

ALASKA LEGISLATURE

1641

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

Agency Totals - 1997 Operating Budget

Agency: Department of Commerce and Economic Development

	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
Totals for Agency	55,961.8	69,219.9	57,794.0	49,505.6	-8,288.4	-14.3%
<u>Objects of Expenditure:</u>						
Personal Services	22,665.4	23,158.4	21,166.5	22,484.8	1,318.3	6.2%
Travel	1,941.3	2,031.8	1,825.1	1,823.1	-2.0	-0.1%
Contractual	26,067.9	26,863.1	25,817.8	24,132.2	-1,685.6	-6.5%
Commodities	816.3	602.8	578.5	593.5	15.0	2.6%
Equipment	805.2	232.9	213.9	232.2	18.3	8.6%
Lands/Buildings	4.8	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	3,660.7	14,688.0	8,192.2	478.0	-7,714.2	-94.2%
Miscellaneous	0.2	1,642.9	-0.0	-233.2	-238.2	0.0%
<u>Funding Sources:</u>						
1002 Fed Rcpts	4,030.4	5,275.0	3,650.0	3,657.6	7.6	0.2%
1003 G/F Match	890.4	1.3	520.1	514.9	-5.2	-1.0%
1004 Gen Fund	13,100.6	11,709.8	9,578.5	9,268.5	-310.0	-3.2%
1005 GF/Prgm	25,821.4	10,966.0	1,756.2	3,059.6	1,303.4	74.2%
1007 I/A Rcpts	523.7	952.3	1,334.3	1,254.9	-79.4	-6.0%
1022 Corp Rcpts	4,115.5	4,847.8	4,890.0	0.0	-4,890.0	-100.0%
1025 Sci/Tech	4,103.8	15,913.9	9,529.9	757.5	-8,772.4	-92.1%
1035 Vet Loan	227.3	216.7	234.7	234.7	0.0	0.0%
1036 Cm Fish Ln	2,322.1	2,458.5	2,579.7	2,579.7	0.0	0.0%
1040 Surety Fnd	169.9	276.1	268.6	265.9	-2.7	-1.0%
1057 Small Bus	7.6	8.0	2.5	2.5	0.0	0.0%
1061 CIP Rcpts	96.7	135.0	135.0	133.6	-1.4	-1.0%
1067 Mining RLF	8.6	9.0	5.0	5.0	0.0	0.0%
1068 Child Care	6.2	6.5	5.5	5.5	0.0	0.0%
1069 Hist Dist	2.9	3.0	3.0	3.0	0.0	0.0%
1070 Fish En Ln	259.5	273.8	289.2	289.2	0.0	0.0%
1071 Alt Energy	263.8	277.5	154.3	154.3	0.0	0.0%
1072 Res Energy	11.4	8.8	0.0	0.0	0.0	0.0%
1091 GF/Desig		15,880.9	22,857.5	22,429.2	-428.3	-1.9%
1101 AERO Rcpts				43.2	43.2	%
1102 AIDEA Rcpt				3,788.5	3,788.5	%
1107 AEA Rcpts				1,058.3	1,058.3	%
<u>Positions:</u>						
Perm Full Time	391.0	390.0	345.0	375.0	30.0	8.7%
Perm Part Time	14.0	16.0	9.0	12.0	3.0	33.3%
Non-Perm	0.0	0.0	0.0	0.0	0.0	0.0%

Component Summary - FY98 Operating Budget

Agency: Department of Commerce and Economic Development

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
Measurement Standards							
1	Measurement Standards	2,886.8	2,906.4	0.0	2,951.1	2,951.1	%
	* BRU Total	2,886.8	2,906.4	0.0	2,951.1	2,951.1	%
Banking, Securities, and Corp							
2	Banking, Securities and Corp	1,613.9	1,704.3	1,697.3	1,697.3	0.0	0.0%
	* BRU Total	1,613.9	1,704.3	1,697.3	1,697.3	0.0	0.0%
Insurance							
3	Insurance Operations	3,890.7	4,795.9	4,241.4	4,199.0	-42.4	-1.0%
	* BRU Total	3,890.7	4,795.9	4,241.4	4,199.0	-42.4	-1.0%
Occupational Licensing							
4	Operations	4,221.7	5,854.6	4,958.6	4,909.0	-49.6	-1.0%
5	Licensing Boards	175.6	260.7	175.0	173.2	-1.8	-1.0%
	* BRU Total	4,397.3	6,115.3	5,133.6	5,082.2	-51.4	-1.0%
Alaska Public Utilities Comm							
6	Operations	3,382.1	3,978.2	4,117.5	4,099.0	-18.5	-0.4%
	* BRU Total	3,382.1	3,978.2	4,117.5	4,099.0	-18.5	-0.4%
Executive Administration and Development							
7	Commissioner's Office	650.8	540.1	597.3	512.5	-84.8	-14.2%
8	Administrative Services	1,180.7	1,097.8	1,198.5	1,439.2	240.7	20.1%
	* BRU Total	1,831.5	1,637.9	1,795.8	1,951.7	155.9	8.7%
Division of Trade and Development							
9	Trade and Development	3,286.0	2,497.6	2,528.4	3,348.3	819.9	32.4%
	* BRU Total	3,286.0	2,497.6	2,528.4	3,348.3	819.9	32.4%
Investments							
10	Investments	3,146.2	3,293.1	3,330.9	3,330.9	-0.0	-0.0%
	* BRU Total	3,146.2	3,293.1	3,330.9	3,330.9	-0.0	-0.0%
Tourism							
11	Tourism Development	3,119.9	2,683.0	3,038.0	0.0	-3,038.0	-100.0%
12	Alaska Tourism Mktg Council	5,363.0	5,315.1	5,583.7	5,650.9	67.2	1.2%
	* BRU Total	8,482.9	7,998.1	8,621.7	5,650.9	-2,970.8	-34.5%

Component Summary - FY98 Operating Budget

Agency: Department of Commerce and Economic Development

Page	Budget Component	FY96 Act	FY97 Auth	Gov Amd	House	Gov Amd to House	
	AIDEA						
13	AIDEA	2,924.9	3,751.8	3,788.5	3,788.5	0.0	0.0%
14	Alaska Energy Auth Op & Maint	1,048.5	1,052.8	1,058.3	1,058.3	-0.0	-0.0%
	* BRU Total	3,973.4	4,804.6	4,846.8	4,846.8	-0.0	-0.0%
	Alaska Seafood Marketing Inst						
15	Alaska Seafood Marketing Inst	14,825.1	13,406.4	11,907.5	11,788.4	-119.1	-1.0%
	* BRU Total	14,825.1	13,406.4	11,907.5	11,788.4	-119.1	-1.0%
	Alaska Aerospace Devel Corp						
16	Ak Aerospace Development Corp	653.4	554.3	560.0	560.0	0.0	0.0%
	* BRU Total	653.4	554.3	560.0	560.0	0.0	0.0%
	Alaska Science and Technology Foundation						
17	AK Science & Tech. Foundation	3,592.5	15,527.8	9,013.1	0.0	-9,013.1	-100.0%
	* BRU Total	3,592.5	15,527.8	9,013.1	0.0	-9,013.1	-100.0%
	*** Total Agency Expenditure	55,961.8	69,219.9	57,794.0	49,505.6	-8,288.4	-14.3%
	Federal Funds	4,030.4	5,275.0	3,650.0	3,657.6	7.6	0.2%
	General Funds	39,812.4	38,558.0	34,712.3	35,272.2	559.9	1.6%
	Other Funds	12,119.0	25,386.9	19,431.7	10,575.3	-8,855.9	-45.6%

Component Summary - FY98 Operating Budget

General Funds Only

Agency: Department of Commerce and Economic Development

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
	Measurement Standards						
1	Measurement Standards	2,871.1	2,906.4	0.0	2,907.0	2,907.0	%
	* BRU Total	2,871.1	2,906.4	0.0	2,907.0	2,907.0	%
	Banking, Securities, and Corp						
2	Banking, Securities and Corp	1,613.9	1,675.2	1,668.2	1,668.2	0.0	0.0%
	* BRU Total	1,613.9	1,675.2	1,668.2	1,668.2	0.0	0.0%
	Insurance						
3	Insurance Operations	3,890.7	4,769.9	4,215.4	4,173.3	-42.1	-1.0%
	* BRU Total	3,890.7	4,769.9	4,215.4	4,173.3	-42.1	-1.0%
	Occupational Licensing						
4	Operations	3,901.2	5,263.4	4,371.9	4,328.2	-43.7	-1.0%
5	Licensing Boards	175.6	260.7	175.0	173.2	-1.8	-1.0%
	* BRU Total	4,076.8	5,524.1	4,546.9	4,501.4	-45.5	-1.0%
	Alaska Public Utilities Comm						
6	Operations	3,382.1	3,978.2	4,117.5	4,099.0	-18.5	-0.4%
	* BRU Total	3,382.1	3,978.2	4,117.5	4,099.0	-18.5	-0.4%
	Executive Administration and Development						
7	Commissioner's Office	525.2	452.6	458.7	387.9	-70.8	-15.4%
8	Administrative Services	1,026.9	734.0	748.2	748.2	0.0	0.0%
	* BRU Total	1,552.1	1,186.6	1,206.9	1,136.1	-70.8	-5.9%
	Division of Trade and Development						
9	Trade and Development	3,052.7	2,113.1	2,029.3	2,837.9	808.6	39.8%
	* BRU Total	3,052.7	2,113.1	2,029.3	2,837.9	808.6	39.8%
	Tourism						
11	Tourism Development	3,118.6	2,683.0	2,936.9	0.0	-2,936.9	-100.0%
12	Alaska Tourism Mktg Council	5,363.0	5,315.1	5,583.7	5,625.9	42.2	0.8%
	* BRU Total	8,481.6	7,998.1	8,520.6	5,625.9	-2,894.7	-34.0%
	Alaska Seafood Marketing Inst						
15	Alaska Seafood Marketing Inst	10,891.4	8,406.4	8,407.5	8,323.4	-84.1	-1.0%
	* BRU Total	10,891.4	8,406.4	8,407.5	8,323.4	-84.1	-1.0%

Component Summary - FY98 Operating Budget

General Funds Only

Agency: Department of Commerce and Economic Development

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
***	Total Agency Expenditure	39,812.4	38,558.0	34,712.3	35,272.2	559.9	1.6%

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Commerce and Economic Development

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Measurement Standards													
Measurement Standards													
Reduction to Travel	Dec	-50.0	0.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-22.0											
1005 GF/Prgm		-10.5											
1091 GF/Desig		-17.5											
Deny Governor's amendment: E.O. 98 - ATRn Prgm transferred to DOT		3,001.1	2,534.8	150.5	271.4	26.1	18.3	-0.0	-0.0	-0.0	45.0	7.0	-0.0
1002 Fed Rcpts		44.1											
1004 Gen Fund		1,618.1											
1005 GF/Prgm		1,314.5											
1091 GF/Desig		24.4											
		2,961.1	2,534.8	100.5	271.4	26.1	18.3	0.0	0.0	0.0	45.0	7.0	0.0
*** BRU Total ***		2,961.1	2,534.8	100.5	271.4	26.1	18.3	0.0	0.0	0.0	45.0	7.0	0.0
Insurance													
Insurance Operations													
1 % reduction from FY98 Governor	Dec	-42.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-42.4	0.0	0.0	0.0
1007 IA Rcpts		-0.3											
1091 GF/Desig		-42.1											
		-42.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-42.4	0.0	0.0	0.0
*** BRU Total ***		-42.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-42.4	0.0	0.0	0.0
Occupational Licensing													
Operations													
1 % reduction from FY98 Governor	Dec	-49.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-49.6	0.0	0.0	0.0
1007 IA Rcpts		-3.2											
1040 Surety Fnd		-2.7											
1091 GF/Desig		-43.7											
		-49.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-49.6	0.0	0.0	0.0
Licensing Boards													
1 % reduction from FY98 Governor	Dec	-1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.8	0.0	0.0	0.0
1091 GF/Desig		-1.8											
		-1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.8	0.0	0.0	0.0
*** BRU Total ***		-51.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-51.4	0.0	0.0	0.0
Alaska Public Utilities Comm													
Operations													
Reduction to Travel	Dec	-18.5	0.0	-18.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1091 GF/Desig		-18.5											
		-18.5	0.0	-18.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-18.5	0.0	-18.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Commerce and Economic Development

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Executive Administration and Development													
Commissioner's Office													
Reduce Personal Services-Special Assistant	Dec	-84.8	-84.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-70.8											
1007 IA Rcpts		-14.0											
		-84.8	-84.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Administrative Services													
Transfer 2 positions from ASTF	Trfn	145.3	145.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0
1025 Sci/Tech		145.3											
Transfer Support Costs for ASTF	Trfn	95.4	0.0	20.0	70.0	5.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1025 Sci/Tech		95.4											
		240.7	145.3	20.0	70.0	5.4	0.0	0.0	0.0	0.0	2.0	0.0	0.0
*** BRU Total ***													
		155.9	60.5	20.0	70.0	5.4	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Division of Trade and Development													
Trade and Development													
Delete 7PFT, 1PPT Positions and Funding	Dec	-460.8	-460.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-7.0	-1.0	0.0
1004 Gen Fund		-427.2											
1007 IA Rcpts		-33.6											
Restore Development Specialist	Inc	82.7	82.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
1004 Gen Fund		82.7											
Reduce Travel by 10 %	Dec	-20.0	0.0	-20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-20.0											
GF Increment for Made in Alaska	Inc	35.0	0.0	0.0	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		35.0											
Position transfer from Tourism	Trfn	140.4	140.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0
1004 Gen Fund		140.4											
Transfer remaining funding from Tourism	Trfn	967.9	0.0	85.7	760.2	24.0	0.0	0.0	98.0	0.0	0.0	0.0	0.0
1004 Gen Fund		712.6											
1005 GF/Prgm		40.5											
1007 IA Rcpts		50.0											
1091 GF/Desig		164.8											
Funding for forestry devel spec and Adm Clerk	Inc	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0
1004 Gen Fund		100.0											
1 % reduction from FY98 Governor	Dec	-26.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-25.3	0.0	0.0	0.0
1002 Fed Rcpts		-1.5											
1004 Gen Fund		-19.5											
1005 GF/Prgm		-0.6											
1007 IA Rcpts		-2.2											
1061 CIP Rcpts		-1.4											
1091 GF/Desig		-0.1											
		819.9	-137.7	65.7	795.2	24.0	0.0	0.0	98.0	-25.3	-2.0	-1.0	0.0
*** BRU Total ***													
		819.9	-137.7	65.7	795.2	24.0	0.0	0.0	98.0	-25.3	-2.0	-1.0	0.0

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Commerce and Economic Development

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Tourism												
Tourism Development												
Delete 6 PFT and Funding	-394.1	-394.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-6.0	0.0	0.0
1004 Gen Fund	-388.0											
1007 I/A Rcpts	-26.1											
Delete 3 Seasonal Positions-Tok	-51.7	-51.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.0	0.0
1004 Gen Fund	-51.7											
Reclassify Position PFT to PPT	-29.9	-29.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	1.0	0.0
1004 Gen Fund	-29.9											
Transfer two intl tourism positions to Trade & Devel	-140.4	-140.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
1004 Gen Fund	-140.4											
Transfer tourism inquiry section to ATMC	-109.9	-109.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.0	0.0	0.0
1004 Gen Fund	-109.9											
Transfer film ofc admin clerk to ATMC	-38.8	-38.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund	-38.8											
Transfer Tok Seasonal Position to ATMC	-46.6	-21.5	0.0	-25.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0
1004 Gen Fund	-21.5											
1007 I/A Rcpts	-25.0											
Reduce Tourism North Cooperative Mktg	-400.0	0.0	0.0	-400.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1091 GF/Desig	-400.0											
Reduction to GF contractual	-794.0	0.0	0.0	-794.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-794.0											
Transfer Travel Contractual for Film Ofc to ATMC	-65.0	0.0	-15.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-65.0											
Transfer remaining Tourism Funding to Trade & Development	-967.9	0.0	-85.7	-760.2	-24.0	0.0	0.0	-98.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-712.8											
1005 GF/Prgm	-40.5											
1007 I/A Rcpts	-60.0											
1091 GF/Desig	-164.8											
	-3,038.0	-788.1	-100.7	-2,029.2	-24.0	0.0	0.0	-98.0	0.0	-13.0	-3.0	0.0
Alaska Tourism Marketing Council												
Transfer inquiry section from Tourism	109.9	109.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	0.0	0.0
1004 Gen Fund	109.9											
Inquiry Section: Funding for postage other costs	150.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	150.0											
Transfer in Tok Seasonal Position from Tourism	46.6	21.5	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0
1004 Gen Fund	21.5											
1007 I/A Rcpts	25.0											
Deny Increment for Cable T.V.	-266.7	0.0	0.0	-266.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-200.0											
1091 GF/Desig	-66.7											
Reduce Contribution to Marketing	-733.4	0.0	0.0	-733.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	-550.0											

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Commerce and Economic Development

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Tourism													
Alaska Tourism Marketing Council													
Reduce Contribution to Marketing	Dec	-733.4	0.0	0.0	-733.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1091 GF/Desig		-733.4											
Transfer Film Ofc Admin Clk from Tourism	Trin	38.6	38.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
1004 Gen Fund		38.6											
Transfer in Film Ofc Travel/Contractual from Tourism	Trin	85.0	0.0	15.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		85.0											
Restore Film Ofc Decrement plus 1 PFT	Inc	167.3	80.3	0.0	77.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
1004 Gen Fund		157.3											
Partially restore Tourism North Funding	Inc	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1091 GF/Desig		250.0											
Restore funding for Tourism North Co-op Marketing	Inc	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		100.0											
1091 GF/Desig		150.0											
		67.2	250.3	15.0	-198.1	0.0	0.0	0.0	0.0	0.0	5.0	1.0	0.0
*** BRU Total ***		-2,970.8	-535.8	-85.7	-2,227.3	-24.0	0.0	0.0	-98.0	0.0	-8.0	-2.0	0.0
AIDEA													
Alaska Industrial Development and Export Authority													
Convert to agency-specific corp receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1022 Corp Rcpts		-3,788.5											
1102 AIDEA Rcpt		3,788.5											
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alaska Energy Authority Operations and Maintenance													
Convert to agency-specific corp receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1022 Corp Rcpts		-1,058.3											
1107 AEA Rcpts		1,058.3											
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alaska Seafood Marketing Inst													
Alaska Seafood Marketing Institute													
1 % reduction from FY98 Governor	Dec	-119.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-119.1	0.0	0.0	0.0
1002 Fnd Rcpts		-35.0											
1003 G/F Match		-5.2											
1091 GF/Desig		-78.9											
		-119.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-119.1	0.0	0.0	0.0
*** BRU Total ***		-119.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-119.1	0.0	0.0	0.0

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Commerce and Economic Development

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Alaska Aerospace Devel Corp													
Alaska Aerospace Development Corporation													
Convert to agency-specific corporate receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1022 Corp Rcpts		-43.2											
1101 AERO Rcpts		43.2											
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alaska Science and Technology Foundation													
Alaska Science and Technology Foundation													
Delete 4 PFT and 1 PPT and funding	Dec	-458.2	-458.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4.0	-1.0	0.0
1025 Sci/Tech		-450.2											
Reduce Travel Contractual and Commodities	Dec	-600.0	0.0	-84.0	-524.0	-11.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1025 Sci/Tech		-600.0											
Transfer 2 positions and funding to Admin Svcs	TrOut	-145.3	-145.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
1025 Sci/Tech		-145.3											
Transfer Travel, Contractual, Commodities to Admin Svcs	TrOut	-95.4	0.0	-20.0	-70.0	-5.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1025 Sci/Tech		-95.4											
Eliminate Grants pending determination of obligations	Dec	-7,714.2	0.0	0.0	0.0	0.0	0.0	0.0	-7,714.2	0.0	0.0	0.0	0.0
1025 Sci/Tech		-7,714.2											
		-9,013.1	-603.5	-84.0	-594.9	-16.5	0.0	0.0	-7,714.2	0.0	-6.0	-1.0	0.0
*** BRU Total ***		-9,013.1	-603.5	-84.0	-594.9	-16.5	0.0	0.0	-7,714.2	0.0	-6.0	-1.0	0.0
***** Agency Total *****		-8,288.4	1,318.3	-2.0	-1,685.6	15.0	18.3	0.0	-7,714.2	-238.2	30.0	3.0	0.0

Component Intent & Notes - FY98 Operating Budget

Agency: Department of Commerce and Economic Development

Comp: AK Science & Tech. Foundation

BRU: AK Science & Tech Foundation

House

It is the intent of the Alaska State Legislature to delete all funding and thereby eliminate the Alaska Science & Technology Foundation (ASTF). One (1) Grant Administrator and one (1) Administrative Assistant will be retained for a period not to exceed three (3) years, to fulfill outstanding contractual obligations of ASTF and to close out all remaining functions.

It is also the intent of the Legislature to create the Alaska Highway & Road Maintenance Fund (AHRM) and to reappropriate the unobligated balance of the ASTF endowment to the AHRM. The AHRM will be established in statute as an endowment, while ASTF's statutory authority will be repealed. Appropriations will then be made by the Legislature from the endowment's receipts for highway and road maintenance.

ALASKA STATE LEGISLATURE



Interim:

500 East Railroad Avenue
Wasilla, Alaska 99654
(907) 373-1842
Fax (907) 373-4729

Session:

State Capitol Building, Room 421
Juneau, Alaska 99801-1182
(907) 465-2186
Fax (907) 465-3818

REPRESENTATIVE VIC KOHRING
DISTRICT 26

**House Finance budget Subcommittee
Department of Commerce and Economic Development
Recommendations**

Measurement Standards

Reduce travel by \$50. Travel increased 33.9% from FY97.

Insurance

Unallocated reduction 1%.

Occupational Licensing

Unallocated reduction 1%.

Licensing Boards

Unallocated reduction 1%.

Alaska Public Utilities Commission

Reduce travel \$18.5. Brings travel to FY96 level.

Commissioner's Office.

Recommend reduction of \$84.8. Eliminate funding for Special Assistance.

Administrative Services

Increment of \$240.7. Transferring positions and funding of 1 Grants Administrator and 1 Administrative Clerk \$145.3 from Alaska Science and Technology Foundation. Transfer funds for Travel, Contractual, and Commodities \$95.4. Transfer to provide administration of existing encumbered obligations for Grants.

DCED
Pg 2

Alaska Tourism Marketing Council

Transfer Inquiry Section and funding from Tourism, Transfer position and funding of Tok position from Tourism, deny increment for TV enhancement, reduce GF and contribution, transfer film office and funding from Tourism, restore funding for Tourism North program.

Trade and Development.

Travel reduction 10%. Restore Mining Development Specials. Delete 7 PFT, 1 PPT. Transfer funds from Tourism for International programs. \$35.0 Increment for *Made in Alaska*. Restore funding for Forestry Development Specialist and Admin Clerk. Transfer 2 positions from Tourism. Transfer contractual funding for international programs. Additional (by amendment) 1% unallocated reduction.

Division of Tourism

Eliminate entirely. Transfer programs, funding and positions to Trade and Development and AK Tourism Marketing Council. See attached spread sheet for details.

AIDEA

No reductions

Alaska Aerospace Development Corp.

No reductions.

ASMI

Unallocated reduction: of 1%.

Alaska Science and Technology

Eliminate funding of ASFT. Transfer 1 Grants Administrator and 1 Admin Clerk to Administrative Services to administer remaining grant obligations. Adopted letter of intent. Department needs to provide amount needed for encumbrances.

HOUSE FINANCE SUBCOMMITTEE
SUMMARY OF PROPOSED FY98 BUDGET AMENDMENTS

BRU/COMPONENT	FY97 Authorized		FY98 Governor		Proposed Amendments		FY98 Subcommittee	
	GF	Total	GF	Total	GF	Total	GF	Total
Measurement Standards	2,906.4	2,906.4	2,957.0	3,001.1	-50.0	-50.0	2,907.0	2,951.1
Banking, Securities & Corporations	1,675.2	1,704.3	1,668.2	1,697.3	0.0	0.0	1,668.2	1,697.3
Insurance	4,769.9	4,795.9	4,215.4	4,241.4	-42.1	-42.4	4,173.3	4,199.0
Occupational Licensing Operations	5,263.4	5,854.6	4,571.9	4,958.6	-43.7	-49.6	4,328.2	4,909.0
Licensing Board	260.7	260.7	175.0	175.0	-1.8	-1.8	173.2	173.2
APUC	3,978.2	3,978.2	4,117.5	4,117.5	-18.5	-18.5	4,099.0	4,099.0
Commissioner's Office	452.6	540.1	458.7	597.3	-70.8	-84.8	387.9	512.5
Administrative Services	734.0	1,097.8	748.2	1,198.5	0.0	240.7	748.2	1,439.2
Trade and Development	2,113.1	2,497.6	2,029.3	2,528.4	808.6	819.9	2,837.9	3,348.3
Investments	0.0	3,293.1	0.0	3,330.9	0.0	0.0	0.0	3,330.9
Tourism	2,683.0	2,683.0	2,936.9	3,038.0	-2,936.9	-3,038.0	0.0	0.0
AK Tourism Marketing Council	5,315.1	5,315.1	5,583.7	5,583.7	42.2	67.2	5,625.9	5,650.9
AIDEA	0.0	3,751.8	0.0	3,788.5	0.0	0.0	0.0	3,788.5
AEA	0.0	1,052.8	0.0	1,058.3	0.0	0.0	0.0	1,058.3
AK Seafood Marketing Institute	8,406.4	13,406.4	8,407.5	11,907.5	-84.1	-119.1	8,323.4	11,788.4
Aerospace	0.0	554.3	0.0	560.0	0.0	0.0	0.0	560.0
AK Science & Tech	0.0	15,527.8	0.0	9,013.1	0.0	-9,013.1	0.0	0.0
TOTAL	38,558.0	69,219.9	37,669.3	60,795.1	-2,397.1	-11,289.5	35,272.2	49,505.6

RECEIVED MEMORANDUM

State of Alaska

TO: *Ann* ~~Ann~~ *McConnell*, Director
Office of Management and Budget

DATE: March 20, 1997

FROM: *William L. Hensley*
William L. Hensley
Commissioner
Department of Commerce and
Economic Development

TELEPHONE NO: 465-2500

SUBJECT: House Finance Subcommittee
Impact Analysis

The House Finance Subcommittee for the Department of Commerce and Economic Development (DCED) is proposing to cut \$2.4 million in general funds, \$400 thousand above the House target. The cuts will have far reaching negative impacts on our economic development programs and services. This memo will first summarize the major impacts then give more detailed impact descriptions.

Major Impacts

- Six positions in the Division of Trade and Development will be eliminated, crippling the state's trade and government relations with key trading partners, and ending business recruitment, small business assistance, and other general business services provided by the department.
- The Division of Tourism is being eliminated, along with over \$1 million in tourism programs and services important to small tourism businesses throughout Alaska. Overseas tourism marketing in Japan, Germany, Australia, Korea, Taiwan, and the United Kingdom will be curtailed. Efforts to increase non-conventional tourism and to support local convention and visitor bureaus will all but cease.
- A \$1 million cut to the Alaska Tourism Marketing Council (ATMC) will eliminate the State's tourism television advertising. The deletion of the cornerstone of the ATMC's national image campaign will have profound negative impacts on future visitation to Alaska.
- All funding for the Alaska Science and Technology Foundation (ASTF) is deleted. Through intent the subcommittee has proposed to reappropriate the balance of the \$100 million ASTF endowment to a yet to be established "Alaska Highway and Road Maintenance Fund." The ASTF is an important catalyst for technology development in Alaska, and is also a funding source for the Alaska Aerospace Development Corporation and the University of Alaska, Palmer Agriculture Station.
- Commissioner's Office: the department's only Special Assistant is being eliminated. This position provides critical staff support to the Commissioner in his management of the department and participation in 13 boards and commissions.

The following pages provide a more detailed impact analysis on an agency by

agency basis.

Division of Trade and Development

The subcommittee has proposed the elimination of one-third (five and one-half positions) of the Division of Trade and Development's staff in the coming year. The proposed reductions will eliminate many of the services that the division — one of the few state offices dedicated to the success of Alaska businesses — now provides. (The Division's budget represents .09% of the Governor's proposed FY98 budget.)

Trade Program

International trade staff reduced by 50 percent (two of four positions) (\$137.6)

Cripples state's ability to maintain effective trade and government relations with key partners in Asia, Russia. Division is the only state office dedicated to and recognized by key trading partners as handling protocol, government-to-government relations, advocacy and policy issues. Numerous trade initiatives are placed at-risk, including the Alaska-Sakhalin Working Group and other key Alaska-Russia programs; energy promotion, including coal and LNG; and oil spill technology promotion in Asia.

Shifts entire trade workload onto two remaining people, leaving insufficient staff to effectively manage the state's overseas presence in Japan, Korea, Taiwan and Russia and respond to foreign buyers' requests for information, or provide trade mission assistance. Most at risk are potential gains in recently expanding energy trade with Japan, Korea and Taiwan -- all markets with considerable interest in Alaska crude oil, LNG and coal. These markets imported more than \$2.2 billion worth of Alaska goods and products in 1996.

Undermines the division's ability to respond to industry inquiries, work with local governments, and remove trade barriers for Alaska companies seeking business abroad. The division will have difficulty fulfilling mandates to work for all Alaska businesses to provide advocacy, market information and government-to-government assistance.

Eliminates trade specialists responsible for developing trade ties with Taiwan and Japan. Alaska businesses will lose in-state contacts for Taiwan and Japan. Trade show and trade mission assistance will be cut back. Alaska's efforts to strengthen seafood exports — both in a crucial existing market such as Japan and in a previously untapped market such as Taiwan — will be undercut. (In 1996, Japan imported nearly 80% of all the state's seafood exports. Taiwan, as a new market, saw its seafood imports leap nearly 38% to almost \$20 million.)

Development Program

Small Business & Industrial Development Assistance eliminated (two of two positions) (\$172.3)

No targeted industrial recruitment would occur.

- No production of economic information important to the potential investors and new and expanding businesses.
- No follow up of the recent recommended improvements to state funded small business assistance programs.
- Cease compiling information and publishing "Establishing a Business in Alaska", "Alaska Annual Performance Report of the Economy", ...etc.
- No response for phone, voice and e-mail inquiries from prospective businesses, and no information available to the global market through the Internet.
- No more state assistance in organizing Alaska business to promote products on the QVC home shopping network, such as the 1995 Alaska broadcast and QVC's planned annual return.
- No one available in state government to address small business issues, and general economic development opportunities.

Division loses clerical and administrative support (\$100.6)

- Lose ability to effectively organize industry meetings, fisheries conferences, business travel, informational mail-outs, and all efforts to assist the industry. Greater difficulty in implementing Salmon Strategy Forum recommendations, expansion of the western Alaska CDQ program, Alaska participation in the annual Boston Seafood Show, and the Salmon Industry Response efforts.
- Shifts significant clerical burden to a decimated administrative unit or to professional level staff, reducing productivity.
- Financial administration staff is deleted.

Division of Tourism

The subcommittee proposes to eliminate the Division of Tourism, cutting over \$1 million in programs and services, and transferring remaining programs and services to either the Division of Trade and Development or the Division of Tourism.

Some functions are transferred to the Division of Trade and Development, but the funding being transferred is inadequate to maintain effective tourism marketing programs.

Some functions are transferred to the ATMC but that agency lacks the statutory authority to take on either the functions or the staff. In addition, in the case of the Tok Visitor Center and the tourism inquiry section, staff are being transferred, but insufficient funds are provided to cover operating costs, necessitating further reductions in ATMC programs to cover these services.

- The Tok Visitor Center would have reduced staff and hours of operation as of July 1, 1997 -- the peak of the tourism season. Money is transferred

to cover one part-time position, down from four; no money is transferred to cover rent and other operating costs.

The *Film Office* is transferred to the ATMC, requiring a 25% Alaska Visitor Association match for this program. Under AS 44.33.705, the trade association is required to contribute at least 25% of the operating expenses of the council.

Staffing levels in the ATMC are increased from three to eight and one half. However, the ATMC statute allows only three staff (AS 44.33.710).

The following programs and services will be reduced or eliminated:

- Japan tourism marketing
- Germany tourism marketing
- Australia tourism marketing
- United Kingdom tourism marketing
- Korea tourism marketing
- Taiwan tourism marketing
- Tourism research
- Tourism planning & product development
- Travel agent training
- North American tour operator marketing
- Business assistance
- Collateral production (state maps, campground maps, ...etc.)
- Financial management for the Division of Trade and Development
- Local convention and visitor bureau assistance

Alaska Tourism Marketing Council

The House Finance Subcommittee proposal would have the following impacts on the ATMC:

Reduce Contractual: (\$1,000.1)

Complete elimination of all *television promotion*. The ATMC currently places thirteen weeks of television (90% less than previous years). The deletion of the cornerstone of the ATMC's national image campaign will have profound negative impacts on visitor industry businesses throughout the state. The Council has warned time and time again that without an effort that places Alaska in a positive light as a world class travel destination, consumers are far less likely to ultimately consider the state as a potential vacation spot. This cut will completely eliminate national image advertising for small Alaska tourism businesses.

Film Office Transfer: \$260.9

Considerations:

- Statute prohibits the ATMC from having more than three employees.
- Again, with the current statute in place, the transfer assumes that the visitor industry will willingly agree to match operating funds for the film office at 25%.
- Authority for this function is not provided in the ATMC statute.

There may be an expectation by the film industry that since they are included under the ATMC umbrella they should have representation on the Council. This could mean either expansion or reshuffling of current council makeup.

Tok Visitors Center Transfer: \$46.5

Considerations:

- Statute prohibits the ATMC from having more than three employees.
- With the current statute in place, the transfer assumes that the visitor industry will willingly agree to match operating funds for the Tok Visitor Center functions at 25%.
- Beyond the personnel transfer, the Division of Tourism estimates that an additional \$52.0 would be required to run the facility. Rent alone is \$42.0 per year and other operating expenses are approximately \$10.0. This also assumes that the three seasonal positions that are being eliminated can be successfully filled by volunteers.
- Authority for this function is not provided in the ATMC statute.

Inquiry Section Transfer: \$259.9

Considerations:

- Statute prohibits the ATMC from having more than three employees.
- With the current statute in place, the transfer assumes that the visitor industry will willingly agree to match operating funds for the Inquiry Section at 25%.
- The Division of Tourism estimates that an additional \$50.0 to \$75.0 would be required to run the inquiry section. The current proposal would require that ATMC take money from planned marketing programs.

Alaska Science and Technology Foundation

Eliminate ASTF staff and grants (\$9,013.1)

All funding for the Alaska Science and Technology Foundation (ASTF) is deleted. Through intent the subcommittee has proposed to reappropriate the balance of the \$100 million ASTF endowment to a yet to be established "Alaska Highway and Road Maintenance Fund." The ASTF is an important catalyst for technology development in Alaska, and is also a funding source for the Alaska Aerospace Development Corporation and the University of Alaska, Palmer Agriculture Station.

A skeletal staff of two is transferred to the Division of Administrative Services to close out existing grants. No grant authorization is included in the subcommittee proposal to cover existing grant obligations.

See the attached budget impact sheet prepared by ASTF executive director, Jamie Kenworthy, for a more detailed impact analysis.

Commissioner's Office

Eliminate Special Assistant II (84.8)

The number and range of responsibilities this department handles is beyond compare. The commissioner is statutorily required to sit on more than sixteen boards and commissions, including the Alaska Permanent Fund, Alaska Railroad, Alaska Industrial Development and Export Authority, as well as more than twenty task forces that range from such issues as Arctic/polar issues to seafood marketing. The commissioner is also responsible for giving direction and coordination to the divisions, and working with all sectors and political jurisdictions to keep our state's economy vibrant and growing. Currently, the level of support to the DCED Commissioner's Office is half of what it was under prior administrations, and the challenges have not been reduced accordingly. This reduction would hamstring the department's ability to help Alaska businesses succeed.

Alaska Public Utilities Commission

Travel Reduction (\$18.5)

The proposed reduction of \$18.5 to the Commission's travel represents a 25% cut to the Alaska Public Utilities Commission (APUC) travel budget. There is one key statutory provision that relates to the location of Commission hearings and meetings:

SECTION 42.05.171. FORMAL HEARINGS.... In determining the place of a hearing the commission shall give preference to holding the hearing at a place most convenient for those interested in the subject of the hearing.

The Commission is a small agency operating from one office, serving a statewide constituency. For example, the Commission held hearings in Fairbanks concerning the proposal by the City of Fairbanks to sell its utilities to private parties for \$130 million. Other out-of-town locations for hearings held this fiscal year on utility matters have included Juneau and Fairbanks.

The APUC is working toward greater competition, greater local input and more flexibility in regulation. This Commission has continued to hold hearings in the affected communities. Although this is more expensive than holding hearings in Anchorage, it is also more conducive to achieving locally acceptable solutions.

Measurement Standards

Travel Reduction (\$50.0)

Reducing or eliminating field inspections will cause illegal operation of a variety of scales and meters as the Division of Measurement Standards is the only agency in the State of Alaska authorized to inspect and test all weights and measures commercially used. If travel is not authorized to remote areas of Alaska, the companies will be in violation. In addition, should inspections on remote fish buying scales, petroleum meters and/or all other weighing devices be

reduced or eliminated, the accuracy of these devices will be uncertain and could greatly reduce individual income. The device owners in turn could possibly take advantage of the users of the devices, which could result in an inaccurate quantity of product causing economic impact to the buyer of that service.

Third party billing, through Designated Program Receipts, is a program that requires a company to pay the inspection costs for special request inspections. Because requests for special inspections have steadily increased during the last three years, we established a program to recover those inspection costs. The Division's travel budget as proposed by the subcommittee will not allow for these types of inspections.

Unallocated Reduction: Occupational Licensing, Insurance, Trade and Development. Alaska Seafood Marketing Institute (\$238.1)

The last action of the subcommittee was to make a 1% unallocated reduction to these divisions. These reductions will affect services provided by these organizations.

cc: Royce Weller
Guy Bell

Attachments

ASTF Budget Impacts

House Finance Subcommittee Action

Proposed budget cuts would allow ASTF to have minimal oversight of existing ASTF grant agreements and fund no new projects after July 1, 1997. All ASTF projects have benchmarks which must be met to justify continued funding. Some larger projects have staged funding and annual reviews so without funding for ASTF Board and management it is not clear how those projects would be administered or their status under the Subcommittee's proposal.

I General Impact

ASTF grant project spending rate supporting approximately 70 active projects has been approximately \$3 M/year with average leverage 2-1 of ASTF funds. A cut of \$3 M in project funding would cut an expected \$9 M in R&D projects with an undetermined portion of funding which now comes from outside the state. A 4 year old independent survey estimated ASTF projects as producing 624 direct jobs in the economic base, with an emerging number of technology based firms that number is certainly higher. Most Technology projects aim to produce a traded good for export or import substitution with a 3-7 year period between R&D and maximum job impact when product is manufactured. The primary unquantified impact is on the use of the technology in existing firms to lower product costs or avoid private and public costs. For example, the recently announced deal between Emerson Electric and Alaska Power System may lead to a 100 production jobs in Anchorage but the savings in widespread deployment of the remote monitoring power technology in Alaska could equal ASTF's annual grants budget.

About a quarter of ASTF projects are Knowledge projects aimed at developing non-proprietary science to lower cost of public services, improve environmental regulation, or direct economic benefit.

Most of those projects, or 20% of all ASTF funds, support projects at UAF or UAA. No overhead or indirect cost is paid by ASTF on any project, including UA projects. Rather UA co-invests with ASTF on projects. So while there would be a minimal budget impact on UA's budget from a ASTF close out what would be lost is the capability for UA faculty to do practical projects with Alaskan industry for the benefit of both parties.

II Industry Impacts

Seafood Industry

No further R&D projects on new production technology and processing to produce final food products from Alaska fish will be conducted. ASMI supports general marketing of Alaska fish; ASTF has supported projects to develop technology at Arctic Alaska, Fisheries Development Foundation, International Seafoods Alaska, and many others make final products from salmon and arrowtooth flounder, with expected projects from Southeast and Y-K Delta as well as continued projects from Kodiak and Anchorage. In addition, a group of firms are funded for development and joint marketing of specific salmon products.

There has been promising initial work to demonstrate a pin bone remover with all bones removed from 99% of fresh and frozen salmon in a single process step. Work is funded through October, 1997 with co-funding decision on licensing, final product design, and production expected to be made then.

Energy Support

An expected follow-on project with Alliance on security for electronic commerce of Alaska supplier network to serve Sakhalin Island would be discontinued.

Forest Products

ASTF has a 3 year \$200K/year project to fund technical assistance and grading services for Alaska sawmill operators and other forest product firms. These funds are matched by federal funds with annual goals set by sawmill operators and other owners. It is not clear the impact of proposed cuts on Year 2 and 3 of the grant. It is clear that expected projects for innovative technology for kiln drying and production technology expected from Southeast and Interior could not be considered.

Telemedicine

In response to an RFP two proposals are being prepared by the State Telemedicine Project administered from UAA and a smaller project to link mental health referrals in the Kenai with Anchorage facilities. Projects must demonstrate innovative technology, proven public sector cost savings, and improved patient care.

Mining

A project is being developed to integrate synthetic aperture radar with existing state geomagnetic mapping program to develop tools for placer miners and Alaskan based mining operations. The planned follow up work in the Rampart or Wrangall area could not be considered for funding.

Environmental Engineering

A project involving the military, the private sector, ADEC, and EPA to develop standard assessment tools to measure technology effectiveness for different Arctic soil types promises major cost savings and improved cleanup. Another possible project with Producers Council and ADEC could involve ASTF co-funding of science to improve water quality regulations impacting the mining and other resource development industry.

Internet Connectivity Projects

Grants of up to \$10 K/school grants for one time hardware costs only (routers, wiring) are available for K-12 public and charter schools with clear plans to connect classrooms to Internet using donated labor of parents and interested citizens. Schools and communities would be responsible for computers in the classroom and telecommunications companies would compete to provide access to building. An

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estimated half of Anchorage schools will remain unconnected after this year and most of rest of state except Fairbanks and Juneau.

Rural Sanitation

ADEC, US Public Health Service, and ASTF have agreed on process to assess appropriate technology for rural sanitation which is more cost effective than use of existing state and federal funds. Presently gravity feed systems cost over \$80 K per house and can be unsuitable for low water table conditions like the Y-K delta region. The new process allows local communities to have more choice over project design and more responsibility for maintenance costs. With proposed cuts any implementation project would be foreclosed.

Other

Proposals in agriculture, arctic engineering, and electronics are expected.

III Conclusion

All projects are reviewed for scientific merit and economic feasibility. In addition, funded projects must contain clear R&D plans, real cost sharing, and direct benefit to Alaska's economy. ASTF funds science and technical innovation and does not finance the acquisition of existing equipment and working capital which should qualify for conventional financing.

Since approximately two thirds of potential projects are not known a year in advance, this list does not predict the projects which would be funded. ASTF is the only significant source of early stage business development capital to fund technical innovation in the state in support of Alaska's private sector firms. A smaller number of technology-based firms to support Alaska's resource development economy is a predictable result of an ASTF close out.



Agency Totals - FY98 Operating Budget

Agency: Department of Community & Regional Affairs

	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
Totals for Agency	140,453.1	138,416.4	146,231.3	139,985.9	-6,245.4	-4.3%
<u>Objects of Expenditure:</u>						
Personal Services	10,583.0	10,410.7	10,758.3	9,013.0	-1,745.3	-16.2%
Travel	909.5	1,247.6	1,295.3	888.9	-406.4	-31.4%
Contractual	1,855.4	2,994.8	5,525.5	3,993.4	-1,532.1	-27.7%
Commodities	139.9	173.7	198.7	159.8	-38.9	-19.6%
Equipment	391.4	106.5	2,033.5	82.8	-1,950.7	-95.9%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	126,573.9	123,483.1	126,671.2	126,167.9	-503.3	-0.4%
Miscellaneous	0.0	0.0	-251.2	-319.9	-68.7	0.0%
<u>Funding Sources:</u>						
1002 Fed Rcpts	21,195.2	29,107.6	34,870.1	30,713.4	-4,156.7	-11.9%
1003 G/F Match	1,811.2	1,912.8	1,884.0	1,881.0	-3.0	-0.2%
1004 Gen Fund	88,946.6	79,980.4	78,374.9	76,560.4	-1,814.5	-2.3%
1005 GF/Prgm	50.5	88.2	88.7	88.7	0.0	0.0%
1007 I/A Rcpts	8,448.5	8,906.2	12,483.1	12,211.9	-271.2	-2.2%
1051 Rural Dev	77.7	96.5	97.8	97.8	0.0	0.0%
1061 CIP Rcpts	180.2	454.9	557.5	557.5	-0.0	-0.0%
1062 Power Proj	366.0	670.7	675.1	675.1	0.0	0.0%
1063 NPR Fund		50.0	50.0	50.0	0.0	0.0%
1074 Bulk Fuel	47.5	49.3	50.3	50.3	0.0	0.0%
1077 Gifts/Grnt		99.8	99.8	99.8	0.0	0.0%
1089 Power Cost	19,329.7	17,000.0	17,000.0	17,000.0	0.0	0.0%
<u>Positions:</u>						
Perm Full Time	185.0	171.0	171.0	150.0	-21.0	-12.3%
Perm Part Time	7.0	3.0	4.0	4.0	0.0	0.0%
Non-Perm	6.0	0.0	2.0	2.0	0.0	0.0%

Component Summary - FY98 Operating Budget

General Funds and CBR

Agency: Department of Community & Regional Affairs

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
Administration and Support							
1	Office of the Commissioner	669.0	661.2	516.5	414.9	-101.6	-19.7%
2	Administrative Services	1,637.8	1,419.2	1,342.1	1,321.7	-20.4	-1.5%
3	Data and Word Processing	424.6	440.6	365.0	362.7	-2.3	-0.6%
	* BRU Total	2,731.4	2,521.0	2,223.6	2,099.3	-124.3	-5.6%
Senior Citizens/Disabled Veterans Tax Relief							
5	Homeowners Property Tax Exempt	1,163.8				0.0	0.0%
6	Renters' Equivalency Rebate	336.2	300.0	300.0	300.0	0.0	0.0%
	* BRU Total	1,500.0	300.0	300.0	300.0	0.0	0.0%
Municipal Revenue Sharing							
8	State Revenue Sharing	26,271.7	24,170.0	23,614.1	23,614.1	0.0	0.0%
9	Municipal Assistance	31,959.0	29,402.3	28,726.0	28,726.0	0.0	0.0%
	* BRU Total	58,230.7	53,572.3	52,340.1	52,340.1	0.0	0.0%
Local Government Assistance							
10	Training and Development	2,179.6	2,150.1	2,240.9	1,911.3	-329.6	-14.7%
11	State Assessor	144.3	153.1	154.8	154.1	-0.7	-0.5%
12	Local Boundary Commission	253.1	253.6	256.4	255.3	-1.1	-0.4%
13	Statewide Assistance	379.2	384.9	389.6	388.3	-1.3	-0.3%
15	Municipal Lands Trustee	153.1				0.0	0.0%
	* BRU Total	3,109.3	2,941.7	3,041.7	2,709.0	-332.7	-10.9%
Community and Economic Development							
16	Community & Econ Develop			463.6	459.3	-4.3	-0.9%
	* BRU Total	0.0	0.0	463.6	459.3	-4.3	-0.9%
Child Assistance							
17	Child Care	2,809.9	2,722.2	2,642.2	345.9	-2,296.3	-86.9%
18	Day Care Assistance Programs	11,211.1	11,211.1	11,211.1	12,796.9	1,585.8	14.1%
19	Head Start Grants	5,733.4	5,734.5	6,036.2	6,034.1	-2.1	-0.0%
	* BRU Total	19,754.4	19,667.8	19,889.5	19,176.9	-712.6	-3.6%
Employment Training/Rural Development							
20	Job Training Partnership Act	58.6	93.9	93.9	85.4	-8.5	-9.1%
22	Statewide Service Delivery	542.0	495.4	485.0	478.4	-6.6	-1.4%
23	Block Grants CIP	57.7	58.1	0.0	0.0	0.0	0.0%

Component Summary - FY98 Operating Budget

General Funds and CBR

Agency: Department of Community & Regional Affairs

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	Employment Training/Rural Development						
24	Community Development Assist.	851.6	626.6	327.4	319.3	-8.1	-2.5%
25	Rural Development Grants	1,670.7	136.2	0.0	0.0	-0.0	0.0%
	* BRU Total	3,180.6	1,410.2	906.3	863.1	-23.2	-2.6%
	Rural Energy Program--Energy Operations						
26	Energy Operations	2,301.9	1,568.4	1,182.8	137.4	-1,045.4	-88.4%
	* BRU Total	2,301.9	1,568.4	1,182.8	137.4	-1,045.4	-88.4%
	Circuit Rider Program						
	Circuit Rider				425.0	425.0	%
	* BRU Total	0.0	0.0	0.0	425.0	425.0	%
***	Total Agency Expenditure	90,808.3	81,981.4	80,347.6	78,530.1	-1,817.5	-2.3%

Component Summary - FY98 Operating Budget

Agency: Department of Community & Regional Affairs

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
Administration and Support							
1	Office of the Commissioner	768.0	872.3	629.3	454.2	-175.1	-27.8%
2	Administrative Services	2,807.1	1,650.5	1,824.8	1,706.7	-118.1	-6.5%
3	Data and Word Processing	456.3	506.3	731.9	629.6	-102.3	-14.0%
4	One Stop			3,656.7	0.0	-3,656.7	-100.0%
	* BRU Total	4,031.4	3,029.1	6,842.7	2,790.5	-4,052.2	-59.2%
Senior Citizens/Disabled Veterans Tax Relief							
5	Homeowners Property Tax Exempt	1,163.8				0.0	0.0%
6	Renters' Equivalency Rebate	336.2	300.0	300.0	300.0	0.0	0.0%
	* BRU Total	1,500.0	300.0	300.0	300.0	0.0	0.0%
National Forest Receipts							
7	National Forest Receipts	6,950.4	10,000.0	10,000.0	10,000.0	0.0	0.0%
	* BRU Total	6,950.4	10,000.0	10,000.0	10,000.0	0.0	0.0%
Municipal Revenue Sharing							
8	State Revenue Sharing	26,271.7	24,170.0	23,614.1	23,614.1	0.0	0.0%
9	Municipal Assistance	31,959.0	29,402.3	28,726.0	28,726.0	0.0	0.0%
	* BRU Total	58,230.7	53,572.3	52,340.1	52,340.1	0.0	0.0%
Local Government Assistance							
10	Training and Development	2,707.2	2,466.9	3,024.4	2,194.8	-829.6	-27.4%
11	State Assessor	144.3	153.1	154.8	154.1	-0.7	-0.5%
12	Local Boundary Commission	253.1	253.6	256.4	255.3	-1.1	-0.4%
13	Statewide Assistance	2,376.9	2,855.0	2,766.0	2,764.7	-1.3	-0.0%
14	National Petroleum Reserve		50.0	50.0	50.0	0.0	0.0%
15	Municipal Lands Trustee	153.1				0.0	0.0%
	* BRU Total	5,634.6	5,778.6	6,251.6	5,418.9	-832.7	-13.3%
Community and Economic Development							
16	Community & Econ Develop			1,695.7	1,691.4	-4.3	-0.3%
	* BRU Total	0.0	0.0	1,695.7	1,691.4	-4.3	-0.3%
Child Assistance							
17	Child Care	3,585.7	3,612.3	4,521.3	2,225.0	-2,296.3	-50.8%
18	Day Care Assistance Programs	14,322.3	13,875.5	15,370.1	16,955.9	1,585.8	10.3%
19	Head Start Grants	5,819.7	5,884.5	6,186.2	6,184.1	-2.1	-0.0%

Component Summary - FY98 Operating Budget

Agency: Department of Community & Regional Affairs

Page	Budget Component	FY96 Act	FY97 Auth	Gov Amd	House	Gov Amd to House	
	Child Assistance						
	* BRU Total	23,727.7	23,372.3	26,077.6	25,365.0	-712.6	-2.7%
	Employment Training/Rural Development						
20	Job Training Partnership Act	6,847.6	10,880.8	11,453.7	11,445.2	-8.5	-0.1%
21	State Training and Employment	1,573.5	1,824.6	1,763.3	1,763.3	0.0	0.0%
22	Statewide Service Delivery	5,058.6	5,885.1	7,338.0	7,331.4	-6.6	-0.1%
23	Block Grants CIP	231.2	291.6	0.0	0.0	0.0	0.0%
24	Community Development Assist.	2,167.8	3,015.4	2,952.0	2,943.9	-8.1	-0.3%
25	Rural Development Grants	2,122.3	861.8	0.0	0.0	0.0	0.0%
	* BRU Total	18,001.0	22,759.3	23,507.0	23,483.8	-23.2	-0.1%
	Rural Energy Program--Energy Operations						
26	Energy Operations	3,047.6	2,604.8	2,216.6	1,171.2	-1,045.4	-47.2%
27	Power Cost Equalization	19,329.7	17,000.0	17,000.0	17,000.0	0.0	0.0%
	* BRU Total	22,377.3	19,604.8	19,216.6	18,171.2	-1,045.4	-5.4%
	Circuit Rider Program						
	Circuit Rider				425.0	425.0	%
	* BRU Total	0.0	0.0	0.0	425.0	425.0	%
	*** Total Agency Expenditure	140,453.1	138,416.4	146,231.3	139,985.9	-6,245.4	-4.3%
	Federal Funds	21,195.2	29,157.6	34,920.1	30,763.4	-4,156.7	-11.9%
	General Funds	90,808.3	81,981.4	80,347.6	78,530.1	-1,817.5	-2.3%
	Other Funds	28,449.6	27,277.4	30,963.6	30,692.4	-271.2	-0.9%

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Community & Regional Affairs

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Administration and Support													
Office of the Commissioner													
Delete funds, authorization for two PFT Special Assistants	Dec	-163.9	-163.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
1004 Gen Fund		-90.4											
1007 I/A Rcpts		-73.5											
General GF reduction to travel	Dec	-10.0	0.0	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-10.0											
Department-wide GF reduction to Gov. Amend. travel	Dec	-1.2	0.0	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-1.2											
		-175.1	-163.9	-11.2	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
Administrative Services													
Deny I/A Rcpts. increment for One-Stop	Dec	-97.7	-78.7	-7.5	-9.5	-2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Rcpts		-97.7											
Add GF for Ak. Marine Safety Education Association	Inc	150.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	150.0	0.0	0.0	0.0
1004 Gen Fund		150.0											
Unallocated GF reduction	Dec	-169.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-169.1	0.0	0.0	0.0
1004 Gen Fund		-169.1											
Department-wide GF reduction to Gov. Amend. travel	Dec	-1.3	0.0	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-1.3											
		-118.1	-78.7	-8.8	-9.5	-2.0	0.0	0.0	0.0	-19.1	0.0	0.0	0.0
Data and Word Processing													
Deny I/A Rcpts. increment for One-Stop	Dec	-100.0	-38.3	-30.0	-27.7	-4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Rcpts		-100.0											
Department-wide GF reduction to Gov. Amend. travel	Dec	-2.3	0.0	-2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-2.3											
		-102.3	-38.3	-32.3	-27.7	-4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
One Stop													
Deny federal receipts for One Stop	Dec	-3,656.7	0.0	-89.0	-1,625.0	-9.0	-1,933.7	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		-3,656.7											
		-3,656.7	0.0	-89.0	-1,625.0	-9.0	-1,933.7	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-4,052.2	-280.9	-141.3	-1,662.2	-15.0	-1,933.7	0.0	0.0	-19.1	-2.0	0.0	0.0
Local Government Assistance													
Training and Development													
Deny GF, fed fund increment for RUBA program	Dec	-725.0	-337.0	-80.0	-200.0	-21.0	-17.0	0.0	-70.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		-500.0											
1004 Gen Fund		-225.0											

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Community & Regional Affairs

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Local Government Assistance													
Training and Development													
Delete general funds, 0. PFT position	Dec	-89.6	-89.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-89.6											
Department-wide GF reduction to Gov.	Dec	-15.0	0.0	-15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amend travel (6.8%)													
1004 Gen Fund		-15.0											
		-104.6	-104.6	-15.0	-200.0	-21.0	-17.0	0.0	-70.0	0.0	-1.0	0.0	0.0
State Assessor													
Department-wide GF reduction to Gov.	Dec	-0.7	0.0	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amend travel													
1004 Gen Fund		-0.7											
		-0.7	0.0	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Local Boundary Commission													
Department-wide GF reduction to Gov.	Dec	-1.1	0.0	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amend travel													
1004 Gen Fund		-1.1											
		-1.1	0.0	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statewide Assistance													
Department-wide GF reduction to Gov.	Dec	-1.3	0.0	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amend travel													
1004 Gen Fund		-1.3											
		-1.3	0.0	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-832.7	-426.6	-98.1	-200.0	-21.0	-17.0	0.0	-70.0	0.0	-1.0	0.0	0.0
Community and Economic Development													
Community and Economic Development													
Department-wide GF reduction to Gov.	Dec	-4.3	0.0	-4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amend travel													
1004 Gen Fund		-4.3											
		-4.3	0.0	-4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-4.3	0.0	-4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Child Assistance													
Child Care													
Reduce direct grants, admin. support to child care providers	Dec	-2,293.3	-124.4	-2.4	-94.9	-2.9	0.0	0.0	-2,019.1	-49.6	-4.0	0.0	0.0
1004 Gen Fund		-2,293.3											
Department-wide GF reduction to Gov.	Dec	-3.0	0.0	-3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amend travel													
1003 G/F Match		-3.0											
		-2,296.3	-124.4	-5.4	-94.9	-2.9	0.0	0.0	-2,019.1	-49.6	-4.0	0.0	0.0

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Community & Regional Affairs

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Child Assistance													
Day Care Assistance Programs													
Increase grant funds to parents for day care assistance	Inc	1,585.8	00	00	00	00	00	00	1,585.8	00	00	00	00
1004 Gen Fund		1,585.8											
		1,585.8	00	00	00	00	00	00	1,585.8	00	00	00	00
Head Start Grants													
Department-wide GF reduction to Gov. Amend. travel	Dec	-2.1	00	-2.1	00	00	00	00	00	00	00	00	00
1004 Gen Fund		-2.1											
		-2.1	00	-2.1	00	00	00	00	00	00	00	00	00
*** BRU Total ***		-712.6	-124.4	-7.5	-94.9	-2.9	00	00	-433.3	-49.6	-4.0	00	00
Employment Training/Rural Development													
Job Training Partnership Act													
General GF reduction for travel	Dec	-3.5	00	-3.5	00	00	00	00	00	00	00	00	00
1004 Gen Fund		-3.5											
Department-wide GF reduction to Gov. Amend. travel	Dec	-5.0	00	-5.0	00	00	00	00	00	00	00	00	00
1004 Gen Fund		-5.0											
		-8.5	00	-8.5	00	00	00	00	00	00	00	00	00
Statewide Service Delivery													
Department-wide GF reduction to Gov. Amend. travel	Dec	-6.6	00	-6.6	00	00	00	00	00	00	00	00	00
1004 Gen Fund		-6.6											
		-6.6	00	-6.6	00	00	00	00	00	00	00	00	00
Community Development Assistance													
Department-wide GF reduction to Gov. Amend. travel	Dec	-8.1	00	-8.1	00	00	00	00	00	00	00	00	00
1004 Gen Fund		-8.1											
		-8.1	00	-8.1	00	00	00	00	00	00	00	00	00
*** BRU Total ***		-23.2	00	-23.2	00	00	00	00	00	00	00	00	00
Rural Energy Program--Energy Operations													
Energy Operations													
Reduce general funds, PFT positions for energy programs	Dec	-913.4	-913.4	00	00	00	00	00	00	00	-14.0	00	00
1004 Gen Fund		-913.4											
General fund reduction to travel	Dec	-120.0	00	-120.0	00	00	00	00	00	00	00	00	00
1004 Gen Fund		-120.0											
Department-wide GF reduction to Gov. Amend. travel	Dec	-12.0	00	-12.0	00	00	00	00	00	00	00	00	00
1004 Gen Fund		-12.0											

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Community & Regional Affairs

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Rural Energy Program--Energy Operations												
Energy Operations	-1,045.4	-913.4	-132.0	0.0	0.0	0.0	0.0	0.0	0.0	-14.0	0.0	0.0
*** BRU Total ***	-1,045.4	-913.4	-132.0	0.0	0.0	0.0	0.0	0.0	0.0	-14.0	0.0	0.0
Circuit Rider Program												
Circuit Rider												
Add GF for circuit rider program 1004 Gen Fund 425.0	425.0	0.0	0.0	425.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	425.0	0.0	0.0	425.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***	425.0	0.0	0.0	425.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
***** Agency Total *****	-8,245.4	-1,745.3	-406.4	-1,532.1	-38.9	-1,950.7	0.0	-503.3	-68.7	-21.0	0.0	0.0

House Finance Budget Subcommittee Community and Regional Affairs Recommendations

Administration and Support

Office of the Commissioner

The commissioner's office has two special assistant positions. One of those positions was added by the Governor for his Children's Cabinet. The subcommittee's recommendation is that the governor should fund any Children's Cabinet positions out of his own budget. The subcommittee also recommends that the commissioner, in time's of budget cuts, already has at his disposal an executive secretary, a deputy commissioner and an administrative clerk, therefore, the second special assistant position should be cut, 163.9 (90.4 GF, 73.5 I/A Receipts).

An additional decrement of 10.0 GF was cut from travel for the Commissioner's Office. This decrement is in conjunction with the above cuts taken to personnel.

Administrative Services

Deny increment to interagency receipts for the One-Stop component. Setting up a new component, even with federal funds, sets up additional bureaucracy. When the federal grant money runs out, the state will still need to support this additional program, 97.7 I/A Receipts.

Increment to designated grants line for Alaska Marine Safety Education Association. This increment is for House Bill 13 which was passed without a fiscal note, 150.0 General Funds.

An additional 169.1 unallocated general fund reduction was taken from this component to fund a circuit rider program for energy systems.

Data and Word Processing

Deny increment to interagency receipts for the One-Stop component. Setting up a new component, even with federal funds, sets up additional bureaucracy. When the federal grant money runs out, the state will still need to support this additional program, 100.0 Inter-Agency Receipts.

One Stop

Deny increment of federal receipts for the one-stop component. Setting up a new component, even with federal funds, sets up additional bureaucracy. When the federal grant money runs out, the state will still need to support this additional program, 3,656.7 Federal Funds.

Local Government Assistance

Training and Development

Deny increment for federal receipts to set up additional training program for Rural Utility Business Assistance, 500.0 Federal Funds.

Deny increment of General Funds to set up additional training program for Rural Utility Business Assistance, 225.0 General Funds.

An additional 89.6 unallocated general fund reduction was taken from this component to fund a circuit rider program for energy systems.

Child Assistance

Child Care

Reduce direct grants to day care providers in order to make additional money available to parents on the waiting list. These moneys are currently granted to day care providers who accept children of parents on Day Care Assistance. The grants are used to fund additional training, referral services, and direct grants to day care providers, 2,293.3 GF.

Day Care Assistance

Increase day care assistance grant funds available, 1,585.8 General Funds.

Employment Training

JTPA

Reduce travel for division coordination and legislative hearings, 3.5 General Funds.

Rural Energy Program

Energy Operations

Decrease personnel in Energy Operations back to its original legislative intent, 913.4 GF.

An additional 120.0 general fund reduction to travel was taken from this component to fund a circuit rider program for energy systems. This reduction still leaves approximately 120.0 in travel.

Departmentwide

An additional 64.0 general fund reduction to travel (5%) was taken to fund a circuit rider program for energy systems.

Community and Regional Affairs

	FY97 Auth	FY98 Gov	Changes	FY98 Subcommittee
Administration and Support				
Office of the Commissioner	872.3	629.3	175.1	454.2
Administrative Services	1,650.5	1,824.8	118.1	1,706.7
Data and Word Processing	506.3	731.9	102.3	629.6
One Stop	.0	3,656.7	3,656.7	.0
BRU Total	3,029.1	6,842.7	4,052.2	2,790.5
Senior Citizens/Disabled Veterans Tax Relief				
Homeowners Property Tax Exempt	.0	.0	.0	.0
Renters Equivalency Rebate	300.0	300.0	.0	300.0
BRU Total	300.0	300.0	.0	300.0
National Forest Receipts				
National Forest Receipts	10,000.0	10,000.0	.0	10,000.0
BRU Total	10,000.0	10,000.0	.0	10,000.0
Municipal Revenue Sharing				
State Revenue Sharing	24,170.0	23,614.1	.0	23,614.1
Municipal Assistance	29,402.3	28,726.0	.0	28,726.0
BRU Total	53,572.3	52,340.1	.0	52,340.1
Local Government Assistance				
Training and Development	2,466.9	3,024.4	829.6	2,194.8
State Assessor	153.1	154.8	.7	154.1
Local Boundary Commission	253.6	256.4	1.1	255.3
Statewide Assistance	2,855.0	2,766.0	1.3	2,764.7
National Petroleum Reserve	50.0	50.0	.0	50.0
Municipal Lands Trustee	.0	.0	.0	.0
BRU Total	5,778.6	6,251.6	832.7	5,418.9
Community and Economic Development				
Community and Economic Development	.0	1,695.7	4.3	1,691.4
BRU Total	.0	1,695.7	4.3	1,691.4
Child Assistance				
Child Care	3,612.3	4,521.3	2,296.3	2,225.0
Day Care Assistance Programs	13,875.5	15,370.1	-1,585.8	16,955.9
Head Start Grants	5,884.5	6,186.2	2.1	6,184.1
BRU Total	23,372.3	26,077.6	712.6	25,365.0
Employment Training/Rural Development				
Job Training Partnership Act	10,880.8	11,453.7	8.5	11,445.2
State Training and Employment	1,824.6	1,763.3	.0	1,763.3
Statewide Service Delivery	5,885.1	7,338.0	6.6	7,331.4
Block Grants CIP	291.6	.0	.0	.0
Community Development Assistance	3,015.4	2,952.0	8.1	2,943.9
Rural Development Grants	861.8	.0	.0	.0
BRU Total	22,759.3	23,507.0	23.2	23,483.8
Rural Energy Program				
Energy Operations	2,604.8	2,216.8	1,045.4	1,171.2
Power Cost Equalization	17,000.0	17,000.0	.0	17,000.0
BRU Total	19,604.8	19,216.8	1,045.4	18,171.2
Circuit Rider				
Circuit Rider Program	.0	.0	-425.0	425.0
BRU Total	.0	.0	-425.0	425.0
Total Agency Expenditure				
	138,416.4	146,231.3	6,245.4	139,985.9
Federal Funds				
Federal Funds	29,157.6	34,920.1	4,156.7	30,763.4
General Funds				
General Funds	81,981.4	80,347.8	1,817.5	78,530.1
Other Funds				
Other Funds	27,277.4	30,963.6	271.2	30,692.4

MEMORANDUM

STATE OF ALASKA

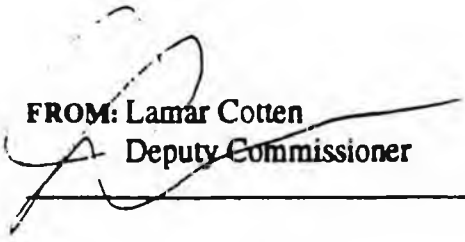
Community and Regional Affairs

TO: Anna Lee Mc Connell

DATE: 3.20.97

FILE:

PHONE: 4703


FROM: Lamar Cotten
Deputy Commissioner

SUBJECT: Impact Statements

Attached please find ANCR's impact statement for the house finance sub-committee action held at yesterday's close out hearing. We are of course concerned about all the proposed cuts. However of particular concern is the **one stop program** which is a \$7.2 million federal grant. This multi-agency effort is a critical part of the administration's welfare reform effort. It is not a new program nor does it require state funding. I would urge a coordinated effort by HESS, Labor, Education and DCRA to explain to key finance members the benefits of this program.

Department of Community and Regional Affairs
Impact Statements

Local Government Assistance BRU

Training and Development

Eliminate GF (\$225.0) and Federal (\$500.0) for RUBA

Elimination of this funding will result in the loss of three current positions associated with the Rural Utility Business Assistance (RUBA) program, reducing the program's staffing by approximately 60%. Reduction of this program will result in some rural sewer and water systems failing because of poor management and operating practices. Since these systems typically represent multi-million dollar state and federal investments, the consequence of failed systems could result in the need for system repairs costing millions of dollars. Failed systems will also result in unsanitary living conditions for residents of the community in which the system is located.

While these funds are shown as an increment, the \$225.0 GF has been provided to the department via the capital budget for the last three years; either directly to DCRA (FY97) or as part of DEC's budget (FY95 & FY96).

The \$500.0 increment of federal funds represents a program expansion of three additional staff. The money would come from the EPA and is anticipated for approximately a five-year period. The RUBA program can easily, and appropriately, be phased back at that point to recognize the decrease in federal support.

The expansion of the RUBA program was the number one recommendation of the Rural Sanitation Council under both Governor Knowles and Governor Hickel. The Council was composed of representatives of both the state and federal government, private sector, local government officials, and legislators.

Eliminate GF (\$89.6) for LGS V Position

Elimination of a Local Government Specialist V position will result in the loss of the manager and senior staff person of the Rural Utility Business Advisor program. This action, coupled with the decision to eliminate an additional \$225.0 from this program will virtually eliminate the RUBA program. This program has been a high priority of the Rural Sanitation Council under both Governors Knowles and Hickel. Eliminating this program will result in sewer and water systems that are, at best, poorly managed, do not generate sufficient income to cover costs, and ultimately fail. System failure generates substantial increases in health problems and results in the expenditure of additional public funds on repairs. The sanitation council has gone on record as considering this one of the most cost effective programs being provided by the state.

Child Assistance BRU

Child Care

Eliminate GF (\$2,293.3) for Child Care Grants and Personal Services

Grants Reduction (\$2,019.1)

Education and Training Grants Reduction of (\$200.0) eliminates Education and Training Grants to licensed child care providers thereby reducing the quality of child care provided in homes and centers. These funds are an important part of our efforts to improve the quality of child care. They are granted to the Child Care Resource and Referral agencies and leverage federal quality funds from the Child Care and Development Fund.

Child Care Grant Program Reduction of (\$1,819.1) eliminates the Child Care Grant program to licensed child care providers which reduces the quality of child care services and increases costs to families for child care services.

- 1) Some licensed facilities may close as many facilities are able to remain open only because of the Child Care Grant program. This may have the effect of placing more children in care that does not meet the basic standards of safety. This reduction may also reduce the availability of care to currently employed persons and prevent welfare clients from going to work for lack of child care.
- 2) Those facilities struggling to remain open would have to increase their rates which would:
 - a) increase child care costs to low income parents;
 - b) increase costs of care to parents on welfare; and,
 - c) increased rates will effect the Market Rate Survey used to establish subsidy payments and therefore increase the cost to the state of the DCAP program, thereby reducing the number of children that could be served.
- 3) We will see lower levels of services to current and future children in child care facilities because expected rate increases will meet only basic operating costs. This is in sharp contrast to the current effect of Child Care Grant funds which now enhance the quality of care that all children in these facilities receive.
- 4) Specific impact to child care providers and children will be:
 - a) decreased food supply and nutrition for the children. CCG funds are frequently used to provide food for children in care. The federal child care

food program has been drastically reduced so there is a double negative impact on our child care facilities to provide food for children;

- b) reduction in staff -- too many children for one caregiver to take care of for minimum health and safety assurance;
- c) income of child care facility staff will move closer to poverty levels (average wages are now approximately \$14,500 per year);
- d) reduction in supplies and learning materials available to the children and consequent loss of positive learning environment; and
- e) loss of even minimal fringe benefits -- no health care for employees or their children.

5. Child Care Grants increase the quality of care and quality of the environment in the licensed facilities. Licensing standards are minimum standards of acceptable care for children. The cost of maintaining those standards are high. Required education and training of staff costs money. Standards of heating, plumbing, electricity, and adequate space per child cost money. Parents cannot afford to pay the total cost of care and the Child Care Grants help to reduce the costs that would otherwise be passed on to families.

This reduction eliminates all General Fund administrative support to the Child Care Programs. There are no other General Fund dollars to support personal services, travel, or contractual administrative expenditure in this unit.

The Child Care Programs unit is charged with administration of the Day Care Assistance Program (\$9.846 million GF), Child Care and Development Fund (\$4.823 million Federal), and other essential services to parents, children, and the child care industry in Alaska.

Child Care Programs were budgeted at under 3% GF administrative support in SFY 98. No other unit of state government is as efficient and effective in managing multi-million dollar grant programs. (\$274.2 administrative support and \$9,846.7 Day Care Assistance Program grants)

Personal Services Reduction (\$174.0)

This reduction results in the elimination of at least three essential positions in the unit. This will cause the Department to eliminate the last vestiges of program accountability. We will no longer be able to monitor Day Care Assistance or Child Care Grant programs or to apply the high standards of accountability for management of state dollars that we have in the past. We will not be able to provide the level of technical assistance to our Local Administrators that they need.

Travel Reduction (\$2.4)

Five fewer compliance monitoring and technical assistance trips.

Contractual Reduction (\$94.9)

Effectively eliminates communications, printing forms, and the annual meeting with the Local Administrators of the child care assistance programs.

Supplies Reduction (\$2.9)

Day Care Assistance

Increase GF \$1,585.8 for Day Care Assistance Grants

It is difficult to measure the impact of an increase of \$1,585.8 in the Day Care Assistance Program due to the elimination of the child care grant program. If child care homes and centers increase child care rates, the additional funds will be necessary to keep current parents and children on the program. If rates and demand remain stable, it would be possible to address a waiting list should one exist.

Rural Energy Programs BRU

Energy Operations

Eliminate GF (\$913.4) for Operations

The Energy Operations component funds the staff and basic support services required to administer the following energy programs:

- Power Cost Equalization
- Bulk Fuel Upgrades and Repairs
- Rural Electric Power Systems Upgrades & Emergency Response
 - Emergency Response
 - Powerhouse Operator Training
- Alternative Energy
- Alaska Bioenergy Program
- Rebuild America
- Loan Programs
 - Power Project Fund
 - Bulk Fuel Revolving Loan Fund
 - Rural Electrification Revolving Loan Fund

Other Statutory Programs
Utility Improvements
Electrical Service Extension Fund
Southeast Energy Fund
Four Dam Pool Transfer Fund
Alaska Electric Power Statistics

The Governor's FY 98 Budget provides \$2,216.6 for the Energy Operations component. This level of funding already includes a reduction of (\$400.0). The Division is now asked to further reduce the component by (\$913.4) and to retain only 9 positions out of the proposed 24 positions

Chapter 18 SLA 1993 created the statutes under which the Division performs, and that has been the guide in the transition of programs and personnel from the former AEA. Section 35 (copy attached) authorized the Department of Community and Regional Affairs to determine which employees of the former AEA were to continue to be employed to insure uninterrupted services to programs. In no other sections of the bill is there reference to the number of employees that the Department should employ to administer the rural energy programs.

The Division has retained only the positions necessary to continue uninterrupted services to the programs transferred from the former AEA. AEA/AIDEA retained ownership and administration of the Four Dam Pool power projects and Anchorage-Fairbanks Intertie.

The Division contracts out work for assessment of emergencies. After staff performs a preliminary damage assessment, the actual repair work is contracted out. Work is also contracted out for projects funded through Community Development Block Grants (ICDBG) and American Native Association (ANA) grants. The Division is not staffed to do field work—the only work currently performed by staff in the field is associated with the close-out of a few projects that began when the Division had more technical staff.

With nine positions, the Division would not be able to provide basic performance reviews of its contractors; nor could it respond to emergencies by organizing the specific contractor(s) required to respond to a specific emergency. The Division would lose its engineering and specialized technical expertise in energy programs. Since FY 94 the Division has continued to streamline the administration of its programs; however, cutting 15 positions (62.5% of the staff) would create serious damage to the projects that are underway. The 24 positions proposed in the Governor's FY 98 Energy Operations component represent the minimum staff required to maintain basic levels of service to programs listed earlier in this section. Since FY 94, the Division has continued to streamline the administration of its programs, as demonstrated by the fact that the FY 98 Energy Operations component proposes 24 positions while the AEA, prior to the enactment of Chapter 18 SLA 1993, was staffed by 76 positions.

Eliminate GF (\$120.0) for Travel

Increment GF \$425.0 for Circuit Rider Program

Administration and Support BRU

Office of the Commissioner

Eliminate I/A (\$70.1) for Special Assistant to the Children's Cabinet

The position of Special Assistant to the Children's Cabinet was established to coordinate and facilitate the actions of the Governor's mini-cabinet on children, youth, and education. The special assistant serves as staff to the commissioners of Community and Regional Affairs, Health and Social Services, Education, Law, Public Safety, Corrections, the director of the Governor's Office of Management and Budget, and the Lieutenant Governor.

The special assistant position is paid for through interagency receipts, and is critical to implementation of the goals of the Children's Cabinet. To date, the Children's Cabinet special assistant has been instrumental in implementation of Children's Cabinet initiatives including assistance in activation of the Children's Trust, writing a successful grant application for the Danforth Foundation grant, planning the Children's Summit and the Governor's Conference on Youth and Justice, and reviewing recommendations of the Tribal/State Collaboration and the Quality Schools initiative.

Elimination of the special assistant position would severely hinder the abilities of this inter-agency effort at improving delivery of state services to Alaska's most vulnerable residents.

Eliminate GF (\$90.4) for Special Assistant

The Special Assistant to Commissioner Irwin (PCN 21516X) fulfills a number of duties which are integral to the efficient functioning of the commissioner's office.

As the commissioner's professional staff, the special assistant's most important duty is that of liaison to the Legislature. The legislative liaison's responsibilities include tracking and reviewing legislation that affects the Department, scheduling staff testimony, working with legislators and their staff to fulfill requests for information, working with other executive agencies and staff to coordinate responses to legislative requests, serving as departmental spokesperson, and performing or directing departmental research in response to legislative requests.

In addition to legislative duties, the special assistant acts as the commissioner's designee to state boards and commissions and other public and private-sector entities. The special assistant has served as the commissioner's representative on the Commission on Aging, Rural CAP, the Alaska Head Start Association, the Alaska Federation of Natives, Rural Provider's Conference, and others.

The special assistant also works to implement the commissioner's directives regarding internal and external departmental communication.

Elimination of the special assistant position would be extremely detrimental to the efficient functioning of the commissioner's office. This cut is inadvisable and strongly recommended against.

Eliminate GF (\$10.0) for Travel

Administrative Services

Eliminate GF (\$169.1) for Personal Services and Consolidate Juneau and Anchorage Fiscal Offices

Eliminate I/A (\$97.7) for One-Stop Increment

There were no new positions added as a result of the increase in I/A for the One-Stop Shop program. The I/A replaced a portion of the (\$120.0) GF reduction in the Governor's request. Fiscal, procurement, and grant (contract) administration activities related to the One-Stop Shop program would have been absorbed by existing staff. Also included in the Governor's Budget is an increment of \$173.0 in I/A, which included \$85.0 from the JTPA. It is not certain whether these administrative dollars will be received due to JTPA administrative cost limitations.

Therefore, as a result of the above reductions, this component faces a potential shortfall of (\$351.8), excluding the allowance for vacancy of (\$96.8), or (\$448.6) including vacancy. This will equate to a reduction of six to nine positions. These reductions will result in slower payments to recipients of departmental programmatic funds which include day care homes and centers, municipalities and unincorporated communities, non-profits, various grantees, and contractors (some of which are small entities who will be unable to meet payroll and pay local employees). They will also result in delayed filing of required federal reports which results in the loss of federal funds.

Consolidation of the Juneau and Anchorage offices will achieve only a minimal reduction in workload as there is currently no duplication of work being performed.

Data and Word Processing

Eliminate I/A (\$100.0) for One-Stop Increment

This reduction is entirely associated with the data processing aspects of the One-Stop Shop program and essentially means there will be no data processing enhancement for the One-Stop Shop program since the program is eliminated as described below.

One-Stop

Eliminate Federal (\$3,565.7) for One-Stop Shop Program

One-Stop is an idea whose time has come: the idea that government should operate more like the private sector. We operate a customer service business. And we need to use some of the techniques of business management in order to serve our customers better and do it more efficiently than we have in the past.

One-Stop is not an ongoing program. It is federal funding to provide temporary assistance to states to implement this idea. It pays for the development of infrastructure for the leaner and more efficient government services of the future. It provides funding for two types of infrastructure:

Human Infrastructure

- 1) Training for line staff and line supervisors in how to integrate services, as well as how to think more entrepreneurially in order to fund Alaska's jobs and assistance programs.
- 2) Coordination between departments, non-profits, and the private sector in order to co-locate services, avoid duplication of services, and more effectively get Alaskans to work.

Electronic Infrastructure

- 1) Computers and software for the desks of line workers. One-Stop will purchase approximately three million dollars worth of new computers, cabling, and software. These will replace outdated systems and provide for more efficiency for state workers. Computers being replaced will become training machines for clients in job training programs and provide opportunities for Alaska's employers to hire Alaskans ready to work.
- 2) Integration software. New software will be developed which will integrate the programs of five departments. This will enable us to avoid duplication of services, eliminate potential fraud and redundant paperwork, and reduce staff time.

What will happen if we do not accept the federal funding for One-Stop:

Alaska could lose other funds and risk non-compliance with Federal legislation:

- **Welfare Reform mandates moving people from welfare to work.**

If we do not meet our work participation requirements, we could be facing up to 21% cuts in the TANF block grant, which would be required to be made up with state funds.

- **Consolidation of Employment and Training Programs.**

Services to veterans, youths, disabled, and displaced workers, et cetera, will be consolidated in Congress this year. In order to serve these Alaskans we must streamline our services.

- **School to Work, ensuring job-ready high school graduates.**

Businesses have demanded that our high schools produce graduates who are prepared for the workplace. One-Stop maximizes these job-ready efforts for Alaska's employers.

- **Research and Analysis - Labor Market Information**

Employers dependent on this information could not access this data as budgets are cut.

Alaska faces the challenge of developing a stable growing economy. We must use all resources available.

In a nutshell - One-Stop will:

- Save administrative funds that can be used for getting Alaskans jobs!
- Eliminate burdensome bureaucratic systems that waste time and money.
- Increase service delivery - get people to work faster!
- Free up staff to provide services rather than fill out paper work.
- Evaluate the effectiveness of our jobs programs, increasing accountability.
- Do more with less and do it better - who can argue with that!

Department of Community & Regional Affairs

Eliminate GF (\$64.0) for Travel Department-wide

CORRECTIONS

CORRECTIONS

Agency Totals - FY98 Operating Budget

Agency: Department of Corrections

	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
Totals for Agency	135,315.2	138,745.5	140,744.8	137,848.5	-2,896.3	-2.1%
<u>Objects of Expenditure:</u>						
Personal Services	81,914.5	84,439.0	86,096.6	86,096.6	0.0	0.0%
Travel	1,153.9	1,258.3	1,231.0	1,231.0	0.0	0.0%
Contractual	35,194.5	39,861.5	40,175.6	41,298.4	1,122.8	2.8%
Commodities	11,914.5	11,017.9	11,025.4	11,025.4	0.0	0.0%
Equipment	3,182.4	83.9	83.9	83.9	0.0	0.0%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	1,955.4	2,084.9	2,132.3	2,084.9	-47.4	-2.2%
Miscellaneous	0.0	-0.0	0.0	-3,971.7	-3,971.7	0.0%
<u>Funding Sources:</u>						
1002 Fed Rcpts	1,377.7	1,687.3	1,708.3	4,142.5	2,434.2	142.5%
1004 Gen Fund	123,524.6	126,623.4	127,925.2	122,115.2	-5,810.0	-4.5%
1005 GF/Prgm	2,405.6	2,413.5	2,465.3	3,276.3	810.0	32.8%
1006 GF/MHTIA	781.3				0.0	0.0%
1007 I/A Rcpts	438.0	496.0	759.7	500.0	-259.7	-34.2%
1037 GF/MH	2,669.7	3,426.5	3,462.2	3,462.2	0.0	0.0%
1050 PFD Fund	802.9	802.9	1,047.3	1,047.3	0.0	0.0%
1059 Corr. Ind.	3,148.5	2,750.6	2,750.6	2,750.6	0.0	0.0%
1061 CIP Rcpts	166.9	545.3	625.2	554.4	-70.8	-11.3%
<u>Positions:</u>						
Perm Full Time	1,349.0	1,352.0	1,355.0	1,355.0	0.0	0.0%
Perm Part Time	6.0	4.0	4.0	4.0	0.0	0.0%
Non-Perm	21.0	24.0	0.0	0.0	0.0	0.0%

Component Summary - FY98 Operating Budget

General Funds and CBR

Agency: Department of Corrections

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
Administration & Operations							
1	Office of the Commissioner	1,712.9	2,268.3	1,685.9	-0.0	-1,685.9	-100.0%
2	Parole Board	486.1	488.2	491.9	-0.0	-491.9	-100.0%
3	Correctional Academy	678.2	771.8	779.7	-0.0	-779.7	-100.0%
4	Administrative Services	2,519.9	2,632.0	2,659.5	-0.0	-2,659.5	-100.0%
5	Data and Word Processing	512.7	529.9	534.2	-0.0	-534.2	-100.0%
8	Inmate Health Care	14,339.7	14,857.2	14,997.6	3,120.9	-11,876.7	-79.2%
9	Inmate Programs	1,899.7	1,946.8	1,950.2	369.3	-1,580.9	-81.1%
10	Correctional Industries Admin	1,145.6	1,171.2	1,192.6	0.0	-1,192.6	-100.0%
12	Institution Director's Office	403.8	502.0	508.9	0.0	-508.9	-100.0%
14	Anvil Mtn Correctional Center	3,847.3	3,915.8	3,963.4	-0.0	-3,963.4	-100.0%
15	Combined Hiland Mtn Corr Ctr	7,171.8	7,257.5	7,356.3	295.0	-7,061.3	-96.0%
16	Cook Inlet Correctional Center	8,328.5	7,998.0	8,107.7	249.2	-7,858.5	-96.9%
17	Fairbanks Correctional Center	6,909.1	7,015.7	7,110.2	21.3	-7,088.9	-99.7%
18	Ketchikan Correctional Center	2,689.5	2,613.0	2,649.0	20.8	-2,628.2	-99.2%
19	Lemon Creek Correctional Ctr	5,959.9	6,012.7	6,094.0	103.6	-5,990.4	-98.3%
20	Mat-Su Correctional Center	2,785.9	2,752.1	2,788.8	60.4	-2,728.4	-97.8%
21	Palmer Correctional Center	8,953.8	8,618.7	8,725.9	158.6	-8,567.3	-98.2%
22	Sixth Avenue Correctional Ctr	3,544.9	3,590.6	3,641.5	903.5	-2,738.0	-75.2%
23	Spring Creek Correctional Ctr	13,355.7	13,914.8	14,112.0	0.0	-14,112.0	-100.0%
24	Wildwood Correctional Center	8,624.1	8,325.4	8,428.3	15.9	-8,412.4	-99.8%
25	Yukon-Kuskokwim Corr Center	3,932.4	4,017.5	4,067.9	0.0	-4,067.9	-100.0%
33	Community Jails	4,374.6	4,812.1	4,813.3	-0.0	-4,813.3	-100.0%
27	Community Corrections Director	10,023.7	1,038.7	837.3	0.0	-837.3	-100.0%
29	Northern Region Probation	2,471.3	2,452.6	2,496.5	0.0	-2,496.5	-100.0%
30	Southcentral Region Probation	4,151.7	3,908.3	4,194.2	0.0	-4,194.2	-100.0%
31	Southeast Region Probation	913.0	839.2	896.0	0.0	-896.0	-100.0%
	Administration and Operations				106,075.7	106,075.7	%
	* BRU Total	121,735.8	114,250.1	115,082.8	111,394.2	-3,688.6	-3.2%
Administration and Support							
7	Unallocated Reduction		0.0	0.0	0.0	0.0	0.0%
		0.0	0.0	0.0	0.0	0.0	0.0%

Component Summary - FY98 Operating Budget

General Funds and CBR

Agency: Department of Corrections

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	Administration and Support						
	* BRU Total						
	Institutions						
26	Unallocated		0.0	0.0	0.0	0.0	0.0%
	* BRU Total	0.0	0.0	0.0	0.0	0.0	0.0%
	Community Corrections						
28	Community Residential Centers		10,333.7	10,333.7	0.0	-10,333.7	-100.0%
	* BRU Total	0.0	10,333.7	10,333.7	0.0	-10,333.7	-100.0%
	Out of State Contracts						
13	Out-of-State Contractual	5,743.9	5,897.9	6,437.9	5,757.5	-680.4	-10.6%
	* BRU Total	5,743.9	5,897.9	6,437.9	5,757.5	-680.4	-10.6%
	Existing Community Residential Centers						
	Existing CRC Facilities				9,709.7	9,709.7	%
	* BRU Total	0.0	0.0	0.0	9,709.7	9,709.7	%
	Point MacKenzie						
32	Point MacKenzie Rehab Program	1,901.5	1,981.7	1,999.3	1,942.3	-57.0	-2.9%
	* BRU Total	1,901.5	1,981.7	1,999.3	1,942.3	-57.0	-2.9%
	Cultural Relevance Study						
	Cultural Relevance Study				50.0	50.0	%
	* BRU Total	0.0	0.0	0.0	50.0	50.0	%
	*** Total Agency Expenditure	129,381.2	132,463.4	133,853.7	128,853.7	-5,000.0	-3.7%

Component Summary - FY98 Operating Budget

Agency: Department of Corrections

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
	Administration & Operations						
1	Office of the Commissioner	1,945.8	2,542.2	2,025.3	273.9	-1,751.4	-86.5%
2	Parole Board	486.1	488.2	491.9	0.0	-491.9	-100.0%
3	Correctional Academy	678.2	771.8	779.7	-0.0	-779.7	-100.0%
4	Administrative Services	2,519.9	2,632.0	2,924.5	-0.0	-2,924.5	-100.0%
5	Data and Word Processing	512.7	1,083.7	1,097.3	563.1	-534.2	-48.7%
6	Fac-Capital Improvement Unit	166.9	210.6	214.4	214.4	0.0	0.0%
8	Inmate Health Care	14,368.8	14,857.2	14,997.6	3,120.9	-11,876.7	-79.2%
9	Inmate Programs	2,671.3	2,578.0	2,778.4	1,197.5	-1,580.9	-56.9%
10	Correctional Industries Admin	1,145.6	1,171.2	1,192.6	0.0	-1,192.6	-100.0%
11	Corr Industries Product Cost	3,148.5	2,750.6	2,750.6	2,750.6	0.0	0.0%
12	Institution Director's Office	578.5	676.7	731.0	222.1	-508.9	-69.6%
14	Anvil Mtn Correctional Center	3,847.3	3,915.8	3,963.4	-0.0	-3,963.4	-100.0%
15	Combined Hiland Mtn Corr Ctr	7,206.9	7,292.9	7,392.2	330.9	-7,061.3	-95.5%
16	Cook Inlet Correctional Center	9,281.9	9,250.2	9,374.4	1,515.9	-7,858.5	-83.8%
17	Fairbanks Correctional Center	6,973.2	7,080.5	7,176.1	87.2	-7,088.9	-98.8%
18	Ketchikan Correctional Center	2,692.2	2,615.7	2,651.7	23.5	-2,628.2	-99.1%
19	Lemon Creek Correctional Ctr	5,968.1	6,021.0	6,102.5	112.1	-5,990.4	-98.2%
20	Mat-Su Correctional Center	2,785.9	2,752.1	2,788.8	60.4	-2,728.4	-97.8%
21	Palmer Correctional Center	8,957.8	8,622.7	8,729.9	162.6	-8,567.3	-98.1%
22	Sixth Avenue Correctional Ctr	3,837.5	3,886.5	3,942.1	1,204.1	-2,738.0	-69.5%
23	Spring Creek Correctional Ctr	13,360.0	13,938.8	14,136.0	24.0	-14,112.0	-99.8%
24	Wildwood Correctional Center	8,624.1	8,325.4	8,428.3	15.9	-8,412.4	-99.8%
25	Yukon-Kuskokwim Corr Center	3,978.3	4,017.5	4,067.9	0.0	-4,067.9	-100.0%
33	Community Jails	4,374.6	4,812.1	4,813.3	0.0	-4,813.3	-100.0%
27	Community Corrections Director	10,023.7	1,038.7	837.3	0.0	-837.3	-100.0%
29	Northern Region Probation	2,471.3	2,452.6	2,496.5	0.0	-2,496.5	-100.0%
30	Southcentral Region Probation	4,151.7	3,908.3	4,194.2	-0.0	-4,194.2	-100.0%
31	Southeast Region Probation	913.0	839.2	896.0	0.0	-896.0	-100.0%
	Administration and Operations				106,075.7	106,075.7	%
	* BRU Total	127,669.8	120,532.2	121,973.9	117,954.8	-4,019.1	-3.3%

Component Summary - FY98 Operating Budget

Agency: Department of Corrections

Page	Budget Component	FY96 Act	FY97Auth	Gov Amd	House	Gov Amd to House	
Administration and Support							
7	Unallocated Reduction		0.0	0.0	0.0	0.0	0.0%
	* BRU Total	0.0	0.0	0.0	0.0	0.0	0.0%
Institutions							
26	Unallocated		0.0	0.0	0.0	0.0	0.0%
	* BRU Total	0.0	0.0	0.0	0.0	0.0	0.0%
Community Corrections							
28	Community Residential Centers		10,333.7	10,333.7	0.0	-10,333.7	-100.0%
	* BRU Total	0.0	10,333.7	10,333.7	0.0	-10,333.7	-100.0%
Out of State Contracts							
13	Out-of-State Contractual	5,743.9	5,897.9	6,437.9	6,881.7	443.8	6.9%
	* BRU Total	5,743.9	5,897.9	6,437.9	6,881.7	443.8	6.9%
Existing Community Residential Centers							
	Existing CRC Facilities				10,709.7	10,709.7	%
	* BRU Total	0.0	0.0	0.0	10,709.7	10,709.7	%
New Community Residential Centers							
	New CRC Facilities				310.0	310.0	%
	* BRU Total	0.0	0.0	0.0	310.0	310.0	%
Point MacKenzie							
32	Point MacKenzie Rehab Program	1,901.5	1,981.7	1,999.3	1,942.3	-57.0	-2.9%
	* BRU Total	1,901.5	1,981.7	1,999.3	1,942.3	-57.0	-2.9%
Cultural Relevance Study							
	Cultural Relevance Study				50.0	50.0	%
	* BRU Total	0.0	0.0	0.0	50.0	50.0	%

Component Summary - FY98 Operating Budget

Agency: Department of Corrections

<u>Page</u>	<u>Budget Component</u>	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	*** Total Agency Expenditure	135,315.2	138,745.5	140,744.8	137,848.5	-2,896.3	-2.1%
	Federal Funds	1,377.7	1,687.3	1,708.3	4,142.5	2,434.2	142.5%
	General Funds	129,381.2	132,463.4	133,853.7	128,853.7	-5,000.0	-3.7%
	Other Funds	4,556.3	4,594.8	5,182.8	4,852.3	-330.5	-6.4%

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Corrections

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Imp
Administration & Operations												
Office of the Commissioner												
GF Out	-1,685.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,685.9	0.0	0.0	0.0
1004 Gen Fund	-1,685.9											
Deny I/A Rcpts	-65.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-65.5	0.0	0.0	0.0
1007 I/A Rcpts	-65.5											
	-1,751.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,751.4	0.0	0.0	0.0
Parole Board												
GF Out	-491.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-491.9	0.0	0.0	0.0
1004 Gen Fund	-491.9											
	-491.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-491.9	0.0	0.0	0.0
Correctional Academy												
GF Out	-779.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-779.7	0.0	0.0	0.0
1004 Gen Fund	-779.7											
	-779.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-779.7	0.0	0.0	0.0
Administrative Services												
GF Out	-2,659.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,659.5	0.0	0.0	0.0
1004 Gen Fund	-2,659.5											
Deny I/A Rcpts	-194.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-194.2	0.0	0.0	0.0
1007 I/A Rcpts	-194.2											
Deny CIP Rcpts	-70.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-70.8	0.0	0.0	0.0
1061 CIP Rcpts	-70.8											
	-2,924.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,924.5	0.0	0.0	0.0
Data and Word Processing												
GF Out	-534.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-534.2	0.0	0.0	0.0
1004 Gen Fund	-534.2											
	-534.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-534.2	0.0	0.0	0.0
Inmate Health Care												
GF Out	-11,876.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-11,876.7	0.0	0.0	0.0
1004 Gen Fund	-11,876.7											
	-11,876.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-11,876.7	0.0	0.0	0.0
Inmate Programs												
GF Out	-1,383.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,383.9	0.0	0.0	0.0
1004 Gen Fund	-1,383.9											
Dec GF for PFD	-197.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-197.0	0.0	0.0	0.0
1004 Gen Fund	-197.0											

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Corrections

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Trip
Administration & Operations												
Inmate Programs												
	-1,680.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,580.9	0.0	0.0	0.0
Correctional Industries Administration												
GF Out	-1,192.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,192.6	0.0	0.0	0.0
1004 Gen Fund	-1,192.6											
	-1,192.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,192.6	0.0	0.0	0.0
Institution Director's Office												
GF Out	-461.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-461.5	0.0	0.0	0.0
1004 Gen Fund	-461.5											
GF for PFD	-47.4	0.0	0.0	0.0	0.0	0.0	0.0	-47.4	0.0	0.0	0.0	0.0
1004 Gen Fund	-47.4											
	-508.9	0.0	0.0	0.0	0.0	0.0	0.0	-47.4	-461.5	0.0	0.0	0.0
Anvil Mountain Correctional Center												
GF Out	-3,963.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3,963.4	0.0	0.0	0.0
1004 Gen Fund	-3,963.4											
	-3,963.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3,963.4	0.0	0.0	0.0
Combined Hiland Mountain Correctional Center												
GF Out	-7,061.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-7,061.3	0.0	0.0	0.0
1004 Gen Fund	-7,061.3											
	-7,061.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-7,061.3	0.0	0.0	0.0
Cook Inlet Correctional Center												
GF Out	-7,858.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-7,858.5	0.0	0.0	0.0
1004 Gen Fund	-7,858.5											
	-7,858.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-7,858.5	0.0	0.0	0.0
Fairbanks Correctional Center												
GF Out	-7,088.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-7,088.9	0.0	0.0	0.0
1004 Gen Fund	-7,088.9											
	-7,088.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-7,088.9	0.0	0.0	0.0
Ketchikan Correctional Center												
GF Out	-2,628.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,628.2	0.0	0.0	0.0
1004 Gen Fund	-2,628.2											
	-2,628.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,628.2	0.0	0.0	0.0

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Corrections

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Trnp
Administration & Operations												
Lemon Creek Correctional Center												
GF Out	-5,990.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-5,990.4	0.0	0.0	0.0
1004 Gen Fund	-5,990.4											
	-5,990.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-5,990.4	0.0	0.0	0.0
Matanuska-Susitna Correctional Center												
GF Out	-2,728.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,728.4	0.0	0.0	0.0
1004 Gen Fund	-2,728.4											
	-2,728.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,728.4	0.0	0.0	0.0
Palmer Correctional Center												
GF Out	-8,567.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-8,567.3	0.0	0.0	0.0
1004 Gen Fund	-8,567.3											
	-8,567.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-8,567.3	0.0	0.0	0.0
Sixth Avenue Correctional Center												
GF Out	-2,738.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,738.0	0.0	0.0	0.0
1004 Gen Fund	-2,738.0											
	-2,738.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,738.0	0.0	0.0	0.0
Spring Creek Correctional Center												
GF Out	-14,112.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-14,112.0	0.0	0.0	0.0
1004 Gen Fund	-14,112.0											
	-14,112.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-14,112.0	0.0	0.0	0.0
Wildwood Correctional Center												
GF Out	-8,412.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-8,412.4	0.0	0.0	0.0
1004 Gen Fund	-8,412.4											
	-8,412.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-8,412.4	0.0	0.0	0.0
Yukon-Kuskokwim Correctional Center												
GF Out	-4,067.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4,067.9	0.0	0.0	0.0
1004 Gen Fund	-4,067.9											
	-4,067.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4,067.9	0.0	0.0	0.0
Community Jails												
GF Out	-4,813.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4,813.3	0.0	0.0	0.0
1004 Gen Fund	-4,813.3											
	-4,813.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4,813.3	0.0	0.0	0.0

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Corrections

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Trp
Administration & Operations												
Community Corrections Director's Office												
GF Out												
1004 Gen Fund	-837.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-837.3	0.0	0.0	0.0
	-837.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-837.3	0.0	0.0	0.0
Northern Region Probation												
GF Out												
1004 Gen Fund	-2,496.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,496.5	0.0	0.0	0.0
	-2,496.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,496.5	0.0	0.0	0.0
Southcentral Region Probation												
GF Out												
1004 Gen Fund	-4,194.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4,194.2	0.0	0.0	0.0
	-4,194.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4,194.2	0.0	0.0	0.0
Southeast Region Probation												
GF Out												
1004 Gen Fund	-896.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-896.0	0.0	0.0	0.0
	-896.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-896.0	0.0	0.0	0.0
Administration and Operations												
BRU General Funds												
1004 Gen Fund	106,075.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	106,075.7	0.0	0.0	0.0
	106,075.7	0	0.0	0.0	0.0	0.0	0.0	0.0	106,075.7	0.0	0.0	0.0
*** BRU Total ***	-4,019.1	0.0	0.0	0.0	0.0	0.0	0.0	-47.4	-3,971.7	0.0	0.0	0.0
Community Corrections												
Community Residential Centers												
Existing CRCs												
1004 Gen Fund	-10,333.7	0.0	0.0	-10,333.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	-10,333.7	0.0	0.0	-10,333.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***	-10,333.7	0.0	0.0	-10,333.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Out of State Contracts												
Out-of-State Contractual												
Out of State Contracts												
1004 Gen Fund	443.8	0.0	0.0	443.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fnd Chg to Fed												
1002 Fed Rcpts	1,124.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Corrections

Trans Typo	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Out of State Contracts												
Out-of-State Contractual												
Fnd Chg to Fed	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-1,124.2										
		443.8	0.0	0.0	443.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		443.8	0.0	0.0	443.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Existing Community Residential Centers												
Existing Community Residential Centers												
Existing CRC facilities	Trln	10,333.7	0.0	0.0	10,333.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		1,000.0										
1004 Gen Fund		8,523.7										
1005 GF/Prgm		810.0										
Existing CRC Contracts	Inc	376.0	0.0	0.0	376.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		376.0										
		10,709.7	0.0	0.0	10,709.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		10,709.7	0.0	0.0	10,709.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Community Residential Centers												
New Community Residential Centers												
New CRC facilities	Inc	310.0	0.0	0.0	310.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		310.0										
		310.0	0.0	0.0	310.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		310.0	0.0	0.0	310.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Point MacKenzie												
Point MacKenzie Rehabilitation Program												
GF Dec - Pt. MacKenzie	Dec	-57.0	0.0	0.0	-57.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-57.0										
		-57.0	0.0	0.0	-57.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-57.0	0.0	0.0	-57.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cultural Relevance Study												
Cultural Relevance Study												
Cultural Relevance Study	Inc	50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		50.0										
		50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

One Way Comparison - FY98 Operating Budget

from Gov Amd to House

Agency: Department of Corrections

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
***** Agency Total *****	-2,896.3	0.0	0.0	1,122.8	0.0	0.0	0.0	-47.4	-3,971.7	0.0	0.0	0.0



REPRESENTATIVE ELDON MULDER
DISTRICT 23 MULDOON-Ft. RICHARDSON



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES

MEMORANDUM

DATE: March 18, 1997

TO: Representative Mark Hanley, CoChair
House Finance Committee

FROM: Representative Mulder *Eldon Mulder*

RE: Subcommittee on Corrections Report

We reviewed the proposal from the governor for the Department of Corrections. I attached several spread sheets reflecting the subcommittee work. This proposal helps move toward the goal of a balanced state budget.

We propose a total budget slightly less than FY97. We achieved the general fund mark of \$128,853,700 established by the CoChair.

In doing so, we:

- Recommend a budget of \$138,460,900 which is up from \$125,531,500 in FY95
- Provided for almost 150 new beds over the FY97 budget
- Reduced the general fund appropriation by \$5,000,000
- Included funds for a report on making treatment programs relevant to the 37% of the prison population that is native

The report recommends a structural change in the BRUs. The Administrative & Services BRU received a single allocation of General Funds. We believe this will assist the Department flexibly manage its operations. The appropriations for out-of-state beds, Community Residential Centers, Point MacKenzie Rehabilitation Farm, and a Cultural Relevance Study are separate. We believe These programs need specific visibility, accountability, and encouragement.

Report Attached

Corrections Subcommittee Report
March 17, 1997

Explanation of attached Spread sheets for the Department of Corrections FY98 Budget Recommendation

Subcommittee Reccomm column equals Committee GF + GF/Program Receipts + GF/Mental Health + Federal Receipts + PFD Funds + Correctional Industries + CIP Receipts + I/A Receipts.

The Subcommittee recommendation allocates all funds except General Funds (GF) in the Administrative & Operations BRU. The Subcommittee opted to offer the Department the flexibility to distribute GF as management decisions require.

It appropriates 106,075.7 to the BRU without specific allocation. The Subcommittee expects the Department to allocate funds to manage within available funds.

The Subcommittee outlined opportunities it sees to reduce expenditures in the Administrative & Operations BRU in sheets attached to the main spread sheet.

Subcomm Recommendations for DEPARTMENT OF CORRECTIONS FY 98 Budget														
Budget Component	FY95 Actual	FY96 Actual	FY97 Authorized	Gov FY98 Request	Subcom Recomm	Difference Gov FY98 - Subcom	Committee GF	Subcommittee Recommendations						
								GF/Program Receipts	GF/ Mental Health	Federal Receipts	PFD Funds	Correctional Industries	CIP Receipts	UA Receipts
Admin & Operations														273.90
Office of the Comm	2,026.10	1,945.80	2,542.20	2,025.30	273.90		0.00							
Parole Board	417.70	486.10	488.20	401.90	0.00		0.00							
Corr. Academy	447.90	678.20	771.80	779.70	0.00		0.00							
Admin Services	2,587.90	2,519.90	2,632.00	2,924.50	0.00		0.00							
Data & Word Proc	430.00	512.70	1,083.70	1,097.30	563.10		0.00						340.00	223.10
Fac. Capital Imp. Unit	136.80	166.90	210.60	214.40	214.40		0.00						214.40	
Inmate Health Care														
Inmate Health Care	14,509.00	14,368.80	14,957.20	14,997.60	3,120.90		0.00	28.00	3,082.80					
Inmate programs	2,463.80	2,671.30	2,578.00	2,581.40	1,197.50		0.00		399.30		825.20			3.00
Corr. Industry Admin	1,150.50	1,145.80	1,171.20	1,192.60	0.00		0.00							
Corr Ind. Product Cost	2,227.50	3,148.50	2,750.60	2,750.60	2,750.60		0.00					2,750.60		
Inst Dir Off	586.30	578.50	678.70	683.60	222.30		0.00				222.30			
Anvil Mountain	3,924.20	3,847.30	3,915.80	3,863.40	0.00		0.00							
Combined Hand Mtn	7,332.80	7,206.90	7,292.90	7,392.20	330.90		0.00	295.00		35.90				
Cook Inlet Cor Cntr	9,333.30	9,281.90	9,250.20	9,374.40	1,515.90		0.00	249.20		1,266.70				
Fairbanks	7,958.40	6,973.20	7,080.50	7,176.10	87.20		0.00	21.30		65.90				
Ketchikan	2,610.80	2,692.20	2,615.70	2,651.70	23.50		0.00	20.80		2.70				
Lemon Creek	6,070.50	5,968.10	6,021.00	6,102.50	112.10		0.00	103.60		8.50				
Mat-Su Cor. Cntr	2,743.90	2,785.90	2,752.10	2,788.80	60.40		0.00	60.40						
Palmx Cor. Cntr	8,810.90	8,957.80	8,622.70	8,729.90	162.60		0.00	158.60		4.00				
6th Avenue	3,829.90	3,837.50	3,886.50	3,942.10	1,204.10		0.00	903.50		300.60				
Spring Creek	13,825.90	13,360.00	13,938.80	14,136.00	24.00		0.00			24.00				
Wildwood	7,860.50	8,624.10	8,325.40	8,428.30	15.90		0.00	15.90						
Yukon-Kuskokwim	3,956.00	3,878.30	4,017.50	4,067.90	0.00		0.00							
Community Jails	(Pub Safety)	4,374.60	4,812.10	4,813.30	0.00		0.00							
Community Corr. Dir.	9,274.00	10,023.70	1,038.70	837.30	0.00		0.00							
Northern Reg. Probation	2,237.40	2,471.30	2,452.60	2,496.50	0.00		0.00							
Southcentral Reg. Prob.	3,366.00	4,151.70	3,988.30	4,194.20	0.00		0.00							
Southeast Probation	736.80	913.00	839.20	896.00	0.00		0.00							
GF Appropriation to BRU					106,075.70		106,075.70							
BRU Total	120,304.80	127,669.80	120,532.20	121,729.50	117,955.00	(3,774.50)	106,075.70	1,856.30	3,462.20	1,708.30	1,047.50	2,750.60	554.40	500.00
Out-of-State Contracts														
Out-of-State Contracts	3,549.20	5,743.90	5,897.90	6,898.10	6,881.70	(16.40)	5,757.50			1,124.20				
BRU Total	3,549.20	5,743.90	5,897.90	6,898.10	6,881.70	(16.40)	5,757.50	0.00	0.00	1,124.20	0.00	0.00	0.00	0.00
Existing CRC Facilities														
Comm Residential Centers			10,333.70	9,873.50	10,709.70	836.20	8,899.70	810.00		1,000.00				
BRU Total			10,333.70	9,873.50	10,709.70	836.20	8,899.70	810.00	0.00	1,000.00	0.00	0.00	0.00	0.00
New CRC Facilities														
Comm Residential Centers					310.00	310.00	0.00			310.00				
BRU Total					310.00	310.00	0.00	0.00	0.00	310.00	0.00	0.00	0.00	0.00
Point Macenzie Rehab	1,623.50	1,901.50	1,981.70	1,999.30	1,942.30	(57.00)	1,942.30							
Cultural Relevance Study					50	50.00								
DEPARTMENT TOTAL	125,477.50	135,315.20	138,745.50	140,500.40	137,848.70	(2,651.70)	122,725.20	2,666.30	3,462.20	4,142.50	1,047.50	2,750.60	554.40	500.00
Carry Forward		[2300.00]	[727.10]											
Revenue Source														
General Funds	120,348.30	129,381.20	132,463.40	133,853.70	128,853.70	(5,000.00)								
Federal Funds	1,648.40	1,377.70	1,687.30	1,708.30	4,142.50	2,434.20								
Other Funds	3,534.00	4,556.30	4,594.80	4,938.40	4,852.50	(85.90)								
TOTAL BUDGET	125,531.50	135,315.20	138,745.50	140,500.40	137,848.70	(2,651.70)								

DEPARTMENT OF CORRECTIONS FY 98 Subcom recommendation

Budget Component	Potential GF Reduction	Subcommittee Recommendations for Specific Reductions
Admin. & Support		
Office of the Com. Parole Board Cor. Academy	(223.20) (3.70) (155.50)	Disallow I/A transfer to commissioner to fund internal auditor, eliminate special assistant - reduce personal services 80.0, reduce travel 43.2, reduce contractual by 100.0, (specifically no transfer to C&RA) disallow I/A receipts from DOC 65.5 3.7 savings from recruiting new director at step A Accept reduction of 24 Non-Perm positions saving 155.5
Admin. Services Data & Word Proc Fac- Capital Imp. Unit	(112.60) (180.00)	Eliminate Federal Aide Coordinator 70.8 CIP funds; deny DOC I/A transfers 194.2; eliminate budget analyst 54.6; deny increase in Contractual - Professional Services (Savings 50); reduce supplies 8.0 Reduce 180.0 none
Inmate Health care	(104.80)	Deny increase in GF 76.7; deny I/A transfer to Admin. Serv & Com. Office 28.1
Inmate programs Cor. Industry Admin.	(216.10)	Reduce travel & per diem 10.3; deny I/A transfer to Admin. Serv & Com. Office 8.8
Cor. Ind. Product Cost	0	Deny I/A transfer to Admin. Serv & Com. Office 2.1 Cor. Ind. Funds
Inst. Dir. Off	(115.40)	Eliminate deputy director or assistant director 94.3; reduce travel 16.5; reduce supplies 4.0; deny I/A transfer to Admin. Services 0.6
Anvil Mountain	(5.00)	Deny I/A transfer to Admin. Serv & Com. Office 5.0
Combined Highland Mt	(111.70)	Reduce premium pay 75.0; reduce travel 5.0; reduce contractual services 20.0; deny I/A transfer to Admin. Serv & Com. Office 11.7

DEPARTMENT OF CORRECTIONS FY 98 Subcom recommendation		
Budget Component	Potential GF Reduction	Subcommittee Recommendations for Specific Reductions
Cook Inlet Cor. Cntr	(45.70)	PCN20-6607 remains vacant; reduce travel 6.0; reduce contractual 25.0; deny I/A transfer to Admin. Serv & Com. Office 14.7
Fairbanks	(106.20)	Reduce premium pay 80.0; reduce travel 10.0; reduce contractual 5.0; deny I/A transfer to Admin. Serv & Com. Office 11.2
Ketchikan	(12.40)	Reduce travel 8.0; deny I/A transfer to Admin. Serv & Com. Office 4.4
Lemon Creek	(89.90)	Reduce premium pay 80.0; deny I/A transfer to Admin. Serv & Com. Office 9.9
Mat-Su Cor. Cntr	(11.90)	Reduce travel 0.7; Reduce contractual 7.0; deny I/A transfer to Admin. Serv & Com. Office 4.2
Palmer Cor. Cntr 6th Avenue	(103.10) (6.80)	Reduce premium pay 80.0; reduce contractual 10.0; deny I/A transfer to Admin. Serv & Com. Office 13.1 Deny I/A transfer to Admin. Serv & Com. Office 6.8
Spring Creek	(169.30)	Reduce premium pay 100.0; reduce travel 15.0; reduce contractual services 30.0; deny I/A transfer to Admin. Serv & Com. Office 24.3
Wildwood	(113.00)	Reduce premium pay 80.0; reduce contractual 20.0; deny I/A transfer to Admin. Serv & Com. Office 13.0
Yukon-Kuskokwim	(21.10)	Reduce travel 10.0; reduce contractual 6.0; deny I/A transfer to Admin. Serv & Com. Office 5.1
Community Cor. Dir.	(103.30)	Reduce personal services 10.0; eliminate Admin. Mg. II 91.9; retain contract. serv. for treatment beds; deny I/A to Admin. Serv. 1.4; the Dept should consider contracting collection services to private contractor as this I/A will be disallowed in FY99
Northern Reg. Probation	(3.90)	Deny I/A to Admin. Serv 3.9
Southcentral Reg. Prob.	(82.70)	Eliminate PO IV 75.4; Deny I/A to Admin. Serv 7.3
Southeast Probation	(1.50)	Deny I/A transfer to Admin. Serv 1.5

DEPARTMENT OF CORRECTIONS FY 98 Subcom recommendation		
Budget Component	Potential GF Reduction	Subcommittee Recommendations for Specific Reductions
Community Jails	(10.00)	Reduce travel 10.0
New BRU for Out-of-State-Contract	5,757.50	Appropriate 1,124.2 fed crime funds; deny I/A transfer to Com. Office 16.4
New BRU for Existing Community Residential Centers	(63.80)	Deny I/A transfer to Admin. Serv & Com. Office 63.8; increase GF/Program receipt 200.0; Reduce GF by 200.0 replaced by GF/PR; no purchase of beds from new facilities and all beds meet Dept. CRC standards; add 1,000.0 fed crime funds for new beds
New BRU for beds in new Community Residential Centers		310.0 fed crime funds appropriated for new CRC beds conditioned on no purchases from governmental entities and beds all meet dept CRC standards.
New BRU for Point MacKenzie Rehab	(57.00)	Reduce contractual personal services 15.0; reduce gratuities 40.0; deny I/A transfer to Admin. Serv 2.0
New BRU for Cultural Relevance Study	50.00	Rural Affairs Coordinator will develop a plan for culturally relevant substance abuse programs, after on-site review of the effectiveness of current programs and consultation with relevant groups in and out of the prison system.

Legislative Intent and Conditions

It is the intent of the legislature to open space in institutions for felons:

1. Pursuant to authority in AS 33.30.111, no felon should be released from custody, or placed on discretionary or mandatory parole or otherwise released into the community without participating in a residential pre-release furlough program during at least the last six months of incarceration, unless an individual determination is made that the offender presents an immediate threat to public safety.
2. Pursuant to authority in AS 33.30.031 and AS 33.30.061, pretrial misdemeanants should be transferred where practical from state operated jails and prisons to available CRCs within 12 hours of booking unless an individual determination is made that the prisoner is an immediate threat to public safety.
3. Pursuant to authority in AS 33.30.031 and AS 33.30.061, sentenced misdemeanants should serve their incarceration period in a CRC where practical, unless an individual determination is made that the prisoner is an immediate threat to public safety.

It is the intent of the legislature that the management responsibility of Community Residential Centers will be moved out of the Community Corrections Division to the Commissioner's Office.

Out-of-state-contracts BRU

1. Current beds and an additional 44 beds be utilized to increase space in in-state institutions for felons.

Condition of appropriation language

A. BRU for beds in existing CRC facilities:

Appropriation for CRC beds in the Communities of Anchorage, Barrow, Bethel, Fairbanks, Juneau to provide space in institutions for felons. CRC beds will meet all Department Standards.

B. BRU for new beds in new facilities:

Appropriation for new CRC beds, not owned or controlled by municipalities, to provide space in institutions for felons. All beds will meet Dept. standards for CRCs. Contracts will be competitively bid.

Component Intent & Notes - FY98 Operating Budget

Agency: Department of Corrections

Comp: Office of the Commissioner

BRU: Administration & Operation

House

It is the intent of the legislature that pursuant to authority in AS 33.30.111, no felon should be released from custody, or placed on discretionary or mandatory parole or otherwise released into the community without participating in a residential pre-release furlough program during at least the last six months of incarceration, unless an individual determination is made that the offender presents an immediate threat to public safety.

House

It is the intent of the legislature that pursuant to authority in AS 33.30.031 and AS 33.30.061, pretrial misdemeanants should be transferred where practical from state operated jails and prisons to available CRCs within 12 hours of booking unless an individual determination is made that the prisoner is an immediate threat to public safety.

House

It is the intent of the legislature that pursuant to authority in AS 33.30.031 and AS 33.30.061, sentenced misdemeanants should serve their incarceration period in a CRC where practical, unless an individual determination is made that the prisoner is an immediate threat to public safety.

House

It is the intent of the legislature that the management responsibility of Community Residential Centers will be moved out of the Community Corrections Division to the Commissioner's Office.

Comp: Community Corrections Director

BRU: Administration & Operation

House

It is the intent of the legislature that the management responsibility of Community Residential Centers will be moved out of the Community Corrections Division to the Commissioner's Office.

Comp: Out-of-State Contractual

BRU: Out of State Contracts

House

Component Intent & Notes - FY98 Operating Budget

Agency: Department of Corrections

Comp: Out-of-State Contractual

BRU: Out of State Contracts

It is the intent of the legislature that current beds and an additional 44 beds be utilized to increase space in in-state institutions for violent felons.

Comp: Existing CRC Facilities

BRU: Existing CRC Facilities

House

It is the intent of the legislature that this appropriation is for Community Residential Center beds in the communities of Anchorage, Barrow, Bethel, Fairbanks and Juneau, to provide space in institutions for violent felons. CRC beds will meet all department standards.

Comp: New CRC Facilities

BRU: New CRC Facilities

House

It is the intent of the legislature that the appropriation be for new CRC beds, not owned or controlled by municipalities, to provide space in institutions for violent felons. All beds will meet department standards for Community Residential Centers. Contracts will be competitively bid.

MEMORANDUM

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

TO: Annalee McConnell
Director
Office of Management and Budget
Office of the Governor

DATE: March 19, 1997

FROM: Margaret M. Pugh 
Commissioner

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

SUBJECT: *House Finance
Subcommittee
Recommended FY98
Operating Budget*

The House Finance Subcommittee for Corrections FY 98 budget recommendation for the Department of Corrections FY98 Operating budget is as follows:

	Governor's Request	House Subcommittee Recommendation	Difference
General Funds	\$ 133,853.7	\$ 128,853.7	(\$ 5,000.0)
Federal Funds	\$ 1,708.3	\$ 4,142.5	\$ 2,434.2
Other Funds	\$ 4,938.4	\$ 4,852.5	(\$ 85.9)
Total	\$ 140,500.4	\$ 137,848.7	(\$ 2,651.7)

Effective General Fund Reduction of \$7.0 Million dollars:

- A \$5 million dollar general fund cut is proposed for the entire department. The subcommittee proposes to reduce the cut by the application of \$2,434.2 in federal funding, however, federal guidelines prohibit the replacement of all but \$473.8 of these federal funds.
- \$5 million dollar general fund reduction:

Institutions: The House Subcommittee proposes an "unallocated" reduction of \$3,774.5 to a new "super" appropriation which includes Institutions, Community Corrections and Community Jails as well as all the administrative components of the department.

It is the intent of the Subcommittee that all actual reductions to the operating budget be absorbed by this appropriation, and that the remaining appropriations be held harmless. The impact is that over 92 Correctional Officer positions will be held vacant for the year, An increase of 29 from this year's beginning forced vacancy of 63. The Department will examine if layoffs will have to occur to force the higher vacancies.

<u>Institution</u>	<u>Prisoners</u>		<u>Funded Staff</u>	<u>House Subcommittee Staff</u>
	<u>FY96</u> (As of 12/31/95)	<u>FY97</u> (As of 03/19/97)	<u>FY 97</u>	<u>Funding FY98</u>
Anvil Mtn. CC	94	103	36	35
Combined Hilland CC	292	298	89	86
Cook Inlet CC	413	422	111	108
Fairbanks CC	196	254	84	80
Ketchikan CC	60	61	34	33
Lemon Creek CC	172	206	75	73
Mat-Su CC	97	83	33	32
Palmer CC	396	426	97	94
Sixth Ave. CC	132	128	52	51
Spring Creek CC	490	555	185	179
Wildwood CC	325	334	98	95
Yukon-Kuskokwim CC	102	106	37	36
Total	2,769	2,976	931	902

Effect: 207 more inmates with 29 fewer staff.

Proposed replacement of existing general funds with federal funds: *prohibited by federal guidelines.*

- "Existing CRC Facilities": The Subcommittee recommends increasing the Department's request by \$836.2, by replacing general funds with \$1,000.0 federal funds and a fund source switch for the remainder.
- "Out of State Contracts": The Subcommittee recommends replacing \$1,124.2 of existing state general funds with federal funds.
- "New CRC Facilities": The subcommittee recommends \$310.0 in federal funds for this new appropriation. Federal guidelines will allow this if new beds are acquired. **The impact** is that this appropriation is to be held harmless from Department reductions.
- "Point MacKenzie Farm": The Subcommittee recommends this as a new stand alone appropriation. **The impact** is that the Farm will be held harmless for any spread of Department cuts.

COURT

COURT

Court

Agency Totals - FY98 Operating Budget

Agency: Alaska Court System

	<u>FY96 Act</u>	<u>FY97Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
Totals for Agency	46,560.5	48,984.4	52,400.8	50,400.8	-2,000.0	-3.8%
<u>Objects of Expenditure:</u>						
Personal Services	35,735.1	37,709.0	39,370.7	39,354.9	-15.8	-0.0%
Travel	977.0	955.7	955.7	955.7	0.0	0.0%
Contractual	7,992.4	9,022.1	10,688.5	10,675.9	-12.6	-0.1%
Commodities	688.2	803.0	798.5	796.0	-2.5	-0.3%
Equipment	311.9	258.0	370.8	370.8	-0.0	-0.0%
Lands/Buildings	805.9	186.6	206.6	206.6	0.0	0.0%
Grants, Claims	50.0	50.0	10.0	0.0	-10.0	-100.0%
Miscellaneous	0.0	0.0	0.0	-1,959.1	-1,959.1	0.0%
<u>Funding Sources:</u>						
1001 CBR Fund	400.0				0.0	0.0%
1002 Fed Rcpts	122.7				0.0	0.0%
1004 Gen Fund	45,998.5	48,905.1	52,321.5	50,321.5	-2,000.0	-3.8%
1006 GF/MHTIA	39.3				0.0	0.0%
1037 GF/MH		79.3	79.3	79.3	0.0	0.0%
<u>Positions:</u>						
Perm Full Time	652.0	653.0	665.0	665.0	0.0	0.0%
Perm Part Time	39.0	42.0	48.0	48.0	0.0	0.0%
Non-Perm	25.0	21.0	24.0	24.0	0.0	0.0%

Component Summary - FY98 Operating Budget

Agency: Alaska Court System

Page	Budget Component	FY96 Act	FY97 Auth	Gov Amd	House	Gov Amd to House	
	Alaska Court System						
1	Appellate Courts	3,858.1	4,001.8	4,196.1	4,196.1	-0.0	-0.0%
2	Trial Courts	35,867.4	37,944.3	39,237.2	39,237.2	0.0	0.0%
3	Administration and Support	5,839.8	6,158.6	8,022.6	8,022.6	0.0	0.0%
	Unallocated Reduction				-1,959.1	-1,959.1	0.0%
	* BRU Total	45,565.3	48,104.7	51,455.9	49,496.8	-1,959.1	-3.8%
	Commission on Judicial Conduct						
4	Commission on Judicial Conduct	216.9	228.0	252.4	245.1	-7.3	-2.9%
	* BRU Total	216.9	228.0	252.4	245.1	-7.3	-2.9%
	Judicial Council						
5	Judicial Council	778.3	651.7	692.5	658.9	-33.6	-4.9%
	* BRU Total	778.3	651.7	692.5	658.9	-33.6	-4.9%
	*** Total Agency Expenditure	46,560.5	48,984.4	52,400.8	50,400.8	-2,000.0	-3.8%
	Federal Funds	122.7				0.0	0.0%
	General Funds	46,037.8	48,984.4	52,400.8	50,400.8	-2,000.0	-3.8%
	Other Funds	400.0				0.0	0.0%