts	1,380.9	1,406.6	1,490.7	1,562.8
1011 Education Trust	35.1	19.7	16.6	17.6
1027 Int Airport	0.0	0.0	24.6	31.2
1046 Student Loan	0.0	0.0	20.9	22.4
1048 University Receipts	71.4	67.9	30.2	35.0
1053 Investment Loss Trust	35.2	18.7	16.4	17.5
1066 Public School Fund	302.0	120.2	56.7	78.5
1098 Child Tr Ern	0.0	0.0	0.0	33.9

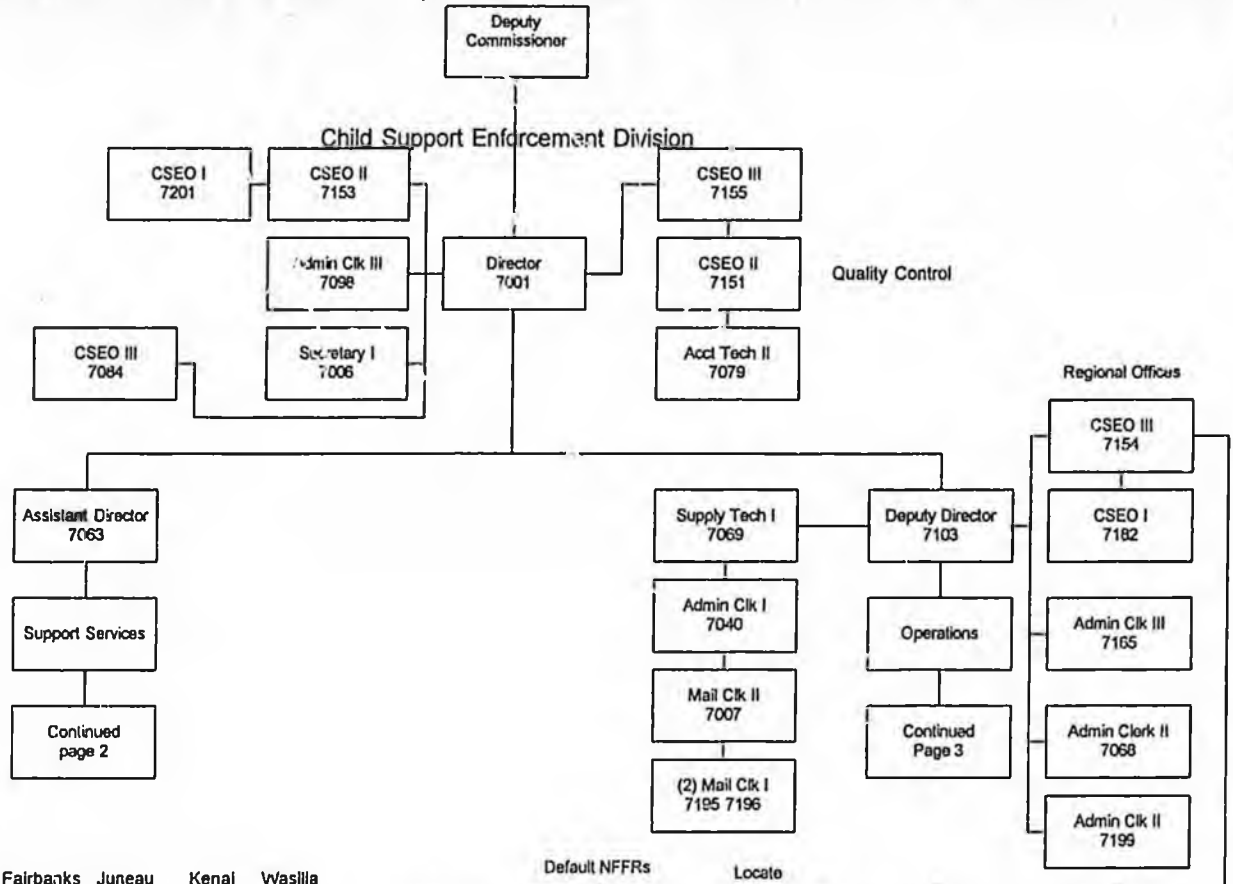
**POSITIONS:**

Permanent Full Time	29	29	29	29
Permanent Part Time	0	0	0	0
Temporary	0	0	0	0

**FY92 - FY98 Summary**  
(FY92-FY94 figures include ASPIB)



Department of Revenue



Positions Anchorage Fairbanks Juneau Kenai Wasilla

Total PFT 210

5

4

1

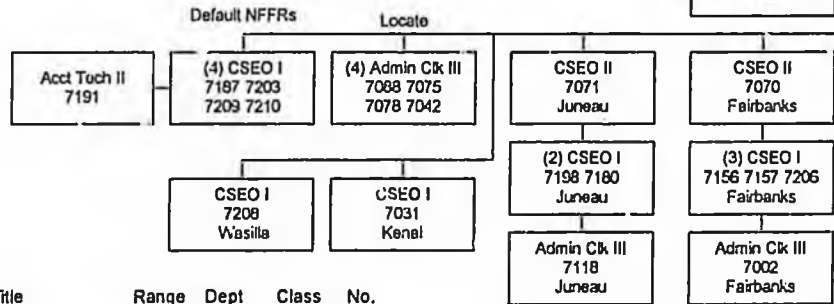
1

Glenda Straube, Director

Date

Wilson L. Condon, Commissioner

Date

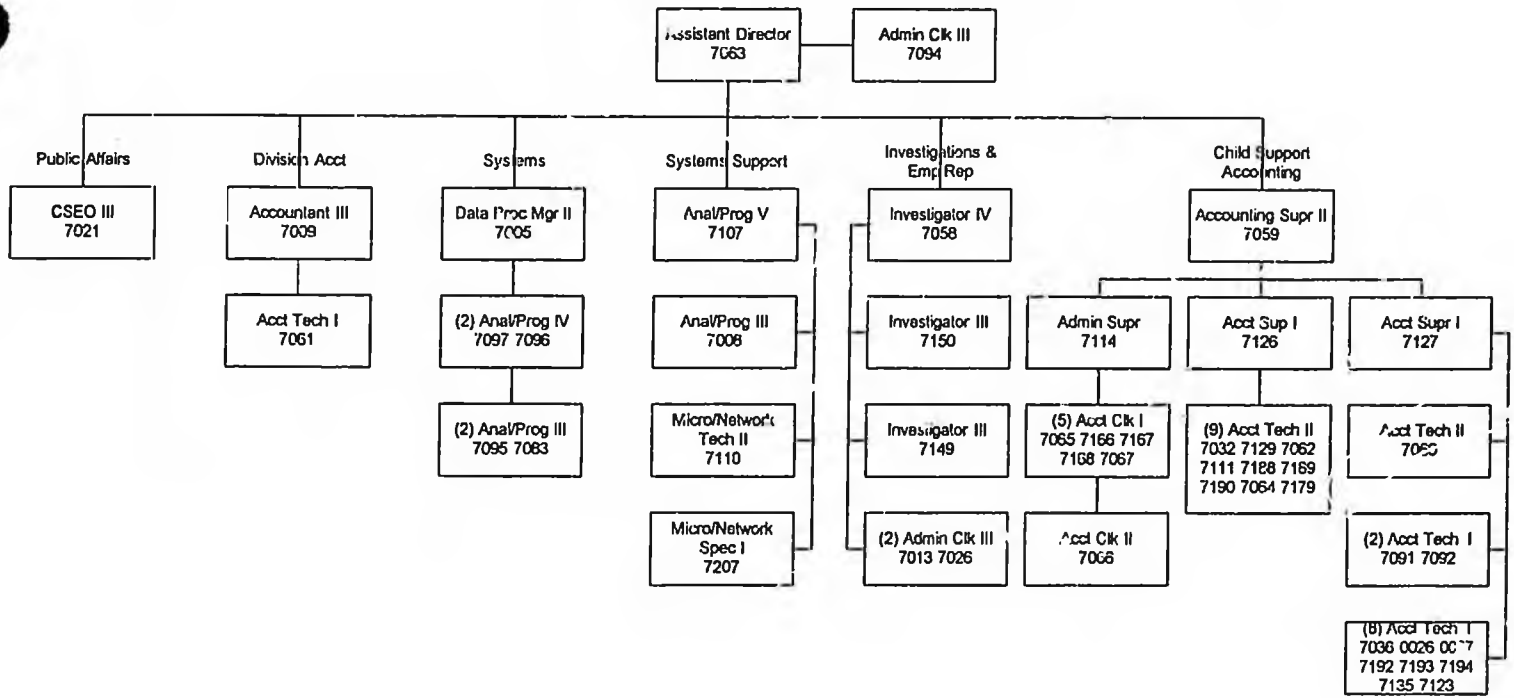


Position Title	Range	Dept	Class	No.	Position Title	Range	Dept	Class	No.
Division Director	26	04	EX	01	Accounting Tech I	12	04	CL	11
Deputy Director	23	04	PX	01	Accounting Clerk II	10	04	CL	01
Assistant Director	22	04	CL	01	Accounting Clerk I	9	04	CL	05
CSEO IV	21	04	CL	01	Mail Clerk Carrier II	9	04	CL	01
CSEO III	18	04	CL	08	Mail Clerk Carrier I	7	04	CL	02
CSEO II	16	04	CL	17	Micro/Network Spec I	17	04	CL	01
CSEO I	13	04	CL	98	Micro/Network Tech I	15	04	CL	01
Administrative Supervisor	12	04	CL	01	Data Processing Mgr II	22	04	CL	01
Administrative Clerk III	10	04	CL	39	Analyst Programmer V	21	04	CL	01
Administrative Clerk II	8	04	CL	02	Analyst Programmer IV	19	04	CL	02
Administrative Clerk I	7	04	CL	01	Analyst Programmer III	17	04	CL	03
Accountant III	18	04	CL	01	Supply Tech I	10	04	CL	01
Accounting Supervisor II	18	04	CL	01	Secretary I	10	04	CL	01
Accounting Supervisor I	16	04	CL	02	Investigator IV	20	04	CL	01
Accounting Tech II	14	04	CL	13	Investigator III	18	04	CL	02

All positions are located in Anchorage unless otherwise noted in the chart.

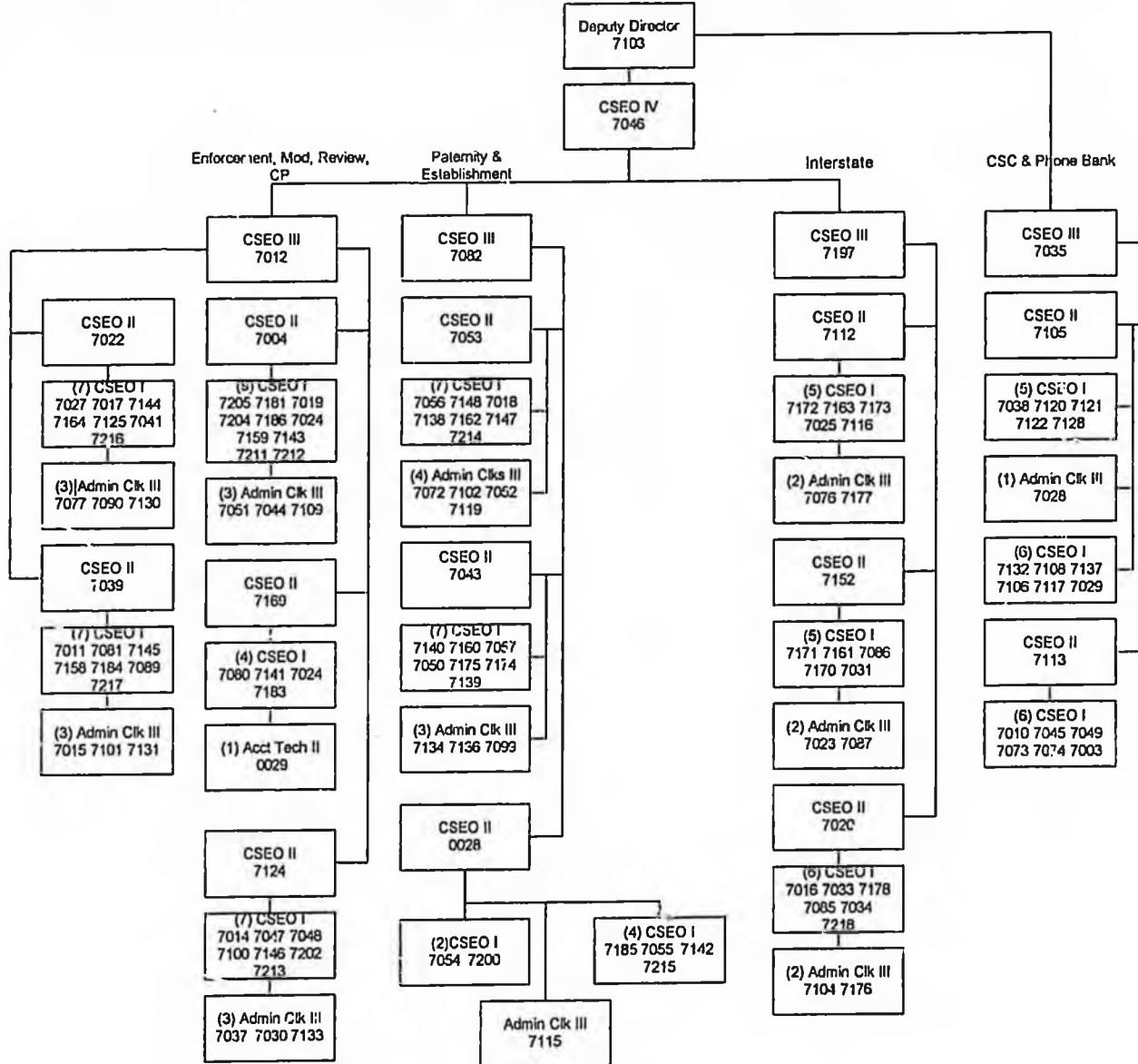
Department of Revenue

Child Support Enforcement Division



Department of Revenue

Child Support Enforcement Division



**Department of Revenue FY98 Budget Overview**  
**Child Support Enforcement Division**

**Overview**

The goal of the Child Support Enforcement Division (CSED) is to ensure that Alaskan children receive financial support from both parents. CSED achieves this goal by: (1) helping children obtain support from non-custodial parents; (2) requiring parents to reimburse the state for Aid to Families with Dependent Children (AFDC), Medicaid and Foster Care support; and (3) establishing a paternity relationship between fathers and their children.

The CSED has three sections: Operations, Accounting and Systems. The Operations Section consists of 17 teams responsible for processing and enforcing the 46,000 cases currently pending in the agency. These responsibilities include: (1) case intake; (2) customer service; (3) paternity and establishment; (4) support amount establishment; (5) support amount modification; (6) in-state enforcement; and (7) interstate enforcement. The Accounting Section processes monthly payments made by the non-custodial parents and disburses the funds to families, the state and the federal government. The Systems Section provides data processing and other automated and technological support for the division.

During the past two years, CSED has increasingly focused on customer service and public education by implementing a rigorous program of employee training, a speakers bureau, a fully staffed phone bank, and a policy which allows direct public access to CSED caseworkers. We now conduct regular internal audits performed by a team of quality control professionals and we recently doubled our problem resolution staff. CSED has made significant strides in community outreach, particularly in rural Alaska, and regularly participates in Native Conferences, non-profit organization meetings, public service forums, high school classroom presentations and other community events.

**Issues**

Since 1994, we have significantly reduced our backlogs. We have reduced our establishment caseload (cases requiring establishment of either paternity or a support order or both) from 7,803 to 4,536 (3,800-4,000 would be a normal caseload for this section and represent a zero backlog).

Many important changes to CSED audit requirements arrived with the passage of federal welfare reform. While CSED has reduced its backlog, we still have considerable work to do in order to meet new compliance standards. For example, two federal time limits that the division was meeting (taking wage withholding action within fifteen days of receiving information about a new employer; and processing payments within fifteen days of receipt) have now been changed and both must be accomplished in 2 business days.

Although our audit standards have changed, our commitment to improving service to Alaskan families remains strong. With this in mind, we look forward to even greater success during the coming year.

## Department of Revenue FY98 Budget Overview

### Changes from FY97 to FY98

The budget request for FY98 includes increments in personal services and contractual services. The personal services increase will fund upgrading Administrative Clerk IIIs to Child Support Enforcement Officer Is. These upgrades will assist the Division in maintaining the expertise necessary to provide quality service to the public.

The contractual services increase funds additional costs for data processing chargebacks, process servers, space rental, printing, advertising, and equipment lease costs. The Division has curtailed costs in training, postage, paternity establishment, and some interagency service costs in an effort to minimize the contractual services increment.

# CORRECTION

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



Rev. 6/98

Central Microfilm Services  
Department of Education  
State of Alaska