

ALASKA LEGISLATURE

1597

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

MISSION

The agency is dedicated to strengthening families and job opportunities through a cooperative stewardship with the citizens of Alaska that ensures protection of public health and the environment.

Major Goals and Strategies

1 Protect public health and promote economic development and jobs in rural Alaska through improved sanitation.

- Complete a statewide assessment of rural water and sewerage needs.
- Work with the Governor's Council on Rural Sanitation to develop and implement a long term action plan to eliminate the honey bucket by 2005.
- Provide the training, education, and technical assistance necessary for communities to properly operate, maintain, and manage water and sewerage systems to safeguard health and the state's investment in sanitation facilities.

2 Make permit application, approval, and tracking systems simpler, more accurate, and up-to-date.

- Refine the "permit team" approach to multi-disciplinary facility permits, giving permit holders and the public one primary contact on major projects.
- Build regulatory changes around guidance and compliance, rather than trying to manage every possible exception through regulatory language.
- Continue to consolidate and standardize data bases, and develop more efficient, understandable public access to permit conditions, changes, and status.

3 Develop environmental quality measures to give the public a way to judge DEC's effectiveness and guide allocation of resources.

- Develop, through public participation, measures of environmental quality.
- Develop effective performance and quality measurements.
- Integrate public health and economic indicators into environmental management.

KEY PERFORMANCE MEASURES

- Reduce by an additional 10 percent the number of Alaska homes still without safe water and/or sewer disposal.
- Establish and meet new permit or plan review turnaround targets in at least 3 major, on-going programs such as solid waste, contingency plan review, and industrial wastewater discharges.
- Add 3 major program or activity data bases to the bank of DEC revised and standardized databases to be used for permit tracking, risk analysis, and resource allocation.

4 Encourage sustainable resource development based on sound science, which protects public health, air and water quality, and promotes high quality Alaskan products.

- Implement work plans to address the 12 most pressing water quality standard issues with stakeholders.
- Develop environmental leadership beyond compliance and green star which will reduce the frequency of inspections in industry sectors demonstrating consistent pollution prevention.
- Implement pre-application and early project assistance to aid rapid assessment and issuance of industry permits.

5 Ensure the best spill prevention technology is used in the production, storage and transportation of crude oil.

- Sponsor a spill prevention and response technology conference in cooperation with agencies, persons, and groups
- Complete a comprehensive study comparing spill prevention technologies used worldwide to those now used in Alaska.
- Provide incentives to increase industry prevention investments in exchange for reduced spill response investment.

Major Changes and Key Issues

Funding Constraints

As the state pursues the goal of minimizing use of general funds, it limits DEC's flexibility in setting priorities for service delivery. DEC is increasingly dependent on federal funds and program fees. Our priorities become more and more dictated by the federal agencies or a restricted fee source. With fees included in reductions targets, we can not deliver services to customers who are willing and able to purchase.

Partnerships and Incentives

DEC is increasing the emphasis on cooperative approaches, incentives, and partnerships to achieve environmental objectives. The King Salmon tri-party agreement is a first in the nation example of a cooperative approach to clean-up of a contaminated federal site. DEC initiated an "environmental leadership program" which is involving a broad spectrum of industry in developing new approaches and incentives for environmental protection. DEC awarded British Petroleum a "Beyond Compliance" award for their voluntary action to clean up an abandoned hazardous waste site.

Environmentally Sustainable Economic Development

The largest portion the DEC budget is focused on assisting environmentally sustainable economic development. Some activities are funded by the Clean Air Protection Fund, contracts with industry or fees, reducing state general funds. Remaining general funds are targeted to our basic public health mission where charging fees is less feasible.

Environmental Health

Environmental Health is emerging as the main point of contact for large clusters of small- and medium-sized Alaska businesses (such as restaurants and hospitality, seafood processing), and for communities (basic public health needs like drinking water and solid waste). The division continues its focus on regulatory streamlining and improvements to ensure that requirements add value to these key economic and public health sectors.

Spill Prevention and Response

Ketchikan Pulp Corporation is scheduled to close their pulp mill facility in March. SPAR will work with KPC, the City and Borough of Ketchikan, and the federal EPA to ensure that the closure and cleanup of mill properties will facilitate their economic reuse. In FY 98, SPAR will adopt contaminated site standards as the "measuring stick" for determining when no further clean up is needed to protect public health and the environment and to answer- "How clean is clean?" In FY 97, DEC approved oil spill prevention and response contingency plans for 21 tankers operating in Prince William Sound. As a condition, shippers were required to investigate possible improvements to the tugs that escort tankers through the Sound. In FY 98, SPAR will work with shippers, the U.S. Coast Guard, Marine Pilots, and Prince William Sound Regional Citizens Advisory Council to approve and put in place technological and procedural improvements to the tanker escort system.

Facility Construction and Operation

The program to sell revenue bonds to finance the state revolving funds is now authorized for wastewater cans. This gives DEC more flexibility in planning and targeting water and sewer improvements.

Air and Water Quality

The Title V air permit program was granted "interim final" approval by the federal EPA. Alaska industry will have three years to complete the permitting process. Water quality standard setting functions have been integrated with assessment and permitting. The water program now applies these tools from a total watershed perspective.

Statewide Public Service

The division will increase partnerships with communities and businesses to help them use limited financial resources to assess, rank and solve pressing environmental management challenges, including handling hazardous materials. The division will actively seek local government partners to take on specific sewage management responsibilities, allowing the systems to be run more flexibly for local concerns.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Funds - Designated for specific purposes		\$ 100.0	\$ 45.3
General Funds - All others	\$ 17,133.1	15,804.8	1770
Federal Funds	9,978.0	11,155.2	990
<u>Other Funds - Oil & Haz. Response, interagency, etc.</u>	<u>26,028.6</u>	<u>18,703.2</u>	<u>1176</u>
TOTAL BUDGET	\$ 53,139.7	\$ 45,763.2	\$ 3,681.9
Positions - Full-time	504	483	482
Part-time	3	4	7
KEY PROGRAM AREAS (Total Funds)			
Healthy, Safe Communities	\$ 22,551.4	\$ 19,782.5	1111
Environmentally Sustainable Economic Development	30,588.3	25,980.7	2570

DEPARTMENT OF FISH AND GAME

MISSION

To manage, protect, maintain and improve the fish, game and aquatic plant resources of Alaska. The primary goals are to ensure that Alaska's renewable fish and wildlife resources and their habitats are conserved and managed on the sustained yield principle, and that the use and development of these resources are in the best interest of the economy and well-being of Alaskans.

Major Goals and Strategies

1 Provide opportunities for people to use and enjoy Alaska's fish and wildlife resources.

- Provide for subsistence use of fish and game as the priority use.
- Provide for healthy, sustainable, economically viable commercial fisheries.
- Enhance opportunities for sport fishing, hunting and wildlife viewing.

2 Manage Alaska's fish and wildlife resources based on sound science, good management principles, and a fair and open public process.

- Manage Alaska's fish and game for sustained yield, following objectives established by the Boards of Fisheries and Game
- Engage in a deliberate, science based effort, utilizing best available technology, to assure well-informed, sustainable fisheries management for the 21st century and beyond.
- Assure efficient functioning of the Boards of Fisheries and Game to provide a fair and impartial public process for making allocation decisions.
- Help the salmon industry respond to changing market conditions.

3 Maintain, restore or enhance all habitat important to Alaska's fish and wildlife resources.

- Permit development that maintains healthy anadromous streams and wetlands.

- Work with the timber and mining industries to ensure projects meet legal requirements and adequately protect fish and wildlife resources.
- Improve coordination with the Departments of Natural Resources and Environmental Conservation to ensure resource sustainability and multiple use when planning timber sales, oil and gas leases and mining projects.

KEY PERFORMANCE MEASURES

- Pursue six new cooperative rehabilitation and enhancement projects with public and private development interests, while maintaining timely habitat permit approvals.
- Make significant progress toward regaining state management of subsistence hunting and fishing on all lands and waters.
- Meet production and harvest targets set by department managers and the Boards of Fisheries and Game.
- Ensure the opportunity for Alaskans to harvest groundfish in state waters and participate in other developing fisheries with no transfer and encumbers.
- Develop the wildlife management plans based on geographic regions and the interaction of different species, rather than the single species management plans.
- Use improved communications tools to provide greater public access to the department's fish and wildlife information base.
- Increase use of dispute resolution and consensus building processes to improve public involvement in policy and regulation development.

Major Changes and Key Issues

Commercial Fisheries Management and Development

The increase in worldwide salmon production has led to a decrease in the market value of Alaskan salmon. The division is working with the Salmon Industry Response Cabinet to improve market conditions, and with fishers and processors to improve quality. The department is working with hatchery operators, fishers, processors and food banks to ensure full utilization of hatchery salmon and solve problems with hatchery production and financing. Groundfish fisheries are being developed to benefit local residents. To develop under-utilized fisheries, more assessment and management planning are needed, using cooperative funding mechanisms. Complex allocation issues are increasing, and the division does not have adequate funding to gather and analyze data, nor does it have staff to carry out new and more complex allocative decisions. The division must optimize harvest in fisheries where hatchery fish are mixed with wild stocks, while obtaining high product quality. This can only be achieved through in-season assessment programs, for which adequate funding is lacking.

Sport Fish

To increase efficiency, non-contracted hatchery production has been consolidated, which will allow the Clear facility to be closed at the end of FY97. The division is emphasizing assessment of Chinook and Coho salmon stocks in the Upper Cook Inlet area and continuing to improve access for sport anglers statewide. Assessment of a variety of fish stocks and sport fisheries in western Alaska will be increased during 1998.

Habitat and Restoration

More fish habitat and fish passage permits were issued in FY97, largely for Kenai River property improvements, mining, forestry and transportation activities. Permit streamlining will lead the policy agenda in FY98.

Subsistence

Providing the continued opportunity for subsistence fishing and hunting in the midst of federal-state jurisdictional uncertainty remains critical. The division and department work closely on this with the Boards of Fisheries and Game. The intervention of the federal government in subsistence management presents the department with increasing management challenges. For example, an increase in staff time is required for coordination and regulatory review to ensure that hunting opportunities on state land are not compromised by the federal management program.

Wildlife Conservation

Major issues include federal preemption of state management of resident wildlife, meeting increased demand for hunting opportunities, proposed endangered species listings of the archipelago wolf and goshawk in the Tongass, and meeting our mandates for managing refuges and sanctuaries. The division will also address post-logging, revegetation and habitat enhancement issues associated with the spruce bark beetle outbreak in southcentral and interior forests. Stable funding is needed for endangered species and marine mammal research and the refuges and sanctuary programs.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Fund - Designated for specific purposes		\$ 4,098.8	\$ 4,743.0
General Fund - All Other	\$ 39,467.3	35,765.3	35,311.2
Federal Funds	25,363.5	31,099.2	31,794.1
Other Funds - Fish & Game, EVOS, interagency, etc.	35,336.8	34,233.5	34,236.9
TOTAL BUDGET	\$ 100,167.6	\$ 105,196.8	\$ 107,035.2
Positions - Full-time	778	757	756
Part-time and seasonal	827	838	872
KEY PROGRAM AREAS (Total Funds)			
Commercial Fisheries Management & Development	\$ 37,715.1	\$ 43,434.2	\$ 43,439.3
Sport Fish	17,125.0	18,890.8	18,333.0
Wildlife Conservation	16,267.0	16,291.9	16,309.9
Habitat and Restoration	16,584.1	13,608.5	13,712.2
Boards, Commissioner, Administration	7,419.8	7,410.0	7,419.3
Subsistence	2,430.4	2,848.8	2,848.8
Commercial Fisheries Entry Commission	2,626.2	2,712.6	2,712.6

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

MISSION

To promote and protect the well-being of every Alaskan by investing in families and communities.

Major Goals and Strategies

1 Long Term Goals

- Focus on helping children and families stay healthy and safe.
- Increase the incentives and opportunities for communities to collaborate with the Department to improve results for children and families.
- Help Alaskans live healthier and have access to basic health care, resulting in reduced chronic and preventable disease.
- Assist Alaskans who are elderly or have disabilities to live with independence and remain economically secure.
- Move more Alaskans from welfare into jobs so they can support their families.
- Establish an integrated statewide system for data collection, analysis, and reporting which improves services to Alaskans.
- Promote efficient streamlined systems where employees value their work and meet customer needs.

2 Priority Projects and Strategies

- Youth and Justice: Provide a balanced approach of prevention, treatment, and community safety within the juvenile justice system by securing capital and operating funds and changes in law.
- Child Abuse and Neglect: Develop a plan to create a system that helps families and protects children. Award first grants of the Children's Trust.
- Substance Abuse: Work with the Criminal Justice Cabinet to reduce substance abuse.
- School/Health Partnership: Together with the Children's Cabinet, assist communities to plan for effective school-based or school-linked health and social services through the COMPASS initiative.

- Tobacco Issues: Introduce legislation to increase the tax on tobacco by \$1/pack to decrease youth tobacco use. Support community tobacco control efforts.
- Public Health Laboratory: Build a new public health laboratory facility to ensure a safe, secure and economically viable operation.
- Immunizations: Increase the percentage of Alaskan two-year-olds who are fully immunized.
- Comprehensive Integrated Mental Health Plan: Work with interested parties, particularly the Mental Health Trust Authority, to improve the integration and coordination of services.
- Long Term Care: Join with the Department of Administration, to enhance community-based long term care services.
- SSI/Adult Public Assistance: Assess the current eligibility system to improve work processes and eligibility policy to be more responsive to clients' needs.
- Welfare Reform: Implement programs that will move Alaskans from welfare to work.
- Child Care: Partner with the Department of Community & Regional Affairs to develop a plan for child care services in the State.

KEY PERFORMANCE MEASURES

- Increase the number of 2 year olds fully immunized to 90% by the year 2000.
- Reduce youth smoking and smokeless tobacco use rates by 10% by the end of FY98.
- Increase number of juveniles going into diversion programs by 10% by the end of FY98.
- Reduce the annual per capita alcohol consumption by people aged 14 and over from 2.65 to 2.25 gallons by the year 2000 through public awareness efforts and a focus on teens.
- Move 30% of welfare recipients into work activities by the end of FY98.

Major Changes and Key Issues

Entitlements

- Restore Medicaid optional services so that adults can receive eye glasses, acute dental services, hearing aids, and occupational therapy.
- Eliminate payments in Medicaid and Adult Public Assistance for services to alcoholics and drug addicts as a result of changes in federal legislation.
- Keep pace with caseload increases for sexually abused and neglected children in Foster Care and Subsidized Adoptions.
- Implement managed care pilot projects in Medicaid and continue efforts for cost containment.
- Reduce costs of the Alaska Temporary Assistance Program (ATAP-formerly AFDC) and reinvest in work and child care activities.

Grants

- Expand juvenile diversion and local community juvenile programs.
- Provide funds to support some of the projected growth in the Healthy Families program.
- Increase mental health grant funds in various programs.
- Establish a new Budget Review Unit for the Children's Trust Fund.
- Transfer the Home Health grant program from Public Health to Department of Administration/Division of Senior Services.

Program Services

- Fund three new juvenile probation officers and a position for compliance with the federal Indian Child Welfare Act.

Facilities/Institutions

- Reduce Harborview Developmental Center funding to reflect the final year of program operation.
- Secure funds for Juvenile Facility Master Plan, including 20 beds at Johnson Youth Center.

General Administration

- Reduce travel & other expenses by adopting better business practices.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Fund - Designated for specific purposes		\$ 3,215.0	\$ 4,185.9
General Fund - All Other	\$ 437,805.2	448,572.3	447,465.0
Federal Funds	312,416.4	337,834.7	312,223.3
Mental Health Trust Authority Authorized Receipts		2,232.5	4,553.7
Other Funds - Interagency, Perm Fund Dividend, etc.	68,930.8	70,546.5	66,468.4
TOTAL BUDGET, including mental health bill	\$ 819,152.4	\$ 862,401.0	\$ 831,095.3
Positions - Full-time	2,086	2,049	2,023
Part-time and seasonal	59	59	51
KEY PROGRAM AREAS (Total Funds)			
Community Grants	\$ 105,944.5	\$ 111,245.5	\$ 105,000.0
Entitlements	536,310.8	563,901.0	530,000.0
Facilities/Institutions	36,942.3	36,200.6	36,000.0
Program Services	133,033.5	144,224.3	140,000.0

DEPARTMENT OF LABOR

MISSION

To foster and promote the welfare of the wage earners of the state, improve their working conditions and advance their opportunities for profitable employment.

Major Goals and Strategies

1 Put Alaskans to work.

- Work with industries with large numbers or percentages of nonresident workers to provide opportunities for Alaskan workers to be recruited and/or trained for positions in those industries.
- Extend the reach of the Department's statewide labor exchange through use of the Internet and through partnerships with employers, native organizations, labor unions, local governments, and other agencies.
- Build upon the successful partnership with the Division of Public Assistance to move Alaskans from welfare to economic self-sufficiency.
- Continue to implement local "One Stop" job centers for improvement in customer service and greater efficiency by co-locating and providing integrated services with Public Assistance, Job Training (JTPA), Vocational Rehabilitation, Adult Basic Education, and the Alaska Native Coalition on Employment and Training, where feasible.

2 Ensure that Alaska's workers receive the minimum wages and overtime pay to which they are entitled, are provided safe and healthy workplaces and communities, and are protected from economic hardship when injured on the job.

- In addition to enforcement, consultative and training programs for occupational safety and health standards, work in partnership with business to implement voluntary programs which ease the regulatory burden and recognize effective employer efforts.

- Continue to work with all interested parties on medical cost containment in treatment of on-the-job injuries.
- Cooperate with the Division of Occupational Licensing to enhance the system of private sector self-inspection in the electrical and plumbing industries.

3 Provide comprehensive economic and demographic information to support government programs and facilitate private sector business decisions.

- Continue to expand the availability of labor market and population information on the Internet.
- Provide labor market projections to the Alaska Human Resource Investment Council to make informed decisions regarding the allocation of training resources and track post-training employment of clients to monitor effectiveness of training programs.
- Coordinate and maximize participation of communities and local governments in preparations for the federal census in 2000.

KEY PERFORMANCE MEASURES

- Increase compliance with Electrical/Mechanical Administrator statutes by 5%.
- Reduce lost workday injuries by 2%.
- Increase the number of in-state hires for seafood processing work through the Alaska Employment Service by an additional 5%.
- Increase employer compliance with workers' compensation insurance requirements by an additional 5%.

Major Changes and Key Issues

Employment Security Division

During FY 97, processing of unemployment insurance for most areas was moved to regional call centers where claims are handled by mail. Customer response has been positive as timely payment of first claims has improved since the change. Remaining local office staff are better able to serve employers and job seekers through Labor's 19 employment service offices, and the impact of federal cuts to employment service funding is mitigated. Interactive Voice Response technology will be in place for UI claimants during FY 98, further improving efficiency and customer service.

Workers' Compensation Division

1995 reform legislation increased the Workers' Compensation Board's authority in policing fraud. With the success of division efforts to bring uninsured employers into compliance with the law, investigative resources will be directed to assist the Division of Insurance in workers' compensation fraud investigation in FY 98.

Labor Standards and Safety Division

Labor will receive \$100.0 from the Department of Commerce and Economic Development to do investigative and enforcement services for the Electrical and Mechanical Administrator program. DOL will prepare cases for prosecution by the Department of Law.

Alaska Labor Relations Agency

The agency will establish an Alaska chapter of the Industrial Relations Research Association to promote alternative dispute resolution and labor management cooperation in the public sector.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Fund - Designated for specific purposes		\$ 196.6	\$ 197.4
General Fund - All Other	\$ 9,058.4	8,704.7	8,706.6
Federal Funds	31,226.2	35,023.8	34,244.3
Other Funds - special funds, interagency receipts, etc.	14,667.4	16,203.0	15,325.1
TOTAL BUDGET	\$ 54,952.0	\$ 60,128.1	\$ 58,473.4
Positions - Full-time	669	645	636
Part-time and seasonal	46	52	57
KEY PROGRAM AREAS (Total Funds)			
Employment Security	\$ 35,073.9	\$ 38,019.9	\$ 36,925.1
Workers Compensation	5,098.1	5,423.8	5,123.3
Labor Standards and Safety	6,194.1	6,365.3	6,125.2
Alaska Labor Relations Agency	325.8	327.3	321.8

DEPARTMENT OF LAW

MISSION

The department's first primary mission is to assure safe communities by prosecuting and convicting criminal offenders in Alaska. The second is to work in partnership with executive, legislative and judicial agencies by providing legal advice and representing the state in all actions in which it is a party.

Major Goals and Strategies

1 CRIMINAL DIVISION **Protect the public through effective prosecutions.**

- Assist law enforcement agencies with criminal investigations and filing misdemeanor and felony charges.
- Serve as legal advisor to grand juries and represent the state in all phases of criminal trial and appellate proceedings.
- Effectively prosecute domestic violence crimes - both felonies and misdemeanors.

2 CIVIL DIVISION **Provide effective legal advice and representation of the state.**

- Protect Alaska's children and youth by handling child abuse, neglect and delinquency cases expeditiously.
- Ensure the state receives its correct share of oil and gas taxes and royalties; reduce taxpayer disputes and litigation by clarifying and improving the rules governing taxes..
- Resolve questions of state versus federal control and management of natural resources and lands.
- Resolve issues surrounding subsistence use of fish and game.
- Increase collections of money owed the state by businesses and individuals for child support, fines, loans and other unpaid obligations. Reduce fraud in benefit programs.
- Complete the reengineering of legal review of proposed regulations to make the process more efficient, timely and responsive to agencies and the public.

KEY PERFORMANCE MEASURES

- Collect at least \$100 million in oil and gas taxes, royalties, and tariff adjustments through administrative and judicial proceedings or settlements.
- Collect at least \$2.5 million in criminal judgments including indigent defense costs, costs of incarceration for DWI offenders, and other fines owed the state.
- Complete 2,500 child support enforcement cases.
- Review 50 percent of all proposed regulations within 120 days of receipt from the agency and 75 percent within 180 days.

Major Changes and Key Issues

Criminal Division

Implement the Domestic Violence Prevention and Victim Protection Act. In 1996, Governor Knowles introduced and signed a comprehensive bill to address domestic violence which represents an increasingly large percentage of all assaults sent to the criminal division for prosecution. The new law made fundamental changes in how these cases are handled by police and the courts, and requires additional efforts to contact victims. Due to intense pressure from the offenders, victims often refuse to cooperate when the cases are ready for trial. Under a new criminal division policy, cases are now investigated and prosecuted assuming that victims will not be present at trial.

Criminal Division Management Review

The department participated in a management review of the criminal division by the Conference of Western Attorneys General. The division will implement those recommendations that can best improve service and maximize use of increasingly limited resources.

Civil Division

Federal and Other State Relations. Examples of major issues being addressed:

- Dinkum Sands -Supreme Court argument before U.S. scheduled for February 1997.
- Statenscoo Compact case - before the Federal Circuit Court of Appeals.
- Southeast Alaska chinook fisheries - resisting attacks by Washington, Oregon, Canada and Northwest Tribes.
- Issue of whether tribes are entitled to 50% of salmon migrating to Alaska - scheduled for trial spring 1997.
- Ninth Circuit ruling that ANCSA did not extinguish Indian country in Alaska - seeking review by the U.S. Supreme Court.
- Proposed federal rules to regulate subsistence fishing in navigable waters or hunting and fishing on certain other nonfederal lands commenting on all proposals.

Oil and Gas Litigation

The trial phase of a major case in which more than \$1 billion in tax and interest is contested is in formal hearing which will continue through spring 1997. Most pretrial preparation will be completed in another oil and gas production case scheduled for hearing in early FY 98. Litigation of pipeline tariff issues continues with a potential difference of millions of dollars in state taxes and royalties. In FY 98 staff will assist the Department of Revenue in adopting new production tax regulations to further clarify the rules governing taxpayers and reduce litigation in the future.

Child Protection Caseload

The child protection and juvenile delinquency caseload continues to increase, particularly in Southcentral and Western Alaska. Staffing to handle these cases remains inadequate, although it was somewhat improved by moving a position from Nome to Bethel, which eliminated the need to travel weekly from Anchorage to Bethel. The October 1996 report of the Alaska Judicial Council on children's cases recognizes the need for more resources for children's cases throughout the system, including the Department of Law. Anchorage-based attorneys are now handling 150-200 cases each.

Timekeeping and Accountability

The Civil Division has fully implemented timekeeping for all attorneys and paraprofessionals. This reengineering enables the division to know exactly where and how resources are used, increasing the division's accountability to the executive and legislative branches and improving the accuracy of billing for client agencies.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Fund - Designated for specific purposes	\$ 637.2	\$ 697.0	\$ 753
General Fund - All Other	35,044.6	31,742.1	31,173.4
Federal Funds	347.2	419.8	451
Other Funds - Interagency, etc.	18,833.6	15,742.0	15,293
TOTAL BUDGET	\$ 54,862.6	\$ 48,600.9	\$ 47,570.4
Positions - Full-time	442	446	443
Part-time and seasonal	6	7	7
KEY PROGRAM AREAS (Total Funds)			
Criminal Division	\$ 12,297.3	\$ 12,904.9	\$ 12,904.9
Civil Division	24,465.7	23,756.2	23,756.2
Oil and Gas Litigation	18,099.6	11,939.8	11,939.8

DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

MISSION

The mission of the Department of Military and Veterans' Affairs is to provide relevant, ready, quality forces and services for Alaska and the nation.

Major Goals and Strategies

1 Provide a National Guard force which fulfills state and federal military missions, attracts approximately \$154 million annually from the federal government, and continues to build leaders and communities which benefit over 4,000 Guard members and all citizens of the state.

- Increase average educational level of Army Guard members.
- Meet installation readiness level established by National Guard Bureau.
- Improve recruitment, retention, and education levels through a partnership with the University of Alaska to provide new educational options for National Guard members.
- Ensure Air Guard Airlift and Rescue squadrons achieve worldwide mobility qualification status by October 1, 1997.

2 Develop a statewide integrated emergency management system to protect the lives and property of Alaskans in time of disaster.

- Establish a cadre of trained reservists to support response and recovery operations.
- Provide communities with a mechanism to assist one another through coordination with the State Emergency Coordination Center.
- Establish state interagency teams with the capability to manage all types of hazards incidents.

3 Help Alaska's at-risk youth gain an education and learn self-discipline.

- Fund and formalize the National Guard ChalleNGe Program as a continuing federal/state program.
- Sponsor and support expansion of Boy Scout and Girl Scout organizations statewide.
- Maintain education and prevention efforts of the Drug Demand Reduction program.

4 Advocate for veterans' benefits to recognize the sacrifices and achievements of Alaska's veterans and their families.

- Coordinate veterans' benefits by creating a point of contact available to all veterans in the state.

KEY PERFORMANCE MEASURES

- Increase Guard members' reading level by one grade per year measured by pre- and post-testing.
- Reduce deferred maintenance backlog by 5%.
- Enroll at least 50 participants in the University of Alaska education partnership program.
- Air Guard Airlift and Rescue squadrons attain worldwide mobility status.
- Test two trained State Incident Management Teams under simulated conditions.
- Maintain level of successful Youth Corps graduates (in school or at work) at 85%.
- Organize four new Scout Troops by October 1997.

Major Changes and Key Issues

Federal funding levels for the National Guard Youth Corps Challenge program next year are uncertain. Some state funding will be necessary to ensure the continuation of this effective program.

The Division of Emergency Services (DES) was restructured to provide a State Emergency Coordination Center and a statewide emergency training capability for regional and local governments.

A new federally-mandated Emergency Alert System must replace the current Emergency Broadcast System in January 1997. Capital funds of \$220,000 were included in the governor's proposed FY97 budget, but the project was not funded. The new equipment is needed to meet the federal requirement.

The State Emergency Management Project was initiated to fully integrate key state agencies into the State's emergency management system.

Operational control of Bryant Army Airfield at Ft. Richardson was transferred to the Alaska Army National Guard, providing a home for the Army Aviation Battalion.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Funds - Designated for specific purposes			\$ 1,755
General Funds - All others	\$ 20,561.9	\$ 7,084.9	1,150
Federal Funds*	21,263.1	25,597.7	1,150
Other Funds - Interagency receipts, etc.	2,749.8	2,637.7	1,150
TOTAL BUDGET	\$ 44,574.8	\$ 35,320.3	\$ 4,105
*Does not include \$128 million federal national guard expenditures in Alaska.			
Positions - Full-time	162	160	162
Non-permanent	45	45	45
KEY PROGRAM AREAS (Total Funds)			
Disaster Planning and Control	\$ 3,077.2	\$ 3,177.1	\$ 1,150
National Guard	14,471.6	18,079.3	1,150
Veterans and Youth Services	12,368.7	5,063.9	1,150

DEPARTMENT OF NATURAL RESOURCES

MISSION

Develop, conserve, and enhance natural resources for present and future Alaskans.

Major Goals and Strategies

1 Encourage resource development that creates Alaska jobs and ensures economic growth in all regions of the state.

- Offer 3.5 million acres of state land for oil and gas leasing in three sales.
- Expand the physical recovery and economic value of hydrocarbons through unitization operations.
- Offer 18.6 million boardfeet of forest products to industry and the public.
- Increase revenues generated from Alaska Mental Health Trust Lands to \$2.5 million.
- Increase revenues generated by park user fees to \$2.2 million.
- Increase farm production by 7% (\$2 million).
- Complete and publish the Kenai Area Plan.
- Complete 10 site-specific land use plans to facilitate land classification for development projects.
- Acquire title to 245,000 acres under the Statehood Act from the federal government.
- The Priority Mineral and Energy Resource Development Project will expand the online state geological database of mineral, energy and construction material resources state wide.

2 Ensure resource development planning, management, and new project approvals are based on sound science and protection of public health, air and water quality, and fish and wildlife habitat.

- Plant 1,496 acres of forest land, survey 650 acres for regeneration, and review 1800 acres of private land for successful regeneration.
- Supervise the safety inspection of approximately 20 dams and test emergency action plans for 2 high-risk dams.

- Complete a master plan for Afognak Island State Park.
- Complete and publish the revised Kenai River Management Plan.
- The Statewide Mineral Resource Appraisal Project will update and prioritize critical new geological surveys to sustain mineral industry investments.
- The Statewide Energy Resource Assessment Project will produce oil, gas, and coal resource information to identify new areas capable of resource discovery (e.g., viable local sources of alternative energy near rural communities).
- Conduct over 3,000 produce inspections, field inspections for seed certification and disease control, and issue certificates for export products.
- Successfully contain 500-600 wildfires to 10 acres or less.

3 Ensure resource sustainability and multiple use, including recreational enjoyment of the resource base.

- Implement an area-wide leasing program on the North Slope in 1998.
- Provide an expanded agriculture base by preparing 25 new land disposal packages and 12 lease opportunities on grass land areas.
- Implement the Asset Management Plan for Alaska Mental Health Trust Lands with emphasis on timber, minerals, and real estate.
- Develop a new Statewide Comprehensive Outdoor Recreation Plan.
- Develop 10 five year harvest schedules and forest land use plans.

4 Streamline natural resource leasing, sales, and permitting processes.

- Synchronize and integrate the processing of permits, leases, rights-of-way, and other authorizations from the Department of Natural Resources.

Resources, Environmental Conservation, Fish & Game and the Division of Governmental Coordination.

- Manage Mental Health Trust Lands through the processing of new applications and resolve 75% of outstanding issues related to existing leases, contracts, rights-of-way, etc.
- Create 300 townships in automated format on the state's land ownership information system and convert 420 townships to present GIS format.

5 Ensure meaningful public participation on resource management issues.

- Conduct public meetings and publish preliminary and final best Interest Findings and coastal management consistency findings for oil and gas lease sales.
- Conduct public outreach meetings about parks and the state park system to interest groups and citizen forums and facilitate meetings of 13 Parks Citizen Advisory Committees.
- Conduct and/or attend at least 10 public meetings concerning oil and gas lease sales, and prepare informational materials for use at these meetings.

KEY PERFORMANCE MEASURES

- Offer another 3.5 million acres of state land for oil & gas leasing in three lease sales.
- Administer and facilitate the issuance of 31,000 mining claim permits.
- Maintain and operate 127 state park units to accommodate 6 million visits.
- Maintain the state's land data base through the notation of 10,000 state resource transactions, affecting 12,000 townships, and make this information available to the public.
- Generate \$1.3 million from sale of forest products and offer 49.3 million board feet for the forest industry.
- As part of its responsibility and process review, the department is in the process of redefining corresponding outcome-based performance measures. This process should be completed by February 1997.

Major Changes and Key Issues
Responsibility Review

DNR continues the comprehensive review of the agency's responsibilities, with the goal of concentrating on the "vital few".

Process review

Review all of our processes, particularly in the permitting arena and in relation to other departments, to eliminate unnecessary steps and avoid duplication of effort.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Funds - Designated for specific purposes	\$ 554.9	\$ 2,976.6	\$ 3,334.2
General Funds - All others	56,010.6	42,556.7	41,643.2
Federal Funds	17,238.5	16,083.0	1,407.3
Other Funds - Interagency receipts, EVOS, etc.	10,098.9	9,987.9	707.8
TOTAL BUDGET	\$ 83,902.9	\$ 71,604.2	\$ 46,092.5
Positions - Full-time	595	569	567
Part-time and Seasonal	235	231	230
KEY PROGRAM AREAS (Total Funds)			
Oil and Gas Development	\$ 4,118.7	\$ 4,283.8	\$ 4,360.7
Resource Development and Administration	34,677.5	35,721.3	34,344.4
Parks Management	7,155.0	6,824.5	7,403.3
Recorder's Office	2,307.2	2,265.9	2,103.1
Historic Preservation	1,298.2	1,261.5	1,164.4
Agricultural Development	2,316.6	2,796.1	2,439.9

DEPARTMENT OF PUBLIC SAFETY

MISSION

The mission of the Department of Public Safety is to maintain a commitment to all Alaskans to help ensure a safe, orderly, and positive environment, so children and families can work, live, and learn without fear of violence. This commitment is delivered through statewide police emergency response, motor vehicle, fire safety and other vital public safety services.

Major Goals and Strategies

1 **Preserve the public peace, enforce specific laws, prevent and detect crime, apprehend offenders, protect life, and property and Alaska's fish and wildlife resources.**

- Increase community participation in public safety programs - Continue to expand village involvement so trooper programs better address local needs. Evaluate alternatives like "Community Courts" to divert minor incidents and misdemeanors from the criminal justice system.
- Reduce domestic violence and sexual assault throughout Alaska.
- Deter fish and game violations by having Fish and Wildlife Troopers contact more resource users in the field.

2 **Administer motor vehicle and driving laws to promote driving safety and preserve property rights of vehicle owners and lien holders.**

- Improve delivery of services through private sector arrangements with Emission Inspection stations, car dealers, banks and fleet owners

3 **Provide statewide criminal justice training, information, person identification and forensic services.**

- Continue to integrate criminal justice agency computer systems to ensure essential information is available on-line to Alaska's 4,500 criminal justice professionals involved in investigations, arrest, sentencing, release from custody, employment and licensing.

4 **Promote ways to protect life and property against fire and explosion.**

- Develop a statewide fire suppression strategy with state, local and media participation to educate the public about the magnitude and prevention of fire hazards in Alaska.

KEY PERFORMANCE MEASURES

Alaska State Troopers

- Reduce by 3% the incidents of motor vehicle fatality traffic accidents involving alcohol/drugs occurring in State Trooper jurisdiction during FY98.
- Train 90% of all Alaska State Troopers and Village Public Safety Officers in Domestic Violence call response, investigation and legal issues.

Fish and Wildlife Protection

- Reduce the number of sport fish and wildlife violations by increasing the number of contacts with recreational hunters and fishermen statewide by 1.0% (approximately 800 more contacts).
- Reduce the number of commercial crab fishery violations by increasing enforcement patrol contacts with commercial crab fishermen by 5%.

Division of Motor Vehicles

- Increase the number of public-private partnership contracts to provide DMV service by 50%.
- Increase DMV productivity by processing an average of 5% more transactions per employee.
- Increase orientation visits to high schools by driver improvement specialists to at least two per month.

KEY PERFORMANCE MEASURES

State Fire Marshal/Division of Fire Prevention

- Increase the number of communities reached by the division's fire prevention education programs by 10%.
- Reduce Alaska's fire death rate by 10% by FY 2000 through fire prevention education and other programs.
- Maintain the number of fire investigations conducted by State Fire Marshals by 5%.

Fire Safety

Alaska's fire fatalities are nearly 4 times the national per capita average — 28 deaths in the just the first nine months of 1996. Together with the fire prevention industry, the department is reviewing ways to strengthen public fire education, early detection and early intervention to help reduce loss of life and property.

Commercial Fisheries Enforcement

The Department will purchase a 150' patrol vessel to strengthen commercial fisheries enforcement in western Alaska, using money received from settlements of violations.

Major Changes and Key Issues

Criminal Justice Policy Initiative

Development of a major computer system interface with the Anchorage Police Department will permit more efficient and effective exchange of information essential to police investigations, criminal sentencing and employment screening.

Legislation will be submitted so Alaska law enforcement officials can participate in a national system which notifies states about juveniles wanted in Alaska.

Strengthen prosecution of criminal violations of Alaska's fish and game laws by directing commercial fishing fines into an aggressive enforcement program.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Funds - Designated for specific purposes		\$ 1,047.4	\$ 1,047.4
General Funds - All others	\$ 84,801.2	85,037.8	85,037.8
Federal Funds	4,829.7	5,736.5	5,736.5
Other Funds - Interagency receipts, etc.	5,516.6	4,771.6	4,771.6
TOTAL BUDGET	\$ 95,147.5	\$ 96,593.3	\$ 96,593.3
Positions - Full-time	871	869	869
Permanent part-time	49	46	46
Non-permanent	2	1	1
KEY PROGRAM AREAS (Total Funds)			
Justice enforcement and Public Safety	\$ 67,150.5	\$ 69,359.0	\$ 69,359.0
Motor Vehicle/Highway Safety	10,249.0	9,619.6	9,619.6
Fish and Wildlife Protection	15,254.8	15,089.5	15,089.5

DEPARTMENT OF REVENUE

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.

Major Goals and Strategies

1 Improve Customer Service

- Expand rural outreach program in the Permanent Fund Dividend Division by adding a northern region dividend information office and a rural desk.
- In the area of child support enforcement, provide more public education classes for clients and employers, increase the reliability and accuracy of case data, and increase client access to child support information through the Internet.
- Redesign and streamline the appeals process the public must go through when they disagree with a ruling from the Child Support Enforcement Division or the Permanent Fund Dividend Division.
- Assist state agencies in making the transition to electronic payments for taxes and fees.
- Provide for electronic filing of monthly reports for charitable gaming manufacturers and distributors.
- Provide for electronic filing of monthly severance tax returns for oil and gas taxpayers.

2 Increase Tax Certainty for Taxpayers

- Expedite the collection of back taxes and ensure that taxpayers pay the correct tax.
- Resolve some recurring issues of controversy in the area of oil and gas corporate income tax by promulgating new regulations.
- Continue the transition to real-time monitoring of oil and gas markets to reduce the number of issues under production tax audits.

KEY PERFORMANCE MEASURES

- The Child Support Enforcement Division will increase the percent of non-custodial parents who make at least a partial child support payment each month from 45% in FY96 to 48% in FY98.
- The Income and Excise Audit Division will allocate 20% of available audit time to non oil and gas corporations, motor fuel, fisheries, alcohol and tobacco.
- The Oil and Gas Audit Division will develop an electronic tax filing system by June 1998.
- The department will review and make appropriate changes to the appeals process for child support enforcement and permanent fund dividend appeals by June 1998 so that, at minimum, appellants receive decisions within the statutory and regulatory time limits.

Major Changes and Key Issues

Permanent Fund Dividend Division:

In FY98, the division will perform a complete review of its application process and customer service efforts. The major goal is to redesign the way permanent fund dividend applications are reviewed to ensure that (1) the applicant understands the process and (2) the division makes its best efforts to qualify eligible Alaskans.

Child Support Enforcement Division:

The division will focus its efforts on helping families increase their independence, reinforce parental responsibility and reduce their need for welfare. With ever increasing caseloads, the division will continue to use technology to increase the efficiency of collections. They will also increase their public outreach.

Oil and Gas Audit Division:

The division will transition to a smaller staff with more real-time monitoring of oil and gas markets, thus reducing the number of issues under audit and the number of audit hours required to effectively review tax returns and ensure that the correct tax has been paid.

Income and Excise Audit Division:

The division will continue to catch up on oil and gas corporate income tax audits while broadening the focus to include other tax types. They will also continue to streamline their tax collection and examination programs and reduce paperwork requirements for tax returns.

Treasury Division:

In FY98 the division will focus on meeting or exceeding the investment benchmarks for all the funds managed by the division. They will also assist other agencies in converting to electronic payments and automated draw downs for federal funds.

Charitable Gaming Division:

The division will continue to automate its review and audit processes. They will also decrease application processing time and provide for electronic filing options.

Budget Summary - Including AHFC and Permanent Fund Operations	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Fund - Designated for specific purposes			
General Fund - All Other	\$ 12,026.2	\$ 12,162.8	\$ 12,179.5
Federal Funds	27,912.1	31,055.5	22,313.9
Other Funds - Retirement, corp receipts, interagency, etc.	68,005.9	74,360.0	54,434.4
TOTAL BUDGET	\$ 107,944.2	\$ 117,578.3	\$ 89,927.8
Positions - Full-time	776	791	793
Part-time and seasonal	42	34	39
KEY PROGRAM AREAS (Total Funds)			
Permanent Fund Dividend Division	\$ 4,574.3	\$ 4,973.2	\$ 4,100.0
Child Support Enforcement	14,272.3	15,661.0	14,427.1
Oil and Gas Taxes	3,360.1	3,090.4	3,100.0
Income and Excise Taxes	3,501.7	3,447.7	3,120.0
Investment and Cash Management	2,726.3	2,772.3	2,100.0
Charitable Gaming	1,002.4	999.9	1,100.0

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

MISSION

The mission of DOT&PF is to improve the quality of life for Alaskans by cost effectively providing, operating and maintaining safe, environmentally sound and reliable transportation systems and public facilities.

Major Goals and Strategies

1 Improve the way Alaska builds and maintains its transportation system, with a significant commitment to public participation in development of the State Transportation Improvement Program (STIP) and capital budget.

- Bring Alaska's portion of the National Highway System up to first class standards by 2010.
- Competitively select community transportation projects on a statewide basis.
- Evaluate new transportation segments which might support significant economic development.
- Incorporate trails, recreational activities, scenic enhancements and visitor services in our transportation program.

2 Protect Alaska's investment in infrastructure by maintaining and operating over 13,000 state lane miles of roads, almost 700 buildings, over 250 rural airports and 80 ports and harbors.

- Invest federal construction funds in projects which reduce maintenance costs.
- Use regional maintenance equipment pools, which will be quickly shifted to the highest need, to reduce the number of maintenance vehicles.
- Implement a management structure which will identify and transfer cost saving maintenance techniques to other regions.
- Encourage local governments to assume ownership of local facilities.
- Work toward implementing a stable funding base for operation, maintenance and improvements of facilities.

3 Operate the Alaska Marine Highway to meet the surface transportation needs of Southeast, Southwest and Southcentral Alaska communities.

- Refurbish and maintain vessels to allow for continued operation.
- Reduce financial losses on vessel services which are not required for safety reasons.
- Work with communities to promote system use.
- Increase efficiencies in services to the public which will result in reduced staff expenditures.

4 Maintain, operate and promote Anchorage and Fairbanks International Airports, which are vital to the state's economy.

- Maintain and construct infrastructure to give Alaska a competitive market advantage, especially for international and domestic cargo traffic.
- Maintain and construct infrastructure to meet both required safety standards and capacity demands.
- Promote passenger service between Alaska and the Pacific Rim.

KEY PERFORMANCE MEASURES

Highways and Aviation

- Increase revenues to support rural airports by 25%.
- Chip seal or pave 10 miles of gravel roads and turn over to local governments.
- Complete statewide and area plans that guide transportation investments.

Alaska Marine Highway System

- Implement an integrated safety management system to meet International Maritime Organization standards.
- Achieve satisfactory results from the customer ridership and community based surveys.

International Airports

- Remove remaining hazardous underground storage tanks.
- Increase cargo traffic by 10%.
- Obtain a direct passenger flight between Alaska and a country in the Pacific Rim by mid-1998.

Major Changes and Key Issues

Department-wide:

A review has begun of specific administrative processes and the overall departmental structure. The purpose is to re-examine the department in light of significant pressure to meet new and additional responsibilities while reducing its operating budget. The goal is to maximize service at the least cost. This review is likely to result in organization, process and responsibility adjustments.

Federal Construction Funding:

The amount of federal construction funds available to the state is beginning to change. Congress reduced the allocation for FY97 by \$28 million and redistributed the funds to other states. Congress must pass reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) by October 1, 1997. It may contain changes to the formula for federal construction funds that would further reduce Alaska's funding.

Rural Airports:

The Federal Aviation Administration has notified the department that the numbers of qualified personnel at certain rural airports are inadequate to meet FAA regulations. Their concern is that conditions at Alaska's certificated airports are unsafe. The department's proposed solution would add \$1 million to rural airport operations and maintenance through reduction of lower priority services, increased program receipt funding and greater assistance from air carriers (e.g., providing ramp observers).

Commercial Vehicle Enforcement:

Legislative approval is being sought to consolidate regulation, administration, safety and enforcement of Alaska's Commercial Vehicle Program in DOT. Transferring weigh stations and permitting from Commerce and Economic Development and safety, size and weight enforcement from Public Safety will produce a more efficient operation, increased customer service and maximum program effectiveness, especially for federal compliance issues.

Alaska Marine Highway System:

In October 1997 the M/V Malaspina will not be able to serve Prince Rupert, an international port of call, because it will not meet the international fire safety requirements. The fleet will be redeployed to meet the current traffic demands through Prince Rupert. A new ocean class vessel capable of multi-missions (cargo, passengers, emergency responses) will be available for service by early FY99. Labor contracts will have to be modified to address certain operational conditions. An improved reservations system and changes to the ticketing process will come on line during FY98.

International Airports:

The Anchorage and Fairbanks International Airports require a reliable source of funding for badly needed capital improvements and development. Revenues are needed to replace declining federal Airport Improvement Program funds. Alternative funding sources will be discussed with the general public. Options could include seeking modification of federal programs to reflect the unique nature of Alaska.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Funds - Designated for specific purposes		\$ 543.8	\$ 933.5
General Funds - All others	\$ 129,787.1	127,635.2	24,872.1
Federal Funds	628.1	940.1	350.1
Other Funds - Marine Hwy, Internal service funds, etc.	203,093.0	210,492.9	2,077.0
TOTAL BUDGET	\$ 333,508.2	\$ 339,612.0	\$ 341,477.7
Positions - Full-time	2,691	2,704	2,708
Part-time	773	702	698
Non-permanent			2
KEY PROGRAM AREAS (Total Funds)			
Administration	\$ 11,857.7	\$ 12,047.2	\$ 11,605
Planning	5,369.6	5,688.4	5,375
Design/Construction	56,752.1	61,628.1	56,752
Maintenance/Operations	113,246.6	113,245.3	113,246
International Airports	35,826.4	38,409.4	35,826
Marine Highways	70,816.1	80,160.4	70,816

UNIVERSITY OF ALASKA

MISSION

The primary mission of the University of Alaska is to provide for the public postsecondary educational needs of the citizens of Alaska. The university incorporates the traditions of the land-, sea-, and space-grant institutions as well as the community college movement in focusing its instruction, research and scholarship on the educational, cultural and developmental needs of the state and its people. The University achieves its missions through a system of three main regional university centers, regional colleges and extension programs.

Major Goals and Strategies

1 Improve the quality, breadth and accessibility of academic programs.

- Address the issues of student retention and graduation rates through changes in curricula, methods of instruction counseling, advising, and administrative and academic services.
- Reemphasize the university's role in community college education through enriched offerings in the technologies and crafts, and by greater use of alternative delivery methods and off-campus sites.
- Reconstruct the way courses and programs are delivered with a growing emphasis on technologically-enhanced instruction, distance education, self-paced studies and collaborative initiatives.

2 Advance academic and fiscal effectiveness and accountability.

- Develop internal financial, human resource and student information systems to provide accurate and timely information.
- Implement and utilize outcome evaluations to improve effectiveness of academic programs and support services, assess student learning and measure achievement of the institution's missions and objectives.

3 Support Alaska's industrial structure, economic development and cultural richness.

- Augment the university's applied research capacity in fields that tie directly to Alaska's existing and potential resources.
- Cooperate with the state, local governments, school systems and the private sector to design joint projects which will substantially increase Alaska's potential.
- Renew the university's commitment to diversity and the enhancement of the artistic, cultural and intellectual life of Alaska.

4 Contribute to and help establish the state, national and international research agendas.

- Work with the state and local governments, other universities, private firms and other organizations to support research in areas that tie directly to Alaska's social and economic well-being.

KEY PERFORMANCE MEASURES

Over the next two years:

- Increase retention of students by 10%;
- Increase graduation rates by 5%;
- Increase course offerings for vocational-technical education by 5%;
- Increase faculty productivity by 15%.

Major Changes and Key Issues

The overriding issue facing the university today is to provide Alaskans a quality and relevant education at a reasonable cost in the face of declining state revenues. This issue underlies the major goals and strategies outlined above, as well as the specific performance measures the university has set for itself over the next three years. It also underlies actions that the university has taken and continues to take to maintain the quality of its programs while minimizing its dependence on state general funds. (Also, funding for agricultural and forestry research from the Alaska Science and Technology Foundation is being phased out over five years.)

Program Assessment:

Notable among these actions is the university's FY95 program assessment process, in which the university identified a wide variety of administrative and programmatic changes to improve the efficiency and effectiveness of its services. This process, which is ongoing and will continue through FY98, will affect nearly all programs in the university through reductions or reorganization. Savings realized through these efforts are being used to help offset fixed cost increases and to meet Board of Regents' priorities such as full funding of annual maintenance needs.

Tuition and Fees:

The university has also increased its reliance on other funding sources, including student tuition and fees. Since FY85, tuition rates have increased by 250% and the proportion of tuition and fee revenues to direct instruction expenditures has increased from 21% to 51%. Tuition rates at the University of Alaska are now comparable or above those for similar institutions in other Western states, particularly for the part-time or "community college" student.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Fund - Designated for specific purposes			\$ 11,935
General Fund - All Other	\$ 168,680.0	\$ 167,693.6	11,935
Federal Funds	46,795.0	77,462.3	11,935
Other Funds - tuition, fees, interagency, etc.	155,125.4	190,065.7	11,935
TOTAL BUDGET	\$ 370,600.4	\$ 435,221.6	\$ 44,805
Positions - Full-time	3,464	3,469	1,271
Part-time and seasonal	243	244	1,242
KEY PROGRAM AREAS (Total Funds)			
University of Alaska Anchorage	\$ 122,753.2	\$ 140,095.4	\$ 44,805
University of Alaska Fairbanks	197,967.2	254,622.4	11,935
University of Alaska Southeast	23,773.8	25,702.9	11,935
Statewide Programs & Services	24,787.9	28,400.9	11,935

OFFICE OF THE GOVERNOR

The Governor's program priorities are outlined earlier in this book. This section provides information on several agencies which are administratively located in the Governor's Office.

Lieutenant Governor

The Lieutenant Governor has statutory responsibilities for elections, regulations, the Administrative Code and journal, and notaries. She is leading several special projects for the governor, including settling the subsistence issue, state telecommunications policy, and the State/Federal Land Managers Forum. She also serves on the board of the Alaska Science and Technology Foundation.

Office of Management and Budget

OMB is responsible for developing and implementing fiscal policy and the state's annual budget and for ensuring that they reflect the administration's policies and programs. Key OMB goals, strategies and initiatives are in the budget discipline section of this book.

Division Of Governmental Coordination

DGC is responsible for operation of the Alaska Coastal Management Program, provides one-stop permit information to developers, and coordinates the State's interagency effort to streamline permitting. DGC also serves as the State liaison to federal agencies conducting activities under the Alaska National Interest Lands Conservation Act, the Outer Continental Shelf Lands Act, and other federal laws that significantly affect our state.

Commission For Human Rights

The Commission enforces Alaska's Human Rights law by impartially investigating complaints of discrimination and seeks to obtain relief for victims. The Commission provides public education through response to inquiries, presentations, and distribution of educational materials.

Office of Equal Employment Opportunity

EEO's mission is to improve representation of minorities and women in the work force, as prescribed by law. It is actively reaching out to key constituencies, including minority and women's groups, community organizations, and state agencies to improve awareness of affirmative action and equal employment, and to help make real progress toward securing equal employment opportunity.

Division Of Elections

The Division conducts statewide elections, as well as local and regional elections in the unorganized borough. It maintains statewide voter registration records and determines precinct boundaries and polling places. Technical assistance is provided to municipalities on a limited basis.

KEY PERFORMANCE MEASURES

- **OMB will implement the new computerized budgeting system on a pilot basis in at least two executive branch departments.**
- **The Division of Governmental Coordination will bring affected local coastal districts and state and federal agencies together to resolve issues and grant approvals for 500 coastal projects.**
- **The Human Rights Commission staff will conciliate or schedule 50 cases for public hearing in FY 98.**
- **The Office of Equal Employment Opportunity will adopt regulations to implement its statutory responsibilities in FY98.**

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Funds - Designated for specific purposes			
General Funds - All others	\$ 14,898.6	\$ 19,766.7	\$ 19,766.7
Federal Funds	3,056.7	3,456.2	3,456.2
Other Funds - Interagency receipts, etc.	303.6	240.7	240.7
TOTAL BUDGET	\$ 18,258.9	\$ 23,463.6	\$ 23,463.6
Positions - Full-time	183	178	178
Part-time and Seasonal	2	4	4
KEY PROGRAM AREAS (Total Funds)			
Human Rights Commission	\$ 1,191.9	\$ 1,214.5	\$ 1,214.5
Equal Employment Opportunity	240.2	308.0	308.0
Elections	1,939.5	3,858.1	3,858.1
Office of Management and Budget	2,175.8	2,446.2	2,446.2
Division of Governmental Coordination	4,506.3	5,075.2	5,075.2

ALASKA MENTAL HEALTH TRUST AUTHORITY

MISSION

Administer the Mental Health Trust established in perpetuity for its beneficiaries, including Alaskans who experience mental illness, mental retardation or similar disabilities, chronic alcoholism with psychosis, or Alzheimer's disease or related dementia. The Authority has a fiduciary responsibility to enhance and protect the Trust and to provide leadership in advocacy, planning, implementing, and funding of a Comprehensive Integrated Mental Health Program to improve its beneficiaries lives and circumstances.

Goals

- Develop a Comprehensive Integrated Mental Health Program planning process led by the Dept. of Health & Social Services in conjunction with the Authority.
- Coordinate and review budget recommendations developed by four planning boards.
- Make recommendations for the state operating and capital expenses of the mental health program.
- Contract with the Alaska Permanent Fund Corporation to manage the cash principal of the Trust and with the Dept. of Natural Resources to manage Trust lands.
- Spend Trust income to help ensure a Comprehensive Integrated Mental Health Program.

Major activities

- Obtain adequate baseline data about the number of beneficiaries who use or require services in FY97.
- With the four planning boards and administrative agencies, identify and understand outcomes for beneficiaries and other service consumers.
- Identify the current public costs of the system and where funding allocations could be changed to improve program effectiveness and efficiency.
- Put in place procedures defining roles in tracking Trust fund expenditures in state programs.
- Ensure that beneficiaries have access to necessary integrated services, regardless of their location and across service systems.
- Assist in planning for acute and long term care for people with mental illness in the Alaska Psychiatric Institute.
- Complete and adopt Trust Authority program regulations by December 1997.

Key Issues

- Continued phase-out of Harborview Developmental Center as a beneficiary facility.
- Funding for eyeglasses, hearing aids and acute dental care for beneficiaries.
- Increased direct services such as respite care, care coordination and treatment for people with dual diagnoses, and mental health services for seniors.
- Innovative systems change such as case management for seriously emotionally disturbed youth, improvements in management information systems, and quality assurance.
- Capital funding for accessible housing for Trust beneficiaries, facility modifications, and development of integrated transportation systems to better use beneficiary transportation systems.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Fund/Mental Health	\$ 114,726.3	\$ 108,579.6	\$ 114,826.5
Mental Health Trust Authority Authorized Receipts	557.7	7,634.5	5,234.4
<u>Mental Health Trust Administration</u>	<u>745.8</u>	<u>892.8</u>	<u>992.8</u>
TOTAL BUDGET	\$ 116,029.8	\$ 117,106.9	\$ 121,053.7
FY96 and FY97 include both operating and capital budget appropriations. FY 98 includes only operating budget amounts at this time.			
Positions - Full-time	5	5	5

ALASKA PERMANENT FUND CORPORATION

MISSION

The mission of the Alaska Permanent Fund Corporation is to conserve a portion of the State's revenue from nonrenewable mineral resources as designated by the Alaska Constitution and State Law to benefit all generations of Alaskans by:

- Investing to maintain the safety of the Fund's principal while maximizing total return over time;
- Maintaining liquidity to allow statutory use of the Fund's realized income;
- Fully inflation-proofing the Fund to maintain its value over time; and
- Managing the Fund's assets with professional excellence and the integrity of a fiduciary.

Key Goals and Issues

Achieve better than average investment performance with below average risk by maintaining an average 4% real rate of return.

Produce earnings sufficient to meet legislative mandates of funds for dividends, inflation proofing, and appropriations in accordance with statute.

Continue implementation of the Integrated Management Information and Portfolio Accounting System (FY97 Capital Request). This will meet the information needs of management, policy makers and the public.

Provide increased opportunities for Trustees' communication with the public.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
Corporate Receipts	\$ 28,733.9	\$ 29,108.7	\$ 29,902.2
CIP Receipts	63.2		
TOTAL BUDGET	\$ 28,797.1	\$ 29,108.7	\$ 29,902.2
Positions - Full-time	29	30	32

ALASKA INDUSTRIAL DEVELOPMENT & EXPORT AUTHORITY

MISSION

When AIDEA was created in 1967, its legislative mandate was to promote, develop and advance the general prosperity and economic welfare of the people of Alaska, to relieve problems of unemployment, and to create additional employment. In 1987, legislators expanded the Authority's powers to assist in financing projects that the Authority would own, and to guarantee trade finance transactions. In 1993, the mission was further expanded to incorporate oversight responsibility for Alaska energy projects previously owed by the Alaska Energy Authority. The Authority fulfills its mission today by facilitating the financing for industrial, manufacturing, export, and other business-related enterprises and facilities in Alaska. AIDEA has authority to own and operate facilities which advance this goal.

Key Goals and Issues

Stimulate economic development and diversification by providing financing assistance to enterprise projects throughout the state.

Evaluate proposed development projects to determine whether development and ownership meets AIDEA's mandate.

Partner with local communities to assess basic local infrastructure needs that might complement private sector investment plans.

Find new ways of providing financing assistance and services to rural Alaska businesses to balance the Authority's efforts to meet the needs of both urban and rural Alaska businesses.

Maintain the Authority's bond ratings which are strategically important in providing lower-cost financing for economic development projects throughout Alaska.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
Corporate Receipts	\$ 3,973.4	\$ 4,804.6	\$ 4,444.8
Positions - Full-time	32	32	32

ALASKA AEROSPACE DEVELOPMENT CORPORATION

MISSION

AADC's mission is to develop Alaska-based economic and technical opportunities in the aerospace field. The Corporation is working with private corporations, government agencies and universities to develop aerospace services and facilities. Major projects include development of the low earth satellite orbit launch facility on Kodiak Island, and full-service satellite ground station facilities in Fairbanks. The Corporation is also active in the development of satellite assembly, test, and distribution facilities in Anchorage and educational opportunities throughout the state. AADC has made significant progress on its major development projects, and in gaining national and international recognition for Alaska.

Key Goals and Issues

Complete construction of the Kodiak launch complex.

Seek an appropriate balance of state and industry participation and funding in the development of a viable Alaska aerospace industry.

Refine relationships with the aerospace industry and maximize the quality and extent of resources available to AADC through its consultants, corporate network, and advisory committees.

Encourage the privatization of aerospace industry efforts in Alaska to minimize state investment.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
Corporate Receipts	\$ 142.1	\$ 43.2	\$ 43.2
Endowment	511.3	511.1	516.8
TOTAL BUDGET	\$ 653.4	\$ 554.3	\$ 560.0
Positions - Full-time	5	4	4

ALASKA SCIENCE AND TECHNOLOGY FOUNDATION

MISSION

To enhance the development of science and technology for the direct benefit of Alaskans. ASTF will help establish an environment where Alaska has the confidence, know-how, technology, and risk capital to grow an economy of sustainable development. ASTF's statutory purpose is "to promote and enhance, through basic and applied research and the development and commercialization of technology, economic and technological innovation in Alaska."

Key Goals and Issues

In FY97, ASTF will maintain its five year commitment to a flat operating budget. In FY 96, ASTF actively managed \$12.4 million in multi-year projects matched by \$29 million in non-ASTF support. ASTF also funded 27 science and math projects by K-12 teachers.

Matching federal funds have been secured to launch in 1997 a Manufacturing Extension Partnership Center to assist the state's

manufacturers. The ASTF-funded portion will be used in providing technical assistance and grading services to forest products firms.

In FY97, projects will continue in areas such as appropriate technology for rural sanitation, hydrocarbon remediation, testbed, telemedicine, modern remote sensing technology, mining exploration, and salmon processing and distribution innovations. The revised grants program emphasizes shared risk, economic feasibility and significant benefit to Alaska.

In FY97, ASTF expects to make a matching commitment to a Business Investment Development Company (BIDCC) as a private sector risk capital institution. A BIDCC will provide debt-equity financing and technical assistance to high-growth technology-based firms in the state.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
Corporate Receipts	\$ 3,592.5	\$ 15,402.8	\$ 15,402.8
Federal Funds		125.0	125.0
TOTAL BUDGET	\$ 3,592.5	\$ 15,527.8	\$ 15,527.8
Positions - Full-time	7	7	7
Part-time and seasonal			

ALASKA HOUSING FINANCE CORPORATION

MISSION

As a self-supporting public corporation, AHFC manages capital assets and grants to provide Alaskans equal access to safe, quality, affordable housing. It coordinates the state's housing strategy and homeless programs. AHFC provides needed housing assistance to Alaskans of low and moderate income levels, rural Alaskans, Alaskans with special needs, and Alaskan senior citizens. These activities create jobs and value-added industries for Alaskans.

Key Goals and Issues

AHFC's principal concern is to maintain the ability to generate an annual profit margin of approximately \$100 million. Maintaining Corporate profits will ensure funds are available to sustain the agreement between AHFC and the Department of Revenue to make annual \$50 million payments to the state for the next three fiscal years.

AHFC has developed an extensive rural outreach program. While the Corporation's overall loan portfolio is in decline, primarily in the urban areas, there is a strong demand in the outlying areas of Alaska, that may help offset this decline. Under certain programs, Regional Housing Authorities would act as agents for the Corporation by initiating and servicing loans on AHFC's behalf in rural Alaska. Working as a team with Regional Housing Authorities will enable AHFC's housing services to continue to expand into extremely remote areas of Alaska. This program will produce additional revenue through interest income on the expanded rural loan portfolio.

The Public Housing Program, which provides rental housing assistance to more than 4,500 low income families, depends on rental income and diminishing federal subsidies. With many of these housing projects in need of major repair, and federal funding declining, the Corporation will continue to pursue alternative financial resources to help narrow funding gaps.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
Federal Funds	\$ 15,040.2	\$ 16,943.9	\$ 17,401.2
Interagency Receipts	500.0	600.0	600.0
Corporate Receipts	11,701.4	11,999.4	12,320.0
CIP Receipts	914.7	1,274.2	259.2
TOTAL BUDGET	\$ 28,156.3	\$ 30,817.5	\$ 32,580.4
Positions - Full-time	304	304	309
Part-time and seasonal	36	36	35

ALASKA STUDENT LOAN CORPORATION

MISSION

To support the development of economically viable, lifelong learners and citizens by providing educational loans to Alaskan postsecondary students. The ASLC must value and serve its customers by identifying program efficiencies through improved management, processes, and technology to ensure the self-sustainability and marketability of the Alaska Student Loan Programs through the 21st century.

Key Goals and Issues

Continue support for legislative, regulatory and administrative improvement of the Alaska student loan fund portfolio. As the student loans are currently structured, the ASLC suffers from fund

equity erosion due to high borrower default rates and loss of interest income during periods of statutorily waived interest.

Having supported the elimination of certain interest free periods through legislation passed in FY97, the Corporation is now analyzing default data and, for FY98, will be proposing appropriate restrictions on clearly identified "high risk" borrowers or sectors.

The public policy implications are varied and while an action taken must be carefully considered, ultimately the need to ensure the long term financial viability of the fund will require that some restrictions be placed on access to these limited resources.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
Corporate receipts for administration & loan operations	\$ 6,886.6	\$ 7,150.2	\$ 7,150.2
Positions - Full-time	105	99	105
Part-time and seasonal		4	

STATUS OF FY 97 PERFORMANCE MEASURES

Last year's Executive Budget Summary included several key performance measures for each department. This chart gives a quick view of the status of these measures after the first six months of the budget year.

KEY

On track: the department expects to meet the target set in the performance measure.

Too soon: it is too early to tell, sometimes because the activity is seasonal.

Modified: or no longer appropriate, e.g. the original measure is no longer realistic for reasons such as a drop in market prices, or the budget was cut from the governor's proposal.

Not likely: the department does not expect to achieve the performance measure.

	On track	Too soon	Modified	Not likely
ADMINISTRATION				
Realign employee wages and benefits with the middle of Alaska's top 100 private sector employers by FY 2000.	✓			
Reduce the number of warrants issued to vendors by 10% through consolidation of multiple bills.			✓	
Reduce the cost of mainframe computing by 5% while maintaining service levels to agencies.	✓			
Reduce the cost per purchase transaction by 5%.	✓			
COMMERCE AND ECONOMIC DEVELOPMENT				
Create at least 350 new jobs for Alaskans by providing financial assistance to economic development projects meeting defined criteria for feasibility and financial success.	✓			
Participate materially in the creation or expansion of at least twenty-five businesses in FY 97 through the funding of technology commercialization projects.	✓			
Increase annual US per capita consumption of Alaska salmon from 1 to 1.5 pounds by the year 2000.	✓			
Increase the number of Alaskans employed in the visitor industry to 30,000 by the year 2000.	✓			
Reduce response time up to 75% for filing and retrieving licensing and corporate documents by providing forms and information on the Internet, accepting credit cards for payment of fees, and making other uses of technology.	✓			
COMMUNITY AND REGIONAL AFFAIRS				
Support child care programs that will serve 3,650 children and 550 child care providers.	✓			
Provide Head Start services to 256 more children ages 3 and under in the Bethel region and related jobs or training for 575 residents, at least 50% of whom are current or former Head Start parents.	✓			
Build bulk fuel storage facilities in two communities or bring bulk fuel storage facilities up to acceptable standards in about 10 communities.	✓			
Complete power system upgrades in at least three rural communities.	✓			

	On track	Too soon	Modified	Not key
<p>Help all six CDQ groups meet the goals and milestones in their CDQ Community Development Plans.</p> <p>Provide five more rural communities with adequate utility bookkeeping systems.</p> <p>Facilitate negotiations between the IRS and communities to develop work-out plans on past due taxes and abate over \$50,000 in communities' tax penalties.</p> <p>Facilitate local efforts to complete a base re-use plan for Adak and a preliminary economic recovery strategy and base re-use plan for Fort Greely/Delta Junction.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			
<p>CORRECTIONS</p> <p>Decrease the number of probation and parole violators returning to incarceration by 15%.</p> <p>Increase the number of low risk offenders diverted from incarceration to community-based programs.</p> <p>Establish a Community Residential Center in a new community.</p> <p>Improve management capabilities by installing network computer capabilities at 12 sites.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			
<p>EDUCATION</p> <p>Complete the first phase of a multi-year project to develop a statewide assessment tool for measuring student performance against established state education standards.</p> <p>Develop regulations this year that establish educational standards for Alaska's schools.</p> <p>Complete the second phase of a three-year project to develop improved standards for professional educators in Alaska.</p> <p>Improve public access to information by increasing usage of SLED (Statewide Electronic Doorway) by 7%.</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>✓</p>	
<p>ENVIRONMENTAL CONSERVATION</p> <p>Reduce the time for all DEC permit actions by a 15% average compared to last year.</p> <p>Reduce the number of spills of hazardous materials and/or oil by 15% from last year.</p> <p>Reduce the number of Alaskans without safe water and/or sewage disposal by 10% during FY97.</p> <p>Reduce the number of pages of regulations by 5%.</p> <p>Promote a one third increase in recycling from the present rate of 7.5% to 10%.</p>	<p>✓</p> <p>✓</p>		<p>✓</p> <p>✓</p>	<p>✓</p>
<p>FISH AND GAME</p> <p>Maintain, restore or enhance all habitat important to Alaska's fish and wildlife resources.</p> <p>Manage the harvestable surplus of Alaska's fish and wildlife resources to meet the many specific production and harvest targets set by department managers and the boards of fisheries and game.</p> <p>Increase the opportunity for Alaskans to harvest ground fish by developing the management program necessary to assume management of Alaska's territorial seas from the federal government.</p> <p>Improve Alaska's wildlife management program by developing plans based on regions and the interaction of different species, rather than the single species management plans done today.</p> <p>Improve the public's access to the department's planning, management and information.</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p>		<p>✓</p>

	On track	Too soon	Modified	Not likely
HEALTH AND SOCIAL SERVICES				
Over the next 5 years, reduce the AFDC caseload by 10% through the reinvestment of up to \$55 million in job training and child care.	✓			
Provide employment or job training opportunities for 5,000 welfare families each month for next 5 years.	✓			
Reduce departmental administrative costs by 3% for FY97.	✓			
Reduce per capita alcohol consumption for ages 14 and over to 2.25 gallons by the year 2000 through public awareness efforts and a focus on teens.	✓			
LABOR				
Reduce lost workday injuries by 2%.		✓		
Increase in-state seafood processing hires through the Alaska Employment Service by 10%.	✓			
Increase employer compliance with Workers' Compensation insurance requirements by 10%.	✓			
LAW				
Collect at least \$100 million in oil and gas taxes.	✓			
Collect at least \$3 million in criminal judgments.	✓			
Review 50% of all proposed regulations within 120 days and 75% within 180 days.	✓			
Complete 2,400 child support enforcement cases.	✓			
MILITARY AND VETERANS AFFAIRS				
Reduce the deferred maintenance backlog by 9%.	✓			
Seek mission niches by increasing number of federally funded soldiers by 4%.			✓	
Develop one new armory, which will reduce future land rental costs by \$175,000 over six years.	✓			
Strengthen emergency management partnerships with local, state and federal agencies including the private sector, volunteers and military organizations.	✓			
NATURAL RESOURCES				
Offer 1.6 million acres of state land for oil and gas leases in three lease sales.	✓			
Administer and facilitate the issuance of 31,000 mining claim permits.	✓			
Maintain and operate 127 state park units to accommodate 6 million visits.	✓			
Maintain the state's land data base with notation of 10,000 state resource transactions affecting 12,000 townships and make this information available to the public.	✓			
Generate \$1.3 million from sale of forest products and offer 49.3 million board feet.			✓	
PUBLIC SAFETY				
Train 90% of all Alaska State Troopers and Village Public Safety Officers in Domestic Violence call response, investigation and legal issues.	✓			
Reduce sport fish and wildlife violations with a 1.5% increase in contacts with recreational hunters and fishers statewide (approximately 800).	✓			
Reduce the number of commercial crab fishery violations by increasing enforcement patrol contacts 5%.	✓			
Reduce motor vehicle fatality traffic accidents involving alcohol or drugs by 10% in State Trooper jurisdiction.				✓
Increase the number of public-private partnership contracts to provide Division of Motor Vehicle services by 50%.	✓			
Increase DMV productivity by processing an average of 5% more transactions per employee.	✓			

	On track	Too soon	Modified	Not likely
Increase orientation visits to high schools by driver improvement specialists to at least 2 per month.	✓			
Reduce Alaska's fire death rate 10% in 3 years through fire prevention education and other programs.				✓
Increase the number of fire investigations conducted by State Fire Marshals by 5%.	✓			
Increase the number of communities reached by fire prevention education programs by 10.	✓			
REVENUE				
Increase Child Support Enforcement collections from \$65 million in FY96 to \$78.6 million in FY97.			✓	
Decrease Income and Excise Audit Division audit completion time by 33% over FY95.	✓			
Achieve a 100% increase in the closure of Child Support Enforcement formal hearing appeals.			✓	
Increase Permanent Fund Dividend Division formal hearing decisions by 33%.		✓		
Complete the Oil and Gas Audit Division informal conferences within one year of taxpayers' requests.	✓			
TRANSPORTATION AND PUBLIC FACILITIES				
Decrease gravel stockpiles hauling distances and increase efficiency for these operations at least 10%.	✓			
Cut costs of a roadside brushing program 5 to 10%.	✓			
Increase revenue from rural airports by 25%.				✓
Reduce sand and salt orders by approximately \$350,000.	✓			
Increase In-transit International passenger traffic by 5% and cargo traffic by 10% at the Alaska International Airport System.	✓			
Reduce overtime costs by 5%.	✓			
Increase tariffs for commercial vehicles by 3%.	✓			
Provide 295 weeks of Marine Highway service and absorb a 40% increase in personnel and insurance costs.				✓
Monitor customer satisfaction evaluation through analysis of customer response cards.	✓			
UNIVERSITY OF ALASKA				
Increase freshman enrollments by 5%.		✓		
Increase retention of students by 10%.		✓		
Increase graduation rates by 5%.		✓		
Increase course offerings for vocational-technical education by 5%.		✓		
Increase faculty productivity by 15%.		✓		
OFFICE OF THE GOVERNOR				
Complete planning and design for a computerized budgeting system to replace the current antiquated system.	✓			
Bring local coastal districts and state and federal agencies together to resolve issues and grant approvals for 500 coastal projects, reducing review time by 5%.	✓			
Bring at least 20 Human Rights Commission complaint cases to public hearing.	✓			
Draft, solicit public review, and adopt regulations to implement Equal Employment Opportunity laws.				✓
Increase voter turnout in the 1996 general election by 10% over 1994.				✓

State

Revenue

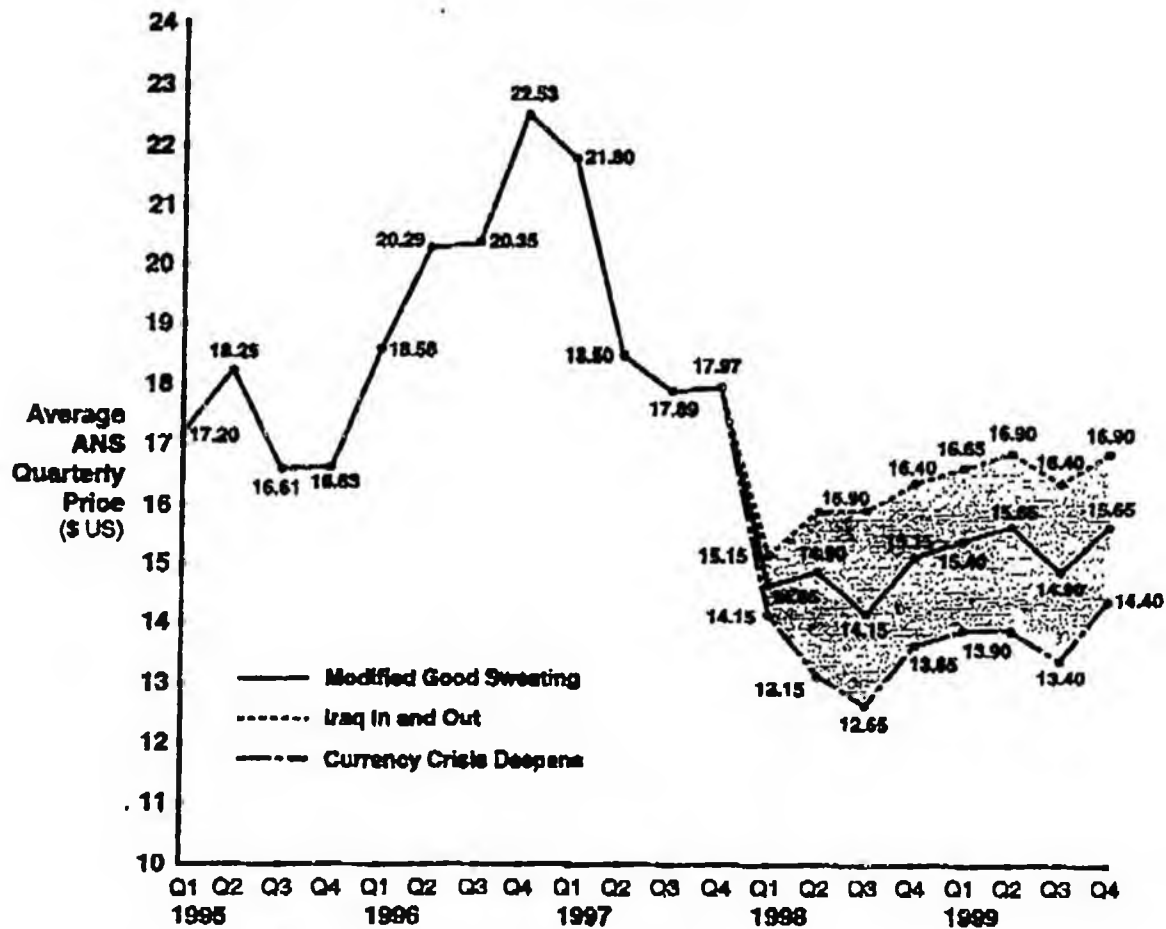
Forecast

1/20/98

HFIN

FILE

The 1995-99 Oil Price Environment: ANS



Source: Cambridge Energy Research Associates.
80114-H1

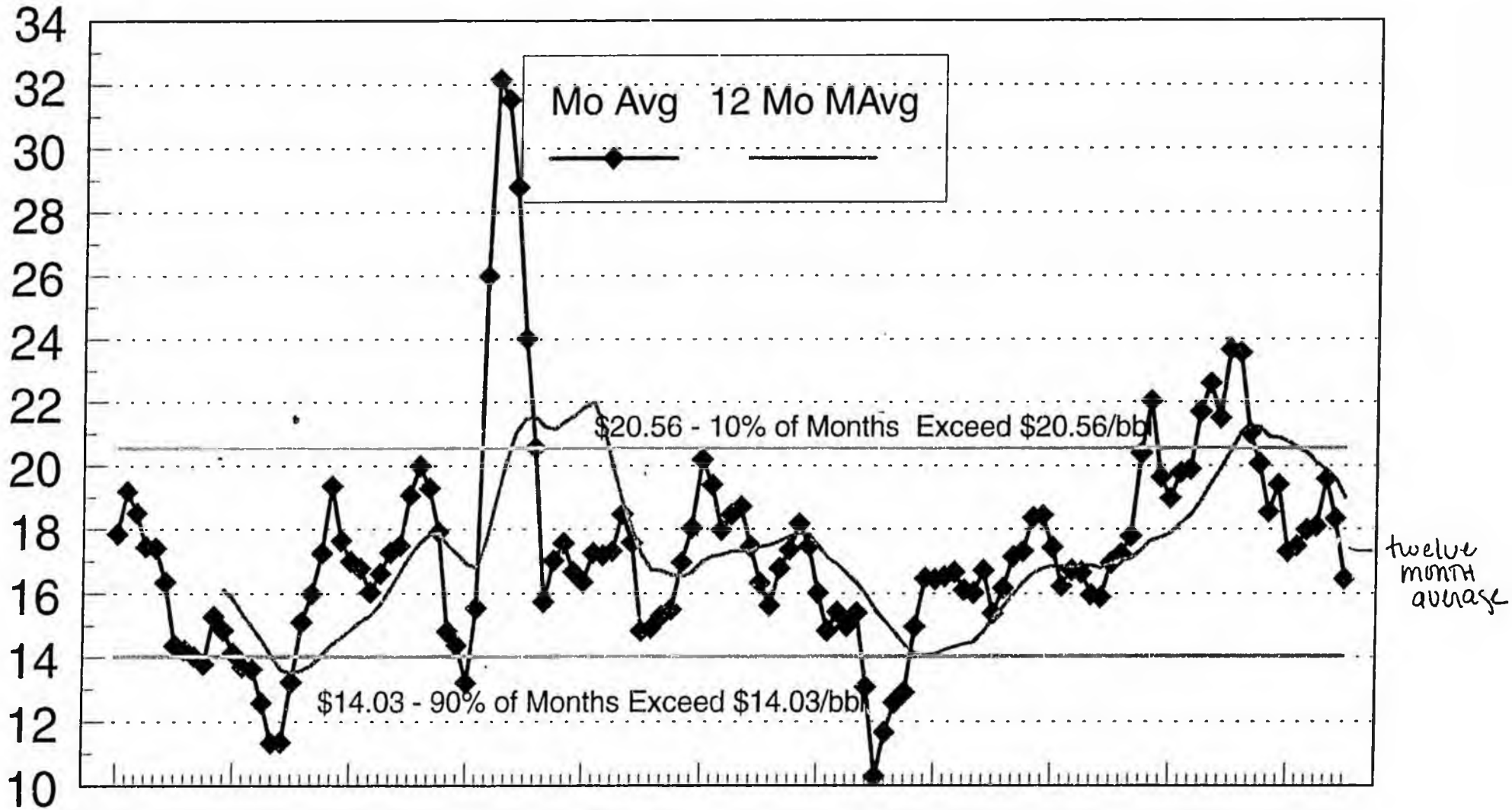
ANS - WC

Attachment #2
1/20/98
Do Revenue

Nominal \$'s

6/87 - 12/97 127 Mos

\$'s/BBL

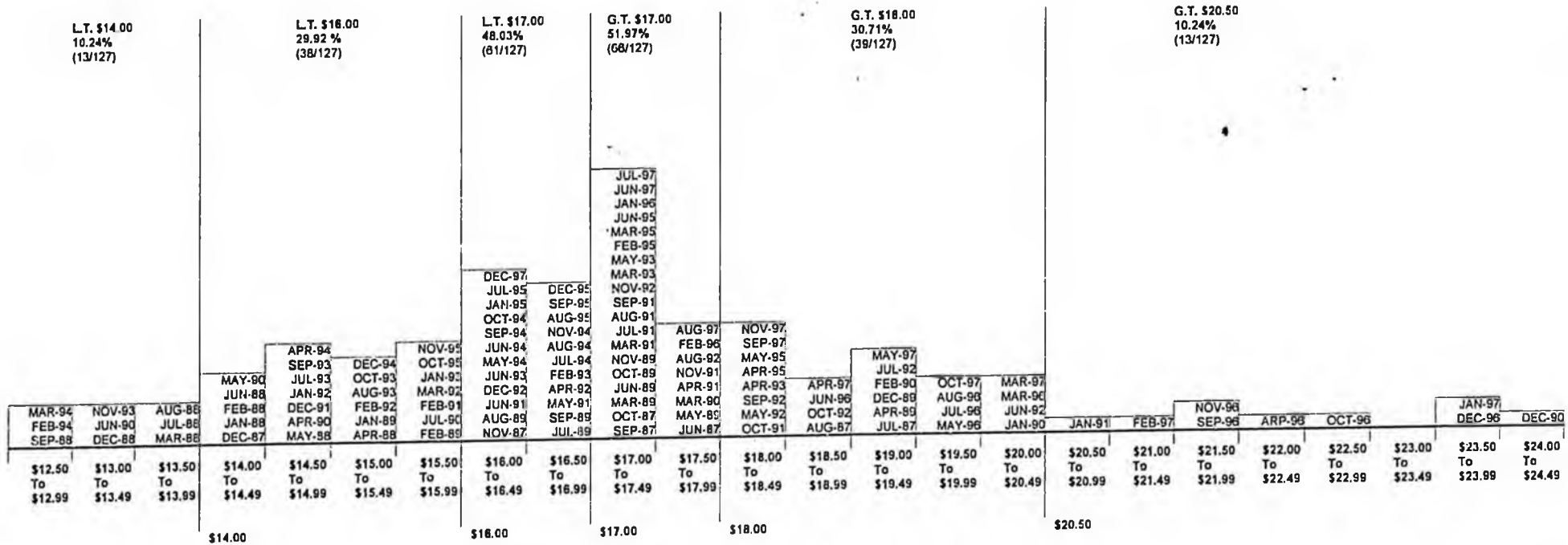


Jun/87	Jun/88	Jun/89	Jun/90	Jun/91	Jun/92	Jun/93	Jun/94	Jun/95	Jun/96	Jun/97	FY 98 Est.
	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98 Est.
	\$16.12	\$14.61	\$17.22	\$21.57	\$16.64	\$17.83	\$14.05	\$16.77	\$17.74	\$20.90	\$16.64

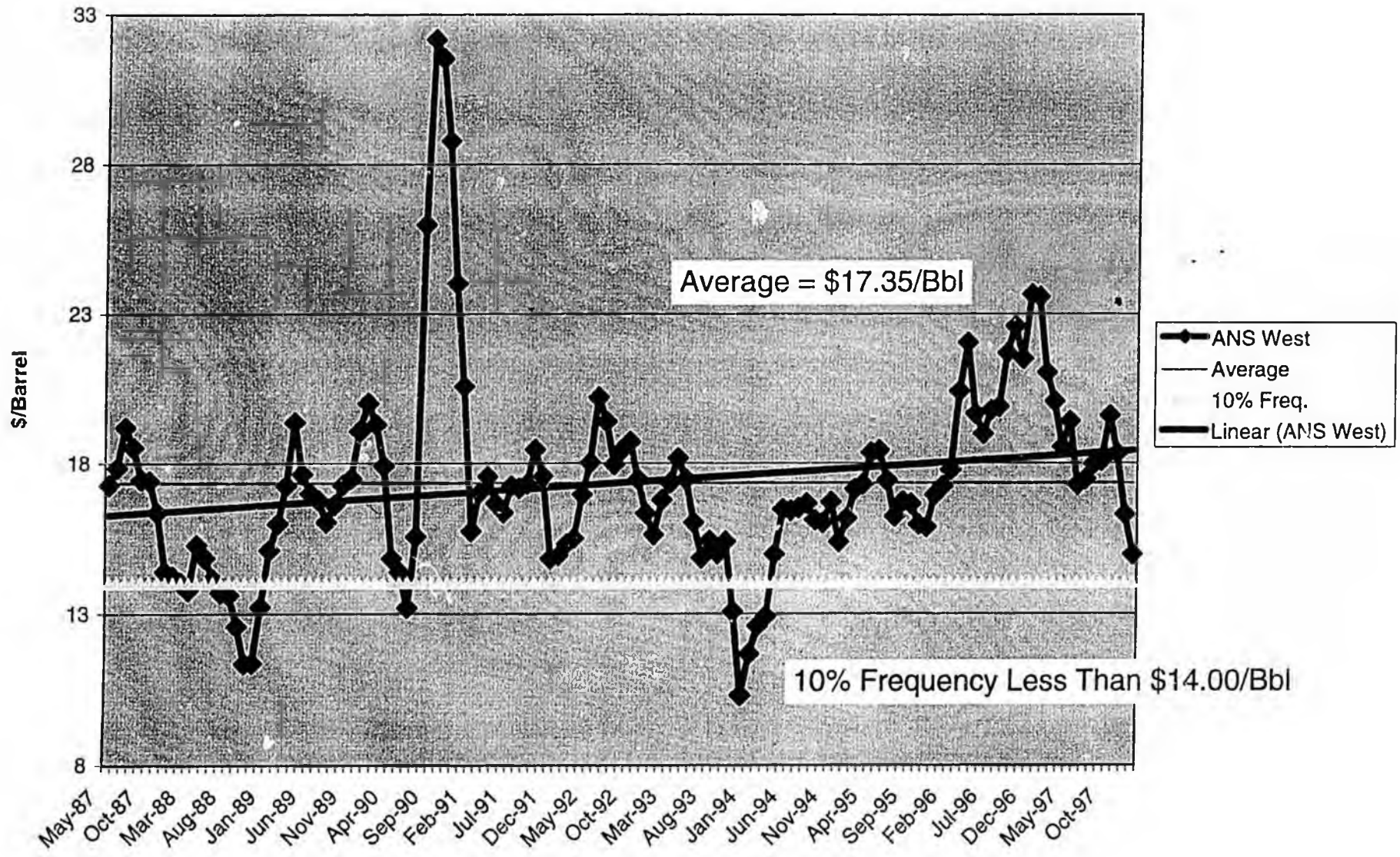
DISTRIBUTION OF ANS WEST COAST SPOT PRICES

MONTHLY AVERAGE PRICES
JUNE 1987 TO DECEMBER 1997 - 127 MONTHS

(THERE WERE 4 MONTHS NOT SHOWN WHICH WERE LESS THAN \$12.50
AND 4 MONTHS NOT SHOWN WHICH WERE GREATER THAN \$24.49)

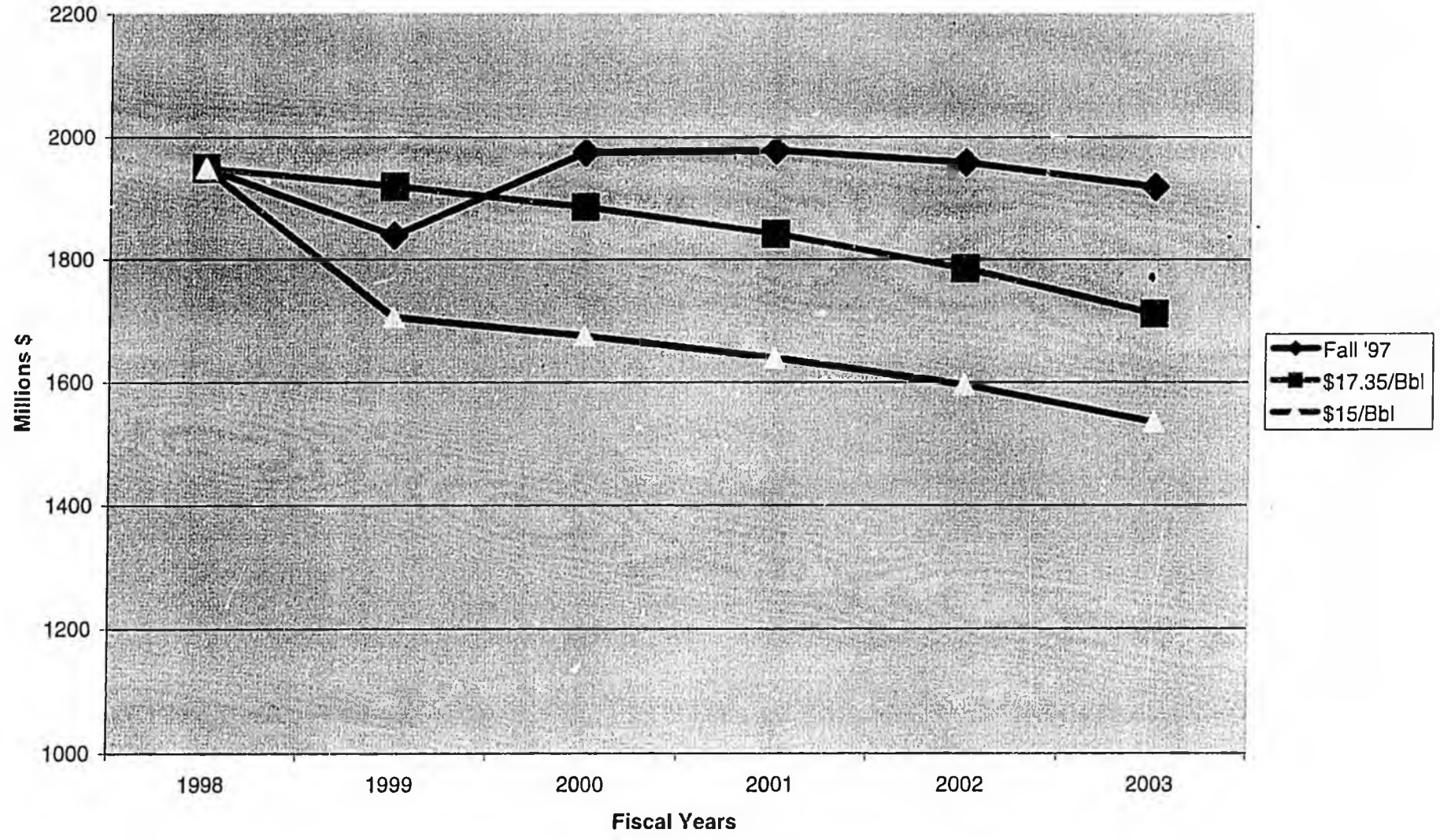


ANS West Spot Price (May 1987--Jan 1998)

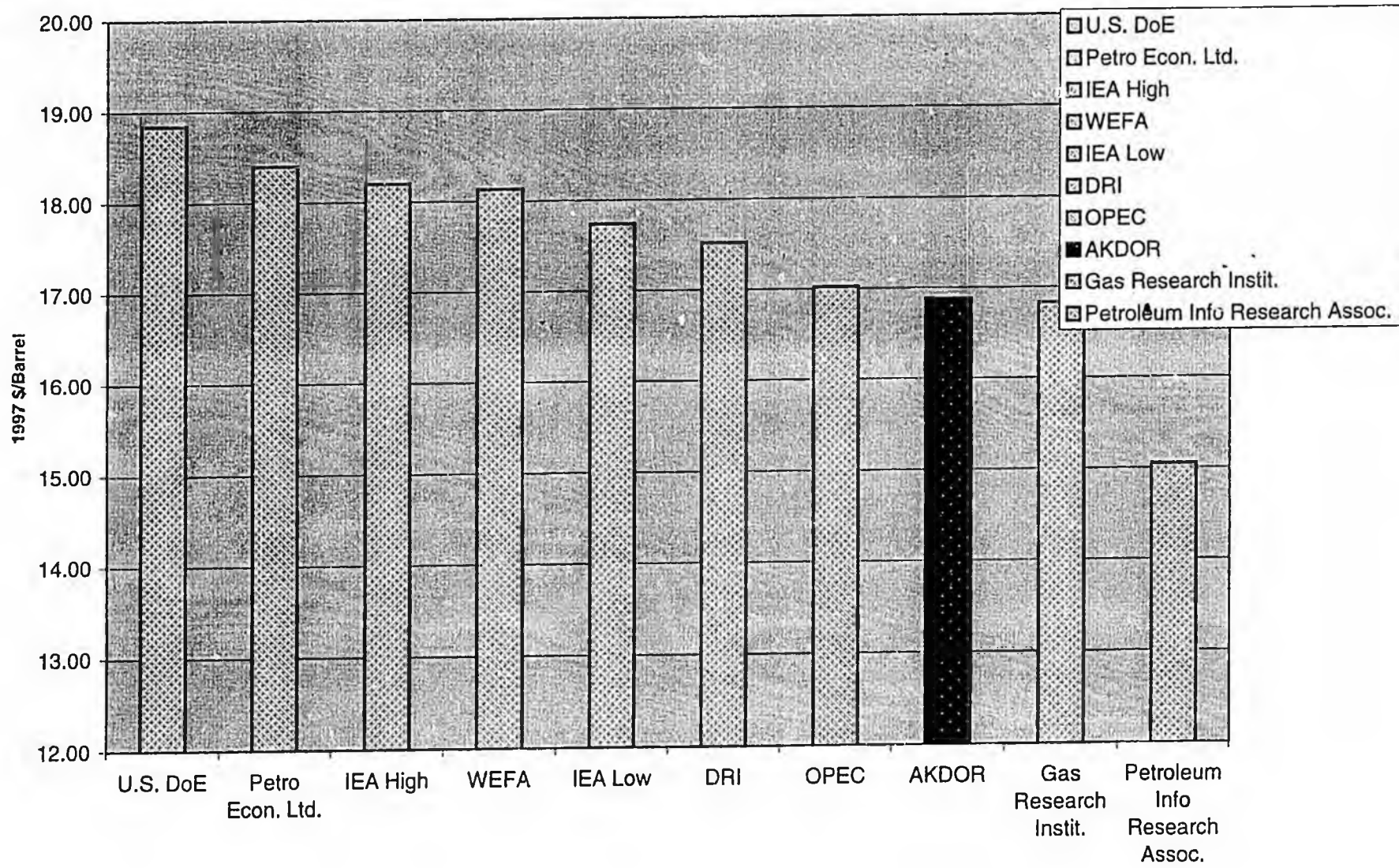


	<u>Fall Forecast</u>	<u>Price</u>	<u>What the Market Tells Us</u>	<u>Price</u>	<u>Difference</u>
FY 1998	\$2080.9 million	\$18.11	\$1950.1 million	\$16.64	131
FY 1999	2000.4 million	18.22	1839.8 million	16.45	161
FY 2000	1976.1 million	18.34	?		
FY 2001	1979.0 million	18.93	?		
FY 2002	1919.8 million	19.50	?		

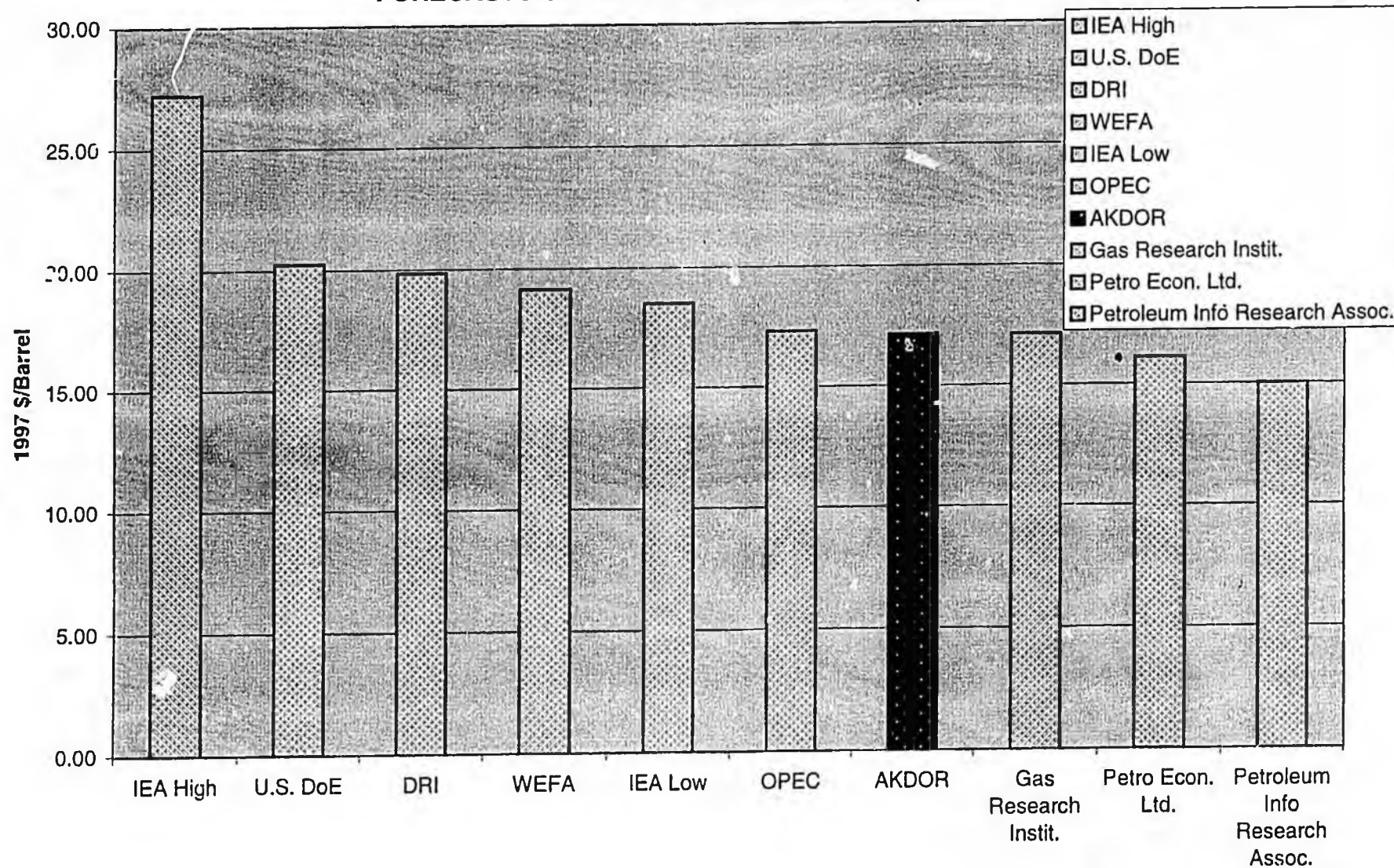
UNRESTRICTED GENERAL FUND REVENUES FOR DIFFERENT OIL PRICE SCENARIOS (MILLIONS \$)



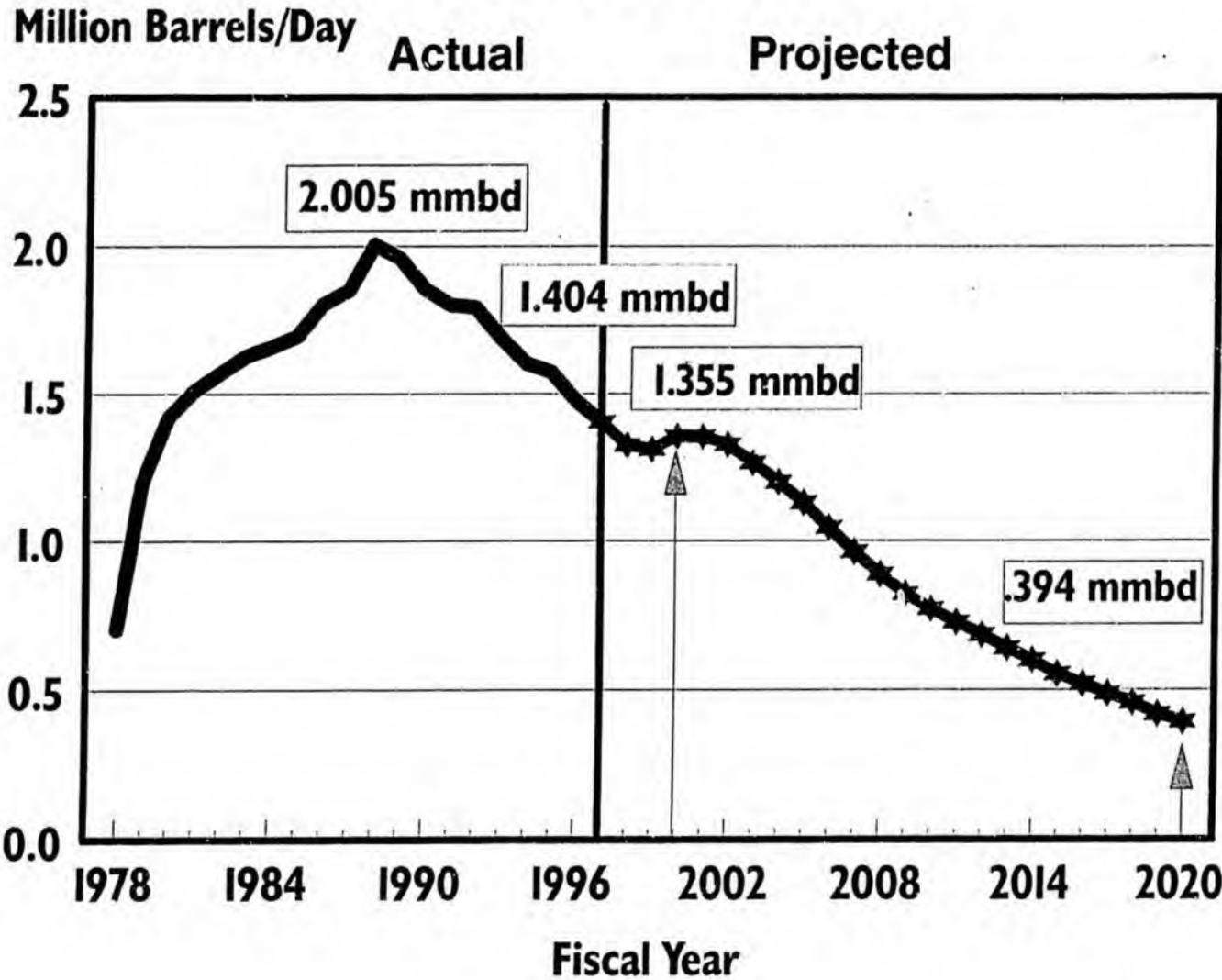
FORECASTS OF ANS BASIS PRICE IN 2000 (1997\$)



FORECASTS OF ANS BASIS PRICE IN 2005 (1997\$)



ANS Production



Reference Case

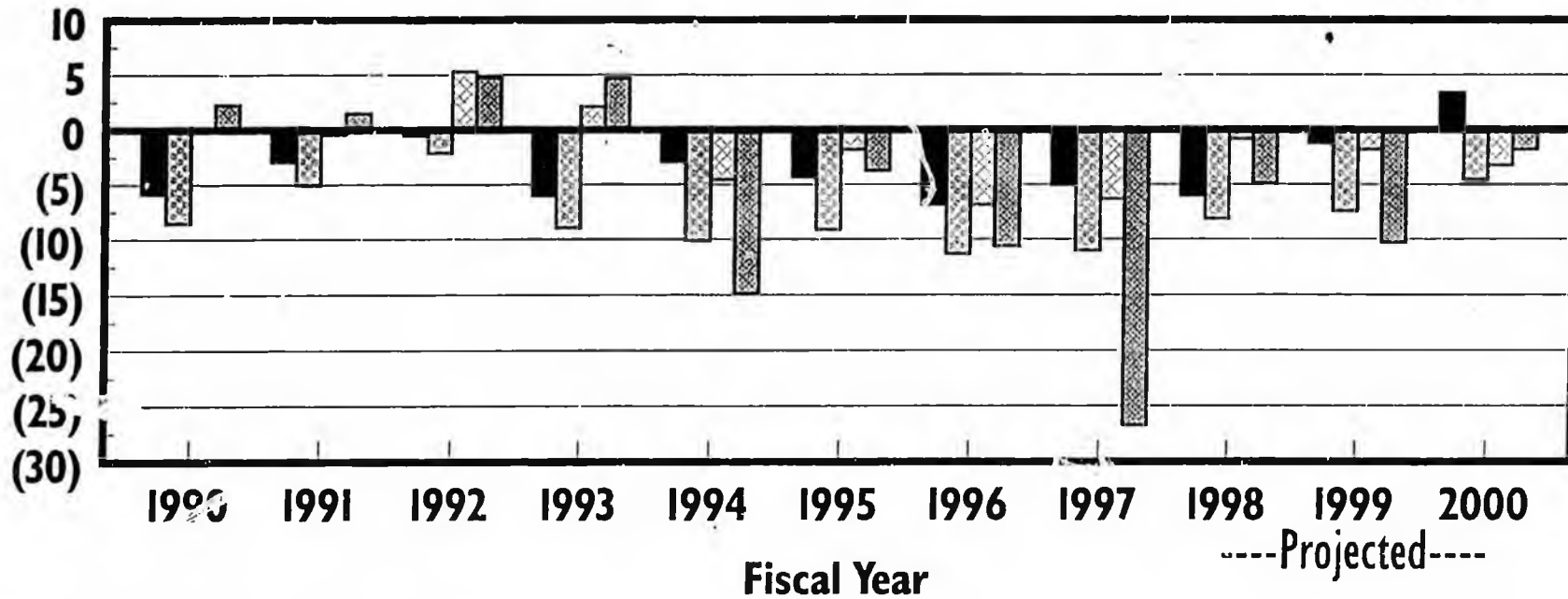
1997	1.405 MM Barrel/Day
1998	1.325 MM Barrel/Day
1999	1.310 MM Barrel/Day
2000	1.355 MM Barrel/Day

Alaska North Slope Decline Rates

ANS Total and Three Major Producing Fields



Percent

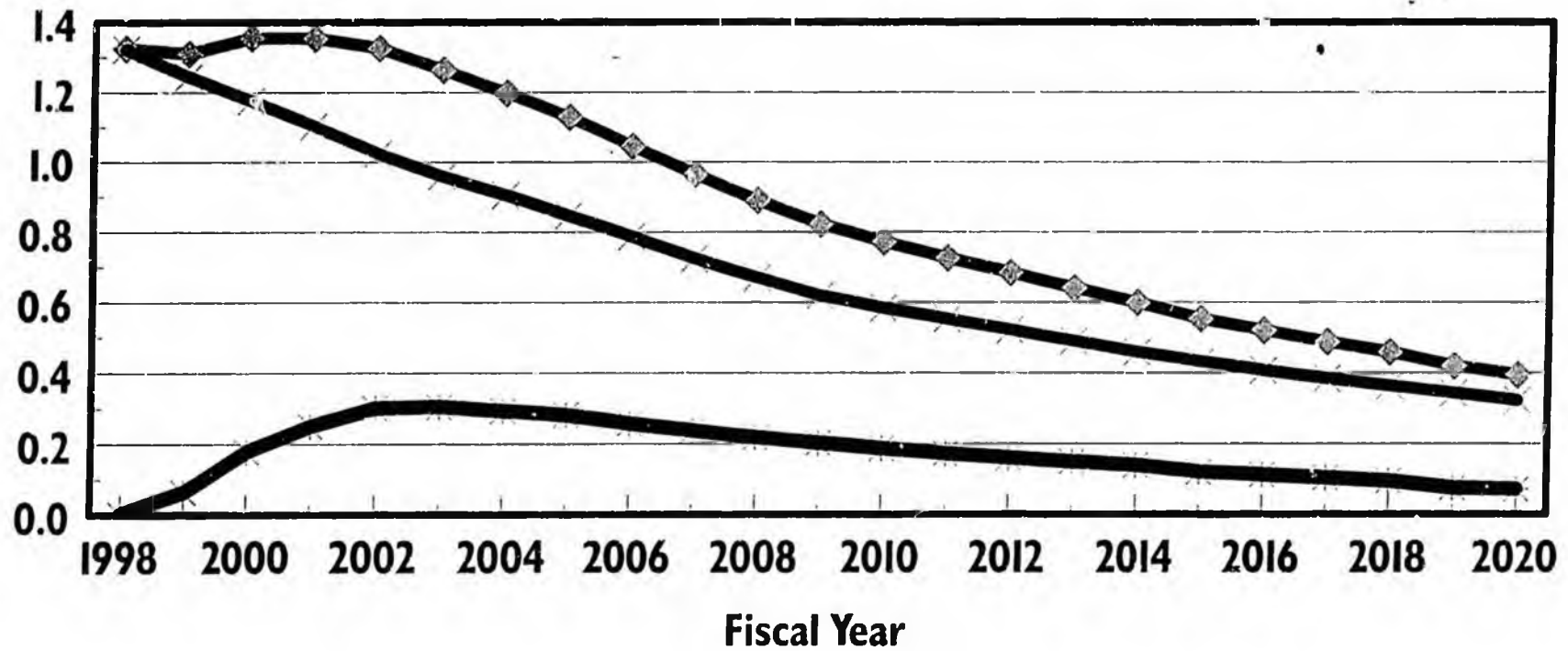


*ALL ANS NGLs included in Prudhoe Bay

Alaska North Slope



Million Barrels/Day



Welfare

Reform

2/6/97

HFIN

FILE

**WELFARE REFORM
BUDGET COMPONENTS BY AGENCY BY BRU**

Comp #	DEPARTMENT/BRU/COMPONENT	WELFARE REFORM RELATED		COMMENTS
		ALL	PART	
	COMMERCE & ECON. DEVELOPMENT			
1802	Occupational Licensing Licensing Operations		X	A small portion of I/A receipts funding will be allocated to efforts to match databases with CFED.
	COMMUNITY AND REGIONAL AFFAIRS			
2123	Administration and Support One Stop		X	It is not known at this time what percent of this component can be linked to welfare reform efforts. Clients other than welfare recipients will benefit from a fully integrated system of employment, training, and social services programs.
658	Child Assistance Child Care		X	All but the education and training grant funds and dependent care development grant funds for eligible licensed child care providers will directly support welfare reform efforts.
1414	Day Care Assistance		X	Approximately 25% of the children in licensed child care centers/homes were subsidized by one or more state or federal child care programs.
659	Head Start	X		100% welfare reform related.
2125	Community & Economic Development Community & Economic Development		X	It is not known at this time what percent of this new component, established to help communities recognize economic development opportunities, could be directly linked with welfare reform efforts.
1180	Employment Training/Rural Development JTPA		X	It is not known at this time what percent of funding in this component can be directly linked with welfare reform. Programs to train displaced workers cannot be considered welfare reform (e.g., Ketchikan Pulp closure).
1012	State Training & Employment		X	This training program is highly flexible, changing and adjusting to local job markets in Alaska. These matching funds for federal programs are nonetheless still regulated by the same rules and criteria as federal funds.
1178	Statewide Service Delivery		X	It is not known at this time what percent of funding in this component can be directly linked with welfare reform.
1179	Community Development Assistance		X	It is not known at this time what percent of funding in this component can be directly linked with welfare reform.
	EDUCATION			
2114	Teaching & Learning Support Quality Schools		X	It is not known at this time what percent of funding in this new component directly support welfare reform. State welfare and education programs are addressing the need for linking education to subsequent employment (school to work program).

**WELFARE REFORM
BUDGET COMPONENTS BY AGENCY BY BRU**

Comp #	DEPARTMENT/BRU/COMPONENT	WELFARE REFORM RELATED		COMMENTS
		ALL	PART	
173	Education Special Projects		X	A small portion (teen parenting programs, Alaska Career Information System) will support welfare reform efforts.
166	Special and Supplemental Services		X	Funds for adult basic education (\$3,080.0 federal funds) support welfare reform efforts.
	LABOR			
331	Employment Security Alaska Work Program		X	It is not known at this time what percent of the Alaska work programs funding would directly support welfare reform efforts.
336	Administrative Services Labor Market Information		X	Modifications to the current population survey sample and the statistical models used to capture labor force estimates under the new law will be required. Cost estimates are not known at this time.
	LAW			
2021	Civil Division General Legal Services		X	A small portion of the general legal services funding (\$7.0 million) will support welfare reform efforts (e.g., to enforce stricter child support enforcement laws).
	HEALTH & SOCIAL SERVICES			
	Public Assistance			
220	ATAP (formerly AFDC)	X		100% welfare reform related
2222	Adult Public Assistance		X	Includes other public/medical assistance programs.
223	OAA-ALB Hold Harmless		X	Includes other public/medical assistance programs.
225	PFD Hold Harmless		X	Includes other public/medical assistance programs.
238	Alaska Work Programs	X		100% welfare reform related
1811	Child Care Benefits	X		100% welfare reform related
	Medical Assistance			
229	Medical Non-Facility		X	Includes other public/medical assistance programs.
966	Medicaid PFD Hold Harmless		X	Includes other public/medical assistance programs.
231	Medical ALB Hold Harmless		X	Includes other public/medical assistance programs.
	Public Assistance Administration			
233	Public Assistance Administration		X	Includes other public/medical assistance programs.
234	Quality Control		X	Includes other public/medical assistance programs.
2118	Public Assistance Field Services		X	Includes other public/medical assistance programs.
237	Fraud Investigation		X	Includes other public/medical assistance programs.
240	Public Assistance Data Processing		X	Includes other public/medical assistance programs.
	Medical Assistance Administration			

**WELFARE REFORM
BUDGET COMPONENTS BY AGENCY BY BRU**

Comp #	DEPARTMENT/BRU/COMPONENT	WELFARE REFORM RELATED		COMMENTS
		ALL	PART	
242	Medical Assistance Administration		X	Includes other public/medical assistance programs.
	PUBLIC SAFETY			
500	Division of Motor Vehicles Driver Services		X	A small portion (7%) of the driver services funding will support welfare reform by processing license suspensions for individuals with CSED arrearages.
	REVENUE			
111	Child Support Enforcement Division Child Support Enforcement Division		X	A substantial portion of the CSED funding will support welfare reform efforts through the process of garnishing the dividends of individuals delinquent in their child support payments.
	COURT SYSTEM			
768	Trial Courts Child Support Enforcement		X	A very small portion of the trial courts funding will be required to process additional child support enforcement cases and appeals.



Legislative Fiscal Analyst Policy Brief

Federal Welfare Reform: Fiscal Effect on Alaska

Prepared by the *State of Alaska, Legislative Finance Division*



Legislative Fiscal Analyst Policy Brief

Federal Welfare Reform (H.R. 3734): Fiscal Effect on Alaska

SUMMARY

Federal and State Welfare Reform

In August 1996, the Congress passed and the President signed The Personal Responsibility and Work Opportunity Reconciliation Act of 1996. In May 1996, the Alaska State Legislature passed state welfare reform legislation (Chapter 107, SLA 1996 (SB98)). The law implementing the Alaska Temporary Assistance Program (ATAP) was designed to work with federal welfare reform legislation.

The state welfare reform law changes statutes and provides policy direction to the administration. However, many policy decisions and requirements in the federal and state law will be made and refined in a major rewrite of state regulations relating to public assistance. The passage of federal welfare reform will also require additional statutory changes to align the state's law with federal requirements - mainly for Title III, Child Support Enforcement.

Impact on Alaska

In this policy brief we summarize features of H.R. 3734 and SB 98 and their potential fiscal effects on Alaska – both federal funds and state general funds. There are many changes as a result of federal and state welfare reform law. This policy brief is a chance to look at the major provisions of welfare reform and assign dollar figures to their effect on Alaska – primarily a loss of federal funds. The net effect on federal funds is a loss of \$4.5 million over the six years of implementation. This includes the cash equivalent value of Food Stamps which are not included in the state budget. The assumptions made about welfare reform are dependent on caseload and demographic changes.

Title I, the Temporary Assistance for Needy Families establishes a block grant to replace the uncapped Aid to Families with Dependent Children assistance

program. Our analysis is that Alaska will receive more funding under a block grant than under the AFDC program. There are longer term concerns about a block grant, since economic downturns not only are likely sometime in the future, but virtually assured. In the past when caseloads and expenditures sharply increased, the federal government shared in the cost of the increases.

The Alaska State Department of Health and Social Services is changing the focus for providing assistance benefits from making sure that benefits are accurate, to helping people transition from welfare to work. However, much of the budgeting for welfare will remain the same. Appropriations will be made for benefit payments, eligibility determination, and administration of the program. The legislature will determine the level of funding for work programs and child care. Changes embodied in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 will directly impact the following Alaska agencies: Health and Social Services, Community and Regional Affairs, Revenue (Child Support Enforcement), and Education.

Following is a summary of the impact on federal funds to Alaska. More detailed analysis follow for each program:

**Personal Responsibility and Work Opportunity Reconciliation Act of 1996
Impact on Federal Funds to Alaska**

The Act consists of the following nine Titles	(In Thousands)	
	FY97	FY98 - 02
Title I: Temporary Assistance for Needy Families		\$31,600.0 ^a
Title II: Supplemental Security Income (SSI)	-1,000.0	-12,778.0
Title III: Child Support	255.6	
Title IV: Restricting Welfare for Noncitizens	-132.0	-10,778.4
Title V: Child Protection	845.0	
Title VI: Child Care	585.0	2,415.0
Title VII: Child Nutrition	-65.0	-7,825.0
Title VIII: Food Stamps		-6,000.0
Title IX: Miscellaneous	-340.5	-1,310.0

^a The range of additional federal funds is from \$10 to \$31.6 million dollars.

TITLE I: BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Program Provisions

Federal welfare reform

- Ends the federal entitlement of individuals to cash assistance.
- Replaces the AFDC and JOBS programs with a block grant with strong emphasis on work.
- Sets a 60-month lifetime limit on benefits for most families.
- Time limit does not mean that the state is required to provide assistance to an individual for any period of time.
- Allows tribal entities to receive direct federal funding to serve Native people under Tribal Family Assistance programs, of which there are 12 regional ANCSA non-profits plus Metlakatla in Alaska.
- Changes rules for federal child care funding and provides additional federal child care funding to tribal entities.
- Allows states flexibility to determine eligibility and set benefit levels.

State welfare reform

- Entitles eligible recipients to cash assistance. Automatic benefit reductions effective January 2000, unless the legislature reestablishes assistance levels during 1999 session, or Temporary Assistance budget for FY99 is less than or equal to FY97 level.
- Mandates that most recipients of cash assistance are to participate in work activities within two years.
- Sets a 60-month lifetime limit on benefits, except for:
 - * Cases that do not include an eligible adult (child only cases)
 - * Cases that fall under hardship criteria established by DHSS in regulations. Hardship exemptions are limited to 20% of caseload. Hardship exemptions cover families with:
 - an incapacitated adult,
 - a domestic violence victim in continued danger,
 - a parent caring for a disabled child, or
 - others defined in regulation.
- Allows DHSS to cooperate with Alaska Native Organization grantees.
- Does not change Permanent Fund Dividend Hold Harmless program in state statute.
- Adds Child Support Enforcement provisions; one of these allows for revoking professional and drivers licenses for delinquent obligors.

TITLE I: BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
 continued

Tribal welfare reform

- Alaska Native organizations may receive TANF funding directly from the federal government. State grant is reduced by the amount received by Alaska Native organizations. *A major policy question will be whether the State will match the federal funds that do not pass through the Alaska state budget.*
- Under federal law, Tribal Family Assistance (TFA) programs in Alaska must operate a Family Assistance program in accordance with requirements comparable to the program of the State of Alaska unless a waiver is requested. In Alaska, this is the 12 regional ANCSA non-profits plus Metlakatla. *The Alaska Department of Health and Social Services has been holding meetings with tribes interested in operating TFA programs. Issues discussed are: state match, comparability, data collection efforts, and reporting requirements. In addition, if a regional corporation operates a TFA in a service delivery area, it may make sense to contract with the regional corporation to serve non-natives in that area - how would that be accomplished? Another area under discussion is that Food Stamp and Medicaid programs would continue to be state, not tribal programs - how will eligibility for Food Stamps and Medicaid be determined if a regional corporation operates a TFA program? Now, state workers complete eligibility determination for all three programs at the same time. This has been a complex process. Would the state contract for the eligibility determination?*
- Native Organizations in Alaska can negotiate with the Secretary of the USDHHS for work participation rates and time limits appropriate for the economic conditions and resources of their region. *In other words, work participation and time limits may be different for Tribal Family Assistance programs.*
- If tribes do not negotiate directly, the time limit for benefits do not apply in Alaska Native villages with at least a population of 1,000 and 50% unemployment. *This is problematic because the Alaska Department of Labor does not compile unemployment statistics by village. Other problems exist, such as definition of Alaska Native Village, and the very small number of native communities with more than 1,000 residents.*
- Native organizations receive additional child care funding and the amount of the federal FY94 Job Opportunity and Basic Skills funding, directly from the federal government. (The JOBS program is repealed. However, JOBS funding continues -- state JOBS funds are included in the TANF block grant).

TITLE I: BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
continued

Major Fiscal Effects on Alaska

TANF block grant

- Alaska qualifies for an annual cumulative 2.5% increase in the block grant because the state had a population increase of more than 10% from April 1, 1990, to July 1, 1994. The additional funds will be provided on a pro rata basis to eligible states if Congress provides insufficient authorization. The federal FY97 block grant amount is \$63,609,000. Over the six years of the block grant, Alaska will receive an increase in federal funds of \$24.6 million.
- * Assuming no recession and assuming benefit payments and other administrative costs for the Alaska Temporary Assistance Program (ATAP) continue at a 50% state match, over the six years of the TANF block grant:
 - Federal funds: an estimated cumulative increase of from \$10 to \$32 million in federal funds. These savings would be available for other expenditures or for reinvestment in welfare programs.
 - General funds: an estimated cumulative decrease in general fund authorization needed for the new ATAP program, of from \$20.0 to \$36.0 million over the six years of the analysis.
- In FY97, there is projected to be \$1.5 million in federal receipts for the Aid to Families with Dependent Children program. *The State of Alaska plans to implement the ATAP program April 1, 1997.* This amount is over and above the estimated amount needed for benefit payments for the program. The Department of Health and Social Services intends to use these federal receipts for the upgrade of the public assistance Eligibility Information System. The department has the federal authorization for these expenditures.

TITLE I: BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
continued

<p>Alaska Temporary Assistance Program (ATAP)</p>	<ul style="list-style-type: none"> • The following are some of the adjustments to expenditures that will occur with the ATAP program. <ul style="list-style-type: none"> * Savings from: <ul style="list-style-type: none"> • reducing benefit payments when shelter (housing) costs are lower than the standard shelter costs for similar families; • making diversion payments - a lump sum payment in place of ongoing assistance; • reducing benefit payments in July, August and September each year; • reducing by 25% a family's grant when the adult fails to cooperate with paternity establishment or a support order; • reducing benefit when family does not comply with self sufficiency plan or work participation requirements; • reducing benefit equal to minor parent's portion of benefit, if a minor parent fails to meet school attendance requirements. * Increase for state only payments of \$50 pass-through (see Title III)
<p>Administrative cap</p>	<p>Fifteen percent of block grant, excluding computer costs for tracking recipients. Alaska currently spends approximately 10% to administer the AFDC program.</p>
<p>Transfers</p>	<p>States may transfer up to 30% of the funds from the TANF block grant into the child care block grant and the Social Services Block Grant (SSBG). States may transfer no more than 10% to the SSGB. <i>Alaska uses the SSBG to offset expenditures in the Alaska Division of Family and Youth Services. Congress reduced the federal authorization for the SSBG in federal FY97 (see Title IX).</i></p>
<p>Maintenance of effort</p>	<p>The state cannot reduce nonfederal spending below 80% of federal FY94 state spending on AFDC and related programs. This maintenance of effort requirement would be reduced to 75%, if the state has met the work participation requirement. Alaska's maintenance of effort at 80% of expenditures is \$53,723,106. In FY97, work participation requirements are 25% for all families, 75% for two-parent families. According to the Alaska Department of Health and Social Services, the preliminary estimates for Alaska's all family rate is 11%; the two-parent rate is no higher than 17%. This is based on applying the new work participation requirements to the October 1996 Alaska Work Program caseload. Traditionally the month of October reflects the average caseload for the year.</p>

Federal Welfare Reform (H.R. 3734): Fiscal Effect on Alaska

TITLE I: BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

continued

<p>Additional funds</p>	<ul style="list-style-type: none"> • There is no estimate of the amount Alaska would potentially receive. Federal funds may be available from: <ul style="list-style-type: none"> * <i>A contingency fund</i> of \$2 billion in federal matching funds. For federal FY97 through FY01, funding is provided to states with high unemployment or high food stamp utilization. Alaska would access funds only in case of a severe economic downturn. * <i>A performance bonus</i> provides for cash bonuses to “high performing states” that meet the goals of the program in federal FY98 through FY02. * <i>An Illegitimacy reduction bonus fund</i> provides funding to each of the five states with the greatest success in reducing out-of-wedlock births without increasing abortions compared to the previous two-year period. If there are fewer than five states eligible for the bonus, the grant will be \$20 million each for federal FY99 -FY02. * In addition, the bill allows the Secretary to increase the federal share of <i>Medicaid administrative costs</i> for the new eligibility rules.
<p>Medicaid</p>	<ul style="list-style-type: none"> • Comprehensive Medicaid reform was not included in the welfare reform bill. However, welfare reform did change the link between AFDC (now TANF) and Medicaid. • A state cannot use a more restrictive eligibility requirement for Medicaid benefits than it had for AFDC on July 16, 1996. <i>If the requirements for the ATAP are very different from the requirements for AFDC on July 16, 1996, then eligibility for both programs must be determined.</i>
<p>Budget issues</p>	<ul style="list-style-type: none"> • As long as a state meets the maintenance of effort requirement, the state can replace general fund obligations with federal funds, which in turn, can be used for other purposes. The opposite is also true, if the state’s program exceeds the federal authorization for the program, the state has to make up the difference with general funds. • The benefit payments are an entitlement in state statute. For it not to be an entitlement, the language in AS 47.27.025 Family Assistance would have to include “subject to available appropriation.” Attorneys would prefer that the law direct the administration as to what action to take if the appropriation falls short, pro-rate payments, etc. • We recommend that the legislature look at spending from the TANF block grant as a whole, both operating and capital expenditures. The legislature may elect to delay capital expenditures to offset general funds in the operating budget.

TITLE I: BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
continued

Tribal welfare reform

- To date, three regional non-profit corporations have expressed interest in operating a tribal assistance program: Central Council of Tlingit & Haida Indian Tribes, Maniilaq, and Tanana Chiefs Conference. The amount of their estimated tribal assistance grants in federal FY97 would be \$2,256,599, \$1,329,469, and \$2,650,192, respectively
- If regional corporations or Metlakatla operate a tribal assistance program, these funds reduce Alaska's federal block grant dollar for dollar and remove state responsibility for providing assistance to Alaska Natives living in these regions.

Tribal JOBS

- The JOBS program is repealed. However, JOBS funding continues -- state JOBS funds are included in the TANF block grant. Tribes will receive an amount equal to their FY94 JOBS funding to improve tribal member employability.

The new federal law does not restrict tribal JOBS services to people receiving TANF cash benefits. However, intent in the law states it is to help those receiving welfare assistance to become self-sufficient through employment. Tribes will receive in federal FY97 through FY02, the amount of tribal JOBS funds received for federal FY94. *Alaska has not matched the tribal JOBS in the past, although there have been proposals to do so.*

The following are annual amounts the regional corporations and Metlakatla will receive as the direct funding for their JOBS program in federal fiscal year, FY97 through FY02.

Copper River Native Association	\$7,296
Aleutian Pribilof Association	7,600
Arctic Slope Native Association	10,542
Kawerak, Inc.	80,415
Bristol Bay Native Association	54,427
Association of Village Council Presidents	326,075
Chugachmiut	10,356
Cook Inlet Tribal Council	285,377
Tanana Chiefs Conference	148,573
Kodiak Area Native Association	19,123
Metlakatla (Tribe with Reservation)	16,917
Maniilaq	75,267
Central Council of Tlingit & Haida Indian Tribes	124,791
Total	\$1,166,759

TITLE I: BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
continued

**Permanent Fund
Dividend hold
harmless (PFD HH)**

- The Permanent Fund Dividend Hold Harmless (PFD HH) program was included in Chapter 102, SLA 1982, which established the Permanent Fund and Permanent Fund Dividend program. The PFD HH program is codified in AS 43.23.075 to AS 43.23.085. The statute forbids public and medical assistance programs from considering the dividend as income when determining eligibility unless required to do so by federal law. The law provides up to four months of hold harmless coverage.
- The state has elected to replace benefits reduced or denied because of the receipt of a permanent fund dividend. The source of funds to replace lost benefits is the PFD fund. Fiscal Year 1986 was the first year the hold harmless program was funded from the PFD fund, prior to that it was from the general fund. In FY97, the legislature appropriated \$21,716,500 to replace funding for five programs: Aid to Families with Dependent Children (AFDC), Food Stamps, Supplemental Security Income (SSI), Adult Public Assistance, and Medicaid. These benefits are replaced for a maximum of four months. Since FY92, the cost of the PFD HH for AFDC ranged from a low in FY93 of 8%, to a high in FY95 of 10%, of total expenditures.
- Under the old AFDC, the federal government required the PFD to be counted as income. It was a state decision to replace benefits reduced or lost because of the receipt of a PFD. Under the new Temporary Assistance for Needy Families (TANF) program, the federal government lets states decide what income to count for eligibility determination.
- The state could repeal the law authorizing the PFD HH program and replace it with a statute that would require the state to not count PFD as income. This would have the effect of increasing general fund and federal expenditures by the amount of the PFD funds currently replacing benefits lost: \$21,716,500 in FY97. At 50% federal and 50% general fund, this would have the impact of increasing total general fund expenditures by approximately \$10,900,000. People would continue to receive their normal benefit amount if the PFD was not counted as income (and they would otherwise qualify for benefits) and receive their PFD check.

Note: The State of Alaska, Division of Legislative Audit completed an audit report of the PFD HH program: *Department of Health and Social Services, Permanent Fund Dividend Hold Harmless Program*, dated October 4, 1993. This report has helpful background information about the program.

TITLE II: SUPPLEMENTAL SECURITY INCOME

Program Provisions

Disabled children	Eliminates benefits to children who are relatively less disabled. Currently, children may be eligible on the basis that an impairment exists which precludes them from performing age-appropriate activities. Effective July 1, 1997, or upon annual redetermination, age-appropriate criteria will not render eligibility.
Disabled adults	In March 1996, the Contract with America Advancement Act amended the Social Security Act to exclude individuals with alcohol or drug addiction as their primary disability, from receiving SSI benefits, effective January 1, 1997. The State Adult Public Assistance (APA) is a supplement to SSI and uses the same eligibility criteria as the SSI program. Individuals receiving SSI are also eligible for Medicaid benefits. When an individual loses their SSI, they also lose state APA benefits and therefore their Medicaid benefits.
Inmates	In order to avoid SSI payments to recipients incarcerated for more than 30 days, the Social Security Administration will pay states and local governments for the names of incarcerated individuals who are receiving SSI benefits. Payment is \$400 per individual if a name is provided within 30 days of becoming an inmate, or \$200 per individual if a name is provided after 30 days but within 90 days.

Major Fiscal Effects on Alaska

Disabled children	Reduction in federal funds of \$330,000 in FY98 because of a loss of Medicaid benefits for these children. A total reduction of \$2,970,000 over the next five years. Note: estimate of Medicaid costs is from the Alaska Department of Health and Social Services.
Disabled adults	Reduction in federal funds of \$1,000,000 in state FY97 and \$2,000,000 in FY98 and future years because of a loss of Medicaid benefits for 50% of adults in Alaska with a primary diagnosis of alcohol and drug addiction. Estimated general fund savings in the Adult Public Assistance program of \$500,000 in state FY97 and \$5,000,000 over the next five years. Note: estimate of Medicaid costs is from the Alaska Department of Health and Social Services.
Inmates	Increase in federal funds of \$38,400 per year. <i>The Alaska Department of Corrections currently provides the SSA with names of incarcerated individuals. Eight individuals, on average, are denied SSI each month because of incarceration.</i>

TITLE III: CHILD SUPPORT ENFORCEMENT

Program Provisions

<p>Case registry and disbursement system</p>	<p>Requires a centralized registry of child support cases and a centralized system of disbursement and collection of payments. The state case registry will be forwarded to a federal case registry to enhance interstate cooperation. <i>Alaska is planning to implement its new automated centralized registry of child support cases by March 1997. Alaska currently has a centralized registry and system of disbursement and collection of payments.</i></p>
<p>New hire directory</p>	<p>Effective October 1997, the federal law requires implementation of a new hire directory for all occupations, designed to assist in locating noncustodial parents. States must conduct data matches between the case registry and new hire directory by May 1998. All states will forward the new state hire registry to a new federal hire registry to enhance interstate cooperation. <i>Alaska currently requires some employers to report hiring information.</i></p>
<p>Financial institution data matches</p>	<p>Requires states to adopt procedures under which financial institutions provide to child support agencies data on noncustodial parents who have past-due obligations. The state agency must enter into agreements with financial institutions doing business in the state to develop and operate a data match system. Each quarter the financial institution is required to provide, the name, address, social security number or other taxpayer identification number for each noncustodial parent with an account at the institution and who owes past due child support, as identified by the state. <i>The Alaska Child Support Enforcement Division (CSED) anticipates that there will be statutory changes necessary to implement the child support enforcement provisions of the federal welfare reform law.</i></p>
<p>New enforcement techniques</p>	<p>Requires states to have numerous new enforcement techniques, including revoking drivers and professional licenses for delinquent obligors, expanding wage garnishment, and allowing states to seize assets. <i>Under provisions in the state welfare reform law, professional, occupational, and drivers licenses can be revoked. Statutory changes may be necessary to include recreational licenses. October 1, 1996, CSED started seizing professional and occupational licenses from noncustodial parents who are not in substantial compliance with their support order. CSED will begin revoking drivers licenses January 1997.</i></p>

TITLE III: CHILD SUPPORT ENFORCEMENT continued	
<p>Paternity establishment requirements</p>	<ul style="list-style-type: none"> • Expands the requirements on states for meeting specified paternity establishment rates: <ul style="list-style-type: none"> * The paternity establishment requirement is increased from 75% to 90%. States between 75-89% must improve 2% each year to avoid sanctions. <i>Alaska's paternity establishment rate in federal FY96 was 73%.</i> * Federal and state welfare reform require that the state deduct a minimum of 25% from a family's cash assistance grant when a program applicant fails to cooperate, without good cause, with the establishment of paternity or a support order for a child for whom assistance is received. Federal law allows the state to deny the entire amount of cash assistance to the family. * States who do not enforce non-cooperation sanctions will be penalized by up to five percent of the TANF block grant in the next fiscal year. * States have the option to deny food stamps to custodial and noncustodial parents failing to cooperate with paternity establishment. * The state has the option to disqualify noncustodial parents with arrearages from receiving food stamps benefits during any time the person has an unpaid liability.
<p>\$50 pass-through</p>	<p>Eliminates the requirement that the first \$50 of monthly collections for needy families be distributed to the custodial parent, effective October 1996. State law allows for the distribution.</p>
<p>Arrearage payments</p>	<p>Requires that collections on arrearages in specified cases be paid to the custodial parent rather than used to offset government expenditures for cash grants.</p>
<p>Federal incentive payments</p>	<p>Replaces the collections-based incentive system with a system based on performance measures, to be developed by the Secretary of Health and Human Services by March 1, 1997 and implemented by October 1999. The new system will be "revenue neutral" with respect to total federal expenditures.</p>
<p>Automation funding</p>	<p>Extends by two years (to October 1997) the time period for providing enhanced, 90%, matching federal funds for statewide automated child support systems.</p>

Federal Welfare Reform (H.R. 3734): Fiscal Effect on Alaska

TITLE III: CHILD SUPPORT ENFORCEMENT continued

Major Fiscal Effects on Alaska

Incentive payments and paternity establishment provisions	Unknown fiscal impact, beginning in 1999-2000, depending on (1) the effect of the new incentive payment system and (2) whether the state will meet the expanded paternity establishment requirements.
Automation funding	Increase of \$255,600 federal funds in state FY97 for enhanced federal funding of automation project. The State Child Support Enforcement Division has authorization for these funds from prior legislative and LB&A approval.

TITLE IV: RESTRICTING WELFARE AND PUBLIC BENEFITS FOR NONCITIZENS

Program Provisions

<p>Legal noncitizens in the US prior to enactment</p>	<ul style="list-style-type: none"> • Restrictions on federally funded programs: <ul style="list-style-type: none"> * Ineligible upon enactment for SSI and Food Stamps or upon annual redetermination if currently receiving benefits. Exceptions for: <ul style="list-style-type: none"> • those serving in the armed forces, veterans, and their respective dependents; • refugees and asylees within the first five years of US residency; • and those who have worked 40 quarters. * Upon enactment, states have the option to deny benefits under the Temporary Assistance for Needy Families (TANF) program, the Social Services Block Grant, and <u>nonemergency Medicaid</u>. Current recipients are covered until January 1, 1997. <i>The Knowles administration has decided that Alaska will not deny services to legal noncitizens.</i>
<p>Legal noncitizens arriving after enactment</p>	<p>Ineligible for all federal means-tested federal benefits for five years. Certain child nutrition and education programs are exempted from this ban.</p>
<p>Sponsorship provisions</p>	<ul style="list-style-type: none"> • Extends period of time for deeming sponsor's income until noncitizen has worked 40 quarters or obtained citizenship. • Extends deeming provisions to all federal means-tested programs. • Eliminates certain deemed income exemptions. • Makes sponsorship a legally binding requirement. • Authorizes government agencies to recoup from sponsors most governmental benefits paid to immigrants. <p>Note: Deeming means sponsor's income and resources are considered, or "deemed," available to the immigrant when determining program eligibility and benefit levels.</p>
<p>Illegal immigrants residing in the state</p>	<p>State and local governments can provide benefits to illegal aliens only if they pass a law after the date of H.R. 3734 that they intend to provide benefits. For example, if the state wants to provide pre-natal services to illegal immigrants, it can, but it must pass a law after the enactment of H.R. 3734 authorizing these benefits.</p>

Federal Welfare Reform (H.R. 3734): Fiscal Effect on Alaska

TITLE IV: RESTRICTING WELFARE AND PUBLIC BENEFITS FOR NONCITIZENS continued

Major Fiscal Effects on Alaska

SSI	Preliminary estimate by the Alaska Department of Health and Social Services is that there would be a reduction of federal funds of \$813,800 in state FY98. The reduction of federal funds over five years would be \$8,138,420.
Food Stamps	Legal aliens comprise 1,100 of the average 50,000 persons receiving Food Stamps each month. Legal aliens will be denied benefits starting April 1, 1997. The fiscal effect on Alaska is a reduction in federal funds of \$132,000 in state FY97 and \$2,640,000 over the next five years of the Act.

TITLE V: CHILD PROTECTION

Program Provisions

Child Welfare Services Case Management System	Title V extends the period for allowing states to receive enhanced federal matching funds for the development of a statewide automated child welfare information systems. The federal match will decrease from 75% to 50% on October 1, 1997, rather than on October 1, 1996.
Major Fiscal Effects on Alaska	
Federal funds	Alaska will receive \$845,000 more in federal funds in FY97. The Alaska Department of Health and Social Services will request additional authority from the Legislative Budget and Audit Committee.

TITLE VI: CHILD CARE

Program Provisions

Child Care and Development Block Grant

- October 1, 1996, the bill consolidates the existing IV-A child care funding sources (AFDC - JOBS, At-risk, and Transitional child care) with the Child Care Development Block Grant (CCDBG) into a single block grant.
While the new block grant has program changes and additional requirements, much of the child care program remains unchanged.
- * The new CCDBG sets a state administrative cap of 5% on all child care block grant funds. Under current federal law most services are allowed 15% for state and local administration.
- * States must use at least 70% of the total amount of mandatory funds to provide child care assistance to welfare recipients, to those in work programs and attempting to leave welfare, and those at risk of going on welfare. *These provisions make the child care block grant look very similar to the current funding for at-risk and transitional child care under AFDC.*
- * The block grant requires a 4% set-aside for activities to improve the quality and availability of child care.
- * It increases client income eligibility from 75% to 85% of the state medium income. *This change in federal law allows DCRA to align the poverty guideline of the CCDBG with the State Day Care Assistance Program. The Alaska Department of Community and Regional Affairs (DCRA) plans to have one income scale statewide for federal and state programs.*
- * It increases reporting requirements and reduces the time the state may take to obligate and expend mandatory matching funds.
- * The Alaska Department of Health and Social Services (DHSS) is the designated lead agency to receive the funding for the CCDBG. DHSS may continue to administer the child care program for Alaska Work Program participants. DHSS will transfer funding through an interagency agreement to DCRA for the at-risk and transitional child care programs.

TANF

States may transfer up to 30% of the funds from the TANF block grant into the child care block grant.

Federal Welfare Reform (H.R. 3734): Fiscal Effect on Alaska

TITLE VI: CHILD CARE continued	
Funding Streams	<ul style="list-style-type: none"> • Mandatory Funding - The <i>federal base allocation</i> requires no state match. However, there is a maintenance of effort requirement separate from the Temporary Assistance for Needy Families (TANF) block grant (see below). • Matching Funding - The use of federal <i>matching funds</i> requires a state to first spend their initial allotment and meet the maintenance of effort requirement. The state match requirement is 50%. • Discretionary Funding - Discretionary funding is authorized by the federal government annually. There is no state match requirement.
Tribal Child Care	<ul style="list-style-type: none"> • The Secretary of the Department of Health and Social Services can set aside 1% to 2% of the total national authorization for the CCDBG for tribal organizations. • Tribes will get mandatory and discretionary funds. There is no match requirement for tribes. • Tribes are not bound by the 5% administrative cap placed by the Act on state child care funds. The mandatory tribal child care funds will be treated like the former CCDBG funds, 63.75% must be used for direct services, with the remaining portion being for quality improvement, administrative expenses, and other services.
Major Fiscal Effects on Alaska	
Gain in federal funds	<ul style="list-style-type: none"> • Federal funds increase by \$585,000, or 11%, in state FY97 compared to FY96 actual expenditures. Federal funds increase by 29% in FY98 compared to state FY97. The cumulative increase over the six years of the block grant is \$3 million dollars. • Tribes in Alaska will receive 56% more in federal FY97 than in FY96; these amounts are \$4,829,920 and \$7,508,216 respectively.
State match	<p>In essence, the match requirement for mandatory and matching funds is 50% of federal expenditures. In state FY97, if the state spent all federal child care funds available under the block grant, the state match for the mandatory and matching funds would be \$3,013,089 and \$1,521,565, respectively.</p>

TITLE VII: CHILD NUTRITION PROGRAMS

Program Provisions

Illegal Immigrants

Provides state the option to deny nutrition benefits, other than school lunch and breakfast, to illegal immigrants.

Child and Adult Care Food Program

- The changes to this program affect the Child Care Food Program which reimburses licensed day care home providers for meals served to children in their care. This is a 100% federally funded entitlement program. Under current federal law, all licensed day care providers are reimbursed at the same rate. The new law establishes a two-tier reimbursement rate structure as of July 1, 1997, which lowers the rate for families with incomes above 185% of the poverty level.
- *This program has been an incentive for home day care providers to become licensed by the state. Licensing sets standards for an acceptable level of care. Licensed facilities must meet state regulations. Because a license limits the number of children for which a person can provide care, a provider can make more money by not being licensed. Reducing this incentive may lead to fewer licensed day care providers. While licensing does not guarantee a child's safety, it does reduce predictable risks of harm.*

Nutrition Education and Training Program

- Changes to discretionary funding, dependent on annual appropriations.
- *The Alaska Department of Education uses these funds for training classes and mini-grants to child care center providers; schools; Head Start; and Women, Infant, and Children program nutritionists.*

Major Fiscal Effects on Alaska

Federal Funds

- A reduction in the rate structure for the Child and Adult Care Food Program may result in a reduction to the state of \$1,500,000 per year beginning in FY98. The total estimate for the next five years would be \$7,500,000.
- Loss of the \$65,000 Nutrition Education and Training Program grant in state FY97. Possible loss of \$325,000 over the next five years because the grant is now dependent on annual appropriations.

TITLE VIII: FOOD STAMPS AND COMMODITY DISTRIBUTION

Program Provisions

<p>Food Stamp program</p>	<ul style="list-style-type: none"> • Alaska receives and budgets federal funds for the administrative costs of the Food Stamp program; the value of food stamp coupons are not included in the state budget. This understates a major portion of public assistance to Alaskans. The cash equivalent of the food stamp coupons issued in state FY96 was \$53.0 million. • The Food Stamp program retains its current structure as an uncapped, individual entitlement. States do not have the option to choose a food stamp block grant and alter the structure of the program. The law does include broad new waiver authority allowing states to request waivers for welfare reform, work projects, or requests for similar requirements among programs. The law increases fraud prevention penalties for Food Stamp recipients. • The changes in federal law limit receipt of food stamps to three months for most able-bodied recipients who are not working and have no children, and modifies regulations concerning EBT programs.
<p>Electronic Benefit Transfer (EBT)</p>	<p>Requires all states to implement EBT by October 1, 2002, unless a waiver is obtained from the Secretary of Agriculture. <i>Alaska's EBT implementation is scheduled for 1998.</i></p>
<p>Reduction in benefits</p>	<ul style="list-style-type: none"> • Reduces the maximum food stamp benefit by about 3%. The standard deduction will remain frozen at FY96 levels. The excess shelter (housing) deduction will remain capped at current-law levels through December 31, 1996, and then rise incrementally through federal FY01. • Children under 21 who are married or have their own children may no longer be treated as a separate Food Stamp household if living with their parents or other family members. • Individuals whose benefits are reduced under another means-tested program as a penalty cannot have their food stamp benefit increased. Previously, if the AFDC benefit was reduced, the Food Stamp benefit would increase. Approximately 50% to 55% of the AFDC caseload receives Food Stamp benefits.

Major Fiscal Effects on Alaska

<p>Federal Funds</p>	<p>The estimate of the loss of federal funds to Alaskans over the six years the program is reauthorized is approximately \$4 to \$8 million.</p>
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TITLE IX: MISCELLANEOUS

Program Provisions

Social Services Block Grant (SSBG)

- Title IX includes a provision that reduces the allocation SSBG funds to states by 15% for federal fiscal years 1996 through 2002. Alaska is using the SSBG to fund child protective services, residential care day treatment, and salaries of child protective staff development. The child protective services portion includes funding for social workers and probation officers.
- The SSBG can be used for vouchers for families ineligible for or denied cash assistance under Title IV-A because of a family cap or the five year time limit on benefits. *If Alaska's SSBG were used for these purposes an alternative funding source for the Alaska Division of Family and Youth Services funded with SSBG funds would have to be found or services reduced.*

Abstinence education

In federal FY98, \$50 million a year in mandatory funds will be added to the appropriations of the Maternal and Child Health (MCH) Block Grant. The funds would enable states to provide abstinence education with the option of targeting the funds to high risk groups. Education activities are explicitly defined.

Major Fiscal Effects on Alaska

SSBG

Alaska's federal FY95 grant was \$6,407,406. A 15% reduction would be a loss of \$340,500 for federal FY97 or \$1,702,500 over the next five years.

Abstinence education

Alaska's federal FY98 grant is \$78,500, for every \$4 spent, \$3 of state or local match is required. Additional federal funds over five years would be \$392,500.

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

DIVISION OF LEGISLATIVE FINANCE

The Legislative Budget and Audit Committee is a permanent interim committee of the Alaska Legislature. The committee is made up of five senators and five representatives, with one alternate from each legislative chamber. The chairmanship of the committee alternates between the two chambers every legislature.

The committee is responsible for providing the legislature with audits of state government agencies. The programs and activities of state government now cost more than \$5 billion a year. As legislators and administrators try increasingly to allocate state revenues effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies.

One of the primary responsibilities of a state legislative body is to research, draft, and enact revenue and appropriation measures. The Legislative Finance Division has the following statutorily assigned responsibilities to support the legislative budget process:

- Analyze the budget appropriation requests of each department, institution, bureau, board, commission, or other agency of state government.
- Analyze the revenue requirements of the State.
- Provide the finance committees of the Legislature with comprehensive budget review and fiscal analysis services.
- Cooperate with the Office of Management and Budget in establishing a comprehensive system for State program budgeting and financial management as set out in the Executive Act (AS 37.07).
- Complete studies and prepare reports, memoranda, or other materials as directed by the Legislative Budget and Audit Committee.

Legislative Budget and Audit Committee

Chair:

Rep. Terry Martin

Rep. Con Bunde

Rep. John Davies

Rep. Gary Davis

Rep. Vic Kohring

Alternate:

Rep. Mark Hanley

V-Chair:

Sen. Randy Phillips

Sen. Al Adams

Sen. Steve Frank

Sen. Rick Halford

Sen. Steve Rieger

Alternate:

Sen. Fred Zharoff

Legislative Finance Division

Michael Greany,
Legislative Fiscal Analyst

This report was prepared by:

Susan Taylor
Fiscal Analyst

House Finance Committee
Welfare Reform Implementation Overview

February 6, 1997

Agenda

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| 1. Overview of Changes in State and Federal Law | Karen Perdue, DHSS
Jay Livey, DHSS |
| 2. Implementation of SB 98
AK Temporary Assistance Program (ATAP) | Chris Ashenbrenner, DPA |
| 3. The Welfare-to-Work Challenge
a. Magnitude of the Challenge
b. The "Work First" Approach
c. Reinvestments | Jim Nordlund, DPA |
| 4. Child Support | Glenda Straube, CSED |
| 5. Immigrants and other Federal Law Changes | Jay Livey, DHSS |
| 6. Child Care Service Integration | Sherrie Goll, DPA
Bill Mailer, DCRA |

BLUEPRINT FOR WELFARE REFORM


Four core principles:

- ◆ emphasize work
- ◆ limit benefits
- ◆ maintain a safety net
- ◆ promote responsibility

How the Welfare World Changed in 1996

<i>State/SB 98 June 26, 1996</i>	<i>Federal/HR 3734 August 22, 1996</i>
◆ Rewrites AFDC to ATAP two way bill	◆ AFDC to TANF
◆ Child Support	◆ Child Support
	◆ Food Stamps and Commodities
	◆ Social Security Income
	◆ Child Protection
	◆ Child Care
	◆ Child Nutrition
	◆ Non-Citizens
	<p style="text-align: center;"><u>Related Issues</u></p> <p style="text-align: center;">Housing</p> <p style="text-align: center;">Immigrant Legislation</p> <p style="text-align: center;">Earned Income Tax Credit</p> <p style="text-align: center;">Minimum Wage</p>

Key Implementation Dates

12/96	Food Stamp work provision clock begins
1/97	Disability payments and Medicaid ends for SSI recipients with primary diagnosis of alcohol or drug abuse
2/97	New welfare rules for teens begin
4/97	Employable adults begin to lose food stamps if not working (1800 may be impacted)
4/97	New definition of childhood disability used by Social Security kids will start losing benefits and be denied (approx 250)
4/97	Legal alien food stamp recipients begin losing benefits
Spring 97	Alaska TANF State plan submitted to federal government 60 Month clock begins  recipients must work before 25 th month of assistance
7/97	Most provisions of ATAP program (SB98) begin
8/97	Most disabled and elderly legal immigrants lose SSI benefits (approx 675 impacted)



Department of Health and Social Services

Welfare Reform Briefing Paper

Comparison of Welfare Reform Plans: State and Federal Effected Changes

KEY FEATURES	STATE SB 98	FEDERAL HR 3734	COMMENTS
Cash Assistance	<ul style="list-style-type: none"> Establishes Alaska Temporary Assistance Program (ATAP). Repeals AFDC and JOBS programs. Promotes job preparation and work. Sets five year life time limit. Allows greater administrative flexibility. Funded with federal block grant, TANF, and state funds. Eliminates payment increment for two parent families. Reduces benefits for families with housing costs below standard. Reduces benefits for two parent families on welfare during summer months. 	<ul style="list-style-type: none"> Establishes Temporary Assistance for Needy Families (TANF). Repeals AFDC and JOBS programs. Promotes job preparation and work. Sets five year life time limit. Allows greater administrative flexibility. Provides set asides for Regional Native Corporations. Requires a percentage of recipients be in work activities and sets penalties against states for not meeting these rates. 	Effective when new program regulations are in place, and when the state provides the federal government with a written plan which is anticipated to be late spring 1997.
Food Policy	No changes.	<ul style="list-style-type: none"> Reduces maximum benefit levels. Limits single employable food stamp recipients who are not working to 3 months of food stamps in 3 years. Allows states to apply for a waiver from this requirement when unemployment is 10% or greater. 	<ul style="list-style-type: none"> 17,000 Alaska households receive food stamps, with a total of 50,000 individuals. Effective December 1, 1996; benefits stop when case is reviewed after April 1997.
Teen Parents Receiving ATAP	<ul style="list-style-type: none"> Requires unmarried teen parents to live with parent or responsible adult, and complete high school. 	<ul style="list-style-type: none"> Provides option to states to deny benefits to unmarried teen parents or require them to live with parent or responsible adult, and complete high school. 	Effective February 1997.

KEY FEATURES	STATE SB 98	FEDERAL HR 3734	COMMENTS
Legal Immigrants	No changes.	<ul style="list-style-type: none"> • Some exceptions for certain legal immigrants. • Ends Food Stamp coverage. • Denies most legal immigrants benefits. • Provides states option to continue Medicaid coverage. 	<ul style="list-style-type: none"> • 1,100 legal immigrants lose food stamp eligibility. • 1,850 legal immigrants currently on Medicaid and 800 on AFDC. • 800 legal immigrants will lose SSI coverage.
SSI	No changes.	<ul style="list-style-type: none"> • Ends coverage for people whose disability was primarily due to drug abuse or alcoholism. • Ends coverage for legal immigrants. • Changes definition of childhood disability. 	<ul style="list-style-type: none"> • Benefits end January 1997 for people whose disability is drug abuse or alcoholism and if they did not qualify under another disability. • 800 legal immigrants lose \$470/month. • 250 Alaskan children will need to be reviewed with possibly 50 of them losing benefits.
Child Care	No changes.	<ul style="list-style-type: none"> • Consolidates four child care programs into one called Child Care Development Fund. • Reduces child nutrition programs. 	DHSS and DCRA are working together with other partners to coordinate a delivery system.
Child Support	<ul style="list-style-type: none"> • Reduces interest rate on child support arrearages from 12% to 6%. • Revokes occupational and driver's licenses of delinquent obligors unless agrees to payment plan within 120 days. • Requires parents of unmarried teen parents to pay child support for their grandchild. 	<ul style="list-style-type: none"> • Develops automated systems capable of locating noncustodial parents. • Creates new hire reporting registries, so that child support withholding can begin immediately. • Requires states to report delinquencies to credit bureaus. • Revokes occupational, driver and recreational licenses of delinquent obligors. • Improves interstate enforcement abilities. • Requires states to have common paternity procedures for interstate cases. 	<p>The effective date for federal changes is October 1, 1996, but allows grace period so that states can make necessary legislative changes.</p> <p>Revocation of occupational and driver licenses is effective October 1, 1996 in Alaska.</p>