

**ALASKA LEGISLATURE**

**1773**

**HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998**

**Project Opposition:**

Initially some of the TV and radio station owners did not want to purchase the new EAS terminal equipment. However, after FCC basically advised them of the penalties and possible loss of their license to operate, no opposition has been voiced.

**Public Benefits:**

Again, this is the SINGLE all hazard alert and warning system for the State of Alaska and the local communities. Local elected officials can use it in their community to provide alert and warnings and to interrupt station on-air telecast for both alert and warning messages and emergency public information notices. The public benefits are many.

**Alternate Approaches Considered:**

Funding was requested for a similar alerting system in 1993, 1994 and 1995 (Advanced Tsunami Warning System). DMVA intended to purchase and install most of the equipment and then wait until the federal government specified the alerting protocol. Since this is a national system with very detailed software protocol standards, "alternate approaches" are basically non-existent.

**Alternate Financing Considered:**

There are no federal funds available to implement the EAS concept because in all the other states its implementation at the State level was pretty simple. It probably costs most states less than \$5.0 to implement this system. However, in Alaska with its limited telecommunications infrastructure, it is more expensive.

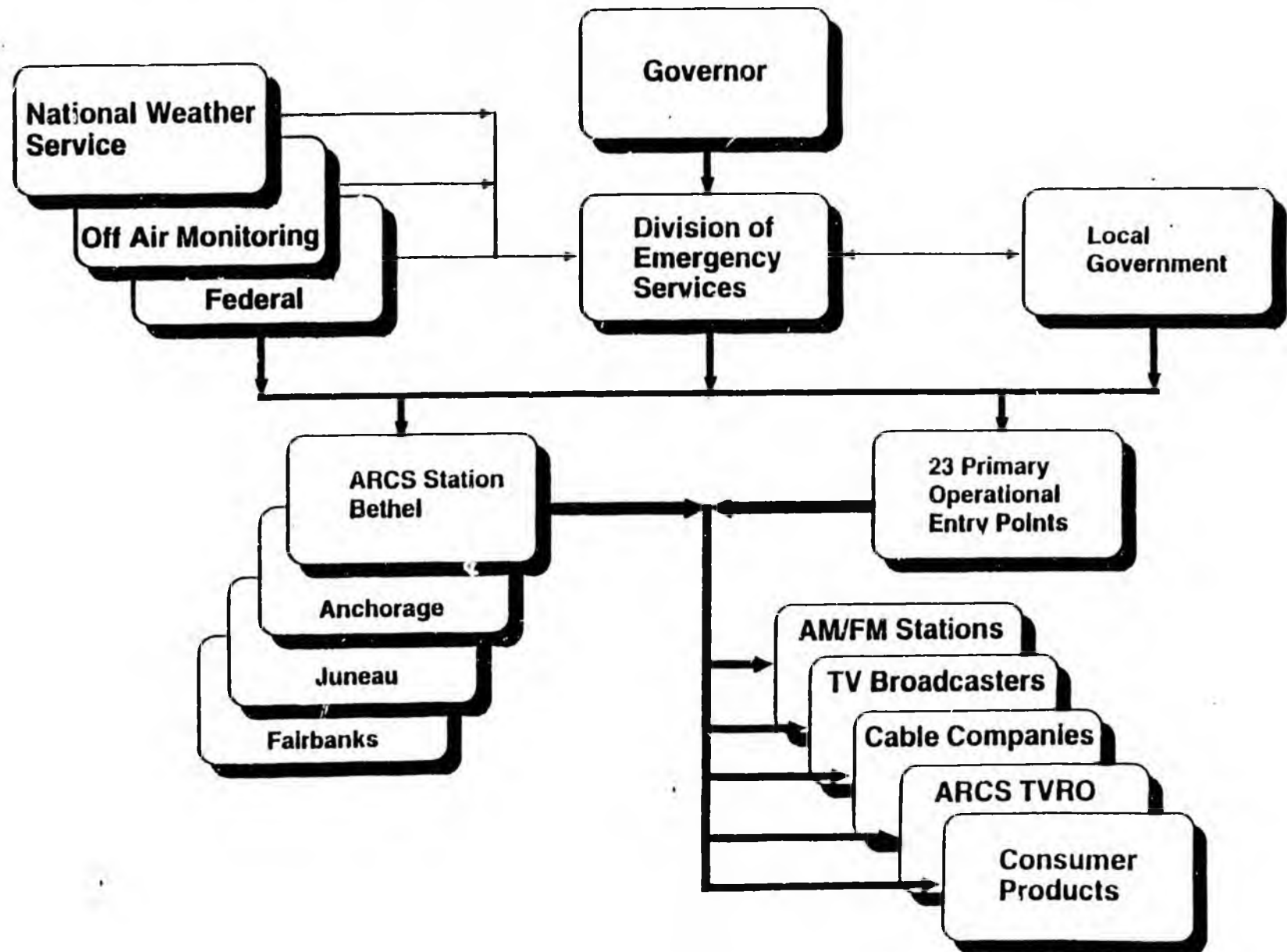
The Oil and Hazardous Spill Release Fund was considered, but the restrictive language for the various uses of this fund prevented funding this project from this source.

The new EAS will replace the original statewide Emergency Broadcast System (EBS). The EBS relied upon a functioning RATNet Tape Delay Center. With the closure of the Tape Delay Center in 1995, the state lost its ability to initiate a statewide EBS warning.





**Description of Work to be Done:**

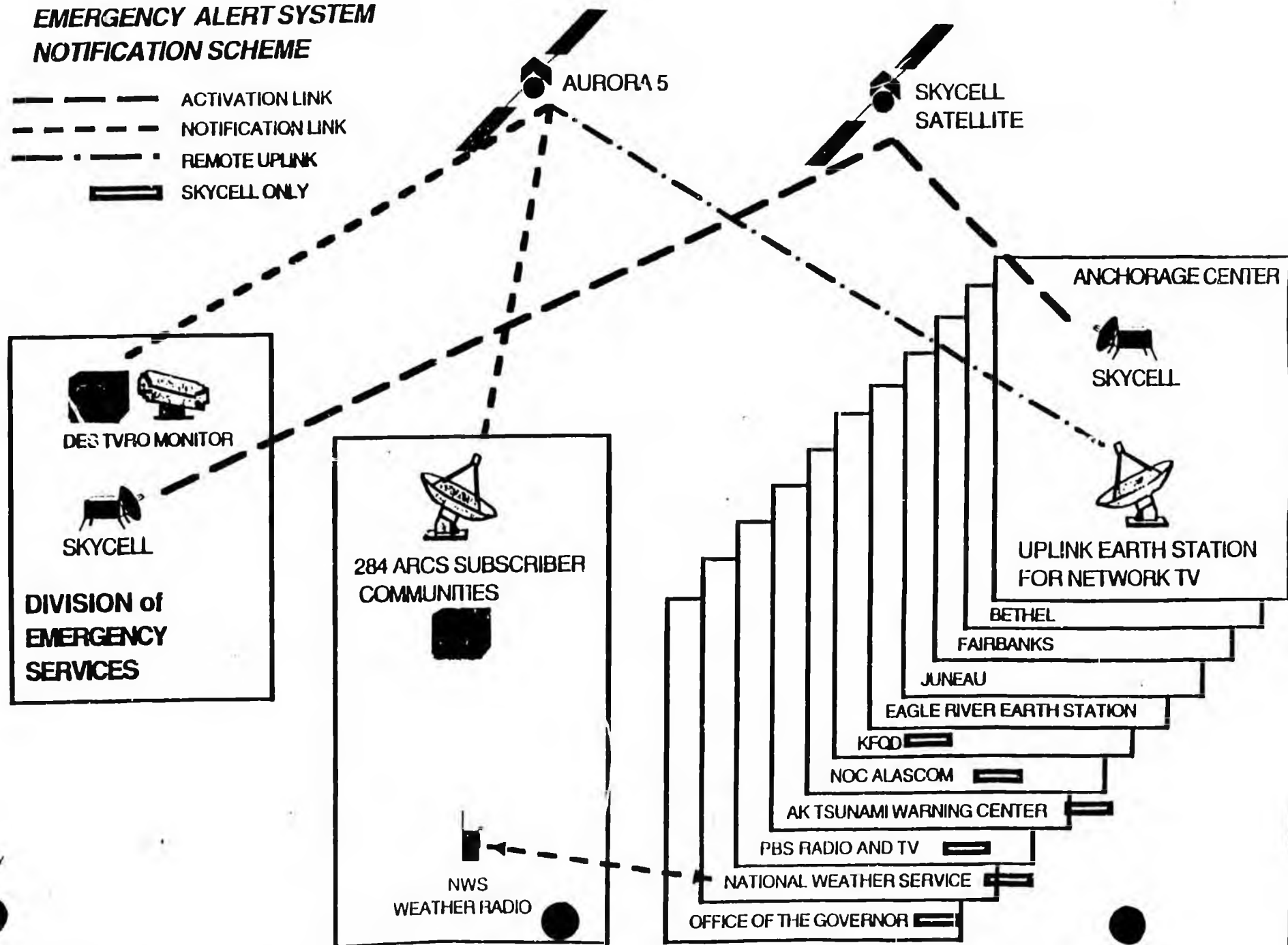
Purchase and install the equipment as depicted in our attached EAS Project Budget. Author and receive permission from FCC to use the Statewide EAS Plan. The equipment will be programmed and installed by State personnel hired to complete this project. The estimated timeline is roughly one year. Our plan is to hire a project position for this effort. We recommend a lapse date of June 30, 1998, in order for the installation to be completed. Contracting this work out was considered but deemed not feasible.

# EAS ACTIVATION CONCEPT



# EMERGENCY ALERT SYSTEM NOTIFICATION SCHEME

-  ACTIVATION LINK
-  NOTIFICATION LINK
-  REMOTE UPLINK
-  SKYCELL ONLY



**NATIONAL WARNING SYSTEM**  
**(NAWAS)**

DIRECT ALERT AND WARNING TO  
EMERGENCY MANAGERS

PROVIDES TWO WAY COMMUNICATIONS

CAN BE ONLY RECEIVED AT 29 SPECIFIC  
LOCATIONS STATEWIDE

INFORMATIONAL TOOL FOR EMERGENCY  
MANAGERS

FEDERAL GOVERNMENT OWNED AND  
CONTROLLED

MONITORED TWENTY FOUR HOURS A DAY  
BY EMERGENCY MANAGERS

**EMERGENCY ALERT SYSTEM**  
**(EAS)**

DIRECT ALERT AND WARNING TO THE  
PUBLIC

IS ONE WAY COMMUNICATION

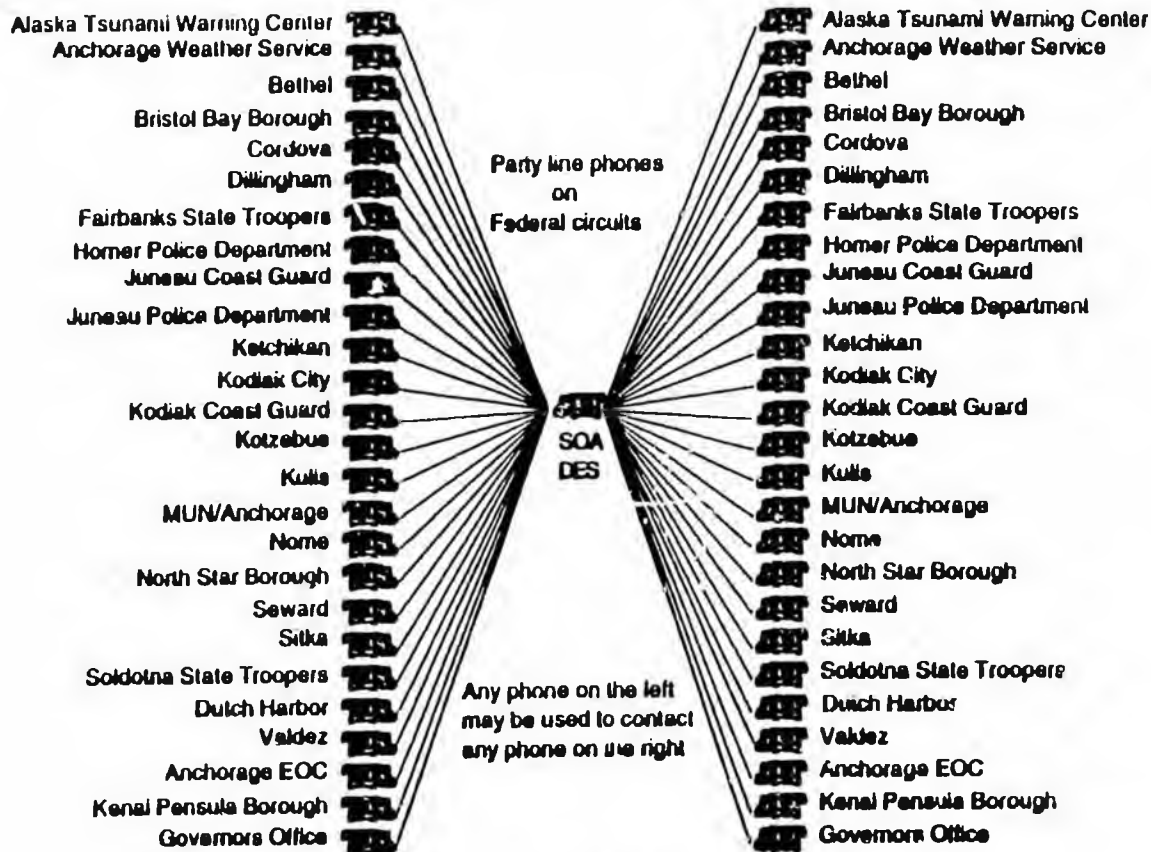
CAN BE RECEIVED BY EVERY TV, RADIO AND  
CABLE PROVIDER AND ULTIMATELY BY ALL  
CITIZENS STATEWIDE

PROVIDES SOME FEEDBACK TO  
EMERGENCY MANAGERS

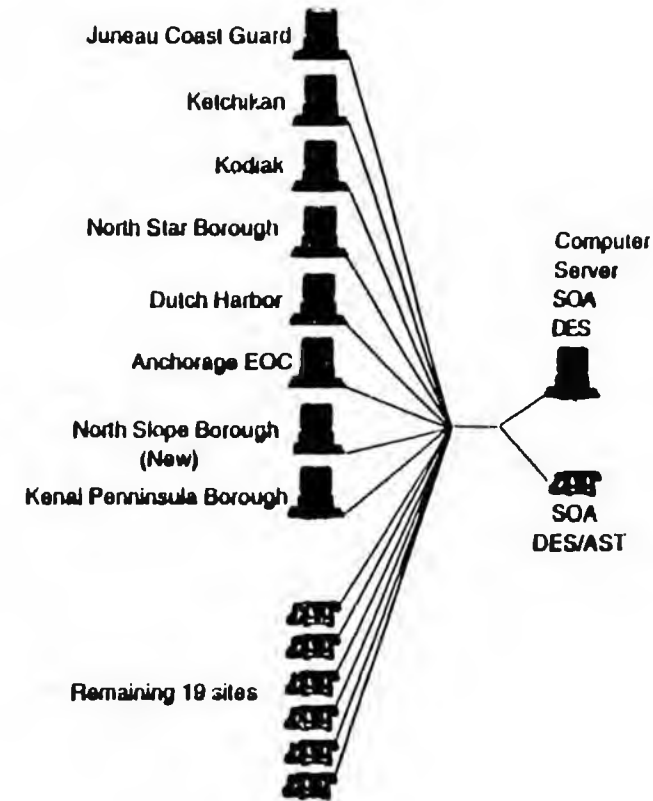
REGULATED BY THE FEDERAL  
GOVERNMENT

MAY BE MONITORED BY THE PUBLIC

## NATIONAL WARNING SYSTEM (NAWAS)



**PRESENT**



**PROPOSED**

**Legend:**



NAWAS Phone



Computer/Server

**Issues**

1. One voice conversation at a time
2. No record of missed warnings
3. Emergency messages may be misunderstood
4. Limited number of users
5. Limited technical use of circuits

**Enhancements**

1. Multiple/simultaneous digital messages and voice conversation
2. Record of missed messages/warnings
3. Emergency messages less likely to be misunderstood
4. Expanded user base
5. Increased use of circuits through technology

Emergency Alert System Project Budget

Item	DES	AERU	TWC	NWS	B-ARCS	J-ARCS	F-ARCS	PBS	KFQD	GOV	NOC	REM	TOTALS
Eas Encoder/Decoder	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$2,362 00	\$28,344 00
EAS AM/FM/VHF Receiver	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$1,761 00	\$21,132 00
Antenna	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$675 00	\$8,100 00
Cables and Installation	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$480 00	\$5,760 00
SkyCell	\$4,361 00	\$0 00	\$0 00	\$0 00	\$4,361 00	\$4,361 00	\$4,361 00	\$0 00	\$0 00	\$4,361 00	\$0 00	\$4,361 00	\$26,166 00
SkyCell Remote Option	\$3,900 00	\$0 00	\$0 00	\$0 00	\$3,900 00	\$3,900 00	\$3,900 00	\$0 00	\$0 00	\$3,900 00	\$0 00	\$3,900 00	\$23,400 00
Assessones	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$500 00	\$6,000 00
Backup Power (UPS)	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$250 00	\$3,000 00
Travel	\$0 00	\$0 00	\$0 00	\$0 00	\$4,000 00	\$3,000 00	\$2,000 00	\$0 00	\$0 00	\$3,000 00	\$0 00	\$0 00	\$12,000 00
Personnel	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$5,700 00	\$68,400 00
Contractual	\$3,538 00	\$0 00	\$0 00	\$0 00	\$0 00	\$3,542 00	\$3,538 00	\$0 00	\$0 00	\$3,542 00	\$0 00	\$3,538 00	\$17,696 00
Totals	\$23,527 00	\$11,728 00	\$11,728 00	\$11,728 00	\$23,989 00	\$26,531 00	\$25,527 00	\$11,728 00	\$11,728 00	\$26,531 00	\$11,728 00	\$23,527 00	\$220,000 00
Total project cost	\$220,000 00												

Abbreviations:

DES- Division of Emergency Services  
 AERU- ALSCOM Eagle River UPLINK  
 TWC- Tsunami Warning Center

NWS- National Weather Service  
 B-ARCS- Bethel ARCS UPLINK  
 J-ARCS- Juneau ARCS UPLINK

F-ARCS- Fairbanks ARCS UPLINK  
 PBS- Public Broadcasting Station  
 KFQD- Local Broadcaster

GOV- Office of the Governor  
 NOC- ALASCOM Operations Center  
 REM- Remote Unit for Alternate Activation



**MEMORANDUM**  
DEPARTMENT OF NATURAL RESOURCES

**RECEIVED**  
JAN 24 1997

DNR Ratification

State of Alaska  
Office of the Commissioner

TO: Annalee McConnell, Director  
Office of Management & Budget  
Office of the Governor

DATE: January 24, 1997

FROM: *[Signature]*  
John Shively  
Commissioner

TELEPHONE: 465-2400

SUBJECT: DNR's FY97 Supplemental  
and ratification

The following are DNR's supplemental budget needs for FY97:

*Sec 1 (a)*

1. Fire Suppression - \$3.8 million to cover the Fire Suppression fixed cost and suppression activities from January - June 1997. Our total need is \$5.3 million, however we still have a balance of \$1.5 million in carry forward from the last year's special session appropriations (FSSLA96, CH3, SEC1, L9 and FSSLA96, CH5, SEC8, L21). Attached is the division of Forestry's request for the supplemental dated January 3, 1997.

*Sec 11 (4)(a), (b)*

2. EFF over-time ratification - \$457,973.93. The Federal Government owed us \$1,457,973.93 for Emergency Fire Fighting over-time dating back to FY91. They disagreed and we sued them to collect on the receivable. We recently settled this dispute with them for \$1.0 million. The total receivables remaining are in FY91- \$409,723.98 and FY93- \$48,249.95. This ratification request is for the uncollectible balance only and is necessary to clean up the accounting record. No additional general funds will be expended. Backup information on this request is attached.

*NOT SUBMITTED  
at this time*

We need to replenish the First National Bank of Anchorage's Escrow account for the sale of the Land Contract portfolio as part of the Mental Health settlement. We sold the bank \$15.0 million worth of contract with recourse. When the land contract holder does not pay, the bank presents the contract to DNR, and we have to reimburse them within 30 days. Initially \$500,000.00 was setup in escrow, we have used \$345,600.00 of this and we need to replenish the escrow authority or else we may not be able to meet our obligations to the bank. We to supplement this escrow account by \$300,000.00. This "supplemental" needs to be posted this calendar year and needs to be open ended in terms of lapse date as we do not know when the bank will call upon this account. It may be included in this year's supplemental or next year's appropriations as long as it is approved this legislative session. Also this appropriation could be considered revenue neutral as once the bank returns a contract one of two things happen - 1) the contract holder continues to pay DNR, (\$140.0 worth of the returned contracts), or 2) they stop paying and we foreclose and receive the land back for future disposal, (\$200.0 worth of lands). Some spreadsheets showing our experience with this Escrow account are enclosed.

Sec 9(1)

4. Veterans discount - \$300,000.00: Based on an Ombudsman Investigation (A095-2803) we need to reimburse qualifying veterans for passed legislation in Section 2, Chapter 82, SLA 1991. The Ombudsman report concludes that we incorrectly interpreted the legislation and should have calculated the discounts for more veterans and going back further in time. Our cost estimate to comply with the original intent of the legislation was \$245,931.00 to accomplish reamortizing the accounts, including discounts and several months of staff time. This estimate did not include the cost of "making whole" the University of Alaska or First National Bank of Alaska which have assumed management of eight of the veterans' accounts. The total estimate to remedy this situation is \$300,000.00. A copy of the Ombudsman's report is attached.

Sec 11(4)(c)

5. Land & Water Valdez Oil Spill - \$300.00: A ratification was requested through OMB for AR36893-90 on January 18, 1996, in the amount of \$117,735.35. The amount entered into the ratification bill was \$117,435.35. This still leaves a shortfall on the appropriation of \$300.00, which is need to clean up the accounting records. No additional general funds will be expended.

If you have any further questions please contact Nico Bus at 465-2406.

Attachments

cc Carol Carroll  
Nico Bus  
Joan Brown  
Jane Angvik  
Dean Brown

**MEMORANDUM**  
**DEPARTMENT OF NATURAL RESOURCES**

200 4 (a)  
**State of Alaska**  
**FORESTRY STATE OFFICE**

TO: Nico Bus  
Chief, Financial Operations

DATE: January 3, 1997

FILE NO: 9-1151.6

TELEPHONE NO.: 269-8476

FROM: *DB* Dean Brown  
Deputy Director

SUBJECT: FY97 Fire Suppression  
Supplemental

Legislative intent language contained in HB412, CH117, SLA96, SEC30, PGS41 & 42, LNS38 & 4-7 is quoted: "It is the intent of the legislature that additional funding necessary to meet the Department's fire fighting responsibilities will continue to be made available through the disaster declaration process. During the 1997 legislative session the Department shall submit a supplemental appropriation request for fiscal year 1997 fire suppression costs."

June of 1996 saw unprecedented fire activity in the Mat-Su Valley with the Miller's Reach fire that destroyed over 400 structures and resulted in qualifying for FEMA Fire Suppression assistance. That fire is estimated to cost over \$16.3 million. The regular FY97 appropriation was \$3,515.6 (SLA96, CH117, SEC30). Because of last year's high fire activity the 1996 legislative session provided \$10 million in general funds and \$10 million in federal receipt authorization in two appropriations— SLA96, SB1005, CH5, SEC8 appropriated \$5 million in general funds and \$5 million in federal receipt authorization; and, SLA96, HB1001, CH3, SEC1 also provided \$5 million in general funds and \$5 million in federal receipt authorization. Both of these appropriations were for fiscal years ending June 30, 1996 and June 30, 1997. Carry forward from these appropriations into FY97 totaled \$2,162.0 general funds and \$5,341.2 in federal receipt authorization. In summary:

Authorization as of 7/1/96:

FY97 GF Regular Appropriation -	\$3,515.6
FY96 GF Carry forward into FY97 -	<u>2,162.0</u>
FY97 AUTH:	\$5,677.6

Encumbrances and Expenditures as of 12/31/96:

FY97 AR37313	\$2,792.2
FY97 AR37934	<u>1,298.9</u>
FY97 EN and EXP:	\$4,091.1

**FY97 Unobligated Balance 12/31/96: \$1,586.5**

The unobligated balance of appropriated funds is expected to be exhausted possibly as early as late February because of anticipated aviation contracts. To go into March/April encumbrances for aviation contracts will probably have to be liquidated. If funds are not available rebidding of contracts could become necessary resulting in higher cost and possibly not being able to contract for the specialize aircraft needed for wild land fire suppression. If this were to happen it could result in several large project fires at significantly greater expense.

In FY96 funding for wildland fire suppression was in a similar predicament-- caught between two active fire seasons with insufficient funds to contract in compliance with regulations and to bring personnel off seasonal leave in time for fire readiness. Contracting regulation compliance was seriously jeopardized and lack of timely funding affected orders for fire retardant and aviation contracts. Yet barely enough funds were available until the legislature had time to act on our supplemental request. We do not want to go through last year's machinations with a myriad of memos and discussion attempting to explain the procurement process. Last year those explanations and procurement processes did not produce a timely solution, but in fact only the occurrence of the Miller's Reach fire while the legislature was in special session resolved the problem. Your advice and counsel is requested to obtain prompt funding for this request.

Calculations for the FY97 Fire Suppression Supplemental Request:

a. Unobligated balance 12/31/96: \$1,586.5

b. Estimated first half FY97 outstanding expenses for supplies, services and seasonal overtime conversion per GGIJ Contract Article 22.09 to be a wash with adjustments in warehouse expenses to federal funds

c. Budgeted fixed costs 1/1/97 to 7/1/97:	(2,374.8)
(1) Aviation section	253.6
(2) Helicopter contracts	629.1
(3) Tanker contracts	240.1
(4) Fixed wing contracts	235.8
(5) Aircraft maint. & fees	90.5
(6) BLM contract	406.0
(7) Messhall, warehouse, payroll, procurement, accounting and dispatch	369.7
(8) DNR Support Svcs. Indirect	150.0

d. Fire Activity Expenses 1/1/97 to 7/1/97:	(3,000.0) est
(1) Initial attack	-750.0
(2) One project fire	-2,000.0
(3) State fires in BLM protection area	-250.0

**FY97 Estimated expenditures 1/1/97 to 7/1/97: \$ 5,374.8**

**FY97 Unobligated balance 12/31/96: 1,586.5**

**FY97 Fire Suppression Supplemental Request: \$3,788.3**

CC: S2

Jean Davis, Budget Analyst

# 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

b. Estimated first half FY97 outstanding expenses for supplies, services and seasonal overtime conversion per GGU Contract Article 22.09 to be a wash with adjustments in warehouse expenses to federal funds

c. Budgeted fixed costs 1/1/97 to 7/1/97: (2,374.8)

(1) Aviation section	253.6
(2) Helicopter contracts	629.1
(3) Tanker contracts	240.1
(4) Fixed wing contracts	235.8
(5) Aircraft maint. & fees	90.5
(6) BLM contract	406.0
(7) Messhall, warehouse, payroll, procurement, accounting and dispatch	369.7
(8) DNR Support Svcs. Indirect	150.0

d. Fire Activity Expenses 1/1/97 to 7/1/97: (3,000.0) est

(1) Initial attack--750.0
(2) One project fire--2,000.0
(3) State fires in BLM protection area--250.0

**FY97 Estimated expenditures 1/1/97 to 7/1/97: \$ 5,374.8**

**FY97 Unobligated balance 12/31/96: 1,586.5**

**FY97 Fire Suppression Supplemental Request: \$3,788.3**

CC: S2

Jean Davis, Budget Analyst



State of Alaska  
**ombudsman**  
A Legislative Service Agency

200 7 (1-)

Reply to:

P.O. Box 102638  
Anchorage, AK 99510-2638  
(907) 269-5290  
(800) 478-2624  
(FAX) 269-5291

P.O. Box 113000  
Juneau, AK 99811-3000  
(907) 465-4970  
(800) 478-4970  
(FAX) 465-3330

COMMISSIONER'S OFFICE  
JUNEAU

December 13, 1996

DEC 16 1996

John Shively, Commissioner  
Department of Natural Resources  
400 Willoughby Avenue  
Juneau, Alaska 99801-1796

DEPARTMENT OF  
NATURAL RESOURCES

RE: Ombudsman Complaint A095-2803  
(Finding of Record and Closure)

Dear Commissioner Shively:

Investigation of Glenn Sisson's complaint against the Department of Natural Resources (DNR) Division of Lands is complete. Mr. Sisson complained that DNR had improperly interpreted Section 2, Chapter 82, SLA 1991 as it applied to AS 38.05.940 and denied him and 35 other veterans full benefits of the Alaska Veteran's Land Discount.

The Ombudsman proposed to find the following allegation to be justified:

*Unfair and contrary to law: DNR failed to correctly implement the intent of Section 2, Chapter 82, SLA 1991 [1], passed by the Alaska Legislature to make retroactive Alaska Statute 38.05.940, the Veterans Land Discount program. This failure caused the agency to incorrectly compute loan payment charges, resulting in a significant overpayment by the complainant and other similarly situated veterans.*

Your November 22 response to the Ombudsman's preliminary finding indicated you agreed with the finding; therefore this allegation will be closed as justified.

The Ombudsman recommended that DNR calculate the costs of reamortizing the loans of the 36 veterans. Your staff documented the steps necessary to do so and estimated total cost of reamortizing the accounts, including the cost of staff time to do the work, at \$245,931. That total does not include the cost of "making whole" the University of Alaska or First National Bank of Alaska which have assumed management of eight of the veterans' accounts. *Total estimate is \$300.0!*

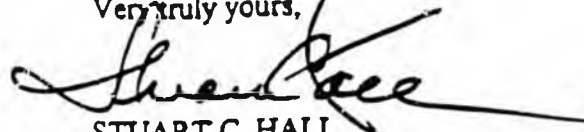
You agreed to present this report and DNR's estimated cost of reamortizing the loans to the Alaska Legislatures' House Military and Veterans Affairs Committee for its recommendation on appropriations to fund the reamortization.

Because you have agreed to present this information to the Legislature, this complaint will be closed as rectified. Ms. Lord-Jenkins has asked me to extend her

December 13, 1996

appreciation for your staff's assistance and cooperation during this investigation. If you have any questions about this finding, please feel free to call me or Ms. Lord-Jenkins in Anchorage at 269-5290.

Very truly yours,



STUART C. HALL  
Ombudsman

LLJ:mgc:bah  
Enclosure

## Information on the Proposed Veteran's Discount Reamortization Project

The Financial Services Section - Anchorage staff prepared the following information regarding the proposed reamortization of the contracts of the veterans who qualified for the Land Discount Program described in Section 2, Chapter 82, SLA 1991 [1].

### Historical Information

A total of 42 applications were received of which 36 were approved. Of the 36 contracts, 7 were owned by the University of Alaska (UofA) and a warrant was issued to the UofA for the sum of the discounts. Warrants were issued directly to the 9 customers who had paid off their contracts. On the remaining 20 contracts, the discount was applied as a payment on the contract effective the date the application was approved by DNR. Eight of the contracts were later assigned to First National Bank of Anchorage (FNBA) as the result of a competitive sealed bid sale of the land sale portfolio.

### Current Status

- 26 Paid off
  - 7 Paid off under DNR management at time of approval.
  - 2 Paid off under UofA management at time of approval.
  - 3 Transferred to UofA; subsequently paid off.
  - 4 Sold to FNBA; subsequently paid off.
  - 10 Paid off under DNR subsequent to the application of the discount.
- 9 Active
  - 4 Under FNBA management.
  - 4 Under UofA management.
  - 1 In bankruptcy.
- 1 Relinquished.
  - 1 Refund issued 6/94 under Mental Health policy.

### Work Plan

1. Obtain payment histories from the UofA and FNBA where applicable.

2. Determine the correct financed amount after application of the discount and reamortize each contract to determine the correct installment amount.
3. Reapply approximately 1,562 payments, calculating interest on the new financed amount. Recalculate any late fees based on the revised installment amount.
4. For contracts that are not yet paid off after this process, issue an amended contract based on the new financed amount.
5. When funds are appropriated, issue a warrant for each contract in the amount equal to the overpayment. For the 9 customers issued refunds during the initial application process, this warrant will be equal to the amount of the overpayment less the amount previously refunded.
6. Issue revised Statements of Mortgage Interest Paid, IRS Form 1098, for the three years prior to the date funds are appropriated.

Estimated Fiscal Impact

DNR Financial Services Section's initial estimate of the costs to reamortize the contracts and refund or credit the appropriate amount to those eligible has been revised to include all costs involved with this project. That amount plus the personnel costs to accomplish the work are summarized below:

1.	Estimated amount of refunds/credits of overpayments	\$270,000
2.	22.5 hours per contract - Accounting Tech I level	20,000
3.	37.5 hours of a Natural Resource Officer	2,000
4.	Associated administrative costs, including any compensation for loss of income stream to UofA and/or FNBA	<u>8,000</u>
	Total Estimated Cost	<u>\$300,000</u>

This estimate does not include the payment of interest to the customer for overpayments of principal. The current principal balance on the agreements is \$10,972.80 at FNBA and \$15,747.85 at UofA.

Completion of the necessary actions will require approximately 2 months after final approval of the appropriation.

**CONTRACTS ELIGIBLE FOR REAPPLICATION  
OF VETERAN'S DISCOUNT**

	ADL#	Contract Eff. Date	Customer Name
1	103543	09/28/83	Novy, Michael E.
2	103547	09/30/83	Hillis, Donald G.
3	103565	09/28/83	McFarland, James
4	103569	09/28/83	Carpenter, George R.
5	103582	09/28/83	Nordmark, William D.
6	103584	09/28/83	Cotman, Brian G.
7	103670	09/26/83	Lewis, James F.
8	103704	09/26/83	Gross, Harvey B.
9	103706	09/26/83	Stokes, Richard L.
10	103710	10/28/83	Schweizer, Jeffrey L.
11	204463	09/26/83	Richardson, William
12	206761	10/17/83	Christie, Chris
13	213726	06/28/84	Soderstrom, Gary
14	215864	07/29/83	Mallett, Eric S.
15	216514	09/26/83	Mark A. Vail
16	216556	04/28/84	Brown, Delon A.
17	216568	04/28/84	Allison, Danny R.
18	216574	09/28/83	Unserfer, Hayden A.
19	216585	04/28/84	Kern, Edward D.
20	216586	11/16/83	Sisson, Glen S.
21	216589	11/16/83	Hartley, Robert G.
22	216593	11/16/83	Malette, David J.
23	216600	11/16/83	Stafford, Bruce
24	216601	10/16/83	Schwochert, John E.
25	216625	10/26/83	Umlauf, Paul
26	216630	10/26/83	Mundy, Wayne
27	216634	09/26/83	Johnson, Bernard
28	216642	10/26/83	Okuley, Marcus
29	216739	09/15/83	Musgrove, John W.
30	406419	03/15/84	Holland, Bernard G.
31	406539	09/15/83	Flaharty, Richard R.
32	408086	11/28/83	Ambuehl, Fred
33	409826	08/26/83	Robinson, Benjamin P.
34	409935	11/15/83	Plaskett, David C.
35	410017	11/15/83	Wilcox, Theodore C.

**DEPARTMENT OF NATURAL RESOURCES**

*SUPPORT SERVICES DIVISION  
FINANCIAL SERVICES SECTION*

400 WILLOUGHBY AVENUE  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2406  
FAX: (907) 465-2492

March 7, 1997

The Honorable Drue Pearce  
Chair - Senate Finance Committee  
Room 518 - State Capitol  
Juneau, AK 99801-1182

Dear Senator Pearce.

I am following-up on two issues raised during last week's DNR FY97 Supplemental hearing.

I. Veterans Discount - \$300.0

A question was asked about how much extra it would cost if we did pay the interest Mr. Sisson was asking for and pay this to all eligible veterans. I estimated during the hearing that it would increase the supplemental to roughly \$450.0. I also mentioned that DNR would meet with Mr. Sisson to see that we could get an agreement on the way interest was to be calculated.

Mr. Sisson did meet with DNR and we discussed how to apply each installment and how he would like to see interest applied. We did reach agreement with Mr. Sisson on how to apply each installment. He wants DNR to proceed with the plan as presented in the supplemental request. That is reamortize the contract calculating the discount at the beginning of the contract, recalculate and reapply every payment on the date actually received, and refund any overpayments. He agrees that overpayments are defined as any money he paid after the date he pays off on his corrected contract.

We then discussed the issue of interest on the overpayments after payoff of the contract. Mr Sisson requests that we calculate and pay him interest on his overpayments at a compounded daily rate, which he suggests should be 10.5%. We verified with First National Bank whether that is indeed how they calculate standard savings account interest and it is; although the 10.5% rate is a point of contention.

DNR prepared a spreadsheet to calculate compounded interest on his estimated overpayment. The spreadsheet shows that the ratio of interest earned to overpayment is approximately 26%. Since the total estimated overpayments is \$282.0, we would have to ask for \$75.0 through 5/1/97. Since we don't know when we will actually receive the supplemental appropriation and have our calculations completed, we might want to round that number to \$90.0, which assumes a payment date of July 1, 1997.

The policy questions remaining are whether we pay the interest and at what rate.

2. Fire Suppression - Aviation contracts comparisons:

There were specific questions about the type of aircraft used and the increase of cost in some of our estimated aviation cost. One issue was regarding Larry's Flying Service and the "BARON" airplane replacement which increased the cost by \$100.0. The Division of Forestry contracted for a Fairbanks-based Baron from 1993-1996. The cost of this contract was approximately \$100.0 for a 180-day period (without pilot). After reviewing this aircraft's performance in 1996, a decision was made to drop this contract and re-evaluate our program needs. Discussions were held internally and with our BLM cooperators. At the time of the budget submission, a need was perceived for a "Multi-purpose aircraft", that had the characteristics which would assist with "Air Attack Training" (managing airtankers), had turbine capability, and would be accepted by our cooperators as a viable "Lead Plane". The Turbine Aerocommander 690 would be a logical type of aircraft for this need. Costs were researched and estimated to be approximately \$200,000 per year for the contract.

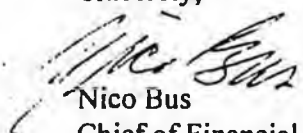
As discussions and research progressed throughout the winter, it became apparent that this may not be best solution for the program. In January, the aviation group decided to pursue a Shrike Aerocommander (with pilot) as a replacement. The Invitation to Bid was issued on February 20, and will be opened on March 18<sup>th</sup>. Estimated costs are expected to be \$80,000.

One other change you asked about is our BLM agreement for the OV-10 ACFT support. The OV-10 is an air attack plane the Alaska Fire Service is now using and we are sharing cost with them. The retardant airplanes are getting faster and the air attack planes we were using were not keeping up. This agreement with BLM is an increase in fixed cost but should be more economical for the overall operation.

Other increases in our fixed cost are due to changes in union contracts, CPI adjustments, or renewals of long term contracts. Attached is a comparison between our projected fixed cost for FY97 and FY98.

If you have any further questions please let me know and we will be happy to find you the answers.

Sincerely,



Nico Bus

Chief of Financial Operations

cc: Members of Senate Finance Committee  
Members of House Finance Committee  
Joan Brown, OMB  
Dean Brown, DOF

The Honorable Drue Pearce

March 7, 1997

Page 3

Jane Angvik, DOL

**FIRE SUPPRESSION FIXED COSTS COMPARISON FY98/FY97**

		FY98	FY97	Diff	Comments
<b>1. AVIATION</b>					
	Item or Service				
<b>a. Personnel</b>	PERSONNEL	\$399.1	\$402.9	(\$3.8)	
	OPERATING FUNDS	104.4	104.4	\$0.0	
	<b>SUBTOTAL</b>	<b>\$503.5</b>	<b>\$507.3</b>	<b>(\$3.8)</b>	
<b>Contractor</b>	<b>b. Contracts</b>				
	AVIATION CONTRACTS				
ERA (B212)	HELIO Mat-Su	\$237.2	\$237.2	\$0.0	
EVERGREEN (B212)	HELIO McGrath	220.0	220.0	\$0.0	
TUNDRA (B206L)	HELIO Tok & Glennallen	88.7	88.7	\$0.0	
AIR LOGISTICS (B212)	HELIO Delta	211.5	211.5	\$0.0	
AIR LOGISTICS (B212)	HELIO Fairbanks	193.5	193.5	\$0.0	
EVERGREEN (B206L)	HELIO Soldotna	99.0	99.0	\$0.0	
	<b>SUBTOTAL</b>	<b>\$1,049.9</b>	<b>\$1,049.9</b>	<b>\$0.0</b>	
H & P	TANKER Fairbanks	\$248.5	\$252.0	(\$3.5)	
AERO FLIGHT	TANKER Mat-Su	199.0	193.5	\$5.5	
	<b>SUBTOTAL</b>	<b>\$447.5</b>	<b>\$445.5</b>	<b>\$2.0</b>	
	COMMANDER McGrath	\$75.6	\$75.6	\$0.0	
	CARAVAN TW-OTTER Palmer	140.0	135.0	\$5.0	
LARRY'S FLYING SRVC	BARON Fairbanks (97)	200.0	99.9	\$100.1	AIR ATTACK TWIN Fairbanks (98)
	<b>SUBTOTAL</b>	<b>\$415.6</b>	<b>\$310.5</b>	<b>\$105.1</b>	
	<b>c. Maintenance</b>				
	TACTICAL AIRCRAFT MAINT	\$181.0	\$181.0	\$0.0	
	AIRPORT USE FEES	31.0	31.0	\$0.0	
	RISK MANAGEMENT	31.3	30.0	\$1.3	
	<b>SUBTOTAL</b>	<b>\$243.3</b>	<b>\$242.0</b>	<b>\$1.3</b>	
	<b>TOTAL AVIATION</b>	<b>\$2,659.8</b>	<b>\$2,555.2</b>	<b>\$104.6</b>	

		FY98	FY97	Diff	Comments
<b>2. CONTRACT SERVICES</b>					
<b>a. BLM</b>	SMOKEJUMPER	\$229.8	\$288.2	(\$58.4)	
	TOK COMM	0	6.0	(\$6.0)	
	OPS OFFICE	6.2	3.1	\$3.1	Operations Office
	MCGRATH FACILITY	25.0	25.0	\$0.0	
	TRAINING	7.5	7.5	\$0.0	
	OV-10 ACFT SUPPORT	59.9	10.0	\$49.9	
	AIFCC SUPPORT	12.0	15.2	(\$3.2)	AK Interagency Fire Coord Center
	RAWS MAINT	8.5	6.0	\$2.5	Remote Automated Weather System
	ALDS MAINT	24.0	30.0	(\$6.0)	Automated Lightning Detection System
	IAMS	1.0	15.0	(\$14.0)	Interagency Mgmt. System - Federal Report
	TTY SUPPORT	2.0		\$2.0	Teletype Support
		<u>\$375.9</u>	<u>\$406.0</u>	<u>(\$30.1)</u>	
<b>b. AEIDC</b>	FIRE WEATHER FORECASTING	\$31.2	\$31.2	\$0.0	
<b>c. DOT/PF</b>	FIRE SUPPRESSION VEHICLES	\$212.1	\$201.6	\$10.5	
<b>d. DNR SUPPORT SERVICES</b>		\$300.0	\$300.0	\$0.0	
<b>e. DOA PAGING, RADIO MAINT, SPACE, DEDICATED RADIO CIRCUITS, TELEPHONE BASIC EQUIPMENT, MEASURED NETWORK</b>		\$285.8	\$274.4	\$11.4	
	<b>TOTAL CONTRACT SERVICES</b>	<b>\$1,205.0</b>	<b>\$1,213.2</b>	<b>(\$8.2)</b>	
<b>3. FIRE SUPPORT</b>					
<b>a. MCGRATH MESSHALL PERSONNEL</b>		\$77.2	\$76.4	\$0.8	
<b>b. FOOD COMMODITIES &amp; OPERATING SUPPLIES</b>		\$25.0	\$25.0	\$0.0	
<b>c. WAREHOUSE, PROCUREMENT, ACCOUNTING, FIRE SPECIALIST, DISPATCH AND EFF PAYROLL PERSONNEL</b>		\$670.5	\$638.0	\$32.5	
<b>d. RISK MANAGEMENT</b>		46.3	15.8	\$30.5	
	<b>TOTAL FIRE SUPPORT</b>	<u>\$819.0</u>	<u>\$755.2</u>	<u>\$63.8</u>	
	<b>OTAL WILDLAND FIRE BUDGETED FIXED COSTS</b>	<b>\$4,683.8</b>	<b>\$4,523.6</b>	<b>\$160.2</b>	

**MEMORANDUM**  
DEPARTMENT OF NATURAL RESOURCES

sec 7 (c)  
**State of Alaska**  
SUPPORT SERVICES DIVISION

**TO:** Joan Brown  
OMB - Budget Review  
Office of the Governor

**FROM:** Nico Bus  
Chief, Financial Services

**DATE:** February 5, 1997

**FILE NO:** eaglesch.doc

**TELEPHONE NO.:** 465-2406

**SUBJECT:** Supplemental Request  
Old Eagle School Site

This supplemental request will fund the removal of existing buildings and facilities at the Old Eagle School site, to allow for eventual remediation of contaminated soils at the site to reduce health and safety hazards.

The Division of Land is currently in litigation regarding Title II and the condition of the facilities and soils at USS 4060, the Old Eagle School (OES), located in Eagle Village. As part of a proposed settlement agreement with the plaintiffs, the Native Village of Eagle, the Division would be responsible under legal mandate for 1) the removal of the existing school buildings and other associated facilities, and 2) the remediation of the site, due to diesel range organic contamination, to state and federal standards. The removal of the facilities and contamination from this site will eliminate the safety and health hazards potentially affecting the Village of Eagle and also make this state-owned asset marketable or transferable to the Village for public purposes. To accomplish these tasks, the Division needs this supplemental request funded.

The remediation of the diesel range organic (DRO) contamination of the soil is intended to be accomplished following the removal of the facilities, funded through an FY98 CIP request for \$65.0 from the Oil Spill Response Fund. Accomplishment of these tasks is time sensitive, and if they are not accomplished in a timely manner will result in the Division being back in court.

A memorandum, dated October 24, 1996 and signed by the Commissioners of DOT&PF, DEC, and DNR, was sent to the OMB supporting funding for the Phase III sampling and remediation aspects of this project. Dames and Moore, the contractors who did the Phase II site assessment which confirmed the presence of the DRO contamination, prepared an estimate for Phase III delineation sampling and remediation of the site using land farming bioremediation. It is expected that the surface facilities and the correction action plan will be completed by November 1998 and that bioremediation can begin shortly after July 1, 1998 to allow the three-year land farming to be completed by November 2001.

Current estimates for the two main activities are:

Removal of surface facilities (including non-friable asbestos floor tile)	\$100.0
Phase III soil sampling (anticipated FY98 CIP resp. fund request)	40.0
Corrective Action Plan development by Contractor (anticipated FY98 CIP response fund request)	25.0
FY97/FY98 Request	\$165.0
Remediation of contaminated soils (estimate)	
Anticipated FY99 CIP Request (response funds)	\$100.0
TOTAL Project Request	<b>\$265.0</b>

====

**WHY IS THE PROJECT NEEDED?** To reduce risk management threat to the state from a vandalized facility that contains contaminants such as asbestos and also contaminated soils that require remediation to be in compliance with EPA and DEC regulations.

**PROJECT SUPPORT** The Village of Eagle and DEC support reducing risk potential from contaminates.

**PROJECT OPPOSITION** None known.

**PUBLIC BENEFITS** Through risk management, increased health and safety to the public. Allows land to be brought to a marketable state to allow transfer to a private entity or the Village of Eagle for public purposes.

**ALTERNATIVE FINANCING CONSIDERED** No funding is currently anticipated from other sources.

**DESCRIPTION OF WORK TO BE DONE** Removal of buildings and facilities with supplemental funding and remediation of soils containing contaminants with response funds requested through the CIP process.

**ECONOMIC DEVELOPMENT** As the state's land manager, the division supports economic development of the area while protecting the public use of the site.

**MEMORANDUM****State of Alaska**

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

DATE: February 5, 1997

FILE NO: G:\98BUDGET\  
OMB-MISC\  
VPSO-LNG.DOC

TELEPHONE NO: 465-4336

FROM: *KB*  
Ken Bischoff, Director  
Division of Administrative Services  
Department of Public Safety

SUBJECT: FY 98 VPSO Program  
Operating Budget Bill  
Language Insert

The Department of Public Safety requests that language be added to Operating Budget bill which would change the lapse date for the VPSO Contracts Component from June 30, 1997 to June 30, 1998.

An FY98 general fund budget increment for \$300.0 in the VPSO Contracts component to achieve the goal of filling 10 additional VPSO positions has been included in the Governor's Request. The requested language would allow use of potential contract lapses to be reprogrammed to help achieve the Governor's goal of filling 10 vacant VPSO positions.

Below is a draft of the language needed:

"The unexpended and unobligated balance of the appropriation made in sec. 30, ch. 117, S.L.A. 1996, page 43, line 32 and allocated on line 34 (Village Public Safety Officer Program. Contracts, \$4,965,500) lapses into the general fund June 30, 1998."

INQ-A. APPROPRIATION INQUIRY

01/29/97

APPROPRIATION NUMBER 3583 ACTIVE? YES  
COA YEAR 1997 DATE START 07/01/84  
ORIG YEAR 1985  
TERM YEAR 1985

CREATING RSN 03615  
UPDATE RSN 03805

DESCRIPTION SHORT: PPTY MGMT GEN FUND  
DESCRIPTION LONG: PROPERTY MANAGEMENT GENERAL FUND  
AR TO FUND INCREASE TANAB TO ALLOW PROC-  
ESSING UNTIL AB CLEARS OMB

BUDGET TYPE: OPERATING

SESSION LAW REFERENCE: 8412201006

LOGICAL LEVEL NUMBER: 80 - COMPONENTS

NEXT HIGHER LEVEL APPN: 03575 (1985) - PROPERTY MANAGEMENT

REPORTS TO APPN PGM:

REPORTS TO APPN ORG:

CONTROL TYPE: T BGT FUND: 11100 - GENERAL FUND

REVENUE RECOGNITION? YES SPENDING APPROPRIATION? YES

BUDGETING APPROPRIATION? YES CROSS STRUCTURE CNTRLS? YES

PHYSICAL LEVEL: 11 SEQUENCE: BEG 2832 END 2832

FOR NEXT APPROPRIATION ENTER==> NUMBER \_\_\_\_\_ COA YEAR \_\_\_\_\_ TERM YEAR \_\_\_\_\_

PF1=MENU 5=BASE 6=LOWER LEVELS 7=TOTAL BALANCES 8=CROSS STRUC CTRLS

PF9=CONTROL APPNS 10=AUTH RDCODES 11=TANAB

52-10

INQ-T TANAB AND UNOBLIGATED BALANCL CALCULATIONS  
 CY: 1997 APPN: 3583 (1985) - PPTY MGMT GEN FUND

01.29/97

	AVAILABLE BALANCE	UNOBLIGATED BALANCE
NET CONTINUING EXPENDITURE AUTHORIZATION . . . . . (PF2)	303740.89	303740.89
NET CONTINUING RESTRICTED REVENUE ESTIMATE . . . . . (PF3)	-95325.89	
LESS: ALLOWABLE RECEIPTS (PF4)	-95325.89	
ACTUAL EXPENDED . . . . .	350923.12	350923.12
ENCUMBRANCES . . . . . (PF5)	N/A	
NET BALANCE . . . . .	----- -47182.23	----- -47182.23
TOLERANCE ADJUSTMENT . . . . (PF6)		=====
TOLERANCE ADJUSTED NET AVAILABLE BALANCE . . . . .	----- -47182.23 =====	

FOR NEXT APPROPRIATION ENTER==> NUMBER \_\_\_\_\_ TERM YEAR \_\_\_\_\_  
 PF1=MENU 7=LAPSE BALANCE 8=CROSS STRUCTURE CNTRL 9=NEXT LOWER LEVEL

INQ-A. APPROPRIATION INQUIRY

1/29/97

APPROPRIATION NUMBER 3581  
COA YEAR 1997  
ORIG YEAR 1986  
TERM YEAR 1986

ACTIVE? YES  
DATE START 07/01/84

CREATING RSN 03615  
UPDATE RSN 03805

DESCRIPTION SHORT: RETIRE& BNFTS GEN FD  
DESCRIPTION LONG: RETIREMENT & BENEFITS GENERAL FUND  
RS573109  
SEC\_1

BUDGET TYPE: OPERATING

SESSION LAW REFERENCE: 8412201009

LOGICAL LEVEL NUMBER: 80 - COMPONENTS

NEXT HIGHER LEVEL APPN: 03578 (1986) - RETIREMENT & BENEFIT

REPORTS TO APPN PGM:

REPORTS TO APPN ORG:

CONTROL TYPE: T BGT FUND: 11100 - GENERAL FUND

REVENUE RECOGNITION? YES SPENDING APPROPRIATION? YES

BUDGETING APPROPRIATION? YES CROSS STRUCTURE CNTRLS? YES

PHYSICAL LEVEL: 11 SEQUENCE: BEG 3025 END 3025

FOR NEXT APPROPRIATION ENTER==> NUMBER \_\_\_\_\_ COA YEAR \_\_\_\_\_ TERM YEAR \_\_\_\_\_

PF1=MENU 5=BASE 6=LOWER LEVELS 7=TOTAL BALANCES 8=CROSS STRUC CTRLS

PF9=CONTROL APPNS 10=AUTH RDCODES 11=TANAB

INQ-T. TANAB AND UNOBLIGATED BALANCL CALCULATIONS  
CY: 1997 APPN: 3581 (1986) - RETIRE& BNFTS G N FD

01.29/97

	AVAILABLE BALANCE	UNOBLIGATED BALANCE
NET CONTINUING EXPENDITURE AUTHORIZATION ..... (PF2)	4781884.64	4781884.64
NET CONTINUING RESTRICTED REVENUE ESTIMATE ..... (PF3)	-4024084.64	
LESS: ALLOWABLE RECEIPTS (PF4)	-4023430.35	
ACTUAL EXPENDED .....	4781884.64	4781884.64
ENCUMBRANCES ..... (PF5)	N/A	
NET BALANCE .....	-654.29	
TOLERANCE ADJUSTMENT .... (PF6)	654.29	
TOLERANCE ADJUSTED NET AVAILABLE BALANCE .....		

FOR NEXT APPROPRIATION ENTER==> NUMBER \_\_\_\_\_ TERM YEAR \_\_\_\_\_  
PF1=MENU 7=LAPSE BALANCE 8=CROSS STRUCTURE CNTRL 9=NEXT LOWER LEVEL

**RECEIVED**  
**MEMORANDUM**  
JAN 27 1997

STATE OF ALASKA  
DEPARTMENT OF LABOR  
Administrative Services Division

TO: Royce Weller, Budget Analyst  
Division of Budget Review  
Office of Management & Budget

THRU: Tom Cashen, Commissioner  
Department of Labor

FROM: Arbe Williams, Director

DATE: November 25, 1996

FILE: PYRATIFY.BUD

PHONE: 465-2720

SUBJECT: FY 88 through FY 96  
Ratification Requests

Per Nancy Slagle's "Zero Balance Report" memo dated January 22, 1996, the Department of Labor has the following items to be included in the ratification section of the supplemental bill. Last year the department cleared up FY 85 through FY 87, this request covers from FY 88 through FY 96.

Both amounts being requested are for terminated appropriations with a non-zero balance in fiscal years FY 91 and FY 93. This request represents the completion of this process and no amounts will be requested for any other fiscal year. There are some additional revised programs which require OMB approval to balance other appropriations. For clarity, those transactions are being submitted along with this request but under separate cover.

The following are specifics on this request:

<u>Appn-YR</u>	<u>Title</u>	<u>Amount</u>
27540-91	Workers' Incentive	\$17,423.03
27849-93	Alaska Work Program	\$7,756.15

Attached to this memo is a spreadsheet showing how the amounts were determined.

cc: Royce Weller, OMB  
Margene DeSmet, ASD  
Denise Clmsted, ASD

Clean up SFY88 - SFY94  
(Note: builded AR #s need restriction/deferral/lapse adjusted)

Batch/Sequence  
(B/S) 1038434 1

Year	AR	Title	Authorized	Revenue Est	GF Authorized	Expenditures	Revenues	Revenue		Needs RP	Needs OMB approval		RP/ADN #	Need DOF help to AJ RN
								Overcollection	GF Lapse		RP/ADN #	Ratification		
1988	27505	Employment Svcs Reg	10,032,400 00	10,032,400 00	0 00	9,428,741 83	9,428,498 83		(243 00)	243 00	07-7-4017	B/S 1038608-3		
1988	27540	Workers' Incentive	997,900 00	745,800 00	252,100 00	783,885 67	527,520 80		(4,264 87)	4,264 87	07-7-4013			
1988	27575	Labor Market Info							110,657 53	(4,507 87)	07-7-4013			
1988	27585	OSHA	2,582,100 00	1,364,700 00	1,217,400 00	2,542,980 42	1,325,580 43		0 01	(0 01)	07-7-4014	B/S 1038608-4		
1988	27623	UI Investigations	542,400 00	542,400 00	0 00	471,806 05	471,806 04		(0 01)	0 01	07-7-4014			
1989	27505	Employment Svcs Reg	9,463,500 00	9,463,500 00	0 00	9,018,372 78	9,018,375 04		(5,997 74)	5,997 74	07-7-4015	B/S 1038608-5		
1989	27535	UI Regular				14,584,154 57	14,584,154 57	4,399 37						(4,399 37)
1989	27540	Workers' Incentive	1,004,200 00	745,800 00	258,400 00	5,186 98	571,837 10		15,050 12	(5,997 74)	07-7-4015			
1989	27545	Data Processing						29,475 33						(10,877 62)
1989	27575	Labor Market Info	2,704,590 00	2,108,400 00	596,500 00	2,550,033 85	1,953,533 85		0 00					to AR 27657 Unbudg RSA
1989	27622	OSHA	2,637,700 00	1,396,500 00	1,241,200 00	2,610,248 66	1,369,048 66		(0 00)					
1989	27657	Unbudg DP Ops	212,500 00	212,500 00	0 00	145,920 10	135,042 48		(10,877 62)					10,877 62 in AR 27545 Budg RSA
1990	27505	Emp Svcs				9,647,275 77	9,734,627 26	87,351 49						
1990	27535	UI Regular				13,902,921 45	13,945,018 68	42,095 23						(42,095 23)
1990	27545	Data Processing	1,656,800 00	1,656,800 00	0 00	1,644,021 66	1,643,487 93		(533 73)	533 73	07-7-4016	B/S 1038608-6		
1990	27575	Labor Market Info	2,641,822 00	1,985,330 00	656,492 00	2,457,869 55	1,801,911 28		533 73	(533 73)	07-7-4016			
1990	27596	Workers' Comp	2,877,526 00	8,700 00	2,868,826 00	2,876,975 64	7,982 88		(166 76)	166 76	07-7-4017	B/S 1038608-7		
1990	27622	OSHA	2,830,090 48	1,410,965 00	1,419,125 48	2,746,222 83	1,327,264 11		166 76	(166 76)	07-7-4017			
1991	27505	Emp Svcs				9,464,956 59	9,471,906 67	6,950 08						
1991	27535	UI Regular				15,035,101 55	15,035,271 85	170 30						(170 30)
1991	27540	Workers' Incentive	1,047,700 00	792,500 00	255,200 00	984,511 17	707,030 89		(22,280 28)	4,857 25	07-7-4011	17,423 03	07-7-4020	
1991	27542	Comm Disabilities				43,722 44			4,377 56	(4,377 50)	07-7-4011		B/S 1038608-10	
1991	27570	Management Svcs	2,143,600 00	1,829,700 00	313,900 00	1,876,535 90	1,562,635 90		0 00					
1991	27575	Labor Market Info	2,998,900 00	2,134,400 00	864,500 00	2,738,520 60	1,874,500 29		479 69	(479 69)	07-7-4011	B/S 1038608-1		
1991	27622	OSHA	3,353,700 00	1,475,100 00	1,878,600 00	3,250,618 10	1,372,018 10		0 00					
1992	27505	Employment Svcs	10,868,800 00	10,868,800 00	0 00	9,296,904 97	9,296,904 97		0 00					
1992	27535	UI Regular	17,562,300 00	17,562,300 00	0 00	17,416,777 00	17,398,310 83		(18,466 17)	6 58	07-7-4018	B/S 1038608-8		18,459 59
1992	27849	Alaska Work Pgm	1,095,400 00	936,500 00	158,900 00	1,029,561 10	870,319 01		(342 09)	342 09	07-7-4018			
1992	27542	Comm Disabilities							6 58	(6 58)	07-7-4018			
1992	27570	Management Svcs	2,089,300 00	1,771,700 00	318,000 00	1,964,870 60	1,646,870 60		0 00					
1992	27575	Labor Market Info	3,268,800 00	2,399,100 00	869,700 00	2,939,978 57	2,070,620 66		342 09	(342 09)	07-7-4018			
1992	27622	OSHA	3,422,100 00	1,506,500 00	1,915,600 00	3,318,230 12	1,402,630 12		0 00					
1993	27505	Employment Svcs	10,811,700 00	10,811,700 00	0 00	9,717,541 11	9,722,171 84	4,830 71						
1993	27535	UI Regular	20,117,500 00	20,117,500 00	0 00	19,835,877 81	19,807,672 50		(28,225 31)					28,205 31
1993	27849	Alaska Work Pgm	1,189,300 00	1,016,100 00	173,200 00	1,129,922 47	968,375 91		(8,446 56)	590 41	07-7-4012	7,756 15	07-7-4020	
1993	27542	Comm Disabilities	60,100 00	21,000 00	39,100 00	39,718 06	37 50		479 14	(479 14)	07-7-4012		B/S 1038608	





# 4020

1038608/10

INQ-TR: TANAB AND UNOBLIGATED BALANCE CALCULATIONS  
CY: 1997 APPN: 27540 (1991) - WORKER'S INCENTIVE

11/19/96

	AVAILABLE BALANCE	UNOBLIGATED BALANCE
NET CONTINUING EXPENDITURE AUTHORIZATION .....(PF2)	984511.17	984511.17
NET CONTINUING RESTRICTED REVENUE ESTIMATE .....(PF3)	-729400.00	
LESS: ALLOWABLE RECEIPTS (PF4)	-707030.89	
ACTUAL EXPENDED .....	984511.17	984511.17
ENCUMBRANCES .....(PF5)	N/A	
NET BALANCE .....	-22369.11	
TOLERANCE ADJUSTMENT ....(PF6)	22369.11	
TOLERANCE ADJUSTED NET AVAILABLE BALANCE .....		

91-7005250

FOR NEXT APPROPRIATION ENTER==> NUMBER \_\_\_\_\_ TERM YEAR \_\_\_\_\_  
PFI=MENU 7=LAPSE BALANCE 8=CROSS STRUCTURE CNTRL 9=NEXT LOWER LEVEL

U.\*

U.\*

1,047,700.00+  
732,500.00-  
707,030.89+  
984,511.17-  
- 22,230.23+

RP #4011 22,280.28+  
~~000~~ 4,377.50-  
479.09-  
-001

17,423.09\*\*

→  
Ratification  
needed

#4020

1038608/10

INQ-TR: TENAB AND UNOBLIGATED BALANCE CALCULATIONS  
Y: 1997 APPN: 27849 (1993) - AK WORK PROG REG

11/19/96

	AVAILABLE BALANCE	UNOBLIGATED BALANCE
NET CONTINUING EXPENDITURE AUTHORIZATION .....(PF2)	1129922.47	1129922.47
NET CONTINUING RESTRICTED REVENUE ESTIMATE .....(PF3)	-1000400.00	
LESS: ALLOWABLE RECEIPTS (PF4)	-968375.91	
ACTUAL EXPENDED .....	1129922.47	1129922.47
ENCUMBRANCES .....(PF5)	N/A	
NET BALANCE .....	-32024.09	
TOLERANCE ADJUSTMENT ....(PF6)	32024.09	
TOLERANCE ADJUSTED NET AVAILABLE BALANCE .....		93 - 7005250

FOR NEXT APPROPRIATION ENTER==> NUMBER \_\_\_\_\_ TERM YEAR \_\_\_\_\_  
PF1=MENU 7=LAPSE BALANCE 8=CROSS STRUCTURE CNTRL 9=NEXT LOWER LEVEL

U.\*

U.\*

1,189,300.00+

1,055,100.00-

968,375.91+

1,129,922.47-

8,346.56\*

8,346.56+

479.14-

110.06-

1.21-

-002

*Ratification Needed*

Clean up SFY88 - SFY94 SORTED BY YEAR, THEN AR  
(Note: bolded AR #s need restriction/deferral/lapse adjusted)

Batch/Sequence  
(B/S) 1038434 1

Year	AR	Title	Authorized	Revenue Est	GF Authorized	Expenditures	Revenues	Revenue Overcollection	GF Lapse	Needs RP	Needs OMB approval RPI/ADN #	Ratification	RPI/ADN #	Need DOF help to AJ RR
1988	27505	Employment Svcs Reg	10,032,400 00	10,032,400 00	0 00	9,428,741 83	9,428,498 83		(243 00)	243.00	07-7-4013	B/S 1038608-3		
1988	27540	Workers' Incentive	997,900 00	745,800 00	252,100 00	783,885 67	527,520 80		(4,264 87)	4,264.87	07-7-4013			
1988	27575	Labor Market Info							110,657 53	(4,507.87)	07-7-4013			
1988	27585	OSHA	2,582,100 00	1,364,700 00	1,217,400 00	2,542,980 42	1,325,580 43		0 01	(0.01)	07-7-4014	B/S 1038608-4		
1988	27623	UI Investigations	542,400 00	542,400 00	0 00	471,806 65	471,806 64		(0 01)	0.01	07-7-4014			
1989	27505	Employment Svcs Reg	9,463,500 00	9,463,500 00	0 00	9,024,372 78	9,018,375 04		(5,997 74)	5,997.74	07-7-4015	B/S 1038608-5		
1989	27535	UI Regular				14,579,755 20	14,584,154 57	4,399 37						(4,399.37)
1989	27540	Workers' Incentive	1,004,200 00	745,800 00	258,400 00	815,186 98	571,837 10		15,050 12	(5,997.74)	07-7-4015			
1989	27545	Data Processing						29,475 33						(10,877.62)
1989	27575	Labor Market Info	2,704,900 00	2,108,400 00	586,500 00	2,550,033 85	1,953,533 85		0 00					to AR 27657 Unbudg RSA
1989	27622	OSHA	2,637,700 00	1,396,500 00	1,241,200 00	2,610,248 66	1,369,048 66		(0 00)					
1989	27657	Unbudg DP Ops	212,500 00	212,500 00	0 00	145,920 10	135,042 48		(10,877 62)					10,877.62 in AR 27545 Budg RSA
1990	27505	Emp Svcs				9,647,275 77	9,734,627 26	87,351 49						
1990	27535	UI Regular				13,902,923 45	13,945,018 68	42,095 23						(42,095.23)
1990	27545	Data Processing	1,656,800 00	1,656,800 00	0 00	1,644,021 66	1,643,487 93		(533 73)	533.73	07-7-4016	B/S 1038608-6		
1990	27575	Labor Market Info	2,641,822 00	1,985,330 00	656,492 00	2,457,869 55	1,801,911 28		533 73	(533.73)	07-7-4016			
1990	27596	Workers' Comp	2,877,526 00	8,700 00	2,868,826 00	2,876,975 64	7,982 86		(166 76)	166.76	07-7-4017	B/S 1038608-7		
1990	27622	OSHA	2,830,090 48	1,410,965 00	1,419,125 48	2,746,222 83	1,327,264 11		166 76	(166.76)	07-7-4017			
1991	27505	Emp Svcs				9,464,956 59	9,471,906 67	6,950 08						
1991	27535	UI Regular				15,035,101 55	15,035,271 85	170 30						(170.30)
1991	27540	Workers' Incentive	1,047,700 00	792,500 00	255,200 00	984,511 17	707,030 89		(22,280 28)	4,857.25	07-7-4011	17,423.03	07-7-4020	
1991	27542	Comm Disabilities				43,722 44			4,377 56	(4,377.50)	07-7-4011		B/S 1038608-10	
1991	27570	Management Svcs	2,143,600 00	1,829,700 00	313,900 00	1,876,535 90	1,562,635 90		0 00					
1991	27575	Labor Market Info	2,998,900 00	2,134,400 00	864,500 00	2,738,526 60	1,874,500 29		479 69	(479.69)	07-7-4011	B/S 1038608-1		
1991	27622	OSHA	3,353,700 00	1,475,100 00	1,878,600 00	3,250,618 10	1,372,018 10		0 00					
1992	27505	Employment Svcs	10,868,800 00	10,868,800 00	0 00	9,296,904 97	9,296,904 97		0 00					
1992	27535	UI Regular	17,562,300 00	17,562,300 00	0 00	17,416,777 00	17,398,310 83		(18,466 17)	6.58	07-7-4018	B/S 1038608-8		18,459.59
1992	27849	Alaska Work Pgms	1,095,400 00	936,500 00	158,900 00	1,029,561 10	870,319 01		(342 09)	342.09	07-7-4018			
1992	27542	Comm Disabilities							6 58	(6.58)	07-7-4018			
1992	27570	Management Svcs	2,089,300 00	1,771,300 00	318,000 00	1,964,870 60	1,646,870 60		0 00					
1992	27575	Labor Market Info	3,268,800 00	2,399,100 00	869,700 00	2,939,978 57	2,070,620 66		342 09	(342.09)	07-7-4018			
1992	27622	OSHA	3,422,100 00	1,506,500 00	1,915,600 00	3,318,230 12	1,402,630 12		0 00					
1993	27505	Employment Svcs	10,833,700 00	10,833,700 00	0 00	9,717,541 11	9,722,171 84	4,830 73						
1993	27535	UI Regular	20,117,500 00	20,117,500 00	0 00	19,835,877 81	19,807,672 50		(28,205 31)					28,205 31
1993	27849	Alaska Work Pgms	1,189,300 00	1,036,100 00	153,200 00	1,129,922 47	968,175 91		(8,746 56)	590 41	07-7-4012	7,756.15	07-7-4020	
1993	27542	Comm Disabilities	60,100 00	21,000 00	39,100 00	38,718 16	97 50		479 14	(479.14)	07-7-4012		B/S 1038608 10	

DEPARTMENT OF 1  
Division of Administrative Services

November 22, 1996  
filename = f:\data\votes\iscaldemisc\pyrally

Batch/Sequence  
(B/S) 1038434

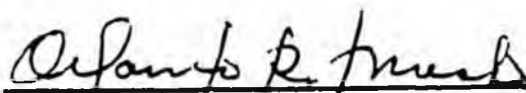
Clean up SFY88 - SFY94 SORTED BY YEAR, THEN AR  
(Note: bolded AR #'s need restriction/delerra/lapse adjusted)

Year	AR	Title	Authorized	Revenue Est	GF Authorized	Expenditures	Revenues	Revenue Overcollection	GF Lapse	Needs RP	Needs OMB approval RP/ADN #	Ratification	RP/ADN #	Need DOF help to AJ RR
1993	27545	Data Processing	2,315,900 00	2,066,700 00	249,200 00	2,314,245 44	2,065,155 50		110 06	(110 06)	07-7-4012			
1993	27575	Labor Market Info	3,076,000 00	2,361,200 00	716,800 00	2,676,875 14	1,966,076 35		1 21	(1.21)	07-7-4012	B/S 1038608 9		
1993	27560	Comm Office	556,500 00	5,000 00	551,500 00	527,973 00	1,298 75		24,825 75					
1993	27596	Workers' Comp	2,580,600 00	20,800 00	2,551,800 00	2,556,898 32	21,393 72		16,295 40					
1993	27615	Wage & Hour	1,775,000 00		1,775,000 00	1,774,629 60			370 40					
1993	27622	OSHA	3,460,299 00	1,648,349 00	1,811,950 00	3,362,091 03	1,555,905 00		5,763 97					
1993	27626	Ak Safety Adv Counc	121,500 00	109,500 00	12,000 00	101,645 27	89,745 27		100 00					
1994	27505	Emp/Unempl Svcs	31,360,800 00	31,360,800 00	0 00	30,361,042 82	30,355,583 05		(5,459 77)	5,459.77	07-7-4019	B/S 1038608-9		
1994	27849	Ak Work Programs	1,257,600 00	1,104,400 00	153,200 00	1,225,949 08	1,077,337 25		4,588 17	(4,588.17)	07-7-4019			
1994	27542	Comm Disabilities	60,100 00	21,000 00	39,100 00	41,111 65	2,500 00		488 35	(488.35)	07-7-4019			
1994	27545	Data Processing	2,346,300 00	2,183,600 00	162,700 00	2,310,392 84	2,148,076 09		383 25	(383.25)	07-7-4019			
1994	27570	Mgmt Svcs	2,257,700 00	1,935,500 00	322,200 00	2,123,861 77	1,801,661 77		0 00					
1994	27575	Labor Market Info	3,068,900 00	2,558,200 00	510,700 00	2,566,652 55	2,055,952 56		(0 00)					
1994	27560	Comm Office	644,100 00	159,500 00	484,600 00	508,747 36	31,226 50		7,079 14					
1994	27569	ALHA	302,200 00		302,200 00	300,143 50			2,056 50					
1994	27596	Workers' Comp	2,565,300 00	98,500 00	2,466,800 00	2,472,361 01	24,709 67		19,148 66					
1994	27615	Wage & Hour	1,637,000 00	100,000 00	1,537,000 00	1,620,010 13	86,589 29		3,579.16					
1994	27620	Much Insp	1,544,500 00	656,200 00	888,300 00	1,521,915 90	750,682 26		22,584 10					
1994	27622	OSHA	3,385,600 00	1,710,300 00	1,675,300 00	3,199,222 53	1,607,675 81		83,753 28					
1994	27626	Ak Safety Adv Counc	109,500 00	109,500 00	0 00	89,597 51	89,597 51		0 00					

25,179.18

Department of Health and Social Services  
Supplemental - AR Ratifications

<b>APPN</b>	<b>SY</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
22750	1985	Fbnks DOE Food Svc	3,236.50
22751	1985	Johnson Center Doc	151.84
22783	1985	Laboratories 84	1,069.00
22752	1988	Substance Abuse Res	10.00
22755	1988	Epidemiology-Traffic	200.56
22788	1988	Fbks MH Facil Maint	0.01
23031	1989	S Reg EMS Life-Pak	0.07
25063	1989	PFD Hold Harmless	1,508.72
24649	1990	Harborview Dev Ctr	31,464.50
22753	1990	AK Trauma Registry	0.45
22796	1990	Human Svc Valdez Oil	11,853.13
22797	1990	Child Nutrition Prog	4,305.11
22713	1992	FY92 OAC Nutrition	0.02
22724	1992	Imate Hif. Care Xray	14,500.00
22739	1994	MIS Tech Asst ADA	293.11
22885	1989	EIS Phase I	0.80
23122	1995	MMIS	191,255.71
		<b>Total</b>	<b>259,849.53</b>

  
Orlando Moskito, Finance Officer

Beginning in September 1996, the state WIC office will be requiring local agency grantees to submit claims reimbursement (expenditure reports) in a revised format that will distribute claims among four cost categories. Once local agency grantees begin reporting expenditures to the state office in this format, expenditures will be recorded monthly so that cumulative nutrition education and breast feeding promotion expenditures may be monitored to ensure that state meets or exceeds the appropriate "targets" identified in the federal grant award.

In addition, WIC state agency staff have worked with the DHSS Audit Unit to ensure these changes in expenditure reporting requirements are incorporated into the compliance supplemental for WIC. Finally, the WIC state office staff are working with the accountant in the Public Health Division Director's Office and staff in the Division of Administrative Services to change the accounting structure in such a way that will allow expenditures by cost category to be recorded in and reported from the Alaska Statewide Accounting System (AKSAS) beginning in FY 97.

(4) The WIC state office does not maintain an inventory of property, plant and equipment as required by the Alaska Administrative Manual and the common Rule.

Due to staffing vacancies in FY 95, the state agency did not have sufficient staff resources to review physical inventory reports submitted by WIC local agency grantees and reconcile them against the state inventory system. The inventory reconciliation was completed the end of March 1996.

Recommendation No. 22

DHSS' finance officer should coordinate the resolution of any revenue shortfall issue.

The State Budget Act provides that if program receipts fall short of actual collections, agencies are to reduce their budget by the estimated reduction in collections. One revenue shortfall has been identified at DHSS for FY 95. This shortfall is as follows:

Appropriation Number	Program Title	Amount
23122-95	MMIS	\$191,000

We recommend that DHSS' finance officer work with applicable division personnel to resolve this revenue shortfall.

Agency Response - Department of Health and Social Services

Recommendation No. 22

DHSS' finance officer should coordinate the resolution of any revenue shortfall issue.

DHSS concurs with the recommendation.

The DHSS finance officer has been working with the Division of Medical Assistance administrative officer for the resolution of the identified capital budget revenue shortfall. The shortfall is the result of the failure to report and claim eligible expenditures at the time these eligible expenditures were incurred. The claim for the revenue shortfall can no longer be submitted due to the federal limitation to file claims within two years from the time the expenditures were incurred.

DHSS will submit a ratification request in a FY 97 appropriation bill for the resolution of the revenue shortfall.

2. 9/1/87  
'89-91  
95 claim  
95 new yr



FWH:DMC:SFloyd  
154-95-663

U. S. Department of Justice

sec 11 (4)(a), (6)

Telephone:  
(202) 307-6288

Washington, D.C. 20530

August 13, 1996

BY FEDERAL EXPRESS

Mr. Robert K. Reges  
Assistant Attorney General  
Attorney General's Office  
123 4th Street  
Juneau, Alaska 99811-0300

**RECEIVED**

AUG 15 1996

Attorney General's Office  
Juneau

Re: State of Alaska, Department of Natural Resources v.  
United States, Fed. Cl. No. 95-663C

Dear Mr. Reges:

Enclosed please find an original signed copy of the settlement agreement. I have requested Ms. Maria Lisowski and Mr. Roger Hudson to notify me regarding what procedures the State of Alaska must follow in order to insure prompt payment of the settlement amounts. I will advise you how to proceed after I hear from them. Please call me at (202) 307-6288 if you have any questions.

Very truly yours,

SHERYL L. FLOYD  
Senior Trial Counsel  
Commercial Litigation Branch  
Civil Division

Enclosure

cc: Ms. Maria Lisowski, USDA  
Mr. Roger Hudson, BLM

IN THE UNITED STATES COURT OF FEDERAL CLAIMS

STATE OF ALASKA, DEPARTMENT )  
OF NATURAL RESOURCES, )  
 )  
Plaintiff, )  
 )  
v. ) No. 95-663C  
 ) (Judge Robinson)  
THE UNITED STATES, )  
 )  
 )  
Defendant. )

SETTLEMENT AGREEMENT

For the purpose of settling this action without any further judicial proceedings, and without there being any trial or adjudication of any issue of law or fact, and without constituting an admission of liability on the part of any of the parties, and for no other purpose, the parties stipulate and agree as follows:

1. In 1983, the State of Alaska, Department of Natural Resources (Alaska), and the United States Department of Interior, Bureau of Land Management (BLM), entered into a Cooperative Fire Protection Agreement. This agreement was supplemented in May 1987 with an addendum For Management and Use of Alaska Emergency Fire Fighters.

2. In 1985, Alaska and the United States Department of Agriculture, Forest Service (USFS) entered into a Cooperative Fire Control Agreement.

3. In 1989, the United States Department of Labor (DOL) notified Alaska that emergency forest firefighters on state crews during 1987 and 1988 should have received overtime pay under the Fair Labor Standards Act. Based upon this determination, DOL assessed Alaska \$786,958.91 for overtime on fires involving USFS

land and \$622,765.07 for overtime on fires involving BLM land. Alaska requested the USFS and BLM to reimburse it for these overtime costs under the parties' cooperative firefighting agreements. The USFS and BLM refused to pay these overtime costs and, on October 2, 1995, Alaska filed suit in the United States Court of Federal Claims to recover these costs (Federal Claims No. 95-663C).

4. The parties have entered into negotiations to resolve amicably this litigation. Alaska, through its attorney, offered to settle this case in accordance with the following terms:

(a) Upon execution of this settlement agreement, the USFS shall cause to be paid \$575,000 and BLM shall cause to be paid \$425,000 in full satisfaction of the claims that Alaska has alleged in its complaint, or any amendments thereto, in Federal Claims No. 95-663C;

(b) This settlement is inclusive of any fees, costs, expenses, and interest incurred in connection with this litigation;

(c) Alaska and the United States shall cause a Stipulation of Dismissal, with prejudice, to be executed by counsel for the respective parties in the above-captioned case and filed with the United States Court of Federal Claims.

5. Alaska's offer has been accepted on behalf of the Attorney General.

6. Upon receipt of the agreed payments, Alaska and the United States will execute and file the Stipulation of Dismissal in this case.

7. Alaska and the United States release, waive, and abandon all claims related to Federal Claims No. 95-663C, including but not limited to any claims for attorney fees or other costs under the Equal Access to Justice Act, 28 U.S.C. § 2412, or any other provision of law, as against the United States, or its officers, agents, or employees, arising out of the matters and facts involved in this case.

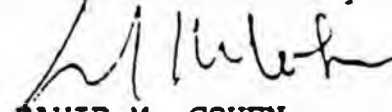
8. This stipulation is in no way related to or concerned with income or other taxes for which Alaska is now liable or may be liable in the future as a result of this stipulation or as a result of entry of a final judgment.

9. Alaska warrants and represent that no other action or suit with respect to the claims in this case is pending or will be filed in or submitted to any other court, administrative agency, or legislative body, including but not limited to the General Accounting Office. Alaska further warrants and represents that plaintiff is the sole owner of the claims involved in this case, that it has made no assignment or transfer of all or any part of its rights arising out of the present suit. Should there be now or in the future any violation of these warranties and representations, the amount to be paid under this stipulation shall be refunded promptly by Alaska together with

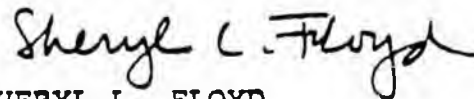
interest at the rate prescribed by 41 U.S.C. § 611, computed from the date of the first violation of this agreement.

10. This agreement is for the purpose of settling this case, and for no other purpose. This agreement shall not bind the parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the parties or counsel for the parties have or may acquire an interest, except as necessary to effect the terms of this agreement.


FRANK W. HUNGER  
Assistant Attorney General



DAVID M. COHEN  
Director



SHERYL L. FLOYD  
Senior Trial Counsel  
Commercial Litigation Branch  
Civil Division  
Department of Justice  
Attn: Classification Unit  
8th Floor  
1100 L Street, N.W.  
Washington, D.C. 20530  
Tele: (202) 307-6288



Aug 7, '96  
ROBERT K. REGES  
Assistant Attorney General  
Dimond Courthouse  
P.O. Box 110300  
Juneau, AK 99811  
Tele: 907-465-3600

OF COUNSEL:

MARIA LISOWSKI  
Office of General Counsel  
Department of Agriculture  
Juneau, AK 99802-1628

ROGER HUDSON  
Solicitor's Office  
Department of Interior  
Anchorage, AK 99508-4626

Attorneys for Defendant

DATED: \_\_\_\_\_

DATED: 9/13/96

CERTIFICATE OF SERVICE

I certify under penalty of perjury that on this 13th day of AUGUST, 1996, I caused to be placed in the United States mail (first class mail, postage prepaid) copies of "SETTLEMENT AGREEMENT" addressed as follows:

ROBERT K. REGES  
Assistant Attorney General  
Dimond Courthouse  
P.O. Box 110300  
Juneau, AK 99811

David Lucas

**RECEIVED**

JAN 24 1997

Sec 12

**MEMORANDUM**

**STATE OF ALASKA  
DEPARTMENT OF REVENUE**

TO: Annalee McConnell, Director  
Office of Management and Budget

DATE: January 20, 1997

FROM: Wilson L. Condon, Commissioner  
Department of Revenue

RE: FY 97 Supplemental  
Request

The Department of Revenue, Treasury Division (Treasury) requests a supplemental increment to its FY 97 General Fund budget in the amount of \$31,000. This increase would pay investment management fees on equity investments for the Constitutional Budget Reserve Fund (CBRF) for the period February 1, 1997, to June 30, 1997. This amount is very small in comparison to Treasury's overall General Fund budget, and your normal practice would require us to find a way to absorb this amount somewhere in that budget. Treasury believes a supplemental appropriation is necessary to make certain the Legislature specifically approves investing a portion of the CBRF in the equity market.

Last session, the Legislature's final actions with respect to the investment and management of the CBRF were inconclusive. On the one hand, the Legislature amended the statutes pertinent to the CBRF in a manner that clearly indicated they wanted a portion of the CBRF invested in equities. On the other hand, they did not provide funding for the management fees for such investments.

The Legislature added a new section, AS 37.10.430, to the statutes relating to the CBRF in the FY 96 session (previously AS 37.10.410-420). In this new section, the Commissioner of Revenue is:

- given discretion to transfer the management of the CBRF to the Permanent Fund Corporation, and
- required to annually prepare a report comparing the earnings of the CBRF to the Permanent Fund and General Fund.

The proponents of this amendment clearly wanted Treasury to reevaluate the CBRF asset allocation and to invest the CBRF longer term in both fixed income and equity securities. They believed this reallocation would come about either by transferring some or all of the CBRF to the care and custody of the Permanent Fund or by reinvesting the CBRF directly in these longer term securities. Either of these investment options require an appropriation for manager fees. If I had decided to move the entire CBRF to the Permanent Fund Corporation, an appropriation of approximately \$3,000,000 would have been required to pay management fees.

If the State is going to continue to use a portion of the CBRF each year to balance the State budget, then it would be inappropriate under existing institutional arrangements for the Permanent Fund Corporation to take over the management of the CBRF. I have attached six sections from our Treasury Division's Policies and Procedures Manual

reflect the reasoning process that leads us to this conclusion. The first four, which are all still in *preliminary draft* form, are important to review. The fifth and sixth are useful if you want to look in depth at the ins and outs of developing an asset allocation for an investment program. The six sections of the Treasury Division's Policies and Procedures Manual are:

1. Draft Section X(B) from the Treasury Division's Policies and Procedures Manual, Investment Policy Statement: Constitutional Budget Reserve Fund:
2. Draft Appendix L from the Treasury Division's Policies and Procedures Manual, Recommended Investment Policy:
3. Draft Appendix M from the Treasury Division's Policies and Procedures Manual, Commissioner's Proposed Decision and Justification for Managing the Constitutional Budget Reserve Fund in the Treasury Division of the Department of Revenue:
4. Draft Appendix N from the Treasury Division's Policies and Procedures Manual, Proposed Decision and Justification for Asset Allocation for the Constitutional Budget Reserve Fund:

5. Draft Section VII from the Treasury Division's Policies and Procedures Manual, Building Blocks for Treasury's Investment Policies; and
6. Draft Appendix H from the Treasury Division's Policies and Procedures Manual, Capital Market Assumptions and Projections: Treasury 1996.

Treasury believes the investment policies of the CBRF must address the following three needs:

- 1) Provide money to cover anticipated and unanticipated shortfalls over a two year time horizon;
- 2) Provide money to cover projected budget shortfalls until the time the State's recurring revenue is sufficient to meet its yearly expenses; and
- 3) Provide a long-term budget reserve.

Each of these purposes has a different time horizon, risk tolerance, and income objective. I reviewed these three unique sets of objectives in Attachments 4 and 5. The overall investment policy - the combination of the investment policies designed to meet the three individual objectives - follows:

Treasury's short-term fixed income investment pool	1%
Treasury's intermediate-term fixed income investment pool	43%
Treasury's long-term fixed income investment pool	30%
S&P 500 equity investment pool	<u>26%</u>
	<u>100%</u>

Treasury has already made the appropriate reallocations within the various fixed income investment pools without incurring any additional cost. Treasury has not implemented the equity portion of the asset allocation. To invest in equities, Treasury must hire an external manager. The associated fees for this external manager will be 1 basis point, or .01% of the invested balance, annually. As stated earlier, Treasury's budget does not include any amount for these fees. While Treasury could begin implementation of this new asset allocation policy in the Spring of 1997, using funds already available for FY 97, Treasury would not be able to continue to pay the fees in FY 98 if the Legislature did not expressly appropriate money for that purpose.

Because of the possibility of incurring unnecessary transaction costs, Treasury cannot prudently begin to purchase equity securities without reasonable assurance that funding will be made available on an annual basis. *In addition, we believe it is important that the Legislature review the asset allocation for the CBRF and, at a minimum, indicate their understanding and acceptance by approving the funds to implement it.*

Treasury currently funds all costs of managing the CBRF with General Fund money.  
 The calculation of expected fees for external management follows:

CBRF balance, 1/1/97	\$2,800,000,000	
Equity allocation	<u>26%</u>	
Equity investment if invested at 1/1/97	<u>728,000,000</u>	
Projected equity investment at 6/30/97, (assuming 10% annual growth rate)	<u>764,400,000</u>	
Average equity investment		746,200,000
Annual fee, 1 basis point		<u>.01%</u>
Total annual fee		\$ <u>74,620</u>
Fee for 5 months, approximate		\$ <u>31,100</u>

The fee calculation assumes Treasury will invest the equity allocation by February 1997.

At the recommendation of OMB, Treasury did not include any amount for CBRF management fees in its FY 98 budget, pending the outcome of this supplemental request with the Legislature. Treasury intends to modify its FY 98 request if the Legislature approves this budget request for FY 97. Treasury projects the additional request for FY 98 will approximate \$100,000 because of appreciation on the equity assets. Treasury will provide additional information if and when it makes a request to amend its proposed FY 98 budget.

Treasury wishes to bring this issue before the Legislature as a supplemental request early in the session so Treasury can confirm that our investment strategy meets legislative approval before we commit CBRF funds to long-term equity investment.

Thank you for your consideration. If you have any questions, please contact Ross Kinney at 465-3669, or Betty Martin at 465-2352.

F-ki Sec 13

**OFFICE OF  
MANAGEMENT & BUDGET**

**MEMORANDUM**      **State of Alaska**

JAN 22 1997      Department of Transportation & Public Facilities


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

DATE: January 17, 1997

TEXT NO: (907) 465-3652

FAX NO: (907) 586-8365

TELEPHONE NO: (907) 465-3911

  
FROM: Joseph L. Perkins, P.E.  
Commissioner

SUBJECT: Supplemental  
Request, 1997 Legislature

The Department of Transportation and Public Facilities, Alaska Marine Highway System (AMHS), has identified the need for general fund supplemental appropriations to the operating budget for \$391,400 due to increased fuel costs and \$902.59 in miscellaneous claims over two years old (see attachments).

Fuel prices have increased substantially over the last four (4) months driving up the cost of marine fuel for AMHS vessels. The increase in oil price is a positive note for the State's revenue stream, but has a negative impact on the AMHS budget. The vessels in Southeast Alaska use approximately 7,125,800 gallons of fuel per year. The AMHS budgeted \$5,225,400 for marine fuel for Southeast vessels based on an average price per gallon of \$0.74. The total projected fuel expenditures is now \$5,577,800 based on an average price of \$0.8019. This represents a projected shortfall of \$352,400 in the Southeast Vessel Operations component.

The fuel prices for the two Southwest vessels are typically higher than Southeast even without rising prices. The FY97 budget was prepared with an average price per gallon of \$0.80 and use of approximately 1,022,300 gallons. The average price per gallon has increased to \$0.839. Therefore, a shortfall of \$39,000 is projected in the Southwest Vessel Operations component.

Fuel price increases have occurred in every week over the past four months. While prices could drop, the indications are that there will not be a significant drop in the near term. The price used to project the shortfall is an average based on pricing through the first week in January. The individual weekly prices throughout Southeast Alaska have fluctuated from a high of \$1.0465 to a low of \$0.7818, so even the low is above the budgeted price of \$0.74 cents per gallon. The additional \$391,400 cannot be absorbed within the AMHS budget.

Please contact Nancy Slagle at 465-3911 should you have any questions about this request. Thank you.

Attachment

cc: Nancy J. Slagle, Director, Division of Administrative Services  
Kurt Parkan, Deputy Commissioner  
Robin Smith, Budget Analyst, Division of Administrative Services  
Jeff Hoover, OMB Budget Analyst



**Alaska Court System  
State of Alaska**

**OFFICE OF ADMINISTRATIVE DIRECTOR**

208 K Street  
Anchorage, Alaska 99501

**ROBERT G. FISHER**  
Manager of Fiscal Operations

**January 16, 1997**

**Dan Austin  
Budget Analyst  
Office of Management & Budget  
P. O. Box 110020  
Juneau, Alaska 99811-0020**

**Dear Dan:**

The court system is requesting a supplemental appropriation of \$44,500 for fiscal year 1997 for the unfunded impact of SB 98 - license revocation if delinquent in child support payments. The court system's fiscal note was not addressed when the bill was carried over from the 1995 legislative session.

The request is explained further in the enclosure. Please let me know, if you need additional information.

**Sincerely,**

**Robert G. Fisher**

**Enclosures**

011697a

Alaska Court System  
Supplemental Budget Request  
Impact of SB 98 - License Revocation if Delinquent in Child Support Payments  
Fiscal Year 1997

Background Information

This supplemental budget request for \$44,500 addresses the unfunded impact of Senate Bill 98 on the Trial Courts during fiscal year 1997. The court system is requesting six months funding of personal services costs and certain one-time contractual and equipment costs. The trial courts are expecting significant impact from this legislation.

During the last session, legislation was passed which requires license revocation in the event that an individual is not in "substantial compliance with orders, judgments, or payment schedules for child support". The Court System's funding needs were not considered when this legislation passed. The law applies to individuals who apply for a new license or a renewal of certain occupational licenses and to all holders of a driver's license. The Child Support Enforcement Agency (CSED) will notify each licensing entity of those persons with arrearages greater than 4 months. The licensing entity will issue a temporary license for 150 days and a notice of intent to withhold a permanent license until CSED issues a release. The licensee or potential licensee (obligor) has 30 days from the date of the notice in which to request a review by CSED. CSED has 30 days from the receipt of the request to issue findings or a release. The obligor has 30 days from the receipt of the findings in which to request a judicial review. The courts must hold an evidentiary hearing within 20 days after the filing of service on the opposing party. In 1995, CSED estimated that it had over 43,000 active cases of which 50% involved some arrearage. In its 1995 fiscal note, the court system assumed that 15,000 persons may not be in substantial compliance and that all of these individuals possessed a driver's license or one of the targeted occupational licenses. The court system further assumed that 10% of these persons will request a judicial review. The courts anticipate a significant impact. The Trial Courts are requesting three permanent part-time positions: (1) a Standing Master, (2) an In-court Clerk, and (3) a Court Clerk II. This request mirrors the fiscal note request for staffing, except the adjustment for 6 months funding. For budgetary purposes all of the positions are assigned to the Anchorage Trial Courts, but may be utilized elsewhere as the need arises.

The court system's FY 98 operating budget submission requests full year funding for personal services costs for future fiscal years.

Budget Request

	<u>Amount</u>
<u>Personal Services</u> <i>6 months funding: 1/1 through 6/30/97 only</i>	
Standing Master, 24A, PPT, Anchorage, 2-1/2 months	\$18,400
In-Court Clerk, 12A, PPT, Anchorage, 2-1/2 months	8,950
Court Clerk II, 10A, PPT, Anchorage, 3 months	<u>9,400</u>
<b>Total</b>	<u><b>36,750</b></u>
 <u>Contractual Services</u> <i>One-time cost</i>	
Modification of case management computer programs to accommodate the processing of these cases	5,000
 <u>Equipment</u> <i>One-time cost</i>	
Desk, chair and filing cabinet for new positions	<u>2,700</u>
<b>Estimated Total Costs</b>	<u><u><b>\$44,450</b></u></u>

**SB**

**83**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/10/97

REPORTED OUT OF  
FURTHER: SEC 4/3/97

Date of 5-Day Notice: \_\_\_\_\_  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 3 April 1997

Finance Committee considered SENATE BILL NO. 83

"An Act making an appropriation for management fees for the constitutional budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska); and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 83 ( FIN )
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( \_\_\_\_\_ )
- attached amendment(s) \_\_\_\_\_
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical change
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Red E. [Signature]</i>	✓	<i>W. [Signature]</i>			✓
<i>Alan R. [Signature]</i>	✓				
<i>Ge [Signature]</i>	X				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair:		Co-Chair:			

**NEW FISCAL NOTE(S):**

Department                      Date    Zero    Fiscal


**PREVIOUS FISCAL NOTE(S):\***

Department                      Date    Zero    Fiscal


APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill



**Senate Bill 83/House Bill 113**  
**FY 97 SUPPLEMENTAL APPROPRIATIONS**  
(In Thousands)

	DEPT:	BRU/ COMPONENT	DESCRIPTION	Sen Sec #	CS for Senate Bill 83(Fin)						Hse Sec #	CS for House Bill 113(Fin)						Gov's Sec #	Governor's Request					Total Funds
					Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds		Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds		Federal	GF	GF/ Prgm	GF/ Match	Other	
14	DOC	Com Correct/CRC and Inst/Out-of-State Contractual	New inmate beds: CRC and out-of-state beds w/extended lapse date to June 30, 1998	5	1,000.0					1,000.0														
15	DMV	Disaster Relief Fund	General Fund appropriation to capitalize the fund	6		415.0				415.0	5		415.0			415.0	3		1,000.0					1,000.0
16	DOE	Teaching & Learning Support/Special & Suppl Svcs	RPL 05-7-0626 New and carryforward funds for Title I and Migrant Education programs	7 (a)	3,750.0					3,750.0	6 (a)	3,750.0				3,750.0	New	3,750.0						3,750.0
17	DOE	Voc Rehab/Client Services	RPL 05-7-0680 New and carryforward funds for client services programs	7 (b)	600.0					600.0	6 (b)	600.0				600.0	New	600.0						600.0
18	DOE	Voc Rehab/Administration	RPL 05-7-0681 New and carryforward for administration and oversight of direct services	7 (c)	150.0					150.0	6 (c)	150.0				150.0	New	150.0						150.0
19	DOE	Teaching & Learning Support	RPL 05-7-0700 Carryforward funds for the School to Work program	7 (d)	1,080.0					1,080.0	6 (d)	1,080.0				1,080.0	New	1,080.0						1,080.0
20	DOE	AK State Library/Library Operations	RPL 05-7-0738 Computer and software upgrades	7 (e)			30.0			30.0	6 (e)			30.0		30.0	New			30.0				30.0
21	DOE	Mt. Edgecumb Boarding School	RPL 05-7-0748 Summer programs in FY97	7 (f)			22.0			22.0	6 (f)			22.0		22.0	New			22.0				22.0
22	DOC	Fairbanks Correctional Center	Capital project - Replace boiler system	8 (a)		632.0				632.0	7 (a)		632.0			632.0	4 (a)		632.0					632.0
23	DMV	Disaster Planning & Control.	Capital project - Radio equipmen	8 (b)		100.0				100.0	7 (b)		100.0			100.0	4 (d)		100.0					100.0
24	DNR	Parks Management	Capital project - Emergency repairs to Perseverance Trail	Deny							7 (c)		120.0			120.0	4 (c)		200.0					200.0
25	DFG	Wildlife Conservation	RPL 11-7-0234 New and carryforward federal funds for projects.	9	430.0					430.0	8 (a)	430.0				430.0	New	430.0						430.0
26	DFG	Com Fish Mgmt & Dev/Fisheries Mgmt	On-going litigation costs for the fiscal year ending June 30, 1997.	Deny							8 (b)		115.0			115.0	3/19/97		115.0					115.0

**Senate Bill 83/House Bill 113  
FY 97 SUPPLEMENTAL APPROPRIATIONS  
(In Thousands)**

	DEPT.	BRU/ COMPONENT	DESCRIPTION	Sen Sec #	CS for Senate Bill 83(Fin)						Hsc Sec #	CS for House Bill 113(Fin)						Gov's Sec #	Governor's Request					Total Funds	
					Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds		Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds		Federal	GF	GF/ Prgm	GF/ Match	Other		
27	HSS	Aide to Families with Dependent Children	Delete	10	(a)		(800.0)																		
28	HSS	Adult Public Assistance	Add for Estimated FY97 costs	10	(b)		800.0				9	(a)		939.0					5	(a)				939.0	939.0
29	HSS	Med Assist./ Indian Health Services (IHS)	Increased IHS Medicaid reimbursement rates	10	(c)	10,000.0					9	(b)	10,000.0					5	(b)	10,000.0				10,000.0	10,000.0
30	HSS	Family and Youth Services/ Foster Care	Costs for children in state custody (revised)	10	(d)		750.0				9	(c)		750.0				5	(c)					750.0	750.0
31	HSS	State Health Services	RPL 06-7-0196 Indoor Radon Monitoring grant - \$78.0 & Tuberculosis Control & Elimination	10	(c)	99.3					9	(c)	99.3					New		99.3				99.3	99.3
32	HSS	Public Assist Admin/Eligibility Determination	Delete	10	(f-g)		(300.0)																		
33	HSS	Medical Assistance Admin/Claims Processing	Delete	10	(h-i)		(300.0)																		
34	HSS	Family and Youth Services/ McLaughlin Youth Center	Increased costs caused by youth facility population increases Add	10	(j)		600.0				9	(d)		685.0				5	(d)					685.0	685.0
35	HSS	Family and Youth Services/ Central Office	Capital project - Improved security at McLaughlin Youth Center and Fairbanks Youth Facility. Senate proposal funds McLaughlin security.	10	(k)		838.8											4	(b)					1,247.4	1,247.4

**Senate Bill 83/House Bill 113  
FY 97 SUPPLEMENTAL APPROPRIATIONS  
(In Thousands)**

	DEPT.	BRU/ COMPONENT	DESCRIPTION	Sen Sec #	CS for Senate Bill 83(Fin)							Hse Sec #	CS for House Bill 113(Fin)							Gov's Sec #	Governor's Request					Total Funds
					Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds	Federal		GF	GF/ Prgm	GF/ Match	Other	Total Funds	Federal	GF		GF/ Prgm	GF/ Match	Other			
36	LAW	Oil & Gas Litigation	Section 26(a), ch. 94, SLA 95. Source of funds: \$3,160.0 State Corporate Receipts, \$16,840.0 CBRF. Retroactive to July 1, 1996. Extend lapse to June 30, 1997. <b>Withdrawn by Governor, approved by House. Senate proposal is to approve w/language change</b>	11	(a)							10	(a)						6	(a)						
37	LAW	Legal Services Operations	Judgments and claims (revised)	11	(b)		1,347.5			16.0	1,363.5	10	(b)		701.0			16.0	717.0	6	(b)		1,347.6		16.0	1,363.6
38	LAW	Civil Division/ Medicaid Provider Fraud	Add GF/Match, delete GF/Program receipts for Medicaid Provider Fraud (revised)	11	(c-d)			(10.0)	10.0			19				(10.0)	10.0		New			(10.0)	10.0			
39	DMV	Disaster Planning & Control	Capital project - Emergency alert system. House and Governor have a lapse date extension to June 30, 1998.	12	(a)		220.0				220.0	11	(a)		200.0				200.0	7	(a)		220.0		220.0	
40	DMV	Disaster, Planning & Control	Appropriate general fund program receipts to the Disaster Relief Fund to allow for the receipt & payment of insurance premiums - with a lapse date extension of June 30, 1998.	12	(b)			17.2			17.2	11	(b)			17.2			17.2	New	(b)		17.2		17.2	
41	DMV	Disaster, Planning & Control	Appropriate from the Disaster Relief Fund p'ment of premium p'ments for flood - with a lapse date extension of June 30, 1998.	12	(c)				17.2		17.2	11	(c)				17.2		17.2							
42	DMV		Capital project (1 yr) - Fairbanks Armory Expansion	12	(d)				700.0		700.0															
43	DMV	AK Nat'l Guard/Youth Corps	Youth Corps Program	12	(e)		186.4				186.4															
44	DOA	Admin Services	Misc claims, stale date warrants (revised from \$27.3)	13			37.3				37.3	12			33.4				33.4	8			37.3		37.3	
45	DOC	Admin Services	Misc claims, stale date warrants (revised from \$8.3)	13			9.3				9.3	12			9.3				9.3	8			9.3		9.3	
46	DFG	Admin Services	Misc claims, stale date warrants	13			1.3				1.3	12			1.3				1.3	New			1.3		1.3	

**Senate Bill 83/House Bill 113**  
**FY 97 SUPPLEMENTAL APPROPRIATIONS**  
(In Thousands)

DEPT.	BRU/ COMPONENT	DESCRIPTION	Sen Sec #	CS for Senate Bill 83(Fin)							Hse Sec #	CS for House Bill 113(Fin)							Gov's Sec #	Governor's Request					Total Funds
				Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds	Federal		GF	GF/ Prgm	GF/ Match	Other	Total Funds	Federal	GF		GF/ Prgm	GF/ Match	Other			
47	HSS	Admin Services	13		30.3					30.3	12		22.2				22.2	8						30.3	
48	LAW	Admin Services	13		0.6					0.6	12		0.6				0.6	New						0.6	
49	DPS	Admin Services	13		4.3					4.3	12		4.3				4.3	8						4.3	
50	DOT	Admin Services	13		0.9					0.9	12		0.9				0.9	8						0.9	
51	CRA		14		360.0					360.0															
52	DNR	Fire Suppression	15	(a)	3,668.3					3,668.3	13	(a)	3,788.3				3,788.3	9	(a)					3,788.3	
53	DNR	Resource Dev/Land Development	15	(b)	360.0					360.0	13	(b)	280.0				280.0	9	(b)					300.0	
54	DNR	Resource Dev/Land Development									13	(c)	20.0				20.0								
55	DNR	Resource Dev/Land Development		Deny							13	(d)	100.0				100.0	9	(c)					100.0	
56	DNR	Natural Resources	15	(c)					698.0	698.0	13	(c)				977.0	977.0						977.0	977.0	
57	DOR	Alaska Mental Health Trust Authority	15	(d)					150.0	150.0	13	(f)				150.0	150.0								
58	DNR	Resource Dev/Mining Development	15	(c)	800.0					800.0								5/28/97						800.0	
59	DNR		15	(f)		650.0				650.0															
60	DNR		15	(g)		630.0				630.0															



**Senate Bill 83/House Bill 113**  
**FY 97 SUPPLEMENTAL APPROPRIATIONS**  
(In Thousands)

	DEPT.	BRU/ COMPONENT	DESCRIPTION	Sen Sec #		CS for Senate Bill 83(Fin)						Hsc Sec #		CS for House Bill 113(Fin)						Gov's Sec #		Governor's Request					Total Funds		
				Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds	Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds	Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds								
78	CTS	Commission on Judicial Conduct	Increased operating costs and mandatory salary increases	20	(b)		30.4				30.4	18	(b)		30.4				30.4						23.0				23.0
79	LEG	Budget & Audit Committee/Leg Audit	L&A study of state employee salary and benefits with a lapse date extension of June 30, 1998	21	(n)		500.0				500.0																		
80			Intent for (a), study overseen by a steering committee of appointees by the Legislature & Governor	21	(b)																								
81	DOC	Office of the Commissioner	Capital project - Partial funding to provide additional women's correctional facilities to satisfy fines from FY95 to FY97 levied by the Superior Court in Cleary, et al v. Smith	Deny															2						2,300.0			2,300.0	
82	HSS	Community Health/EMS Services.	Capital project - Emergency communications equipment	Deny															4	(c)					200.0			200.0	
83	LAW	Civil	Advocating the state's legal position on the sovereign powers of Native tribal governments in the state - with a lapse date extension to June 30, 1998.																6	(c)					485.0			485.0	
84	LAW	CSSB 74 (Fin) Am H contains \$1.0 million for this purpose																	6	(c)					(485.0)			(485.0)	
85	DOR	Treasury Management	Purpose of sec (a) is to pay management fees and intent for FY98 to appropriate GF for new asset allocation.	Deny															12	(b)									
86	HSS	Institutions & Admin	RPL 06-7-0144 Alaska Psychiatric Institute	Deny															New						200.0			200.0	
87	DPS	Training Academy	Capital project - Training academy construction of a women's addition, improvements, & shooting range.	Deny															3/11/97								2,104.4	2,104.4	



moved Sen. Tolgerson  
w/o objection adopted

SENATE FINANCE  
COMMITTEE

Amendment Number: 2

Bill Number: SB 83

Sponsor: \_\_\_\_\_ Date: 3 April 97

Logged In By: J. Soltani

Section 15j

AMMENDMENT TO SUPPLEMENTAL

Sen. Tolgerson

Timber sales on the Kenai Peninsula

DELETE: Central Plateau

INSERT:	Kalgin Island II	\$110.0
	Caribou Hills	\$100.0
	S. Ninilchik-Dome View	\$150.0

South Ninilchik Block	2,600 acres	20MMBF	\$208.00
Kalgin Island II	1,500 acres	10MMBF	\$110.0
Caribou Hills	2,000 acres	10MMBF	\$100.0
S Ninilchik Dome	600 acre <del>d</del>	3.5MMBF	\$150.00

DELETE: \$557,100.00

INSERT: \$568,000.00

AMMENDMENT TO SUPPLEMENTAL

*Section 15j*

*Sen. Torgerson*

Timber sales on the Kenai Peninsula

DELETE: Central Plateau

INSERT: Kalgin Island II \$110.0

Caribou Hills \$100.0

S. Ninilchik-Dome View \$150.0

South Ninilchik Block 2,600 acres 20MMBF \$208.00

Kalgin Island II 1,500 acres 10MMBF \$110.0

Caribou Hills 2,000 acres 10MMBF \$100.0

S Ninilchik Dome 600 acres 3.5MMBF \$150.00

DELETE: \$557,100.00

INSERT: \$568,000.00

Senate Finance  
 FY 97 Supplemental Appropriation  
 (000 omitted)

New requests								
	DEPT.	DESCRIPTION	Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds
1	DMVA	Capital Project (1 yr)-- Fairbanks Armory Expansion				700.0		700.0
2	DNR	Capital Project (2 yr) --Airborne Geophysical /Geological Mineral Inventory.		650.0				650.0
3	DNR	Capital Project (2 yr) -- Timber sales in Tok, Delta & Kantishna.		630.0				630.0
4	DNR	Capital Project -- Timber sales in Southeast.		150.0				150.0
5	DPS	Capital Project (2 yr) -- Automated victim notification system.		250.0				250.0
6	DNR	Appraisal of Public School Lands.					432.5	432.5
7	DNR	Capital Project -- Timber sales in Kenai Peninsula.		557.1				557.1
8	CRA	Capital Project -- Repair or replace Unalakleet main water line. (Option: use AHFC capital money.)		360.0				360.0
9	DMVA	Youth Corps program.		250.0				250.0
10	LEGIS	LB&A study of state employee salary and benefits.		500.0				500.0
11	COR	New inmate beds: CRC and out-of-state.	1,000.0					1,000.0
12	LAW	Various ratifications.						
		<b>Totals of new requests</b>	<b>1,000.0</b>	<b>3,347.1</b>	<b>0.0</b>	<b>700.0</b>	<b>432.5</b>	<b>5,479.6</b>
			<b>Federal</b>	<b>GF</b>	<b>GF/ Prgm</b>	<b>GF/ Match</b>	<b>Other</b>	<b>Total Fund</b>
		Tota federal funding request	1,000.0					
		Total GF funding request	4,047.1					
		Total Other funding request	432.5					
		<b>Total funding request</b>	<b>5,479.6</b>					

**Senate Bill 83/House Bill 113**  
**FY 97 SUPPLEMENTAL APPROPRIATIONS**  
(In Thousands)

DEPT.	BRU/ COMPONENT	DESCRIPTION	Hse Sec #	CS for House Bill 113(Fin)							Governor's Request					
				Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds	Gov's Sec #	Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds
1	DOA	Leasing	1 (a)		23.6			309.8	333.4	1 (a)		993.7				993.7
2	DOA	Office of Public Advocacy	1 (b)		210.5				210.5	1 (b)		247.8				247.8
3	DOA	Public Defender	1 (c)		268.9				268.9	1 (c)		268.9				268.9
4	DOA	EPORS	1 (d)		65.6				65.6	1 (d)		65.6				65.6
5	DOA	Leasing	1 (e)		243.3				243.3	1 (e)		243.3				243.3
6	DOA	Leasing	1 (f)		104.0				104.0	1 (f)		104.0				104.0
7	CED	AK Science and Technology (AST) Foundation	2 (a)							New (a)						
8	CED	AK Aerospace Development Corp.	2 (b)	18,000.0				10,000.0	28,000.0	New (b)	18,000.0				10,000.0	28,000.0
9	CED	Exec Admin & Dev/ Commissioner's Ofc	3		60.0				60.0	New		60.0				60.0
10	CRA	Rural Energy Program - Energy Operations/PCE	4 (a)		1,500.0				1,500.0	New (a)		1,500.0				1,500.0
11	CRA	Rural Energy Program - Energy Operations/PCE	4 (b)					1,500.0	1,500.0	New (b)					1,500.0	1,500.0
12	CRA	Child Assistance/ Head Start	4 (c)	50.0					50.0	New	50.0					50.0
13	DMV	Disaster Relief Fund	5		415.0				415.0	3		1,000.0				1,000.0

**Senate Bill 83/House Bill 113**  
**FY 97 SUPPLEMENTAL APPROPRIATIONS**  
(In Thousands)

	DEPT.	BRU/ COMPONENT	DESCRIPTION	Hse Sec #	CS for House Bill 113(Fin)						Governor's Request					Total Funds		
					Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds	Gov's Sec #	Federal	GF	GF/ Prgm	GF/ Match		Other	
14	DOE	Teaching & Learning Support/ Special & Suppl Svcs	RPL 05-7-0626 New and carryforward funds for Title I and Migrant Education programs	6 (a)	3,750.0						3,750.0	New	3,750.0					3,750.0
15	DOE	Voc Rehab/Client Services	RPL 05-7-0680 New and carryforward funds for client services programs	6 (b)	600.0						600.0	New	600.0					600.0
16	DOE	Voc Rehab/ Administration	RPL 05-7-0681 New and carryforward for administration and oversight of direct services	6 (c)	150.0						150.0	New	150.0					150.0
17	DOE	Teaching & Learning Support	RPL 05-7-0700 Carryforward funds for the School to Work program	6 (d)	1,080.0						1,080.0	New	1,080.0					1,080.0
18	DOE	AK State Library/Library Operations	RPL 05-7-0734 Computer and software upgrades	6 (e)			30.0				30.0	New			30.0			30.0
19	DOE	Mt. Edgecumb Boarding School	RPL 05-7-0748 Summer programs in FY97	6 (f)			22.0				22.0	New			22.0			22.0
20	DOC	Fairbanks Correctional Center	Capital project - Replace boiler system	7 (a)		632.0					632.0	4 (a)		632.0				632.0
21	DMV	Disaster Planning & Control	Capital project - Radio equipment	7 (b)		100.0					100.0	4 (d)		100.0				100.0
22	DNR	Parks Management	Capital project - Emergency repairs to Perseverance Trail	7 (c)		120.0					120.0	4 (c)		200.0				200.0
23	DFG	Wildlife Conservation	RPL 11-7-0234 New and carryforward federal funds for projects.	8 (a)	430.0						430.0	New	430.0					430.0
24	DFG	Com Fish Mgmt & Dev/Fisheries Mgmt	On-going litigation costs for the fiscal year ending June 30, 1997.	8 (b)		115.0					115.0	3/19/97						
25	DFG	Com Fish Mgmt & Dev/Fisheries Mgmt	Sec. 47, ch. 94, SLA 95, pg 31, In 20. Extend lapse to June 30, 1997 - Governor's request.									New						
26	HSS	Adult Public Assistance	Estimated FY97 costs	9 (a)		939.0					939.0	5 (a)		939.0				939.0

**Senate Bill 83/House Bill 113**  
**FY 97 SUPPLEMENTAL APPROPRIATIONS**  
(In Thousands)

DEPT.	BRU/ COMPONENT	DESCRIPTION	Hse Sec #	CS for House Bill 113(Fin)						Governor's Request					Total Funds		
				Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds	Gov's Sec #	Federal	GF	GF/ Prgm	GF/ Match		Other	
27	HSS	Med Assist./ Indian Health Services (IHS)	9	(b)	10,000.0					10,000.0	5	(b)	10,000.0				10,000.0
28	HSS	Family and Youth Services/ Foster Care	9	(c)		750.0				750.0	5	(c)	750.0				750.0
29	HSS	Family and Youth Services/ McLaughlin Youth Center	9	(d)		685.0				685.0	5	(d)	685.0				685.0
30	HSS	State Health Services	9	(e)	99.3					99.3	New		99.3				99.3
31	LAW	Oil & Gas Litigation															
31	LAW	Legal Services Operations	10	(a)							6	(a)					
32	LAW	Legal Services Operations	10	(b)		701.0			16.0	717.0	6	(b)	869.7			16.0	885.7
33	DMV	Disaster Planning & Control	11	(a)		200.0				200.0	7	(a)	220.0				220.0
34	DMV	Disaster, Planning & Control	11	(b)						17.2	New	(b)	17.2				17.2

**Senate Bill 83/House Bill 113**  
**FY 97 SUPPLEMENTAL APPROPRIATIONS**  
(In Thousands)

	DEPT.	BRU/ COMPONENT	DESCRIPTION	Hse Sec #	CS for House Bill 113(Fin)						Governor's Request						
					Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds	Gov's Sec #	Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds
35	DMV	Disaster, Planning & Control	Appropriate from the Disaster Relief Fund p'ment of premium p'ments for flood - with a lapse date extension of June 30, 1998.	11	(c)					17.2	17.2						
36	DOA	Admin Services	Misc claims, stale date warrants (revised from \$27.3)	12						33.4	33.4	8		33.4			33.4
37	DOC	Admin Services	Misc claims, stale date warrants (revised from \$8.3)	12						9.3	9.3	8		9.3			9.3
38	DFG	Admin Services	Misc claims, stale date warrants	12						1.3	1.3	New		1.3			1.3
39	HSS	Admin Services	Misc claims, stale date warrants	12						22.2	22.2	8		22.2			22.2
40	LAW	Admin Services	Misc claims, stale date warrants	12						0.6	0.6	New		0.6			0.6
41	DPS	Admin Services	Misc claims, stale date warrants	12						4.3	4.3	8		4.3			4.3
42	DOT	Admin Services	Misc claims, stale date warrants	12						0.9	0.9	8		0.9			0.9
43	DNR	Fire Suppression	Funding for fixed costs and fire suppression activities from January - June 1997.	13	(a)					3,788.3	3,788.3	9	(a)	3,788.3			3,788.3
44	DNR	Resource Dev/Land Development	Refunds owed by the veterans' land discount program (AS 38 05.940)	13	(b)					280.0	280.0	9	(b)	300.0			300.0
45	DNR	Resource Dev/Land Development	Costs of administering the refunds owed by the veterans' land discount program	13	(c)					20.0	20.0						
46	DNR	Resource Dev/Land Development	Removal of existing buildings and other associated facilities at the Old Eagle School site	13	(d)					100.0	100.0	9	(c)	100.0			100.0
47	DNR	Natural Resources	Capital project - Purchase of Roberts parcel - \$698.0, Overlook Park parcel - \$279.0, with EVOSS	13	(c)						977.0	977.0					977.0
48	DOR	Alaska Mental Health Trust Authority	Capital project - Activities to plan for a new Alaska Psychiatric Institute - with a lapse date extension to June 30, 1998. MITAAR is the funding source	13	(f)					150.0	150.0						