

ALASKA LEGISLATURE

1898

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

legislative fiscal analyst overview of the governor's FY01 request

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT FUNDING SUMMARY

	General Purpose	Federal Restricted	Other Funds	Total
FY00 Conference Committee	12,356.9	79,549.1	19,549.6	111,455.6
Unallocated Reduction Spread	(42.0)			(42.0)
Agency Transfer In	2,103.3	3,392.4	1,986.6	7,482.3
FY00 Authorized	14,418.2	82,941.5	21,536.2	118,895.9
Transfer In	87.4	1,236.3		1,323.7
Transfer Out	(87.4)	(1,236.3)		(1,323.7)
FY00 Management Plan	14,418.2	82,941.5	21,536.2	118,895.9
Agency Transfer In	259.7			259.7
Agency Transfer Out	(77.5)	(2,544.0)	(135.7)	(2,757.2)
Transfer In		3,614.9		3,614.9
Transfer Out		(3,614.9)		(3,614.9)
FY01 Adjusted Base	14,600.4	80,397.5	21,400.5	116,398.4
Increment			1,129.8	1,129.8
Decrement		(3,405.8)	(1,767.5)	(5,173.3)
Language Section	100.0			100.0
FY01 Governor Request	14,700.4	76,991.7	20,762.8	112,454.9

Position Summary	PFT	PPT
FY00 Authorized	736	98
FY01 Governor Request	750	93
Net Change	14	(5)

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DEPARTMENT OF LAW

The Department of Law protects the state's sovereignty, prosecutes crime, represents and advises the state in all civil matters, and provides other legal services to state government.

The Governor's proposed budget for the Department of Law is \$1.1 million below the FY00 Management Plan. This change is made up of a \$1,225,200 decrease in general fund appropriations and a \$121,200 increase in other fund appropriations.

SIGNIFICANT CHANGES

- The Criminal Division BRU budget backs out \$165,000 GF in one-time appropriations for tort reform and medical procedures.
- The Civil Division BRU requests the following:
 - Commercial Section* requests \$62,000 of interagency receipt authority to reclassify an associate attorney to an attorney.
 - Fair Business Practices* requests \$45,000 of I/A receipts authority to fund a part-time paraprofessional position to assist with student loan collections.
 - The *Governmental Affairs Section* backs out \$230,000 GF related to a one-time item (Bank of America investigation) but not \$325,000 of statutory designated program receipts (SDPR) for the same purpose.
 - The *Special Litigation* Section backs out \$79,700 GF in one-time appropriations for tort reform and medical procedures.
- Oil and Gas Litigation and Legal Services BRU backs out a \$750,000 GF in one-time appropriation for issues related to the BP AMOCO-ARCO merger.

ORGANIZATIONAL CHANGES

- The Department of Law proposes no organizational changes.

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DEPARTMENT OF LAW FUNDING SUMMARY

	General Purpose	Federal Restricted	Other Funds	Total
FY00 Conference Committee	25,480.2	476.1	17,496.7	43,453.0
Special Appropriation	1,605.2		325.0	1,930.2
FY00 Authorized	27,085.4	476.1	17,821.7	45,383.2
Transfer In	298.9		138.0	436.9
Transfer Out	(298.9)		(138.0)	(436.9)
FY00 Management Plan	27,085.4	476.1	17,821.7	45,383.2
One Time Item	(1,605.2)		(325.0)	(1,930.2)
Transfer In	156.7		260.4	417.1
Transfer Out	(156.7)		(260.4)	(417.1)
FY01 Adjusted Base	25,480.2	476.1	17,496.7	43,453.0
Increment	610.2		446.2	1,056.4
Decrement	(230.2)			(230.2)
FY01 Governor Request	25,860.2	476.1	17,942.9	44,279.2

Position Summary	PFT	PPT
FY00 Authorized	450	11
FY01 Governor Request	450	16
Net Change	0	5

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DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

The Department of Military and Veterans' Affairs is responsible for the State's military operations, disaster planning and control, and veterans' programs. In addition, it operates the Alaska Military Youth Academy, which provides a military style high school for "at risk" youth.

SIGNIFICANT ISSUES

- The Governor's request for FY01 is \$1,391,800 (4%) above the FY00 Management Plan. General fund spending would increase by \$706,200 (9%), most of which can be attributed to Disaster Planning and Control's \$630,000 replacement of I/A receipts with general funds. Increments of \$595,000 in grants and \$227,000 for the New Facilities Kulis ANG Base are responsible for a major portion of the \$1,028,100 (4.4%) increase in federal funds.
- Disaster Planning & Control requests an increment of \$276,000 in federal funds to aid in preparations to respond to incidents of domestic terrorism. An additional increment of \$319,000 in federal receipts will pass through to communities for emergency preparedness efforts. This amount was mistakenly taken out of the FY00 budget then replaced with a RPL.
- Disaster Planning & Control is also requesting a fund change of \$630,200 in I/A receipts to general funds. To maintain the present level of service, general funds will need to be used for base operations. The Division's day-to-day activities have been funded through I/A receipts from the Disaster Relief Fund (DRF). However, the DRF will have insufficient funding available to pay for base staff in FY01 because the I/A receipts previously used were balances from "old" disasters. As "old" disasters are closed this option will no longer be available.
- A decrement of \$193,400 in Local Emergency Planning Committee Grants from DEC's Oil & Hazardous Substance Response Fund (OHSRF) would reduce authority to the maximum statutory level, which is three percent of the balance in the prevention account.
- The Office of the Commissioner has asked for an increment of \$140,000 in I/A receipts for increased cost allocation plan recoveries from various DMVA programs.
- The National Guard Military Headquarters is asking for an increment of \$130,000 in general funds to hire a National Missile Defense (NMD) State Action Officer.
- The Alaska Military Youth Academy (AMYA) has asked for three increments. A \$200,000 increment in I/A receipts would pay for three Team Leader positions, overtime and project employees who are filling in for the regular staff. A second increment for \$200,000 in I/A receipts would fund the kitchen's staff salaries, supplies, and equipment. This increment will free up enough money to add an Administrative Assistant. An increment of \$162,200 in federal receipts would adjust federal authorization from 65% federal match in FY00 to 60% federal match for FY01.
- The Retirement Benefits component requests a decrement of \$224,000 in general funds. This request is based on a recent projection by Retirement & Benefits that FY01 and FY02 retirement cost will decline to \$879,784.

ORGANIZATIONAL CHANGES

- There are no organizational changes proposed in the Department of Military and Veterans' Affairs budget.

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DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS FUNDING SUMMARY

	General Purpose	Federal Restricted	Other Funds	Total
FY00 Conference Committee	7,883.9	23,406.2	3,326.6	34,616.7
FY00 Authorized	7,883.9	23,406.2	3,326.6	34,616.7
FY00 Management Plan	7,883.9	23,406.2	3,326.6	34,616.7
Fund Source Change	630.2		(630.2)	0.0
Increment	300.7	1,028.1	577.0	1,905.8
Decrement	(224.7)		(289.3)	(514.0)
FY01 Governor Request	8,590.1	24,434.3	2,984.1	36,008.5

Position Summary	PFT	PPT
FY00 Authorized	219	3
FY01 Governor Request	229	1
Net Change	10	(2)

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DEPARTMENT OF NATURAL RESOURCES

The Department of Natural Resources manages the State of Alaska's land, water, forests, grasslands, petroleum, minerals, parks, agriculture programs, and related development activities. The mission of the department is to develop, conserve, and enhance renewable and non-renewable natural resources for present and future Alaskans.

SIGNIFICANT ISSUES

- The Department of Natural Resources request is \$292,700 above the department's FY00 Management Plan. The request includes a reduction of three PFT positions, an increase of one PFT position, and an increase of eight non-permanent positions.
- The Management and Administration BRU request for \$108,500 includes \$53,000 in Interagency Receipts in the Commissioner's Office for support of operations, \$309,000 in Interagency Receipts for support of the Public Services Office, and a net reduction of \$253,500 in the Trustee Council Projects component. The Trustee Council Projects component net reduction is a decrease of \$532,700 in Exxon Valdez Oil Spill Settlement Funds as the restoration project begins to draw to a close and an increase of \$270,000 in federal receipts for the expansion of the Cook Inlet Information and Monitoring System to include Non-EVOS related information.
- The Information/Data Management BRU requests a net decrease of \$115,200. An increment of \$150,000 in CIP Receipts for the federally funded Online Mining Claim Permitting and Processing Project is offset by a decrease of \$250,000 in CIP Receipts associated with the completion of the federally funded Land Status Mapping Project and a reduction of \$100,200 in federal receipts for anticipated grants in FY01. The Interdepartmental DP Chargeback component requests an increase of \$85,000 in Interagency Receipts for computer, network, and mainframe support functions.
- The Resource Development BRU requests a net reduction of \$40,100. The Mental Health Lands Administration component requests an increment of \$46,400 in Mental Health Trust Authority Authorized Receipts for the implementation of its information management system. The Oil and Hazardous Waste Spill Response Program (and the associated funding of \$82,500 in Interagency Oil/Haz Funds and \$4,000 in Interagency Receipts) has been moved to other components.
- The Forest Management and Development BRU requests a reduction of \$437,000. The reduction includes \$121,000 in Interagency Receipts for the Monitoring of Forestry Practices Act, \$66,000 in Interagency Receipts for the Tanana River Dynamics Project and \$250,000 in General Fund Program Receipts for Value Added Timber Sales.

Legislative Fiscal Analyst Comment: Legislative Finance corrected the department's recording of the fund source for Value Added Timber Sales. A \$250,000 appropriation was recorded as General Funds rather than General Fund Program Receipts.
- The Oil and Gas Development BRU requests a net increase of \$369,200. The Oil and Gas Development component requests \$47,100 in federal receipts for travel and training costs associated with the Federal Minerals Management Service Audit Program and \$14,500 in Interagency Oil/Haz Funds for State and Industry Spill Contingency Planning Support. The Pipeline Coordinator component requests \$307,600 for increases in the Alyeska Pipeline Service budget and for the Trans-Alaska Pipeline System right-of-way contract renewal.
- The Minerals, Land and Water BRU is new. It was created by combining the Division of Land with the Division of Mining & Water. The components within the Mining, Geological, Water Development, and Land Development BRUs were transferred to this BRU and several new components were created. Requested funding for the Minerals, Land and Water BRU is \$509,500 less than in FY00.
- The Geological Development component requests a net funding increase of \$81,200. Increments include \$5,100 in CIP Receipts to cover costs associated with work on existing projects, \$36,100 in federal receipts for

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anticipated increases in federal grants, and \$40,000 in Statutory Designated Program Receipts for the NPRA/Western Arctic Mapping Project. Special appropriations of \$340,700 in Public School Funds for the appraisal of Public School Lands and \$250,000 in General Fund Program Receipts associated with preparations of land sales have been backed out of the budget.

Legislative Fiscal Analyst Comment: Legislative Finance added a fund change transaction (\$250,000 from General Funds to General Fund Program Receipts) to reflect the appropriation language.

- The Parks and Recreation Management BRU requests a net funding decrease of \$434,800. The Parks Management component requests increases of \$22,000 in Statutory Designated Program Receipts for the Junior Ranger Program and \$50,000 for maintenance needs, improved volunteer training and supervision at the four largest park areas within Alaska. The Parks Access component requests a funding increase of \$93,200 in CIP Receipts for parks staff and a reduction of \$600,000 in federal receipts associated with the shifting of the federally funded Alaskan Boating Safety Project from the operating budget to the capital budget to accommodate projects that cross the State's fiscal year.
- The Agricultural Development BRU requests a net increase of \$83,000, including a \$17,000 reduction in federal receipts for the USDA's Conservation Reserve Program and a \$100,000 increase in CIP Receipts for the Agricultural Land Disposal Project.
- The Facilities Maintenance BRU contains a new component titled DNR State Facilities Rent. An agency transfer of \$1,268,600 in General Funds from the Department of Administration is included within this component for the payment of rent associated with the Atwood Building.

ORGANIZATIONAL CHANGES

- The Department created a new BRU titled Minerals, Land, and Water. The department combined the Division of Land with the Division of Mining and Water to form the new BRU. Several new components were created to place emphasis on the various functions performed within this BRU. The components are Claims, Permits, and Leases; Land Sales & Municipal Entitlements; Title Acquisition & Defense; and Directors' Office/Mining, Land, and Water.
- The Public Services Office has been moved from the Land Development BRU to the Management & Administration BRU.
- The Computer Services Center was moved from the Information Resource Management component to the Interdepartmental DP Chargeback component.
- The department eliminated the need for the Oil & Hazardous Waste Spill Response component within the Resource Development BRU by budgeting in the components performing those program duties.
- The department has created a new component within the Facilities Maintenance BRU titled DNR State Facilities Rent.

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DEPARTMENT OF NATURAL RESOURCES FUNDING SUMMARY

	General Purpose	Federal Restricted	Other Funds	Total
FY00 Conference Committee	36,787.3	11,429.3	16,770.2	64,986.8
Special Appropriation	500.0		527.7	1,027.7
FY00 Authorized	37,287.3	11,429.3	17,297.9	66,014.5
FY00 Management Plan	37,287.3	11,429.3	17,297.9	66,014.5
One Time Item	(500.0)		(527.7)	(1,027.7)
Agency Transfer In	1,268.6			1,268.6
Transfer In	7,992.4	747.6	1,043.1	9,783.1
Transfer Out	(7,992.4)	(747.6)	(1,043.1)	(9,783.1)
FY01 Adjusted Base	38,055.9	11,429.3	16,770.2	66,255.4
Increment	50.0	353.4	1,225.8	1,629.2
Decrement		(717.2)	(860.2)	(1,577.4)
FY01 Governor Request	38,105.9	11,065.5	17,135.8	66,307.2

Position Summary	PFT	PPT
FY00 Authorized	555	240
FY01 Governor Request	552	238
Net Change	(3)	(2)

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DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety is Alaska's primary law enforcement agency for federal, state, and local laws. The mandate of the department is to prevent loss of life and property as a result of illegal or unsafe acts. The department enforces criminal laws, traffic laws, and state fish and game regulations, and provides public protection programs for fire and traffic safety. Public Safety also serves as the umbrella agency for the Council on Domestic Violence and Sexual Assault, the Violent Crimes Compensation Board, the Alaska Police Standards Council, and the Alaska Fire Standards Council.

SIGNIFICANT CHANGES

- The Governor's proposed budget for the Department of Public Safety is \$2.8 million above the FY00 Management Plan. This change is made up of a \$1,909,600 net increase in the general fund group and a \$932,200 net increase in other funds.

<u>Funding Source</u>	<u>Increments</u>	<u>Decrements</u>	<u>Fund Change</u>	<u>Total</u>
1004 Gen fund	\$ 1,728,100	-	\$ 141,500	\$ 1,869,600
1005 GF/Prgm	40,000	-	-	40,000
1007 I/A Rcpts	1,339,400	(1,417,000)	-	(77,600)
1024 Fish/Game	-	-	(141,500)	(141,500)
1108 Stat Desig	238,100	-	-	238,100
1050 PFD Fund	630,000	-	120,000	750,000
1002 Fed Rcpts	283,200	-	(120,000)	163,200
Total -	\$ 4,258,800	\$ (1,417,000)	\$ -	\$ 2,841,800

Legislative Fiscal Analyst Comment: OMB classified "fee supported services" increments of \$135,700 by the Police Standards Council, and \$200,000 by Criminal Records, as "other funds." This office reclassified the requests as general funds.

- The Fish and Wildlife Protection (FWP) BRU requests \$99,600 of general funds to cover an increase in risk management and insurance costs for the Aircraft Section and Marine Enforcement components. An additional \$56,900 of general funds would improve maintenance of the department's aircraft fleet and \$141,500 of general funds is requested as a fund source change to cover an anticipated shortfall in Fish and Game Fund criminal fines.
- The Fire Prevention BRU requests \$138,100 of general funds to adopt the International Building Code and provide for annual, versus biannual, fire inspection of schools and assembly buildings. A \$100,000 increment of Statutory Designated Program Receipts (SDPR) would provide fire emergency response training to cruise ships. The Alaska Fire Standards Council (AS 18.70.320-369) becomes effective July 1, 2000. An increment of \$120,000 in general funds and \$100,000 in SDPR is proposed for initial enactment.
- The Alaska State Troopers (AST) BRU requests \$185,300 of federal receipt authority for federal law enforcement grants, and \$318,900 of I/A receipts authority for the Federal Violence Against Women Act (VAWA) STOP Project. An additional \$38,100 of SDPR authority would fund commissioned officer housing units in Kotzebue and St. Mary's.
- The Alaska State Trooper Detachments BRU requests \$101,500 of I/A receipts for Drug Abuse Resistance Education (DARE) training, and \$124,000 of I/A receipts to provide overtime funding to assure the Governor's security and to ensure traffic enforcement in construction zones. A decrement of \$1,417,500 would delete 22 Court Services Officers and associated support costs due to the lack of interagency funding from the court system.

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- The Village Public Safety Officer Program (VPSO) BRU requests a general fund increment of \$600,000. This 15% increase over the FY00 budget would increase VPSO salaries.
- The Alaska Police Standards Council BRU requests a general fund increment of \$135,700 to fund police certification training and to support the Interior and Anchorage academies.
- The Violent Crimes Compensation Board BRU requests \$300,000 in Permanent Funds to cover an increase in the number of claims received and awarded. The BRU also requests \$97,900 of federal receipt authority. The federal grant that the compensation program applies for annually is based upon a percentage of expended state funds.
- The Council on Domestic Violence and Sexual Assault BRU requests \$100,000 of Permanent Funds to replace the inadvertent deletion of funding in FY00 for victim's needs support, and \$230,000 of PFD funds to cover increased requests for all services throughout the state.
- The Batterer's Intervention Program BRU requests a \$120,000 fund change from federal receipts to PFD funds in order to replace one-time federal funding.
- The Statewide Support BRU requests \$238,500 in general funds for the Laboratory Services component to complete and bring on-line the DNA Identification system and to reinstate DWI drug testing. A general fund increment of \$90,600 would create a new position in the Alaska Public Safety Information Network component and \$200,000 in general funds plus, \$60,700 of I/A receipts would allow for continued criminal history and fingerprint checks.
- FWP Enforcement and Investigative Services, FWP Aircraft Section, Fire Prevention Operations, AST Special Projects, AST Criminal Investigations Bureau, AST Detachments, and VPSO Support request a total of \$728,700 of I/A receipts authority to better reflect historical trends in unbudgeted RSA's and personal services costs.

ORGANIZATIONAL CHANGES

- There are no organizational changes.

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DEPARTMENT OF PUBLIC SAFETY FUNDING SUMMARY

	General Purpose	Federal Restricted	Other Funds	Total
FY00 Conference Committee	77,793.9	10,237.3	9,379.3	97,410.5
Special Appropriation	125.0			125.0
FY00 Authorized	77,918.9	10,237.3	9,379.3	97,535.5
FY00 Management Plan	77,918.9	10,237.3	9,379.3	97,535.5
One Time Item	(125.0)			(125.0)
Agency Transfer In	88.7			88.7
Transfer In	127.6			127.6
Transfer Out	(127.6)			(127.6)
FY01 Adjusted Base	77,882.6	10,237.3	9,379.3	97,499.2
Fund Source Change	141.5	(120.0)	(21.5)	0.0
Increment	1,804.4	283.2	2,207.5	4,295.1
Decrement			(1,417.0)	(1,417.0)
FY01 Governor Request	79,828.5	10,400.5	10,148.3	100,377.3

Position Summary	PFT	PPT
FY00 Authorized	740	27
FY01 Governor Request	724	22
Net Change	(16)	(5)

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DEPARTMENT OF REVENUE

The Department of Revenue's responsibilities include administration and enforcement of Alaska's tax laws, investment of most state funds, collection of fees and taxes and operation of the child support enforcement, charitable gaming, debt management and Permanent Fund Dividend programs. The Department of Revenue also provides support and financial advice to the following boards and authorities: the Municipal Bond Bank Authority, State Bond Committee, Royalty Oil and Gas Advisory Board, Medical Facilities Authorities, Permanent Fund Corporation, Alaska Mental Health Trust Authority, Alcoholic Beverage Control Board, Alaska Housing Finance Corporation, State Assessment Review Board, Alaska Gas Pipeline Financing Authority, Alaska State Pension Investment Board and the Public School Fund Advisory Board.

SIGNIFICANT ISSUES

- The Governor's request for FY01 is \$8,753,700 (4.6%) above the FY00 Management Plan. General fund authority accounts for \$495,800 of the increase, with over half the increase attributable to charges for State Facilities Rent. Other funds would increase by \$6,784,200. The largest chunk of this increase is \$6,100,500 of Permanent Fund receipts for increased investment management and custody fees.
- The Child Support Enforcement Division (CSED) requests increments totaling \$937,500, including \$230,000 in federal receipts and \$119,100 in GF/Program Receipts for the Smart Start Initiative. The combination of new federal welfare reform legislation, public demands for expanded customer services, a new computer system, stiffening federal compliance timeframes, and an ever-increasing caseload has created problems with client service and difficulty adhering to the federal requirements. To meet the above needs, the increment would be used to hire nine additional staff. The other major increment for CSED is \$537,500 in federal receipts for State Facilities Rent.
- The Alaska Permanent Fund Corporation (APFC) BRU requests an increment of \$314,700 in Permanent Fund Receipts for increased operating costs of the fund. In addition, PFC Custody and Management Fees has requested an increment \$6,100,500 for increased management and custody fees for equity investments.

Legislative Fiscal Analyst Comment: The HB 156 fiscal note put \$3,154,600 into the FY00 budget to cover management fees for equity investments. The fiscal note indicated that management fee expenditures in FY01 would be \$6,175,700. The request would add \$6,100,500 to the \$3,154,600 appropriated for FY00, leaving the component with over \$9.2 million in authorization.

- The Alaska Housing Finance Corporation (AHFC) requests three increments totaling \$768,100. An increment of \$430,800 in federal receipts for the Welfare-to-Work program would allow AHFC to issue approximately 600 new Section 8 Rental Assistance Vouchers to families that are engaged in work activity while on welfare. An increment of \$215,800 in federal receipts would provide funding for project-based Section 8 Contract Administration. An increment of \$121,500 in CIP funds would pay for building inspectors on construction sites during key construction periods.
- The Tax Division requests an increment for \$112,500 to receive I/A receipts from DOT/PF for motor fuel tax compliance.
- Treasury Management requests an increment of \$436,500 from various funds they manage.
- The Alaska State Pension Investment Board requests a decrement of \$57,900 in P/E Retirement and Teacher Retirement funds due to a reduction in costs.

ORGANIZATIONAL CHANGES

- The Income and Excise Audit component and the Oil and Gas Audit component merged to become the Tax Division under the Revenue Operations BRU.

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DEPARTMENT OF REVENUE FUNDING SUMMARY

	General purpose	Federal Restricted	Other Funds	Total
FY00 Conference Committee	8,851.5	32,289.0	100,664.9	141,805.4
FY00 Fiscal Note			3,154.6	3,154.6
Special Appropriation	2,769.1			2,769.1
FY00 Authorized	11,620.6	32,289.0	103,819.5	147,729.1
Transfer In	2.7	2.0	2.1	6.8
Transfer Out	(2.7)	(2.0)	(2.1)	(6.8)
FY00 Management Plan	11,620.6	32,289.0	103,819.5	147,729.1
One Time Item			(3,304.6)	(3,304.6)
Agency Transfer In	206.6			206.6
Transfer In	6,371.7		302.8	6,674.5
Transfer Out	(6,371.7)		(302.8)	(6,674.5)
FY01 Adjusted Base	11,827.2	32,289.0	100,514.9	144,631.1
Fund Source Change	3.7	(3.7)	0.0	0.0
Increment	285.5	1,498.0	10,225.1	12,008.6
Decrement		(20.6)	(136.3)	(156.9)
FY01 Governor Request	12,116.4	33,762.7	110,603.7	156,482.8

Position Summary	PFT	PPT
FY00 Authorized	786	30
FY01 Governor Request	799	26
Net Change	13	(4)

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DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

The Department of Transportation and Public Facilities is responsible for the planning, design, construction, operation, and maintenance of the state's transportation and public facility infrastructure, including: highways and ferries; airports, airstrips, and seaplane facilities; harbors, jetties, dikes, and breakwaters; and buildings. The Department also bears responsibility for enforcement of commercial vehicle standards and testing and certification of weight and measurement devices used in commercial transactions.

SIGNIFICANT CHANGES

- The net change in funding requested for FY01 is \$1,457,800 above the Governor's FY00 Management Plan.
- General purpose spending would decrease overall by \$1.7 million. The decrease results from the transfer of \$2,287,100 to various agencies for the new State Facilities Rent pool and a decrement of \$220,000 related to maintenance of the Harborview facility in Valdez. These decreases are offset by increases of \$776,700 in two appropriations: Highways and Aviation, and Measurement Standards and Commercial Vehicle Enforcement.
- The creation of the State Facilities Rent pool will not affect the facilities maintenance services provided by the Department. An increment of \$2,287,100 in interagency receipt authority is requested to offset the corresponding transfer out of general funds. Agencies that occupy space in buildings in the rent pool will pay the Department of Administration. DOA will contract with the Department of Transportation for building maintenance.
- The Measurement Standards and Commercial Vehicle Enforcement (MS&CVE) appropriation contains a new component titled "DOT State Facilities Rent" and an agency transfer in of \$11,400 in general funds for participation in the State Facilities Rent pool.
- Northern Region Facilities received a one-time general fund appropriation of \$235,000 to maintain the Harborview facility during FY00. The Department eliminates \$220,000 of that special appropriation and proposes to retain \$15,000 annually to maintain a cold shutdown of the facility.
- Central Region Highways and Aviation requests \$702,000 in general funds for maintenance work associated with the opening of the Whittier Tunnel in the summer of 2000. The contractor will be maintaining the tunnel itself for two years; however, there are additional costs for maintaining the highway leading up to the tunnel as well as the attendant parking lots and staging areas.
- A decrease of \$534,700 in federal receipt authority results from the termination of the Y2K appropriation in March of 2000. However, increases in capital improvement project (CIP) receipt authority totaling \$908,200 reflect the capture of federal dollars through the capital budget.
- Measurement Standards and Commercial Vehicle Enforcement anticipates two new federal grants from the Office of Motor Carrier Safety; one for increased commercial vehicle enforcement (\$300,000) and one for design and deployment of a Commercial Vehicle Information Systems and Networks project (\$112,000). The Governor's FY01 capital budget contains a request for \$700,000 of federal receipts for Commercial Vehicle Safety Enforcement.
- MS&CVE also proposes an increment of \$65,300 in a new fund classification called fee supported program receipts. According to the Department's budget detail, these receipts will be generated from "increased measurement device registration fees" and will be used to purchase a vehicle and other equipment for commercial vehicle safety inspections.

Legislative Fiscal Analyst Comment: The Legislative Finance Division has included this new fund source in the general purpose fund group and recommends discussion at the finance subcommittee level to determine if these receipts are more appropriately classified as general fund program receipts.

- Increments totaling \$1.5 million of international airport revenue funds (IARF) are requested for the Anchorage and Fairbanks International Airports. The increases are for safety and maintenance oriented uses prompted by the expansion of facilities, growth in cargo operations, and federal advisories and requirements in safety, health, and environmental protection.

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- Marine Engineering requests two new Vessel Construction Managers and \$175,800 in CIP receipt authorization to implement the transition from existing long-haul, overnight passenger service to the point-to-point dayboat service described in the Southeast Area Transportation Plan. Existing capital appropriations combined with the FY01 capital request provide over \$60 million in federal funds for new ferry acquisition and existing ferry refurbishment.
- The Marine Highway System also proposes to add an Assistant Traffic Manager and \$85,000 in marine highway system funds to the Vessel Operations Management component. This position will serve as a marketing manager responsible for increasing ridership and revenues for the Alaska Marine Highway System.
- Two increments totaling \$198,500 in statutory designated program receipts (SDPR) are requested for resolution of right-of-way issues and employee housing.

Legislative Fiscal Analyst Comment: These and other requests for SDPR authority are listed in the statewide section of this document as items that bear further scrutiny to determine if the SDPR classification is appropriate.

- The only significant change in line item expenditures is an increase to commodities of \$1.9 million. This is due largely to an adjustment in the Department's Indirect Cost Allocation Plan to incorporate indirect costs eligible for federal reimbursement that were previously captured by unbudgeted reimbursable service agreements with capital projects. Transfers from the personal services line to contractual services and commodities total \$1,390,700 for this purpose. Additionally, the Department saved \$299,800 in IARF by switching fund sources to CIP receipts so that indirect costs previously paid with airport revenues will be reimbursed with federal dollars. This adjustment conforms to OMB Circular A87 by treating indirect costs throughout the Department in a like manner at a consistent rate.
- OMB Circular A87 also defines items of equipment with acquisition costs of less than \$5,000 as supplies. Accordingly, the Department transferred \$399,400 from equipment to commodities.

ORGANIZATIONAL CHANGES

- No major organizational changes are proposed for FY01.
- Two changes are made programatically, shifting responsibility between divisions. The Air Carrier Compliance program is transferred from the Division of Measurement Standards and Commercial Vehicle Enforcement to Statewide Aviation. The Delegation of Construction Authority program is transferred to Contracting, Procurement, and Appeals within the Commissioner's Office from Statewide Design and Engineering Services. Neither of these changes has any significant monetary impact.
- All the Materials sections in the Central Region are combined under Statewide Design and Engineering Services.
- The three regional highways and aviation appropriations are combined into one appropriation with the regional components as allocations.
- Three new components are created and one renamed under the International Airports appropriation. Building and Custodial are combined for the new component titled "Facilities" and Field Maintenance and Equipment Maintenance are combined for the new component titled "Field and Equipment Maintenance," one each under the Anchorage and Fairbanks International Airports. This results in a corresponding elimination of six components.
- The Marine Vessel Operations appropriation is eliminated so that all Alaska Marine Highway System allocations are now housed in the Marine Highway System appropriation.

legislative fiscal analyst overview of the governor's FY01 request

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES FUNDING SUMMARY

	General Purpose	Federal Restricted	Other Funds	Total
FY00 Conference Committee	126,392.3	1,428.2	207,889.8	335,710.3
Special Appropriation	935.0	534.7	53.1	1,522.8
FY00 Authorized	127,327.3	1,962.9	207,942.9	337,233.1
Transfer In	6.2		1,261.0	1,267.2
Transfer Out	(6.2)		(1,261.0)	(1,267.2)
FY00 Management Plan	127,327.3	1,962.9	207,942.9	337,233.1
One Time Item	(935.0)	(534.7)	(53.1)	(1,522.8)
Agency Transfer In	11.4			11.4
Agency Transfer Out	(2,287.1)			(2,287.1)
Transfer In	109.5		20,333.7	20,443.2
Transfer Out	(109.5)		(20,333.7)	(20,443.2)
FY01 Adjusted Base	124,116.6	1,428.2	207,889.8	333,434.6
Increment	1,702.3		4,644.6	6,346.9
Decrement	(220.0)		(870.6)	(1,090.6)
FY01 Governor Request	125,598.9	1,428.2	211,663.8	338,690.9
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Position Summary	PFT	PPT		
FY00 Authorized	2,816	644		
FY01 Governor Request	2,842	633		
Net Change	26	(11)		

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legislative fiscal analyst overview of the governor's FY01 request

UNIVERSITY OF ALASKA

The major task of the University is to provide Alaska residents with high quality academic and technical programs. In recent years the budget has been developed around these major themes: ensure safe and well-maintained facilities; improve the quality, breadth and accessibility of university academic programs; address academic and fiscal effectiveness and accountability; support Alaska's industrial structure, economic development and cultural richness; and contribute to the state's, the nation's and the international research agenda. The University of Alaska has regional centers in Anchorage, Fairbanks and Juneau. The university centers are responsible for the colleges and extension centers located throughout the state. The only community college separately accredited is the Prince William Sound Community College.

SIGNIFICANT ISSUES

- The Board of Regents' FY01 request is \$46,349,400 above FY00 funding levels. The Governor's budget includes all increments requested by the Board of Regents as follows:

- \$16,957,700 in General Funds;
- 14,256,100 in University Receipts;
- 4,159,800 in Dorm, Food, and Auxiliary Receipts;
- 9,743,800 in Federal Receipts;
- 3,000,000 in Indirect Cost Recovery;
- 102,000 in Mental Health Trust Authority Authorized Receipts; and
- 1,000,000 in Alaska Science & Technology Funds

\$49,219,400 Total Funding Increase

\$(2,870,000) Reduction in Non-General Funds for Y2K (FY00 Management Plan to FY01 Governor)

\$46,349,400 Total Net Increase

- The University's request can be divided by program area as follows:

Program Initiative	Total Funds	General Fund	Non-GF
Maintaining a Solid Foundation	\$15,352,400	\$11,657,100	\$ 3,695,300
Developing Alaska's Leaders	1,432,000	964,600	467,400
Meeting Alaska's Employment Needs	9,904,000	2,217,000	7,687,000
Diversifying Alaska's Economy	7,531,000	2,119,000	5,412,000
Non-General Fund Adjustments	<u>15,000,000</u>		<u>15,000,000</u>
	<u>\$49,219,400</u>	<u>\$16,957,700</u>	<u>\$32,261,700</u>

Legislative Fiscal Analyst Comment: The University's request makes it appear that the first four initiatives are partially funded by \$2,720,400 in increased student tuition and fees. However, there is a decrement of \$2,720,400 (student tuition and fees) in the Non-General Fund Adjustments program, indicating no net change in authorization to spend student tuition and fees. The apparent fee support of the first four initiatives may be authorization without cash to back the appropriation.

- Maintaining a Solid Foundation. General Funds of \$8,392,100 have been requested to meet contractual salary obligations and fixed cost increases in equipment, services, utilities, and facility maintenance and repair. In addition, \$1,710,000 in General Funds have been requested for ensuring academic quality through the replacement of core faculty lost to the Retirement Incentive Program. General Funds of \$1,555,000 would provide funding for maintaining high tech instructional equipment, developing faculty and staff for distance based instruction, and developing effective information solutions for functions such as student recruitment.

Legislative Fiscal Analyst Comment: The University received funding for salary increases in FY00. The University is requesting an increase of \$6,426,300 for contractual, non-represented, and policy-driven salary increases.

legislative fiscal analyst overview of the governor's FY01 request

- **Developing Alaska's Leaders.** The requested funding level of \$1,432,000 is intended to attract and retain Alaskan students by providing additional recruitment efforts, student services, advising, counseling, student assessment, and mentoring and bridge programs.
- **Meeting Alaska's Employment Needs.** Funding requests of \$2,217,000 in General Funds and \$7,687,000 in Non-General Funds will allow the University to expand programs in healthcare, vocational education, teacher education, and continue support for the Alaska Quality Schools Initiative.
- **Diversifying Alaska's Economy.** Funding requests of \$2,119,000 in General Funds and \$5,412,000 in Non-General Funds would enable the University to develop industries that will capitalize on Alaska's unique location and abundant resources. Programs in the areas of logistics, information technology and data retrieval, and natural resources management are the focus of this initiative.
- **Non-General Fund Adjustments.** Increments totaling \$15,000,000 would be utilized for North Pacific Marine Research, the Dinkum Sands Settlement Research Initiative, the NASA Satellite Aperture Radar Facility, and the continuation of the UA Scholars Program.

Legislative Fiscal Analyst Comment: The fiscal note for the UA Scholars Program projected FY01 expenditures of \$1,360,800. The University requested a \$2,000,000 increment (University Receipts) for the UA Scholars Program, plus \$494,100 appropriated in FY00, putting the total requested funding level approximately \$1,000,000 above the level identified in the fiscal note.

- The University budget contains no position increases or decreases.

ORGANIZATIONAL CHANGES

- There are no organizational changes.

legislative fiscal analyst overview of the governor's FY01 request

UNIVERSITY OF ALASKA FUNDING SUMMARY

	General Purpose	Federal Restricted	Other Funds	Total
FY00 Conference Committee	171,944.1	63,434.2	230,423.5	465,801.8
FY00 Fiscal Note			494.1	494.1
Special Appropriation	400.0		2,870.0	3,270.0
Transfer In	10,661.0	181.5	2,225.6	13,068.1
Transfer Out	(10,661.0)	(181.5)	(2,225.6)	(13,068.1)
FY00 Authorized	172,344.1	63,434.2	233,787.6	469,565.9
Transfer In	3,202.7			3,202.7
Transfer Out	(3,202.7)			(3,202.7)
FY00 Management Plan	172,344.1	63,434.2	233,787.6	469,565.9
One Time Item	(400.0)		(2,870.0)	(3,270.0)
FY01 Adjusted Base	171,944.1	63,434.2	230,917.6	466,295.9
Increment	17,357.7	9,743.8	25,238.3	52,339.8
Decrement			(2,720.4)	(2,720.4)
FY01 Governor Request	189,301.8	73,178.0	253,435.5	515,915.3

Position Summary	PFT	PPT
FY00 Authorized	3,387	233
FY01 Governor Request	3,387	233
Net Change	0	0

legislative fiscal analyst overview of the governor's FY01 request

ALASKA COURT SYSTEM

The Alaska Court System constitutes the Judicial Branch of the state's government. There are four levels of courts in the Alaska Court System, each with different powers, duties and responsibilities. Alaska has no city, county or borough courts. Alaska has a unified, centrally administered, and totally state-funded judicial system.

The four levels of courts in the Alaska Court System are the supreme court, the court of appeals, the superior court and the district court. The supreme court and the superior court were established in the Alaska Constitution. The district court was established by state statute in 1959 and the court of appeals was established by state statute in 1980. Jurisdiction and other areas of the judicial responsibility for each level of court are set out in Title 22 of the Alaska Statutes.

The Alaska Court System budget is presented in three Budget Request Units, the Alaska Court System, the Commission on Judicial Conduct, and the Judicial Council.

SIGNIFICANT ISSUES

The Governor's proposed budget for the Alaska Court System is \$4.5 million above the FY00 Management Plan. This change is comprised of \$4,611,400 in general fund increments and the elimination of a \$115,800 one-time items. The individual BRU proposals are as follows:

- The Alaska Court System requests increments totaling \$4,388,800. Of this amount, the Appellate Courts component is requesting \$79,000 for equipment; the Administration and Support component is requesting \$297,200 for personal services, travel and equipment; and the Trial Courts component is requesting \$4,012,600. The Trial Courts increment includes \$2,996,400 to improve security in courthouses, \$167,700 for three new court clerks and a library assistant, \$42,500 for travel and moving, \$312,900 for costs associated with the new Fairbanks courthouse, \$250,000 for computer equipment upgrades, \$133,300 for data processing fees associated with the state's Wide Area Network, and \$109,800 to increase juror pay from \$25/day to \$27.50/day.
- The Commission on Judicial Conduct requests \$15,000 to fully fund two staff positions that are currently under funded and \$13,500 to replace a copier.
- The Judicial Council requests \$194,100 to conduct a review of the criminal justice process.

ORGANIZATIONAL CHANGES

- The Court System proposes no organizational changes in this budget request.

legislative fiscal analyst overview of the governor's FY01 request

ALASKA COURT SYSTEM FUNDING SUMMARY

	General Purpose	Federal Restricted	Other Funds	Total
FY00 Conference Committee	49,405.0	315.0		49,720.0
Special Appropriation	115.8		119.2	235.0
FY00 Authorized	49,520.8	315.0	119.2	49,955.0
FY00 Management Plan	49,520.8	315.0	119.2	49,955.0
One Time Item	(115.8)		(119.2)	(235.0)
FY01 Adjusted Base	49,405.0	315.0	0.0	49,720.0
Increment	4,611.4			4,611.4
Decrement		(15.0)		(15.0)
FY01 Governor Request	54,016.4	300.0	0.0	54,316.4

Position Summary	PFT	PPT
FY00 Authorized	665	50
FY01 Governor Request	671	52
Net Change	6	2

legislative fiscal analyst overview of the governor's FY01 request

ALASKA LEGISLATURE

The Alaska State Legislature is the legislative branch of state government as provided in the *Alaska Constitution* and in statute. The legislative branch includes the sixty members and their office staffs, and the following legislative BRUs and components:

Legislative Budget and Audit Committee

Legislative State Facilities Rent
Legislative Audit
Legislative Finance
Ombudsman
Committee Expenses

Legislative Council (Legislative Affairs Agency)

Salaries and Allowances
Administrative Services
Session Expenses
Council & Subcommittees
Legal and Research Services
Select Committee on Ethics

Legislative Operating Budget

- With the exception of the removal of a one-time appropriation for Y2K and the transfer of funds for rent in state-owned facilities, the operating budget proposed in the Governor's FY01 bill is unchanged from the FY00 authorized level.
- As in the past, the bill displays a tentative agency request for information purposes. The actual legislative budget request will be developed and submitted in its final form to the appropriate oversight and finance committees during the course of the session.

ORGANIZATIONAL CHANGES

- There are no organization changes proposed in the Governor's budget.

legislative fiscal analyst overview of the governor's FY01 request

ALASKA LEGISLATURE FUNDING SUMMARY

	General Purpose	Federal Restricted	Other Funds	Total
FY00 Conference Committee	31,440.3	0.0	65.0	31,505.3
FY00 Fiscal Note	26.0			26.0
Special Appropriation	2,280.2		489.7	2,769.9
FY00 Authorized	33,746.5	0.0	554.7	34,301.2
FY00 Management Plan	33,746.5	0.0	554.7	34,301.2
One Time Item			(489.7)	(489.7)
Agency Transfer In	99.2			99.2
FY01 Governor Request	33,845.7	0.0	65.0	33,910.7

Position Summary	PFT	PPT
FY00 Authorized	219	274
FY01 Governor Request	219	274
Net Change	0	0

1/18/00

Overview:

Y2K

Readi.

SFIN

FILE



Teleconference Participants

TCN: 10088

Participant Lists

View List for

ALL

Testifiers

Go >>>

Close Window

Participants

Unidentified Testifiers: 0

Unidentified Observers: 0

ANCHORAGE (ANC)

1

Name: Mr. Steven Flodin
Address: 2200 E 42nd
City /St /Zip: Anchorage AK 99508
Bill:

Phone: 269 0808
Affiliation: DOT PF
Type: Testifier

2

Name: Mr. Joel St. Albin
Address: 2200 E 42nd
City /St /Zip: Anchorage AK 99508
Bill:

Phone: 269 0823
Affiliation: DOT PF
Type: Testifier

Message

Date: Tuesday Jan 18, 2000

Time: 9:01 AM

To: JUNEAU

From: JEAN MILLER

TC Number: 10088

Message: Dawn Bishop, Regulatory Commission of Alaska is on to answer questions. Ann Ringstad, Univ of Alaska Fairbanks is on to listen only.

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State of Alaska

Status Report on Year 2000 Project

January 15, 2000

This represents the nineteenth status report on the State's Y2K efforts, reflecting activity and accomplishments for the period December 15, 1999 - January 15, 2000. Included is a recap of expenditures under HB 64 (Y2K Funding Bill) by state agencies, the Alaska Court System, and the University of Alaska. This report will be the final update on the State's Year 2000 status.

Accomplishments:

1. A detailed spreadsheet by department and project is being distributed with this status report, tracking estimated remaining balances under HB64 for the Executive Branch, the University and the Court System. It is important to note that recorded figures represent an estimate, and Y2K-related expenditures may yet result from problems occurring at the end of January or from leap year problems on or around February 29.
2. Final Y2K Readiness Status Reports for departments were posted on the Y2K web site. All state Mission-Critical Business Functions save two were rated GREEN (Y2K-ready) prior to December 31, the two exceptions being Fish Ticket Processing, which will not encounter Y2K date processing until February 1, 2000, and Analysis of Environmental Samples, which relied on its Y2K contingency plan during the Y2K rollover period. Analysis of Environmental Samples was rated GREEN shortly after the first of the year. (Details are available on the Year 2000 Project Office web site at <http://www.state.ak.us/y2000>.) A GREEN status rating indicates that all Y2K work was completed, and the systems are considered Y2K ready.
3. A Y2K "End Of Year Monitoring and Reporting Schedule" was developed and posted on the Y2K web site, describing department responsibilities and YPO activities during the critical period immediately preceding and following the January 1 Y2K rollover. The purpose of this schedule was to coordinate monitoring and reporting of any Y2K-related failures or disruptions to the Y2K Project Office during the rollover period.

4. The State Emergency Coordination Center (SECC) was activated several days prior to the Y2K date change, and remained operational through January 3, 2000, the first business day of the year 2000. During this time it functioned as the central Y2K communications and response unit for the State of Alaska, working in conjunction with emergency services personnel across the state. YPO staff were also on continuous duty through the end-of-year period, with main efforts focused on securing the viability of backup communication links, monitoring the status of state systems, assisting in problem solving, and monitoring critical infrastructure components around the world.

5. Immediately following the date change, the YPO began actively contacting department Y2K Coordinators and collecting information about the effects of the Y2K transition on state systems. Status reports were then compiled and transferred to the Y2K Senior Project Manager on location at the SECC. Critical state systems continued to be closely monitored at regular intervals throughout the morning and afternoon of January 1, 2 and 3, with all reported Y2K events and failures analyzed and documented. Daily status checkups remained a top priority for the duration of the first week of the new year. Further monitoring will continue on an event-driven basis throughout the month of January.

6. As of January 14, 2000, nineteen minor Y2K issues had been discovered with State systems, affecting operations in seven departments. Nearly all problems were resolved quickly with little or no discernible impact on the public or interruptions in the provision of services. In some instances manual procedures specified in Y2K contingency plans were employed until system fixes could be implemented. A list of Y2K problems, including a description of each problem and its resolution status, is being distributed with this status report.

7. Overall, the State's efforts in preparing mission-critical systems for the year 2000 appear to have proved very successful. Departments' efforts and those of the YPO have proved extremely valuable in preventing Y2K-related computer failures or service interruptions. Additionally, by utilizing existing state employees and existing service contracts in the completion of nearly all Y2K work, rather than hiring additional consultants or contractors, the State of Alaska has been able to keep the cost of its Y2K readiness effort to below budget and dramatically less than the cost of most other states' efforts.

8. YPO operations will be terminated in early February. All relevant YPO materials and documentation have been collected and filed and will be transmitted to archives for permanent retention.

Y2K Project HB64 Estimated Remaining Balances for DOA Appropriations

Please note: These figures represent an estimate as of 1/10/00.
 Y2K expenditures may yet result from problems occurring at the
 end of January 2000, and from leap year problems around 2/29/00.

DOA Appropriation		7,421,495.0		Source
Department	Item(as titled in HB64)	Allocation Amount	Estimated Remaining Balance	
DOA	Retirement & Benefits Software Enhancements	400.0	0.0	
	Retirement & Benefits Data Processing Services	250.0	0.0	
	Mainframe Test Environment	1,878.0	244.0	CBRF
	Office of Public Advocacy Trust System Upgrade	104.0	1.4	GF PR
	Project Administration	711.0	61.0	CBRF
	Total for DOA	3,343.0	306.4	
DCED	AK Public Utilities Commission Statewide Utilities' Systems	75.0	67.0	APUC Receipts
	Total for DCED	75.0	67.0	
DOC	Data Processing Hardware Replacement	240.0	0.0	CBRF
	Cook Inlet Pre-Trial Facility Central Control System Replacement	850.0	0.0	
	Total for DOC	1,090.0	0.0	
DEC	Statewide Equipment, Software, and Database Compliance	375.0	0.0	
	Community Wastewater Systems Assessment	8.5	0.0	
	Total for DEC	383.5	0.0	
HSS	Public Health Lab Server Replacement	10.0	0.0	
	Emergency Medical Services Certification Database Replacement	20.0	0.0	
	Total for HSS	30.0	-	
DOT	Compliance-Statewide Public Facilities	2,500.0	1,610.0	CBRF
	Total for DOT	2,500.0	1,610.0	
	Totals	7,421.5	1,983.4	CBRF 1,915.0 GF PR 1.4 APUC 67.0

Y2K Project HB64 Estimated Remaining Balances for Direct Appropriations

Please note: These figures represent an estimate as of 1/10/00.
 Y2K expenditures may yet result from problems occurring at the
 end of January 2000, and from leap year problems around 2/29/00.

Department	Item(as titled in HB64)	Appropriation Amount	Estimated Remaining Balance	Funding Source
DEC	Statewide Equipment, Software, and Database Compliance	75.0	0	
	Total for DEC	75.0	0	
HSS	Medicaid Management Information Systems Upgrade	2,400.0	0	
	AK Psychiatric Institute Hospital Information System Upgrade	100.0	23.0	MHTA
	Total for HSS	2,500.0	23.0	
DOT	Compliance-AK Marine Highway System Vessel Assessment and Remediation	600.0	350.0	91/9 – Federal, Marine Highway Fund Match
	Compliance-State Equipment Fleet Emissions Test Equipment Replacement	75.0	0	
	Total for DOT	675.0	350.0	
*UA	Assessment and Remediation	3,464.9	1,000.0	CBRF
Courts	Software Upgrades for Telephone and Security Systems	182.5	105.0	CBRF
Leg Council	ALECSYS Conversion	492.7	unknown	
	Totals	7,390.1	1,478.0	CBRF 1,105.0 MHTA 23.0 Fed 315.0 Match 35.0

Marine Highway system fund

Y2K PROBLEM SUMMARY

The Y2K Project Office (YPO) has contacted department Y2K Coordinators regarding all State of Alaska Mission-Critical Business Functions (MCBFs) and Federal "Top Ten" programs. The final round of Y2K status inquiries has been completed; further monitoring of state systems is continuing on an event-driven basis, and this document is updated as new information becomes available. All systems have been determined to be fully functional, save for the issues described below.

UNRESOLVED Y2K PROBLEMS

Date	Problem Description	Remediation Status
1. 1/5/00	An earlier-generation HP Vectra personal computer in the Nome elections office failed to roll forward its operating system date to 1/1/2000. The problem was discovered during testing of the machine following the rollover.	The PC is a "convenience" workstation for the office, used by the public only during elections, so is not currently being used; it will not see use until the next statewide general election. If the machine can't be repaired (BIOS upgrade) before then, the machine will be replaced.

RESOLVED Y2K PROBLEMS AWAITING ADDITIONAL ACTION

Date	Problem Description	Remediation Status
2. 1/6/00	The Department of Health and Social Services encountered a sorting problem involving the DFYS provider payment system, which, if left uncorrected, would have caused payment authorization and check issuance problems during the January 20, 2000, payment run.	A Y2K contingency plan manual work-around procedure has been implemented and will assure service delivery and on-time provider payments until the system is fixed. DHSS is currently making the programming changes and the system will be fully tested and back in production by 1/14/2000.

RESOLVED Y2K PROBLEMS

Date	Problem Description	Remediation Status
3. 1/14/00	The Department of Administration reported a problem involving Workplace Alaska. Lotus Notes would crash when processing year 2000 dates; this, in turn, would cause either a client or server to crash. This problem impacted the system for approximately two weeks.	A patch from Lotus is due to be released in their upcoming service upgrade. Lotus identified three workarounds that have been applied to avoid crashes in the interim. The system has been brought back into production.
4. 1/6/00	The Department of Natural Resources reported an edit mask problem in two applications. The problem was related to the Oracle software used to support the oil and gas revenue accounting system.	The problem was quickly and easily fixed without interruption of service, and the system is back in production.

5. 1/6/00 The Department of Natural Resources reported a windowing problem involving the Recorder's Office system, where an update screen defaulted to a 1900 date. The problem was quickly and easily fixed without interruption of service, and the system is back in production.
6. 1/6/00 The Department of Health and Social Services reported a problem involving a failure of First Health Corporation's Keymaster software to accept date inputs for dates after 1/1/2000. The program is used by Medicaid providers across the state to enter billing data for services they have provided to Medicaid clients. The problem has been fixed, without interruption of service. All Medicaid providers have been notified of the problem and provided with a revised version of the program.
7. 1/5/00 The Department of Administration reported a problem with the AKSAS monthly reports which show the average days it takes to pay a bill by agency. The program which creates this report was remediated for Y2K but still had an error in the date selection routine. As a result, no data was selected when the report ran. The program was fixed and the reports were re-run on January 8, 2000.
8. 1/5/00 The Department of Administration reported an AKPAY problem with the Daily PA (Personnel Action) reports. Reports did not print on January 1-4 due to a selection date parameter problem. The daily PAs for the last four days were printed on 1/5/00. The program was corrected on 1/5/00 and the daily report process is back on schedule.
9. 1/5/00 A small Y2K-related problem occurred in the Department of Labor's tax system, when an unassigned field received an unexpected date-value of "01". The problem occurred because the field was unassigned. The problem was fixed within a few minutes. No service interruptions were caused.
10. 1/5/00 A Novell server in the Division of Investments experienced time-synchronization problems because of Y2K issues in the machine's BIOS, and possibly also because of Y2K problems in the older version of Novell software being used on the machine, version 4.10. The machine and software were not made Y2K compliant because the machine was supposed to be retired before 12/31/99. The problem has been fixed as of 1/7/00, and both network and program services for the Division are continuing without interruption.
11. 1/4/00 The Department of Administration reported a problem in the AKPAY payroll process with a manual verification of external check numbers to internal check numbers. This manual step is verified for reasonableness via a SAS program. The SAS program abended. A reasonableness check was done by bringing up the online system and verifying data online. The problem with the SAS program was fixed on 1/6/2000.
12. 1/4/00 The Department of Administration reported an AKPAY problem with the The problem was resolved by manually inserting 00 in the year field. Timesheets

- program which produces specialized timesheets for the Department of Public Safety. The job uses the last year as a reference point (99) and added 1 to it to get the new year, which resulted in a number too large for the field.
13. 1/4/00 The Department of Community and Economic Development experienced minor problems with minor reports and insurance vendor ages. All problems were fixed immediately.
14. 1/3/00 The Department of Administration reported a problem associated with the HR reporting files created by AKPAY. Files built between 7 AM 1/1/2000 and 4:30 PM 1/3/2000 contained one piece of incorrect date information. These files are used for summarization of payroll data and are not involved with check processing. The problem has been fixed as of 9:00 AM 1/4/2000. If agencies used calendar year-to-date data from affected versions of the files, they had to re-run any associated processes.
15. 1/3/00 The Department of Health and Social Services reported a problem with the Provider Payment System that provides payments to foster parents. The problem would have affected only newly enrolled foster parents, and would not have appeared until January 15, 2000. Department of Health and Social Services staff have resolved the problem.
16. 1/3/00 The computerized controller in a Department of Transportation and Public Facilities truck-mounted sander at Thompson Pass (Valdez) failed when it rolled over from 1999 to 2000. The device worked properly when the system was rebooted and the date was set to 2001. The Department of Transportation and Public Facilities has determined that this issue does not affect other sander units.
17. 1/3/00 The Department of Community and Economic Development experienced a minor problem with the backup software used for its DCRA applications, "Backup-Excc"; namely, that several backup jobs scheduled before Jan. 1 to run after Jan. 1 would not run. Per vendor recommendation, the department rescheduled the jobs and ran them again, and the backups were successful.
18. 1/1/00 The Anchorage Data Center Access Security System failed at approximately 12:01 AM, January 1, 2000, as a result of a control unit failure on an access board. Electronic keycard entry systems would no longer function properly. An individual was posted on-site until initial repairs could be completed. Partial repairs were made by the system vendor on 1/1/2000, and a second non-critical controller was fixed on 1/5/2000.
19. 1/1/00 The Information Technology Group was contacted by Napersoft, a vendor, regarding a bug in version 5.0 of Napersoft software which could have potentially impacted the Department of Labor's Unemployment Insurance MCBF. The Department of Labor has determined that the bug in question will not affect their system. ITG will apply a patch.

Mission Critical Business Function-Completion Plan										
			CONTINGENCY PLAN			TESTING			Date Rated GREEN	
			Approved?		Comments	Testing Approved?		Due Date	Comments	
			Yes	No		Yes	No			
C Department of Administration										
		Procurement	X		Approved.	X			Approved.	11/29/99
		Mental Health Trust Authority Grants	X		Approved.	X			Approved.	8/17/99
		Alaska Longevity Bonus Program	X		Approved.	X			Approved.	11/8/99
		Alaska Pioneer Homes (General)	X		Approved.	X			Approved.	12/10/99
		Payroll	X		Approved.	X			Approved.	12/2/99
		Accounting	X		Approved.	X			Approved.	11/18/99
		Vehicle and Driver Licensing	X		Approved.	X			Approved.	9/29/99
		Public Guardian Trust Accounting System	X		Approved.	X			Approved.	7/19/99
		On-Line Job Recruitment/Applications (Workplace Alaska)	X		Approved.	X			Approved.	11/8/99
		Retiree Payroll	X		Approved.	X			Approved.	12/3/99
		Supplemental Benefits System Annuity Plan	X		Approved.	X			Approved.	11/8/99
		Desktop LAN/WAN	X		Approved.	X			Approved.	12/3/99
C Community and Economic Development										
		Bradley Lake Hydro	X		Approved.	X			Approved.	11/2/99
		Four Dam Pool Hydro	X		Approved.	X			Approved.	12/1/99
		Larsen Bay Hydro	X		Approved.	X			Approved.	11/2/99
		Alaska Intertie	X		Approved.	X			Approved.	12/3/99
		AIDEA Loan Servicing	X		Approved.	X			Approved.	11/17/99
		Investment Loan Servicing	X		Approved.	X			Approved.	12/13/99
		Alaska Railroad	X		Approved.	X			Approved.	7/6/99
		Desktop/LAN/WAN	X		Approved.	X			Approved.	12/1/99
C Community and Regional Affairs										
		Power Cost Equalization	X		Approved.	X			Approved.	7/6/99
		State Revenue Sharing	X		Approved.	X			Approved.	7/6/99
		Seniors and Disabled Renters Program	X		Approved.	X			Approved.	7/6/99
		Safe Communities (Municipal Assistance)	X		Approved.	X			Approved.	7/6/99
		Desktop LAN/WAN	X		Approved. (separate plan)	X			Approved.	7/13/99
C Corrections										
		DOC Twelve Correctional Institutions and Their Security, Central Control Systems, Perimeter Fences, Card Entry/Exit Systems, Monitoring Systems, Health and Life/Safety Systems	X		Approved.	X			Approved.	12/1/99
		DOC Telecommunications in Correctional Facilities	X		Approved.	X			Approved.	11/18/99
		Desktop LAN/WAN	X		Approved.	X			Approved.	12/22/99

		CONTINGENCY PLAN			TESTING			Date Rated GREEN	
		Approved?		Comments	Testing Approved?		Due Date		Comments
		Yes	No		Yes	No			
C	Education and Early Development								
	Post-Secondary Education Commission Loans	X		Approved.	X			Approved.	9/7/99
	Desktop LAN/WAN	X		Approved.	X			Approved.	9/18/99
C	Environmental Conservation								
	Laboratory Analysis of Foc '1 Samples	X		Approved.	X			Approved.	12/30/99
	Certifying Commercial Drinking Water Labs	X		Approved.	X			Approved.	12/30/99
	Analysis of Environmental Samples	X		Approved.	X			Approved.	1/5/00
	Communications System for Emergency Response	X		Approved.	X			Approved.	11/12/99
	Desktop LAN/WAN	X		Approved.	X			Approved.	11/12/99
C	Fish and Game								
	Permit and Vessel Licensing	X		Approved.	X			Approved.	11/9/99
	Sport and Crew License Sales	X		Approved.	X			Approved.	11/9/99
	Enhancement Hatcheries	X		Approved.	X			Approved.	12/3/99
	Process Fish Tickets	X		Approved.		X	2/1/00	Exception based tracking.	
	Desktop LAN/WAN	X		Approved.	X			Approved.	12/3/99
C	Governor								
	Voter Registration and Election Management	X		Approved.	X			Approved.	11/29/99
	Election Ballot Tabulation	X		Approved.	X			Approved.	9/18/99
	State Budget Preparation	X		Approved.	X			Approved.	4/29/99
	Desktop/LAN/WAN	X		Approved. (separate plan)	X			Approved.	5/21/99
C	Health and Social Services								
	Family and Youth Services-Youth Detention Facilities	X		Approved.	X			Approved.	11/10/99
	Family and Youth Services-Family Services, Child Protection Services	X		Approved.	X			Approved.	11/10/99
	Alaska Psychiatric Institute	X		Approved.	X			Approved.	12/27/99
	Public Health Nursing	X		Approved.	X			Approved.	11/10/99
	Medical Benefits to Alaskans who qualify	X		Approved.	X			Approved.	11/10/99
	Public Assistance or "Welfare" Programs (ATAP, Food Stamps/EBT, General Relief, Adult Public assistance and others) for Alaskans who qualify	X		Approved.	X			Approved.	10/29/99
	Public Health Laboratories	X		Approved.	X			Approved.	12/2/99
	Emergency Medical Services	X		Approved.	X			Approved.	12/3/99
	Desktop LAN/WAN	X		Approved.	X			Approved.	12/22/99
C	Labor and Workforce Development								
	Unemployment Insurance	X		Approved.	X			Approved.	10/26/99
	Employment Services	X		Approved.	X			Approved.	10/26/99
	Workers Compensation	X		Approved.	X			Approved.	11/19/99
	Desktop/LAN/WAN	X		Approved.	X			Approved.	10/6/99
C	Law								
	Prosecution of Criminals	X		Approved.	X			Approved.	11/17/99

			CONTINGENCY PLAN			TESTING			Date Rated GREEN	
			Approved?		Comments	Testing Approved?		Due Date		Comments
			Yes	No		Yes	No			
		Collection of Civil/Criminal Debts to the State	X		Approved.	X		Approved.	11/18/99	
		Child Support Enforcement Collections	X		Approved.	X		Approved.	10/26/99	
		Investigation, Defense, & Prosecution of State's Oil & Gas Royalty and Taxation Cases	X		Approved.	X		Approved.	10/26/99	
		Child Protection Cases	X		Approved.	X		Approved.	10/19/99	
		Desktop LAN/WAN	X		Approved.	X		Approved.	11/9/99	
C		Military & Veterans Affairs								
		Emergency Response Capability-State, Local, Federal Coordination	X		Approved.	X		Approved.	11/12/99	
		Disaster Recovery Database-Emergency Response System	X		Approved.	X		Approved.	11/12/99	
		Desktop LAN/WAN	X		Approved.	X		Approved.	11/4/99	
C		Natural Resources								
		DNR's Revenue Processing	X		Approved.	X		Approved.	7/20/99	
		Property Recorder's Office System	X		Approved.	X		Approved.	8/17/99	
		DNR Land Administration System	X		Approved.	X		Approved.	8/17/99	
		Wildland Fire Suppression Systems	X		Approved.	X		Approved.	11/30/99	
		Field Radio and Mobile Repeater Systems	X		Approved.	X		Approved.	8/17/99	
		Desktop LAN/WAN	X		Approved. (separate plan)	X		Approved.	11/30/99	
C		Public Safety								
		ID/Locate & Apprehend Suspects and Criminals	X		Approved.	X		Approved.	11/12/99	
		Respond to Emergencies	X		Approved.	X		Approved.	11/19/99	
		Desktop LAN/WAN	X		Approved.	X		Approved.	11/2/99	
C		Revenue								
		Income & Excise Audit Division's Cash Processing	X		Approved.	X		Approved.	7/1/99	
		Process and Deliver PFD checks	X		Approved.	X		Approved.	6/23/99	
		Process Child Support Payments	X		Approved.	X		Approved.	12/27/99	
		Collection of State Revenues	X		Approved.	X		Approved.	11/9/99	
		Disbursement of State Funds	X		Approved.	X		Approved.	10/6/99	
		In-house Investment Management of State/ASPIB Fixed Income	X		Approved.	X		Approved.	11/10/99	
		Permanent Fund Corporation-Asset Management	X		Approved.	X		Approved.	11/17/99	
		Desktop LAN/WAN	X		Approved.	X		Approved.	11/12/99	

			CONTINGENCY PLAN			TESTING			Date Rated GREEN
			Approved?		Comments	Testing Approved?		Due Date	Comments
			Yes	No		Yes	No		
C	Transportation								
		Alaska Marine Highway System Vessels	X		Approved.	X		Approved.	12/2/99
		Alaska Marine Highway System Shoreside Facilities	X		Approved.	X		Approved.	11/12/99
		Anchorage International Airport Fire Alarm System	X		Approved.	X		Approved.	11/9/99
		Anchorage International Airport Heating, Ventilating, Air Conditioning	X		Approved.	X		Approved.	11/9/99
		Anchorage International Airport Access Control System	X		Approved.	X		Approved.	11/9/99
		Land Highway Traffic Control Devices	X		Approved.	X		Approved.	5/26/99
		State Equipment Fleet Vehicles and Shop Equipment	X		Approved.	X		Approved.	6/9/99
		State Equipment Fleet Equipment Management System	X		Approved.	X		Approved.	10/26/99
		Fairbanks International Airport Access Control System	X		Approved.	X		Approved.	10/6/99
		Fairbanks International Airport Andover Heating, Ventilating, Air Conditioning Control	X		Approved.	X		Approved.	11/1/99
		Fairbanks International Airport Fire Alarm System	X		Approved.	X		Approved.	9/7/99
		Sitka Airport	X		Approved.	X		Approved.	10/6/99
		Telecommunication Infrastructure	X		Approved.	X		Approved.	11/10/99
		Third Party Billing System	X		Approved.	X		Approved.	10/21/99
		Public Facilities, Buildings	X		Approved.	X		Approved.	12/28/99
		Desktop LAN/WAN (Data Communications)	X		Approved.	X		Approved.	10/29/99
C	ITG								
		Computer Services	X		Approved.	X		Approved.	11/30/99
		Network Services	X		Approved.	X		Approved.	10/26/99
		Telephone Services	X		Approved.	X		Approved.	10/26/99
		Telecommunications Services	X		Approved.	X		Approved.	12/16/99
		Alaska Public Communications Services	X		Approved.	X		Approved.	11/15/99
		Desktop LAN/WAN	X		Approved.	X		Approved.	11/15/99
Number of Greens									104
% Green									99%

Alaska Legislature
Expenditures - Ch 27, SLA99 (HB64)

1/17/00

	Allocation Amount	Expenditures to date 01/17/00	Encumbrances	Total Expenditures & Encumbrances	Lapsing
MAINFRAME/LAN APPLICATIONS	288.6	222.2	66.4	288.6	0.0
SYSTEMS REPLACEMENT					
BASIS: <i>Bill Tracking System</i>					
LTNS: <i>Teleconference Scheduling and Tracking</i>					
POMS: <i>Public Opinion Message System</i>					
D.P. Services: <i>Server Installation, Configuration and Maintenance</i>					
LPERS: <i>Personnel Reporting System</i>					
LRAR/LRAL: <i>Research Databases</i>					
Bill Drafting: <i>Legal Services Bill Drafting</i>					
VOTING BOARD SYSTEMS REPLACEMENT	132.5	132.5	0.0	132.5	0.0
NETWORK, SERVER, HARDWARE & SOFTWARE (UPGRADES & REPLACEMENT)	71.6	68.6	3.0	71.6	0.0
	492.7	423.3	69.4	492.7	0.0

Alaska Court System

Actual and Projected Expenditures of Y2K Funding (HB 64)

The court system was allocated \$182,500 for Y2K upgrades to its telephone and security systems. Of this amount, the court system has incurred or will incur the following expenses:

	<u>Expended to Date</u>	<u>Encumbered</u>
<u>Telephone Systems</u>		
Telephone System - Fairbanks	\$44,271	
Telephone System - Bethel	\$18,855	
Telephone System - Anchorage	\$22,810	
<u>Security Systems</u>		
Security System - Anchorage	\$15,096	\$6,000
Total Y2K Expenditures and Encumbrances		\$107,032
Lapse Amount		\$75,468

UNIVERSITY OF ALASKA

Year 2000

Y2K Expenditures & Encumbrances Report
July 1, 1998 - December 31, 1999

	Expenditures July 1, 1998 - December 31, 1999	Encumbrances @ December 31, 1999	Total Expenditures & Encumbrances @ December 31, 1999
Mission Critical Business Functions			
Project Administration			
Personal Services	171,007.93	0.00	171,007.93
Miscellaneous Support	47,077.58	2,449.76	49,527.34
Y2K Risk Assessment/External Consultants	29,013.22	22,123.28	51,136.50
<i>Total Project Administration 7/1/98-12/31/99</i>	247,098.73	24,573.04	271,671.77
Facilities: Building Security & Environment			
Building Systems Upgrades	25,430.96	72,310.00	97,740.96
Building Systems Backup Heat/Generators	251,488.80	196,376.00	447,864.80
Safety & Security Systems			
Police Department Systems & Equipment	305.00	0.00	305.00
Financial & Information Systems			
Banner Systems (Finance, Human Resource, Student, Financial Aid)	63,704.55	0.00	63,704.55
UNIX Host/Oracle Database Systems	172,121.66	0.00	172,121.66
Critical Servers & Desktop Systems	254,587.32	158,032.60	412,619.92
Communications			
WAN/LAN	25,897.71	128.25	26,025.96
Networks & Security	94,858.17	3,747.04	98,605.21
Telephone Systems	113,524.03	116,724.88	230,248.96
Video Conferencing	2,634.00	0.00	2,634.00
Student Services			
Student Services Systems & Equipment	2,262.00	0.00	2,262.00
Instructional & Research Programs			
Library Systems	3,952.50	0.00	3,952.50
Academic Systems & Equipment	62,953.13	13,430.28	76,383.41
Research Systems & Equipment	29,523.05	0.00	29,523.05
Total Expenditures & Encumbrances @ December 31, 1999	\$1,350,341.66	\$585,322.09	\$1,935,663.75

[\[Y2K Home\]](#) [\[Resources\]](#) [\[Progress\]](#) [\[Y2K Task Force\]](#) [\[Contacts\]](#) [\[Y2K Site Search\]](#)

Updated 11 JAN 2000

UNIVERSITY OF ALASKA

Year 2000

STATUS UPDATE: *Thursday, January 13*

THERE ARE NO CHANGES TO THE OPERATING SCHEDULE OF THE UNIVERSITY OF ALASKA DUE TO Y2K CONCERNS. THREE CHEERS TO ALL MEMBERS OF THE UNIVERSITY COMMUNITY WHO ADDRESSED THE POTENTIAL PROBLEMS AND SOLVED THEM BEFORE THEY HAPPENED!

Reflecting international patterns, the year-end rollover was mostly uneventful at University of Alaska campuses. Only a few problems were identified and not all of them were related to Y2K. UAF experienced some minor facility problems related to extreme cold temperatures. Some isolated problems were also identified with Banner centralized administrative systems, but were quickly resolved. By noon on Monday, January 3rd, the university's centralized administrative systems were back on line and fully operational, and all campuses reported their facilities and systems to be functioning properly.

Since that time more subtle Y2K-related problems have begun to surface, and it is likely that this pattern will continue over the next several days or even weeks as staff and students return from the holidays and resume normal operations. Problems to date include:

- A Y2K date error in UAF's library GNOSIS data base maintenance program caused approximately 2,000 records to be deleted. The vendor provided a patch for the problem, and the information was able to be duplicated and re-entered.
- The cash register at the UAF Wood Center no longer interfaces with other administrative systems. Manual procedures are in place until the system can be modified and/or replaced.
- What appears to be a Y2K problem exists with a computer-driven research laser at UAF. The manufacturer has been contacted and acknowledges the problem, but a resolution is still in process.
- There have been isolated reports across the system of desktop hardware and software failures. These are being handled on a case by case basis.

We will continue to monitor facilities and computer systems for problems. If you suspect Y2K-related failures in systems you use, please contact your MAU Y2K project office.

The smooth transition from 1999 to 2000 is largely due to the diligence of staff who evaluated, corrected or updated as necessary, and tested systems prior to the rollover. Without these efforts, there is no doubt that some of the university's vendor interfaces would have failed; our ability to register students and process vendor payments, student financial aid checks and paychecks would have been compromised; many of the reports that departments depend on for management information would have failed or produced erroneous results; facilities and safety systems would have been at risk; and valuable research would have been lost. The university extends its grateful thanks to these dedicated

employees and congratulates them on a job well done.

President Hamilton's January 4, 2000 Letter to Staff Involved in Y2K Effort

[\[Resources\]](#) [\[Progress\]](#) [\[Y2K Task Force\]](#) [\[Contacts\]](#)



Updated 13 JAN 2000

1/20/00

Overview:

Capital

Markets

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SFIN

FILE



Agenda

"Capital Markets Outlook 2000" Alaska Permanent Fund Corporation Presentation to the Legislative Finance Committees January 20, 2000

<u>Topics</u>	<u>Times</u>	<u>Presenters</u>
Introduction/Fund status report	8:30 – 8:40	Clark Gruening, Chair, APFC Board of Trustees, Jim Kelly, Director of Communications, APFC
Rate of return and risk expectations for the next 5 years for all asset classes	8:40 – 9:00	Michael O'Leary, Vice-President, Callan Associates
Outlook for stocks, bonds and real estate	9:00 – 9:30	Terry Brown, Chief Investment Officer, APFC Randy Sears, Manager of Fixed Income Investments Peter Naoroz, Manager of Real Estate Investments Michael Bell, Manager of Equity Investments
Permanent Fund forecast: range of outcomes for Fund balances, income produced and PFDs	9:30 – 10:00	Greg Allen, Vice-President, Callan Associates Chris Phillips, Director of Finance, APFC



How has the Fund been doing?

ALASKA PERMANENT FUND CONSOLIDATED ASSETS - DAILY POSITION 01/18/2000

DAILY UNAUDITED* CUSTODIAN POSITION	COST	%	MARKET	%	UNREALIZED GAIN(LOSS)
U.S. & NON - U.S. FIXED INCOME**	10,502,500,000	45%	10,078,800,000	37%	(423,700,000)
U.S. EQUITIES	6,761,800,000	29%	9,702,700,000	35%	2,940,900,000
NON - U.S. EQUITIES	3,568,000,000	15%	5,125,800,000	19%	1,557,800,000
REAL ESTATE	2,271,300,000	10%	2,391,900,000	9%	120,600,000
ALASKA CD'S	195,000,000	1%	195,000,000	1%	0
TOTAL	23,298,600,000	100%	27,494,200,000	100%	4,195,600,000

The Unaudited Position Report is updated daily and made available at: www.apfc.org



How has the Fund been doing?

	12/31/1999 Market Value	----- % return as of 12/31/99 -----				
		Last Month	Last 3 Months	Fiscal Y-T-D	Last 12 Months	Last 3 Years
FUND SUMMARY						
Unallocated Cash Pool	\$ 4.3					
Transition Cash	2.9					
U.S. Equities	9,886.8	6.88	15.44	6.94	18.45	23.48
Non-U.S. Equities	5,180.0	12.09	23.25	26.47	34.88	18.50
U.S. Fixed Income	9,308.3	(0.54)	(0.30)	0.34	(2.97)	5.30
Non-U.S. Fixed Income	594.8	0.41	(1.12)	(1.69)	(3.65)	
Alaska CDs	209.5	0.41	1.24	2.46	5.33	5.37
Real Estate	2,424.0	0.24	0.72	1.44	8.47	10.76
	\$27,610.7	4.37	9.02	6.95	10.98	14.09

Source: BOT Monthly Management Report: December 31, 1999
 (Full report available at: [www. http://www.apfc.org/financial/performance/analysis.cfm](http://www.apfc.org/financial/performance/analysis.cfm))

Periodic Table of Investment Returns



Annual Return for Key Indices (1980-1999)

Ranked in order of performance (Best to Worst)

1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Russell 2000 Growth Value	Russell 2000 Value	LB Agg	Russell 2000 Value	LB Agg	MSCI EAFE	MSCI EAFE	MSCI EAFE	Russell 2000 Value		LB Agg	Russell 2000 Growth Value	Russell 2000 Value	MSCI EAFE	MSCI EAFE					Russell 2000 Growth Value
52.26%	14.85%	32.65%	38.63%	15.15%	56.14%	69.46%	24.64%	29.47%		8.96%	51.18%	29.15%	32.57%	7.78%					43.09%
	LB Agg	Russell 2000 Value	Russell 2000 Value	S&P/BARRA 500 Value		S&P/BARRA 500 Value		MSCI EAFE	S&P 500 Index		Russell 2000 Value	Russell 2000 Value	Russell 2000 Value		S&P 500 Index	S&P 500 Index	S&P 500 Index	S&P 500 Index	S&P/BARRA 500 Value
	6.26%	28.52%	29.13%	10.52%		21.67%		28.26%	31.69%		46.05%	18.42%	23.86%		37.68%	22.96%	33.36%	28.58%	
Russell 2000	Russell 2000	Russell 2000	S&P/BARRA 500 Value	MSCI EAFE	S&P 500 Index	S&P 500 Index	S&P 500 Index	Russell 2000	S&P/BARRA 500 Value	S&P 500 Index	Russell 2000 Value	S&P/BARRA 500 Value	Russell 2000	S&P 500 Index	S&P/BARRA 500 Value	S&P/BARRA 500 Value	Russell 2000 Value	MSCI EAFE	MSCI EAFE
38.58%	2.03%	24.95%	28.89%	7.41%	31.73%	18.67%	5.25%	24.80%	26.13%	-3.11%	41.70%	10.52%	18.89%	1.32%	36.99%	22.00%	31.78%	20.00%	26.96%
S&P 500 Index	S&P/BARRA 500 Value		MSCI EAFE	S&P 500 Index	Russell 2000	LB Agg	S&P/BARRA 500 Value	S&P/BARRA 500 Value	Russell 2000 Growth	S&P/BARRA 500 Value		Russell 2000 Growth	S&P/BARRA 500 Value	S&P/BARRA 500 Value	Russell 2000 Growth	Russell 2000 Value	S&P/BARRA 500 Value	S&P/BARRA 500 Value	Russell 2000
32.50%	0.02%		23.69%	6.27%	31.04%	15.30%	3.88%	21.67%	20.16%	-6.85%		7.77%	18.81%	-0.64%	31.04%	21.37%	29.98%	14.69%	21.26%
Russell 2000 Value	MSCI EAFE	S&P 500 Index	S&P 500 Index		Russell 2000 Value		LB Agg	Russell 2000 Growth	Russell 2000 Growth	Russell 2000 Growth	S&P 500 Index	S&P 500 Index	Russell 2000 Growth	Russell 2000 Value	Russell 2000	Russell 2000	Russell 2000	Russell 2000	S&P 500 Index
25.39%	-2.27%	21.65%	22.56%	31.01%			2.75%	20.38%	16.25%	-17.42%		7.62%	13.37%	-1.55%	28.44%	16.53%	22.36%	8.70%	21.04%
S&P/BARRA 500 Value	S&P 500 Index	S&P/BARRA 500 Value	Russell 2000 Growth	Russell 2000 Value	Russell 2000 Growth	Russell 2000 Value	Russell 2000 Value	S&P 500 Index	LB Agg	Russell 2000	S&P/BARRA 500 Value	LB Agg	S&P 500 Index	Russell 2000	Russell 2000 Value	Russell 2000 Growth	Russell 2000 Growth	Russell 2000 Growth	Russell 2000
23.59%	-4.92%	21.04%	20.14%	2.27%	30.97%	7.41%	-7.12%	16.61%	14.53%	-19.50%	22.56%	7.40%	10.08%	-1.81%	25.75%	11.32%	12.93%	1.23%	12.72%
MSCI EAFE	Russell 2000 Growth	Russell 2000 Growth		Russell 2000	S&P/BARRA 500 Value	Russell 2000			Russell 2000 Value	Russell 2000 Value	LB Agg		LB Agg	Russell 2000 Growth	Russell 2000 LB Agg	MSCI EAFE	LB Agg	Russell 2000	LB Agg
22.60%	-9.23%	20.99%		-7.13%	29.68%	5.69%	-8.76%		12.43%	-21.77%	16.00%		9.75%	-2.44%	18.46%	6.05%	9.64%	-2.55%	-0.82%
LB Agg		MSCI EAFE	LB Agg	Russell 2000 Growth	LB Agg	Russell 2000 Growth	Russell 2000 Growth	LB Agg	MSCI EAFE	MSCI EAFE	MSCI EAFE	MSCI EAFE		LB Agg	MSCI EAFE	LB Agg	MSCI EAFE	Russell 2000 Value	Russell 2000 Value
2.71%		-1.86%	8.19%	-15.84%	22.13%	3.59%	-10.48%	7.89%	10.53%	-23.45%	12.14%	-12.18%		-2.92%	11.21%	3.64%	1.78%	-6.46%	-1.48%

S&P 500 Index measures the performance of large capitalization U.S. stocks. The S&P 500 is a market-value-weighted index of 500 stocks that are traded on the NYSE, AMEX and NASDAQ. The weightings make each company's influence on the Index performance directly proportional to that company's market value.

S&P/BARRA 500 Growth and S&P/BARRA 500 Value indices measure the performance of the growth and value styles of investing in large cap U.S. stocks. The indices are constructed by dividing the stocks in the S&P 500 Index according to price-to-book ratios. The Growth index contains stocks with higher price-to-book ratios. The Value Index contains stocks with lower price-to-book ratios. The indices are market-capitalization-weighted, and their constituents are mutually exclusive.

Russell 2000 Index measures the performance of small capitalization U.S. stocks. The Russell 2000 is a market-value-weighted index of the 2,000 smallest stocks in the broad-market Russell 3000 Index. These securities are traded on the NYSE, AMEX and NASDAQ.

Russell 2000 Value and Russell 2000 Growth indices measure the performance of growth and value styles of investing in small cap U.S. stocks. The Value index contains those Russell 2000 securities with a less-than-average growth orientation, while the Growth index contains those securities with a greater-than-average growth orientation. Securities in the Value index generally have lower price-to-book and price-earnings ratios than those in the Growth index. The constituent securities are NOT mutually exclusive.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australia, and the Far East.

LB Agg is the Lehman Brothers Aggregate Bond Index. This Index includes US Government, Corporate and Mortgage-Backed securities, and includes maturities up to 30 years.



Alaska Permanent Fund Corporation Capital Markets Outlook 2000 Profiles of Guest Speakers

Gregory C. Allen

*Executive Vice President, Director of
Operations, Callan Associates*

Mr. Allen joined Callan Associates in 1988 and currently oversees the development of Callan's performance measurement service. He is a frequent speaker on investment-related topics, and his publications include an article on Performance Attribution for Global Portfolios in the Journal of Portfolio Management. Gregory Allen received an M.S. in Applied Economics and a BA in Economics from the University of California at Santa Cruz.

Michael T. Bell

Senior Investment Officer, Equities, APFC

As a Senior Investment Officer, Mr. Bell monitors the activities of the Fund's external equity managers. He helps to manage the APFC's asset allocation process and has also helped develop private, APFC-specific websites by the APFC's equity managers to facilitate information exchange. Michael Bell received a Bachelor of Arts degree in Journalism from Louisiana State University in Baton Rouge and a Master of Business Administration degree from the University of Alaska Southeast.

Clark C. Gruening

Chair, Board of Trustees, APFC

Governor Knowles appointed Clark Gruening to the APFC Board of Trustees in 1995, and he began his service as chair in 1999. Mr. Gruening is a partner in the Juneau law firm of Gruening & Spitzfaden, APC. In his long history of state service, Mr. Gruening played a major role in shaping the objectives and management structure of the Alaska Permanent Fund. In 1980, Clark Gruening was the democratic nominee for the U.S. Senate. He received his Bachelor's degree in political science from the University of Oregon, and his Jurisdoctorate degree with honors from George Washington University.

Jim Kelly

Director of Communications, APFC

Mr. Kelly has been in charge of the APFC public information program since 1985, and oversees all corporate communications efforts, is a member of the Management Committee, and serves as the Fund's legislative liaison. Mr. Kelly is an adjunct professor at the University of Alaska Southeast. He has previously worked as a legislative aid, press secretary for a congressional campaign, a college newspaper editor, a community organizer, a mental health nursing assistant and director of Rent-a-Kid. Jim Kelly attended Rutgers University and

the University of Alaska Anchorage, where he received a Bachelor of Arts Degree in English.

Peter Naoroz *Manager of Real Estate Investments, APFC*

Peter Naoroz has been with the Fund since 1996 and is responsible for the administration and management of the real estate portfolio. Peter has previously held positions as an Investment Officer with the Virginia Retirement System, and as a real estate asset manager with Investors Savings Bank and United Dominion Realty Trust. Peter Naoroz received his undergraduate degree from the University of Virginia, a Masters degree in Planning from the University of Virginia School of Architecture, and a J.D. from the T.C. Williams School of Law, University of Richmond.

Michael J. O'Leary, Jr., CFA *Executive Vice President, Callan Associates*

Mr. O'Leary currently oversees Callan's plan sponsor-consulting practice. He is a member of Callan's Client Policy, Review and Management Committees, and chair of Callan's Manager Search Committee. He has held positions as an investment research analyst, director of research, and director of portfolio management and defined contribution plan product management for major trust companies in Chicago and Hartford. He headed Mercer Asset's investment consulting practice and also served on the firm's National Practice Committee. Mr. O'Leary has worked extensively with major corporate and public funds. He has taught investments at the graduate level and has spoken frequently before professional and industry groups. Mr. O'Leary received his Bachelor's degree from Fordham University and is a Chartered Financial Analyst.

Christine K. Phillips, CFA *Director of Finance, APFC*

Ms. Phillips oversees all accounting, financial reporting, and custodial relationships for the Fund. She previously served as an Investment Officer for the State of Alaska, Department of Revenue, Treasury Division and was employed by Klukwan, Inc. where she held various positions, including Financial Accounting Manager, Assistant Treasurer, and Controller. Ms. Phillips holds a Master's of Business Administration and a Bachelor's of Administration with an emphasis in accounting, both from the University of Alaska Southeast. In addition Christine Phillips has passed the CPA exam and holds a Chartered Financial Analyst designation.

Randy Sears *Manager of Fixed Income Investments, APFC*

Mr. Sears is responsible for managing duration, term structure, sector weighting and individual security selection of approximately \$10 billion in internally managed APFC fixed income assets. He has principal responsibility in managing our Corporate Bond portfolio. Mr. Sears has also worked as Vice President within the Fixed Income Division of Morgan Stanley and at Citicorp, and as a global relationship manager in credit for Citibank. Randy Sears received his MBA with emphasis in Finance from University of California at Berkeley, and a Bachelor of Arts in Biology from Colorado College.

Presentation To The Alaska State Legislature

Callan Capital Market Projections

Michael J. O'Leary, CFA
Executive Vice President
Callan Associates Inc.
January 2000



Background

- Annually, Callan develops 5 year risk, return & correlation estimates for each major asset class
 - forecast is for a range of probable returns, not a single point
 - projections will always be consistent with long run real return patterns. For example, projected median stock returns will always exceed projected median bond returns.
 - Use of range allows for the possibility that there will be protracted periods when stocks return less than bonds and when bonds return less than T-bills
 - Long run projections have to relate to the economy so if Gross National Income grows 7-8% in nominal terms, it is unrealistic to expect corporate earnings to grow significantly faster over the long run.

Critical Concepts & Beliefs

- Higher returns can only be achieved by accepting greater risk
 - risk is defined as variability in rate of returns
- Diversification is essential in reducing risk but...
 - that also means that you probably will not have everything working together at the same time
- Market timing does not work
 - the evidence is overwhelming that those who attempt to time tend not to do as well as those who don't

The Current Economic Environment

- U.S. economy coming off fourth straight year of GDP growth $>3\%$, and will set a record in March for the longest expansion in US history.
- Low inflation, or low unemployment, or both?
- Global Recovery
- Oil prices double that of last year, but so what!
- Highest interest rates since May '97 - soft landing?
- Y2K bug passes - we're still here (thanks Greg)
- Biggest threat is faster growth

We Have a Point of View

(hmm...this looks familiar)

- The U.S. economy will slow, but avoid recession
- Asian financial crisis has stabilized. Asia is in recession, but the bottom is in sight. Stock markets have taken off.
- The dollar has peaked
- Inflation is near its trough.
 - We expect rising inflation
 - We expect a falling dollar
- Our Capital Market projections incorporate our economic expectations

Current Capital Markets

Refuse to Conform to Theory

1999 Returns

Callan Broad	22.80
S&P 500	21.04
Callan Small	33.87
Russell 2000	21.26
EAFE	26.96
NASDAQ	86.10
LB Agg	-0.82
SB Non-US	-5.07

The 90's vs. the 80's:

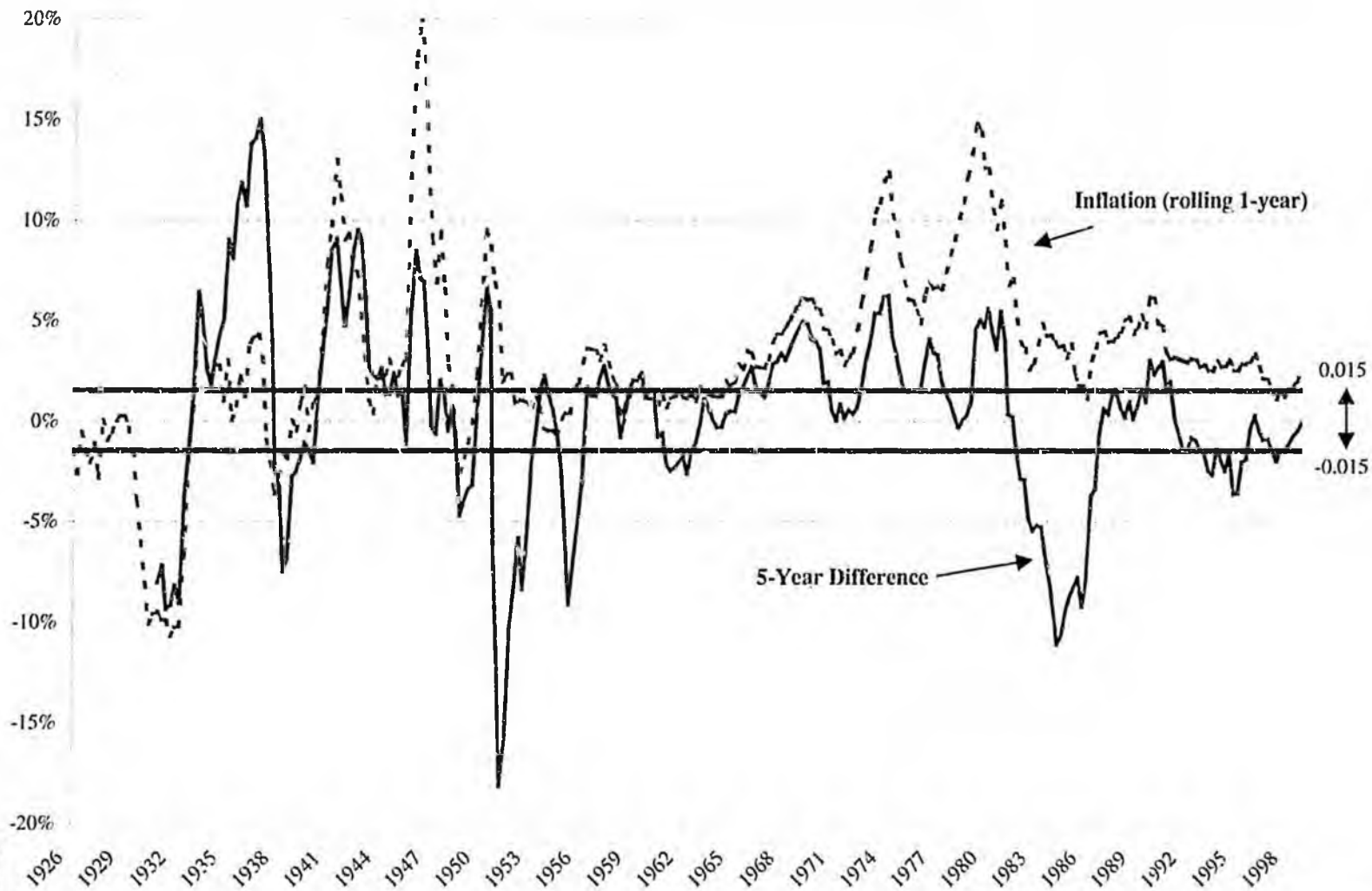
What a Difference a Quarter Makes

Average Annual Returns: 1990s vs. 1980s

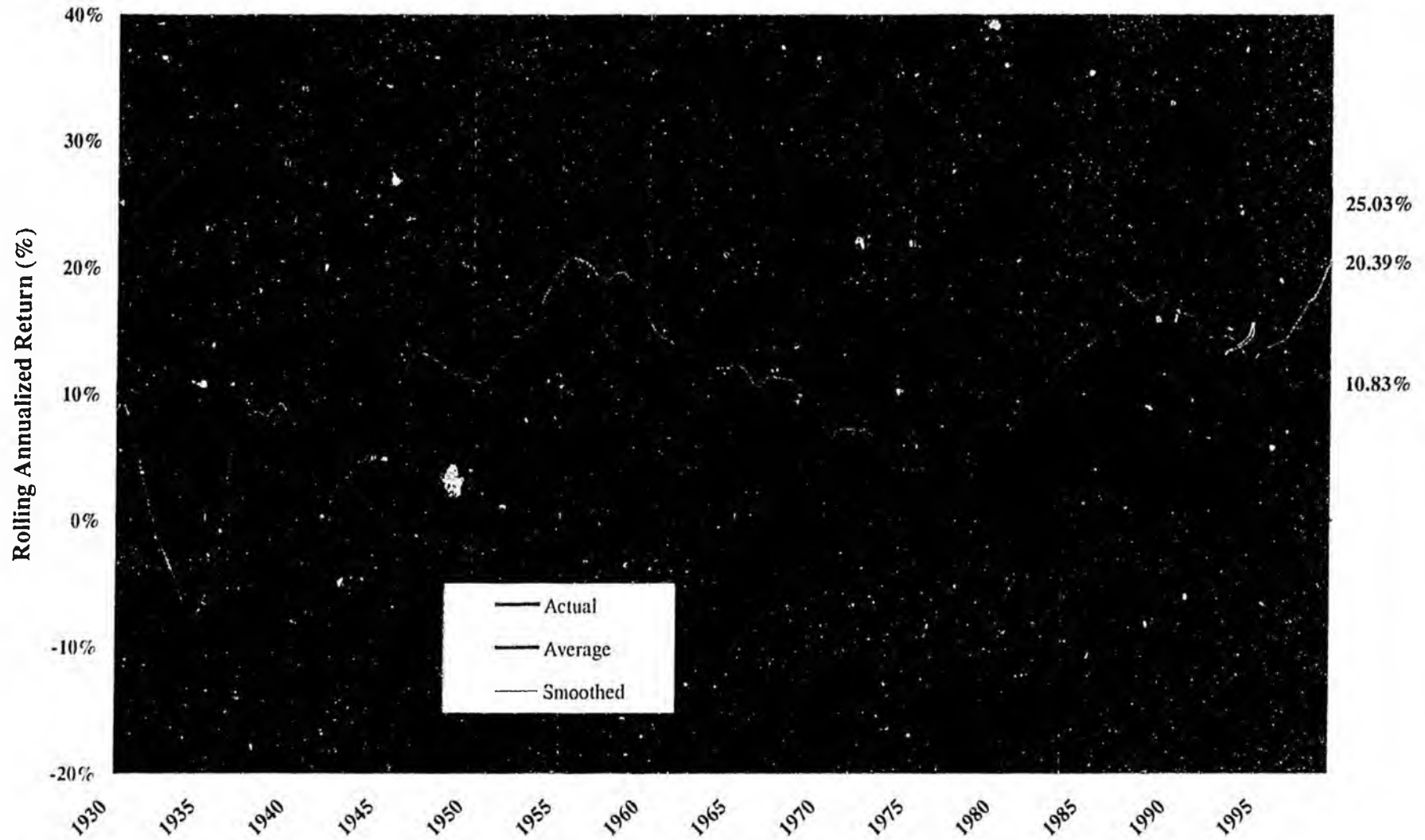
Annualized Returns	1980:Q1- 1989:Q4	1990:Q1- 1999:Q3	1990:Q1- 1999:Q4
Russell 3000	16.61	16.37	17.69
S&P 500	17.55	17.04	18.21
Growth	16.31	18.97	20.60
Value	18.26	14.77	15.37
Russell 2000	14.52	11.81	13.40
Growth	11.50	10.56	13.51
Value	17.44	12.62	12.46
EAFE	22.00	5.49	7.02
LB Agg	12.42	7.91	7.70

Inflation Matters To Capital Markets

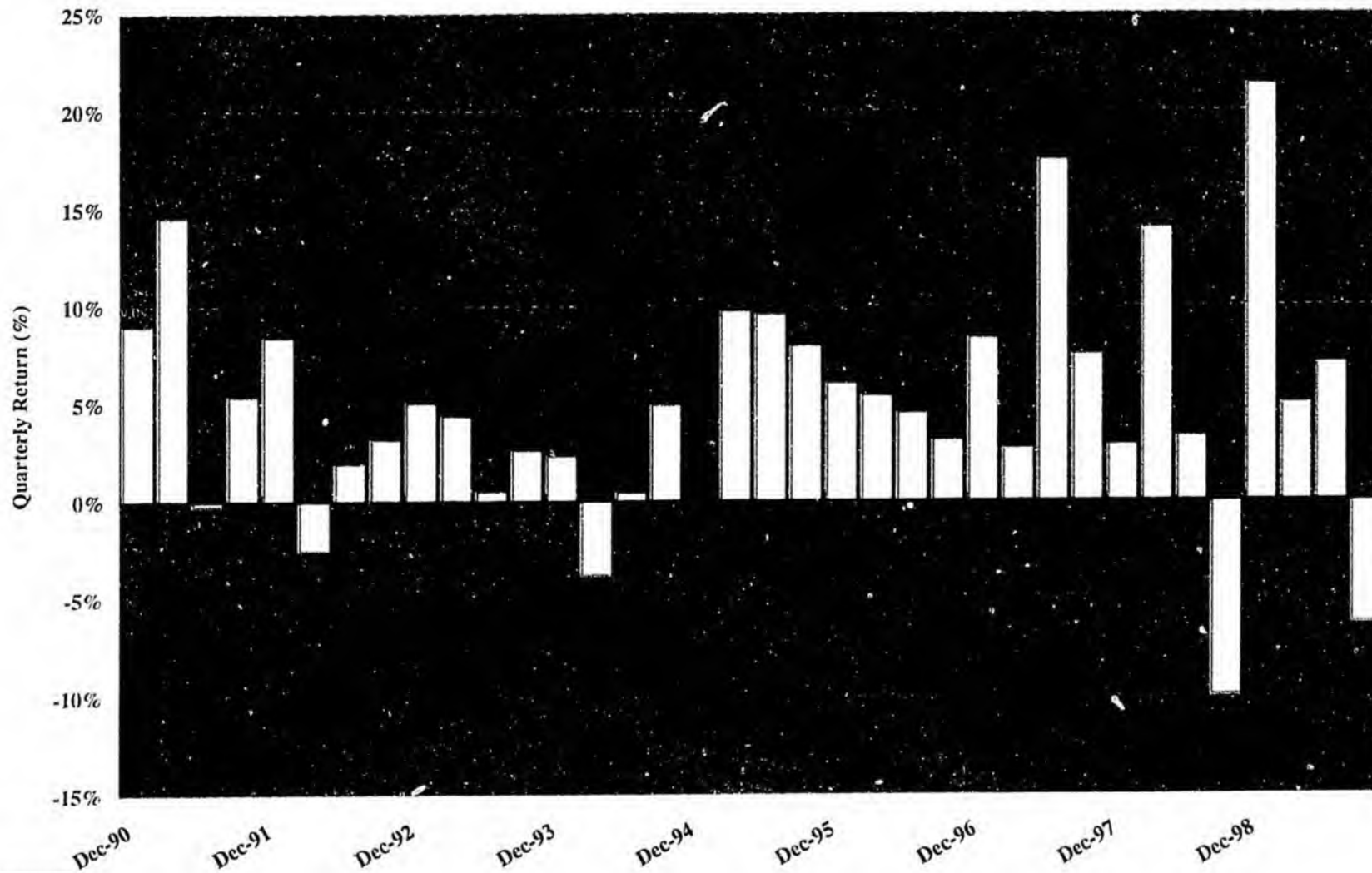
Long-Term Inflation Patterns



Rolling 5 Year Return for S&P 500 (1926 - Present)



Quarterly Returns Over Current Bull Market



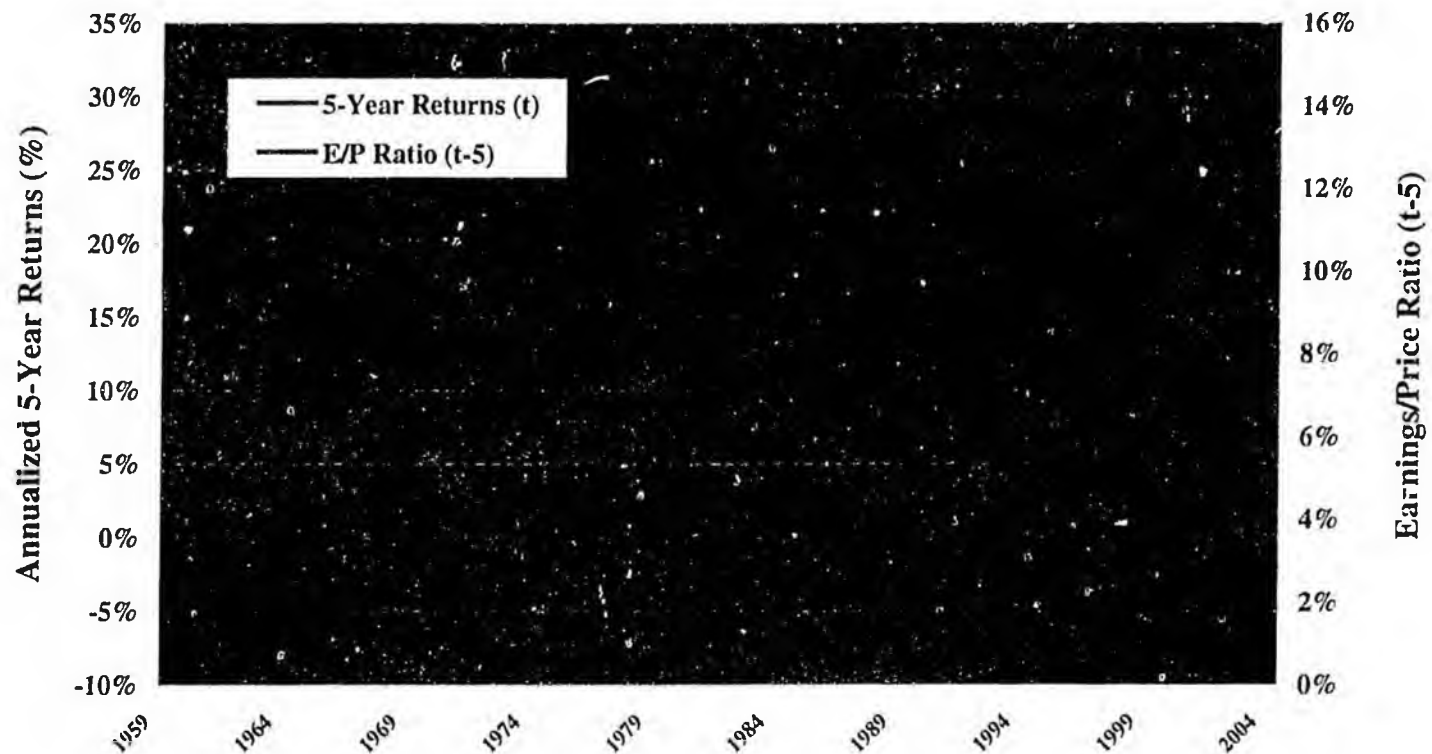
Fundamentals Are Also Included

(although we're starting to wonder)

- P/E ratios are astoundingly high, and are becoming inconsistent with long-term interest rates
 - markets may be overvalued (but the high p/e overstates the problem)
 - almost all appreciation in the S&P500 during 1999 was due to price appreciation - earnings growth has reappeared, but is not enough to explain current stock valuations
- Bias towards long-run averages

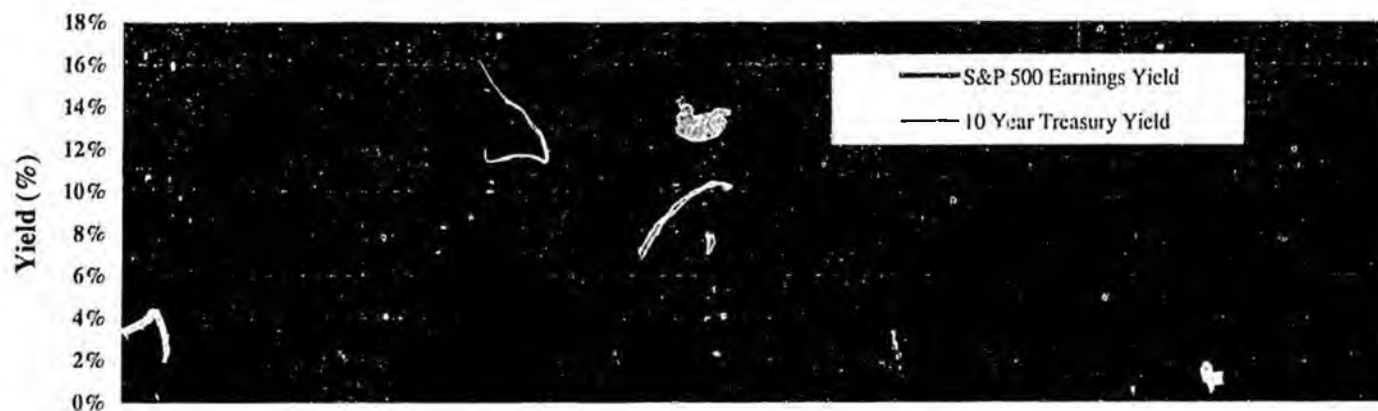
Large Cap Domestic Equity

S&P 500 5-Year Returns vs. Lagged Earnings/Price (1954 - 1999)

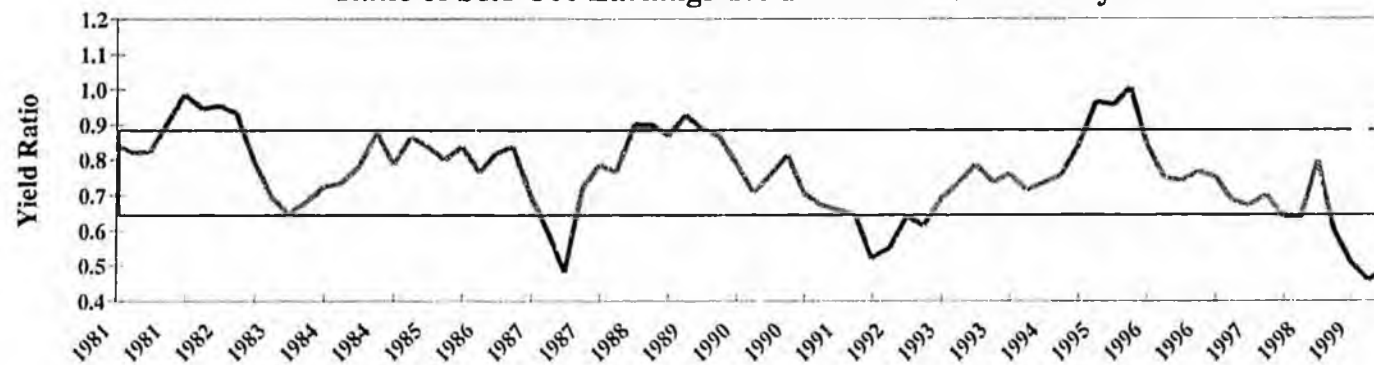


Large Cap Domestic Equity

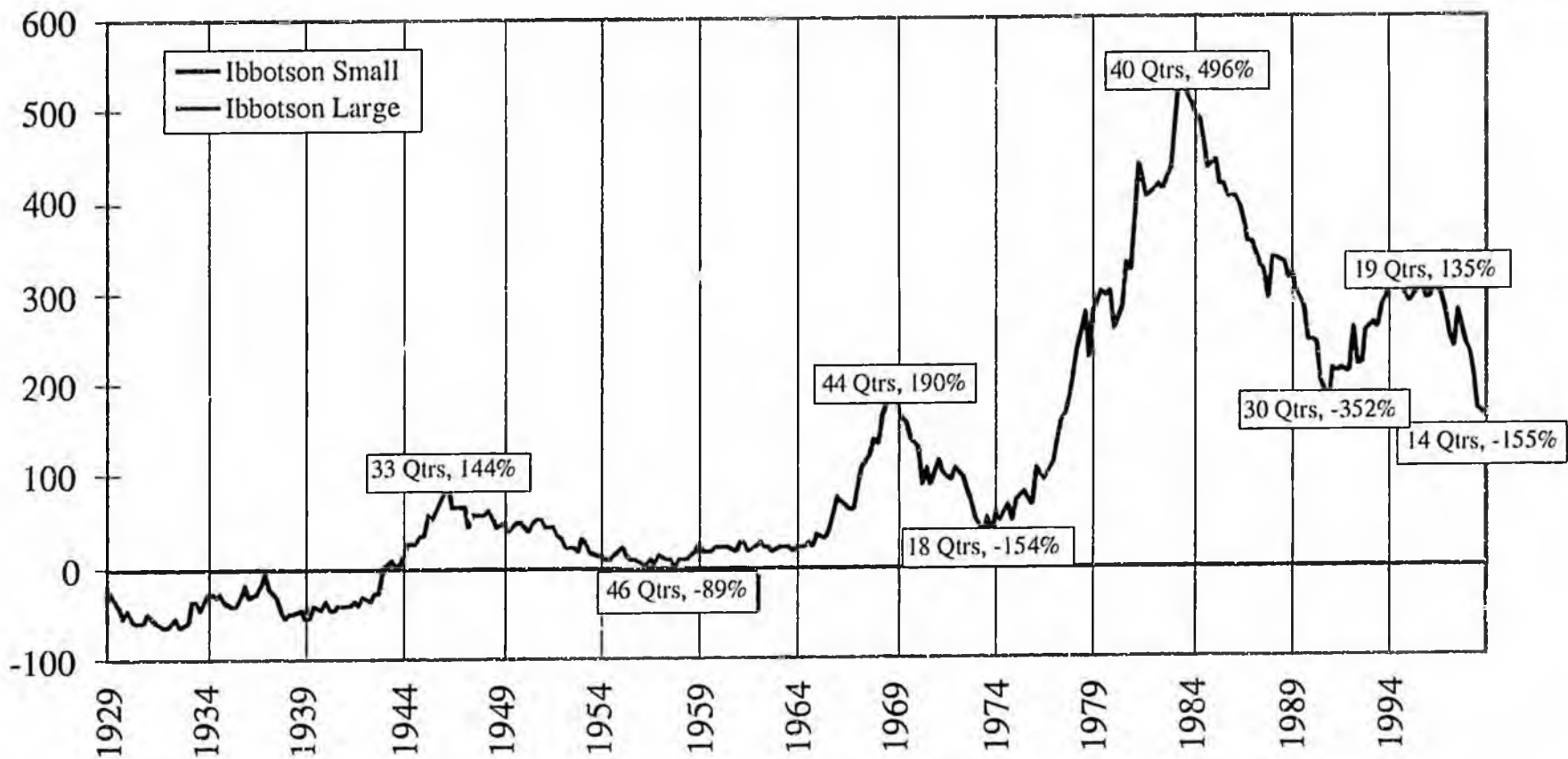
S&P 500 Earnings Yield vs. 10 Year Treasury Yield



Ratio of S&P 500 Earnings Yield and 10 Year Treasury Yield

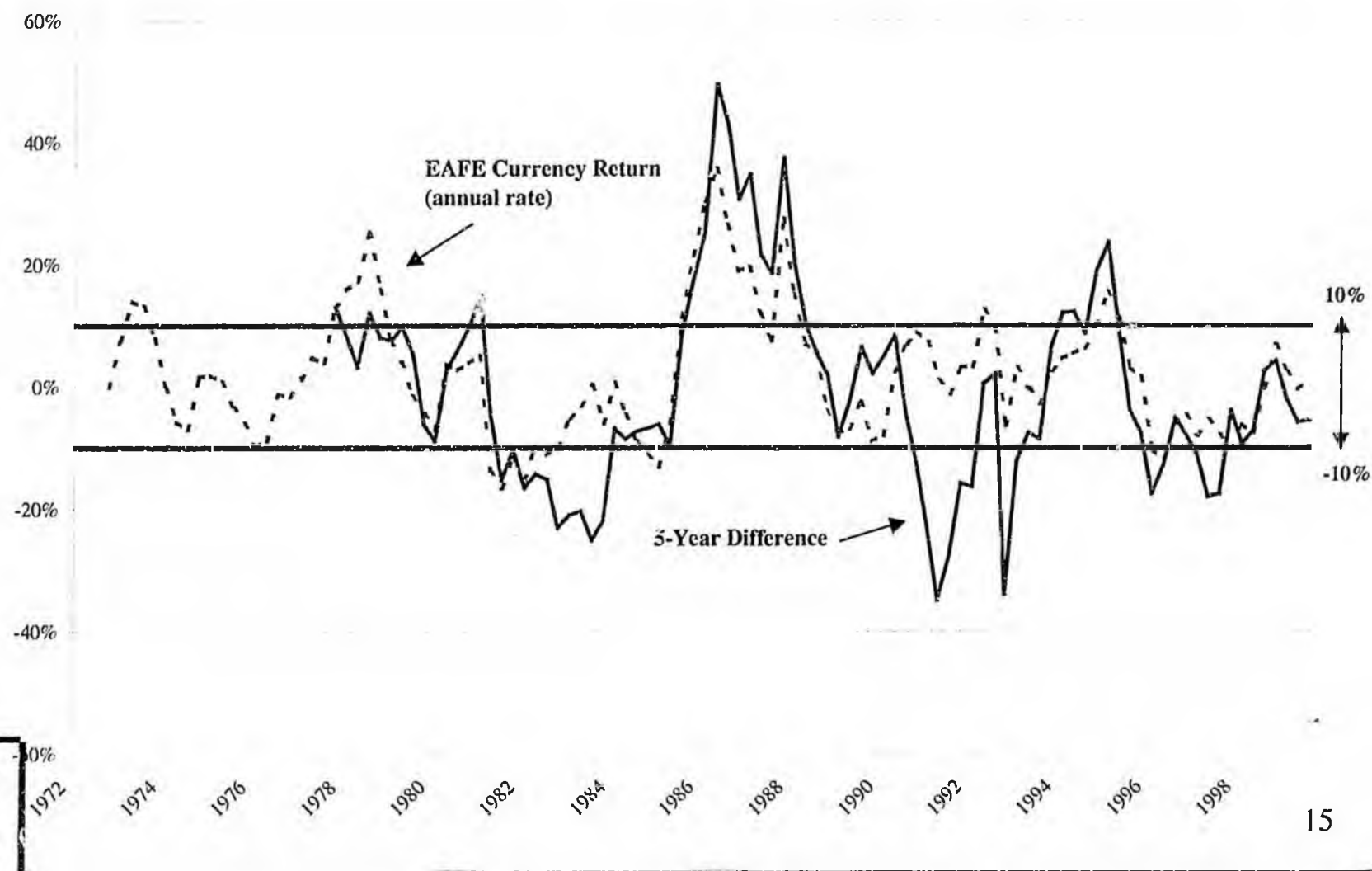


**Cumulative Return - Small Cap Equity Relative to Large Cap Equity
70 Years Ended December 31, 1998**



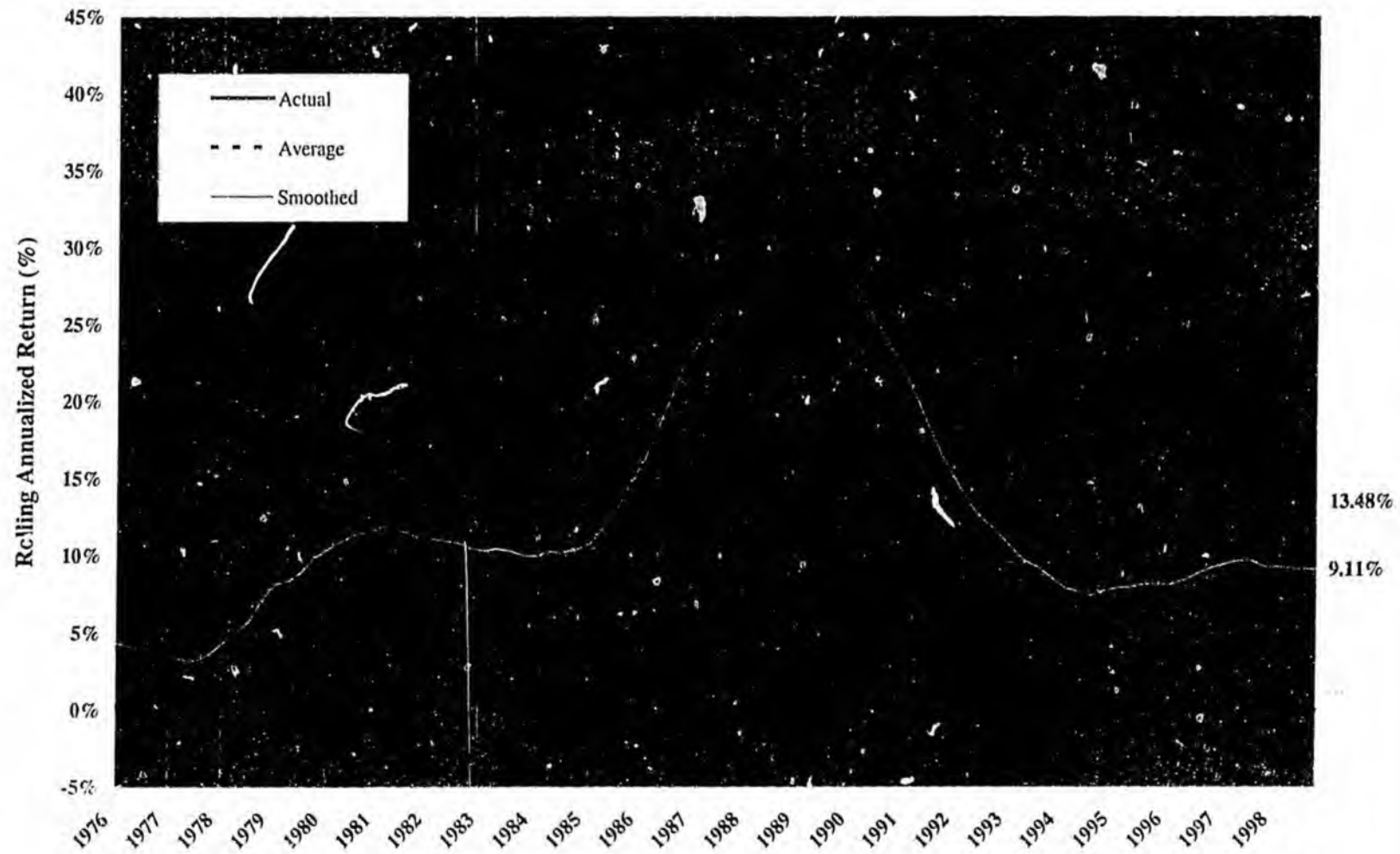
The Dollar Matters to International Capital Markets

EAFE Currency Returns



International Equity Returns

Rolling 5 Year Return for MSCI EAFE

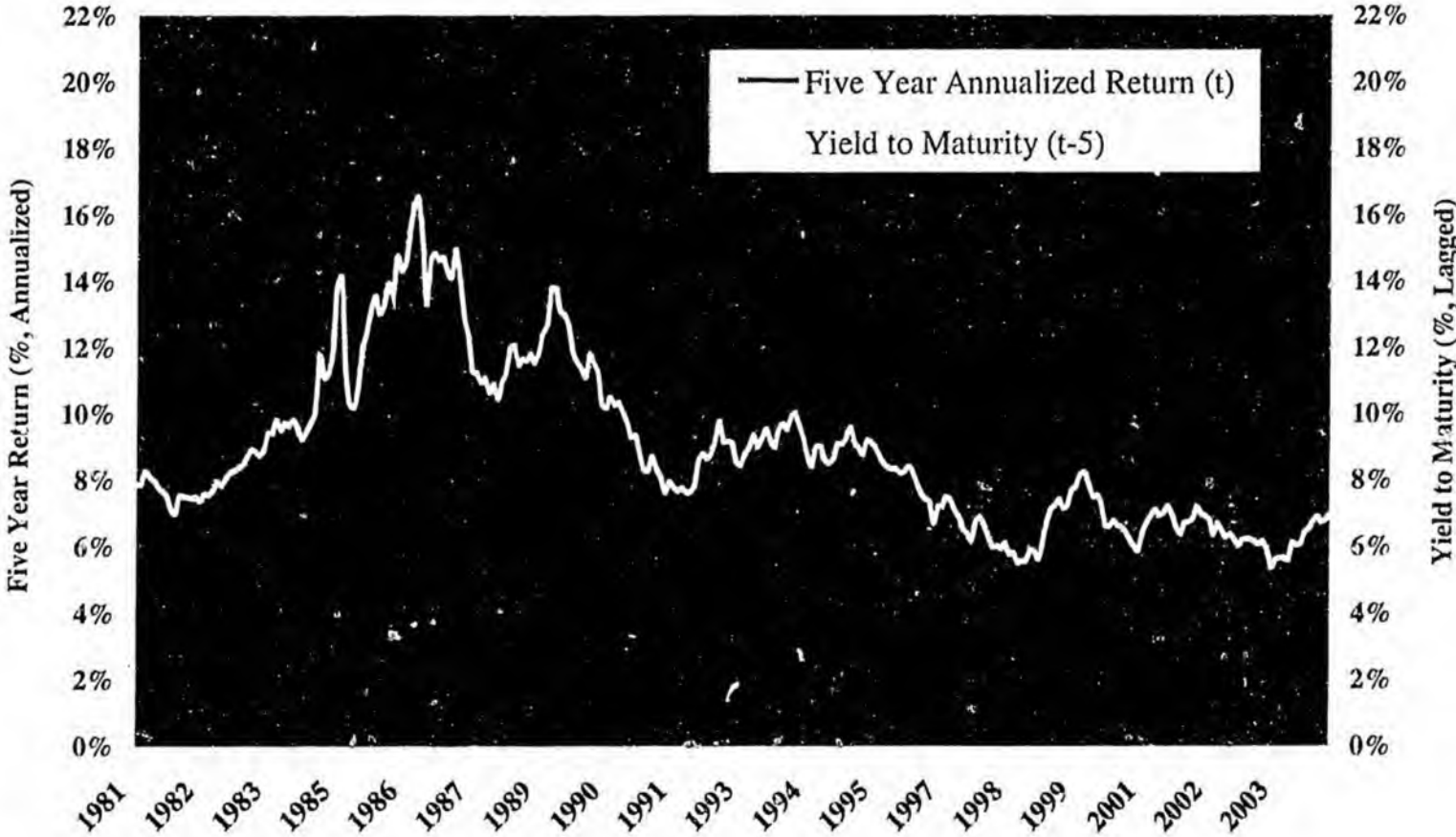


Domestic Fixed Income - Fundamentals

- Hypothesis: Future fixed income returns are foreshadowed by current YTM.
- Yield on the Lehman Aggregate Index is nearly 7.0% (130 bp higher than one year ago).
- Our 2000 Projection, at 6.7%, reflects our rising inflation assumption.

Domestic Fixed Income

Lehman Aggregate Index 5 Year Returns vs. Lagged Yield to Maturity



2000 Capital Market Projections

Asset Class	Index	Expected Return			Expected Risk		
		2000	1999	Change	2000	1999	Change
Equities							
Broad Dom. Equity	CAI Broad	9.20%	9.40%	-0.20%	16.20%	16.30%	-0.10%
Large Cap	S&P 500	8.90%	9.00%	-0.10%	15.00%	15.00%	0.00%
Small Cap	CAI Small	10.40%	11.20%	-0.80%	25.00%	25.30%	-0.30%
Int'l Equity	EAFE	9.75%	10.00%	-0.25%	21.50%	21.50%	0.00%
Fixed Income							
Domestic Fixed	LB Agg	6.70%	5.60%	1.10%	5.50%	5.30%	0.20%
Non US\$ Fixed	SB Non US	6.50%	5.60%	0.90%	10.00%	11.00%	-1.00%
Other							
Real Estate	CRES	8.30%	8.00%	0.30%	16.50%	16.50%	0.00%
Alternatives	VECO 100	11.50%	12.30%	-0.80%	36.00%	36.00%	0.00%
Cash Equiv.	T-bill	5.00%	4.40%	0.60%	0.70%	0.70%	0.00%
Inflation	CPI-U	3.25%	3.00%	0.25%	1.90%	1.75%	0.15%