

ALASKA LEGISLATURE

1688

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

## 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
<b>Administration &amp; Operations</b>													
<b>Southcentral Region Probation</b>													
Fully fund pers. svcs. & increases other	Dec	-53.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-53.4	0.0	0.0	0.0
prog. costs \$80.6													
1004 Gen Fund		-53.4											
		-53.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-53.4	0.0	0.0	0.0
<b>Southeast Region Probation</b>													
Fully funds pers. svcs. & increases other	Dec	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.8	0.0	0.0	0.0
prog. costs \$39.1													
1004 Gen Fund		-0.8											
		-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.8	0.0	0.0	0.0
*** BRU Total ***		-2,028.2	-400.2	0.0	-598.4	0.0	0.0	0.0	0.0	-1,029.6	-3.0	0.0	0.0
<b>Out of State Contracts</b>													
<b>Out-of-State Contracts</b>													
Additional out-of-state beds to address	Inc	5,496.0	0.0	0.0	5,496.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
overcrowding													
1004 Gen Fund		5,496.0											
		5,496.0	0.0	0.0	5,496.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		5,496.0	0.0	0.0	5,496.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Existing Community Residential Centers</b>													
<b>Existing Community Residential Centers</b>													
Additional CRC beds to address	Inc	975.0	0.0	0.0	975.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
overcrowding													
1002 Fed Rcpts		1,023.4											
1004 Gen Fund		-48.4											
		975.0	0.0	0.0	975.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		975.0	0.0	0.0	975.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>New Community Residential Centers</b>													
<b>New Community Residential Centers</b>													
Transfer to Culturally Relevant CRC	TrOut	-361.3	0.0	0.0	-361.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
component													
1002 Fed Rcpts		-328.5											
1003 G/F Match		-1.8											
1004 Gen Fund		-31.0											
		-361.3	0.0	0.0	-361.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***													

# 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
<b><u>New Community Residential Centers</u></b>													
		-361.3	0.0	0.0	-361.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b><u>Culturally Relevant CRCs in Nome and Bethel</u></b>													
<b><u>Culturally Relevant CRCs in Nome and Bethel</u></b>													
Transfer from New CRC component	TrIn	361.3	0.0	0.0	361.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		328.5											
1003 G/F Match		1.6											
1004 Gen Fund		31.0											
Add general funds to provide for culturally relevant prgms	Inc	600.0	0.0	0.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		500.0											
Transfer from Cultural Relevance Study component	TrIn	50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		50.0											
		<b>911.3</b>	<b>0.0</b>	<b>0.0</b>	<b>911.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>911.3</b>	<b>0.0</b>	<b>0.0</b>	<b>911.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Point MacKenzie</u></b>													
<b><u>Point MacKenzie Rehabilitation Program</u></b>													
Add 2 PFT positions to accommodate increased population	Inc	157.0	157.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0
1004 Gen Fund		157.0											
		<b>157.0</b>	<b>157.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>157.0</b>	<b>157.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Cultural Relevance Study</u></b>													
<b><u>Cultural Relevance Study</u></b>													
Transfer to Culturally Relevant CRC component	TrOut	-50.0	0.0	0.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-50.0											
		<b>-50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>-50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>CRC Offender Supervision</u></b>													
<b><u>Community Residential Center Offender Supervision</u></b>													
Supervision and management of 125 CRC offenders	Inc	376.0	0.0	0.0	376.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		376.0											
		<b>376.0</b>	<b>0.0</b>	<b>0.0</b>	<b>376.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**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
<b><u>CRC Offender Supervision</u></b>													
		376.0	0.0	0.0	376.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b><u>Electronic Monitoring</u></b>													
<b>Electronic Monitoring</b>													
Add receipts for electronic monitoring of 60 offenders	Inc	130.3	0.0	0.0	130.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Prgm		130.3											
		130.3	0.0	0.0	130.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		130.3	0.0	0.0	130.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b><u>Recidivism Study</u></b>													
<b>Recidivism Study</b>													
Add funding for recidivism study	Inc	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		100.0											
		100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b><u>VPSO Parole Supervision Pilot Program</u></b>													
<b>VPSO Parole Supervision Pilot Program</b>													
Add funds for pilot VPSO parole supervision program	Inc	125.0	0.0	0.0	125.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		125.0											
		125.0	0.0	0.0	125.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		125.0	0.0	0.0	125.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b><u>Alternative Institutional Housing</u></b>													
<b>Alternative Institutional Housing</b>													
Funding for alternative housing to reduce overcrowding	Inc	330.0	0.0	0.0	330.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		330.0											
		330.0	0.0	0.0	330.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		330.0	0.0	0.0	330.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
***** Agency Total *****		6,161.1	-243.2	0.0	7,433.9	0.0	0.0	0.0	0.0	-1,029.6	-1.0	0.0	0.0

# COURT SYSTEM

**Alaska Court System**  
**Agency Impact Statements in Response to**  
**Finance Subcommittee Budget Proposals**

Agency: <b>Alaska Court System</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>R. Fisher</b>	Date prepared: <b>4/14/98</b>

Program area:	Dollar amount(s):	Fund source(s):
Due Process	(\$2,130.6)	<b>General Funds</b>

***Includes SMART START - Protection***

**Impact Analysis:**

The House Finance Subcommittee's recommendation for funding will eliminate several high priority increment requests of the court system. The court system's FY 99 operating budget request included increments related to increases in case filings, higher operational costs, improvements to courthouse security, cost increases arising from the Governor's Smart Start initiative and improvements in operational efficiency. Since the Alaska Supreme Court has not had the opportunity to assess the impact of the proposed reduction, we are not able to provide additional information on the impact of the reduction.

## Agency Totals - FY99 Operating Budget

Agency: Alaska Court System

	<u>FY97 Act</u>	<u>FY98 Auth</u>	<u>FY99 Adj</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<b>Totals for Agency</b>	<b>49,124.7</b>	<b>49,602.9</b>	<b>49,525.3</b>	<b>51,675.4</b>	<b>49,502.9</b>	<b>-2,172.5</b>	<b>-4.2%</b>
<u>Objects of Expenditure:</u>							
Personal Services	37,942.8	38,210.4	38,152.0	38,242.9	38,221.5	-21.4	-0.1%
Travel	1,053.2	955.7	955.7	959.2	955.7	-3.5	-0.4%
Contractual	8,648.8	9,169.6	9,169.6	10,857.8	10,844.4	-13.4	-0.1%
Commodities	941.5	796.0	796.0	799.6	796.0	-3.6	-0.5%
Equipment	236.0	284.6	265.4	609.3	609.3	0.0	0.0%
Lands/Buildings	252.4	186.6	186.6	206.6	206.6	0.0	0.0%
Grants, Claims	50.0	0.0	0.0	0.0	0.0	0.0	0.0%
Miscellaneous	0.0	0.0	0.0	0.0	-2,130.6	-2,130.6	0.0%
<u>Funding Sources:</u>							
1004 Gen Fund	49,045.4	49,104.0	49,446.0	51,596.1	49,423.6	-2,172.5	-4.2%
1007 I/A Rcpts	79.3					0.0	0.0%
1037 GF/MH		79.3	79.3	79.3	79.3	0.0	0.0%
1053 Invst Loss		419.6	0.0	0.0	0.0	-0.0	0.0%
<u>Positions:</u>							
Perm Full Time	653.0	657.0	656.0	665.0	665.0	0.0	0.0%
Perm Part Time	47.0	56.0	49.0	54.0	54.0	0.0	0.0%
Non-Perm	22.0	25.0	26.0	26.0	26.0	0.0	0.0%

**Component Summary - FY99 Operating Budget**

**General Funds, CBR and ILTF**

**Agency: Alaska Court System**

<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>	
	<b>Alaska Court System</b>							
1	Appellate Courts	3,990.8	4,005.1	4,005.1	4,026.3	4,026.3	0.0	0.0%
2	Trial Courts	38,007.0	38,429.1	38,429.1	40,213.7	40,213.7	-0.0	-0.0%
3	Administration and Support	6,137.8	6,273.0	6,195.4	6,497.8	6,497.8	0.0	0.0%
4	Unallocated Reduction		0.0	0.0	0.0	-2,130.6	-2,130.6	0.0%
	* BRU Total	48,135.6	48,707.2	48,629.6	50,737.8	48,607.2	-2,130.6	-4.2%
	<b>Commission on Judicial Conduct</b>							
5	Commission on Judicial Conduct	258.4	225.4	225.4	225.4	225.4	0.0	0.0%
	* BRU Total	258.4	225.4	225.4	225.4	225.4	0.0	0.0%
	<b>Judicial Council</b>							
6	Judicial Council	651.4	670.3	670.3	712.2	670.3	-41.9	-5.9%
	* BRU Total	651.4	670.3	670.3	712.2	670.3	-41.9	-5.9%
	<b>*** Total Agency Expenditure</b>	<b>49,045.4</b>	<b>49,602.9</b>	<b>49,525.3</b>	<b>51,675.4</b>	<b>49,502.9</b>	<b>-2,172.5</b>	<b>-4.2%</b>

## Component Summary - FY99 Operating Budget

Agency: Alaska Court System

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
<b>Alaska Court System</b>								
1	Appellate Courts	3,990.8	4,005.1	4,005.1	4,026.3	4,026.3	0.0	0.0%
2	Trial Courts	38,086.3	38,429.1	38,429.1	40,213.7	40,213.7	-0.0	-0.0%
3	Administration and Support	6,137.8	6,273.0	6,195.4	6,497.8	6,497.8	0.0	0.0%
4	Unallocated Reduction		0.0	0.0	0.0	-2,130.6	-2,130.6	0.0%
	* BRU Total	48,214.9	48,707.2	48,629.6	50,737.8	48,607.2	-2,130.6	-4.2%
<b>Commission on Judicial Conduct</b>								
5	Commission on Judicial Conduct	258.4	225.4	225.4	225.4	225.4	0.0	0.0%
	* BRU Total	258.4	225.4	225.4	225.4	225.4	0.0	0.0%
<b>Judicial Council</b>								
6	Judicial Council	651.4	670.3	670.3	712.2	670.3	-41.9	-5.9%
	* BRU Total	651.4	670.3	670.3	712.2	670.3	-41.9	-5.9%
	<b>*** Total Agency Expenditure</b>	<b>49,124.7</b>	<b>49,602.9</b>	<b>49,525.3</b>	<b>51,675.4</b>	<b>49,502.9</b>	<b>-2,172.5</b>	<b>-4.2%</b>
	<b>Federal Funds</b>						0.0	0.0%
	General Funds	49,045.4	49,183.3	49,525.3	51,675.4	49,502.9	-2,172.5	-4.2%
	Other Funds	79.3	419.6	0.0	-0.0	0.0	0.0	0.0%

**VTID Compare -1 Way - FY99 Operating Budget**

**from Gov Amd to House**

**Agency: Alaska Court System**

		Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Alaska Court System</b>														
<b>Unallocated Reduction</b>														
	Miscellaneous Reduction	Dec	-2,130.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,130.6	0.0	0.0	0.0
	1004 Gen Fund		-2,130.6											
			-2,130.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,130.6	0.0	0.0	0.0
*** BRU Total ***			-2,130.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2,130.6	0.0	0.0	0.0
<b>Judicial Council</b>														
<b>Judicial Council</b>														
	Deny Alternative Dispute Resolution	Dec	-9.3	0.0	0.0	-9.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Brochure Increment													
	1004 Gen Fund		-9.3											
	Deny Alternative Dispute Resolution	Dec	-32.6	-21.4	-3.5	-4.3	-3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Program Evaluation Incr													
	1004 Gen Fund		-32.6											
			-41.9	-21.4	-3.5	-13.4	-3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***			-41.9	-21.4	-3.5	-13.4	-3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
***** Agency Total *****			-2,172.5	-21.4	-3.5	-13.4	-3.6	0.0	0.0	0.0	-2,130.6	0.0	0.0	0.0

# EDUCATION

# Alaska State Legislature

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House District 31

## House Of Representatives

### MEMORANDUM

Date: 4/9/98

To: Mark Hanley: Co-Chairman, House Finance Committee

From: Representative Pete Kelly, Chairman, House DOE Budget Subcommittee

RE: DOE Operating Budget Summary

The following is a brief description of Subcommittee action taken on the DOE FY99 Operating Budget.

In general we denied the Governor requests for increments to Quality Schools (\$985.), although within these increments, there is additional funding to complete the EXIT EXAM by 2001. Funds for this purpose were not considered, but should be reviewed by the House Finance Committee. Their request is for \$410.0 to complete the exam.

In short we reduced GF/MH Authority for Counseling Service in the Special and Supplemental Component in the amount of \$177.3, leaving \$50.0 for this purpose. We agreed with all of the governor's transfer of funds (\$100.0) and we eliminated funding of the Federal Student Aid Program within the Post Secondary Education Commission in the amount of \$163.5. That program will be phased out by FY 2000 and Federal match of \$80.0 is likely to phase out as well.

There are additional reductions that could be taken in both the Formula Programs and the Agency Programs, but we will save that recommended amendment for the House Finance Committee. These reductions were minimal and should not result in any noticeable of service.

**Department of Education  
Department Impact Statements in Response to  
Finance Subcommittee Budget Proposals**

<b>Dept:</b>	<b>Education</b>	<b>House Finance Subcommittee</b>
		<b>Final</b>
<b>Preparer:</b>	<b>Barbara Thompson</b>	<b>April 9, 1998</b>

Program area:	Dollar	Fund source(s):
	amount(s):	
<b>Statewide Reading Initiative</b>	<b>-250.0</b>	<b>General Fund</b>

**Impact Analysis:**

The Governor's FY99 budget included an increment request of \$250,000 in general funds to help ensure that all children will read at or above grade level by the fourth grade. The House Subcommittee proposal deletes this increment. Without these additional funds, the Department of Education will not have the capacity to support implementation of standards-based reading instruction in all school districts.

Research shows that reading at grade level is the most important indicator of student success. These funds would be directed to assist teachers in making sure that students reach high academic standards in reading. Student success in reading at the early grade levels is critical.

These funds would provide resources in the Department of Education to:

- provide ongoing technical assistance to teachers, school staff, parents, and the public on successful reading strategies for children;
- provide information on promising practices, standards-based instruction, research-based models on reading instruction, and program development for all students; and
- provide direct training for teachers and parents which incorporates effective standards-based reading strategies and models.

Dept:	Education	House Finance Subcommittee
		Final
Preparer:	Barbara Thompson	April 9, 1998

Program area:	Dollar	Fund source(s):
	amount(s):	
Alaska Career Information System	-70.0	Statutory Designated Receipts

**Impact Analysis:**

The Governor's FY99 budget proposed a fund source change of \$121,300 from general fund program receipts to the newly defined statutory designated receipts category based on the contracts that are entered into between the Alaska Career Information System (AKCIS) and the subscribers of the service. The budget also proposed an increment of \$70,000 in statutory designated receipts to help cover the cost of the AKCIS program.

The House Subcommittee proposal will eliminate the increment request and deny the fund source change, leaving AKCIS with \$121,300 in general fund program receipts. This level of funding will not be sufficient for the Alaska Career Information System to continue. There are only two positions assigned to this program under the DOE budget. However, in order to capture the Alaska specific career data for the AKCIS, funds need to be available to reimburse the Department of Labor (DOL) for the data. That cost is estimated at approximately \$70,000. There are no funds in the FY99 DOL budget for this program. Without the resources to produce the updated Alaska specific career information annually, there is no incentive for subscribers to continue to purchase this system. The department does not have the ability to make up this funding shortfall.

The proposed House funding level is not sufficient to continue the AKCIS. Elimination of the AKCIS will result in the loss of high quality, computer, career guidance information that is Alaska-specific. The AKCIS includes state and national occupation files, industry files, self-employment information files, job search information files, programs of study and training files, colleges and vocational training files, financial aid, apprenticeship information and classroom activities. AKCIS is currently located in approximately 250 sites including, public schools, libraries, correctional centers, university branches, employment security offices, vocational rehabilitation offices and programs, adult basic education programs, and JTPA training programs. Approximately 60,000 youth and adults use AKCIS annually.

Elimination of this Alaska-specific career tool will result in current AKCIS subscribers relying on other career information resources, including private career information systems, such as Choices or GIS, the U. S. Department of Labor's America's Career Kit, which is being developed and will provide information over the Internet, and hard copy resource guides.

Dept: <b>Education</b>	<b>House Finance Subcommittee</b>
	<b>Final</b>
Preparer: <b>Barbara Thompson</b>	<b>April 9, 1998</b>

Program area:	Dollar	Fund source(s):
	amount(s):	
<b>Comprehensive Assessment System</b>	<b>-350.0</b>	<b>General Fund</b>

**Impact Analysis:**

The Governor's FY99 budget included an increment request of \$350,000 in general funds to implement the High School Graduation Qualifying Examination and benchmark assessments at various age levels to document and improve student achievement. The House Subcommittee proposal deletes this increment. Without these funds, the Department of Education will not be able to complete development and implementation of the High School Graduation Qualifying Examination (exit exam) or move toward development of benchmark assessments at various age levels to support the exit exam.

When HB146 creating the exit exam passed, the Department received \$490,000 in a fiscal note for development of the test. The Department significantly under estimated the out year cost for development and implementation of the exit exam in the original fiscal note due largely to the complexity of determining the cost of developing and implementing an exit exam without information from the vendor community.

At the time the FY99 budget was prepared, the Department had not yet issued the Request for Proposals (RFP) for development of the exit exam. When the RFP was issued, the Department received only one response, which did not satisfy the state's requirements. The RFP was revised and re-issued to which four proposals were offered. It is clear that existing funding will not be sufficient to complete the test development, field testing, implementation, test security, scoring, and test administration for the exit exam.

Based on current information from the successful vendor and advice from assessment professionals in the state, the Department will need an additional \$410,000 in FY99 (above the \$490,000 included with the fiscal note) to continue test development and field-testing.

Without the additional funding, the Department will not be able to complete development and implementation of the exit exam in compliance with the legislation requiring that the exam be implemented on January 1, 2002.

Dept:	House Finance
Preparer: Diane Barrans	Subcommittee Final April 9, 1998

Program area:	Dollar amount(s):	Fund source(s):
Federal Student Aid	-163.5	General Fund Match

**Impact Analysis:**

The Federal State Student Incentive Grant (SSIG) Program, or State Educational Incentive Grant Program (SEIG), is the only need-based State and Federal grant program that the Alaska Commission on Postsecondary Education administers. The program currently provides grants of up to \$1,500 per year to eligible low-income students enrolled in full-time undergraduate programs at in-state and out-of-state postsecondary institutions. Approximately 73% of the grant recipients attend school in Alaska. In addition, the average household income of grant recipients was \$15,800 and the average financial need was \$17,521 in FY 98. Each year approximately 1,200 eligible students apply for the SEIG, and the requested level of funding provides for approximately 160 individual grants yearly.

The proposed reduction of \$163,500 will entirely eliminate the State general fund allotment for the program. Failure to at least satisfy the maintenance of effort (MOE) requirement of federal regulation 34 CFR Part 692.21(h) will end Alaska's participation in the SSIG Program.

If \$119,000 were to be left in the program, the MOE would be met and Alaska would be eligible to receive the \$80,000 federal funds available under this program. Approximately 130 grants would still be available to these low-income students.

Dept:	Education	House Finance Subcommittee
Preparer: Barbara Thompson		Final April 9, 1998

Program area:	Dollar amount(s):	Fund source(s):
Support for Low Performing Schools	-300.0	General Fund

**Impact Analysis:**

The Governor's FY99 budget included an increment request of \$300,000 in general funds to support schools identified as "low performing," or not making adequate yearly progress based on annual assessment data, to improve student performance. The House Subcommittee proposal deletes this increment. Without these additional funds, the Department of Education will not have the capacity to support school improvement plans designed to increase student achievement in these schools.

These funds would be directed to assist schools in implementing high academic standards and school standards based on research-based models of successful schools.

These funds would provide resources in the Department of Education to:

- provide ongoing technical assistance to teachers, school staff, parents, and the public on implementing high academic standards and standards-based instruction;
- provide ongoing technical assistance to teachers, school staff, parents, and the public on implementing successful school standards;
- provide expertise to implement model programs either through department resources or contracting for assistance; and
- provide direct training for teachers and parents which incorporates effective standards-based instruction in increasing student achievement.

Dept:	<b>Education</b>	<b>House Finance Subcommittee</b>
		<b>Final</b>
Preparer:	<b>Barbara Thompson</b>	<b>April 9, 1998</b>

Program area:	Dollar amount(s):	Fund source(s):
<b>Mental Health Counseling Support</b>	<b>-177.3</b>	<b>General Fund Mental Health</b>

**Impact Analysis:**

The Department of Education (DOE) currently receives \$227,300 in general fund mental health funds that support a counseling position that works with school districts to improve and increase their capacity to deal appropriately and effectively with high-risk students. This reduction would leave only \$50,000 to provide statewide services. Given this level of funding, only minimum resources would be available.

Impacts include:

- Inadequate funding for a counseling specialist at the DOE for technical assistance, training, and emergency support of district counselors and other staff members.
- No support for coordinating services between schools and social services (mental health, substance abuse and child abuse)
- No training for Peer Helper advisors
- No training materials to schools for child abuse & neglect reporting, or general counseling and social/emotional health.
- Inadequate intervention, prevention and special counseling services for high-risk students at Mt. Edgecumbe High School.

Dept:	Education	House Finance Subcommittee
		Final
Preparer:	Barbara Thompson	April 9, 1998

Program area:	Dollar	Fund source(s):
	amount(s):	
Pre-school Certification	-85.0	General Fund

***SMART START – Prevention***

**Impact Analysis:**

The Governor's FY99 budget included an increment request of \$85,000 in general funds to restore funding for pre-school certification and on-site inspections to improve the quality of pre-school programs in line with the Governor's Smart Start Program. The House Subcommittee proposal deletes this increment. Without these funds, the Department of Education will not be able to conduct on-site inspections of pre-school programs to ensure that quality educational programs are being offered.

There are well over 240 pre-schools in various locations across the state. This funding would allow the Department of Education to collaborate with the Departments of Health and Social Services and Community and Regional Affairs to conduct these reviews on an annual basis using existing agency staff in various locations. The funds would provide training of agency staff and some limited travel funds to implement these on-site reviews. The funds would also support one existing position in the Department of Education who is currently only able to devote a portion of her time to this program.

These reviews, in conjunction with the health and safety requirements for operation, would ensure that pre-schools are offering appropriate educational programs for children. Research shows that children who have had the opportunity to attend quality pre-school programs are more likely to enter school ready to learn and are more successful in their education.



## Agency Totals - FY99 Operating Budget

Agency: Department of Education

	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
<b>Totals for Agency</b>	<b>888,138.6</b>	<b>920,973.3</b>	<b>921,091.7</b>	<b>932,864.0</b>	<b>196,993.1</b>	<b>-735,870.9</b>	<b>-78.9%</b>
<u>Objects of Expenditure:</u>							
Personal Services	30,800.1	31,264.8	31,629.4	31,863.7	31,426.7	-437.0	-1.4%
Travel	1,644.7	1,886.5	1,880.3	1,920.7	1,847.7	-73.0	-3.8%
Contractual	15,826.5	17,518.7	17,655.9	21,373.5	20,594.7	-778.8	-3.6%
Commodities	2,174.1	2,186.0	2,136.3	2,136.8	2,121.8	-15.0	-0.7%
Equipment	1,015.3	514.7	447.0	466.2	446.2	-20.0	-4.3%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	836,677.9	867,602.6	867,342.8	875,103.1	140,733.3	-734,369.8	-83.9%
Miscellaneous	0.0	0.0	0.0	0.0	-177.3	-177.3	0.0%
<u>Funding Sources:</u>							
1002 Fed Rcpts	90,072.8	106,547.6	106,547.9	118,543.3	92,543.3	-26,000.0	-21.9%
1003 G/F Match	3,130.9	3,031.7	3,048.1	3,048.1	2,884.6	-163.5	-5.4%
1004 Gen Fund	675,271.0	693,751.4	697,664.6	701,916.8	20,366.4	-681,550.4	-97.1%
1005 GF/Prgm	1,882.9	2,347.9	2,265.5	2,265.5	2,386.8	121.3	5.4%
1007 I/A Rcpts	10,971.3	9,543.1	9,568.1	8,977.9	8,977.9	-0.0	-0.0%
1014 Donat Comm	180.6	358.9	358.9	358.9	358.9	0.0	0.0%
1022 Corp Rcpts	7,150.2					0.0	0.0%
1030 School Fnd	2,690.0	2,608.4	2,608.4	16,000.0	16,000.0	0.0	0.0%
1037 GF/MH	227.1	227.3	227.3	227.3	50.0	-177.3	-78.0%
1043 P/L 81-874	21,017.5	22,626.2	20,791.0	20,791.0	0.0	-20,791.0	-100.0%
1044 Debt Ret	62,695.9	62,288.4	62,288.4	44,804.1	44,804.1	0.0	0.0%
1053 Invst Loss		90.1	0.0	0.0	-0.0	-0.0	0.0%
1061 CIP Rcpts	398.3	206.3	204.6	178.8	178.8	0.0	0.0%
1066 Pub School	11,855.9	9,222.1	7,118.7	7,118.7		-7,118.7	-100.0%
1077 Gifts/Grnt	197.4					0.0	0.0%
1091 GF/Desig	396.8					0.0	0.0%
1106 P-Sec Rcpt		7,167.3	7,157.3	7,395.7	7,395.7	0.0	0.0%
1108 Stat Desig		956.6	1,242.9	1,237.9	1,046.6	-191.3	-15.5%
<u>Positions:</u>							
Perm Full Time	463.0	459.0	466.0	469.0	465.0	-4.0	-0.9%
Perm Part Time	108.0	108.0	104.0	106.0	104.0	-2.0	-1.9%
Non-Perm	4.0	5.0	7.0	5.0	5.0	0.0	0.0%

## Component Summary - FY99 Operating Budget

**General Funds, CBR and ILTF**

Agency: Department of Education

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House
<b>K-12 Support</b>							
1	Foundation Program	611,138.8	627,964.7	631,677.7	633,021.6		-633,021.6 -100.0%
2	Additional District Support	3,149.4	3,445.9	3,445.9	3,304.4		-3,304.4 -100.0%
4	Tuition Students	2,235.6	1,731.2	1,731.2	2,331.2		-2,331.2 -100.0%
5	Boarding Home Grants	180.7	185.9	185.9	185.9		-185.9 -100.0%
6	Youth in Detention	785.3	800.0	800.0	800.0		-800.0 -100.0%
7	Schools for the Handicapped	3,685.6	3,767.4	3,767.4	3,801.7		-3,801.7 -100.0%
8	Pupil Transportation	32,842.2	35,195.2	35,195.2	36,620.6		-36,620.6 -100.0%
10	Community Schools	482.3	500.0	500.0	500.0		-500.0 -100.0%
	* BRU Total	654,499.9	673,590.3	677,303.3	680,565.4	0.0	-680,565.4 -100.0%
<b>Teaching and Learning Support</b>							
12	Special & Supplemental Service	33.4	1,977.9	1,977.9	1,977.9	1,800.6	-177.3 -9.0%
13	Quality Schools		1,385.9	1,385.9	2,370.9	1,385.9	-985.0 -41.5%
14	Basic Ed & Instruct Improve	1,157.0					0.0 0.0%
15	Education Special Projects	30.0	171.3	50.0	50.0	171.3	121.3 242.6%
16	Adult Basic Education	1,736.8					0.0 0.0%
18	Adult & Voc Educ Admin	181.5					0.0 0.0%
19	Ad Career Information System	118.7					0.0 0.0%
20	Rural School Voc Educ Program	100.0					0.0 0.0%
22	Teacher Certification	589.8	715.4	715.4	715.4	715.4	0.0 0.0%
23	Child Nutrition Administration	45.3	44.8	44.8	44.8	44.8	0.0 0.0%
	* BRU Total	3,992.5	4,295.3	4,174.0	5,159.0	4,118.0	-1,041.0 -20.2%
<b>Office of the Commissioner</b>							
24	Information Technology		-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%
<b>Executive Administration</b>							
25	State Board of Education	41.7					0.0 0.0%
26	Commissioner's Office	364.0	230.9	230.9	230.9	230.9	0.0 0.0%
27	Administrative Services	1,103.2	737.8	742.1	742.1	742.1	-0.0 -0.0%
28	Information Services		452.8	452.8	452.8	452.8	0.0 0.0%
	* BRU Total	1,508.9	1,421.5	1,425.8	1,425.8	1,425.8	-0.0 -0.0%

**Component Summary - FY99 Operating Budget**

**General Funds, CBR and ILTF**

**Agency: Department of Education**

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
<b>School Finance</b>								
29	District Support Services	486.4	444.1	669.7	669.7	669.7	0.0	0.0%
30	Data Management	205.6					0.0	0.0%
31	Educational Facilities Support	80.0	59.4	59.4	59.4	59.4	0.0	0.0%
	* BRU Total	772.0	503.5	729.1	729.1	729.1	0.0	0.0%
<b>Alyeska Central School</b>								
33	Alyeska Central School	93.5	116.9	116.9	116.9	116.9	0.0	0.0%
	* BRU Total	93.5	116.9	116.9	116.9	116.9	0.0	0.0%
<b>Commissions and Boards</b>								
34	Professional Teaching Practice	189.0	186.9	186.9	186.9	186.9	0.0	0.0%
35	Ak State Council on the Arts	457.8	459.2	464.2	464.2	464.2	0.0	0.0%
	* BRU Total	646.8	646.1	651.1	651.1	651.1	0.0	0.0%
<b>Kotzebue Technical Center</b>								
36	Kotzebue Tech Operations Grant	634.0	634.0	634.0	634.0	634.0	0.0	0.0%
	* BRU Total	634.0	634.0	634.0	634.0	634.0	0.0	0.0%
<b>Alaska Vocational Technical Center</b>								
37	AVTEC Operations	4,609.4	4,251.1	4,251.1	4,251.1	4,251.1	-0.0	-0.0%
	* BRU Total	4,609.4	4,251.1	4,251.1	4,251.1	4,251.1	-0.0	-0.0%
<b>Mt. Edgecumbe Boarding School</b>								
38	Mt. Edgecumbe Boarding School	2,329.7	2,328.2	2,328.2	2,328.2	2,328.2	0.0	0.0%
	* BRU Total	2,329.7	2,328.2	2,328.2	2,328.2	2,328.2	0.0	0.0%
<b>Vocational Rehabilitation</b>								
39	Client Services	3,499.3	3,361.1	3,196.1	3,196.1	3,196.1	-0.0	-0.0%
40	Federal Training Grant	2.4	5.6	5.6	5.6	5.6	0.0	0.0%
41	Voc Rehab Administration	193.8	167.0	167.0	167.0	167.0	0.0	0.0%
42	Independent Living Rehabilitat	568.5	592.4	592.4	592.4	592.4	0.0	0.0%
44	Special Projects	80.6	82.9	125.4	125.4	125.4	0.0	0.0%
46	Americans With Disabilities	104.2	114.7	114.7	114.7	114.7	0.0	0.0%
	* BRU Total	4,448.8	4,323.7	4,201.2	4,201.2	4,201.2	-0.0	-0.0%

**Component Summary - FY99 Operating Budget**

**General Funds, CBR and ILTF**

**Agency: Department of Education**

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
<b>Alaska State Library</b>								
47	Library Operations	3,851.1	3,841.1	3,811.1	3,811.1	3,811.1	0.0	0.0%
48	Archives	432.2	509.9	552.9	552.9	552.9	0.0	0.0%
	* BRU Total	4,283.3	4,351.0	4,364.0	4,364.0	4,364.0	0.0	0.0%
<b>Alaska State Museums</b>								
49	Museum Operations	1,390.0	1,348.7	1,378.7	1,378.7	1,378.7	0.0	0.0%
50	Specific Cultural Programs	41.7	41.7	41.7	41.7	41.7	0.0	0.0%
	* BRU Total	1,431.7	1,390.4	1,420.4	1,420.4	1,420.4	0.0	0.0%
<b>Alaska Postsecondary Education Commission</b>								
51	Program Administration			10.0	10.0	10.0	0.0	0.0%
53	WICHE Student Exchange Program	191.3	82.5	82.5	83.0	83.0	0.0	0.0%
54	WWAMI Medical Education	1,303.9	1,350.4	1,350.4	1,355.0	1,355.0	0.0	0.0%
55	Federal Student Aid	163.0	163.5	163.5	163.5	0.0	-163.5	-100.0%
	* BRU Total	1,658.2	1,596.4	1,606.4	1,611.5	1,448.0	-163.5	-10.1%
	<b>*** Total Agency Expenditure</b>	<b>680,908.7</b>	<b>699,448.4</b>	<b>703,205.5</b>	<b>707,457.7</b>	<b>25,687.8</b>	<b>-681,769.9</b>	<b>-96.4%</b>

## Component Summary - FY99 Operating Budget

Agency: Department of Education

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House
<b>K-12 Support</b>							
1	Foundation Program	643,785.7	659,587.4	659,587.4	660,931.3		-660,931.3 -100.0%
2	Additional District Support	3,149.4	3,445.9	3,445.9	3,304.4		-3,304.4 -100.0%
3	Cigarette Tax Distribution	2,690.0	2,608.4	2,608.4	0.0		0.0 0.0%
4	Tuition Students	2,235.6	1,731.2	1,731.2	2,331.2		-2,331.2 -100.0%
5	Boarding Home Grants	180.7	185.9	185.9	185.9		-185.9 -100.0%
6	Youth in Detention	785.3	800.0	800.0	800.0		-800.0 -100.0%
7	Schools for the Handicapped	3,685.6	3,767.4	3,767.4	3,801.7		-3,801.7 -100.0%
8	Pupil Transportation	32,842.2	35,195.2	35,195.2	36,620.6		-36,620.6 -100.0%
9	Child Nutrition	22,313.6	26,000.0	26,000.0	26,000.0		-26,000.0 -100.0%
10	Community Schools	482.3	500.0	500.0	500.0		-500.0 -100.0%
	* BRU Total	712,150.4	733,821.4	733,821.4	734,475.1	0.0	-734,475.1 -100.0%
<b>School Debt Reimbursement</b>							
11	School Debt Reimbursement	62,695.9	62,288.4	62,288.4	60,804.1	60,804.1	0.0 0.0%
	* BRU Total	62,695.9	62,288.4	62,288.4	60,804.1	60,804.1	0.0 0.0%
<b>Teaching and Learning Support</b>							
12	Special & Supplemental Service	40,664.9	45,537.8	45,611.8	50,457.1	50,279.8	-177.3 -0.4%
13	Quality Schools		21,009.2	20,935.2	28,420.2	27,435.2	-985.0 -3.5%
14	Basic Ed & Instruct Improve	8,466.0					0.0 0.0%
15	Education Special Projects	153.4	819.4	819.4	889.4	819.4	-70.0 -7.9%
16	Adult Basic Education	2,883.0					0.0 0.0%
17	Federal Voc Educ Grants	4,187.6					0.0 0.0%
18	Adult & Voc Educ Admin	754.5					0.0 0.0%
19	Adult Career Information System	182.3					0.0 0.0%
20	Rural School Voc Educ Program	100.0					0.0 0.0%
21	School To Work	1,481.3					0.0 0.0%
22	Teacher Certification	589.8	731.7	731.7	731.7	731.7	-0.0 -0.0%
23	Child Nutrition Administration	697.3	726.1	726.1	726.1	726.1	0.0 0.0%
	* BRU Total	60,160.1	68,824.2	68,824.2	81,224.5	79,992.2	-1,232.3 -1.5%
<b>Office of the Commissioner</b>							
24	Information Technology		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%

## Component Summary - FY99 Operating Budget

Agency: Department of Education

Page	Budget Component	FY97 Act	FY98A.uth	FY99 Adj	Gov Amd	House	Gov Amd to House
<b>Executive Administration</b>							
25	State Board of Education	109.6	93.1	93.1	93.1	93.1	0.0 0.0%
26	Commissioner's Office	623.3	504.5	504.5	504.5	504.5	0.0 0.0%
27	Administrative Services	1,857.3	1,374.9	1,379.2	1,379.2	1,379.2	0.0 0.0%
28	Information Services		803.3	826.9	826.9	826.9	0.0 0.0%
	* BRU Total	2,590.2	2,775.8	2,803.7	2,803.7	2,803.7	0.0 0.0%
<b>School Finance</b>							
29	District Support Services	712.9	720.6	720.6	720.6	720.6	0.0 0.0%
30	Data Management	304.6					0.0 0.0%
31	Educational Facilities Support	626.7	608.1	608.1	608.1	608.1	-0.0 -0.0%
32	Donated Commodities	180.6	358.9	358.9	358.9	358.9	0.0 0.0%
	* BRU Total	1,824.8	1,687.6	1,687.6	1,687.6	1,687.6	-0.0 -0.0%
<b>Alyeska Central School</b>							
33	Alyeska Central School	4,069.3	4,116.1	4,116.1	4,116.1	4,116.1	-0.0 -0.0%
	* BRU Total	4,069.3	4,116.1	4,116.1	4,116.1	4,116.1	-0.0 -0.0%
<b>Commissions and Boards</b>							
34	Professional Teaching Practice	189.0	186.9	186.9	186.9	186.9	0.0 0.0%
35	Ak State Council on the Arts	936.8	1,151.7	1,156.7	1,156.7	1,156.7	0.0 0.0%
	* BRU Total	1,125.8	1,338.6	1,343.6	1,343.6	1,343.6	0.0 0.0%
<b>Kotzebue Technical Center</b>							
36	Kotzebue Tech Operations Grant	634.0	634.0	634.0	634.0	634.0	0.0 0.0%
	* BRU Total	634.0	634.0	634.0	634.0	634.0	0.0 0.0%
<b>Alaska Vocational Technical Center</b>							
37	AVTEC Operations	4,976.3	4,877.1	4,877.1	4,952.1	4,952.1	0.0 0.0%
	* BRU Total	4,976.3	4,877.1	4,877.1	4,952.1	4,952.1	0.0 0.0%
<b>Mt. Edgecumbe Boarding School</b>							
38	Mt. Edgecumbe Boarding School	4,511.4	4,162.3	4,162.3	4,162.3	4,162.3	0.0 0.0%
	* BRU Total	4,511.4	4,162.3	4,162.3	4,162.3	4,162.3	0.0 0.0%
<b>Vocational Rehabilitation</b>							
39	Client Services	10,418.6	11,389.0	11,539.0	11,539.0	11,539.0	0.0 0.0%

## Component Summary - FY99 Operating Budget

Agency: Department of Education

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
<b>Vocational Rehabilitation</b>								
40	Federal Training Grant	24.1	56.3	56.3	56.3	56.3	0.0	0.0%
41	Voc Rehab Administration	911.2	1,121.6	1,121.6	1,121.6	1,121.6	-0.0	-0.0%
42	Independent Living Rehabilitat	935.8	1,273.2	1,273.2	1,273.2	1,273.2	0.0	0.0%
43	Disability Determination	3,839.1	3,948.5	3,948.5	4,198.5	4,198.5	-0.0	-0.0%
44	Special Projects	760.1	1,351.8	1,394.3	1,514.3	1,514.3	0.0	0.0%
45	Assistive Technology	729.7	1,034.1	884.1	980.1	980.1	0.0	0.0%
46	Americans With Disabilities	104.2	114.7	114.7	114.7	114.7	0.0	0.0%
	* BRU Total	17,722.8	20,289.2	20,331.7	20,797.7	20,797.7	-0.0	-0.0%
<b>Alaska State Library</b>								
47	Library Operations	4,576.6	4,993.8	4,963.8	4,594.4	4,594.4	0.0	0.0%
48	Archives	693.2	793.5	836.5	646.1	646.1	-0.0	-0.0%
	* BRU Total	5,269.8	5,787.3	5,800.3	5,240.5	5,240.5	-0.0	-0.0%
<b>Alaska State Museums</b>								
49	Museum Operations	1,390.0	1,388.8	1,418.8	1,416.8	1,418.8	0.0	0.0%
50	Specific Cultural Programs	41.7	41.7	41.7	41.7	41.7	0.0	0.0%
	* BRU Total	1,431.7	1,430.5	1,460.5	1,460.5	1,460.5	0.0	0.0%
<b>Alaska Postsecondary Education Commission</b>								
51	Program Administration	940.2	1,098.0	1,010.3	988.2	988.2	0.0	0.0%
52	Student Loan Operations	6,327.9	6,166.4	6,254.1	6,492.5	6,492.5	0.0	0.0%
53	WICHE Student Exchange Program	191.3	82.5	82.5	83.0	83.0	0.0	0.0%
54	WWAMI Medical Education	1,303.9	1,350.4	1,350.4	1,355.0	1,355.0	0.0	0.0%
55	Federal Student Aid	212.8	243.5	243.5	243.5	80.0	-163.5	-67.1%
	* BRU Total	8,976.1	8,940.8	8,940.8	9,162.2	8,998.7	-163.5	-1.8%
	<b>*** Total Agency Expenditure</b>	<b>888,138.6</b>	<b>920,973.3</b>	<b>921,091.7</b>	<b>932,864.0</b>	<b>196,993.1</b>	<b>-735,870.9</b>	<b>-78.9%</b>
	Federal Funds	111,090.3	129,173.8	127,338.9	139,334.3	92,543.3	-46,791.0	-33.6%
	General Funds	680,908.7	699,358.3	703,205.5	707,457.7	25,687.8	-681,769.9	-96.4%
	Other Funds	96,139.6	92,441.2	90,547.3	86,072.0	78,762.0	-7,310.0	-8.5%

# VTID Compare -1 Way - FY99 Operating Budget

from Gov Amd to House

Agency: Department of Education

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Teaching and Learning Support</b>													
<b>Special and Supplemental Services</b>													
Reduce funding for counseling 1037 GF/MH	Dec	-177.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-177.3	0.0	0.0	0.0
		-177.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-177.3	0.0	0.0	0.0
<b>Quality Schools</b>													
Deny Increment for Pre-School Certification	Dec	-85.0	-55.0	-15.0	-15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-85.0											
Deny Increment for Statewide Reading Initiative	Dec	-250.0	-150.0	-20.0	-75.0	-5.0	-0.0	0.0	0.0	-0.0	-2.0	-0.0	-0.0
1004 Gen Fund		-250.0											
Deny Increment, Support for Low Performing Schools	Dec	-300.0	-116.0	-20.0	-150.0	-5.0	-9.0	0.0	-0.0	-0.0	-1.0	-1.0	-0.0
1004 Gen Fund		-300.0											
Deny Increment, Comprehensive Assessment System	Dec	-350.0	-116.0	-18.0	-200.0	-5.0	-11.0	0.0	-0.0	-0.0	-1.0	-1.0	-0.0
1004 Gen Fund		-350.0											
		-985.0	-437.0	-73.0	-440.0	-15.0	-20.0	0.0	0.0	0.0	-4.0	-2.0	0.0
<b>Education Special Projects</b>													
Deny AKCIS increment- Additional Statutory Designated Rcpts	Dec	-70.0	-0.0	-0.0	-70.0	-0.0	-0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1108 Stat Desig		-70.0											
Reverse AKCIS Fund Chg- Statutory Designated to GF/PR	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
1005 GF/Prgm		121.3											
1108 Stat Desig		-121.3											
		-70.0	0.0	0.0	-70.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-1,232.3	-437.0	-73.0	-510.0	-15.0	-20.0	0.0	0.0	-177.3	-4.0	-2.0	0.0
<b>Alaska Postsecondary Education Commission</b>													
<b>Federal Student Aid</b>													
Eliminate GF Match	Dec	-163.5	0.0	0.0	0.0	0.0	0.0	0.0	-163.5	0.0	0.0	0.0	0.0
1003 G/F Match		-163.5											
		-163.5	0.0	0.0	0.0	0.0	0.0	0.0	-163.5	0.0	0.0	0.0	0.0
*** BRU Total ***		-163.5	0.0	0.0	0.0	0.0	0.0	0.0	-163.5	0.0	0.0	0.0	0.0
***** Agency Total *****		-1,395.8	-437.0	-73.0	-510.0	-15.0	-20.0	0.0	-163.5	-177.3	-4.0	-2.0	0.0

# ENVIRONMENTAL CONSERVATION

# ALASKA STATE LEGISLATURE



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REPRESENTATIVE VIC KOHRING  
DISTRICT 26

## Memorandum

**To:** House Finance Committee  
**From:** Vic Kohring *VK*  
**Date:** April 9, 1998  
**Re:** FY 99 Operating Budget for the Department of Environmental Conservation

I am pleased to present you with the Budget Subcommittee's proposed FY 99 operating budget for the Department of Environmental Conservation. Total funding was reduced by 2,780.7, including a general fund reduction of 1,084.2. The budget did include some increments requested by the Governor.

The proposed budget adds \$50,000 for staff resources to establish Alaska specific criteria to fully remove Alaska from reliance on federal criteria, and to develop a regulatory solution to allow natural conditions in Alaskan water bodies to prevail as the water quality standard in situations where the water body is naturally impaired. This budget increase was half that requested in the Governor's budget.

Acknowledging the ever increasing potential for ground water contamination, the budget includes funding for two additional hydrogeologists for the Drinking Water program. These hydrogeologists will be addressing well head protection issues. The budget did not approve another two hydrogeologists (for a total of four), as was requested in the Governor's budget.

Funding for water and sewer system operator training and certification will increase by \$160,000. This action will provide safer drinking water for urban and rural Alaskans, and will protect our rivers, streams, and ocean water where treated sewage is discharged.

An increase of \$50,000 was approved for air monitoring of the ship industry. This will allow ADEC to work with the ship industry to reduce air pollution and to provide an effective response to public concerns over air pollution from ships.

Similarly, the Facilities Construction & Operations budget was increased by 126.8 to allow for hiring Grant Administrators, reflecting the workload for the huge increase in federal grant and loan funding for urban and rural communities.

The ADEC administers the Oil & Hazardous Substance Release Prevention and Response Account. Local Emergency Planning Committees (LEPC's) consist of community officials and volunteers in identifying potential impacts from natural and manmade disasters, such as earthquakes and oil/chemical spills. They plan the needed details to respond to these identified disasters. According to statute, the LEPC's may receive up to 3% of the Oil & Hazardous Substance Prevention account, which is administered by ADEC. The proposed budget adds over \$560,000 to the LEPC's through a RSA to the Department of Military & Veteran's Affairs, Division of Emergency Services to equal the 3% funding level.

To express dissatisfaction with the ADEC's process of awarding the federal "Non Point Source Pollution" grants to citizen and environmental groups, the budget did not approve most of the grant funds (1,143.6). Five staff positions associated with funding from this federal program were left in the budget. However, several other Water Quality positions were deleted. Please note that the Water Quality staff reductions were **not** associated with any permitting functions.

Other than the Water Quality programs, there were only three position deletions. They consisted of eliminating one of the two Public Relations staff, a solid waste program permitting staff, and the solid waste computer programmer position.

Other general fund cuts consisted of contractual and travel reductions.



Dept: <b>Environmental Conservation</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Barbara Frank</b>	Date prepared: <b>4/6/98</b>

Program area: <b>Administrative Services</b>	Dollar amount(s):	Fund source(s):
Travel to FY 97 Actual Level	(12.2)	<b>General Fund</b>
	(11.4)	<b>Response Fund</b>

**Impact Analysis:**

The Division of Administrative Services has staff in Anchorage, Fairbanks, Juneau and one position in Palmer. These staff support Department of Environmental Conservation offices in fifteen locations throughout the State of Alaska. Travel funds are critical to provide necessary on site support services.

Some examples of on site services delivered by the Division of Administrative Services are 1) human resources issue resolution; 2) computer network installation, maintenance and support; 3) administrative training to ensure staff compliance with State of Alaska laws; 4) development of cost recovery systems for recovery of fees, federal receipts and response funds which are in excess of 28 million dollars annually; and 5) participation in Oil and Hazardous Substance preparedness drills as part of the incident command system.

Consolidated staffing has reduced personal services needed for duplicative positions in multiple locations. To cut the travel funds, which ensure administrative coverage to those offices at a much lower cost than having positions on-site, seriously undermines the effectiveness of the consolidated staff.

Dept: <b>Environmental Conservation</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Barbara Frank</b>	Date prepared: <b>4/6/98</b>

Program area: <b>Administrative Services</b>	Dollar amount(s):	Fund source(s):
Cut Publication Specialist	(26.3)	<b>General Fund</b>
	(26.3)	<b>Federal</b>
	(26.3)	<b>Response Fund</b>

**Impact Analysis:**

Communication with the general public is a critical element of the public health and emergency response services in the Department of Environmental Conservation. Failure to communicate accurately and timely could result in the loss of human life or property. The publication specialist in the Division of Administrative Services is responsible for external communications. The Department of Environmental Conservation must keep Alaskans and other consumers informed to help protect health and resources from illness, contaminants, polluted water, oil spills, dirty air, vermin and disease associated with solid and hazardous waste, and contaminated foods of all types. Federal amendments to the safe drinking water act include a requirement to provide public information about public water systems.

Department of Environmental Conservation-related news stories number in the hundreds each year, as our responsibilities affect Alaskans everywhere, in terms of the health of our children, a clean environment and successful partnerships with industry. In each of the calendar years 1996 and 1997 we have documented at least 300 media contacts. Stories in the written and electronic media involving the Department of Environmental Conservation appear every day somewhere in the state, very frequently on the front pages or editorial pages of the state's newspapers, or as lead stories in the TV and radio media.

The publication specialist also conducts training of other DEC employees on the most effective ways to handle press contacts in a manner that will promote information on public health protection. The publications specialist also writes and distributes news releases on public health and environmental protection issues. The following is a brief summary by category of the press releases issued in 1997:

- 20 Food safety issues - warnings of PSP in shellfish or foodborne illness outbreaks
- 26 Oil spills or threats of spills
- 10 Air quality advisories - warnings and information regarding how to protect your health from woodsmoke during fires or other airborne contaminants
- 1 Solid waste incidents
- 7 Drinking water - contamination, groundwater
- 16 Environmental Crimes press releases informing the public of court cases, fines, and enforcement incidents, as a deterrent measure
- 48 Prevention, notification of changes to rules, training opportunities, working with industry, grants

The publications specialist also maintains the department website, which has been accessed an average of 3,000 times per month. The home page includes extensive information to assist the public with permitting, pollution and disease prevention, information to assist industry, environmental requirements, regulations, how to receive assistance from DEC, and a directory.

The publications specialist also produces a newsletter with information to assist and inform the public. A summary of articles in the eight newsletters issued to date follows:

- 5 Food safety
- 5 Oil or hazardous substance releases
- 4 Air quality advisories
- 4 Solid waste incidents
- 4 Drinking water, wastewater
- 3 Contaminated sites
- 1 Environmental crimes
- 52 Notifications of changes to rules, training opportunities, industry partnerships, or grant opportunities.

Dept: <b>Environmental Conservation</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Janice Adair</b>	Date prepared: <b>4/6/98</b>

Program area: **Seafood & Sanitation Inspections**      Dollar amount(s): **(7.5)**      Fund source(s): **General Fund**  
**(185.7)**      **General Fund**  
**Program**  
**Receipts**

**Impact Analysis:**

This program receipt transfer (172.5) would have provided the ability to increase annual inspections of high-risk facilities. However, medium and low-risk facilities would continue to be inspected on a complaint-only basis. Full-service restaurants, which FDA recommends be inspected once every six months, are currently inspected on a statewide average of once every two years. This transfer would have brought the inspection frequency to an average of once each 18 months.

In addition, a part of this transfer (13.2) would have provided the following public education/outreach efforts: Paralytic Shellfish Poisoning: the incidents of PSP are on the rise, especially with "El Nino" and increased water temperatures; Hazard Analysis Critical Control Point Training for meat processors: federal rules for meat processors have recently been amended but USDA has not provided for any training to help these processors understand the new rules; updating food safety brochures for consumers; provide a food safety curriculum for Alaskan schools; and distribution of a food safety manual for use by food service workers.

The 7.5 GF increment which is eliminated would have provided travel support to the inspectors, enabling them to travel to inspection sites. Travel costs cannot be covered with program receipts.

**Specific impacts:**

Continued increase risk to public due to exposure to the causes of food-borne illness;  
 Unsanitary residential care facilities; and  
 Untrained or insufficiently trained meat processors and food handlers

Dept: <b>Environmental Conservation</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Janice Adair</b>	Date prepared: <b>4/6/98</b>

Program area: **Laboratory Services**      Dollar amount(s): **(103.2)**      Fund source(s): **General Fund**

**Impact Analysis:**

The Laboratory Services component traditionally has a very low employee turnover and the vacancy rate in the Governor's Request is reflective of that low rate. The proposed increase to the vacancy rate of 41.5 will result in deletion of a filled position.

The proposal to reduce contractual by 61.7 in general fund would not be possible as there is only 45.0 budgeted in General Fund in this component's contractual line.

The division would have to take this component's targeted General Fund reduction of 103.2 from personal services. An Environmental Laboratory Technician, Chemist I, and Environmental Microbiologist would be eliminated.

Specific service impacts include:

-Reduced marine toxin testing (PSP) and microbiological testing of bivalve and seafood products; this would lead to a reduction in the commercial sales of Alaska-produced shellfish because shellfish must be tested before it can be sold.

-Reduced red meat testing for E-coli, Salmonella, and Listeria; this testing is required under the federal meat inspection program, thus would lead to a reduction in the number of Alaska commercial meat processors.

-Further slow down the approval process of commercial labs for drinking water analysis; prior cuts to this program area have already resulted in a 3-6 month turnaround for drinking water lab certifications. These cuts, on top of the increasing numbers of contaminants that must be analyzed, will further exacerbate the situation. Certification of commercial labs for drinking water analyses is required by state and federal law.

Dept: <b>Environmental Conservation</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Janice Adair</b>	Date prepared: <b>4/6/98</b>

Program area: **Drinking Water**

Dollar amount(s):	Fund source(s):
<b>(203.8)</b>	<b>Alaska Drinking Water Fund</b>
<b>(312.5)</b>	<b>General Fund</b>

**Impact Analysis:**

This is a reduction on a one-time contractual increment request from the Alaska Drinking Water Fund (203.8) to provide educational assistance such as brochures and videos for home owners on the proper maintenance of their on-lot septic systems. Proper maintenance of on-lot septic systems is critical in preventing drinking water contamination. This type of educational assistance is particularly important since the Department of Environmental Conservation is no longer reviewing septic systems at the time a house sells. Approximately 50% of homes outside Anchorage rely on septic systems for proper sewage disposal.

According to the Notice in the Federal Register, if a state does not use its allocation, these grant funds will be "reallocated and awarded to States" that have obligated their grant funds. Thus, not using these dollars for Alaskan needs will simply serve to benefit residents of other states.

Most of the GF cut (250.0) would be associated with a total elimination of Class C Public Water System approval and oversight. Class C Public Water Systems represent the most rapid growing

group of Public Water Systems in the state. The Drinking Water Program had 1,552 Class C Public Water Systems on inventory as of April 1, 1997. The Drinking Water Program currently has 1,635 Class C Public Water Systems on inventory as of April 1, 1998. This represents an increase in 83 Public Water Systems in one year. Class C Public Water Systems currently comprise 49% of the statewide total of Public Water Systems.

Class C Public Water Systems are very small Public Water Systems that provide water to more than an individual family home and less than 25 persons on a regular basis. In Alaska, there are basically 22 different categories of Class C Public Water Systems which include bars, campgrounds, churches, day care centers, food service centers, logging camps, mobile home parks, schools, subdivisions, work camps, and water haulers. Services include plan review and approval, technical assistance, and contaminant monitoring. Statutory requirements would need to be amended and department regulations establishing standards and other requirements for Class C systems would have to be repealed.

The balance of the reduction (62.5) would be taken from the Domestic Wastewater Program. Certified Installers Program would be eliminated. Septic systems would only be able to be installed by registered engineers, significantly increasing installation or repair costs to homeowners, with no appreciable increase in public health protection.

(Indirectly, implementation of the DW Program's Wellhead Protection efforts and completion of Source Water Assessment activities of the State's Public Water Systems would seriously be jeopardized by a reduction in oversight of Class C Public Water Systems, because many Class C Public Water Systems are potentially Class A or B Public Water Systems, and are required to have assessments completed by the year 2002 (this is a SDWA Amendments of 1996 requirement). A well-developed and implemented Domestic Wastewater Program, which includes the Certified Installers and waivers components, are also a necessary requirement for completion of Source Water Assessment activities and establishing Wellhead Protection activities at the local level.)

Dept: <b>Environmental Conservation</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Janice Adair</b>	Date prepared: <b>4/6/98</b>

Program area: **Municipal Solid Waste**                      Dollar amount(s): **(144.4)**      Fund source(s): **General Fund**

### **Impact Analysis:**

Targeted budget reductions in this component call for the elimination of an Analyst Programmer (68.9), Environmental Specialist IV (71.5), and a travel reduction (4.0).

All general funds in this component go to support Class III landfills which serve rural communities. Landfills in rural areas are frequently in very poor condition and the incremental improvements made through technical assistance and inspections result in significant reductions in public health risk.

Services include permitting, technical assistance, review and approval of solid waste management plans, review of monitoring data, and inspections.

The loss of the Environmental Specialist IV would see these services reduced in rural areas of the State.

Services lost with the elimination of the Analyst Programmer: ability to accurately track time and send correct billings to permittees; ability to track and report on performance measures to the public, the legislature, and department management; ability to coordinate statistical data from solid waste database with contaminated sites and public water systems databases; efficient and effective tracking of time and information on solid waste management in Alaska.

The travel reduction would reduce the staff's ability to obtain training, a necessary part of efficient job performance.

In addition, this reduction may well result in Alaska not receiving EPA approval of its Solid Waste Program. After last year's proposal to reduce the Municipal Solid Waste Program by nearly 80%, the Legislature realized that EPA approval of the program was essential for Alaskan communities. An analysis done at that time revealed that reductions in excess of the \$145.9 approved last year would likely result in a program that EPA could not approve.

Dept:	<b>Environmental Conservation</b>	House or Senate subcommittee?	<b>House</b>
Preparer:	<b>Marianne See</b>	Date prepared:	<b>4/6/98</b>

Program area:	Dollar amount(s):	Fund source(s):
<b>Statewide Public Service – Community and Compliance Assistance</b>	(28.5)	<b>General Fund</b>
	(50.0)	<b>Inter Agency Receipts</b>

**Impact Analysis:**

**For 28.5 General Fund Reduction:**

Significantly reduces travel to directly help small businesses and communities improve compliance and reduce operating costs without enforcement consequences and/or penalties.

Increases hardship to small businesses/communities by shifting costs to them to receive on site services.

Many small businesses/communities will be unable to afford to receive on-site compliance assistance.

**For 50.0 Reduction to Interagency Receipts:**

Technology and training programs for environmentally safe management practices of drilling muds would not be funded for Alaskan companies to participate and transfer this information to the Russian

Far East. Funding for this activity is federal (EPA), passed thru the Department of Commerce and Economic Development to the Department of Environmental Conservation.

Dept: <b>Environmental Conservation</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Michael A. Conway</b>	Date prepared: <b>4/6/98</b>

Program area: <b>Air and Water Director</b>	Dollar amount(s): <b>(49.9)</b>	Fund Source(s): <b>Inter Agency Receipts</b>
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**Impact Analysis:**

The Department of Environmental Conservation proposed an increment of 49.9 in inter agency receipts to fund a liaison with the Joint Pipeline Office. This position was created at the request of the regulated industry and 100% of the costs are paid by industry.

Dept: <b>Environmental Conservation</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Kurt Fredriksson</b>	Date prepared: <b>4/6/98</b>

Program area: <b>Contaminated Sites</b>	Dollar amount(s): <b>(794.6)</b>	Fund source(s): <b>Response Funds</b>
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**Impact Analysis:**

A response fund reduction of 794.6 to the Contaminated Sites Program will eliminate the state's participation in the cleanup of the Ketchikan and Alaska Pulp Mill sites. Neither site is high priority for public health risks; however, the economic reuse is vital to both communities. These sites have alternative funding sources to continue cleanup efforts, while other high priority sites with significant public health risks do not. Incremental costs for cleanup work at these sites were added by the legislature to protect public health, the environment, and provide for economic reuse.

Specifically for KPC these cuts will mean:

The federal government will oversee the cleanup of the KPC mill site.

Reuse of the property will be significantly delayed, as state cleanup standards **and** federal standards must be met in order to resolve liability issues.

Eliminates the funding mechanism for the citizens technical advisory group.

Authorizations for state permits and authorizations associated with cleanup and reuse will be significantly delayed.

Communication and education of citizens and local governments will be eliminated.

For APC these cuts will mean:

The federal government will assume oversight activities for remaining environmental investigation and cleanup tasks, thus delaying project closure. This could result in the site being listed on the National Priorities List.

The state will not certify that subsequent cleanup actions meet state and local needs/concerns.

Alaska Pulp Corporation will be unable to resolve liabilities under state law which affect reuse of the mill property.

Dept: <b>Environmental Conservation</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Michael A. Conway</b>	Date prepared: <b>4/6/98</b>

Program area:	Dollar amount(s):	Fund Source(s):
<b>Water Quality Program</b>	<b>(173.4)</b>	<b>General Fund</b>
	<b>(240.6)</b>	<b>Gen Fund Match</b>
	<b>(1,463.3)</b>	<b>Federal</b>

**Impact Analysis:**

The proposed reduction eliminates almost 40% of the funding for water quality for the State of Alaska.

The largest cut is to the financial assistance to the State of Alaska to control nonpoint source pollution. This program, commonly known as the "319" program, is authorized under the Clean Water Act and is the basis for the general fund match and federal cut.

The remainder of the cut, the general funds, are targeted at the program's general fund travel, 123.4 and Alaska specific water quality standards, 50.0. The travel cut is especially problematic as component only has 139.1 in general funds for travel. This, almost 90% cut to travel, will significantly impact the State of Alaska permitting program.

The impact to services of each of these cuts is discussed below:

**"319" – Control Non Point Source Pollution, 100% of the State and Federal Funding Eliminated**

The State of Alaska will no longer develop a strategy for controlling nonpoint source pollution. Alaska will lose seven million dollars annually from the federal state revolving fund to pay for landfill and waste water projects. The State of Alaska will lose an additional million for watershed protection, including coastal watersheds. Grants for local nonpoint pollution prevention will be eliminated. The State of Alaska will not prepare an annual assessment of water bodies or monitor implementation of recovery plans. Grants which could be used in the State of Alaska to help protect water quality in environmentally sensitive areas will be lost. These funds will be directed to other states. The State of

Alaska will not offer technical assistance and training to local water quality monitoring projects or technical assistance to local communities to protect watersheds.

### **General Fund Travel – 90% of the General Fund Travel Eliminated**

Alaska Statute 44.46.025 (a) prohibits the department from recovering costs of travel as part of its fees for inspections, permit preparation and administration, plan review and other services provided by the Water Quality program. The Department of Environmental Conservation included in its FY 99 Governor's Request 139.1 in general fund travel to support these activities. This reduction will seriously impact ability to issue permits, to ensure compliance through inspections, and to develop water quality standards for the State of Alaska. Should this cut not be restored, it is unlikely that the department can continue to issue the full complement of permits and certifications to federal permits. The State of Alaska Water Quality program would be restructured to ensure adequate funding for the development of water quality standards for Alaska based on sound science and a companion inspection program to ensure that the permits issued by the Environmental Protection Agency protect Alaska's resources.

### **Alaska Specific Water Quality Standards – 50% of the Proposed Increment Denied**

Coupled with the reduction in general fund travel above, the cut to the requested increment for Alaska Specific standards, causes the department to restructure the water quality program. Good standards, reflective of Alaskan unique conditions, based on sound scientific principals are the foundation of an effective program of "doing it right" for natural resource development. The standards are the performance measures against which the effectiveness of permits should be evaluated. The department will treat development of standards as a higher priority than permits which can be issued by the Environmental Protection Agency.

Dept: <b>Environmental Conservation</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Kurt Fredriksson</b>	Date prepared: <b>4/6/98</b>

Program area:	Dollar amount(s):	Fund source(s):
<b>Response Fund Administration</b>	<b>564.6</b>	<b>Response Funds</b>

#### **Impact Analysis:**

The House has proposed an increment of 564.6 for Local Emergency Planning Committees (LEPCs).

The Department does not support this increment which that subcommittee has proposed for LEPCs to respond to oil and hazardous substance releases. Response is outside the statutorily defined role for LEPCs.

AS 26.23.073(g) states that each local emergency planning committee shall:

- 1) establish procedures for receiving and processing requests from the public for information;

- 2) appoint a chair and establish rules by which the committee shall function and designate an official to serve as coordinator of information;
- 3) prepare and periodically review an emergency plan in a manner that includes coordination with the political subdivisions covered by the plan;
- 4) evaluate the need for resources necessary to develop, implement, and exercise the emergency plan, and submit recommendations to the political subdivisions in the emergency planning district;
- 5) to the extent consistent with the constitution and the law of the state, perform all other functions prescribed for emergency planning committees in 42 U.S.C. 11001 - 11005;
- 6) to the extent considered advisable by the committee, make recommendations to political subdivisions, representatives of interjurisdictional disaster planning and service areas, and state agencies about the preparation of local, state, and interjurisdictional plans; and
- 7) serve as an advisory committee to the political subdivisions within the emergency planning district or the and interjurisdictional planning district and service area established under AS 26.23.070 with respect to emergency planning, training, and response.

There are currently 19 organized LEPCs, 12 have completed plans at a cost of 3,829.0.

SPAR has proposed a 35% increase over last year's allocation. 351.4 in FY 98 and 543.4 in FY 99. The original LEPC request to SPAR for FY 99 was 597.6.

AS 46.08.040(c) states that not more than 3% of the estimated annual balance of the prevention account can be appropriated to LEPCs (580.8 in estimated FY 99 dollars); the Department's calculations show the increment exceeds the 3% calculation.

Further delays will harm the City and Borough of Sitka's efforts to promote reuse of the facility to mitigate the economic impact of the mill closure.

Two prospective tenants have expressed interest for site reuse. One a value-added wood products operation, and the other a composting business (fish waste and wood chips). Other potential tenants are also interested in the site.

## Agency Totals - FY99 Operating Budget

Agency: Department of Environmental Conservation

	<u>FY97 Act</u>	<u>FY98Auth</u>	<u>FY99 Adj</u>	<u>Gov Amd</u>	<u>House</u>	<u>Gov Amd to House</u>	
<b>Totals for Agency</b>	<b>46,170.5</b>	<b>46,593.6</b>	<b>46,698.4</b>	<b>47,256.3</b>	<b>43,939.7</b>	<b>-3,316.6</b>	<b>-7.0%</b>
<u>Objects of Expenditure:</u>							
Personal Services	28,636.4	29,260.0	29,702.8	30,527.3	29,047.6	-1,479.7	-4.8%
Travel	1,694.9	2,652.1	2,578.0	2,613.5	2,327.9	-285.6	-10.9%
Contractual	11,099.5	11,644.2	11,469.8	11,131.8	9,952.3	-1,179.5	-10.6%
Commodities	752.5	865.7	865.8	870.7	862.7	-8.0	-0.9%
Equipment	877.8	551.6	558.7	589.7	561.3	-28.4	-4.8%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	3,109.4	1,620.0	1,523.3	1,523.3	1,187.9	-335.4	-22.0%
Miscellaneous	0.0	-0.0	0.0	0.0	0.0	0.0	0.0%
<u>Funding Sources:</u>							
1002 Fed Rcpts	9,269.1	12,156.3	12,206.0	12,791.1	11,301.5	-1,489.6	-11.6%
1003 G/F Match	2,630.7	3,159.8	3,190.2	3,190.2	2,949.6	-240.6	-7.5%
1004 Gen Fund	9,834.8	7,266.8	7,379.2	7,486.7	6,657.4	-829.3	-11.1%
1005 GF/Prgm	2,853.8	2,758.0	2,758.0	2,768.0	2,582.3	-185.7	-6.7%
1007 I/A Rcpts	3,070.3	845.6	845.6	938.8	838.9	-99.9	-10.6%
1018 EVOSS	61.9	1,785.7	1,785.7	629.7	629.7	0.0	0.0%
1052 Oil/Haz Fd	11,958.2	12,421.5	12,422.5	12,422.5	12,154.8	-267.7	-2.2%
1053 Invst Loss		88.9	-0.0	0.0	0.0	-0.0	0.0%
1061 CIP Rcpts	1,202.0	2,230.0	2,230.0	2,380.9	2,380.9	0.0	0.0%
1075 Clean Wtr	367.3	445.2	445.2	445.2	445.2	0.0	0.0%
1079 Storg Tank	3,196.4	851.9	852.0	852.0	852.0	-0.0	-0.0%
1091 GF/Desig	639.3					0.0	0.0%
1093 Clean Air	1,086.7	2,131.2	2,131.3	2,131.3	2,131.3	0.0	0.0%
1100 ADWF				717.2	513.4	-203.8	-28.4%
1108 Stat Desig		452.7	452.7	502.7	502.7	0.0	0.0%
<u>Positions:</u>							
Perm Full Time	481.0	483.0	476.0	488.0	477.0	-11.0	-2.3%
Perm Part Time	12.0	7.0	12.0	6.0	5.0	-1.0	-16.7%
Non-Perm	4.0	4.0	4.0	4.0	4.0	0.0	0.0%

**Component Summary - FY99 Operating Budget**

**General Funds, CBR and ILTF**

Agency: Department of Environmental Conservation

<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>	
<b>Administration</b>								
1	Office of the Commissioner	314.7	310.5	310.5	310.5	289.2	-21.3	-6.9%
2	Administrative Services	1,106.7	1,026.4	1,080.3	1,080.3	1,041.8	-38.5	-3.6%
3	Information Technology		0.0	0.0	0.0	0.0	0.0	0.0%
	* BRU Total	1,421.4	1,336.9	1,390.8	1,390.8	1,331.0	-59.8	-4.3%
<b>Environmental Health</b>								
4	Environmental Health Director	170.9	167.9	167.9	167.9	167.9	0.0	0.0%
5	Animal Industries	275.2	314.9	314.9	314.9	314.9	0.0	0.0%
6	Seafood & Sanitation Inspect'n	2,776.9	2,653.8	2,839.5	2,847.0	2,653.8	-193.2	-6.8%
7	Laboratory Services	1,266.1	1,293.3	1,303.8	1,303.8	1,200.6	-103.2	-7.9%
8	Drinking Water	831.2	758.5	1,537.4	1,537.4	1,224.9	-312.5	-20.3%
9	Solid Waste	974.4					0.0	0.0%
10	Municipal Solid Waste		663.2	737.5	737.5	593.1	-144.4	-19.6%
11	Industrial Solid Waste		310.8	310.8	310.8	310.8	0.0	0.0%
	* BRU Total	6,294.7	6,162.4	7,211.8	7,219.3	6,466.0	-753.3	-10.4%
<b>Statewide Public Services</b>								
12	Statewide Public Services	1,422.1	1,339.2	198.2	198.2	169.7	-28.5	-14.4%
	* BRU Total	1,422.1	1,339.2	198.2	198.2	169.7	-28.5	-14.4%
<b>Air and Water Quality</b>								
13	Air and Water Director	221.1	209.4	209.4	209.4	209.4	0.0	0.0%
14	Air Quality	1,881.1	1,170.5	1,198.9	1,198.9	1,198.9	0.0	0.0%
15	Water Quality	2,478.0	1,715.5	1,789.2	1,889.2	1,475.2	-414.0	-21.9%
	* BRU Total	4,580.2	3,095.4	3,197.5	3,297.5	2,883.5	-414.0	-12.6%
<b>Spill Prevention and Response</b>								
17	Contaminated Sites	199.4					0.0	0.0%
18	Storage Tank Program	2.7					0.0	0.0%
19	Industry Preparedness&Pipeline	64.5					0.0	0.0%
	* BRU Total	266.6	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Facility Construction and Operations</b>								
23	Facility Construc./Operations	1,973.6	1,339.6	1,329.1	1,339.1	1,339.1	0.0	0.0%

**Component Summary - FY99 Operating Budget**

**General Funds, CBR and ILTF**

Agency: Department of Environmental Conservation

<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>	
	<b>Facility Construction and Operations</b>							
	* BRU Total	1,973.6	1,339.6	1,329.1	1,339.1	1,339.1	0.0	0.0%
	<b>*** Total Agency Expenditure</b>	<b>15,958.6</b>	<b>13,273.5</b>	<b>13,327.4</b>	<b>13,444.9</b>	<b>12,189.3</b>	<b>-1,255.6</b>	<b>-9.3%</b>

## Component Summary - FY99 Operating Budget

Agency: Department of Environmental Conservation

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House
<b>Administration</b>							
1	Office of the Commissioner	472.4	411.9	411.9	411.9	390.6	-21.3 -5.2%
2	Administrative Services	5,800.0	3,479.3	3,503.6	3,475.1	3,372.6	-102.5 -2.9%
3	Information Technology		0.0	-0.0	-0.0	-0.0	-0.0 0.0%
	* BRU Total	6,272.4	3,891.2	3,915.5	3,887.0	3,763.2	-123.8 -3.2%
<b>Environmental Health</b>							
4	Environmental Health Director	170.9	167.9	167.9	167.9	167.9	-0.0 -0.0%
5	Animal Industries	542.4	695.5	695.5	695.5	695.5	-0.0 -0.0%
6	Seafood & Sanitation Inspect'n	2,883.5	2,765.7	2,951.4	2,958.9	2,765.7	-193.2 -6.5%
7	Laboratory Services	2,061.2	2,198.3	2,250.6	2,250.6	2,147.4	-103.2 -4.6%
8	Drinking Water	1,863.0	2,334.2	3,354.1	3,843.7	3,327.4	-516.3 -13.4%
9	Solid Waste	974.4					0.0 0.0%
10	Municipal Solid Waste		663.2	737.5	737.5	593.1	-144.4 -19.6%
11	Industrial Solid Waste		310.8	310.8	310.8	310.8	0.0 0.0%
	* BRU Total	8,495.4	9,135.6	10,467.8	10,964.9	10,007.8	-957.1 -8.7%
<b>Statewide Public Services</b>							
12	Statewide Public Services	3,818.8	3,950.7	1,787.4	1,787.4	1,708.9	-78.5 -4.4%
	* BRU Total	3,818.8	3,950.7	1,787.4	1,787.4	1,708.9	-78.5 -4.4%
<b>Air and Water Quality</b>							
13	Air and Water Director	221.1	334.4	411.4	461.3	411.4	-49.9 -10.8%
14	Air Quality	3,972.7	4,495.6	4,566.7	4,875.4	4,875.4	0.0 0.0%
15	Water Quality	4,468.1	4,590.7	4,775.0	4,875.0	2,997.7	-1,877.3 -38.5%
	* BRU Total	8,661.9	9,420.7	9,753.1	10,211.7	8,284.5	-1,927.2 -18.9%
<b>Spill Prevention and Response</b>							
16	Spill Prevention/Response Dir.	193.1	192.6	192.6	192.6	192.6	0.0 0.0%
17	Contaminated Sites	4,015.5	4,455.0	4,493.8	4,899.2	4,104.6	-794.6 -16.2%
18	Storage Tank Program	3,704.2	1,995.8	2,260.6	2,302.8	2,302.8	0.0 0.0%
19	Industry Preparedness&Pipeline	2,364.4	2,401.1	2,398.8	2,398.8	2,398.8	-0.0 -0.0%
20	Prevention and Emergency Resp	2,789.9	2,852.5	3,102.2	3,102.2	3,102.2	0.0 0.0%
21	Response Fund Administration	2,109.3	2,105.0	2,185.5	2,185.5	2,750.1	564.6 25.8%

## Component Summary - FY99 Operating Budget

Agency: Department of Environmental Conservation

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
	<b>Spill Prevention and Response</b>							
	* BRU Total	15,176.4	14,002.0	14,633.5	15,081.1	14,851.1	-230.0	-1.5%
	<b>Exxon Restoration</b>							
22	Exxon Restoration	61.9	1,785.7	1,785.7	629.7	629.7	0.0	0.0%
	* BRU Total	61.9	1,785.7	1,785.7	629.7	629.7	0.0	0.0%
	<b>Facility Construction and Operations</b>							
23	Facility Construc./Operations	3,683.7	4,407.7	4,355.4	4,694.5	4,694.5	0.0	0.0%
	* BRU Total	3,683.7	4,407.7	4,355.4	4,694.5	4,694.5	0.0	0.0%
	<b>*** Total Agency Expenditure</b>	<b>46,170.5</b>	<b>46,593.6</b>	<b>46,698.4</b>	<b>47,256.3</b>	<b>43,939.7</b>	<b>-3,316.6</b>	<b>-7.0%</b>
	Federal Funds	9,269.1	12,156.3	12,206.0	12,791.1	11,301.5	-1,489.6	-11.6%
	General Funds	15,958.6	13,184.6	13,327.4	13,444.9	12,189.3	-1,255.6	-9.3%
	Other Funds	20,942.8	21,252.7	21,165.0	21,020.3	20,448.9	-571.4	-2.7%

# VTID Compare -1 Way - FY99 Operating Budget

from Gov Amd to House

Agency: Department of Environmental Conservation

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Trp
<b>Administration</b>													
<b>Office of the Commissioner</b>													
Reduce Pers Svcs to contract with Fed for Dep Comm salary	Dec	-21.3	-21.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-21.3											
		-21.3	-21.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Administrative Services</b>													
Reduce travel to FY97 Actual level	Dec	-23.6	0.0	-23.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-12.2											
1052 Oil/Haz Fd		-11.4											
Eliminate one Publication Specialist III position	Dec	-78.9	-78.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1002 Fed Rcpts		-26.3											
1004 Gen Fund		-26.3											
1052 Oil/Haz Fd		-26.3											
		-102.5	-78.9	-23.6	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
*** BRU Total ***		-123.8	-100.2	-23.6	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
<b>Environmental Health</b>													
<b>Seafood and Sanitation Inspections</b>													
Deny new position request	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0
Deny travel increment	Dec	-7.5	0.0	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-7.5											
Reduce GF/program rcpts xfer for septic system certification	Dec	-185.7	-172.5	0.0	-13.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Prgm		-185.7											
		-193.2	-172.5	-7.5	-13.2	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0
<b>Laboratory Services</b>													
Increase vacancy allowance	Dec	-41.5	-41.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-41.5											
Reduce contractual	Dec	-61.7	0.0	0.0	-61.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-61.7											
		-103.2	-41.5	0.0	-61.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Drinking Water</b>													
Deny increment for tech asst for domestic water sites	Dec	-203.8	0.0	-3.0	-200.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1100 ADWF		-203.8											
Deny partial State Drink Water Rev Loan Fund increment	Dec	-142.9	-112.3	-3.4	-15.9	-1.2	-10.1	0.0	0.0	0.0	-2.0	0.0	0.0
1100 ADWF		-142.9											

# VTID Compare -1 Way - FY99 Operating Budget

from Gov Amd to House

Agency: Department of Environmental Conservation

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Environmental Health</b>													
<b>Drinking Water</b>													
Fund source change from GF to utilize full ADWF increment	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		-142.9											
1100 ADWF		142.9											
Reduce travel	Dec	-16.8	0.0	-16.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-16.8											
Reduce contractual services	Dec	-152.8	0.0	0.0	-152.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-152.8											
		<b>-516.3</b>	<b>-112.3</b>	<b>-23.2</b>	<b>-369.5</b>	<b>-1.2</b>	<b>-10.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Municipal Solid Waste</b>													
Eliminate Analyst Programmer position	Dec	-68.9	-68.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1004 Gen Fund		-68.9											
Eliminate Environmental Specialist IV	Dec	-71.5	-71.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-71.5											
Reduce travel	Dec	-4.0	0.0	-4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-4.0											
		<b>-144.4</b>	<b>-140.4</b>	<b>-4.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>-957.1</b>	<b>-466.7</b>	<b>-34.7</b>	<b>-444.4</b>	<b>-1.2</b>	<b>-10.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-3.0</b>	<b>-1.0</b>	<b>0.0</b>
<b>Statewide Public Services</b>													
Reduce travel as effect of transfer out of most positions	Dec	-28.5	0.0	-28.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-28.5											
Reduce I/A Rcpts from the Dept of Commerce, Trade Devel	Dec	-50.0	0.0	0.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Rcpts		-50.0											
		<b>-78.5</b>	<b>0.0</b>	<b>-28.5</b>	<b>-50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>-78.5</b>	<b>0.0</b>	<b>-28.5</b>	<b>-50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Air and Water Quality</b>													
<b>Air and Water Director</b>													
Deny increment for budgeted Joint Pipeline Office RSA w/ DNR	Dec	-49.9	-49.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Rcpts		-49.9											
		<b>-49.9</b>	<b>-49.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

# VT:D Compare -1 Way - FY99 Operating Budget

from Gov Amd to House

Agency: Department of Environmental Conservation

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Air and Water Quality</b>													
<b>Water Quality</b>													
Allow partial increment to update and Alaskanize standards	Dec	-50.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-50.0											
Reduce travel	Dec	-123.4	0.0	-123.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-123.4											
Eliminate 5 statewide WQ program positions	Dec	-340.1	-340.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-5.0	0.0	0.0
1002 Fed Rcpts		-238.1											
1003 G/F Match		-102.0											
Eliminate Water Body Recovery Management position	Dec	-54.7	-54.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1002 Fed Rcpts		-38.3											
1003 G/F Match		-16.4											
Eliminate Forestry/Water Quality position	Dec	-61.8	-61.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1002 Fed Rcpts		-43.3											
1003 G/F Match		-18.5											
Eliminate balance of 319 Non-Point Source Federal Grant	Dec	-1,247.3	-161.8	-57.3	-679.7	-5.1	-8.0	0.0	-335.4	0.0	0.0	0.0	0.0
1002 Fed Rcpts		-1,143.6											
1003 G/F Match		-103.7											
		-1,877.3	-668.4	-180.7	-679.7	-5.1	-8.0	0.0	-335.4	0.0	-7.0	0.0	0.0
*** BRU Total ***		-1,927.2	-718.3	-180.7	-679.7	-5.1	-8.0	0.0	-335.4	0.0	-7.0	0.0	0.0
<b>Spill Prevention and Response</b>													
<b>Contaminated Sites</b>													
Replace O/H with Fed Rcpts, federal voluntary cleanup grant	Dec	-405.4	-132.0	-18.1	-243.3	-1.7	-10.3	0.0	0.0	0.0	0.0	0.0	0.0
1052 Oil/Haz Fd		-405.4											
Increase vacancy factor to maximum allowable 6%	Dec	-62.5	-62.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1052 Oil/Haz Fd		-62.5											
Reduce contractual services costs to FY97 Actual level	Dec	-326.7	0.0	0.0	-326.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1052 Oil/Haz Fd		-326.7											
		-794.6	-194.5	-18.1	-570.0	-1.7	-10.3	0.0	0.0	0.0	0.0	0.0	0.0
<b>Response Fund Administration</b>													
Increase funding to LEPC's through RSA to DMVA	Inc	564.6	0.0	0.0	564.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1052 Oil/Haz Fd		564.6											
		564.6	0.0	0.0	564.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

VTID Compare -1 Way - FY99 Operating Budget

from Gov Amd to House

Agency: Department of Environmental Conservation

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<u>Spill Prevention and Response</u>												
*** BRU Total ***	-230.0	-194.5	-18.1	-5.4	-1.7	-10.3	0.0	0.0	0.0	0.0	0.0	0.0
***** Agency Total *****	-3,316.6	-1,479.7	-285.6	-1,179.5	-8.0	-28.4	0.0	-335.4	0.0	-11.0	-1.0	0.0

**FISH  
&  
GAME**

Alaska State Legislature  
House Finance Committee

REPRESENTATIVE  
MARK HANLEY

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**MEMORANDUM**

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DATE: 9 April 1998  
TO: House Finance Committee Members  
FROM: Representative Mark Hanley *MH*  
RE: Dept. of Fish & Game Budget Subcommittee Report

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The Fish & Game budget subcommittee met its general fund spending target of 34,160.4. The Governor's total fund budget request for the department was 110.9 million. The subcommittee's total fund budget recommendation of 110.3 million for FY 99 is 7.8 million above authorized spending for FY 98.

The subcommittee approved increments in Federal receipts and Fish & Game funds that will provide a significant increase in program funds for the Commercial Fisheries, Sport Fisheries, Wildlife Conservation, Subsistence and Habitat divisions.

All GF increments were denied, and a 70.0 GF reduction was made in the Commissioner's office to offset an increase in Fish & Game funds in the Governor's proposal. The subcommittee replaced 84.4 GF with Fish & Game funds in Boards of Fisheries and Game to meet its target.

**Department of Fish and Game**  
**Department Impact Statements in Response to**  
**Finance Subcommittee Budget Proposals**

Dept:	Fish and Game	House or Senate subcommittee?	House
Preparer:	Kevin Brooks	Date prepared:	4/10/98

Program area: <b>DIS Chargeback</b>	Dollar amount(s):	Fund source(s):
	<b>-135.1</b>	<b>GF</b>
	<b>-10.9</b>	<b>GF/Prgm Rcpts</b>

**Impact Analysis:**

The subcommittee denied base transfers from Division of Information Services, Department of Administration, for a new methodology for charging for network devices. If the intent of the Legislature is that DIS continue to fund the WAN program as it is now funded, then there will be no impact to the department. If the department must contribute \$146.0 in FY99 for continued operation of the WAN, then the cut will be treated as a miscellaneous reduction. This action will result in reductions to department programs.

It should be noted that the department initiated the statewide WAN system at its own expense. This is not the first time the department has lost funding when it has taken the initiative to use new technologies to improve its programs.

This reduction is listed below by division.

Commercial Fisheries**	92.2
Administrative Services	17.7
Habitat and Restoration	13.9
Commercial Fisheries Entry Comm.	10.9 (GF/Prgm Rcpts.)
Subsistence	6.1
Commissioner's Office	2.9
Boards	2.3

\*\*The impact of this reduction is also included in the Commercial Fisheries impact statement.

Dept: <b>Fish and Game</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Bob Clasby</b>	Date prepared: <b>4/8/98</b>

Program area: **Commercial Fisheries BRU** Dollar amount(s): Fund source(s):  
**Headquarters Fisheries Management** -92.2 **GF**

**Impact Analysis:**

The subcommittee denied the base-transfer from Division of Information Services, Dept. of Administration, for use of the WAN. If the intent of the Legislature is that DIS continue to fund the WAN program as it is now funded, then there will be no impact to the BRU. If the BRU must contribute \$92.2 in FY 99 for continued operation of the WAN, then the reduction will be treated as an "unfunded assessment." Unfunded assessments for services are allocated out to the components based on some formula. In this case the formula is likely to be similar to that used by DIS to allocate operational costs to the departments. This action will result in reductions to fishery management and assessment programs around the state, a continuing erosion of the program.

It should be noted that the Division of Commercial Fisheries initiated the statewide WAN system at its own expense. This is not the first time the division has lost funding when it has taken the initiative to use new technologies to improve its programs. These types of legislative budget cuts are beginning to inhibit staff inventiveness.

Dept: <b>Fish and Game</b>	House or Senate subcommittee? <b>House</b>
Preparer: <b>Mary Pete</b>	Date prepared: <b>4/9/98</b>

Program area: **Subsistence Field Offices** Dollar amount(s): Fund source(s):  
**-150.0** **GF**

**Impact Analysis:**

- This reduction eliminates a \$150.0 increment that partially offset cuts over the past several years that have crippled the division's subsistence data collection program.
- This cut further erodes the ability of the Division to collect updated subsistence harvest and use information needed by the state to provide for subsistence.
- A weaker state subsistence program makes it easier for the Federal government to take over subsistence management of fish and game in Alaska.
- The effect of the cuts leads to management decisions by state and federal agencies that are not based on current subsistence harvest and use information. Management without good information negatively impacts subsistence, commercial fisheries, sport fisheries, and general hunting by non-subsistence users.

Dept: **Fish and Game**

House or Senate subcommittee? **House**

Preparer: **Janet Kowalski**

Date prepared: **4/9/98**

Program area: **Habitat Permitting/Title 16**

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

**-175.0**

**GF**

**Impact Analysis:**

General Fund reduction eliminates increment dealing with permitting workload increases in Mat-Su and Southeast, and base funding for Kenai River Center to replace CIP dollars.

Total number of permits up 675 (38%) from the previous year.

Dept: **Fish and Game**

House or Senate subcommittee? **House**

Preparer: **Janet Kowalski**

Date prepared: **4/9/98**

Program area: **Habitat Component**

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

**-75.0**

**GF**

**Impact Analysis:**

General Fund reduction eliminates increment dealing with oil and gas leasing. The division's oil and gas budget is inadequate to review existing and proposed oil and gas development, leaving the state's fish and wildlife resources vulnerable and the state's leasing program open to challenge on fish, wildlife and environmental grounds.

## Agency Totals - FY99 Operating Budget

Agency: Department of Fish and Game

	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
<b>Totals for Agency</b>	<b>98,901.5</b>	<b>102,478.3</b>	<b>102,634.2</b>	<b>110,945.1</b>	<b>110,250.8</b>	<b>-694.3</b>	<b>-0.6%</b>
<u>Objects of Expenditure:</u>							
Personal Services	66,706.5	64,887.7	65,326.6	69,750.3	69,356.0	-394.3	-0.6%
Travel	3,216.6	3,597.7	3,563.1	4,175.9	4,188.9	13.0	0.3%
Contractual	21,792.4	27,512.2	27,536.2	29,613.6	29,575.6	-38.0	-0.1%
Commodities	4,873.7	5,042.5	4,967.7	5,711.1	5,727.1	16.0	0.3%
Equipment	2,286.8	1,438.2	1,240.6	1,694.2	1,693.2	-1.0	-0.1%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	25.5	0.0	0.0	0.0	0.0	0.0	0.0%
Miscellaneous	0.0	-0.0	-0.0	-0.0	-290.0	-290.0	0.0%
<u>Funding Sources:</u>							
1002 Fed Rcpts	27,394.0	31,272.1	31,274.1	32,582.0	32,542.0	-40.0	-0.1%
1003 G/F Match	570.3	597.6	604.4	604.4	604.4	0.0	0.0%
1004 Gen Fund	32,455.9	30,635.3	31,002.4	31,402.4	30,712.7	-689.7	-2.2%
1005 GF/Prgm	2,973.0	2,888.2	2,907.3	2,764.9	2,843.3	78.4	2.8%
1007 I/A Rcpts	2,772.2	2,867.7	2,867.7	3,142.7	3,142.7	-0.0	-0.0%
1018 EVOSS	9,643.6	10,083.2	10,083.2	8,797.1	8,797.1	0.0	0.0%
1024 Fish/Game	18,288.4	18,589.8	18,590.0	23,570.5	23,684.9	114.4	0.5%
1053 Invst Loss		239.3	0.0	0.0	0.0	-0.0	0.0%
1055 IA/OIL HAZ	189.5	189.5	189.5	101.7	101.7	0.0	0.0%
1061 CIP Rcpts	1,147.4	641.2	641.2	1,637.3	1,595.5	-41.8	-2.6%
1091 GF/Desig	3,467.2					0.0	0.0%
1108 Stat Desig		1,920.4	1,920.4	3,030.0	2,914.4	-115.6	-3.8%
1109 Test Fish		2,554.0	2,554.0	3,312.1	3,312.1	-0.0	-0.0%
<u>Positions:</u>							
Perm Full Time	760.0	779.0	782.0	804.0	806.0	2.0	0.2%
Perm Part Time	851.0	865.0	873.0	885.0	879.0	-6.0	-0.7%
Non-Perm	202.0	83.0	83.0	68.0	68.0	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 Fish and Game

	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
<b>Totals for Agency</b>	<b>98,901.5</b>	<b>102,478.3</b>	<b>102,634.2</b>	<b>110,945.1</b>	<b>110,250.8</b>	<b>-694.3</b>	<b>-0.6%</b>
<u>Objects of Expenditure:</u>							
Personal Services	66,706.5	64,887.7	65,326.6	69,750.3	69,356.0	-394.3	-0.6%
Travel	3,216.6	3,597.7	3,563.1	4,175.9	4,188.9	13.0	0.3%
Contractual	21,792.4	27,512.2	27,536.2	29,613.6	29,575.6	-38.0	-0.1%
Commodities	4,873.7	5,042.5	4,967.7	5,711.1	5,727.1	16.0	0.3%
Equipment	2,286.8	1,438.2	1,240.6	1,694.2	1,693.2	-1.0	-0.1%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	25.5	0.0	0.0	0.0	0.0	0.0	0.0%
Miscellaneous	0.0	-0.0	-0.0	-0.0	-290.0	-290.0	0.0%
<u>Funding Sources:</u>							
1002 Fed Rcpts	27,394.0	31,272.1	31,274.1	32,582.0	32,542.0	-40.0	-0.1%
1003 G/F Match	570.3	597.6	604.4	604.4	604.4	0.0	0.0%
1004 Gen Fund	32,455.9	30,635.3	31,002.4	31,402.4	30,712.7	-689.7	-2.2%
1005 GF/Prgm	2,973.0	2,888.2	2,907.3	2,764.9	2,843.3	78.4	2.8%
1007 I/A Rcpts	2,772.2	2,867.7	2,867.7	3,142.7	3,142.7	-0.0	-0.0%
1018 EVOSS	9,643.6	10,083.2	10,083.2	8,797.1	8,797.1	0.0	0.0%
1024 Fish/Game	18,288.4	18,589.8	18,590.0	23,570.5	23,684.9	114.4	0.5%
1053 Invst Loss		239.3	0.0	0.0	0.0	-0.0	0.0%
1055 IA/OIL HAZ	189.5	189.5	189.5	101.7	101.7	0.0	0.0%
1061 CIP Rcpts	1,147.4	641.2	641.2	1,637.3	1,595.5	-41.8	-2.6%
1091 GF/Desig	3,467.2					0.0	0.0%
1108 Stat Desig		1,920.4	1,920.4	3,030.0	2,914.4	-115.6	-3.8%
1109 Test Fish		2,554.0	2,554.0	3,312.1	3,312.1	-0.0	-0.0%
<u>Positions:</u>							
Perm Full Time	760.0	779.0	782.0	804.0	806.0	2.0	0.2%
Perm Part Time	851.0	865.0	873.0	885.0	879.0	-6.0	-0.7%
Non-Perm	202.0	83.0	83.0	68.0	68.0	0.0	0.0%

**Component Summary - FY99 Operating Budget**

**General Funds, CBR and ILTF**

Agency: Department of Fish and Game

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
<b>Commercial Fisheries</b>								
1	Fisheries Management	25,002.0					0.0	0.0%
2	SE Region Fisheries Mgmt.		4,075.9	4,260.6	4,260.6	4,260.6	0.0	0.0%
3	Central Region Fisheries Mgmt.		4,927.5	5,177.9	5,177.9	5,177.9	0.0	0.0%
4	AYK Region Fisheries Mgmt.		3,988.7	4,073.3	4,073.3	4,073.3	0.0	0.0%
5	Wstrn. Region Fisheries Mgmt.		5,434.6	5,594.3	5,594.3	5,594.3	0.0	0.0%
6	Headquarters Fisheries Mgmt.		3,945.4	6,653.3	6,653.3	6,560.9	-92.4	-1.4%
7	Fisheries Development	3,530.3	3,201.8	-0.0	-0.0	-0.0	0.0	0.0%
8	Special Projects	1,049.2	143.3	51.8	-0.2	52.0	52.2	%
	* BRU Total	29,581.5	25,717.2	25,811.2	25,759.2	25,719.0	-40.2	-0.2%
<b>Glacier Bay Commercial/Subsistence Fishing Legal Defense</b>								
11	Glacier Bay Legal Defense		100.0	100.0	100.0	100.0	0.0	0.0%
	* BRU Total	0.0	100.0	100.0	100.0	100.0	0.0	0.0%
<b>Sport Fisheries</b>								
12	Sport Fisheries	239.1	70.6	70.6	14.1	70.6	56.5	400.7%
	* BRU Total	239.1	70.6	70.6	14.1	70.6	56.5	400.7%
<b>Wildlife Conservation</b>								
14	Wildlife Conservation	59.7	298.4	298.4	317.8	298.4	-19.4	-6.1%
15	Special Projects	178.0	17.9	17.9	17.9	17.9	0.0	0.0%
	* BRU Total	237.7	316.3	316.3	335.7	316.3	-19.4	-5.8%
<b>Administration and Support</b>								
20	Office of the Commissioner	740.1		596.3	596.3	0.0	-596.3	-100.0%
22	Administrative Services	1,371.8	1,135.9	1,151.4	1,098.1	1,080.4	-17.7	-1.6%
23	Boards of Fisheries and Game	1,005.2	785.5	747.8	747.8	661.1	-86.7	-11.6%
24	Region. Council/Advisory Comm.	504.4					0.0	0.0%
25	Advisory Committees		375.4	415.4	415.4	415.4	0.0	0.0%
	* BRU Total	3,621.5	2,296.8	2,910.9	2,857.6	2,156.9	-700.7	-24.5%
<b>Commissioner's Office</b>								
26	Commissioner's Office		593.4	0.0	-0.0	523.4	523.4	%
27	Information Technology		-0.0	0.0	0.0	-0.0	-0.0	0.0%
	* BRU Total	0.0	593.4	0.0	-0.0	523.4	523.4	%

**Component Summary - FY99 Operating Budget**

**General Funds, CBR and ILTF**

**Agency: Department of Fish and Game**

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
	<b>Subsistence</b>							
28	Subsistence	1,222.5	214.2	220.3	220.3	214.2	-6.1	-2.8%
29	Special Projects	39.7					0.0	0.0%
	* BRU Total	1,262.2	214.2	220.3	220.3	214.2	-6.1	-2.8%
	<b>Subsistence Field Offices</b>							
31	Subsistence Field Offices		839.2	839.2	989.2	839.2	-150.0	-15.2%
	* BRU Total	0.0	839.2	839.2	989.2	839.2	-150.0	-15.2%
	<b>Habitat</b>							
32	Habitat	239.7	159.5	159.5	234.5	159.5	-75.0	-32.0%
33	Special Projects	112.8	37.8	37.8	37.8	37.8	-0.0	-0.0%
34	Habitat Permitting/Title 16	1,569.4	1,478.9	1,492.8	1,667.8	1,478.9	-188.9	-11.3%
	* BRU Total	1,921.9	1,676.2	1,690.1	1,940.1	1,676.2	-263.9	-13.6%
	<b>Commercial Fisheries Entry Commission</b>							
36	Limited Entry Program Admin.	2,602.5	2,536.5	2,555.5	2,555.5	2,544.6	-10.9	-0.4%
	* BRU Total	2,602.5	2,536.5	2,555.5	2,555.5	2,544.6	-10.9	-0.4%
	<b>*** Total Agency Expenditure</b>	<b>39,466.4</b>	<b>34,360.4</b>	<b>34,514.1</b>	<b>34,771.7</b>	<b>34,160.4</b>	<b>-611.3</b>	<b>-1.8%</b>

## Component Summary - FY99 Operating Budget

Agency: Department of Fish and Game

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House
<b>Commercial Fisheries</b>							
1	Fisheries Management	25,464.2					0.0 0.0%
2	SE Region Fisheries Mgmt.		5,072.0	5,256.7	5,463.0	5,463.0	0.0 0.0%
3	Central Region Fisheries Mgmt.		5,794.1	6,044.5	6,135.8	6,135.8	0.0 0.0%
4	AYK Region Fisheries Mgmt.		4,154.8	4,239.4	4,239.4	4,239.4	-0.0 -0.0%
5	Wstrn. Region Fisheries Mgmt.		6,484.7	6,644.4	6,644.4	6,644.4	-0.0 -0.0%
6	Headquarters Fisheries Mgmt.		3,945.4	6,653.3	6,653.3	6,560.9	-92.4 -1.4%
7	Fisheries Development	3,530.3	3,201.8	-0.0	-0.0	-0.0	0.0 0.0%
8	Special Projects	7,513.7	11,216.0	11,124.5	10,996.2	10,996.4	0.2 0.0%
9	CIP Position Costs	96.9	96.0	96.0	632.3	632.3	0.0 0.0%
10	EVOS Restoration Projects	1,594.2	1,998.4	1,998.4	1,104.1	1,104.1	0.0 0.0%
	* BRU Total	38,199.3	41,963.2	42,057.2	41,868.5	41,776.3	-92.2 -0.2%
<b>Glacier Bay Commercial/Subsistence Fishing Legal Defense</b>							
11	Glacier Bay Legal Defense		100.0	100.0	100.0	100.0	0.0 0.0%
	* BRU Total	0.0	100.0	100.0	100.0	100.0	0.0 0.0%
<b>Sport Fisheries</b>							
12	Sport Fisheries	18,538.1	19,170.9	19,170.9	22,219.1	22,219.1	0.0 0.0%
13	Special Projects	217.1	299.9	299.9	399.9	399.9	0.0 0.0%
	* BRU Total	18,755.2	19,470.8	19,470.8	22,619.0	22,619.0	0.0 0.0%
<b>Wildlife Conservation</b>							
14	Wildlife Conservation	13,180.2	13,156.2	13,156.2	16,431.9	16,405.4	-26.5 -0.2%
15	Special Projects	2,104.2	2,402.6	2,694.9	2,902.6	2,902.6	0.0 0.0%
16	CIP Position Costs	474.2	80.5	80.5	423.9	423.9	0.0 0.0%
17	EVOS Restoration Projects	354.4	453.3	453.3	537.5	537.5	0.0 0.0%
18	Assert/Protect State's Rights		200.0	200.0	200.0	200.0	0.0 0.0%
19	40 Mi Caribou/GMU 19D Moose		389.8	97.5	235.6	235.6	0.0 0.0%
	* BRU Total	16,113.0	16,682.4	16,682.4	20,731.5	20,705.0	-26.5 -0.1%
<b>Administration and Support</b>							
20	Office of the Commissioner	1,032.3		771.2	963.0	0.0	-963.0 -100.0%
21	Public Communications	128.9	135.5	135.5	135.5	135.5	0.0 0.0%
22	Administrative Services	5,905.2	4,662.6	4,680.3	4,680.3	4,662.6	-17.7 -0.4%
23	Boards of Fisheries and Game	1,005.2	955.0	917.3	917.3	915.0	-2.3 -0.3%
24	Region. Council/Advisory Comm.	504.4					0.0 0.0%

## Component Summary - FY99 Operating Budget

Agency: Department of Fish and Game

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
<b>Administration and Support</b>								
25	Advisory Committees		375.4	415.4	415.4	415.4	0.0	0.0%
	* BRU Total	8,576.0	6,128.5	6,919.7	7,111.5	6,128.5	-983.0	-13.8%
<b>Commissioner's Office</b>								
26	Commissioner's Office		768.3	-0.0	-0.0	838.3	838.3	%
27	Information Technology		-0.0	0.0	0.0	-0.0	-0.0	0.0%
	* BRU Total	0.0	768.3	-0.0	-0.0	838.3	838.3	%
<b>Subsistence</b>								
28	Subsistence	1,476.2	254.7	220.3	220.3	214.2	-6.1	-2.8%
29	Special Projects	1,132.3	1,103.2	1,103.2	1,564.7	1,564.7	0.0	0.0%
30	EVOS Restoration Projects	286.0	572.3	572.3	563.6	563.6	0.0	0.0%
	* BRU Total	2,894.5	1,930.2	1,895.8	2,348.6	2,342.5	-6.1	-0.3%
<b>Subsistence Field Offices</b>								
31	Subsistence Field Offices		1,060.8	1,101.3	1,476.3	1,326.3	-150.0	-10.2%
	* BRU Total	0.0	1,060.8	1,101.3	1,476.3	1,326.3	-150.0	-10.2%
<b>Habitat</b>								
32	Habitat	1,214.2	1,252.1	1,252.1	1,364.3	1,289.3	-75.0	-5.5%
33	Special Projects	820.7	1,146.8	1,146.8	1,484.6	1,484.6	-0.0	-0.0%
34	Habitat Permitting/Title 16	2,265.5	2,270.7	2,284.6	2,584.6	2,395.7	-188.9	-7.3%
35	Restoration	7,409.0	7,059.2	7,059.2	6,591.9	6,591.9	0.0	0.0%
	* BRU Total	11,709.4	11,728.8	11,742.7	12,025.4	11,761.5	-263.9	-2.2%
<b>Commercial Fisheries Entry Commission</b>								
36	Limited Entry Program Admin.	2,654.1	2,645.3	2,664.3	2,664.3	2,653.4	-10.9	-0.4%
	* BRU Total	2,654.1	2,645.3	2,664.3	2,664.3	2,653.4	-10.9	-0.4%
	<b>*** Total Agency Expenditure</b>	<b>98,901.5</b>	<b>102,478.3</b>	<b>102,634.2</b>	<b>110,945.1</b>	<b>110,250.8</b>	<b>-694.3</b>	<b>-0.6%</b>
	Federal Funds	27,394.0	31,272.1	31,274.1	32,582.0	32,542.0	-40.0	-0.1%
	General Funds	39,466.4	34,121.1	34,514.1	34,771.7	34,160.4	-611.3	-1.8%
	Other Funds	32,041.1	37,085.1	36,846.0	43,591.4	43,548.4	-43.0	-0.1%

# VTID Compare -1 Way - FY99 Operating Budget

from Gov Amd to House

Agency: Department of Fish and Game

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Commercial Fisheries</b>													
<b>Headquarters Fisheries Management</b>													
Deny DIS Network Reallocation	Dec	-92.2	0.0	0.0	-92.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-92.2											
LFD adjustment to zero negative funding source in Spec Proj	MisAdj	-0.2	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-0.2											
		-92.4	0.0	0.0	-92.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fisheries Development</b>													
LFD technical correction to zero line items and positions	MisAdj	0.0	-187.5	15.0	148.5	21.0	3.0	0.0	0.0	0.0	2.0	-6.0	0.0
		0.0	-187.5	15.0	148.5	21.0	3.0	0.0	0.0	0.0	2.0	-6.0	0.0
<b>Special Projects</b>													
Deny reclassification of employee housing receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Prgm		52.0											
1108 Stat Desig		-52.0											
LFD technical adjustment to zero negative funding source	MisAdj	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Prgm		0.2											
		0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-92.2	-187.5	15.0	56.3	21.0	3.0	0.0	0.0	0.0	2.0	-6.0	0.0
<b>Sport Fisheries</b>													
<b>Sport Fisheries</b>													
Deny reclassification of employee housing receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Prgm		56.5											
1108 Stat Desig		-56.5											
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** 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
<b>Wildlife Conservation</b>													
<b>Wildlife Conservation</b>													
Deny statutory designated increment for employee housing	Dec	-7.1	0.0	0.0	-7.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1108 Stat Desig		-7.1											
Deny Rabbit Creek range receipts increment	Dec	-19.4	0.0	-2.0	-8.4	-5.0	-4.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Prgm		-19.4											
		-26.5	0.0	-2.0	-15.5	-5.0	-4.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-26.5	0.0	-2.0	-15.5	-5.0	-4.0	0.0	0.0	0.0	0.0	0.0	0.0

**VTID Compare -1 Way - FY99 Operating Budget**

**from Gov Amd to House**

**Agency: Department of Fish and Game**

	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Administration and Support</b>													
<b>Office of the Commissioner</b>													
Transfer Commissioner's Office component to separate BRU	TrOut	-963.0	-754.5	-96.6	-101.9	-10.0	0.0	0.0	0.0	0.0	-9.0	0.0	0.0
1002 Fed Rcpts		-254.9											
1004 Gen Fund		-596.3											
1024 Fish/Game		-70.0											
1061 CIP Rcpts		-41.8											
		<b>-963.0</b>	<b>-754.5</b>	<b>-96.6</b>	<b>-101.9</b>	<b>-10.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-9.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Administrative Services</b>													
Deny DIS network reallocation	Dec	-17.7	0.0	0.0	-17.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-17.7											
		<b>-17.7</b>	<b>0.0</b>	<b>0.0</b>	<b>-17.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Boards of Fisheries and Game</b>													
Deny DIS network reallocation	MisAdj	-2.3	-0.0	-0.0	-2.3	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1004 Gen Fund		-2.3											
Fund source change from general fund to fish & game fund	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		-84.4											
1024 Fish/Game		84.4											
		<b>-2.3</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>-983.0</b>	<b>-754.5</b>	<b>-96.6</b>	<b>-121.0</b>	<b>-10.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-9.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Commissioner's Office</b>													
<b>Commissioner's Office</b>													
Transfer Commissioner's Office from Admin & Support BRU	TrIn	963.0	754.5	96.6	101.9	10.0	0.0	0.0	0.0	0.0	9.0	0.0	0.0
1002 Fed Rcpts		254.9											
1004 Gen Fund		596.3											
1024 Fish/Game		70.0											
1061 CIP Rcpts		41.8											
Deny DIS network reallocation	Dec	-2.9	0.0	0.0	-2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-2.9											
General fund reduction to offset federal and F&G fund incrs	Dec	-70.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-70.0	0.0	0.0	0.0
1004 Gen Fund		-70.0											
General reduction	Dec	-81.8	-81.8	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
1002 Fed Rcpts		-40.0											
1061 CIP Rcpts		-41.8											
Add Fish and Game Funds	Inc	30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30.0	0.0	0.0	0.0
1024 Fish/Game		30.0											
		<b>838.3</b>	<b>672.7</b>	<b>96.6</b>	<b>99.0</b>	<b>10.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-40.0</b>	<b>9.0</b>	<b>0.0</b>	<b>0.0</b>
*** BRU Total ***		<b>838.3</b>	<b>672.7</b>	<b>96.6</b>	<b>99.0</b>	<b>10.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-40.0</b>	<b>9.0</b>	<b>0.0</b>	<b>0.0</b>

# VTID Compare -1 Way - FY99 Operating Budget

from Gov Amd to House

Agency: Department of Fish and Game

Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
<b>Subsistence</b>												
<b>Subsistence</b>												
Deny DIS network reallocation 1004 Gen Fund -6.1	Dec	-6.1	-0.0	-0.0	-6.1	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
		-6.1	0.0	0.0	-6.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-6.1	0.0	0.0	-6.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Subsistence Field Offices</b>												
<b>Subsistence Field Offices</b>												
Deny community use information increment 1004 Gen Fund -150.0	Dec	-150.0	-125.0	-0.0	-25.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
		-150.0	-125.0	0.0	-25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-150.0	-125.0	0.0	-25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Habitat</b>												
<b>Habitat</b>												
Deny general fund portion of increment 1004 Gen Fund -75.0	Dec	-75.0	0.0	0.0	0.0	0.0	0.0	0.0	-75.0	0.0	0.0	0.0
		-75.0	0.0	0.0	0.0	0.0	0.0	0.0	-75.0	0.0	0.0	0.0
Deny DIS network reallocation 1004 Gen Fund -13.9	Dec	-13.9	-0.0	-0.0	-13.9	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
Deny general fund portion of increment request 1004 Gen Fund -175.0	Dec	-175.0	0.0	0.0	0.0	0.0	0.0	0.0	-175.0	0.0	0.0	0.0
		-188.9	0.0	0.0	-13.9	0.0	0.0	0.0	-175.0	0.0	0.0	0.0
*** BRU Total ***		-263.9	0.0	0.0	-13.9	0.0	0.0	0.0	-250.0	0.0	0.0	0.0
<b>Commercial Fisheries Entry Commission</b>												
<b>Limited Entry Program Administration</b>												
Deny DIS network reallocation 1005 GF/Prgm -10.9	Dec	-10.9	-0.0	-0.0	-10.9	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
		-10.9	0.0	0.0	-10.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		-10.9	0.0	0.0	-10.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
***** Agency Total *****		-694.3	-394.3	13.0	-38.0	16.0	-1.0	0.0	-290.0	2.0	-6.0	0.0

**GOVERNOR**

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House Finance Committee

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**MEMORANDUM**

DATE: April 9, 1998  
TO: House Finance Committee Members  
FROM: Rep. Mark Hanley, Co-Chair *MH*  
House Finance Committee  
SUBJECT: FY99 Governor's Operating Budget - Subcommittee Report

The Subcommittee for the Office of the Governor's FY99 operating budget held two public hearings and has approved the attached budget which met the G.F. Target of \$17,306.6 (a reduction of \$443.5).

While specific reductions were recommended to the Subcommittee, including the denial of an increment and deleting FY98 carry-forward amounts retained in the FY99 base, at the agency's request, a general reduction was made. This general reduction allows the Governor the maximum flexibility in spreading the reduction throughout his agency.

attachment

## Agency Totals - FY99 Operating Budget

Agency: Office of the Governor

	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
<b>Totals for Agency</b>	<b>20,924.2</b>	<b>18,929.8</b>	<b>18,898.1</b>	<b>21,175.6</b>	<b>20,732.1</b>	<b>-443.5</b>	<b>-2.1%</b>
<u>Objects of Expenditure:</u>							
Personal Services	11,876.8	12,264.9	12,205.9	12,524.6	12,524.6	-0.0	-0.0%
Travel	790.0	747.5	757.5	745.2	745.2	-0.0	-0.0%
Contractual	6,174.4	4,452.4	4,469.7	6,410.8	6,410.8	-0.0	-0.0%
Commodities	305.4	352.6	352.6	352.6	352.6	0.0	0.0%
Equipment	660.6	32.9	32.9	32.9	32.9	0.0	0.0%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Grants, Claims	1,117.0	1,079.5	1,079.5	1,109.5	1,109.5	0.0	0.0%
Miscellaneous	0.0	-0.0	-0.0	-0.0	-443.5	-443.5	0.0%
<u>Funding Sources:</u>							
1002 Fed Rcpts	3,022.5	2,906.6	2,906.6	3,026.3	3,026.3	-0.0	-0.0%
1003 G/F Match	1,455.5	1,247.3	1,262.4	1,262.4	1,262.4	0.0	0.0%
1004 Gen Fund	16,057.7	14,256.3	14,325.0	16,482.8	16,039.3	-443.5	-2.7%
1005 GF/Prgm	9.8	4.9	4.9	4.9	4.9	0.0	0.0%
1007 I/A Rcpts	378.7	399.3	399.2	399.2	399.2	0.0	0.0%
1053 Invst Loss		115.4	-0.0	-0.0	-0.0	0.0	0.0%
<u>Positions:</u>							
Perm Full Time	178.0	180.0	179.0	181.0	181.0	0.0	0.0%
Perm Part Time	3.0	2.0	2.0	4.0	4.0	0.0	0.0%
Non-Perm	50.0	22.0	22.0	32.0	32.0	0.0	0.0%

**Component Summary - FY99 Operating Budget**

**General Funds, CBR and ILTF**

**Agency: Office of the Governor**

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Amd to House	
<b>Commissions/Special Offices</b>								
1	Human Rights Commission	1,092.6	1,203.5	1,203.6	1,303.6	1,303.6	0.0	0.0%
	* BRU Total	1,092.6	1,203.5	1,203.6	1,303.6	1,303.6	0.0	0.0%
<b>Executive Operations</b>								
3	Executive Office	6,654.4	6,482.6	6,536.1	6,536.1	6,536.1	0.0	0.0%
4	Governor's House	443.5	316.9	316.9	316.9	316.9	0.0	0.0%
5	Contingency Fund	149.9	500.0	500.0	500.0	500.0	0.0	0.0%
6	Lieutenant Governor	913.0	892.0	891.8	891.8	891.8	0.0	0.0%
7	North Slope Develop Promotion	264.0					0.0	0.0%
8	Equal Employment Opportunity	247.8	270.8	270.7	270.7	270.7	0.0	0.0%
9	Information Technology		0.0	-0.0	0.0	0.0	0.0	0.0%
	Agencywide Reduction					-443.5	-443.5	0.0%
	* BRU Total	8,672.6	8,462.3	8,515.5	8,515.5	8,072.0	-443.5	-5.2%
<b>Office of Management &amp; Budget</b>								
10	Office of Management & Budget	2,150.1	2,485.6	2,430.4	2,368.1	2,368.1	0.0	0.0%
11	Governmental Coordination	1,759.0	1,460.9	1,460.3	1,460.3	1,460.3	0.0	0.0%
	* BRU Total	3,909.1	3,946.5	3,890.7	3,828.4	3,828.4	0.0	0.0%
<b>Elective Operations</b>								
12	Elections	1,639.2	1,706.0	1,676.9	1,676.9	1,676.9	0.0	0.0%
13	General and Primary Elections	2,209.5	305.6	305.6	2,425.7	2,425.7	0.0	0.0%
	* BRU Total	3,848.7	2,011.6	1,982.5	4,102.6	4,102.6	0.0	0.0%
	<b>*** Total Agency Expenditure</b>	<b>17,523.0</b>	<b>15,623.9</b>	<b>15,592.3</b>	<b>17,750.1</b>	<b>17,306.6</b>	<b>-443.5</b>	<b>-2.5%</b>

## Component Summary - FY99 Operating Budget

Agency: Office of the Governor

Page	Budget Component	FY97 Act	FY98Auth	FY99 Adj	Gov Amd	House	Gov Arnd to House	
	<b>Commissions/Special Offices</b>							
1	Human Rights Commission	1,173.9	1,323.8	1,323.9	1,453.6	1,453.6	0.0	0.0%
2	Human Res Investment Council	397.3	399.3	399.2	399.2	399.2	0.0	0.0%
	* BRU Total	1,571.2	1,723.1	1,723.1	1,852.8	1,852.8	0.0	0.0%
	<b>Executive Operations</b>							
3	Executive Office	6,757.2	6,592.6	6,646.1	6,646.1	6,646.1	-0.0	-0.0%
4	Governor's House	443.5	316.9	316.9	316.9	316.9	0.0	0.0%
5	Contingency Fund	149.9	500.0	500.0	500.0	500.0	0.0	0.0%
6	Lieutenant Governor	913.0	892.0	891.8	891.8	891.8	0.0	0.0%
7	North Slope Develop Promotion	264.0					0.0	0.0%
8	Equal Employment Opportunity	247.8	270.8	270.7	270.7	270.7	0.0	0.0%
9	Information Technology Agencywide Reduction		0.0	0.0	0.0	-0.0	-0.0	0.0%
	* BRU Total	8,775.4	8,572.3	8,625.5	8,625.5	8,182.0	-443.5	-5.1%
	<b>Office of Management &amp; Budget</b>							
10	Office of Management & Budget	2,159.6	2,485.6	2,430.4	2,362.1	2,368.1	0.0	0.0%
11	Governmental Coordination	4,569.3	4,137.2	4,136.6	4,226.6	4,226.6	0.0	0.0%
	* BRU Total	6,728.9	6,622.8	6,567.0	6,594.7	6,594.7	0.0	0.0%
	<b>Elective Operations</b>							
12	Elections	1,639.2	1,706.0	1,676.9	1,676.9	1,676.9	0.0	0.0%
13	General and Primary Elections	2,209.5	305.6	305.6	2,425.7	2,425.7	-0.0	-0.0%
	* BRU Total	3,848.7	2,011.6	1,982.5	4,102.6	4,102.6	-0.0	-0.0%
	<b>*** Total Agency Expenditure</b>	<b>20,924.2</b>	<b>18,929.8</b>	<b>18,898.1</b>	<b>21,175.6</b>	<b>20,732.1</b>	<b>-443.5</b>	<b>-2.1%</b>
	Federal Funds	3,022.5	2,906.6	2,906.6	3,026.3	3,026.3	0.0	0.0%
	General Funds	17,523.0	15,508.5	15,592.3	17,750.1	17,306.6	-443.5	-2.5%
	Other Funds	378.7	514.7	399.2	399.2	399.2	0.0	0.0%

# VTID Compare -1 Way - FY99 Operating Budget

from Gov Amd to House

Agency: Office of the Governor

Executive Operations	Trans Type	Total Exp	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Buildings	Grants	Misc	PFT	PPT	Tmp
Agencywide Reduction													
General Reduction													
1004 Gen Fund	Dec	-443.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-443.5	0.0	0.0	0.0
		-443.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-443.5	0.0	0.0	0.0
*** BRU Total ***		-443.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-443.5	0.0	0.0	0.0
***** Agency Total *****		-443.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-443.5	0.0	0.0	0.0

**HEALTH**

**&**

**SOCIAL**

**SERVICES**

Alaska State Legislature  
House Finance Committee

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**MEMORANDUM**

DATE: April 9, 1998  
TO: House Finance Committee Member  
FROM: Mark Hanley *MH*  
SUBJECT: FY99 Health and Social Services Budget - Subcommittee Report

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The House Finance Subcommittee on H&SS held six public hearings and approved a budget of \$920,590,000. The FY98 Authorization was \$876,990,400. Of this total appropriation, the subcommittee appropriated \$421,689,200 from state general funds. This compares to a \$420,421,400 appropriation of state general funds in FY98.

The subcommittee proposal has held most H&SS programs harmless from budget reductions. Many programs, such as Medicaid, Alaska Work Programs, ATAP Child Care, Infant Learning Program, DD Services, among others, received new money to provide more services.

Children in need of aid also received special attention in the subcommittee budget proposal. Foster parents will receive more training, as will front line social workers. The number of front line workers will increase by 25%. New contracts will be let to increase case management services for children in need of aid. Money for legal services was also appropriated in order to facilitate quicker transition from foster care to permanent adoption.

An overloaded youth corrections program will also receive new staff and additional resources in the House budget.

Much of the additional or new services that will be provided in FY99 will be due to significant savings in the Alaska Temporary Assistance Program. Enacted by the Legislature in 1996, the ATAP program has changed the way Alaska thinks about welfare.

**DEPARTMENT OF HEALTH & SOCIAL SERVICES**  
**FY99 Impact of House Finance Sub-Committee**  
(Close-out Version)

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DH&SS FY99 Impact of House Finance Sub-Committee

BRU	Medical Assistance		
Component	General Relief Medical (GRM)		
Reduction Description	<b>Eliminate General Relief Medical Program</b>		
Funding	Total funding loss (Net impact of House Cuts)	Total	(4,060.1)
		General Fund	(4,060.1)
		Federal	
		Other	
Explanation of Impact	<p>The General Relief Program (GRM) provides health services to approximately 1,700 Alaskan's: 856 of whom depend upon GRM for emergency and chronic care and 843 Medicaid eligible women for whom GRM pays for abortion services.</p> <p>Eliminating funding for the GRM program would eliminate services for some 856 of the poorest and sickest of Alaska's citizens. To be eligible for GRM they had to have a monthly income of less than \$300 and less than \$500 in assets. They also have to have an IMMEDIATE need for medical care for a terminal disease, chemotherapy treatment for cancer, or a chronic condition such as diabetes, a seizure disorder, chronic mental illness or hypertension.</p> <p>Eliminating GRM program funding will eliminate abortion services for an additional 843 pregnant Medicaid eligible women. The Division anticipates a lawsuit would be filed challenging on constitutional grounds the state's provision of only pregnancy and birth services to poor pregnant women. Based on the outcome of the litigation, it is probable that the Department would be mandated to pay for these services.</p> <p>Alaska's GRM program is a state-funded program providing medical care for low-income Alaskans who do not qualify for Medicaid and abortion services for Medicaid eligible women and has existed since 1953. During the early period of the program, coverage for major medical care was provided to low income persons not covered by private insurance or federal programs. The evolution of Alaska's GRM program is not unlike that in many other states. In fact, most states have a residual program like GRM to meet the needs of indigent individuals who are not covered by Medicaid or other state or federal programs.</p> <p>The action proposed by the House Finance Subcommittee eliminates ical component of the program will be missing." "</p>		

BRU" State Health

The GRM program purchases medical services from a variety of provider types such as hospitals, physicians and pharmacies. If the inpatient hospital services for GRM are not reimbursed hospitals would report those costs as bad debt. However, without a GRM program it is unlikely that any other provider types would continue to provide or would increase services to indigents on a bad debt or charity basis.

Given the Legislature's intent to eliminate the GRM program, there would be at June 30, 1998 an estimated \$1,000.0 of medical services which will have been provided to GRM clients; but not yet billed to or paid by the GRM program. Without, an appropriation to fund those claims the Medical Assistance program will have to suspend claims received after June 30, 1998 and request a supplemental general fund appropriation from the Legislature for those legal obligations of the state. Assuming the normal supplemental appropriation timeframe, some providers will have to wait up to 14 months to be paid for the services they had in good faith provided.

BRU	Medical Assistance		
Component	Medicaid Services		
Reduction Description	<b>Adjust Medicaid Formula Growth</b>		
Funding	Total funding loss (Net impact of House cuts)	Total	(3,220.0)
		General Fund	(623.2)
		Federal	(1,925.6)
		Other - I/A	(671.2)
Explanation of Impact	<p>These cuts reduce entitlement growth for new eligible clients, rates and service utilization changes that the Governor Requested by \$3,220.0 in total funds.</p> <p>The cost and utilization of medical services is projected to increase a composite of approximately 7%. The House subcommittee cut the Governor's Request for the projected formula growth by \$1,550.3 of which \$623.2 is GFM and \$927.1 is federal funding. These projections were based upon analysis of data from the previous three fiscal years to capture the changing trends in the Alaska's economy and utilization of medical services patterns.</p> <p>792 new eligible clients (268 elderly and 524 disabled) are projected to be added to the Medicaid program during FY99. These two client groups are the most expensive: the elderly averaging \$9,392 each per year and the disabled \$12,155. The numbers of eligible children and adults are projected to remain</p>		

	<p>at the FY98 projected levels.</p> <p>The House subcommittee cut the Governor's request for Medicaid Services purchased through Community Mental Health Services (CMHC) by \$1,669.7. \$998.5 of federal funding and \$671.2 funded by an interagency agreement between the two Divisions triggered by the rate at which Medicaid expenditures for CMHC services increases beyond the rate of the rest of the Medicaid program. Denial of this interagency receipt clearly establishes the Legislature's intent that Medicaid expenditures for the CMHCs be reduced so as not to increase faster than the balance of the Medicaid program.</p>
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BRU	Medical Assistance Administration		
Component	Health Purchasing Group		
Reduction Description	<b>Deny Increment for Health Purchasing Group</b>		
Funding	Total funding loss	Total	(2,176.6)
		General Fund	(1,088.3)
		Federal	(1,088.3)
		Other	
Explanation of Impact	<p>The Governor's FY99 Request sought increased funding in the administrative budget for the contract for the prior authorization of mental health services. Additionally, increased funding is requested to continue implementation of managed care models, along with funding for upgrade costs to reprogram the Medicaid Management Information System to Year 2000 compliance.</p> <p>The impact of a cut of this magnitude (\$2,176.6 total funds) would result in some very difficult programmatic choices for the program. Among the questions which would have to be addressed: Should the program continue to develop and implement managed care models? Should the program continue the managed care models which have been implemented? Can the state afford the utilization control tools presently implemented? Should the program discontinue the on-site review process of both mental health providers and the other provider types? Can the program afford the present level of post payment review and quality assurance activities?</p> <p>Ironically, funding for cost management activities is in the administrative BRU; while the benefit (cost reductions) occurs in the direct program services BRU. However, the budgeting/appropriation process ignores this relationship and treats each BRU independently. Without adequate administrative funding effective cost management will certainly be diminished if not lost. 77% of the total funds requested for the Health Purchasing Group component support</p>		