

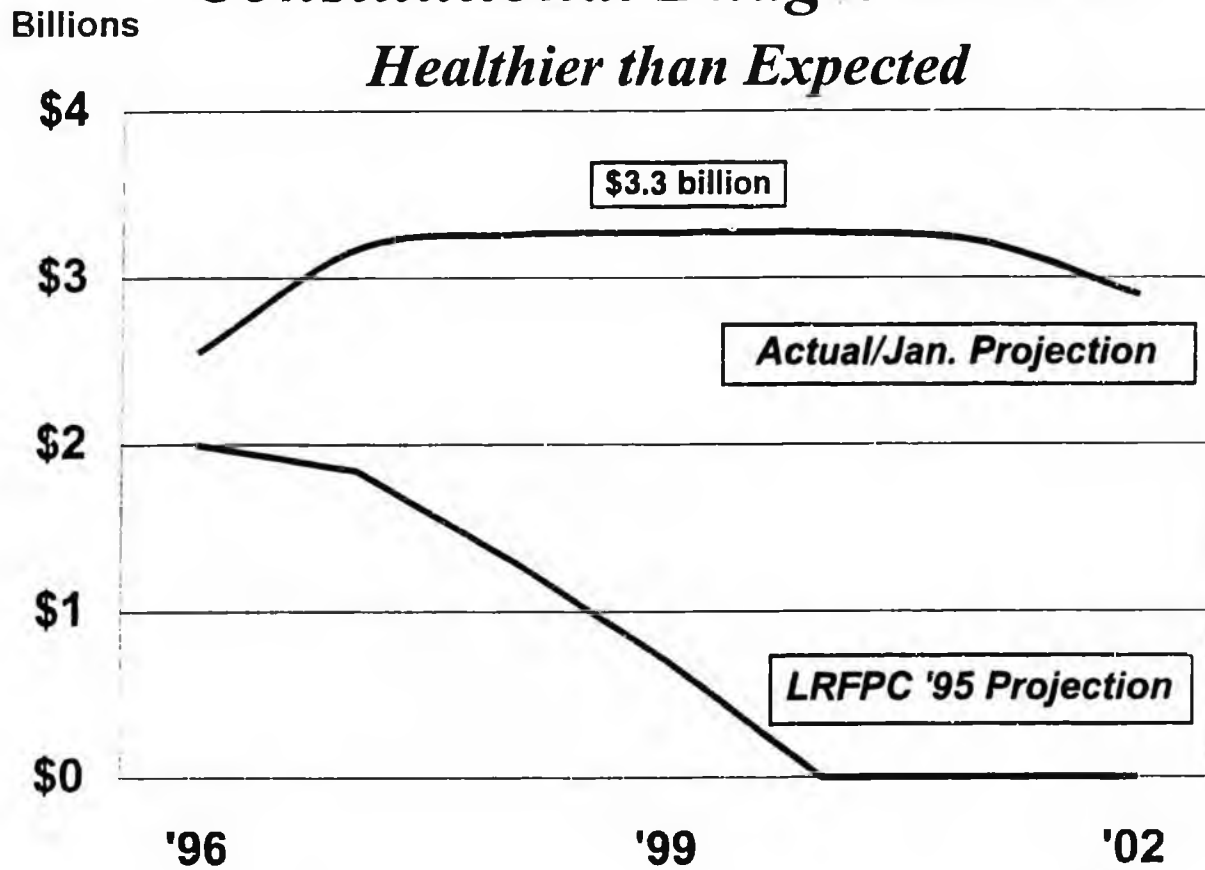
ALASKA LEGISLATURE

1687

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

Constitutional Budget Reserve

Healthier than Expected



Constitutional Budget Reserve

Projected vs. Actual Draws

	Draw Projected When <u>Legislature Passed Budget</u>	Actual CBR Draws and Jan. '98 Projection
FY95	\$513 million	\$22 million
FY96	379	285
FY97	409	(70) Surplus
<u>FY98</u>	<u>305</u>	<u>212</u> Jan. update
4 yr total	\$1606 million	\$449 million
FY99 Gov	506	??

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

P.O. BOX 110400
JUNEAU, ALASKA 99811-0400
TELEPHONE: (907) 465-2300
FACSIMILE: (907) 465-2389

October 31, 1997

The Honorable Tony Knowles
Governor of Alaska
P.O. Box 110001
Juneau, Alaska 99811-0001

Dear Governor Knowles:

Though it's not exclusively glad tidings, our Fall 1997 Revenue Sources Book offers much to enjoy. I am happy to report that in FY 1997 we collected nearly \$2.5 billion in net disposable general fund unrestricted revenues. This was the best year for state revenues since 1991. Higher revenues were the direct result of Alaska North Slope oil averaging \$20.85/bbl.

However, we project lower revenues in FY 1998 and FY 1999 because of declining North Slope production and oil prices that are expected to average just over \$18/bbl. We expect net disposable general fund unrestricted revenues of \$2.124 billion in FY 1998 and \$1.9876 billion in FY 1999.

ANS production declined to an average of 1.405 million barrels/day in FY 1997 and we expect it to drop to 1.325 million barrels/day in FY 1998, then to 1.310 million barrels/day in FY 1999.

Returning to the good news, we forecast an increase in production in FY 2000 to 1.355 million barrels/day as the result of new fields currently under development. We expect production to remain at about that level through FY 2001 before beginning to decline again.

Even with the short-term oil-patch renaissance, we still expect state oil revenues to decline over the long term since the new fields qualify as economically marginal and therefore will not pay the same higher taxes as our larger yet diminishing fields. We are also faced with somewhat higher transportation costs to market our oil production as the existing ANS tanker fleet is refitted or replaced with double-hull tankers.

The Revenue Sources Book projects state revenues from FY 1998 through FY 2020.

Though oil revenues will decline over time, Alaska's total revenue picture, which we have developed with the Office of Management and Budget, continues to look very good. Our Revenue Sources Book projects the Constitutional Budget Reserve Fund will hold \$3.6 billion by year-end FY 1999 and the Permanent Fund will reach a market value of \$23.5 billion.

Sincerely,

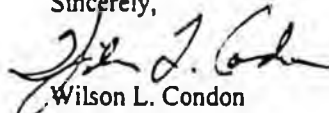

Wilson L. Condon
Commissioner

Figure 10.

GENERAL FUND UNRESTRICTED REVENUE, Nominal Dollars
Actual (FY 1982-1997) and Projected (FY 1998-2020)

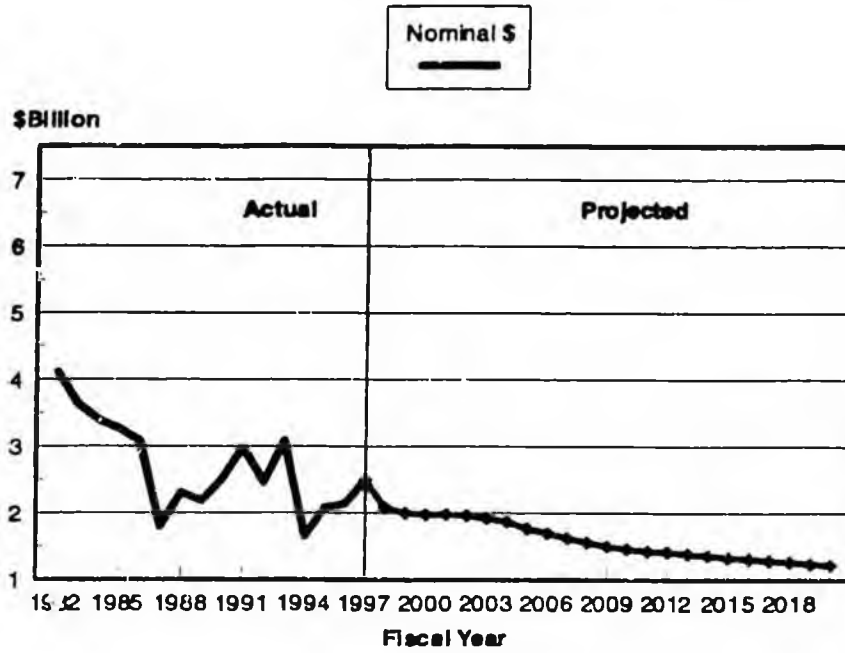
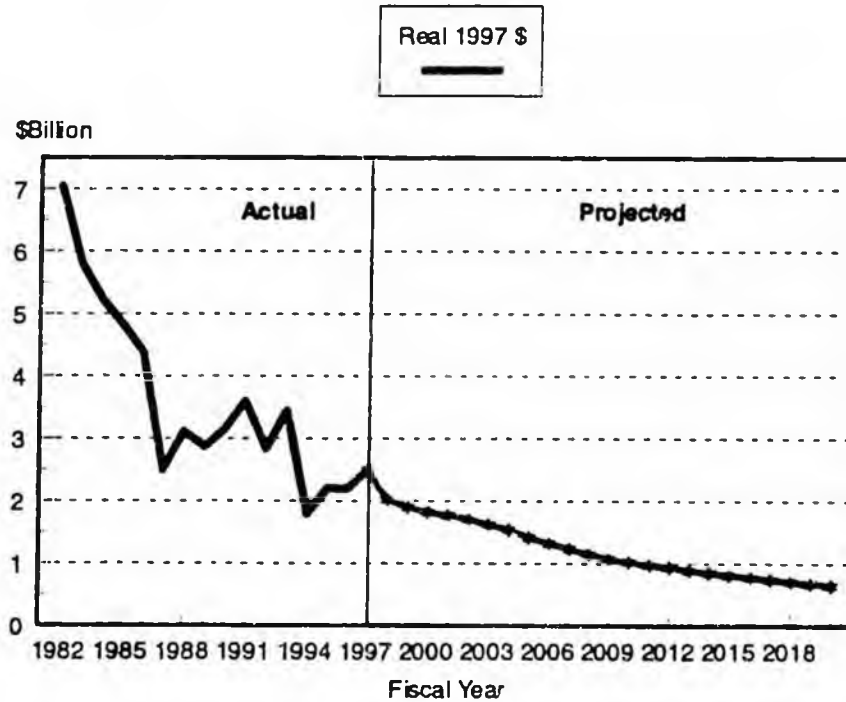


Figure 11.

GENERAL FUND UNRESTRICTED REVENUE, Real 1997 Dollars
Actual (FY 1982-1997) and Projected (FY 1998-2020)



HB

325

(File 2)

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FILE

SECTION

FRONT

ADMINI- STRATION

Agency Totals - FY99 Operating Budget

Agency: Department of Administration

	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
Totals for Agency	270,922.0	261,233.3	259,235.5	263,978.1	257,955.6	-6,022.5	-2.3%
Objects of Expenditure:							
Personal Services	70,729.2	72,077.7	71,988.1	74,840.8	73,388.2	-1,452.6	-1.9%
Travel	1,426.6	1,081.9	1,094.1	1,349.3	1,238.2	-111.1	-8.2%
Contractual	83,375.7	94,817.2	93,740.3	98,007.5	96,738.7	-1,268.8	-1.3%
Commodities	2,955.1	2,875.1	2,950.9	3,038.5	2,996.9	-41.6	-1.4%
Equipment	2,952.2	1,251.5	1,255.2	1,586.8	1,413.3	-173.5	-10.9%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	88,167.2	88,641.9	88,151.9	85,100.2	82,725.3	-2,374.9	-2.8%
Miscellaneous	21,316.0	488.0	55.0	55.0	-545.0	-600.0	-1090.9%
Funding Sources:							
1002 Fed Rcpts	6,004.5	6,845.7	6,845.7	6,912.9	6,912.9	-0.0	-0.0%
1003 G/F Match	1,603.5	1,161.7	1,163.4	1,163.4	1,163.4	0.0	0.0%
1004 Gen Fund	162,248.0	157,228.2	151,127.8	153,600.1	147,637.6	-5,962.5	-3.9%
1005 GF/Prgm	14,192.5	17,539.9	16,041.5	16,041.5	16,041.5	-0.0	-0.0%
1007 I/A Rcpts	54,900.5	34,222.2	34,143.6	36,627.2	36,627.2	0.0	0.0%
1017 Ben Sys	3,644.1	14,608.6	14,608.6	13,218.1	13,218.1	0.0	0.0%
1023 FICA Acct	87 "	90.9	90.9	90.9	90.9	0.0	0.0%
1029 P/E Retire	2,673.3	2,787.7	2,787.7	3,603.2	3,603.2	0.0	0.0%
1033 Surpl Prop	264.3	311.5	311.5	311.5	311.5	0.0	0.0%
1034 Teach Ret	2,073.3	2,136.5	2,136.5	1,493.7	1,493.7	0.0	0.0%
1037 GF/MH	2,533.6	3,103.2	9,203.2	9,413.2	9,353.2	-60.0	-0.6%
1042 Jud Retire	38.5	39.3	39.3	23.8	23.8	0.0	0.0%
1045 Nat Guard	32.6	33.3	33.3	76.8	76.8	-0.0	-0.0%
1053 Invst Loss		422.1	-0.0	0.0	-0.0	-0.0	0.0%
1055 IA/OIL HAZ	143.5					0.0	0.0%
1061 CIP Rcpts		128.0	128.0	128.0	128.0	0.0	0.0%
1081 Info Svc	19,856.5	19,738.6	19,738.6	19,738.6	19,738.6	0.0	0.0%
1091 GF/Desig	626.3					0.0	0.0%
1092 MHTAAR		407.2	407.2	1,106.5	1,106.5	0.0	0.0%
1108 Stat Desig		428.7	428.7	428.7	428.7	0.0	0.0%
Positions:							
Perm Full Time	1,255.0	1,253.0	1,262.0	1,298.0	1,273.0	-25.0	-1.9%
Perm Part Time	115.0	113.0	111.0	113.0	111.0	-2.0	-1.8%
Non-Perm	107.0	102.0	108.0	108.0	108.0	0.0	0.0%

Component Summary - FY99 Operating Budget

General Funds, CBR and ILTF

Agency: Department of Administration

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
Longevity Bonus								
1	Longevity Bonus Grants	71,950.8	70,593.6	70,153.6	66,616.7	64,241.8	-2,374.9	-3.6%
	* BRU Total	71,950.8	70,593.6	70,153.6	66,616.7	64,241.8	-2,374.9	-3.6%
Alaska Longevity Programs								
2	Pioneers Homes	30,442.4	30,286.0	30,320.6	30,320.6	30,320.6	0.0	0.0%
3	Alaska Longevity Programs Mgmt			1,043.7	1,043.7	1,043.7	0.0	0.0%
	* BRU Total	30,442.4	30,286.0	31,364.3	31,364.3	31,364.3	0.0	0.0%
Senior Services								
4	Nutrition, Trans & Support Svc	1,655.3	1,655.3	1,655.3	1,655.3	1,655.3	0.0	0.0%
5	Senior Employment Services	199.3	198.3	198.3	198.3	198.3	0.0	0.0%
6	Home & Community Based Care	2,964.4	2,973.0	2,973.0	2,973.0	2,973.0	0.0	0.0%
7	Home Health Services		1,627.9	1,627.9	1,627.9	1,627.9	0.0	0.0%
8	Senior Residential Services	1,015.0	1,015.0	1,015.0	1,015.0	1,015.0	0.0	0.0%
9	Protection, Comm Svcs, & Admin	2,212.7	2,287.3	1,209.0	1,698.5	1,538.5	-160.0	-9.4%
10	Citizens Foster Care Review	137.1	295.9	295.9	295.9	271.8	-24.1	-8.1%
	* BRU Total	8,183.8	10,052.7	8,974.4	9,463.9	9,279.8	-184.1	-1.9%
Legal and Advocacy Services								
11	Office of Public Advocacy	7,562.2	7,582.0	7,582.0	8,877.5	8,133.5	-744.0	-8.4%
12	Public Defender Agency	8,891.5	8,684.5	8,684.5	10,400.8	9,524.9	-875.9	-8.4%
	* BRU Total	16,453.7	16,266.5	16,266.5	19,278.3	17,658.4	-1,619.9	-8.4%
Centralized Administrative Services								
13	Office of the Commissioner	448.2	372.6	372.6	682.6	372.6	-310.0	-45.4%
14	Labor Relations	1,092.0	907.9	907.9	907.9	907.9	0.0	0.0%
15	Administrative Services	691.0	663.2	597.6	597.6	597.6	-0.0	-0.0%
17	Personnel	1,947.1	1,897.1	1,897.1	1,897.1	1,897.1	0.0	0.0%
18	AK Professional Develop Inst.	70.9	112.0	112.0	112.0	112.0	0.0	0.0%
19	Finance	5,989.6	5,244.1	5,267.3	5,267.3	5,267.3	0.0	0.0%
20	Purchasing	1,447.8	1,430.9	1,016.2	1,016.2	1,016.2	0.0	0.0%
21	Property Management	524.8	621.1	621.1	621.1	621.1	-0.0	-0.0%
23	Retirement and Benefits		0.0	0.0	0.0	0.0	0.0	0.0%
24	Tax Appeals	100.2	159.0	231.6	231.6	231.6	0.0	0.0%
25	Information Technology		-0.0	0.0	0.0	0.0	-0.0	0.0%
	* BRU Total	12,311.6	11,407.9	11,023.4	11,333.4	11,023.4	-310.0	-2.7%

Component Summary - FY99 Operating Budget

General Funds, CBR and ILTF

Agency: Department of Administration

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
Elected Public Officers Retirement System Benefits								
26	EPORS	950.6	1,033.8	1,033.8	1,111.5	1,111.5	0.0	0.0%
	* BRU Total	950.6	1,033.8	1,033.8	1,111.5	1,111.5	0.0	0.0%
Alaska Oil and Gas Conservation Commission								
27	Ak Oil & Gas Conservation Comm	1,610.7	1,554.0	1,554.0	1,804.0	1,554.0	-250.0	-13.9%
	* BRU Total	1,610.7	1,554.0	1,554.0	1,804.0	1,554.0	-250.0	-13.9%
Alaska Public Offices Comm								
28	Alaska Public Offices Comm	687.1	759.0	759.0	926.3	759.0	-167.3	-18.1%
	* BRU Total	687.1	759.0	759.0	926.3	759.0	-167.3	-18.1%
Information Services								
31	Information Svc Fund Front Sec	32.4					0.0	0.0%
	* BRU Total	32.4	0.0	0.0	0.0	0.0	0.0	0.0%
Leases								
32	Leases	24,908.9	23,094.2	23,312.3	24,740.2	24,194.2	-546.0	-2.2%
	Lease Administration					414.7	414.7	%
	* BRU Total	24,908.9	23,094.2	23,312.3	24,740.2	24,608.9	-131.3	-0.5%
Public Communications Services								
33	Public Broadcasting Commission	45.0	56.8	56.8	56.8	56.8	0.0	0.0%
34	Public Broadcasting - Radio	2,820.0	2,613.9	2,613.9	2,613.9	2,613.9	0.0	0.0%
35	Public Broadcasting - T.V.	1,284.4	845.2	845.2	845.2	845.2	0.0	0.0%
36	AK Rural Communications Svcs	1,269.6	1,104.3	1,104.3	1,104.3	1,104.3	0.0	0.0%
	* BRU Total	5,419.0	4,620.2	4,620.2	4,620.2	4,620.2	0.0	0.0%
Division of Motor Vehicles								
37	Administration	916.9	1,180.3	1,226.3	1,226.3	1,226.3	0.0	0.0%
38	Driver Services	1,230.2	1,341.7	1,295.7	1,295.7	1,295.7	0.0	0.0%
39	Field Services	6,066.4	5,802.4	5,802.4	6,287.4	5,302.4	-985.0	-15.7%
40	Unallocated Reduction		0.0	0.0	0.0	0.0	0.0	0.0%
41	Financial Respons Act Enforce.		150.0	150.0	150.0	150.0	0.0	0.0%
	* BRU Total	8,213.5	8,474.4	8,474.4	8,959.4	7,974.4	-985.0	-11.0%

Component Summary - FY99 Operating Budget

General Funds, CBR and ILTF

Agency: Department of Administration

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House
	Labor Agreements Miscellaneous Items						
42	Labor Agreements Misc Items	39.4	50.0	0.0	0.0	0.0	0.0%
	* BRU Total	39.4	50.0	0.0	0.0	0.0	0.0%
	Information Technology Front Section						
43	Info Technology Front Section		433.0	0.0	0.0	0.0	0.0%
	* BRU Total	0.0	433.0	0.0	0.0	0.0	0.0%
	General Services						
44	Anchorage Office Building		829.8	-0.0	0.0	0.0	0.0%
	* BRU Total	0.0	829.8	-0.0	0.0	0.0	0.0%
	*** Total Agency Expenditure	181,203.9	179,455.1	177,535.9	180,218.2	174,195.7	-6,022.5 -3.3%

Component Summary - FY99 Operating Budget

Agency: Department of Administration

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House
	Longevity Bonus						
1	Longevity Bonus Grants	71,950.8	70,593.6	70,153.6	66,616.7	64,241.8	-2,374.9
	* BRU Total	71,950.8	70,593.6	70,153.6	66,616.7	64,241.8	-2,374.9
	Alaska Longevity Programs						
2	Pioneers Homes	30,472.7	30,352.0	30,386.6	30,386.6	30,386.6	0.0
3	Alaska Longevity Programs Mgmt			1,418.8	1,418.8	1,418.8	0.0
	* BRU Total	30,472.7	30,352.0	31,805.4	31,805.4	31,805.4	0.0
	Senior Services						
4	Nutrition, Trans & Support Svc	5,210.0	5,514.3	5,514.3	5,514.3	5,514.3	-0.0
5	Senior Employment Services	1,538.6	1,759.4	1,759.4	1,808.5	1,808.5	0.0
6	Home & Community Based Care	2,964.4	3,380.2	3,380.2	3,587.7	3,587.7	0.0
7	Home Health Services		1,917.6	1,917.6	1,732.9	1,732.9	0.0
8	Senior Residential Services	1,015.0	1,015.0	1,015.0	1,015.0	1,015.0	0.0
9	Protection, Comm Svcs, & Admin	4,366.5	4,455.1	3,001.7	4,366.2	4,206.2	-160.0
10	Citizens Foster Care Review	137.1	295.9	295.9	295.9	271.8	-24.1
	* BRU Total	15,231.6	18,337.5	16,884.1	18,320.5	18,136.4	-184.1
	Legal and Advocacy Services						
11	Office of Public Advocacy	7,630.0	7,651.8	7,651.8	8,970.9	8,226.9	-744.0
12	Public Defender Agency	8,891.5	8,684.5	8,684.5	10,400.8	9,524.9	-875.9
	* BRU Total	16,521.5	16,336.3	16,336.3	19,371.7	17,751.8	-1,619.9
	Centralized Administrative Services						
13	Office of the Commissioner	566.6	487.4	487.4	850.8	540.8	-310.0
14	Labor Relations	1,122.0	907.9	907.9	907.9	907.9	0.0
15	Administrative Services	1,441.1	1,458.5	1,392.9	1,507.7	1,507.7	0.0
16	Group Health Insurance		10,640.0	10,553.3	10,553.3	10,553.3	0.0
17	Personnel	2,296.6	2,195.7	2,195.7	2,195.7	2,195.7	0.0
18	AK Professional Develop Inst.	498.2	674.5	674.5	674.5	674.5	0.0
19	Finance	5,989.6	5,659.8	5,683.0	5,683.0	5,683.0	0.0
20	Purchasing	1,504.4	1,472.0	1,057.3	1,057.3	1,057.3	0.0
21	Property Management	800.9	932.6	932.6	932.6	932.6	0.0
22	Central Duplicating and Mail	1,524.4	1,816.8	1,816.8	2,012.8	2,012.8	0.0
23	Retirement and Benefits	8,548.8	9,056.3	9,143.0	7,954.2	7,954.2	-0.0
24	Tax Appeals	100.2	159.0	231.6	231.6	231.6	0.0

Component Summary - FY99 Operating Budget

Agency: Department of Administration

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House
Centralized Administrative Services							
25	Information Technology		0.0	0.0	0.0	0.0	-0.0 0.0%
	* BRU Total	24,392.8	35,460.5	35,076.0	34,561.4	34,251.4	-310.0 -0.9%
Elected Public Officers Retirement System Benefits							
26	EPORS	950.6	1,033.8	1,033.8	1,111.5	1,111.5	0.0 0.0%
	* BRU Total	950.6	1,033.8	1,033.8	1,111.5	1,111.5	0.0 0.0%
Alaska Oil and Gas Conservation Commission							
27	Ak Oil & Gas Conservation Comm	1,710.7	1,652.7	1,652.7	1,904.0	1,654.0	-250.0 -13.1%
	* BRU Total	1,710.7	1,652.7	1,652.7	1,904.0	1,654.0	-250.0 -13.1%
Alaska Public Offices Comm							
28	Alaska Public Offices Comm	687.1	759.0	759.0	926.3	759.0	-167.3 -18.1%
	* BRU Total	687.1	759.0	759.0	926.3	759.0	-167.3 -18.1%
Risk Management							
29	Risk Management	21,939.2	21,952.9	21,952.9	21,952.9	21,952.9	0.0 0.0%
	* BRU Total	21,939.2	21,952.9	21,952.9	21,952.9	21,952.9	0.0 0.0%
Information Services							
30	Information Services	19,856.5	19,738.6	19,738.6	19,738.6	19,738.6	0.0 0.0%
31	Information Svc Fund Front Sec	21,316.0	55.0	55.0	55.0	55.0	0.0 0.0%
	* BRU Total	41,172.5	19,793.6	19,793.6	19,793.6	19,793.6	0.0 0.0%
Leases							
32	Leases	31,924.5	29,773.6	29,991.7	33,419.6	32,799.2	-620.4 -1.9%
	Lease Administration					489.1	489.1 %
	* BRU Total	31,924.5	29,773.6	29,991.7	33,419.6	33,288.3	-131.3 -0.4%
Public Communications Services							
33	Public Broadcasting Commission	45.0	56.8	56.8	56.8	56.8	0.0 0.0%
34	Public Broadcasting - Radio	2,820.0	2,613.9	2,613.9	2,613.9	2,613.9	0.0 0.0%
35	Public Broadcasting - T.V.	1,284.4	845.2	845.2	845.2	845.2	0.0 0.0%
36	AK Rural Communications Svcs	1,269.6	1,578.0	1,578.0	1,578.0	1,578.0	0.0 0.0%
	* BRU Total	5,419.0	5,093.9	5,093.9	5,093.9	5,093.9	0.0 0.0%

Component Summary - FY99 Operating Budget

Agency: Department of Administration

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House
Division of Motor Vehicles							
37	Administration	916.9	1,180.3	1,226.3	1,226.3	1,226.3	0.0 0.0%
38	Driver Services	1,333.4	1,449.1	1,403.1	1,316.2	1,316.2	0.0 0.0%
39	Field Services	6,259.3	5,923.1	5,923.1	6,408.1	5,423.1	-985.0 -15.4%
40	Unallocated Reduction	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
41	Financial Respons Act Enforce.	150.0	150.0	150.0	150.0	150.0	0.0 0.0%
	* BRU Total	8,509.6	8,702.5	8,702.5	9,100.6	8,115.6	-985.0 -10.8%
Labor Agreements Miscellaneous Items							
42	Labor Agreements Misc Items	39.4	50.0	0.0	0.0	0.0	0.0 0.0%
	* BRU Total	39.4	50.0	0.0	0.0	0.0	0.0 0.0%
Information Technology Front Section							
43	Info Technology Front Section	0.0	433.0	0.0	0.0	0.0	0.0 0.0%
	* BRU Total	0.0	433.0	0.0	0.0	0.0	0.0 0.0%
General Services							
44	Anchorage Office Building	0.0	908.4	0.0	0.0	0.0	0.0 0.0%
	* BRU Total	0.0	908.4	0.0	0.0	0.0	0.0 0.0%
	*** Total Agency Expenditure	270,922.0	261,233.3	259,235.5	263,978.1	257,955.6	-6,022.5 -2.3%
	Federal Funds	6,004.5	6,845.7	6,845.7	6,912.9	6,912.9	0.0 0.0%
	General Funds	181,203.9	179,033.0	177,535.9	180,218.2	174,195.7	-6,022.5 -3.3%
	Other Funds	83,713.6	75,354.6	74,853.9	76,847.0	76,847.0	0.0 0.0%

VTID Compare -1 Way - FY99 Operating Budget

from Gov Amd to House

Agency: Department of Administration

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Longevity Bonus													
Longevity Bonus Grants													
Adjust for overcalculation of grant obligations	Dec	-2,374.9	0.0	0.0	0.0	0.0	0.0	0.0	-2,374.9	0.0	0.0	0.0	0.0
1004 Gen Fund		-2,374.9											
		-2,374.9	0.0	0.0	0.0	0.0	0.0	0.0	-2,374.9	0.0	0.0	0.0	0.0
*** BRU Total ***		-2,374.9	0.0	0.0	0.0	0.0	0.0	0.0	-2,374.9	0.0	0.0	0.0	0.0
Senior Services													
Protection, Community Services, and Administration													
Reduce general funds for assisted living licensing	Dec	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-100.0	0.0	0.0	0.0
1004 Gen Fund		-100.0											
Deny Volunteer Coordinator increment	Dec	-60.0	-60.0	-0.0	-0.0	-0.0	-0.0	0.0	-0.0	-0.0	-1.0	-0.0	-0.0
1037 GF/MH		-60.0											
		-160.0	-60.0	0.0	0.0	0.0	0.0	0.0	0.0	-100.0	-1.0	0.0	0.0
Citizens Foster Care Review Panel													
Reduce personal services	Dec	-24.1	-24.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-24.1											
		-24.1	-24.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-104.1	-84.1	0.0	0.0	0.0	0.0	0.0	0.0	-100.0	-1.0	0.0	0.0
Legal and Advocacy Services													
Office of Public Advocacy													
Deny Child Protection Increment	Dec	-439.9	-225.5	-16.3	-171.5	-4.6	-22.0	0.0	0.0	0.0	-4.0	0.0	0.0
1004 Gen Fund		-439.9											
Deny Support for Families Increment	Dec	-120.0	-114.5	0.0	0.0	0.0	-5.5	0.0	0.0	0.0	-2.0	0.0	0.0
1004 Gen Fund		-120.0											
Deny Child Abuse Response Increment	Dec	-184.1	-150.9	0.0	-12.8	-3.9	-16.5	0.0	0.0	0.0	-2.0	-1.0	0.0
1004 Gen Fund		-184.1											
		-744.0	-490.9	-16.3	-184.3	-8.5	-44.0	0.0	0.0	0.0	-8.0	-1.0	0.0
Public Defender Agency													
Deny Child Protection Increment	Dec	-621.4	-444.4	-17.5	-83.2	-11.3	-65.0	0.0	0.0	0.0	-10.0	0.0	0.0
1004 Gen Fund		-621.4											
Deny Child Abuse Response Increment	Dec	-254.5	-192.7	-10.5	-39.0	-3.3	-9.0	0.0	0.0	0.0	-3.0	0.0	0.0
1004 Gen Fund		-254.5											
		-875.9	-637.1	-28.0	-122.2	-14.6	-74.0	0.0	0.0	0.0	-13.0	0.0	0.0
*** BRU Total ***		-1,619.9	-1,128.0	-44.3	-306.5	-23.1	-118.0	0.0	0.0	0.0	-21.0	-1.0	0.0

VTID Compare -1 Way - FY99 Operating Budget

from Gov Amd to House

Agency: Department of Administration

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Centralized Administrative Services													
Office of the Commissioner													
Deny Contract Negotiations Increment	Dec	-310.0	0.0	-35.0	-265.0	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-310.0											
		-310.0	0.0	-35.0	-265.0	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-310.0	0.0	-35.0	-265.0	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alaska Oil and Gas Conservation Commission													
Alaska Oil and Gas Conservation Commission													
Deny IOGCC Membership Increment	Dec	-50.0	0.0	-9.0	-41.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-50.0											
Deny Inspection Staff Increment	Dec	-200.0	-163.0	-18.0	-7.0	-6.5	-5.5	0.0	0.0	0.0	-2.0	0.0	0.0
1004 Gen Fund		-200.0											
		-250.0	-163.0	-27.0	-48.0	-6.5	-5.5	0.0	0.0	0.0	-2.0	0.0	0.0
*** BRU Total ***		-250.0	-163.0	-27.0	-48.0	-6.5	-5.5	0.0	0.0	0.0	-2.0	0.0	0.0
Alaska Public Offices Comm													
Alaska Public Offices Commission													
Deny Election Year Support Increment	Dec	-167.3	-77.5	-4.8	-83.0	-2.0	0.0	0.0	0.0	0.0	-1.0	-1.0	0.0
1004 Gen Fund		-167.3											
		-167.3	-77.5	-4.8	-83.0	-2.0	0.0	0.0	0.0	0.0	-1.0	-1.0	0.0
*** BRU Total ***		-167.3	-77.5	-4.8	-83.0	-2.0	0.0	0.0	0.0	0.0	-1.0	-1.0	0.0
Leases													
Leases													
Reduce general funds for leases	Dec	-131.3	0.0	0.0	-131.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-131.3											
Transfer position and funding to Lease Administration	TrOut	-74.4	-74.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1007 I/A Rcpts		-74.4											
Transfer administrative functions to Lease Administration	TrOut	-414.7	-405.5	-3.0	0.0	-6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-414.7											
		-620.4	-479.9	-3.0	-131.3	-6.2	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Lease Administration													
Transfer from Leases	TrIn	414.7	405.5	3.0	0.0	6.2	0.0	0.0	0.0	0.0	6.0	0.0	0.0
1004 Gen Fund		414.7											
Transfer position and funding from Leases component	TrIn	74.4	74.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
1007 I/A Rcpts		74.4											
		489.1	479.9	3.0	0.0	6.2	0.0	0.0	0.0	0.0	7.0	0.0	0.0
*** BRU Total ***		-131.3	0.0	0.0	-131.3	0.0	0.0	0.0	0.0	0.0	6.0	0.0	0.0

VTID Compare -1 Way - FY99 Operating Budget

from Gov Amd to House

Agency: Department of Administration

	<u>Trans Type</u>	<u>Total Exp</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Commodities</u>	<u>Equipment</u>	<u>Lands/ Buildings</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>Tmp</u>
Division of Motor Vehicles													
Field Services													
	Dec	-500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-500.0	0.0	0.0	0.0
	Dec	-485.0	0.0	0.0	-435.0	0.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0
		-985.0	0.0	0.0	-435.0	0.0	-50.0	0.0	0.0	-500.0	0.0	0.0	0.0
		-985.0	0.0	0.0	-435.0	0.0	-50.0	0.0	0.0	-500.0	0.0	0.0	0.0
		-6,022.5	-1,452.6	-111.1	-1,268.8	-41.6	-173.5	0.0	-2,374.9	-600.0	-19.0	-2.0	0.0

COMMERCE

&

ECONOMIC

DEVELOP-

MENT

ALASKA STATE LEGISLATURE



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REPRESENTATIVE VIC KOHRING
DISTRICT 26

Memorandum

To: House Finance Committee

From: Vic Kohring 

Date: April 9, 1998

Re: FY 99 Operating Budget for the Department of Commerce & Economic Development

I am pleased to present you with the Budget Subcommittee's proposed FY 99 operating budget for the Department of Commerce & Economic Development (DCED). The Subcommittee selected a total of 2,176.3 in reductions to the DCED requested budget. Please note that the total reduction included 782.7 in proposed transfers to other departments. The reductions also included denying increment requests of 481.0. Lastly, the reductions included changing general funds to Interagency Receipts and Statutory Designated Receipts in the amount of 325.0. These "reductions" total 1,588.7. Therefore the "net true reduction" was 587.6 in general funds.

The true reductions consisted of decreasing the overseas trade contracts, eliminating six positions, and contractual and travel reductions. The Assistant Commissioner and two partially exempt positions and three administrative positions were eliminated.

The Alaska Visitor's Association's "New Millennium Plan" proposes to return Alaska to a competitive position by consolidating statewide tourism organizations into a single non-profit entity with an accountable fee-for-service contract with the state. To acknowledge and encourage the tourism industry's efforts to become more self-supportive over the transition period, funding for the Alaska Tourism Marketing Council within the Department's budget essentially remains at the same level as FY 98.

Oversight of overseas trade and tourism contracts is currently performed by separate sections within the Department. Separate contracts exist within some countries, such as Japan and Korea, for these services. Consolidation of the two functions with one contractor will reduce contractor costs. Also, oversight by only one section of the Department will provide staff efficiencies.

The Subcommittee accepted the Governor's proposed budgets for the divisions of Investments, Insurance, Occupational Licensing, and Banking, Securities & Corporations. The Alaska Public Utilities Commission funding was approved as submitted by the Governor.

Department of Commerce and Economic Development
Impact Statements in Response to
Finance Subcommittee Budget Proposals

Dept:	DCED	House or Senate subcommittee?	House
Preparer:	Tom Lawson	Date prepared:	04/14/98

Program area: Commissioner's Office	Dollar amount(s):	Fund source(s):
Increase I/A Rcpts—increase charge	(60.0)	GF
back to divisions/corps	60.0	IAR

Impact Analysis:

The Division of Administrative Services and the Commissioner's Office were reduced a total of \$125.0 in General Fund authorization to be supplanted by Interagency Receipts.

This 20% increase in allocated costs represents a real cut in funding for department programs. It increases costs to the divisions and agencies without a corresponding increase in authorization to pay for the services. This decreases the amount available for program expenditures in programs that are already bearing the burden of increased centralized support costs, and increased operating expenditures. This action will also increase the amount of executive administration and support costs allocated to licensees of GF/PR funded agencies.

Dept:	DCED	House or Senate subcommittee?	House
Preparer:	Tom Lawson	Date prepared:	04/14/98

Program area: Division of Administrative Services	Dollar amount(s):	Fund source(s):
Increase I/A Rcpts—increase charge	(65.0)	GF
back to divisions/corps	65.0	IAR

Impact Analysis:

The Division of Administrative Services and the Commissioner's Office were reduced a total of \$125.0 in General Fund authorization to be supplanted by Interagency Receipts.

This 20% increase in allocated costs represents a real cut in funding for department programs. It increases costs to the divisions and agencies without a corresponding increase in authorization to pay for the services. This decreases the amount available for program expenditures in programs that are already bearing the burden of increased centralized support costs, and increased operating expenditures. This action will also increase the amount of executive administration and support costs allocated to licensees of GF/PR funded agencies.

Dept: DCED	House or Senate subcommittee? House
Preparer: Karl Ohls	Date prepared: 04/14/98

Program area: **Division of Trade & Development
Deny Increment for Bristol Bay/Kuskokwim Area
Tourism and Fisheries Development**

Dollar amount(s): **(250.0)** Fund source(s): **GF**

Impact Analysis:

The Governor's requested increment would have complemented the current effort to provide economic disaster relief to the Bristol Bay and Kuskokwim regions by focusing on the two industries – tourism and fisheries – that provide the most opportunity for economic development and diversification.

The tourism half of the appropriation, \$125,000, would have funded a competitive matching grant program (one-third from the state and two-thirds from other sources) for projects identified in the report on "Rural Alaska Tourism Infrastructure Needs Assessment". The report provided a comprehensive assessment of infrastructure needed for tourism development. The grant program would allow some of these projects to be constructed or taken to the next stage of design.

The fisheries half of the appropriation would have enabled the state to enter into joint projects with the regional CDQ groups on alternate fisheries opportunities for the region.

Dept: DCED	House or Senate subcommittee? House
Preparer: Karl Ohls	Date prepared: 04/14/98

Program area: **Division of Trade & Development
Deny increment Western Alaska Economic Development**

Dollar amount(s): **(200.0)** Fund source(s): **GF**

Impact Analysis:

The Governor's requested increment would have supplemented and built on current and previous efforts to support economic development in rural Alaska. By coordinating with the Department of Community and Regional Affairs, rural Alaska Regional Development Organizations (ARDORs), Native non profit and for profit corporations, and other appropriate organizations, the program would have taken what has been learned from previous efforts and focused on the successful practices and areas of most need.

The program was designed to support:

- Small business management training, geared to rural Alaska.
- Organized technical assistance for feasible individual business ventures in rural Alaska.

- Familiarization trips to rural Alaska in order to allow creation of more partnerships between Alaska's business leaders and rural Alaskans for purposes of assistance, investment, and identification of economic potential.

The program would have helped job creation and economic activity in the region with the highest unemployment in Alaska.

Dept: DCED	House or Senate subcommittee? House
Preparer: Priscilla Wohl	Date prepared: 04/14/98

Program area: Division of Trade & Development	Dollar amount(s):	Fund source(s):
Reduce overseas trade office contracts	(105.7) Korea	GF
	(236.3) Japan	GF
	30.0 Taiwan	GF

Impact Analysis:

The reduction of \$105.7 from the Korea Trade Office budget reduces the available funds for the Korea Office to \$146.2. This is not a sufficient amount to pay the rent and office operation expenses (\$100.0) and pay a salary for one person to operate the office. The result of this budget reduction would be to close the Korea Office and hire a contractor to work on an as-needed basis. There will not be sufficient funds to pay rent for an office. Additionally, the closure of the office would result in penalties for violation of rental agreements and a loss of the "Key Deposit" for the office rental (\$26.4). **This approach to providing economic development, resource and trade information in Seoul, South Korea violates Sec 44.33.880 of Alaska Statutes.**

The reduction of \$236.3 from the Japan Trade Office budget exceeds the funds budgeted for that office. The Trade budget for the Japan Office for FY99 is \$234.0. This budget reduction will result in the closure of the office and will incur additional expenses from some other budget unit to cover the cost of closing the office and pay penalties for early termination of the rental agreement. **This budget reduction would result in closing the Japan Office, in violation of Sec 44.33.880 of the Alaska Statute.** The Tourism Division of the Department also provides funds to support the Japan Office. If the proposed cut of \$236.3 is taken from the combined funds for the Japan Office, the resulting \$300.0 is not sufficient to pay the rent, operation costs, and salary for one person to operate the office. Even with the combined funds from the Tourism Division, there are not sufficient funds to keep the office open. **The proposed reduction requires the closure of the Japan Office.**

Alaska was the first U.S. state to establish representative offices in Japan (1965) and Korea (1985). These two countries account for 67% of all exports from Alaska in 1997. The efforts of the overseas offices are crucial to the export of Alaska goods and services. The proposed reductions will significantly impact the ability of Alaska businesses to work with buyers in Japan and Korea. **Alaskas small and mid-sized businesses will be impacted the most.** These businesses rely on the connections and information provided by the overseas offices. Business opportunities will be lost, or costly mistakes made due to lack of support in the foreign markets.

Closure of the trade offices in Japan and Korea during a period in which both countries are enduring hardships would erode the goodwill developed over the past 33 years. At a critical time, it would show Alaska's lack of faith in the two countries' economies. The perception of only wanting to be involved during the good periods and leaving during the hard times will cause a tremendous "loss of face" for Alaska. It will create the impression that Alaska is a "fair weather trading partner." Our buyers and customers in Japan and Korea will remember Alaska's departure when their economic situation improves. The impacts will be far reaching and could last for generations.

Dept: DCED	House or Senate subcommittee? House
Preparer: Tom Lawson	Date prepared: 04/14/98

Program area: **Div. of Trade & Development** Dollar amount(s): Fund source(s):
Eliminate assistant commissioner reclassified position (105.2) **GF**

Impact Analysis:

Since the FY 99 budget request was submitted, the Division of Trade and Development supervisory structure has been revised so that now the department's deputy commissioner supervises the division. The assistant commissioner position is being reclassified to a special projects coordinator position. This position is very important to the Division of Trade and Development to assist in a variety of special projects assigned by the governor's and commissioner's offices. A significant project assigned to this position will be the continued implementation of the coordination of our domestic marketing efforts. The workloads of existing staff are such that the new position is necessary to carryout these additional projects.

Dept: DCED	House or Senate subcommittee? House
Preparer: Pricilla Wohl	Date prepared: 04/14/98

Program area: **Division of Trade & Development** Dollar amount(s): Fund source(s):
Transfer 3 positions to Gov's Office of Intl Trade (192.5) **GF**
Transfer 3 positions to Gov's Office of Intl Trade (147.2) **GF**

Impact Analysis:

The reduction of \$339.7 of Personal Services funds eliminates all Trade Specialists and Administrative positions associated with the Trade functions in the department and transfers the function to the Governor's Office. The department has repeatedly stated its opposition to such a move. Because it cannot be assumed that the necessary funds would be placed in the Governor's Office budget, the proposed reduction eliminates all trade functions of the state.

- **All trade and government relations activities with key trading partners in Japan, Korea, China, other Asian countries, Canada and Europe would be eliminated.** With limited trade representation in only Taiwan and Russia and no trade specialists to administer the program, all activities associated with trade would cease. The division is the only state office dedicated to and recognized by key trading partners for handling protocol, government-to-government relations, advocacy and policy issues. This action terminates numerous trade initiatives, including expansion of Alaska's presence in Taiwan and China markets, energy promotion for coal and liquid natural gas, and oil spill technology promotion in Asia. These markets have considerable interest in Alaska crude oil, liquid natural gas, and coal, and imported more than \$1.9 billion worth of Alaska goods and products in 1997.
- **Eliminates market development assistance for Alaska businesses.** All efforts to reach out to new markets to help diversify our trading partners and offset the effects of the Asian economic crisis will be eliminated at a time when other countries are increasing their marketing efforts and taking away Alaska's market share. Reduces efforts to strengthen seafood exports in crucial existing markets such as Japan and in previously untapped markets such as China.
- **Eliminates 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 be unable to fulfill mandates to work for all Alaska businesses to provide advocacy, market information and government-to-government assistance.
- **Eliminates ability to maintain trade relationships with our long-established trading partners of Japan and Korea.**
- **Eliminates the ability to respond to requests for information, and to provide trade mission and trade show assistance.**

Dept: DCED	House or Senate subcommittee? House
Preparer: Karl Ohls	Date prepared: 04/14/98

Program area:	Dollar amount(s):	Fund source(s):
Division of Trade & Development		
Transfer 3 development specialists to other departments	(206.3)	GF
Transfer 3 development specialists to other departments	(236.7)	GF
Eliminate Juneau PX development. specialist & planner	(133.8)	GF

Impact Analysis:

The House Finance Subcommittee's proposed reductions would eliminate the entire development program (eight out of nine positions). The impact would be to effectively terminate all services currently offered by DCED's development program.

The subcommittee proposed the elimination of six development positions, with the intent to transfer them to other agencies, and the complete elimination of two positions. However, if the House Finance Committee does not transfer the six positions by approving increments to the other departments, the six positions are eliminated completely.

The most serious impact of the expressed intent to transfer six development positions to other departments and agencies is that the State of Alaska would lose the ability to coordinate and plan economic development projects statewide for its major industries.

Other specific losses:

- No multiple industry ability to market Alaska's resource development potential and investment opportunities. No efficient means for the development specialists to work directly with trade specialists on marketing Alaska's goods and services overseas.
- No commerce perspective when state policy-makers develop financial, land, and resource management policies and regulations. In some cases, due to DTD involvement, regulations and/or policies – that would otherwise reduce the competitiveness of Alaskan firms – can be modified to reduce costs to the industry without compromising other objectives.
- Reduced monitoring and information about international product markets, the response of Alaskan producers to changes in market conditions, the growth and development of Alaska's industries and emerging market opportunities, and the status of commercial products and services in the state. No other entity in state or federal government is responsible for pulling together all the information necessary to make an informed decision about investment in the Alaska economy.
- No monitoring of timber supplies or mineral potential on non state owned land, or the condition of the forest or minerals industries or timber/mineral markets.
- **No more organized cooperation on economic development between the Alaska Regional Development Organizations (ARDOR) regional collaboration approach, the Department of Community and Regional Affairs community approach, and the DTD industry sector approach. Each perspective compliments the other.**

The following is a description of the specific programs that will be affected by the deletion of existing positions within the division's development section.

Impact on Development Program management – Resource Development Specialist position and Planner position (two positions/100% reduction)

- Eliminates supervision of development staff and projects in fisheries, minerals, forest products, small business, and industrial development.
- Eliminates supervision of the department's economic development activities and coordination of the department's participation in multi-industry issues and projects.
- Eliminates liaison with other agencies and organizations on economic development activities and issues.
- Eliminates coordination of diverse projects and initiatives to promote economic development in Alaska.
- Eliminates continued follow-through on the Marketing Alaska recommendations, designed to strengthen Alaska's economy.
- Eliminates coordination of the Arctic-Yukon-Kuskokwim Salmon Targeted Marketing Project.

Impact on Forest Products and Economic Development analysis – Economic Development Analyst position (one position/100% reduction)

- Eliminates compilation and publication of the *Directory of Alaska Forest Products* to help purchasers of Alaska forest products identify vendors, help forest product businesses identify potential expansion opportunities, help more efficiently direct small business assistance activities.
- Eliminates assistance for businesses qualified to receive an Alaska forest product bidders' preference for state procurement.
- Eliminates the Alaska Forest Products Research and Marketing Program, established by statute to create an integrated value-added forest products industry in Alaska.
- Eliminates business perspective in coastal management internal policy decisions.
- Eliminates commerce participation in assistance to economically distressed Southern Southeast communities.

Impact on Fisheries Development assistance – Fisheries Development Specialist position (one position /100% reduction)

- Eliminates core staff to implement recommendations from the two Salmon Forums, addressing fundamental changes to product quality, cost-efficiency, industry relations, product development, and marketing.
- Eliminates central source for collecting and distributing critical information about the seafood industry.
- Eliminates staff dedicated to connecting organizations and people that can foster new and expanding seafood business opportunities.
- Reduces the state's ability to analyze social-economic issues involved in the federal inshore-offshore groundfish allocation decisions.
- Eliminates state participation in draft regulations for federal organic labeling of wild salmon.
- Eliminates the staff for the Salmon Industry Response Cabinet and reduces the state's ability to respond effectively and efficiently to issues facing the Alaska salmon industry.
- Eliminates commerce business analysis for the multi-million dollar Western Alaska Community Development Quota program.
- Eliminates state support for fisheries development projects for new, developing, or underutilized fisheries.
- Eliminates a central source of information about seafood industry financing.
- Eliminates staff that processes internal water permit applications for foreign vessels, as established in statute and regulation.
- Eliminates the U.S. Department of Agriculture's primary contact for purchases of surplus Alaska salmon (which resulted in a \$14 million pink salmon purchase in the high inventory year of 1996).
- Reduces state participation with the Coalition of Fishing Dependent Communities in the Gulf of Alaska, formed by 22 small coastal communities to address rural economic problems.

Impact on Minerals Development assistance – Minerals Development Specialist positions (two positions/100% reduction)

- Eliminates working with the Division of Geological and Geophysical Surveys to prepare the annual *Alaska's Mineral Industry Report*, a crucial marketing tool for informing the international mining industry about prospects and opportunities in Alaska.

- Eliminates Alaska's presence at important mining trade shows, meetings and conventions, which are important venues for promoting Alaska's resources and attracting exploration investment to the state.
- Eliminates business perspective offered internally on major mine permitting issues raised by Alaska Departments of Fish & Game and Environmental Conservation, U.S. Fish and Wildlife Service, U.S. Environmental Protection Agency and the Corps of Engineers.
- Eliminates mineral industry perspective on internal reviews of proposed federal and state land plans.
- Eliminates staff assistance for the Alaska Minerals Commission, which has suggested legislative and administrative improvements to statutes and regulations.

Impact on Industrial Development assistance – Industrial Development Specialist position (one position/100% reduction)

- Eliminates targeted industrial recruitment to expand Alaska's economy, such as Power Superconductor Company, FedEx, UPS, Intel, Motorola, and aerospace information companies (satellite information processing companies).
- Eliminates targeted distribution of economic information critical to potential new business investors and expanding businesses.
- Reduces timely response to technical assistance inquiries via phone, voice and e-mail from Alaska businesses and prospective businesses.
- Cease compiling information and publishing "Establishing a Business in Alaska," industry sector reports, and other informational publications.
- Eliminates assistance to Alaska businesses for promoting products on the QVC home shopping network, or other major sales venues.
- Terminates leveraged use of the Alaska Permanent Fund equity portfolio as a program to increase external corporate investment and industrial relocation in Alaska.
- Eliminates management of the Business Development Incentive Program, recently enacted into law through the legislature's passage of SB 159.

Funding Source Issues

In a 4/3/98 letter to Representative Kohring, the department requested technical corrections to general funding reductions. Specifically, \$77.4 of the proposed general fund cuts should be from federal receipts, \$69.0 from CIR receipts (representing federal match), and \$112.7 interagency receipts from the Division of Investments, Commercial Fishing Revolving Loan Fund. Deletion of these positions and general fund authorization in essence doubles the reductions, as the other funding will not be received if the positions are cut. No action was taken by the subcommittee to make these corrections.

Dept: DCED	House or Senate subcommittee? House
Preparer: Tom Lawson	Date prepared: 04/14/98

Program area: **Division of Trade & Development**
Reduce administrative unit by 3

Dollar amount(s): **(120.7)** Fund source(s): **GF**

Impact Analysis:

As part of a streamlining and consolidation effort, the divisions of Tourism and Trade & Development combined administrative functions into a shared administrative unit. The three positions eliminated serve both divisions as the receptionist (also copies and sorts mail), travel/payroll clerk, and administrative assistant responsible for routine payment of all invoices and processing of revenue. The three positions are in the Division of Trade and Development, while the manager of these positions is in the Division of Tourism's budget. Without these three positions neither division would have administrative staff to perform the most basic administrative functions.

Dept: DCED	House or Senate subcommittee? House
Preparer: Tom Garrett	Date prepared: 04/14/98

Program area: **Division of Tourism**
Eliminate tourism director position

Dollar amount(s): **(98.2)** Fund source(s): **GF**

Impact Analysis:

The director provides vision and direction for Alaska's overall tourism marketing effort and is the primary advocate for tourism development. The position travels extensively, working with state and national tourism industry leaders and organizations. Without the aggressive leadership, marketing, and outreach performed by the director, the division and Alaska's presence in the tourism market will suffer significantly.

Dept: DCED	House or Senate subcommittee? House
Preparer: Tom Garrett	Date prepared: 04/14/98

Program area: Division of Tourism	Dollar amount(s):	Fund source(s):
Reduce Travel	(20.0)	GF

Impact Analysis:

To accomplish its mission, the Division of Tourism staff must travel. Reducing the travel budget simply impedes the division's ability to sell Alaska as a tourist destination. Whether travel expenditures are actually reduced or less funding is spent on marketing programs to make up the travel shortfall, the effect is the same—there is a direct correlation over the past several years between

Dept: DCED	House or Senate subcommittee? House
Preparer: David Karp, Executive Director	Date prepared: 04/14/98

Program area: Alaska Tourism Marketing Council	Dollar amount(s):	Fund source(s):
(a) Reduce contractual line for research, public relation, promo	(122.7)	General Funds
(b) Change GF to Statutory Designated Receipts based on FY97 Actual	(200.0) 200.0	General Funds Stat Desig

Impact Analysis:

(a) The reduction to contract services will result in the elimination of substantial portions of the ATMCs Public Relations and Research programs. Both are critical elements of the program. Research guides most all program decisions and saves the council substantial resources annually. The ability to leverage media exposure through the ATMCs public relations program is one of the best tools the Council has at its disposal.

(b) While the intent of this action is to increase industry contribution by this amount, the net effect will likely represent an actual cut to the program. There is no guarantee that the industry will be able to generate additional funds beyond the required match as set forth in the agreement with the Department.

Dept:	DCED	House or Senate subcommittee?	House
Preparer:	D. Randy Simmons	Date Prepared:	04/12/98

Program area: **AEA/Operations/Main.**
Deny increment for DIS rate increases

Dollar amount(s): **(31.0)** Fund source(s):
AEA receipts

Impact analysis:

Alaska Energy Authority's FY99 budget includes an increment of \$323,300 for the Division of Information Services (DIS). The DIS provides repair and maintenance for the radio circuits, voice and data circuits, transmitters and repeaters, two-way radio maintenance, and space and power for AEA's existing hydroelectric projects and the Alaska Intertie.

The increment request is required to pay for additional circuits that, through an omission of DIS, were not billed to AEA in the past. If the increment is denied, the expense would either be charged to the operating utilities providing power to the communities served by the AEA-owned projects, or the DIS may cease to provide the necessary services to the projects and the services would have to be procured from another provider at a much higher cost. Both instances would result in a negative impact to Alaskans receiving power from the AEA-owned facilities as the services would be less reliable and the increased cost of services would be passed on to the individual consumers in the form of rate increases.

A utility and AEA task force studied the option of either AEA or the individual utility power plant going out to bid and awarding the repair and maintenance contract to a commercial company. The idea was rejected as it was found that the commercial costs for these services varied from 50% to 200% more than DIS depending on the location of the hydroelectric facility within the state and the required infrastructure.

The increment request is necessary and its denial would result in negative impacts to reliable power and increased rates to Alaskans served by the AEA-owned hydroelectric projects.

Dept:	Revenue	House or Senate subcommittee?	House
Preparer:	Peter Bushre	Date prepared:	4/7/98

Program area: **Alaska Permanent Fund Corporation**

Dollar amount(s): Fund source(s):

Contractual Services -
Investment Management Fees

-\$4,494.0

APFC Receipts

Impact Analysis:

The House Finance Subcommittee on the Department of Revenue budget has reduced the APFC request for management fees by \$4,494.0, which is equal to the APFC's FY98 supplemental request for management fees. This action, if sustained in conference, means that the APFC will most likely

have to request an FY99 supplemental for management fees barring a significant decline in the value of Permanent Fund investments over the next twelve months.

APFC management fees are based upon the market value of the investments under management. An increase in market value automatically creates an increase in management fees. Conversely, a decrease in market value automatically creates a decrease in management fees. For the past 15 years, APFC management fees have increased due to (1) growth of the Permanent Fund from contributions to principal and (2) significant appreciation of equity investments from the longest bull market in U.S. history. This appreciation has averaged 36% per annum for the past two years. The APFC has taken several important steps which have minimized the growth of management fees, *e.g.*, raising passively managed assets to 45% of total equities, but these options are no longer available. The Permanent Fund continues to grow at an accelerated rate from contributions and (primarily) appreciation and we expect that management fees will grow somewhat proportionately. As can be seen in the following schedule, the impact of the House subcommittee's action will be to limit growth in manager fees to 15% over FY98 including the supplemental appropriation:

Contractual Services Classification	FY98	FY99
Investment management fees	20,692.0	33,565.0
FY98 supplemental appropriation request	4,494.0	-4,494.0
Revised investment management fees	<u>25,186.0</u>	<u>29,071.0</u>

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CHONGRO-KU, SEOUL
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9 April 1998

BY FAX: 907-465-2069/907-258-8727

Representative John J. Cowdery
Chairman, International Trade & Tourism
State Capitol, Suite 416
Juneau, Alaska
USA

Re: Korea Trade Office

Dear John:

I am writing in furtherance of my 4 April 1998 fax to you. As promised, I have given a lot more thought to the trade office functions in Korea. The more I thought about it, the more I became convinced that the best solution for the State of Alaska might just be right under my nose. I would like to make a proposal to you. (The proverbial deal that you cannot refuse.)

If you think it is appropriate, I would like to suggest that Kim, Shin & Yu be considered for the contract. In the United States, it is certainly not unusual for law firms to have affiliated consulting business primarily utilizing non-lawyers to provide non-legal services. I personally think that utilizing Kim, Shin & Yu in this way would be an exceptional deal for the State of Alaska.

By contracting with us, Alaskans would gain access to a tremendous amount of resources (over 125 employees) and contacts. The State would in effect obtain a very impressive Seoul office/location without having to pay the rent. (As I am sure you recall, Kim, Shin & Yu's office is located directly behind the U.S. Embassy in Seoul with views overlooking the Blue House. The U.S. Agriculture Trade Office and the U.S. Business Center are also located in our building.) More importantly, we have a highly qualified manager, who would be a very appropriate point man for facilitating communication between Alaskans and Korean businessmen and government officials. He is a graduate of Seoul National University, Korea's most prestigious university, he has worked in the international business field for approximately thirty years, and he speaks excellent English. He would be

empowered to utilize the resources of Kim, Shin & Yu (conference rooms, bilingual support staff, telecommunications and computer equipment) as necessary (or desirable). Of course, I (as well as my colleagues) would also provide support, guidance and access to contacts which may be of use to Alaskan businessmen and government officials. (In addition to my international corporate law practice, I still serve on the Board of Governors of the American Chamber of Commerce in Korea, and I am currently chairing the Agriculture/Food Products Committee of the Chamber. Many of the Korean lawyers in the Firm have important contacts within government circles and with major Korean companies.)

I think Kim, Shin & Yu would compare very favorably with other possibilities in Seoul. I believe it would be very difficult to find a person or organization with a comparable network of contacts, support staff or location for the proposed amount of the contract. If this idea intrigues you, please let me know. If it does not, then I am certainly in a position to suggest a few other possibilities.

I look forward to hearing from you, and I wish you all the best.

Sincerely yours,



Thomas P. Pinansky
Kim, Shin & Yu

TPP

cc: Judge Kim
Mr. Park, Byung-Ho

Agency Totals - FY99 Operating Budget

Agency: Department of Commerce and Economic Development

	<u>FY97 Act</u>	<u>FY98Auth</u>	<u>FY99 Adj</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
Totals for Agency	54,540.3	74,290.0	55,749.3	56,316.9	54,140.6	-2,176.3	-3.9%

Objects of Expenditure:

Personal Services	22,743.5	20,934.9	20,849.7	20,914.3	19,673.7	-1,240.6	-5.9%
Travel	1,955.0	1,797.7	1,797.7	1,797.7	1,777.7	-20.0	-1.1%
Contractual	23,055.2	23,660.4	23,295.8	24,755.7	23,840.0	-915.7	-3.7%
Commodities	577.9	556.5	556.5	556.5	556.5	0.0	0.0%
Equipment	684.5	138.0	137.4	123.1	123.1	0.0	0.0%
Lands/Buildings	4.8	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	5,519.4	25,588.6	8,169.6	8,169.6	8,169.6	0.0	0.0%
Miscellaneous	0.0	1,613.9	942.6	-0.0	-0.0	-0.0	0.0%

Funding Sources:

1002 Fed Rcpts	3,189.1	3,650.0	3,650.0	3,650.0	3,650.0	0.0	0.0%
1003 G/F Match	1.3					0.0	0.0%
1004 Gen Fund	10,515.6	8,330.6	8,406.0	8,856.0	6,385.7	-2,470.3	-27.9%
1005 GF/Prgm	10,527.3	19,453.8	17,858.6	17,873.4	17,873.4	0.0	0.0%
1007 I/A Rcpts	1,285.7	1,364.9	1,664.0	1,674.0	1,799.0	125.0	7.5%
1022 Corp Rcpts	4,306.5					0.0	0.0%
1025 Sci/Tech	6,625.5	27,302.7	9,983.4	10,033.4	10,033.4	0.0	0.0%
1035 Vet Loan	209.3	230.9	207.0	183.1	183.1	0.0	0.0%
1036 Cm Fish Ln	2,373.8	2,540.8	2,569.9	2,586.2	2,586.2	0.0	0.0%
1040 Surety Fnd	90.6	263.8	263.8	263.8	263.8	0.0	0.0%
1053 Invst Loss		34.4	0.0	0.0	0.0	0.0	0.0%
1057 Small Bus	7.7	2.5	3.0	3.5	3.5	0.0	0.0%
1061 CIP Rcpts	72.9	135.0	135.0	135.0	135.0	0.0	0.0%
1067 Mining RLF	8.7	4.8	4.9	5.0	5.0	-0.0	-0.0%
1068 Child Care	6.3	5.3	5.5	5.7	5.7	0.0	0.0%
1069 Hist Dist	2.9	3.0	2.5	2.0	2.0	0.0	0.0%
1070 Fish En Ln	264.4	285.8	297.8	309.8	309.8	0.0	0.0%
1071 Alt Energy	268.0	149.4	149.0	148.6	148.6	0.0	0.0%
1072 Res Energy	8.5	0.1	0.0	0.0	0.0	0.0	0.0%
1091 GF/Desig	14,776.2	0.0	0.0	0.0	0.0	0.0	0.0%
1101 AERO Rcpts		43.2	43.2	43.2	43.2	0.0	0.0%
1102 AIDEA Rcpt		3,729.9	3,729.9	3,737.4	3,737.4	0.0	0.0%
1107 AEA Rcpts		1,049.5	1,049.5	1,080.5	1,049.5	-31.0	-2.9%
1108 Stat Desig		1,249.9	1,249.9	1,249.9	1,449.9	200.0	16.0%
1110 APUC Rcpts		4,459.7	4,476.4	4,476.4	4,476.4	0.0	0.0%

Agency Totals - FY99 Operating Budget

Agency: Department of Commerce and Economic Development

	<u>FY97 Act</u>	<u>FY98Auth</u>	<u>FY99 Adj</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<u>Positions:</u>							
Perm Full Time	390.0	347.0	348.0	348.0	330.0	-18.0	-5.2%
Perm Part Time	16.0	10.0	10.0	10.0	9.0	-1.0	-10.0%
Non-Perm	0.0	0.0	0.0	0.0	0.0	0.0	0.0%

CORRECTION

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



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

Agency Totals - FY99 Operating Budget

Agency: Department of Commerce and Economic Development

	<u>FY97 Act</u>	<u>FY98Auth</u>	<u>FY99 Adj</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<u>Positions:</u>							
Perm Full Time	390.0	347.0	348.0	348.0	330.0	-18.0	-5.2%
Perm Part Time	16.0	10.0	10.0	10.0	9.0	-1.0	-10.0%
Non-Perm	0.0	0.0	0.0	0.0	0.0	0.0	0.0%

Component Summary - FY99 Operating Budget

General Funds, CBR and ILTF

Agency: Department of Commerce and Economic Development

<u>Page</u>	<u>Budget Component</u>	<u>FY97 Act</u>	<u>FY98Auth</u>	<u>FY99 Adj</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>
Measurement Standards							
1	Measurement Standards	2,910.3					0.0 0.0%
	* BRU Total	2,910.3	0.0	0.0	0.0	0.0	0.0 0.0%
Banking, Securities, and Corp							
2	Banking, Securities and Corp	1,674.5	1,621.7	1,639.7	1,654.7	1,654.7	0.0 0.0%
	* BRU Total	1,674.5	1,621.7	1,639.7	1,654.7	1,654.7	0.0 0.0%
Insurance							
3	Insurance Operations	4,084.6	4,873.2	3,966.9	4,166.7	4,166.7	0.0 0.0%
	* BRU Total	4,084.6	4,873.2	3,966.9	4,166.7	4,166.7	0.0 0.0%
Occupational Licensing							
4	Operations	4,605.7	5,106.2	4,398.9	4,398.9	4,398.9	0.0 0.0%
5	Licensing Boards	189.6	173.2	173.2	173.2	173.2	0.0 0.0%
	* BRU Total	4,795.3	5,279.4	4,572.1	4,572.1	4,572.1	0.0 0.0%
Alaska Public Utilities Comm							
6	APUC Operations	3,922.4					0.0 0.0%
	* BRU Total	3,922.4	0.0	0.0	0.0	0.0	0.0 0.0%
Executive Administration and Development							
7	Commissioner's Office	452.6	374.3	376.5	376.5	316.5	-60.0 -15.9%
8	Administrative Services	733.5	723.2	742.5	742.5	677.5	-65.0 -8.8%
9	Information Technology		0.0	0.0	0.0	-0.0	-0.0 0.0%
	* BRU Total	1,186.1	1,097.5	1,119.0	1,119.0	994.0	-125.0 -11.2%
Division of Trade and Tourism							
10	Trade and Development	2,108.3	2,051.1	2,062.1	2,512.1	607.7	-1,904.4 -75.8%
11	Tourism Development	3,045.5	2,250.1	2,253.2	2,253.2	2,135.0	-118.2 -5.2%
	* BRU Total	5,153.8	4,301.2	4,315.3	4,765.3	2,742.7	-2,022.6 -42.4%
Tourism							
13	Alaska Tourism Mktg Council	5,311.4	3,398.1	3,401.5	3,401.5	3,078.8	-322.7 -9.5%
	* BRU Total	5,311.4	3,398.1	3,401.5	3,401.5	3,078.8	-322.7 -9.5%

Component Summary - FY99 Operating Budget

General Funds, CBR and ILTF

Agency: Department of Commerce and Economic Development

<u>Page</u>	<u>Budget Component</u>	<u>FY97 Act</u>	<u>FY98Auth</u>	<u>FY99 Adj</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	Alaska Seafood Marketing Inst							
16	Alaska Seafood Marketing Inst	6,782.0	7,247.7	7,250.1	7,050.1	7,050.1	0.0	0.0%
	* BRU Total	6,782.0	7,247.7	7,250.1	7,050.1	7,050.1	0.0	0.0%
	*** Total Agency Expenditure	35,820.4	27,818.8	26,264.6	26,729.4	24,259.1	-2,470.3	-9.2%

Component Summary - FY99 Operating Budget

Agency: Department of Commerce and Economic Development

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
Measurement Standards								
1	Measurement Standards	2,935.3					0.0	0.0%
	* BRU Total	2,935.3	0.0	0.0	0.0	0.0	0.0	0.0%
Banking, Securities, and Corp								
2	Banking, Securities and Corp	1,678.1	1,650.8	1,668.8	1,662.8	1,662.8	0.0	0.0%
	* BRU Total	1,678.1	1,650.8	1,668.8	1,662.8	1,662.8	0.0	0.0%
Insurance								
3	Insurance Operations	4,087.0	4,898.9	3,992.6	4,192.4	4,192.4	0.0	0.0%
	* BRU Total	4,087.0	4,898.9	3,992.6	4,192.4	4,192.4	0.0	0.0%
Occupational Licensing								
4	Operations	4,831.3	5,680.7	4,973.4	4,959.1	4,959.1	0.0	0.0%
5	Licensing Boards	189.6	173.2	173.2	173.2	173.2	0.0	0.0%
	* BRU Total	5,020.9	5,853.9	5,146.6	5,132.3	5,132.3	0.0	0.0%
Alaska Public Utilities Comm								
6	APUC Operations	3,922.4	4,459.7	4,476.4	4,476.4	4,476.4	0.0	0.0%
	* BRU Total	3,922.4	4,459.7	4,476.4	4,476.4	4,476.4	0.0	0.0%
Executive Administration and Development								
7	Commissioner's Office	600.2	497.4	499.6	530.5	530.5	-0.0	-0.0%
8	Administrative Services	1,123.3	1,174.5	1,193.8	1,212.5	1,212.5	0.0	0.0%
9	Information Technology		0.0	0.0	-0.0	0.0	0.0	0.0%
	* BRU Total	1,723.5	1,671.9	1,693.4	1,743.0	1,743.0	-0.0	-0.0%
Division of Trade and Tourism								
10	Trade and Development	2,636.2	3,058.1	3,069.1	3,519.1	1,614.7	-1,904.4	-54.1%
11	Tourism Development	3,192.7	2,376.9	2,380.0	2,380.0	2,261.8	-118.2	-5.0%
	* BRU Total	5,828.9	5,435.0	5,449.1	5,899.1	3,876.5	-2,022.6	-34.3%
Investments								
12	Investments	3,208.4	3,278.8	3,291.6	3,291.6	3,291.6	0.0	0.0%
	* BRU Total	3,208.4	3,278.8	3,291.6	3,291.6	3,291.6	0.0	0.0%

Component Summary - FY99 Operating Budget

Agency: Department of Commerce and Economic Development

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
Tourism								
13	Alaska Tourism Mktg Council	5,311.4	4,648.0	4,651.4	4,651.4	4,528.7	-122.7	-2.6%
	* BRU Total	5,311.4	4,648.0	4,651.4	4,651.4	4,528.7	-122.7	-2.6%
AIDEA								
14	AIDEA	3,398.7	3,729.9	4,033.2	4,040.7	4,040.7	0.0	0.0%
15	Alaska Energy Auth Op & Maint	864.6	1,049.5	1,049.5	1,080.5	1,049.5	-31.0	-2.9%
	* BRU Total	4,263.3	4,779.4	5,082.7	5,121.2	5,090.2	-31.0	-0.6%
Alaska Seafood Marketing Inst								
16	Alaska Seafood Marketing Inst	9,855.3	10,747.7	10,750.1	10,550.1	10,550.1	0.0	0.0%
	* BRU Total	9,855.3	10,747.7	10,750.1	10,550.1	10,550.1	0.0	0.0%
Alaska Aerospace Devel Corp								
17	Ak Aerospace Development Corp	574.3	550.8	550.8	600.8	600.8	0.0	0.0%
	* BRU Total	574.3	550.8	550.8	600.8	600.8	0.0	0.0%
Alaska Science and Technology Foundation								
18	AK Science & Tech. Foundation	6,131.5	26,315.1	8,995.8	8,995.8	8,995.8	-0.0	-0.0%
	* BRU Total	6,131.5	26,315.1	8,995.8	8,995.8	8,995.8	-0.0	-0.0%
	*** Total Agency Expenditure	54,540.3	74,290.0	55,749.3	56,316.9	54,140.6	-2,176.3	-3.9%
	Federal Funds	3,189.1	3,650.0	3,650.0	3,650.0	3,650.0	0.0	0.0%
	General Funds	35,820.4	27,784.4	26,264.6	26,729.4	24,259.1	-2,470.3	-9.2%
	Other Funds	15,530.8	42,855.6	25,834.7	25,937.5	26,231.5	294.0	1.1%

VTID Compare -1 Way - FY99 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													
increase I/A receipt - increase charge back to divisions/corp	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
1004 Gen Fund		-60.0											
1007 I/A Rcpts		60.0											
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Services													
increase I/A Rcpts - increase charge back to divisions/corp	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
1004 Gen Fund		-65.0											
1007 I/A Rcpts		65.0											
		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
Division of Trade and Tourism													
Trade and Development													
Deny increment for Bristol Bay/Kusk tourism & fisheries dev	Dec	-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		-250.0											
Deny increment for Western Alaska economic development	Dec	-200.0	0.0	0.0	-200.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-200.0											
Reduce overseas trade office conts: K(105.7) J(236.3) T+30.0	Dec	-312.0	0.0	0.0	-312.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-312.0											
Eliminate Asst Commissioner reclassified position	Dec	-105.2	-105.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-105.2											
Transfer three positions to Gov Off to Office of Intl Trade	Dec	-192.5	-192.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.0	0.0	0.0
1004 Gen Fund		-192.5											
Transfer three positions to Gov Off to Office of Intl Trade	Dec	-147.2	-147.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	-1.0	0.0
1004 Gen Fund		-147.2											
Transfer three specialized devel specs to other departments	Dec	-206.3	-206.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.0	0.0	0.0
1004 Gen Fund		-206.3											
Transfer three specialized devel specs to other departments	Dec	-236.7	-236.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.0	0.0	0.0
1004 Gen Fund		-236.7											

VTID Compare -1 Way - FY99 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
Division of Trade and Tourism													
Trade and Development													
Eliminate two Juneau PX devel spec and planner	Dec	-133.8	-133.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
1004 Gen Fund		-133.8											
Reduce Administrative Unit by three positions	Dec	-120.7	-120.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.0	0.0	0.0
1004 Gen Fund		-120.7											
		-1,904.4	-1,142.4	0.0	-762.0	0.0	0.0	0.0	0.0	0.0	-17.0	-1.0	0.0
Tourism Development													
Eliminate Tourism Director's position	Dec	-98.2	-98.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-98.2											
Reduce travel	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											
		-118.2	-98.2	-20.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
*** BRU Total ***		-2,022.6	-1,240.6	-20.0	-762.0	0.0	0.0	0.0	0.0	0.0	-18.0	-1.0	0.0
Tourism													
Alaska Tourism Marketing Council													
Change GF to Stat Designated Receipts based on FY97 Actual	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
1004 Gen Fund		-200.0											
1108 Stat Desig		200.0											
Reduce contractual line for research, public relation, promo	Dec	-122.7	0.0	0.0	-122.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-122.7											
		-122.7	0.0	0.0	-122.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-122.7	0.0	0.0	-122.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AIDEA													
Alaska Energy Authority Operations and Maintenance													
Deny increment for DIS rate increases	Dec	-31.0	0.0	0.0	-31.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1107 AEA Rcpts		-31.0											
		-31.0	0.0	0.0	-31.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-31.0	0.0	0.0	-31.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
***** Agency Total *****		-2,176.3	-1,240.6	-20.0	-915.7	0.0	0.0	0.0	0.0	0.0	-18.0	-1.0	0.0

COMMUNITY

&

REGIONAL

AFFAIRS

**Department of Community and Regional Affairs
 Department Impact Statements in Response to
 Finance Subcommittee Budget Proposals**

Dept: Community & Regional Affairs	House or Senate subcommittee? House
Preparer: Percy Frisby, Division of Energy	Date prepared: 4/10/98

Program area: Rural Energy Programs	Dollar amount(s):	Fund source(s):
	-240.3	General Fund
	240.3	CIP Receipts

Impact Analysis:

The legislative action to substitute the funding source of part of the operating activities of the Division of Energy from General Fund to Capital Improvement Project Receipts will allow the Division to continue its FY 99 activities as planned.

The Division will utilize a higher percentage of the capital funds available in FY 99, both state and federal, to insure basic supervision of the energy projects being developed. The use of capital money will have an impact equivalent to deferring one year bulk fuel piping repairs in two communities ranked as lower priorities. Since the Division has about 100 energy projects ongoing, the impact is acceptable, and will not affect those communities with needs for critical repairs or upgrades.

Dept: Community & Regional Affairs	House or Senate subcommittee? House
Preparer: Yvonne Chase, Director, DCRD	Date prepared: 4/10/98

Program area: Day Care Assistance	Dollar amount(s):	Fund source(s):
	-7,270.6	General Fund
	4,000.0	I/A Receipts

Includes SMART START - Prevention

Impact Analysis:

These funds were intended to increase the level of service presently provided to eligible families and meet the increasing demand throughout the state. Many of these families are ill-equipped to handle the high cost of child care services and rely heavily on assistance from state and local entities in order to remain in the work force.

The lack of available child care also impacts the state's ability to successfully move people from welfare to work. Other states have found that the ultimate success or failure of the Welfare-to-Work Program could be tied to the availability of child care funds as it impacts whether or not some individuals will be able to work and afford the cost of child care.

Dept: Community & Regional Affairs	House or Senate subcommittee? House
Preparer: Yvonne Chase, Director, DCRD	Date prepared: 4/10/98

Program area: **Head Start**

Dollar amount(s): **-1,000.0** Fund source(s): **General Fund**

SMART START - Prevention

Impact Analysis:

Present funding can only provide Head Start programs to 22% of the eligible children in this state. The proposed increase to the Head Start program is intended to increase services to approximately two hundred (200) children or one hundred and fifty (150) families. The services to be provided include screenings and services relative to health, physical, mental, developmental assessment and follow-up. The families would receive training and education in nutrition child development, parenting, budgeting, health, and job skills. The funding would also provide employment opportunities as well as education and career advancement opportunities to approximately 32 people.

Without this necessary increase in funding Head Start services will not be available for this group of children and their families. Additionally, families and communities will not realize the revenues from increased employment opportunities, an issue of particular concern in the implementation of the welfare to work effort.

Lack of these funds will lose the promotion and possible achievement of the health and well being of the children who would have otherwise been served. The first years of a child's life are the best years in which to invest in health related services, and these will be lost opportunities. The need for special education services can be reduced through early detection and diagnosis of disabilities. Without early detection, children will be less prepared for school, and delayed detection and diagnosis result in higher costs to the state as well as higher failure rates for these children.

Dept: Community & Regional Affairs	House or Senate subcommittee? House
Preparer: Pat Poland, Director, MRAD	Date prepared: 4/10/98

Program area: **Municipal Revenue Sharing**

Dollar amount(s): **-2,517.9** Fund source(s): **General Fund**

Impact Analysis:

State Revenue Sharing and Safe Communities funds, as a percentage of total municipal operating budgets, range from several percent for the very large municipalities to well over 50 percent for many of the smaller cities. A five percent (\$2.5 million) reduction in these two state shared revenue programs means these municipalities will have to make the decision between cutting basic local

services or increasing local taxes. For many of Alaska's smaller cities, this cut will push them even closer to financial insolvency and possible dissolution. Also, experience has shown that this kind of significant cut usually translates into deferred maintenance and reduced operation of facilities. This will lead to deterioration, and possibly failure, of water and sewer systems, power generation systems, washeterias, community halls, clinics, and other public facilities. Any vision for the economic development of rural communities, which must be based on sound infrastructure, will be diminished.

Because of the pro-rating feature built into the State Revenue Sharing formulas, this reduction in funding will result in municipalities being paid less than 25 cents on the dollar for road maintenance entitlements as provided under Alaska statutes. Alaska's rural volunteer fire departments will also be paid at less than 25 cents on the dollar for fire protection for their residents. Many of these volunteer fire departments currently find the level of state aid not even enough to buy fuel oil to heat the facilities used to store their fire fighting equipment. Finally, Alaska's unincorporated communities, some of which contain several hundred to a thousand residents each, will see their payment reduced to below \$6,000 as compared to the \$25,000 payment amount provided in State law.

Dept: Community & Regional Affairs	House or Senate subcommittee? House
Preparer: Lamar Cotten, Deputy Commissioner	Date prepared: 4/10/98

Program area: **Commissioner's Office**

Dollar amount(s): **-87.1**
Fund source(s): **General Fund**

Impact Analysis:

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.

Dept:	Community & Regional Affairs	House or Senate subcommittee?	House
Preparer:	Pat Poland, Director, MRAD	Date prepared:	4/10/98

Program area: **Local Government Assistance** Dollar amount(s): **-50.0** Fund source(s): **General Fund**

Impact Analysis:

The loss of \$50.0 in the Training and Development component will result in the loss of one full time position. While the committee has given us the option of taking this cut in other than the personnel services line item, funding levels in other line items do not allow for absorption of cuts there. It is anticipated that the position eliminated would be a senior staff member working out of the Anchorage office. Loss of such a staff person will result in a loss of expertise that will not be replaceable and the overall capacity of the division to respond, particularly to unique local crises such as the base closing in Delta and Adak, and the Shishmaref storm disaster, will be reduced. Additionally, the division's capacity to provide local land management and planning assistance, already at a very basic level, will be reduced to an extremely minimal level.

Dept:	Community & Regional Affairs	House or Senate subcommittee?	House
Preparer:	Yvonne Chase, Director, DCRD	Date prepared:	4/10/98

Program area: **Child Care Administration** Dollar amount(s): **-63.2** Fund source(s): **General Fund**

Impact Analysis:

The Child Care Programs office consists of seven (7) professional staff and three (3) clerical staff positions. The professionals in the unit are responsible for the design and implementation of a \$19 million child care program for the state. They also monitor and assist local administrators in providing child care support services to twenty-one (21) communities throughout the state. In addition, they provide direct services to child care providers through the innovative distance delivery program recently established to provide services to communities and child care facilities in areas where there is no local administrator for the program. Prior to the distance delivery program, these communities have gone unserved. These staff members are also responsible for establishing and maintaining the child care management information system necessary to satisfy the ever increasing federal requirements for statistics and data relative to the delivery of services in each community.

This proposed reduction in effect is the equivalent of one professional staff position in the Child Care Programs Office (a 14% decrease in professional staff). Were this reduction to occur, many of the services identified above would be drastically reduced or eliminated. There would be insufficient staff to perform regular monitors and technical assistance visits to the twenty-one (21) communities. Distance delivery would potentially be eliminated because it is a time consuming process and there would be insufficient personnel to handle the workload. The child care management information system is necessary to generate the information required on a state level to meet the new federal data

requirements. If this state is unable to satisfy federal requirements, we stand to lose federal funds at a time when we are trying to maximize those funds in order to provide for a lower utilization of state dollars. Payments to communities, and hence to child care providers, would be delayed as the remaining staff members will not be able to assume the additional duties from this position and still meet the present time frames for services. Child care provider training and consumer education efforts would also be significantly reduced. This is another area where there is a federal requirement for the level of effort that must be maintained for states to be in compliance with the TANF (Temporary Assistance for Needy Families) provisions.

Agency Totals - FY99 Operating Budget

Agency: Department of Community & Regional Affairs

	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
Totals for Agency	129,465.5	143,906.3	142,688.4	161,975.9	155,062.1	-6,913.8	-4.3%
<u>Objects of Expenditure:</u>							
Personal Services	10,189.9	10,009.1	9,995.8	10,465.8	10,325.5	-140.3	-1.3%
Travel	975.2	1,138.1	1,114.9	1,219.3	1,209.3	-10.0	-0.8%
Contractual	2,509.2	5,594.2	4,869.9	5,957.2	6,032.2	75.0	1.3%
Commodities	186.3	197.7	185.9	230.9	230.9	0.0	0.0%
Equipment	912.6	2,031.5	2,033.3	1,900.0	1,900.0	0.0	0.0%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	114,692.3	124,935.7	124,488.6	142,202.7	135,414.2	-6,788.5	-4.8%
Miscellaneous	0.0	0.0	0.0	0.0	-50.0	-50.0	0.0%
<u>Funding Sources:</u>							
1002 Fed Rcpts	18,067.4	34,918.2	34,818.2	45,258.9	45,258.9	0.0	0.0%
1003 G/F Match	1,887.2	1,871.1	771.6	771.6	771.6	0.0	0.0%
1004 Gen Fund	79,617.2	75,520.4	76,136.6	80,441.6	69,287.5	-11,154.1	-13.9%
1005 GF/Prgm	20.1	87.7	87.7	49.2	49.2	0.0	0.0%
1007 I/A Rcpts	10,864.6	12,926.1	12,259.7	16,489.6	20,489.6	4,000.0	24.3%
1051 Rural Dev	94.1	98.8	98.8	97.8	97.8	0.0	0.0%
1053 Invst Loss		68.2	0.0	0.0	0.0	0.0	0.0%
1061 CIP Rcpts	464.9	549.5	549.5	789.8	1,030.1	240.3	30.4%
1062 Power Proj	437.0	667.7	667.7	728.8	728.8	0.0	0.0%
1063 NPR Fund		50.0	50.0	50.0	50.0	0.0	0.0%
1074 Bulk Fuel	45.1	48.8	48.8	48.8	48.8	0.0	0.0%
1089 Power Cost	17,967.9	17,000.0	17,000.0	17,000.0	17,000.0	0.0	0.0%
1092 MHTAAR				50.0	50.0	0.0	0.0%
1108 Stat Desig		99.8	99.8	99.8	99.8	0.0	0.0%
1111 FishFndInc			100.0	100.0	100.0	0.0	0.0%
<u>Positions:</u>							
Perm Full Time	184.0	165.0	173.0	170.0	168.0	-2.0	-1.2%
Perm Part Time	7.0	5.0	3.0	3.0	3.0	0.0	0.0%
Non-Perm	7.0	2.0	2.0	7.0	7.0	0.0	0.0%

Component Summary - FY99 Operating Budget

Agency: Department of Community & Regional Affairs

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House
Administration and Support							
1	Office of the Commissioner	627.4	833.3	582.1	616.5	529.4	-87.1 -14.1%
2	Administrative Services	2,300.7	1,791.6	1,791.8	1,758.8	1,758.8	-0.0 -0.0%
3	Data and Word Processing	710.7	718.8	761.5	736.2	736.2	-0.0 -0.0%
4	One Stop		3,459.0	3,459.0	3,000.0	3,000.0	0.0 0.0%
5	Information Technology		0.0	0.0	0.0	0.0	0.0 0.0%
	* BRU Total	3,638.8	6,802.7	6,594.4	6,111.5	6,024.4	-87.1 -1.4%
Senior Citizens/Disabled Veterans Tax Relief							
6	Renters' Equivalency Rebate	299.8	300.0	300.0	300.0	300.0	0.0 0.0%
	* BRU Total	299.8	300.0	300.0	300.0	300.0	0.0 0.0%
National Forest Receipts							
7	National Forest Receipts	5,427.3	10,000.0	10,000.0	10,000.0	10,000.0	0.0 0.0%
	* BRU Total	5,427.3	10,000.0	10,000.0	10,000.0	10,000.0	0.0 0.0%
Municipal Revenue Sharing							
8	State Revenue Sharing	24,170.0	22,719.8	22,719.8	22,719.8	21,583.8	-1,136.0 -5.0%
9	Municipal Assistance	29,402.3	27,638.2	27,638.2	27,638.2	26,256.3	-1,381.9 -5.0%
	* BRU Total	53,572.3	50,358.0	50,358.0	50,358.0	47,840.1	-2,517.9 -5.0%
Local Government Assistance							
10	Training and Development	2,729.3	2,690.1	2,690.1	2,766.1	2,716.1	-50.0 -1.8%
11	State Assessor	154.3	149.3	149.3	149.3	149.3	0.0 0.0%
12	Local Boundary Commission	271.7	247.1	247.1	247.1	247.1	0.0 0.0%
13	Statewide Assistance	2,395.2	2,748.9	2,748.9	6,748.9	6,748.9	0.0 0.0%
14	National Petroleum Reserve		50.0	50.0	50.0	50.0	0.0 0.0%
	* BRU Total	5,550.5	5,885.4	5,885.4	9,961.4	9,911.4	-50.0 -0.5%
Community and Economic Development							
15	Community & Econ Develop		2,348.3	1,681.9	1,575.0	1,575.0	0.0 0.0%
	* BRU Total	0.0	2,348.3	1,681.9	1,575.0	1,575.0	0.0 0.0%
Child Assistance							
16	Child Care	3,595.6	4,408.3	4,065.1	3,615.5	3,552.3	-63.2 -1.7%
17	Day Care Assistance Programs	14,368.2	15,370.1	15,370.1	22,236.7	18,966.1	-3,270.6 -14.7%
18	Head Start Grants	6,041.4	5,878.4	5,878.4	6,928.4	5,928.4	-1,000.0 -14.4%
	* BRU Total	24,005.2	25,656.8	25,313.6	32,780.6	28,446.8	-4,333.8 -13.2%

Component Summary - FY99 Operating Budget

Agency: Department of Community & Regional Affairs

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
Employment Training/Rural Development								
19	Job Training Partnership Act	6,255.3	11,430.0	11,430.0	15,872.7	15,872.7	0.0	0.0%
20	State Training and Employment	1,819.0	1,763.3	1,763.3	1,732.3	1,732.3	0.0	0.0%
21	Statewide Service Delivery	5,565.9	7,295.0	7,295.0	10,690.7	10,690.7	0.0	0.0%
22	Block Grants CIP	250.1					0.0	0.0%
23	Community Development Assist.	2,028.8	2,925.1	2,925.1	2,988.3	2,988.3	0.0	0.0%
24	Rural Development Grants	797.3					0.0	0.0%
	* BRU Total	16,716.4	23,413.4	23,413.4	31,284.0	31,284.0	0.0	0.0%
Rural Energy Program--Energy Operations								
25	Energy Operations	2,287.3	1,841.7	1,841.7	2,305.4	2,305.4	0.0	0.0%
26	Power Cost Equalization	17,967.9	17,000.0	17,000.0	17,000.0	17,000.0	0.0	0.0%
	* BRU Total	20,255.2	18,841.7	18,841.7	19,305.4	19,305.4	0.0	0.0%
Circuit Rider Program								
27	Circuit Rider		300.0	300.0	300.0	375.0	75.0	25.0%
	* BRU Total	0.0	300.0	300.0	300.0	375.0	75.0	25.0%
	*** Total Agency Expenditure	129,465.5	143,906.3	142,688.4	161,975.9	155,062.1	-6,913.8	-4.3%
	Federal Funds	18,067.4	34,968.2	34,868.2	45,308.9	45,308.9	0.0	0.0%
	General Funds	81,524.5	77,479.2	76,995.9	81,262.4	70,108.3	-11,154.1	-13.7%
	Other Funds	29,873.6	31,458.9	30,824.3	35,404.6	39,644.9	4,240.3	12.0%

Component Summary - FY99 Operating Budget

General Funds, CBR and ILTF

Agency: Department of Community & Regional Affairs

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House
Administration and Support							
1	Office of the Commissioner	507.5	623.2	472.0	506.4	419.3	-87.1 -17.2%
2	Administrative Services	1,437.9	1,316.6	1,216.8	1,216.8	1,216.8	-0.0 -0.0%
3	Data and Word Processing	431.3	353.2	395.9	395.9	395.9	0.0 0.0%
5	Information Technology		0.0	0.0	0.0	0.0	0.0 0.0%
	* BRU Total	2,376.7	2,293.0	2,084.7	2,119.1	2,032.0	-87.1 -4.1%
Senior Citizens/Disabled Veterans Tax Relief							
6	Renters' Equivalency Rebate	299.8	300.0	300.0	300.0	300.0	0.0 0.0%
	* BRU Total	299.8	300.0	300.0	300.0	300.0	0.0 0.0%
Municipal Revenue Sharing							
8	State Revenue Sharing	24,170.0	22,719.8	22,719.8	22,719.8	21,583.8	-1,136.0 -5.0%
9	Municipal Assistance	29,402.3	27,638.2	27,638.2	27,638.2	26,256.3	-1,381.9 -5.0%
	* BRU Total	53,572.3	50,358.0	50,358.0	50,358.0	47,840.1	-2,517.9 -5.0%
Local Government Assistance							
10	Training and Development	2,137.5	1,917.3	1,917.3	1,917.3	1,867.3	-50.0 -2.6%
11	State Assessor	154.3	149.3	149.3	149.3	149.3	0.0 0.0%
12	Local Boundary Commission	271.7	247.1	247.1	247.1	247.1	0.0 0.0%
13	Statewide Assistance	373.0	373.1	373.1	373.1	373.1	0.0 0.0%
	* BRU Total	2,936.5	2,686.8	2,686.8	2,686.8	2,636.8	-50.0 -1.9%
Community and Economic Development							
15	Community & Econ Develop		455.1	455.1	455.1	455.1	0.0 0.0%
	* BRU Total	0.0	455.1	455.1	455.1	455.1	0.0 0.0%
Child Assistance							
16	Child Care	2,692.2	2,533.4	2,190.2	2,190.2	2,127.0	-63.2 -2.9%
17	Day Care Assistance Programs	11,025.0	11,211.1	11,211.1	14,481.7	7,211.1	-7,270.6 -50.2%
18	Head Start Grants	5,739.9	5,728.4	5,728.4	6,728.4	5,728.4	-1,000.0 -14.9%
	* BRU Total	19,457.1	19,472.9	19,129.7	23,400.3	15,066.5	-8,333.8 -35.6%
Employment Training/Rural Development							
19	Job Training Partnership Act	47.2	84.1	84.1	84.1	84.1	0.0 0.0%
21	Statewide Service Delivery	486.1	465.9	465.9	465.9	465.9	0.0 0.0%
22	Block Grants CIP	58.1					0.0 0.0%
23	Community Development	626.6	308.9	308.9	308.9	308.9	0.0 0.0%

Component Summary - FY99 Operating Budget

General Funds, CBR and ILTF

Agency: Department of Community & Regional Affairs

<u>Page</u>	<u>Budget Component</u>	<u>FY97 Act</u>	<u>FY98Auth</u>	<u>FY99 Adj</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
Employment Training/Rural Development								
	Assist.							
24	Rural Development Grants	131.4					0.0	0.0%
	* BRU Total	1,349.4	858.9	858.9	858.9	858.9	0.0	0.0%
Rural Energy Program--Energy Operations								
25	Energy Operations	1,532.7	822.7	822.7	784.2	543.9	-240.3	-30.6%
	* BRU Total	1,532.7	822.7	822.7	784.2	543.9	-240.3	-30.6%
Circuit Rider Program								
27	Circuit Rider		300.0	300.0	300.0	375.0	75.0	25.0%
	* BRU Total	0.0	300.0	300.0	300.0	375.0	75.0	25.0%
	*** Total Agency Expenditure	81,524.5	77,547.4	76,995.9	81,262.4	70,108.3	-11,154.1	-13.7%

VTID Compare -1 Way - FY99 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												
Special Assistant position												
1004 Gen Fund	-87.1											
Dec	-87.1	-87.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
	-87.1	-87.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
*** BRU Total ***												
	-87.1	-87.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Municipal Revenue Sharing												
State Revenue Sharing												
Reduce program by 5%												
1004 Gen Fund	-1,136.0											
Dec	-1,136.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,136.0	0.0	0.0	0.0	0.0
	-1,136.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,136.0	0.0	0.0	0.0	0.0
Municipal Assistance												
Reduce program by 5%												
1004 Gen Fund	-1,381.9											
Dec	-1,381.9	0.0	0.0	0.0	0.0	0.0	0.0	-1,381.9	0.0	0.0	0.0	0.0
	-1,381.9	0.0	0.0	0.0	0.0	0.0	0.0	-1,381.9	0.0	0.0	0.0	0.0
*** BRU Total ***												
	-2,517.9	0.0	0.0	0.0	0.0	0.0	0.0	-2,517.9	0.0	0.0	0.0	0.0
Local Government Assistance												
Training and Development												
Proposed reduction												
1004 Gen Fund	-50.0											
Dec	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-50.0	0.0	0.0	0.0
	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-50.0	0.0	0.0	0.0
*** BRU Total ***												
	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-50.0	0.0	0.0	0.0
Child Assistance												
Child Care												
Proposed reduction												
1004 Gen Fund	-63.2											
Dec	-63.2	-53.2	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
	-63.2	-53.2	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Day Care Assistance Programs												
Federal TANF funds to CCDF for child care (Fr DHSS)												
1004 Gen Fund	-4,000.0											
1007 I/A Rcpls	4,000.0											
Deny increment												
1004 Gen Fund	-3,270.6											
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
Dec	-3,270.6	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-3,270.6	-0.0	0.0	0.0	0.0
	-3,270.6	0.0	0.0	0.0	0.0	0.0	0.0	-3,270.6	0.0	0.0	0.0	0.0
Head Start Grants												
Deny increment												
1004 Gen Fund	-1,000.0											
Dec	-1,000.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-1,000.0	-0.0	0.0	0.0	0.0

VTID Compare -1 Way - FY99 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												
Head Start Grants												
	-1,000.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,000.0	0.0	0.0	0.0	0.0
*** BRU Total ***	-4,333.8	-53.2	-10.0	0.0	0.0	0.0	0.0	-4,270.6	0.0	-1.0	0.0	0.0
Rural Energy Program--Energy Operations												
Energy Operations												
Add CIP Receipts for Rural Energy Projects	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
1004 Gen Fund	-240.3											
1061 CIP Rcpts	240.3											
	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
Circuit Rider Program												
Circuit Rider												
Add funding to the Circuit Rider program	Inc 75.0	0.0	0.0	75.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund	75.0											
	75.0	0.0	0.0	75.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***	75.0	0.0	0.0	75.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
***** Agency Total *****	-6,913.8	-140.3	-10.0	75.0	0.0	0.0	0.0	-6,788.5	-50.0	-2.0	0.0	0.0

CORREC- TIONS



REPRESENTATIVE ELDON MULDER
DISTRICT 23 MULDOON-Ft. RICHARDSON



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES

MEMORANDUM

DATE: April 8, 1998

TO: Rep. Mark Hanley, Co-Chair
House Finance Committee

FROM: Representative Mulder

RE: Subcommittee Recommendations for Corrections FY 99 Budget

The attached sheets reflect the Subcommittee on Corrections recommendations for the Corrections budget. We have remained at our cap of \$139,586,300. This is an increase of \$7,700,000 over FY 98.

We have had to recommend some reductions in overhead administration in order to fund out-of-state beds and increased CRCs. We included funding for electronic monitoring and CRC Offender Supervision. These two items may relieve the need for additional beds. The alternative housing is a temporary relief valve by funding the use of tents in the summer.

We have also funded a recidivism study, a pilot program to train VPSOs to monitor parolees and probationers, and culturally relevant community residential centers in Nome and Bethel. We need to know if we are changing recidivism with the inmate programs. We need to be sensitive to rural offenders and provide opportunities to be released closer to home. There is a strong belief this will improve the probability of successful integration back into society.

Department of Corrections
Budget Recommendations
House Finance Subcommittee
FY 1999

Component	Explanation of Subcommittee Changes
Office of the Comm Administrative Services	As a result of reduced oil revenues, eliminate 97.0 interagency RSA to Dept. of Law; Special Assistant, both exempt positions, 1 in Anchorage and 1 in Juneau Fully fund personal services increase and increase Other Program Costs by \$6,200
Inmate Health Care	This appropriation includes \$400,000 MHTAAR and \$200,000 GF/Mental Health funding for the women's psychiatric unit. MHTAAR will also fund a planner and a pilot diversion program. The department should focus on managing health care and personnel costs.
Institutional Reductions Community Jails	This adjustment reflects a reduction as a result of moving prisoners into CRCs and out-of-state thus reducing overcrowding and overtime for correctional officers in state institutions. This holds the component to FY 98 levels
Community Corr. Dir.	This allows an increase of 2 parole officers and an increase in contractual services. As a result of reduced oil revenues, eliminate Div. Director and project coordinator, both Anchorage, and move unit into Institution Director's office for supervision.
Northern Reg. Probation	This fully funds personal services and allows a \$67,900 increase in other program costs.
Southcentral Reg. Prob.	This fully funds personal services and allows a \$80,600 increase in other program costs.
Southeast Probation	This fully funds personal services and allows a \$39,100 increase in other program costs.
Cut-of-State Contracts	This increase accommodates for additional out-of-state beds needed to address overcrowding.
Comm Residential Center	This increase accommodates for additional CRC beds needed to address overcrowding at average cost of \$53/day
Culturally relevant CRCs in Nome and Bethel	This responds to the need to address overcrowding and the cultural needs of natives with relevant programs in Bethel and Nome
Point MacKenzie Rehab	Allows the addition of 2 FTEs to accommodate increased population at farm
Cultural Relevance Study	This is implemented in the Culturally Relevant CRC BRU
CRC Offender Supervision	This will allow offender supervision and management of 125 offenders beginning December 1998
Electronic Monitoring	This provides for 60 slots for electronic monitoring. It will be funded by charges to the offenders.
Recidivism Study	This will allow the department to contract with the University of Alaska to develop information on recidivism. This information will be used to determine value of inmate programs and other inmate management and training programs
Pilot Program VPSOs Supervising Parole	Courts and the parole Board are reluctant to release inmates back to their rural communities without parole officers even though they believe it would decrease recidivism. This will allow cross training of VPSOs to supervise those released inmates.
Alternative Institutional Housing	Funding for temporary housing to relieve overcrowding

Budget Recommendations
House Finance Subcommittee

DEPARTMENT OF CORRECTIONS FY 99															
Budget Component	FY95 Actual	FY96 Actual	FY97 Actual	FY98 Authorized	Gov amend FY 99	Sub Comm Recommendation	General Fund	GF/PR Receipts	GF/ Mental Health	Federal Receipts	MHTAA R	PFD Funds	Corr Industries	CIP Receipts	I/A Receipts
Admin & Operations															
Office of the Comm	2,026.1	1,945.8	2,796.5	2,802.8	1,759.8	1,577.8	927.8			650.0					
Parole Board	417.7	486.1	483.3	482.7	482.7	482.7	482.7								
Corr. Academy	447.9	678.2	620.5	663.3	662.5	662.5	662.5								
Admin Services	2,587.9	2,519.9	2,552.5	2,681.2	2,562.6	2,559.6	2,488.8			70.8					
Data & Word Proc	430.0	512.7	713.8	1,167.9	1,291.3	1,291.3	682.5			60.0				332.0	216.8
Fac- Capital Imp. Unit	136.8	166.9	210.6	208.3	208.3	208.3								208.3	
Inmate Health care	14,509.0	14,368.8	14,509.1	14,788.1	15,685.6	15,378.1	11,416.4	28.0	3,343.7		590.0				
Inmate programs	2,463.8	2,671.3	2,507.7	2,564.2	2,728.6	2,728.6	1,481.4		419.0			825.2			3.0
Corr. Industry Admin	1,150.5	1,145.6	1,137.7	1,158.6	1,158.6	1,158.6	1,158.6								
Corr Ind. Product Cost	2,227.5	3,148.5	3,149.5	2,750.6	2,750.6	2,750.6							2,750.6		
Insi Dir Off	586.3	578.5	730.8	780.9	780.9	780.9	558.8					222.1			
Anvil Mountain	3,924.2	3,847.3	3,949.5	3,871.1	3,871.1	3,871.1	3,871.1								
Combined Hilland Mtn	7,332.8	7,206.9	7,439.3	7,200.4	7,200.4	7,200.4	6,876.0	289.1		35.3					
Cook Inlet Cor Cntr	9,333.3	9,281.9	9,319.4	9,163.0	9,163.0	9,163.0	7,671.9	248.1		1,243.0					
Fairbanks	7,058.4	6,973.2	6,941.2	6,975.8	6,975.8	6,975.8	6,890.7	20.9		64.2					
Ketchikan	2,610.8	2,692.2	2,631.1	2,587.3	2,587.3	2,587.3	2,564.2	20.4		2.7					
Lemon Creek	6,070.5	5,968.1	6,037.7	5,942.8	5,942.8	5,942.8	5,833.2	101.3		8.3					
Mat-Su Cor. Cntr	2,743.9	2,785.9	2,797.8	2,725.3	2,725.3	2,725.3	2,666.4	58.9							
Palmer Cor. Cntr	8,810.9	8,957.8	8,812.2	8,500.1	8,500.1	8,500.1	8,340.9	155.2		4.0					
6th Ave Que	3,829.9	3,837.5	3,903.6	3,845.1	3,845.1	3,845.1	2,671.8	879.8		293.5					
Spring Creek	13,825.9	13,360.0	13,808.0	14,003.6	13,749.2	13,749.2	13,725.2			24.0					
Wildwood	7,860.5	8,624.1	8,212.7	8,213.6	8,213.6	8,213.6	8,198.1	15.5							
Yukon-Kuskokwim	3,956.0	3,978.3	3,977.3	3,972.7	3,972.7	3,972.7	3,972.7								
Institutional Reduction						(642.4)	(642.4)								
Community Jails	(Pub Safety)	4,374.6	4,791.0	4,801.4	5,301.4	4,800.0	4,800.0								
Community Corr. Dir.	9,274.0	10,023.7	784.4	798.0	961.7	649.6	649.6								
Northern Reg. Probation	2,237.4	2,471.3	2,382.4	2,396.8	2,538.6	2,513.1	2,513.7								
Southcentral Reg. Prob.	3,666.0	4,151.7	4,445.3	4,299.7	4,466.8	4,413.4	4,413.4								
Southeast Probation	786.8	913.0	917.7	873.3	958.8	958.0	958.0								
Information Technology															
Transp & Classification					1,018.0	1,018.0	744.1								273.9
BRU Total	120,304.8	127,669.8	120,562.6	120,218.6	122,063.2	120,035.1	106,577.5	1,817.2	3,762.7	2,455.8	590.0	1,047.3	2,750.6	540.3	493.7
Following are separate BRUs															

Budget Recommendations
House Finance Subcommittee

DEPARTMENT OF CORRECTIONS FY 99

Budget Component	FY95 Actual	FY96 Actual	FY97 Actual	FY98 Authorized	Gov amend FY 99	Sub Comm Recommendation	General Fund	GF/PR Receipts	GF/Mental Health	Federal Receipts	MHTAA R	PFD Funds	Corr Industries	CIP Receipts	I/A Receipts
Out-of-State Contracts	3,549.2	5,743.9	5,295.2	7,759.6	9,016.3	14,512.3	12,245.6			2,266.7					
Existing Comm Res. Centers			9,274.6	11,230.5	12,564.5	13,539.5	9,994.6	1,460.0		2,084.9					
New CRCs				341.0	361.3	0.0	0.0								
Culturally Relevant CRCs In Nome and Bethel						911.3	582.8			328.5					
Point MacKenzie Rehab	1,623.5	1,901.5	1,988.9	1,909.7	1,909.7	2,066.7	2,066.7								
Cultural Relevance Study				50.0	50.0	0.0	0.0								
CRC Offender Supervision						376.0	376.0								
Electronic Monitoring						130.3		130.3							
Recidivism Study						100.0	100.0								
Pilot Program VPSOs						125.0	125.0								
Supervising Parole															
Alternative Institutional Housing					0.0	330.0	330.0								
DEPARTMENT TOTAL	125,477.5	135,315.2	137,121.3	141,509.4	145,965.0	152,126.2	132,398.2	3,407.5	3,762.7	7,135.9	590.0	1,047.3	2,750.6	540.3	493.7
Revenue Source							FY99-FY98								
General Funds	120,348.3	129,381.2	132,463.4	131,868.3	134,430.6	139,568.4	7,700.1								
Federal Funds	1,648.4	1,377.7	1,687.3	4,809.2	6,112.5	7,135.9	2,326.7								
Other Funds	3,534.8	4,556.3	4,594.8	4,831.9	5,421.9	5,421.9	590.0								
TOTAL BUDGET	125,531.5	135,315.2	138,745.5	141,509.4	145,965.0	152,126.2	10,616.8								
NOTE: Each BRU will be a separate appropriation															

Department of Corrections
Budget Recommendations
House Finance Subcommittee
FY 1999

Component	Explanation of Subcommittee Changes
Office of the Comm	As a result of reduced oil revenues, eliminate 97.0 Interagency RSA to Dept. of Law; Special Assistant, both exempt positions, 1 in Anchorage and 1 in Juneau
Administrative Services	Fully fund personal services increase and increase Other Program Costs by \$6,200
Inmate Health Care	This appropriation includes \$400,000 MHTAAR and \$200,000 GF/Mental Health funding for the women's psychiatric unit. MHTAAR will also fund a planner and a pilot diversion program. The department should focus on managing health care
Institutional Reductions	This adjustment reflects a reduction as a result of moving prisoners into CRCs and out-of-state thus reducing overcrowding and overtime for correctional officers in state institutions.
Community Jails	This holds the component to FY 98 levels
Community Corr. Dir.	This allows an increase of 2 parole officers and an increase in contractual services. As a result of reduced oil revenues, eliminate Div. Director and project coordinator, both Anchorage, and move unit into Institution Director's office for supervision.
Northern Reg. Probation	This fully funds personal services and allows a \$67,900 increase in other program
Southcentral Reg. Prob.	This fully funds personal services and allows a \$80,600 increase in other program
Southeast Probation	This fully funds personal services and allows a \$39,100 increase in other program
Out-of-State Contracts	This increase accommodates for additional out-of-state beds needed to address overcrowding.
Comm Residential Cent	This increase accommodates for additional CRC beds needed to address overcrowding at average cost of \$53/day
Culturally relevant CRCs in Nome and	This responds to the need to address overcrowding and the cultural needs of natives with relevant programs in Bethel and Nome
Point MacKenzie Rehab	Allows the addition of 2 FTEs to accommodate increased population at farm
Cultural Relevance Stud	This is implemented in the Culturally Relevant CRC BRU
CRC Offender Supervisi	This will allow offender supervision and management of 125 offenders beginning December 1998
Electronic Monitoring	This provides for 60 slots for electronic monitoring. It will be funded by charges to the offenders.
Recidivism Study	This will allow the department to contract with the University of Alaska to develop information on recidivism. This information will be used to determine value of inmate programs and other inmate management and training programs
Pilot Program VPSOs Supervising Parole	Courts and the parole Board are reluctant to release inmates back to their rural communities without parole officers even though they believe it would decrease recidivism. This will allow cross training of VPSOs to supervise those released inmates.
Alternative Institutional Housing	Funding for temporary housing to relieve overcrowding

Department of Corrections
Department Impact Statements in Response to
Finance Subcommittee Budget Proposals

Dept: Corrections	House Subcommittee
Preparer: Dwayne Peebles	Date prepared: 04/14/98

Program area: **Inmate Health Care**

Dollar amount(s): **(\$307.5)** Fund source(s): **GF**

Impact Analysis:

The Governor requested additional funding to implement mental health programs utilizing various funding sources including Mental Health Trust funds.

The House Correction Finance Subcommittee reduced the General Fund budget for inmate physical and mental health services by \$307.5. The impact of this reduction will be:

- An overall decrease in funding for inmate health care services at a time when the population is increasing by 10% a year and the Consumer Price Index for medical services and supplies is increasing at 8% per year. This cut may result in the need to seek supplemental funds in FY99 to pay medical providers.

This component requires a supplemental of \$1,650.0 to meet FY98 obligations due to an inordinate number of catastrophic cases.

Program area: **Pt. MacKenzie Farm**

Dollar amount(s): **(\$157.0)** Fund source(s): **GF**

Impact Analysis:

The Governor requested 4 additional Correctional Officer positions, and related costs, to support the expansion of the Point MacKenzie Farm offender population to 112.

The House Corrections Finance Subcommittee has reduced the department's budget request by 50% and two Correctional Officers. The impact of the subcommittee actions will be:

The House Corrections Finance Subcommittee has reduce the Community Correction's FY99 budget by \$391.8 which will result in:

- Eliminated 2 of the 4 Smart Start Probation Officers assigned to monitor sexual predators, 1 in Fairbanks and 1 in Palmer.
- A decrease in the ability of the department to manage the probation program by eliminating 2 management staff; the Sexual Predator Monitoring Program Manager and Community Corrections Director positions; and combining all probation management functions under the Institution Director's responsibilities. The Institution's Director can not effectively manage both incarceration and probation services. This would result in the majority of probation violations being returned to incarceration.

Program area: **Institutions**

Dollar amount(s): Fund source(s):
(\$642.4) GF

All Facilities

Impact Analysis:

The Corrections' House Finance Subcommittee reduced the budget for operating the 12 state correctional institutions by a total of \$642.4; this action will eliminate 9 established permanent full-time Correctional Officers. The program impact of this action will be:

- A decrease in the number of correctional officers available to provide safety and security in the institutions, maintain public safety, and provide adequate prisoner population management.

Program area: **Cultural Relevance Study**

Dollar amount(s): Fund source(s):
(\$50.0) GF

Impact Analysis:

The Cultural Relevance Study provides \$50.0 for culturally relevant programming and treatment methods for alcohol related pretrial and incarcerated Alaska Natives.

The House Subcommittee transfers these funds to the new budget structure: Cultural Relevance Community Residential Centers, Budget Request Unit. The impact of the subcommittee actions will be:

- The 12 state correctional institutions will not receive funding to support continuation and improvements to cultural relevant programs.

Program area: **Community Jails**

Dollar amount(s): Fund source(s):
(\$501.4) GF

Impact Analysis:

The Governor requested an additional \$400.0 for support to fifteen (15) community jails throughout rural Alaska and \$100.0 to assist other new rural communities in providing similar local jail services. These community jails provide short-term offender confinement and public safety services for 125,000 Alaskans in 82 rural communities.

The House Correction Finance Subcommittee eliminated \$501.4 for operation support for the Community Jails Program. The result of the subcommittee action will be:

- Increased costs to the State of Alaska, Department of Public Safety's budget for transportation if selected communities close their jails because of their inability to obtain additional support funds.
- or**
- Increased financial burden on rural communities to maintain adequate jails for incarceration of offenders breaking state laws;

Since 1973 the State has contracted with local rural communities to house prisoners arrested for violation of state law. Current community jail programs are located in: Bristol Bay, Cordova, Craig, Dillingham, Haines, Homer, Kodiak, Kotzebue, North Slope Borough, Petersburg, Seward, Sitka, Unalaska, Valdez, and Wrangell.

Agency Totals - FY99 Operating Budget

Agency: Department of Corrections

	<u>FY97 Act</u>	<u>FY98Auth</u>	<u>FY99 Adj</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
Totals for Agency	137,121.3	141,509.4	141,525.7	145,965.0	152,126.1	6,161.1	4.2%
<u>Objects of Expenditure:</u>							
Personal Services	84,933.3	83,902.8	83,804.6	84,857.2	84,614.0	-243.2	-0.3%
Travel	1,397.4	1,260.0	1,277.1	1,287.1	1,287.1	0.0	0.0%
Contractual	37,343.6	42,434.0	42,458.3	45,834.0	53,267.9	7,433.9	16.2%
Commodities	11,125.3	11,013.4	11,086.5	11,087.5	11,087.5	-0.0	-0.0%
Equipment	297.8	51.9	51.9	51.9	51.9	0.0	0.0%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	2,023.9	2,132.3	2,132.3	2,132.3	2,132.3	0.0	0.0%
Miscellaneous	0.0	715.0	715.0	715.0	-314.6	-1,029.6	-144.0%
<u>Funding Sources:</u>							
1002 Fed Rcpts	1,719.7	4,809.2	4,809.2	6,112.5	7,135.9	1,023.4	16.7%
1003 G/F Match		65.0	65.0	187.1	187.1	0.0	0.0%
1004 Gen Fund	124,490.5	125,039.4	125,689.8	127,203.6	132,211.0	5,007.4	3.9%
1005 GF/Prgm	2,413.5	2,627.2	2,627.2	3,277.2	3,407.5	130.3	4.0%
1007 I/A Rcpts	673.4	493.7	493.7	493.7	493.7	0.0	0.0%
1037 GF/MH	3,426.5	3,405.5	3,455.2	3,762.7	3,762.7	0.0	0.0%
1050 PFD Fund	802.9	1,047.3	1,094.7	1,047.3	1,047.3	0.0	0.0%
1053 Invst Loss		731.2	-0.0	-0.0	-0.0	0.0	0.0%
1059 Corr. Ind.	3,149.5	2,750.6	2,750.6	2,750.6	2,750.6	0.0	0.0%
1061 CIP Rcpts	425.3	540.3	540.3	540.3	540.3	-0.0	-0.0%
1092 MHTAAR				590.0	590.0	0.0	0.0%
<u>Positions:</u>							
Perm Full Time	1,348.0	1,355.0	1,356.0	1,363.0	1,362.0	-1.0	-0.1%
Perm Part Time	4.0	4.0	3.0	1.0	1.0	0.0	0.0%
Non-Perm	24.0	0.0	0.0	0.0	0.0	0.0	0.0%

Component Summary - FY99 Operating Budget

General Funds, CBR and ILTF

Agency: Department of Corrections

<u>Page</u>	<u>Budget Component</u>	<u>FY97 Act</u>	<u>FY98Auth</u>	<u>FY99 Adj</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>
Administration & Operations							
1	Office of the Commissioner	2,430.2	1,878.9	1,109.8	1,109.8	927.8	-182.0 -16.4%
2	Parole Board	483.3	482.7	482.7	482.7	482.7	0.0 0.0%
3	Correctional Academy	614.5	663.3	662.5	662.5	662.5	0.0 0.0%
4	Administrative Services	2,448.0	2,631.2	2,491.8	2,491.8	2,488.7	-3.1 -0.1%
5	Data and Word Processing	499.1	619.1	682.5	682.5	682.5	0.0 0.0%
7	Inmate Health Care	14,509.1	14,788.1	14,788.1	15,095.6	14,788.1	-307.5 -2.0%
8	Inmate Programs	1,760.2	1,736.0	1,900.4	1,900.4	1,900.4	0.0 0.0%
9	Correctional Industries Admin	1,137.7	1,158.6	1,158.6	1,158.6	1,158.6	0.0 0.0%
11	Institution Director's Office	556.1	558.8	511.4	558.8	558.8	0.0 0.0%
12	Anvil Mtn Correctional Center	3,949.5	3,871.1	3,871.1	3,871.1	3,871.1	0.0 0.0%
13	Combined Hiland Mtn Corr Ctr	7,403.9	7,165.1	7,165.1	7,165.1	7,165.1	0.0 0.0%
14	Cook Inlet Correctional Center	8,067.2	7,920.0	7,920.0	7,920.0	7,920.0	0.0 0.0%
15	Fairbanks Correctional Center	6,876.4	6,911.6	6,911.6	6,911.6	6,911.6	0.0 0.0%
16	Ketchikan Correctional Center	2,628.4	2,584.6	2,584.6	2,584.6	2,584.6	0.0 0.0%
17	Lemon Creek Correctional Ctr	6,016.4	5,934.5	5,934.5	5,934.5	5,934.5	0.0 0.0%
18	Mat-Su Correctional Center	2,797.8	2,725.3	2,725.3	2,725.3	2,725.3	0.0 0.0%
19	Palmer Correctional Center	8,808.2	8,496.1	8,496.1	8,496.1	8,496.1	0.0 0.0%
20	Sixth Avenue Correctional Ctr	3,607.7	3,551.6	3,551.6	3,551.6	3,551.6	0.0 0.0%
21	Spring Creek Correctional Ctr	13,784.0	13,979.6	13,725.2	13,725.2	13,725.2	0.0 0.0%
22	Wildwood Correctional Center	8,212.7	8,213.6	8,213.6	8,213.6	8,213.6	0.0 0.0%
23	Yukon-Kuskokwim Corr Center	3,924.6	3,972.7	3,972.7	3,972.7	3,972.7	0.0 0.0%
	Institutional Reduction					-642.4	-642.4 0.0%
24	Community Jails	4,791.0	4,801.4	4,801.4	5,301.4	4,800.0	-501.4 -9.5%
25	Community Corrections Director	784.4	798.0	611.7	961.7	649.6	-312.1 -32.5%
26	Northern Region Probation	2,382.4	2,396.8	2,538.6	2,538.6	2,513.1	-25.5 -1.0%
27	Southcentral Region Probation	4,384.3	4,299.7	4,466.8	4,466.8	4,413.4	-53.4 -1.2%
28	Southeast Region Probation	917.7	873.3	958.8	958.8	958.0	-0.8 -0.1%
29	Administration and Operations		0.0	0.0	0.0	0.0	0.0 0.0%
30	Information Technology		0.0	0.0	0.0	0.0	0.0 0.0%
31	Transp & Classification			744.1	744.1	744.1	0.0 0.0%
	* BRU Total	113,774.8	113,011.7	112,980.6	114,185.5	112,157.3	-2,028.2 -1.8%

Component Summary - FY99 Operating Budget

General Funds, CBR and ILTF

Agency: Department of Corrections

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
Community Corrections								
32	Community Residential Centers	9,274.6					0.0	0.0%
	* BRU Total	9,274.6	0.0	0.0	0.0	0.0	0.0	0.0%
Out of State Contracts								
33	Out-of-State Contracts	5,295.2	6,635.4	6,635.4	6,749.6	12,245.6	5,496.0	81.4%
	* BRU Total	5,295.2	6,635.4	6,635.4	6,749.6	12,245.6	5,496.0	81.4%
Existing Community Residential Centers								
34	Existing CRC Facilities		10,230.5	10,230.5	11,503.0	11,454.6	-48.4	-0.4%
	* BRU Total	0.0	10,230.5	10,230.5	11,503.0	11,454.6	-48.4	-0.4%
New Community Residential Centers								
35	New CRC Facilities		31.0	31.0	32.8	0.0	-32.8	-100.0%
	* BRU Total	0.0	31.0	31.0	32.8	0.0	-32.8	-100.0%
Culturally Relevant CRCs in Nome and Bethel								
	Culturally Relevant CRCs					582.8	582.8	%
	* BRU Total	0.0	0.0	0.0	0.0	582.8	582.8	%
Point MacKenzie								
36	Point MacKenzie Rehab Program	1,985.9	1,909.7	1,909.7	1,909.7	2,066.7	157.0	8.2%
	* BRU Total	1,985.9	1,909.7	1,909.7	1,909.7	2,066.7	157.0	8.2%
Cultural Relevance Study								
37	Cultural Relevance Study		50.0	50.0	50.0	0.0	-50.0	-100.0%
	* BRU Total	0.0	50.0	50.0	50.0	0.0	-50.0	-100.0%
CRC Offender Supervision								
	CRC Offender Supervision					376.0	376.0	%
	* BRU Total	0.0	0.0	0.0	0.0	376.0	376.0	%
Electronic Monitoring								
	Electronic Monitoring					130.3	130.2	%
	* BRU Total	0.0	0.0	0.0	0.0	130.3	130.3	%

Component Summary - FY99 Operating Budget

General Funds, CBR and ILTF

Agency: Department of Corrections

<u>Page</u>	<u>Budget Component</u>	<u>FY97 Act</u>	<u>FY98Auth</u>	<u>FY99 Adj</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	Recidivism Study							
	Recidivism Study					100.0	100.0	%
	* BRU Total	0.0	0.0	0.0	0.0	100.0	100.0	%
	VPSO Parole Supervision Pilot Program							
	VPSO Supervision Pilot Prgm					125.0	125.0	%
	* BRU Total	0.0	0.0	0.0	0.0	125.0	125.0	%
	Alternative Institutional Housing							
	Alternative Housing					330.0	330.0	%
	* BRU Total	0.0	0.0	0.0	0.0	330.0	330.0	%
	*** Total Agency Expenditure	130,330.5	131,868.3	131,837.2	134,430.6	139,568.3	5,137.7	3.8%

Component Summary - FY99 Operating Budget

Agency: Department of Corrections

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
Administration & Operations								
1	Office of the Commissioner	2,796.5	2,802.8	1,759.8	1,759.8	1,577.8	-182.0	-10.3%
2	Parole Board	483.3	482.7	482.7	482.7	482.7	0.0	0.0%
3	Correctional Academy	620.5	663.3	662.5	662.5	662.5	0.0	0.0%
4	Administrative Services	2,552.5	2,681.2	2,541.8	2,562.6	2,559.5	-3.1	-0.1%
5	Data and Word Processing	713.8	1,167.9	1,231.3	1,291.3	1,291.3	0.0	0.0%
6	Fac-Capital Improvement Unit	210.6	208.3	208.3	208.3	208.3	0.0	0.0%
7	Inmate Health Care	14,509.1	14,788.1	14,788.1	15,685.6	15,378.1	-307.5	-2.0%
8	Inmate Programs	2,507.7	2,564.2	2,728.6	2,728.6	2,728.6	0.0	0.0%
9	Correctional Industries Admin	1,137.7	1,158.6	1,158.6	1,158.6	1,158.6	0.0	0.0%
10	Corr Industries Product Cost	3,149.5	2,750.6	2,750.6	2,750.6	2,750.6	0.0	0.0%
11	Institution Director's Office	730.8	780.9	780.9	780.9	780.9	-0.0	-0.0%
12	Anvil Mtn Correctional Center	3,949.5	3,871.1	3,871.1	3,871.1	3,871.1	0.0	0.0%
13	Combined Hiland Mtn Corr Ctr	7,439.3	7,200.4	7,200.4	7,200.4	7,200.4	-0.0	-0.0%
14	Cook Inlet Correctional Center	9,319.4	9,163.0	9,163.0	9,163.0	9,163.0	-0.0	-0.0%
15	Fairbanks Correctional Center	6,941.2	6,975.8	6,975.8	6,975.8	6,975.8	0.0	0.0%
16	Ketchikan Correctional Center	2,631.1	2,587.3	2,587.3	2,587.3	2,587.3	0.0	0.0%
17	Lemon Creek Correctional Ctr	6,037.7	5,942.8	5,942.8	5,942.8	5,942.8	0.0	0.0%
18	Mat-Su Correctional Center	2,797.8	2,725.3	2,725.3	2,725.3	2,725.3	0.0	0.0%
19	Palmer Correctional Center	8,812.2	8,500.1	8,500.1	8,500.1	8,500.1	-0.0	-0.0%
20	Sixth Avenue Correctional Ctr	3,903.6	3,845.1	3,845.1	3,845.1	3,845.1	0.0	0.0%
21	Spring Creek Correctional Ctr	13,808.0	14,003.6	13,749.2	13,749.2	13,749.2	0.0	0.0%
22	Wildwood Correctional Center	8,212.7	8,213.6	8,213.6	8,213.6	8,213.6	0.0	0.0%
23	Yukon-Kuskokwim Corr Center	3,977.3	3,972.7	3,972.7	3,972.7	3,972.7	0.0	0.0%
	Institutional Reduction					-642.4	-642.4	0.0%
24	Community Jails	4,791.0	4,801.4	4,801.4	5,301.4	4,800.0	-501.4	-9.5%
25	Community Corrections Director	784.4	798.0	611.7	961.7	649.6	-312.1	-32.5%
26	Northern Region Probation	2,382.4	2,396.8	2,538.6	2,538.6	2,513.1	-25.5	-1.0%
27	Southcentral Region Probation	4,445.3	4,299.7	4,466.8	4,466.8	4,413.4	-53.4	-1.2%
28	Southeast Region Probation	917.7	873.3	958.8	958.8	958.0	-0.8	-0.1%
29	Administration and Operations		0.0	0.0	0.0	0.0	0.0	0.0%
30	Information Technology		0.0	0.0	0.0	0.0	0.0	0.0%

Component Summary - FY99 Operating Budget

Agency: Department of Corrections

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House
Administration & Operations							
31	Transp & Classification			1,018.0	1,018.0	1,018.0	0.0 0.0%
	* BRU Total	120,562.6	120,218.6	120,234.9	122,063.2	120,035.0	-2,028.2 -1.7%
Community Corrections							
32	Community Residential Centers	9,274.6					0.0 0.0%
	* BRU Total	9,274.6	0.0	0.0	0.0	0.0	0.0 0.0%
Out of State Contracts							
33	Out-of-State Contracts	5,295.2	7,759.6	7,759.6	9,016.3	14,512.3	5,496.0 61.0%
	* BRU Total	5,295.2	7,759.6	7,759.6	9,016.3	14,512.3	5,496.0 61.0%
Existing Community Residential Centers							
34	Existing CRC Facilities		11,230.5	11,230.5	12,564.5	13,539.5	975.0 7.8%
	* BRU Total	0.0	11,230.5	11,230.5	12,564.5	13,539.5	975.0 7.8%
New Community Residential Centers							
35	New CRC Facilities		341.0	341.0	361.3	0.0	-361.3 -100.0%
	* BRU Total	0.0	341.0	341.0	361.3	0.0	-361.3 -100.0%
Culturally Relevant CRCs in Nome and Bethel							
	Culturally Relevant CRCs					911.3	911.3 %
	* BRU Total	0.0	0.0	0.0	0.0	911.3	911.3 %
Point MacKenzie							
36	Point MacKenzie Rehab Program	1,988.9	1,909.7	1,909.7	1,909.7	2,066.7	157.0 8.2%
	* BRU Total	1,988.9	1,909.7	1,909.7	1,909.7	2,066.7	157.0 8.2%
Cultural Relevance Study							
37	Cultural Relevance Study		50.0	50.0	50.0	0.0	-50.0 -100.0%
	* BRU Total	0.0	50.0	50.0	50.0	0.0	-50.0 -100.0%
CRC Offender Supervision							
	CRC Offender Supervision					376.0	376.0 %
	* BRU Total	0.0	0.0	0.0	0.0	376.0	376.0 %

Component Summary - FY99 Operating Budget

Agency: Department of Corrections

<u>Page</u>	<u>Budget Component</u>	<u>FY97 Act</u>	<u>FY98Auth</u>	<u>FY99 Adj</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
	Electronic Monitoring							
	Electronic Monitoring					130.3	130.3	%
	* BRU Total	0.0	0.0	0.0	0.0	130.3	130.3	%
	Recidivism Study							
	Recidivism Study					100.0	100.0	%
	* BRU Total	0.0	0.0	0.0	0.0	100.0	100.0	%
	VPSO Parole Supervision Pilot Program							
	VPSO Supervision Pilot Prgm					125.0	125.0	%
	* BRU Total	0.0	0.0	0.0	0.0	125.0	125.0	%
	Alternative Institutional Housing							
	Alternative Housing					330.0	330.0	%
	* BRU Total	0.0	0.0	0.0	0.0	330.0	330.0	%
	*** Total Agency Expenditure	137,121.3	141,509.4	141,525.7	145,965.0	152,126.1	6,161.1	4.2%
	Federal Funds	1,719.7	4,809.2	4,809.2	6,112.5	7,135.9	1,023.4	16.7%
	General Funds	130,330.5	131,137.1	131,837.2	134,430.6	139,568.3	5,137.7	3.8%
	Other Funds	5,071.1	5,563.1	4,879.3	5,421.9	5,421.9	0.0	0.0%

VTID Compare -1 Way - FY99 Operating Budget

from Gov Amd to House

Agency: Department of Corrections

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Administration & Operations													
Office of the Commissioner													
Delete Special Assistant and Law RSA	Dec	-182.0	-85.0	0.0	-97.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-182.0											
		-182.0	-85.0	0.0	-97.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Administrative Services													
Fully fund pers. serv. inc. & inc. other	Dec	-3.1	-3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
prog. costs by \$6.2													
1004 Gen Fund		-3.1											
		-3.1	-3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inmate Health Care													
General fund reduction	Dec	-307.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-307.5	0.0	0.0	0.0
1004 Gen Fund		-307.5											
		-307.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-307.5	0.0	0.0	0.0
Institutional Reduction													
General fund reduction to institutions	Dec	-642.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-642.4	0.0	0.0	0.0
1004 Gen Fund		-642.4											
		-642.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-642.4	0.0	0.0	0.0
Community Jails													
Hold at FY98 authorized funding level	Dec	-501.4	0.0	0.0	-501.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-501.4											
		-501.4	0.0	0.0	-501.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Community Corrections Director's Office													
Eliminate director and project coordinator	Dec	-167.1	-167.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-167.1											
Allow 2 probation officers for supervision	Dec	-145.0	-145.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
of predators													
1004 Gen Fund		-145.0											
		-312.1	-312.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
Northern Region Probation													
Fully fund pers. svcs. and allows	Dec	-25.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-25.5	0.0	0.0	0.0
additional \$67.9 increase													
1004 Gen Fund		-25.5											
		-25.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-25.5	0.0	0.0	0.0