

ALASKA LEGISLATURE

1992

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

118

Agency Summary - FY01 Operating Budget

<u>Agency</u>	<u>FY99 Act</u>	<u>FY00Auth</u>	<u>00MgtPln</u>	<u>HouseSC</u>	<u>00MgtPln to HouseSC</u>	
Department of Administration	263,878.9	265,230.0	265,230.0	264,964.2	-265.8	-0.1 %
Department of Community and Economic Development	145,615.9	129,755.3	129,755.3	128,853.7	-901.6	-0.7 %
Department of Corrections	156,023.3	167,099.5	167,099.5	165,933.0	-1,166.5	-0.7 %
Department of Education and Early Development	882,723.0	912,984.7	912,984.7	899,159.7	-13,825.0	-1.5 %
Department of Environmental Conservation	46,150.8	47,857.8	47,857.8	47,658.9	-198.9	-0.4 %
Department of Fish and Game	100,495.9	111,818.7	111,818.7	114,246.0	2,427.3	2.2 %
Office of the Governor	19,999.1	20,211.2	20,211.2	18,164.3	-2,046.9	-10.1 %
Department of Health and Social Services	922,820.1	1,008,622.6	1,008,622.6	1,055,746.6	47,124.0	4.7 %
Department of Labor and Workforce Development	93,291.2	118,895.9	118,895.9	111,102.9	-7,793.0	-6.6 %
Department of Law	45,325.9	45,383.2	45,383.2	43,779.4	-1,603.8	-3.5 %
Department of Military and Veterans Affairs	24,313.7	25,616.7	25,616.7	27,468.5	1,851.8	7.2 %
Department of Natural Resources	72,728.8	66,014.5	66,014.5	64,758.6	-1,255.9	-1.9 %
Department of Public Safety	93,736.1	97,535.5	97,535.5	96,533.0	-1,002.5	-1.0 %
Department of Revenue	128,560.3	147,729.1	147,729.1	155,303.7	7,574.6	5.1 %
Department of Transportation/Public Facilities	305,658.8	310,103.6	310,103.6	310,704.7	601.1	0.2 %
University of Alaska	399,184.0	469,565.9	469,565.9	466,695.9	-2,870.0	-0.6 %
Alaska Court System	49,871.1	49,955.0	49,955.0	50,020.8	65.8	0.1 %
Legislature	30,504.8	34,301.2	34,301.2	32,811.5	-1,489.7	-4.3 %
Total - Operating Budget	3,780,881.7	4,028,680.4	4,028,680.4	4,053,905.4	25,225.0	0.6 %

Agency Summary - FY01 Operating Budget

Gen Purpose fund group Only

<u>Agency</u>	<u>FY99 Act</u>	<u>FY00Auth</u>	<u>00MgtPln</u>	<u>HouseSC</u>	<u>00MgtPln to HouseSC</u>	
Department of Administration	175,476.0	163,340.2	163,340.2	162,497.4	-842.8	-0.5 %
Department of Community and Economic Development	82,538.0	58,928.4	58,928.4	56,909.5	-2,018.9	-3.4 %
Department of Corrections	143,217.1	145,848.8	145,848.8	144,268.4	-1,580.4	-1.1 %
Department of Education and Early Development	705,608.2	733,880.2	733,880.2	717,149.5	-16,730.7	-2.3 %
Department of Environmental Conservation	12,257.4	12,070.3	12,070.3	11,806.5	-263.8	-2.2 %
Department of Fish and Game	33,472.3	32,859.1	32,859.1	32,759.1	-100.0	-0.3 %
Office of the Governor	16,993.9	17,138.4	17,138.4	14,802.8	-2,335.6	-13.6 %
Department of Health and Social Services	424,909.8	438,675.8	438,675.8	445,401.2	6,725.4	1.5 %
Department of Labor and Workforce Development	12,782.6	14,418.2	14,418.2	12,840.7	-1,577.5	-10.9 %
Department of Law	27,880.2	27,085.4	27,085.4	25,360.4	-1,725.0	-6.4 %
Department of Military and Veterans Affairs	7,922.0	7,883.9	7,883.9	7,883.9	-0.0	-0.0 %
Department of Natural Resources	49,524.7	37,287.3	37,287.3	36,557.3	-730.0	-2.0 %
Department of Public Safety	77,299.1	77,918.9	77,918.9	77,292.1	-626.8	-0.8 %
Department of Revenue	11,024.4	11,620.6	11,620.6	11,520.6	-100.0	-0.9 %
Department of Transportation/Public Facilities	101,417.4	100,197.8	100,197.8	99,403.0	-794.8	-0.8 %
University of Alaska	166,379.4	172,344.1	172,344.1	172,344.1	-0.0	-0.0 %
Alaska Court System	49,671.9	49,520.8	49,520.8	49,720.8	200.0	0.4 %
Legislature	30,423.5	33,746.5	33,746.5	32,746.5	-1,000.0	-3.0 %
Total - Operating Budget	2,128,797.9	2,134,764.7	2,134,764.7	2,111,263.8	-23,500.9	-1.1 %

TECHNICAL

• AMENDMENTS

Technical Corrections to HB 312(FIN)
March 8, 2000

Incorporated
By LFD
3/8/00

Department of Corrections
Administration & Operations
Inmate Programs

DOT&PF amendment 1c reduced GF by 600.0

Issue: insufficient GF available

Change: reduce GF by 455.9 (all available) and reduce GFMH by 144.1 to achieve 600.0 GF reduction

Department of Corrections
Administration & Operations
Inmate Programs

DCED amendment 10 reduced GF by 181.7

Issue: no GF available

Change: reduce GFMH by ~~181.7~~

Department of Transportation and Public Facilities
Statewide Highways and Maintenance Needs
Statewide Highways and Maintenance Needs

DOT&PF amendment 1c created a new appropriation (Statewide Highways and Maintenance Needs) and a new component (Maintenance Needs)

Issue: The bill print program does not allow a component name to differ from the appropriation name when there is only one component within the appropriation.

Change: Changed component name to match appropriation name.

Sec 4

Corrected citation for AOGCC.

DEPT. OF
ADMIN.

ADMIN #1

Amendment offered by:

Rep. Davis

DELETE

Department of Administration

Longevity Bonus Grants BRU

Longevity Bonus Grants Component

2,844.5 GF

ADDIIN #2

REPLACE AREA I

AMENDMENT TO HB 312

BY: Rep. Bunde & Davis

Adopted.
no lobby
3/6/00
PM

Add:

Department of Administration
Public Communications Services
Public Broadcasting - Radio

200,000 General Funds

Delete:

Department of Public Safety
Council on Domestic Violence and Sexual Assault
Council on Domestic Violence and Sexual Assault

\$200,000 General Funds

Add:

Department of Public Safety
Council on Domestic Violence and Sexual Assault
Council on Domestic Violence and Sexual Assault

\$535,000 I/A (TANF from H&SS)

Explanation

This restores CDVSA to the FY 00 level by using available TANF funds to provide a safe environment for women and children, to promote responsible fatherhood and to improve relationships with noncustodial parents. This also restores \$200,000 in state general funds to support government funded radio.

~~add \$130,000 to the Drug~~

ADMIN #2A

Amendment Offered by:

Rep. Davis

Adopted
3/6/00
PM

ADD

Department of Administration

Senior Services BRU

Protection, Community Services, and Administration Component

15.0 MHTAAR

This funding was approved by Mental Health Trust at the February 25th meeting. It will allow the Commission on Aging to extend outreach to rural areas of Alaska. It will additionally assess service needs of rural trust beneficiaries.

*BACK UP
Admin 2A*

PRESENTING THEM AS ONE. THAT IS A RECOMMENDATION. I'M GOING TO PRESENT ALL OF THESE AND WE CAN HAVE DISCUSSION IF WE WANT BUT VOTE UP OR DOWN ON ALL OF THEM.

CAREN ROBINSON: YOU WANT TO DO IT ONE AT A TIME.

NELSON PAGE: WE CAN IF YOU PREFER.

CAREN ROBINSON: I THINK ONE AT A TIME, THEN. IF THERE'S ANY QUESTIONS REGARDING THIS ITEM?

(NO RESPONSE).

CAREN ROBINSON: MAYBE WE CAN HAVE -- AGAIN IT'S COMING FROM THE COMMITTEE, SO WE NEED TO APPROVE THE COMMITTEE.

(NOT FOR PUBLIC DISTRIBUTION)

INSTA-DRAFT

NELSON PAGE: COMMITTEE MOTION IS TO APPROVE THE COMBINATION OF THE TWO.

CAREN ROBINSON: ANY OBJECTION?

(NO RESPONSE).

CAREN ROBINSON: SO APPROVED.

NELSON PAGE: THE SECOND IS A GRANT IN FY01 FOR THE RURAL OUTREACH COMPONENT FOR THE COMMISSION ON AGING. THIS IS TO MATCH FUNDS THAT HAVE BEEN PROVIDED TO OTHER BOARDS BUT WHICH WERE NOT PROVIDED TO THE COMMISSION ON AGING FOR THEIR PARTICIPATION, SO THEY CAN -- TO HELP FUND THEIR PARTICIPATION IN THE RURAL OUTREACH ACTIVITIES WE'RE WORKING ON AND THE RECOMMENDATION FROM THE COMMITTEE IS THAT THAT BE

*15.0
for Comm.
on Aging*

DATE:

3/6

SUBJECT:

Amend. DCA 2 Add 130,

MEMBER

YES

NO

MOSES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PHILLIPS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
WILLIAMS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
AUSTERMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BUNDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
J. DAVIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
G. DAVIS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FOSTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRUSSENDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>
THERRIAULT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
MULDER	<input type="checkbox"/>	<input checked="" type="checkbox"/>

TOTAL:

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PASSED

FAILED

ADMIN #3

AMENDMENT

TO: CS HB 321(FIN)

DEPARTMENT OF ADMINISTRATION

Public Communications Services BRU

Public Broadcasting Radio Component

Add \$¹²⁰~~30.0~~ GF to restore funding for public radio grants to FY 00 level.

failed 3-8
3/6/00
pm

DATE: 3/6

SUBJECT: # 130 - MA

Change Fund
Source

MEMBER YES NO

PHILLIPS		
WILLIAMS		
AUSTERMAN		
BUNDE		
J. DAVIES		
G. DAVIS		
FOSTER		
GRUSSENDORF		
MOSES		
MULDER		
TERRIAULT		

TOTAL:

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PASSED

FAILED

DATE:

3/6

SUBJECT:

DOA-3 130

MEMBER

YES

NO

WILLIAMS		✓
AUSTERMAN		✓
BUNDE		✓
J. DAVIES	✓	
G. DAVIS		✓
FOSTER		✓
GRUSSENDORF	✓	
MOSES		✓
PHILLIPS		✓
TERRIAULT		✓
MULDER		✓

TOTAL:

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PASSED

FAILED

AMENDMENT

ADMIN #4

DEPARTMENT OF ADMINISTRATION

Public Communications Services

Public Broadcasting Satellite Infrastructure Component

Failed 3-8
3/6/00
PM

Add 100.0 GF to avoid ARCS going off the air for 6 weeks to two months.

DATE: 3/6

SUBJECT: DOA - 4

MEMBER YES NO

AUSTERMAN		✓
BUNDE		✓
J. DAVIES	✓	
G. DAVIS		✓
FOSTER		✓
GRUSSENDORF	✓	
MOSES	✓	
PHILLIPS		✓
WILLIAMS		✓
TERRIAULT		✓
MULDER		✓

TOTAL:

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PASSED _____

FAILED _____

ADMIN #5

AMENDMENT

DEPARTMENT OF ADMINISTRATION

Public Communications Services BRU

Satellite Infrastructure Component

Add \$50.0 Statutory Designated Program Receipts

n/o
3/6/00
PM

ADMIN # 6

AMENDMENT

DEPARTMENT OF ADMINISTRATION

Public Communications Services BRU

ADD \$400.5 GF spread through the following components in the amounts listed to restore 5% reduction and additional \$200.0 reduction to radio.

Public Broadcasting Commission Component	2.8
Public Broadcasting Radio	30.0
Public Broadcasting T.V.	39.7
Satellite Infrastructure	28.0

failed
3-7
3/4/00
RM

DATE:

3/6/00 PM

SUBJECT:

DOA Co

MEMBER

YES

NO

MEMBER	YES	NO
BUNDE		✓
J. DAVIES	✓	
G. DAVIS		✓
FOSTER		✓
GRUSSENDORF	✓	
MOSES	✓	
PHILLIPS		✓
WILLIAMS		✓
AUSTERMAN		✓
MULDER		✓
TERRIAULT		

TOTAL:

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PASSED

FAILED

AMENDMENT

ADMIN #7

DEPARTMENT OF ADMINISTRATION

Leases BRU

Leases Component

Add \$1043.6 GF.

Failed

2-8

3/6/00
PM

DATE: _____

SUBJECT: _____

DOA 7

MEMBER

YES

NO

J. DAVIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
G. DAVIS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FOSTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRUSSENDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MOSES	<input type="checkbox"/>	<input type="checkbox"/>
PHILLIPS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
WILLIAMS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
AUSTERMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BUNDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TERRIAULT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
MULDER	<input type="checkbox"/>	<input checked="" type="checkbox"/>

TOTAL:

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PASSED

FAILED

AMENDMENT

ADMIN #8

DEPARTMENT OF ADMINISTRATION

Longevity Bonus Grants BRU

Longevity Bonus Grants Component

Add \$1,755.5 GF

Failed
3-8
3/6/00
pm

DATE:

3/6/00

SUBJECT:

DOO 8

MEMBER

YES

NO

G. DAVIS		✓
FOSTER		✓
GRUSSENDORF	✓	
MOSES	✓	
PHILLIPS		✓
WILLIAMS		✓
AUSTERMAN		✓
BUNDE		✓
J. DAVIES	✓	
MULDER		✓
THERRIault		✓

TOTAL:

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PASSED

FAILED

ADMIN #9

AMENDMENT

DEPARTMENT OF ADMINISTRATION

Legal and Advocacy Services BRU

Office of Public Advocacy Component

Add \$335.8 GF for Child in Need of Aid Caseload Increase

3-8
failed
3/4/00
RM

DATE:

SUBJECT:

_____ Doa 9 _____

MEMBER

YES

NO

FOSTER		✓
GRUSSENDORF	✓	
MOSES	✓	
PHILLIPS		✓
WILLIAMS		✓
AUSTERMAN		✓
BUNDE		✓
J. DAVIES	✓	
G. DAVIS		✓
TERRIAULT		✓
MULDER		✓

TOTAL:

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PASSED

FAILED

Failed 3-8
AMENDMENT

ADMIN # 14

DEPARTMENT OF ADMINISTRATION

Legal and Advocacy Services BRU

Office of Public Advocacy Component

Add \$355.0 GF/MH for Public Guardian Caseload Reduction

DATE: 3/6/00

SUBJECT: #10

MEMBER

YES

NO

GRUSSENDORF	✓	
MOSES	✓	
PHILLIPS		✓
WILLIAMS		✓
AUSTERMAN		✓
BUNDE		✓
J. DAVIES	✓	
G. DAVIS		✓
FOSTER		✓
MULDER		✓
TERRIAULT		✓

TOTAL:

3	8
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PASSED

FAILED

NO
Admin

11

grussendot

ADMIN # 12

AMENDMENT

DEPARTMENT OF ADMINISTRATION

Legal and Advocacy Services BRU

Public Defender Agency Component

ADD \$755.2 GF

Failed
3-6
3/6/00
PM

DATE: 3/4/00 PM

SUBJECT: DOA-12

MEMBER

YES

NO

MOSES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PHILLIPS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
WILLIAMS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
AUSTERMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BUNDE	<input type="checkbox"/>	<input type="checkbox"/>
J. DAVIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
G. DAVIS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FOSTER	<input type="checkbox"/>	<input type="checkbox"/>
GRUSSENDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TERRIAULT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
MULDER	<input type="checkbox"/>	<input checked="" type="checkbox"/>

TOTAL:

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PASSED

FAILED

DATE:

SUBJECT:

DOA - 13

MEMBER

YES

NO

PHILLIPS		✓
WILLIAMS		✓
AUSTERMAN		✓
BUNDE		✓
J. DAVIES	✓	
G. DAVIS		✓
FOSTER		✓
GRUSSENDORF	✓	
MOSES	✓	
MULDER		
TERRIAULT		✓

TOTAL:

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PASSED

FAILED

AMENDMENT

ADMIN #13

DEPARTMENT OF ADMINISTRATION

Alaska Longevity Programs Management BRU

Pioneers Homes Component

ADD \$100.0 in fee support

PIONEERS' HOME RECPTS (1118)

ADMIN #14

AMENDMENT

Failed 2-8-10 3:16 PM BY:

TO: CSHB 313 (Fin) Draft Version D

Department of Administration

Page 2, line 15:

	Allocations	Approp Items	General Funds	Other Funds
Senior Services		<u>3,974,700</u> [3,624,400]	<u>2,481,700</u> [2,131,300]	1,493,100

Page 2, line 18:

Home and Community Based Care	<u>3,391,000</u> [3,041,100]
----------------------------------	---------------------------------

This amendment restores 349,900 GF/MH reduction for statewide services for Alaskans with Alzheimer's disease and related disorders, their families and caregivers.

DATE: _____

SUBJECT: _____

DOA - 14

MEMBER

YES

NO

WILLIAMS		✓
AUSTERMAN		✓
BUNDE		✓
J. DAVIES	✓	
G. DAVIS		✓
FOSTER		✓
GRUSSENDORF	✓	
MOSES		
PHILLIPS		✓
TERRIAULT		✓
MULDER		✓

TOTAL:

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PASSED

FAILED

AMENDMENT

ADMIN #1

DEPARTMENT OF ADMINISTRATION

Centralized Administrative Services BRU

Component: ~~Retirement & Benefits~~
Group Health

ADD \$345.5 in Benefits Systems Receipts

n/o 3/6
Rescinded
3/7
Amended
Passed
no/oby

ADMIN # 14

1-LS1304\D.12

Utermohle

3/7/00

no/ob

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE MULDER

TO: CSHB 312(FIN), Draft Version "D"

- 1 Page 2, following line 31:
- 2 Insert "This appropriation to the Information Services Fund capitalizes a fund and does
- 3 not lapse."

**Department of Administration
Impact Statements in Response to
House Finance Subcommittee Budget Proposals
Date: March 2, 2000
Prepared by: Dan Spencer**

Program Area: Office of Public Advocacy Child in Need of Aid Caseload Increase	Dollar Amount(s): (\$335.8)	Fund Source(s): General Fund
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Impact Analysis:

The continuation of dramatic caseload increases in child in need of aid (CINA) court appointments mandate the expansion of guardian ad litem staff in both Anchorage and Fairbanks. While the agency's appointments as guardian ad litem for abused and neglected children has experienced 16% to 18% growth in FY 98 and FY 99 the recent surge in cases is truly frightening. In comparing the Anchorage intake of CINA cases between the first six months of FY 99 and FY 00 we find a 37% increase in cases. Thus, this staffing increase becomes necessary just to maintain our current average caseload at 175. In short, this funding will only allow current staff to continue to perform minimum duties for each of 175 children in their individual caseloads. If this increment is not passed, caseloads will climb to well over 200 abused children per individual guardian ad litem in Anchorage and Fairbanks.

The passage of HB 375, which mandated far faster timeframes for the processing of abused child cases, represented a significant policy shift by both the executive and legislative branches in favor of abused children. The Office of Public Advocacy will be absolutely unable to meet this mandate if caseloads are continued to allow to grow without the essential corollary increases in personnel. Office of Public Advocacy guardians ad litem, who represent the best interests of the vulnerable children in the child protection system, should not be left behind while other aspects of the system are strengthened by additional funding.

Program Area: Office of Public Advocacy Public Guardian Caseload Reduction	Dollar Amount(s): (\$355.0)	Fund Source(s): General Fund/MH
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Impact Analysis:

Failure to fund this increment will mean a continued deterioration in the quality of guardian services for the most vulnerable of adult populations--mentally incapacitated and elderly Alaskans. Since 1985 caseloads have grown an average of 9% per year and, more importantly, the average caseload of a public guardian has grown from 29 to 93 in the past 15 years.

This dramatic and continuing disconnection between caseload and resources has resulted in a loss of time for public guardians to devote to quality of life issues for their clients. While the

public guardian section has done an excellent job of financial management for individual clients, staff does not have the time to attend carefully and consistently to the personal needs of their wards and conservatees. Staff cannot regularly visit out-of-town clients, attend treatment meetings, or meet with care providers. They cannot make good life decisions for their clients without a far better understanding of their circumstances and options.

In addition, Alaska Statutes require the OPA to act as training and consultative resource to private individuals who act as guardians for family members or friends. Over 80% of all guardians are private individuals. The extreme caseloads of the existing public guardians have prohibited any ability of the agency to meet this need.

This is not a new problem. In 1992 legislative auditors, in a comparison with eight other jurisdictions, collected data that indicated a serious shortfall in staffing for Alaskan clients of the public guardian. For many years, the Alaska Mental Health Board has supported this personnel package, which includes four public guardians in Anchorage, one in Fairbanks, and one in Juneau. The National Guardianship Association recommends 20 to 40 cases per guardian and the Commonwealth of Virginia mandates that public guardians carry no more than 20 cases. The recent McDowell Report recommended the addition of public guardian positions to aim for a caseload maximum of about 50 cases. Given the current distribution of clients, the addition of these six public guardian positions is essential to achieve individual caseloads of 50 cases.

Finally, this request was included in the Mental Health Trust Authority FY 01 budget recommendations.

Program Area:	Dollar Amount(s):	Fund Source(s):
Public Communications	(500.5) (50.0)	General Fund Stat Desig Rpts

Impact Analysis:

Public Broadcasting Commission, Public Radio, Public TV (400.5) General Fund
The Public Broadcasting Commission has reviewed the House Subcommittee proposal. They have stated that no "across the board" allocation of the reduction to public radio grants is possible without jeopardizing the entire system. Therefore, they have identified the following three scenarios as the most likely options to be implemented. The first would be an all urban proposal that would delete all State funding for KSKA-FM in Anchorage, KNBA-FM in Anchorage, KUAC-FM in Fairbanks, and reduce KTOO-FM in Juneau over three-fourths.

The second is another urban proposal that would delete all State funding for KSKA-FM in Anchorage, KNBA-FM in Anchorage, KUAC-FM in Fairbanks, and reduce KTOO-FM in Juneau by two-thirds, KBBI-AM in Homer by over one-third, and KMXT-FM in Kodiak by almost half.

The third is a mostly rural proposal that would delete all State funding for KCUK-AM in Chevak, KZPA-AM in Fort Yukon, KIYU-AM in Galena, KHNS-FM in Haines, KDLL-FM in

Kenai, KSDP-AM in Sand Point, KTNA-FM in Talkeetna, KNSA-AM in Unalakleet, and KIAL-AM in Unalaska.

All of these proposals would result in a drastic reduction in the quality of public broadcasting in the immediate communities, and likely the total elimination of public broadcasting in many. The urban proposals would certainly have a domino effect on rural services that would detrimentally impact services, as much of the programming for rural areas comes from the urban stations. Elimination of the rural public broadcasting services removes the only sources of broadcast services in most of those areas.

Public Broadcasting - Satellite Infrastructure (100.0) General Fund

An increase in interagency receipts from the University of Alaska was proposed in FY2000 without a corresponding increase in the University's budget to provide the ability to pay the increased cost. This has resulted in a supplemental request for FY2000 and a corresponding budget adjustment for FY2001. Without this money, television service will be lost to the ARCS communities for six weeks to two months, which means that over 125,000 Alaskans who depend on ARCS for their Television Service will have no television. AlaskaOne, the local Public Television, will be lost to over 45,000 Alaskans. Public Radio Service to outlying communities such as Prudhoe Bay, Saint Paul, McGrath, Fort Yukon and others will also be lost.

From an equipment standpoint - the rural transmitters will not receive a video signal and therefore will broadcast "white hash". That kind of signal output is the worst a transmitter can receive because it overdrives the video circuits. Some of the transmitters, that are currently running fine with a solid video signal, may fail with 6 weeks of no signal at all. There is no way to remotely turn on or turn off over two hundred village transmitters.

Public Broadcasting - Satellite Infrastructure (\$50.0) Statutory Designated Receipts

The failure to consider the request for \$50.0 receipt authority submitted as a budget amendment jeopardizes the ability of a viable private/public partnership to form. The authority would allow the operators of the satellite infrastructure to collect from commercial stations' fees for carrying their signals on the satellite. Further, the private/public partnership would allow cable operators to bring in more Anchorage stations and share the revenue with the state to offset the cost of the state rented transponder. This portion of the project has the most potential for lowering overall costs to the state while increasing communication and information services across Alaska.

	Dollar	Fund
Program Area:	Amount:	Source(s):
Public Defender Agency	(\$755.2)	General Fund

Impact Analysis:

Failure to fully fund the increment for Alaska Public Defender Agency will severely compromise the quality of services provided. Because representing indigent clients is mandated by the Alaska Constitution, the Public Defender Agency cannot cut costs by declining cases or refusing to do work on cases.

The Public Defender Agency has adopted emergency measures to try to reduce FY00 budget shortfall. If this increment is not funded, the Public Defender Agency will be forced to implement these measures full-time. The Agency will be forced to continue to maintain vacancies, including those created by laying off personnel. This will compromise the quality of legal work and investigations. A just released Legislative Audit concludes that "the agency is understaffed," and "is short attorney positions." For the period FY88 to FY97, the Public Defender Agency expenditures increased by 6.6% (adjusted for inflation) while "caseload dramatically outpaced expenditures by increasing 47%." The difference between caseload levels and available funding has not improved since that period; in fact this reduction to the Public Defender budget means the agency will continue to be funded at a lower level than FY1999 even though caseloads continue to increase.

Travel will continue to be banned to remote court locations, seriously compromising the level of service to Alaska citizens who do not live in urban areas. Volunteer programs necessary to provide some relief will continue to be curtailed. The ability to do efficient computerized legal research will be curtailed as well. Judges, district attorneys, victims, witnesses, and clients will continue to have legitimate complaints that their lawyers are inaccessible and impossible to reach. Public Defender lawyers, in an effort to provide the quality of service that is required, will move to continue trials and hearings and ask for continuances to file motions. Continuances like these frustrate the efficient processing of child protection cases as well as criminal cases. As necessary expenditures (forensic testing, transcription services, interpreters, expert witnesses) accumulate, the Agency will again be forced into a supplemental scenario for FY01.

Already significantly understaffed, attorneys will be forced into providing even more uncompensated overtime just to maintain constitutionally-mandated, effective representation. The turnover situation in the Agency this year has become critical, and it will become even more difficult to retain quality, experienced attorneys and to recruit new attorneys, given these working conditions.

Of additional concern is the fact that compromising Public Defender services affects due process of law. Due process is not only a constitutional right for defendants, but it also creates results that the public can rely on in criminal cases. Without effective representation, courts may not be fully apprised of all information necessary before making critical legal decisions. The fairness and reliability of the criminal justice system will be compromised and successful ineffective assistance of counsel complaints and malpractice lawsuits may result.

Program Area: Care Coordination Expansion	Dollar Amount (s): (\$200.0)	Fund: Source(s): General Fund/MH
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Impact Analysis: Care coordination services form the foundation of long term care for Alaskans with severe physical and/or cognitive disabilities. Through care coordinators, disabled Alaskans receive comprehensive assessments of their long-term care needs and are linked to a full range of appropriate services. Care coordinators also monitor the care provided over an extended period of time and make adjustments as needed. This funding increment would add care coordination

services to two new regions in rural Alaska where few long-term care services exist and are often fragmented and inadequate. Care coordination services in rural areas frequently develop creative solutions to meet individuals needs when formal services are unavailable.

Not funding this increment for care coordination services will have the following impact:

- Approximately 100 elders and families will not receive care coordination services.
- Elders living in rural Alaska will be forced to relocate to urban settings due to difficulty accessing services that allow them to remain in their own homes and communities.
- Home and Community based programs and service providers in rural Alaska will continue to rely primarily on state funding due to their inability to access federal dollars funded by the Medicaid Waiver program.
- Services to the elderly living in many rural Alaskan communities will continue to be fragmented and inadequate.
- An increase in emergency medical services and/or hospitalization by the elderly.
- An increase in the use of involuntary commitment proceedings for individuals with ADRD due to disruptive and/or dangerous behaviors.
- An increase in premature institutionalization for the elderly due to the inability to access preventative and support services.

Program Area: Home & Community Based Care, ADRD Education	Dollar Amount(s): (150.0)	Fund Source(s): General Fund/MH
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Impact Analysis:

This increment would expand the availability of statewide support services for people with Alzheimer's disease and related disorders (ADRD), their families, and caregivers. It also includes ADRD related training for personnel working in nursing homes and other residential settings for persons with Alzheimer's disease.

Not funding this increment for statewide ADRD Education & Support will have the following impact:

- Approximately 125 families caring for individuals with ADRD will not receive adequate education and support.
- Caregivers will experience greater frustration and stress associated with caring for someone with Alzheimer's disease or a related disorder; thereby shortening the amount of time they are able to provide care in the home.
- An increase in medical and/or hospital utilization by caregivers due to the secondary effects of stress.
- An increase in the use of sick leave and disruption at the workplace for employed family caregivers.
- An increase in premature institutionalization for individuals with ADRD.

- An increase in the number of individuals currently living in a rural setting forced to relocate to urban settings in order to access supportive and direct services.
- An increase in medical and/or hospital utilization, particularly involuntary commitment proceedings, by individuals with ADRD due to disruptive and/or dangerous behaviors.
- Increase in the number of referrals to Adult Protective Services and the incidence of abuse/neglect situations.

Program Area:	Dollar	Fund
Senior Services: Protection, Community	Amount(s):	Source(s):
Services and Administration; Assisted Living	(150.0)	General Fund
Licensing		

Impact Analysis:

This increment would fund two licensing workers in the assisted living program and some travel funds.

Not funding this increment for Assisted Living Licensing will have the following impact.

- The investigation and quality assurance components of the assisted living program will remain inadequately staffed which will have a detrimental impact on the oversight and quality of care being provided to assisted living residents. Investigation of complaints, approximately 60 a year, will be completed in a less timely manner as the number of assisted living homes increases statewide. Investigations are currently averaging 30 days to 90 days to complete.
- The assisted living program will continue to be understaffed in other areas including training and technical support which will further negatively impact the quality of care of assisted living residents, particularly as both assisted living providers and residents grow in number. The completion of investigations takes a priority over training and technical support of over 100 assisted living homes statewide.
- Assisted living expansion into the rural areas will continue to be a lower priority. Those needing assisted living will continue to be required to move to the urban areas where the services are available.
- Overall, the quality of assisted living in Alaska will not be given the attention it needs to improve. The impact may be increased incidents of abuse, neglect and exploitation of vulnerable adults in assisted living homes.

Program Area:	Dollar	Fund
Longevity Bonus	Amount(s):	Source(s):
	(1,755.5)	General Fund

Impact Analysis:

This reduction will result in the Longevity Bonus program being underfunded in FY2001. The department will request supplemental funding as necessary to fully fund the program. Current

projections are that this level of funding would not allow payments for the last month of FY2001.

Program Area: Pioneers' Homes	Dollar Amount(s): (\$100.0)	Fund Source(s): Fee Support
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Impact Analysis:

The Division of Alaska Longevity Programs requested an increment of \$525.0 to pay for the increased costs of Pioneers' Home supplies, especially the increased costs of incontinent supplies, and for the replacement of worn-out equipment. These dollars represent the projected increase to the state of money collected from Pioneer Home residents to pay for services.

The Pioneers' Homes must begin replacement of worn-out mattresses and beds. About 80% of the 600 beds need replacement. Many of these beds are 25 or 30 years old, and most are 'dorm beds' which cannot be adjusted either mechanically or electrically. The average age of the residents is in excess of 87 years and electrically operated, adjustable beds are needed for their safety, comfort, and movement. In addition, the homes have all of the other furnishings and equipment, including washers, laundry, and living room furniture needed to operate a 24 hour residential facility which must be addressed with a scheduled replacement cycle.

Each electrically operated bed with mattress costs just under \$2.0. The division planned to purchase 75 new beds in FY01. At a replacement rate of 75 beds per year, the division hoped to replace all the broken, worn-out, and inappropriate beds over the course of the next 6 years.

Program Area: Division of Personnel	Dollar Amount(s): (\$130.0)	Fund Source(s): General Fund
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Impact Analysis:

Workplace Alaska, the state's new recruitment and hiring system, has been in full production a little more than one year. It was developed to provide hiring managers with better qualified candidates, and applicants a more efficient and effective way to apply for state jobs. A third purpose was to reduce recruitment costs. The success of Workplace Alaska in achieving these purposes has been recognized by two national organizations. The division was awarded the National Association of State Personnel Executives' Eugene H. Rooney, Jr. Program Award in 1998 for improving efficiency and effectiveness of State Government, and by the National Association of State Chief Executives 1999 Outstanding Innovation Award. Our success is further demonstrated in very positive results in a recent survey of applicants.

This increment proposes to fund increased operational costs for Workplace Alaska. The 90.0 for computer support costs is a fixed cost for FY 2001. The remaining \$40.0 is the contract cost of preparing and implementing the new release of Lotus Notes, the Workplace Alaska operating

software. Because of essential fixes in the new software that solve many of our current problems, moving to the new release is not optional for the state.

Cost savings associated with Workplace Alaska have made possible budget reductions in prior years totaling approximately \$500.0. Operating costs of Workplace Alaska are being covered during this first year of full operation with CIP funds which will not be available in FY 2001.

Without new funds to cover these ongoing fixed costs, the division will be forced to either reduce services or implement chargebacks to all user agencies. This would impact all state agencies in much the same manner that an unallocated reduction does.

Program Area:	Dollar	Fund
Statewide Accounting System	Amount(s):	Source(s):
	(\$200.0)	General Fund

Impact Analysis:

The rates approved for ITG (Information Technology Group) for FY 01 translate into a \$200.0 increase in data processing costs for the Division of Finance. This projected increase was requested as an increment so that the statewide payroll and accounting systems could continue to operate at their current levels. The rate hike is partly attributable to increased license fees for the ADABAS software on which these systems run.

If not funded, the impact of the rate increase must be absorbed in reduced service or increased chargeback to state agencies. The payroll system is currently operating at a legal minimum, so all of the reductions will be directed at AKSAS, the statewide accounting system, which accounts for about two thirds of ITG charges paid by the Division of Finance.

Both of these systems have been tuned to glean all available efficiency over the past several years. The Division of Finance has worked with state agencies and ITG to reduce data processing costs from \$3.5 million in FY 94 to \$1.7 million in FY 00. In FY 97, when budget reductions were made, state agencies reviewed the options and chose to pay a portion of the ITG charges in order to maintain a desired level of service.

Reductions in system availability will affect all state agencies that use AKSAS and the vendors, grantees, clients and other individuals they pay. It will also delay requests for federal reimbursement dollars that fund many state programs. Forcing state agencies to choose between service reductions and increased chargeback costs ends up impacting all state agencies in much the same manner that an unallocated reduction does.

Program Area:	Dollar	Fund
Labor Agreements Misc. Items	Amount(s):	Source(s):
	50.0	General Fund

Impact Analysis:

The bargaining agreement with the supervisory unit calls for this amount to be available, subject to legislative funding, to provide training on topics developed by a labor-management committee. Past training has included courses on progressive discipline and other day-to-day supervisory issues. This helps to provide better run programs and can help in reducing future grievances and other costly problems by making sure that managers are trained to avoid many problems.

Program Area:	Dollar	Fund
Leases	Amount(s):	Source(s):
	(\$1,043.6)	General Fund

Impact Analysis:

Failure to approve full funding will create a situation whereby the state will be unable to meet its contractual obligations (rental payments) to lessors in communities throughout Alaska. As these are legal obligations, supplemental funding will be requested in the coming fiscal year.

Program Area:	Dollar	Fund
Retirement and Benefits	Amount(s):	Source(s):
Group Health Insurance	(\$345.5)	Benefits Systems Receipts

Impact Analysis:

Group health insurance plans covering most State of Alaska employees and retired members of state-sponsored retirement plans have been managed on a self-insured basis since July 1, 1997. The group health component was established by budget amendment in FY98.

The entire component is funded with benefits systems receipts from the active employee and retiree group health internal service funds. Essentially all of the expenditures budgeted in this component are used to pay administrative fees to the state's third party administrator (TPA), Aetna US Healthcare. The TPA contract was awarded for one (fiscal) year beginning July 1, 1997 with four one-year renewal options.

Administrative fees are negotiated on a per person/per month basis and are subject to change each time the contract is renewed. Retiree population growth has been the primary driver of the increases in this component. Preliminary fees proposed by Aetna for the third renewal option were used to project total expenditures for this component for FY2001. If the proposed budget request is not approved, there will be an operating shortfall of \$345.5 for this component in FY2001. The state is contractually obligated to pay Aetna from the new fee schedule once the contract is renewed. If the budget amendment request were not approved, funding for the TPA contract would be insufficient. If Retirement and Benefits cannot make payment for which the state is contractually obligated, Aetna would not have to fulfill its contractual obligations to perform claims processing, customer service, dispute resolution, utilization review, case management and a variety of other administrative services for the state's group health plans.

ADMIN #16

1-LS1304VD.12
Utermohle
3/7/00

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE MULDER

TO: CSHB 312(FIN), Draft Version "D"

- 1 Page 2, following line 31:
- 2 Insert "This appropriation to the Information Services Fund capitalizes a fund and does
- 3 not lapse."

**House Finance Subcommittee
Department of Administration
FY01 Operating Budget**

This narrative describes the effect of the budget allocations proposed for the Department of Administration on the attached report. The House Finance Subcommittee on Administration closed out on February 24, 2000. The recommendations are within the budget allocation.

The subcommittee work is based on growth from the FY00 Management Plan. Changes to the Management Plan are addressed at the BRU level. Components not specifically mentioned are funded at the Management Plan level.

The FY01 Subcommittee recommendations reflect a maintenance budget allowing increases to serve a growing population of aging and frail Alaskans. The subcommittee modestly reduced the Public Communications Services BRU and shifted additional funds from public radio. The reallocated funds provide for necessary medical services such as dentures and eyeglasses for the poorest and most vulnerable of our elderly Alaskans and will allow for the purchase of incontinence supplies in the Pioneer's Homes.

The Subcommittee approved 1,441.8 in MHTAAR funds for the Division of Senior Services. These funds support programs that address essential needs of our expanding population of needy elderly.

Historically the Department's estimate for Longevity Bonus Grants has been high. The Subcommittee adjusted the projection to be more reflective of historical trends.

The Office of Public Advocacy budget was increased by just over \$500.0. Even during the current budget crunch, the subcommittee realizes the importance of providing timely legal and guardian representation to abused and neglected children. Additionally, the subcommittee approved 150.0 in MHTAAR funds for assisting families with guardian representation. The Public Defender Agency was granted \$250.0 to more appropriately meet the legal needs of indigent clients in rural Alaska.

The Alaska Public Offices Commission budget was increased by \$70.0 to provide for increased workload due to the 2000 election. This funding will help ensure openness in our state election process.

Funding was deleted for the Y2K Coordination Office, as the office is now defunct.

<p>The Subcommittee's General-Purpose allocation for FY01 was \$162,567.4. The Subcommittee's recommendations total \$162,567.4.</p>

Agency Totals - FY01 Operating Budget

Agency: Department of Administration

	<u>FY99 Act</u>	<u>FY00Auth</u>	<u>00MgtPln</u>	<u>HouseSC</u>	<u>00MgtPln to HouseSC</u>	
Totals for Agency	263,878.9	265,230.0	265,230.0	264,964.2	-265.8	-0.1%

Objects of Expenditure:

Personal Services	73,842.5	77,754.3	76,733.9	77,321.8	587.9	0.8%
Travel	1,585.4	1,446.2	1,378.6	1,397.9	19.3	1.4%
Contractual	98,879.1	107,685.9	109,047.0	108,736.9	-310.1	-0.3%
Commodities	3,497.6	3,000.6	2,822.8	3,119.6	296.8	10.5%
Equipment	4,075.1	1,428.5	1,388.2	1,485.7	97.5	7.0%
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	%
Grants, Claims	81,999.2	73,859.5	73,804.5	72,847.3	-957.2	-1.3%
Miscellaneous	0.0	55.0	55.0	55.0	0.0	0.0%

Funding Sources:

1001 CBR Fund	2,039.4	4,463.8	4,463.8	0.0	-4,463.8	-100.0%
1002 Fed Rcpts	6,466.4	7,117.9	7,117.9	7,383.5	265.6	3.7%
1003 G/F Match	1,164.5	1,164.5	1,164.5	1,164.5	0.0	0.0%
1004 Gen Fund	147,645.7	130,656.0	130,656.0	129,282.8	-1,373.2	-1.1%
1005 GF/Prgm	17,243.4	15,903.9	15,903.9	15,883.3	-20.6	-0.1%
1007 I/A Rcpts	41,017.3	44,606.9	44,606.9	45,802.1	1,195.2	2.7%
1017 Ben Sys	12,554.1	14,543.6	14,543.6	16,686.2	2,142.6	14.7%
1023 FICA Acct	91.2	90.9	90.9	110.0	19.1	21.0%
1029 P/E Retire	4,105.7	4,088.8	4,088.8	4,471.2	382.4	9.4%
1033 Surpl Prop	297.3	397.8	397.8	397.8	0.0	0.0%
1034 Teach Ret	1,653.4	1,637.0	1,637.0	1,793.2	156.2	9.5%
1037 GF/MH	9,351.5	13,405.0	13,405.0	13,531.0	126.0	0.9%
1042 Jud Retire	19.6	24.7	24.7	24.9	0.2	0.8%
1045 Nat Guard	76.9	87.3	87.3	89.0	1.7	1.9%
1053 Invst Loss	70.9				0.0	%
1061 CIP Rcpts	51.8	433.7	433.7	128.7	-305.0	-70.3%
1081 Info Svc	18,474.6	20,269.9	20,269.9	20,627.6	357.7	1.8%
1092 MHTAAR	1,225.1	910.0	910.0	1,643.1	733.1	80.6%
1108 Stat Desig	330.1	3,142.5	3,142.5	3,309.5	167.0	5.3%
1110 APUC Rcpts		75.0	75.0	0.0	-75.0	-100.0%
1118 Pioneers'		1,850.0	1,850.0	2,275.0	425.0	23.0%
1119 Tobac Sett		360.8	360.8	360.8	0.0	0.0%

Positions:

Perm Full Time	1,297.0	1,338.0	1,346.0	1,338.0	-8.0	-0.6%
Perm Part Time	103.0	113.0	113.0	112.0	-1.0	-0.9%
Non-Perm	96.0	102.0	93.0	94.0	1.0	1.1%

Component Summary - FY01 Operating Budget

Agency: Department of Administration

Page	Budget Component	FY99 Act	FY00Auth	00MgtPln	HouseSC	00MgtPln to HouseSC	
Centralized Administrative Services							
1	Office of the Commissioner	844.6	328.6	270.2	483.6	213.4	79.0%
2	Tax Appeals	234.9	179.0	179.0	219.0	40.0	22.3%
3	Administrative Services	1,583.8	1,037.2	1,037.2	1,448.6	411.4	39.7%
4	DOA Info Technology Support	981.8	988.6	1,047.0	1,047.0	0.0	0.0%
5	Finance	5,817.6	5,754.8	5,754.8	5,754.8	0.0	0.0%
6	Personnel	2,124.8	2,180.0	2,180.0	2,430.0	250.0	11.5%
7	Labor Relations	826.5	911.4	911.4	961.4	50.0	5.5%
8	Purchasing	1,069.4	1,061.1	1,061.1	1,061.1	0.0	0.0%
9	Property Management	848.0	853.9	853.9	853.9	-0.0	-0.0%
10	Central Mail	1,080.6	1,280.5	1,280.5	1,107.7	-172.8	-13.5%
11	Retirement and Benefits	7,730.8	8,572.7	8,572.7	9,203.4	630.7	7.4%
12	Group Health Insurance	10,176.6	11,900.3	11,900.3	13,972.3	2,072.0	17.4%
13	AK Professional Develop Inst.	436.7				0.0	0.0%
14	Unallocated Reduction		-0.0	-0.0	-0.0	0.0	0.0%
	* BRU Total	33,756.1	35,048.1	35,048.1	38,542.8	3,494.7	10.0%
Leases							
15	Leases	34,394.0	33,797.6	33,612.7	33,612.7	0.0	0.0%
16	Lease Administration	666.2	491.0	675.9	675.9	0.0	0.0%
	* BRU Total	35,060.2	34,288.6	34,288.6	34,288.6	0.0	0.0%
Elected Public Officers Retirement System Benefits							
20	EPORS	1,106.3	1,111.5	1,111.5	1,111.5	0.0	0.0%
	* BRU Total	1,106.3	1,111.5	1,111.5	1,111.5	0.0	0.0%
Information Services							
21	Information Services	19,773.1	20,269.9	20,269.9	20,627.6	357.7	1.8%
22	Information Svc Fund		55.0	55.0	55.0	0.0	0.0%
	* BRU Total	19,773.1	20,324.9	20,324.9	20,682.6	357.7	1.8%
Public Communications Services							
23	Public Broadcasting Commission	49.3	57.0	57.0	54.2	-2.8	-4.9%
24	Public Broadcasting - Radio	2,613.9	2,599.9	2,599.9	2,269.9	-330.0	-12.7%

Component Summary - FY01 Operating Budget

Agency: Department of Administration

<u>Page</u>	<u>Budget Component</u>	<u>FY99 Act</u>	<u>FY00Auth</u>	<u>00MgtPln</u>	<u>HouseSC</u>	<u>00MgtPln to HouseSC</u>	
Public Communications Services							
25	Public Broadcasting - T.V.	845.2	794.0	794.0	754.3	-39.7	-5.0%
26	Satellite Infrastructure		1,134.0	1,134.0	1,106.0	-28.0	-2.5%
27	AK Rural Communications Svcs	1,528.2				0.0	0.0%
	* BRU Total	5,036.6	4,584.9	4,584.9	4,184.4	-400.5	-8.7%
AIRRES Grant							
28	AIRRES Grant		76.0	76.0	76.0	0.0	0.0%
	* BRU Total	0.0	76.0	76.0	76.0	0.0	0.0%
Labor Agreements Miscellaneous Items							
29	Labor Agreements Misc Items	44.3				0.0	0.0%
	* BRU Total	44.3	0.0	0.0	0.0	0.0	0.0%
Risk Management							
30	Risk Management	21,951.8	22,405.0	22,405.0	22,405.0	0.0	0.0%
	* BRU Total	21,951.8	22,405.0	22,405.0	22,405.0	0.0	0.0%
Longevity Bonus Grants							
31	Longevity Bonus Grants	63,528.6	55,302.1	55,302.1	53,546.6	-1,755.5	-3.2%
	* BRU Total	63,528.6	55,302.1	55,302.1	53,546.6	-1,755.5	-3.2%
Alaska Longevity Programs Management							
32	Pioneers Homes	31,046.0	32,419.3	32,419.3	32,833.3	414.0	1.3%
33	Alaska Longevity Programs Mgmt	1,427.3	1,392.4	1,392.4	1,392.4	-0.0	-0.0%
	* BRU Total	32,473.3	33,811.7	33,811.7	34,225.7	414.0	1.2%
Senior Services							
34	Protection, Comm Svcs, & Admin	3,897.4	4,428.2	4,428.2	4,940.5	512.3	11.6%
35	Nutrition, Trans & Support Svc	5,377.3	5,514.3	5,514.3	5,514.3	0.0	0.0%
36	Senior Employment Services	1,762.2	1,857.6	1,857.6	1,857.6	0.0	0.0%
37	Home & Community Based Care	3,748.6	3,573.0	3,573.0	4,142.5	569.5	15.9%
38	Senior Residential Services	1,015.0	1,015.0	1,015.0	1,015.0	0.0	0.0%

Component Summary - FY01 Operating Budget

Agency: Department of Administration

Page	Budget Component	FY99 Act	FY00Auth	00MgtPin	HouseSC	00MgtPin to HouseSC	
Senior Services							
39	Home Health Services	1,732.9	1,734.0	1,734.0	1,785.3	51.3	3.0%
40	Citizens Foster Care Review	289.8				0.0	0.0%
	* BRU Total	17,823.2	18,122.1	18,122.1	19,255.2	1,133.1	6.3%
Alaska Oil and Gas Conservation Commission							
41	Ak Oil & Gas Conservation Comm	1,839.5	2,701.3	2,701.3	2,868.3	167.0	6.2%
	* BRU Total	1,839.5	2,701.3	2,701.3	2,868.3	167.0	6.2%
Legal and Advocacy Services							
42	Office of Public Advocacy	8,997.6	8,645.7	8,645.7	9,628.1	982.4	11.4%
43	Public Defender Agency	9,941.8	9,460.4	9,460.4	9,942.1	481.7	5.1%
	* BRU Total	18,939.4	18,106.1	18,106.1	19,570.2	1,464.1	8.1%
Alaska Public Offices Commission							
44	Alaska Public Offices Comm	779.4	733.0	733.0	733.0	0.0	0.0%
	* BRU Total	779.4	733.0	733.0	733.0	0.0	0.0%
Motor Vehicles							
45	Motor Vehicles		8,887.5	8,887.5	8,702.6	-184.9	-2.1%
46	Administration	1,224.0				0.0	0.0%
47	Driver Services	1,331.8				0.0	0.0%
48	Field Services	6,274.4				0.0	0.0%
49	Financial Respons Act Enforce.	150.6				0.0	0.0%
	* BRU Total	8,980.8	8,887.5	8,887.5	8,702.6	-184.9	-2.1%
Pioneers' Homes Facilities Maintenance							
50	Pioneers' Facil Maint		2,125.0	2,125.0	2,125.0	0.0	0.0%
	* BRU Total	0.0	2,125.0	2,125.0	2,125.0	0.0	0.0%
General Services Facilities Maintenance							
51	Genl Svcs Facil Maint		2,589.7	2,589.7	2,589.7	0.0	0.0%
	* BRU Total	0.0	2,589.7	2,589.7	2,589.7	0.0	0.0%
AOGCC Facilities Maintenance							
52	AOGCC Facilities Maint		49.3	49.3	34.0	-15.3	-31.0%

Component Summary - FY01 Operating Budget

Agency: Department of Administration

Page	Budget Component	FY99 Act	FY00Auth	00MgtPln	HouseSC	00MgtPln to HouseSC	
	AOGCC Facilities Maintenance						
	* BRU Total	0.0	49.3	49.3	34.0	-15.3	-31.0%
	ITG Facilities Maintenance						
53	ITG Facilities Maint		23.0	23.0	23.0	0.0	0.0%
	* BRU Total	0.0	23.0	23.0	23.0	0.0	0.0%
	Y2K Coordination Office						
54	Y2K Coordination Office	2,786.3	4,940.2	4,940.2	-0.0	-4,940.2	-100.0%
	* BRU Total	2,786.3	4,940.2	4,940.2	-0.0	-4,940.2	-100.0%
	*** Total Agency Expenditure	263,878.9	265,230.0	265,230.0	264,964.2	-265.8	-0.1%
	Federal Restricted Funds	6,763.7	7,515.7	7,515.7	7,781.3	265.6	3.5%
	General Purpose Funds	175,476.0	163,340.2	163,340.2	162,497.4	-842.8	-0.5%
	Other Funds	81,639.2	94,374.1	94,374.1	94,685.5	311.4	0.3%

Component Summary - FY01 Operating Budget

Gen Purpose fund group Only

Agency: Department of Administration

Page	Budget Component	FY99 Act	FY00Auth	00MgtPln	HouseSC	00MgtPln to HouseSC	
Centralized Administrative Services							
1	Office of the Commissioner	676.1	160.1	160.1	160.1	0.0	0.0%
2	Tax Appeals	223.2	179.0	179.0	179.0	0.0	0.0%
3	Administrative Services	606.8	73.5	73.5	73.5	0.0	0.0%
5	Finance	5,061.8	4,833.6	4,833.6	4,833.6	0.0	0.0%
6	Personnel	1,886.5	1,903.4	1,903.4	1,853.4	-50.0	-2.6%
7	Labor Relations	826.5	911.4	911.4	961.4	50.0	5.5%
8	Purchasing	1,018.2	1,061.1	1,061.1	1,061.1	0.0	0.0%
9	Property Management	550.7	456.1	456.1	456.1	0.0	0.0%
13	AK Professional Develop Inst.	111.8				0.0	0.0%
14	Unallocated Reduction		-0.0	-0.0	-0.0	0.0	0.0%
	* BRU Total	10,961.6	9,578.2	9,578.2	9,578.2	0.0	0.0%
Leases							
15	Leases	23,832.5	23,370.0	23,185.1	23,185.1	0.0	0.0%
16	Lease Administration	591.7	375.4	560.3	560.3	0.0	0.0%
	* BRU Total	24,424.2	23,745.4	23,745.4	23,745.4	0.0	0.0%
Elected Public Officers Retirement System Benefits							
20	EPORS	1,106.3	1,111.5	1,111.5	1,111.5	0.0	0.0%
	* BRU Total	1,106.3	1,111.5	1,111.5	1,111.5	0.0	0.0%
Public Communications Services							
23	Public Broadcasting Commission	49.3	57.0	57.0	54.2	-2.8	-4.9%
24	Public Broadcasting - Radio	2,613.9	2,599.9	2,599.9	2,269.9	-330.0	-12.7%
25	Public Broadcasting - T.V.	845.2	794.0	794.0	754.3	-39.7	-5.0%
26	Satellite Infrastructure		560.3	560.3	532.3	-28.0	-5.0%
27	AK Rural Communications Svcs	1,098.1				0.0	0.0%
	* BRU Total	4,606.5	4,011.2	4,011.2	3,610.7	-400.5	-10.0%
AIRRES Grant							
28	AIRRES Grant		76.0	76.0	76.0	0.0	0.0%
	* BRU Total	0.0	76.0	76.0	76.0	0.0	0.0%

Component Summary - FY01 Operating Budget

Gen Purpose fund group Only

Agency: Department of Administration

<u>Page</u>	<u>Budget Component</u>	<u>FY99 Act</u>	<u>FY00Auth</u>	<u>00MgtPln</u>	<u>HouseSC</u>	<u>00MgtPln to HouseSC</u>	
Labor Agreements Miscellaneous Items							
29	Labor Agreements Misc Items	44.3				0.0	0.0%
	* BRU Total	44.3	0.0	0.0	0.0	0.0	0.0%
Longevity Bonus Grants							
31	Longevity Bonus Grants	63,528.6	55,302.1	55,302.1	53,546.6	-1,755.5	-3.2%
	* BRU Total	63,528.6	55,302.1	55,302.1	53,546.6	-1,755.5	-3.2%
Alaska Longevity Programs Management							
32	Pioneers Homes	30,903.6	32,285.3	32,285.3	32,710.3	425.0	1.3%
33	Alaska Longevity Programs Mgmt	1,033.1	1,017.3	1,017.3	1,017.3	0.0	0.0%
	* BRU Total	31,936.7	33,302.6	33,302.6	33,727.6	425.0	1.3%
Senior Services							
34	Protection, Comm Svcs, & Admin	1,558.5	1,741.9	1,741.9	1,891.9	150.0	8.6%
35	Nutrition, Trans & Support Svc	1,655.3	1,655.3	1,655.3	1,655.3	0.0	0.0%
36	Senior Employment Services	198.3	198.3	198.3	198.3	0.0	0.0%
37	Home & Community Based Care	2,973.0	2,973.0	2,973.0	2,973.0	0.0	0.0%
38	Senior Residential Services	1,015.0	1,015.0	1,015.0	1,015.0	0.0	0.0%
39	Home Health Services	1,627.9	1,628.3	1,628.3	1,628.3	0.0	0.0%
40	Citizens Foster Care Review	289.8				0.0	0.0%
	* BRU Total	9,317.8	9,211.8	9,211.8	9,361.8	150.0	1.6%
Alaska Oil and Gas Conservation Commission							
41	Ak Oil & Gas Conservation Comm	1,739.5				0.0	0.0%
	* BRU Total	1,739.5	0.0	0.0	0.0	0.0	0.0%
Legal and Advocacy Services							
42	Office of Public Advocacy	6,517.5	8,374.7	8,374.7	8,883.5	508.8	6.1%
43	Public Defender Agency	9,595.0	9,205.4	9,205.4	9,455.4	250.0	2.7%
	* BRU Total	17,112.5	17,580.1	17,580.1	18,338.9	758.8	4.3%

Component Summary - FY01 Operating Budget

Gen Purpose fund group Only

Agency: Department of Administration

<u>Page</u>	<u>Budget Component</u>	<u>FY99 Act</u>	<u>FY00Auth</u>	<u>00MgtPln</u>	<u>HouseSC</u>	<u>00MgtPln to HouseSC</u>	
Alaska Public Offices Commission							
44	Alaska Public Offices Comm	779.4	733.0	733.0	733.0	0.0	0.0%
	* BRU Total	779.4	733.0	733.0	733.0	0.0	0.0%
Motor Vehicles							
45	Motor Vehicles		8,667.7	8,667.7	8,667.7	0.0	0.0%
46	Administration	1,224.0				0.0	0.0%
47	Driver Services	1,314.0				0.0	0.0%
48	Field Services	6,136.6				0.0	0.0%
49	Financial Respons Act Enforce.	150.6				0.0	0.0%
	* BRU Total	8,825.2	8,667.7	8,667.7	8,667.7	0.0	0.0%
Y2K Coordination Office							
54	Y2K Coordination Office	93.4	20.6	20.6	0.0	-20.6	-100.0%
	* BRU Total	93.4	20.6	20.6	0.0	-20.6	-100.0%
	*** Total Agency Expenditure	175,476.0	163,340.2	163,340.2	162,497.4	-842.8	-0.5%

DEPT. OF
COMMUNITY
+ ECONOMIC
DEVELOPMENT

COMM + ECON DEV #1

AMENDMENT

no/obj
3/7/00 PM

BY REPRESENTATIVE AUSTERMAN

DELETE

DEPARTMENT: Department of Community and Economic Development
BRU: Community Assistance and Economic Development
Component: Community and Business Development

Delete \$219.9 in general fund program receipts

ADD

DEPARTMENT: Department of Community and Economic Development
BRU: Community Assistance and Economic Development
Component: Community and Business Development (Tourism Development program)

Add \$50.0 in general funds

Add \$20.0 in general fund program receipt authority (from MIA certificate program)

This amendment directs the DCED to recommit to the Made in Alaska contract and program receipt authority. The department chose to allocate recommended reductions to the tourism program within this component to this contractual line item. The program receipt authority was basically an empty fund source due to the transfer of functions - that formerly garnered contributions - to the QTA. There was no discussion at the subcommittee level of the MIA program. This fund source change recommendation would leave the following budget from all fund sources:

Tourism		Business Development		MRAD	
Personal Services	\$ 415.3	Personal Services	\$371.8	Personal Svcs.	\$3,410.1
Contractual	42.9	Travel	42.3	Travel	284.0
Commodities	12.0	Contractual	105.6	Contractual	594.1
Grants	60.0	Commodities	<u>14.0</u>	Commodities	50.6
QTA (new component)	<u>4,877.2</u>	Total	\$533.7	Equipment	7.5
Total	\$5,407.4			Grants	<u>2,174.6</u>
				Total	\$6,520.9

ADD

DEPARTMENT: Department of Community and Economic Development
BRU: Community Assistance and Economic Development
Component: Community and Business Development

Add \$149.9 in general funds

Comm & Econ Dev

REPLACEMENT / H

no lobby

3/7/00
PM

AMENDMENT

To: HB 312

By: Therriault

DELETE

Department of Community and Economic Development
Executive Administration and Development
Administrative Services 45.7 General Funds

Department of Community and Economic Development
Alaska Seafood Marketing Institute
Alaska Seafood Marketing Institute 104.3 GF/Program Receipts

ADD

Department of Community and Economic Development
Community Assistance & Economic Development
Community & Business Development 150.0 General Funds

This amendment restores the GF funding source for the two minerals specialists (117.6) in the Department's budget plus their associated travel and research costs.

AMENDMENT#

Tabled
3/7/00
C+ED #2

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CS HB 312 (FIN)

ADD

Department of Community & Economic Development
Executive Administration & Development
Commissioner's Office

\$111.7 GF

This amendment will restore the Deputy Commissioner position that was eliminated.

C+ED #3

AMENDMENT#

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CS HB 312 (FIN)

fail
5-5
3/7/00
PM

DELETE

Department of Community & Economic Development
Community Assistance & Economic Development
QTA Contract \$441.0 GF

ADD

Department of Community & Economic Development
Tourism
Tourism Development \$441.0 GF

This amendment would restore funding for the tourism planning and development program. This will allow the division to maintain staff, travel and contractual, at the current level.

C+ED #4

AMENDMENT#

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CS HB 312 (FIN)

With drawn

DELETE

Department of Community & Economic Development
Community Assistance & Economic Development
QTA Contract \$494.3 GF

ADD

Department of Community & Economic Development
Community & Economic Development
Community & Economic Development \$494.3 GF

This amendment will restore funding for the development program. This will allow the division to retain the Minerals Development Specialists, three development positions, and the "Made in Alaska" program.

DATE: 3-7-00

SUBJECT: DEC - #

MEMBER

YES

NO

J. DAVIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
G. DAVIS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FOSTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRUSSENDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MOSES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PHILLIPS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WILLIAMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
AUSTERMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BUNDE	<input type="checkbox"/>	<input type="checkbox"/>
THERRIAULT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
MULDER	<input type="checkbox"/>	<input checked="" type="checkbox"/>

TOTAL:

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PASSED

FAILED

Failed 5-6

CVED # 5

AMENDMENT#

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CS HB 312 (FIN)

DELETE

Department of Community & Economic Development
Community Assistance & Economic Development
QTA Contract \$916.7 GF

ADD

Department of Community & Economic Development
Community Assistance & Economic Development
International Trade & Market Development \$916.7 GF

This amendment will restore the money that was taken out of International Trade division. This amendment will allow the division to maintain an Alaskan presence in Japan and Korea and will also enable the division to retain the nine positions that were eliminated.

DATE:

3/7/00

SUBJECT:

CED

MEMBER

YES

NO

G. DAVIS	✓	
FOSTER		✓
GRUSSENDORF	✓	
MOSES	✓	
PHILLIPS	✓	
WILLIAMS		✓
AUSTERMAN		✓
BUNDE		✓
J. DAVIES	✓	
MULDER		✓
TERRIAULT		✓

TOTAL:

5	6
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PASSED

FAILED

AMENDMENT#

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CS HB 312 (FIN)

ADD

Department of Community & Economic Development
Executive Administration & Development
Administrative Services

\$125.0 GF

grussendorf
C+ED #6

Failed
4-7
3/7/00
PM

This amendment will restore funding for the Alaska Legal Services grant that was eliminated.

DATE: 3-7-00
SUBJECT: CED #6

MEMBER YES NO

FOSTER		<input checked="" type="checkbox"/>
GRUSSENDORF	<input checked="" type="checkbox"/>	
MOSES	<input checked="" type="checkbox"/>	
PHILLIPS		<input checked="" type="checkbox"/>
WILLIAMS		<input checked="" type="checkbox"/>
AUSTERMAN		<input checked="" type="checkbox"/>
BUNDE	<input checked="" type="checkbox"/>	
J. DAVIES	<input checked="" type="checkbox"/>	
G. DAVIS		<input checked="" type="checkbox"/>
TERRIAULT		<input checked="" type="checkbox"/>
MULDER		<input checked="" type="checkbox"/>

TOTAL:

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PASSED

FAILED

AMENDMENT#

OFFERED IN THE HOUSE FINANCE COMMITTEE

TO: CS HB 312 (FIN)

ADD

Department of Community & Economic Development

Occupational Licensing

Occupational Licensing

\$896.0 GF/PR

This will give the Occupational Licensing Division additional expenditure authority for the following: 1) \$200,000 for legal services, 2) \$50,000 for board travel, 3) \$140,000 for the "Colleagues in Caring Project", 4) \$106,000 for Architects, Engineers, and Land Surveyors Licensing.

Last year, the finance committee put a cap on the expenditure level in the front section of the budget, which resulted in a \$400,000 cut. Therefore, this amendment would also restore that amount.

C+ED #7

Withdraw

#8

C+ED

AMENDMENT

failed
BY: 4-6

3/7/00
PM

TO: CSHB 312 (Fin) Draft Version D

Department of Community and Economic Development

Page 4, add new BRU after line 26

Insert:

	Approp Items	General Funds	Other Funds
Renters' Equivalency Rebate	300,000	300,000	

DATE:

3/9/00

SUBJECT:

CED-8

MEMBER

YES

NO

MEMBER	YES	NO
GRUSSENDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MOSES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PHILLIPS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
WILLIAMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
AUSTERMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BUNDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
J. DAVIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
G. DAVIS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FOSTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
MULDER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TERRIAULT	<input type="checkbox"/>	<input checked="" type="checkbox"/>

TOTAL:

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PASSED

FAILED

C+ED # 9

AMENDMENT #

3/7/00 PM

failed

4-7

By Representative

Offered in House Finance

ADD

Community and Economic Development

Power Cost Equalization

9,500. AIDEA ^{DIVIDEND} Receipts (1140)

DATE:

3/7

SUBJECT:

CED 9

MEMBER

YES

NO

MEMBER	YES	NO
MOSES	✓	
PHILLIPS		✓
WILLIAMS		✓
AJSTERMAN		✓
BUNDE		✓
J. DAVIES	✓	
G. DAVIS		✓
FOSTER	✓	
GRUSSENDORF	✓	
TERRIAULT		
MULDER		✓

TOTAL:

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PASSED

FAILED

C+ED 10

adopted

AMENDMENT TO HB 312

BY: Rep. Phillips, Austerman, & Davies

Delete:

Department of Corrections
Administration and Operations
Inmate programs 181,700 General Funds

Add:

Department of Corrections
Administration and Operations
Inmate programs 181,700 PFD Funds

Add:

Department of Community and Economic Development
Executive Administration & Development
Commissioner's Office 111,700 General Funds

Add:

Department of Community and Economic Development
Community Assistance & Economic Development
~~Community & Business Development~~ 70,000 General Funds

Internal Trade : marketing.

Explanation

Funds a deputy commissioner for rural affairs and a general trade specialist.

C+ED # 11

NO OBJ

AMENDMENT TO HB 312

BY: Rep. Mulder

3-7-00

Delete:

Department of Community & Economic Development
Municipal Revenue Sharing
Revenue Sharing 1,534,000 STEP Funds

Delete:

Department of Community & Economic Development
Municipal Revenue Sharing
Municipal Assistance 1,866,000 STEP Funds

Explanation

STEP Funds were one time funds and are no longer available

CHE D # 12

3-7-60

AMENDMENT

Offered in the House
To: CSHB 312(FIN), Draft Version "D"

BY: Representative Davies

Withdrawn

Department of Community and Economic Development
Municipal Revenue Sharing Appropriation, page 4, line 22

	Appropriation Items	General Funds	Other Funds
Delete:	46,893,400	28,493,400	18,400,000
Add:	46,893,400	31,893,400	15,000,000

There are no more one-time STEP funds. This amendment replaces \$3,400,000 of STEP funds with general funds to maintain the same level of funding.

**Department of Community and Economic Development
 Impact Statements in Response to
 House Finance Subcommittee Budget Proposals
 Date: March 2, 2000
 Prepared by: Jeff Bush Deputy Commissioner
 Tom Lawson, Director, Division of Administrative Services**

In 1999 the Legislature merged the Department of Community and Regional Affairs and the Department of Commerce and Economic Development to create the Department of Community and Economic Development (DCED). While the customers of the two departments expressed trepidation about this action, nonetheless there was a high level of anticipation that the merger would result in more efficient and better coordinated community assistance and economic development services.

Now, less than a year later, the proposed cuts of \$2,018.9 represent a 17% reduction in unrestricted general funds for agency operations and the new department has not been given the opportunity to complete the integration of functions and services of the two former departments. In fact, the proposed cuts would cripple the DCED's ability to carry out one of its most basic of functions, economic development, except for tourism marketing. While across the board department budgets are being cut or held flat, an increase to the state's contribution to tourism marketing is proposed at the expense of other successful international trade, tourism and economic development programs.

Program Area:	Dollar Amount(s):	Fund Source(s):
Commissioner's Office	(\$147.7) (\$89.0)	GF I/A Rcpts

Impact Analysis:

Elimination of a Deputy Commissioner (\$111.7; \$22.7 GF, 89.0 I/A Rcpts)

The elimination of a deputy commissioner position will have a serious impact on the ability of the Commissioner's Office to continue to do its work, which was essentially doubled with the merger of the Department of Community and Regional Affairs (DCRA) and the Department of Commerce and Economic Development in 1999. While the merger eliminated one commissioner position, it retained the deputy commissioner positions from each of the two agencies. After the November appointment of a deputy commissioner for rural community and economic development and during recent budget subcommittee meetings, numerous legislators expressed their intention to eliminate the rural deputy position in the FY2001 budget. When the merger of the two departments was under consideration last session, it was recognized that the retention of this former DCRA deputy commissioner position dedicated to rural issues was critical. The DCED deputy commissioner position which came from the former Department of Commerce and Economic Development and oversees management of the regulatory functions is

also still essential. The agreement to retain both positions was an essential component of the administration's support last year of the departmental merger.

The severe cuts by the subcommittee to the department's rural development programs, including reduced community assistance, and elimination of the rural tourism planning and development, sustainable development, mining, forest products, and small business programs, would clearly reduce the rural programs deputy commissioner's responsibilities. This combination of management and program cuts affecting rural Alaska raises serious questions about the legislative commitment to the goals expressed during discussions of the HB40 merger, namely strengthening rural and community development.

The legislative cut to the rural development deputy would have the following impacts:

- No individual in the commissioner's office designated to work on rural economic development.
- Rural/urban relationships will continue to deteriorate.
- The goals and strategies of DCED are dramatically weakened. Goals impacted include:
 - ✓ Strengthen rural communities.
 - ✓ Work with rural communities and the private sector in creating new jobs for Alaskans.
- Major recommendations of the Rural Governance Report will not be enacted, including:
 - ✓ To improve communication and cooperation at all levels of government.
 - ✓ To enhance community economies.
 - ✓ To work together to close the divide.
- Efforts to include more Alaska Natives and minorities in state government are undermined.

Elimination of Grant to Alaska Legal Services (\$125.0)

The elimination of the \$125.0 grant to Alaska Legal Services Corporation (ALSC) will have a significant impact on the law firm's ability to serve poor Alaskans who need legal advice and counsel before the courts and administrative agencies in Alaska. The reduction of \$125.0 in general operating expenses will result in two or three attorneys (depending upon the level of experience) being cut from a current statewide ALSC staff of 19 attorneys. Also, ALSC attempts to maintain eight (8) regional offices with this limited staff. One or more of these offices is in doubt for the future with a budget reduction of this size. Every attorney on the ALSC staff currently handles about 150 cases per year. The loss of 3 attorneys will eliminate legal services to 450 poor Alaskans.

Program Area:	Dollar Amount(s):	Fund Source(s):
Division of Community & Business Development	(\$5,350.2)	GF
Qualified Trade Association Contract	\$4,877.0	GF

As a result of the merger of DCRA and the former Department of Commerce and Economic Development, the new department reorganized to better integrate the community assistance, development and tourism development functions. The Division of Tourism and the

development functions of the Division of Trade and Development are merged with the Division of Municipal and Regional Assistance to create the Division of Community and Business Development, effective in FY01.

In addition, Senate Bill 107 passed in 1999 and effective July 1, 2000, consolidates tourism marketing contracts into a single state contract with a qualified trade association (QTA); the Alaska Travel Industry Association (ATIA) is being formed for this purpose. The State is prohibited from conducting any marketing while the contract with the QTA is in effect. The division will administer the contract.

While the House Finance DCED Subcommittee endorsed the reorganized budget structure for the new division, they also recommended a separate budget component for the QTA contract funds. Following is an impact analysis on the proposed cuts to the tourism, economic development, and community assistance programs of the new division.

Tourism (\$4,731.7 GF)

Even though Senate Bill 107 did not eliminate the Division of Tourism, or its responsibility to continue state tourism planning, development, and oversight, the House Finance DCED Subcommittee's budget significantly diminishes the state's ability to conduct these important services.

The subcommittee adopted a budget increasing state funding for the tourism marketing program from the current \$4.2 million to \$4.9 million. At the same time, the division's budget for tourism planning and development is significantly reduced.

As proposed by the subcommittee, the Tok Visitor Center would remain open. After paying rent and staff costs associated with the Tok Visitor Center and the rural tourism grant, only \$228.5 is left for tourism office operations.

Funds will allow at most two positions, one of which will necessarily be dedicated to oversight of the marketing contract. Minimal funds will be available for tourism business or community assistance or tourism development. The \$228.5 also must cover agency telephones, postage, and fixed administrative overhead. There are no travel funds in this budget.

The subcommittee left in additional general fund program receipts (\$154.4), but these will not be useable. These funds are currently collected as part of the current Tourism Division's pay-to-play cooperative tourism trade program; since this function will no longer be conducted, program receipts will not be collected and there is no other source for collection of such funds.

Specific Impacts:

- Eliminates all tourism development. Division would no longer be able to address transportation, access and visitor facilities issues.

- Eliminates all tourism business development and planning.
- Eliminates all tourism community assistance, including rural tourism planning.

Beyond the marketing positions that were proposed for elimination upon execution of a contract with a QTA for state marketing (Development Specialist II and two Administrative Clerk II's), the following positions are eliminated under the House Finance DCED Subcommittee's proposal:

Development Specialist II. Conducts small business and community assistance programs. Coordinates and implements community workshops to provide communities with technical assistance for developing tourism at an appropriate scale chosen by community residents and provides assistance on minimizing impacts.

Planner III, Transportation, Access, and Visitors Centers. Works in coordination with the land use planner to address tourism access issues. Works with the Alaska Department of Transportation and Public Facilities and the Alaska Marine Highway System to provide tourism input on the State's transportation plans, Trails and Recreation Access for Alaska (TRAAK) Board, and transportation roundtables. Assists communities to access TEA 21 enhancement funds for projects that support tourism development while improving resident quality of life.

Administrative Clerk III, Inquiry section. One third of inquiries are non-visitor related (approximately 15,000). These inquiries are primarily student mail and relocation requests. On the assumption that the entire inquiry section is visitor related, the subcommittee took all three inquiry section positions.

Secretary, assistant to Director. Critical for maintaining the overall effectiveness and efficiency of the agency.

Economic Development (494.3 GF)

The cuts proposed by the House Finance DCED Subcommittee completely eliminate all general funds for personal services, travel, and contractual expenses. Remaining revenues are for the most part restricted to single purpose grants and service agreements. This results in the elimination of additional staff and programs beyond the recommendations of the subcommittee. Specific cuts and their impacts are as follows:

Eliminate Minerals Development Specialists. Because there are no general funds remaining and no other source of funding, the subcommittee's proposal will eliminate both of the state's mineral development specialists, currently located in Fairbanks and Juneau.

- Eliminates positions that advocate for projects and investments supportive of the mineral industry. Removes advocacy for projects such as the airborne geophysics program that has attracted investment to the State.
- Eliminates economic and developmental oversight of State Land Plans.

- Eliminates economic and developmental input to proposed Federal land plans, such as Tongass Management Plan, 3809 Regulations, and changes in rules regarding the 1872 Mining Law.
- Eliminates staff support of Alaska Minerals Commission.
- Eliminates State of Alaska representation to market Alaska at the well-attended trade shows in conjunction with major mining meetings in Spokane, Vancouver and Toronto.
- Eliminates mineral market expertise for Alaskans. These positions are the only point-source contacts for inquiries about the mineral markets from legislators, citizens, reporters, and state, federal, and foreign governmental organizations and investors.
- Eliminates marketing for Alaska mineral development through advertising of Alaska's mineral potential in a variety of publications, such as the Supplements to the Mining Journal of London, the Professional Geologist, Mining Engineering magazine, and many other trade publications.

Elimination of Three Development Positions. The subcommittee's proposal recommended elimination of the small business development specialist, economic development analyst, and sustainable development specialist. However, these positions are typically funded by non-general funds which remain in the economic development budget.

The loss of the Small Business Development Specialist position would:

- Eliminate the prime point of contact for information about business assistance programs and direct assistance to Alaska small businesses about state programs.
- Eliminate revision and publication of "Establishing a Business In Alaska," a key resource guide for new and existing Alaska companies.
- Eliminate small business program coordination as recommended by private sector firms serving on the Governor's Task Force for Small Business. Activities will include quarterly coordination meetings, program evaluation training, and joint marketing efforts.
- Eliminate staff support on a federal grant for a project that assists rural Alaska in identifying and developing products for export, expanding potential markets, and creating sustainable economies.
- Send a negative message to the Alaska small business community. Ninety-nine percent of the businesses in Alaska are small businesses as defined by the federal Small Business Administration (less than 500 employees). Alaska small businesses account for 70 percent of all private sector jobs in Alaska.

The Economic Development Analyst is the state's only forest products development position. The position is the single point of contact for collection and distribution of information about the forest products industry in Alaska, including the Forest Products Research and Marketing Program established in statute. The loss of the position:

- Eliminates staff dedicated to providing forest products industry perspective on federal and state forest lands decisions.
- Eliminates a central source of information about forest products industry financing, networking, and innovation.

- Eliminates state participation in Softwood Export Council, a USDA FAS export assistance program that provides matching funds for international marketing of Alaska forest products through market research, publications, trade shows, and trade missions.

The loss of the Sustainable Development Specialist position eliminates the State of Alaska's ability to shape U.S. and international arctic policy.

- Eliminates State of Alaska involvement in Arctic Council activities during the period of the U.S. Chairmanship of the Council (1999-2000). This includes eliminating Alaska representation at appropriate meetings and activities, securing logistics for Arctic Council meetings in Alaska (April – Fairbanks, October – Barrow), and distribution of information about Arctic Council and working group meetings.
- Eliminates administration and oversight of sustainable development grants. This position currently oversees the Arctic Council Sustainable Development Grant Appropriation, approximately \$440,000. The position monitors the performance of seven DCED Sustainable Development Grant recipients (approximately \$225,000) as well as the design and instigation of future sustainable projects across Alaska in conjunction with the Governor's office, the U.S. State Department, and other DCED and State of Alaska officials.
- Eliminates chair of Alaska Arctic Council Ad Hoc Working Group, composed of various state, federal, Native, and non-governmental organizations with an interest in Arctic Council activities and U.S. arctic policy in general.
- Eliminates staff level point person for State involvement in the Northern Forum.

Eliminate Made in Alaska Program. For several years the Made in Alaska Program, which identifies Alaska-made products with the mother bear/baby bear logo, has been administered by a private not-for-profit organization. The contractor receives \$50.0 in general funds per year and a percentage of the fee revenue collected from program participants. Without general funds to pay for the program administration, all that will be available would be permit revenues that are insufficient to cover the cost of program administration. The program has over 1,200 permit holders and has been highly successful since its inception in the mid-1980's in identifying goods manufactured in state.

Community Assistance (\$124.2 GF)

The House Finance DCED Subcommittee recommended general fund contractual line reductions that affected community assistance services. These funds pay for a variety of services needed to support and deliver the 20-some community assistance programs administered by the division, including postage, long distance and local (non-state) telephone charges, technical assistance contracts with the Community Development Block Grant program, renting space to hold workshops, publishing required public/legal notice (e.g., legal notice associated with Local Boundary Commission activities), printing training and technical assistance publications, and purchasing small office support equipment. These services are central to the division carrying out its community assistance mission, and cannot be significantly reduced.

Accordingly, the reduction will have to be taken from personal services and will result in the elimination of two (2) Local Government Specialist positions. These positions are located in Fairbanks and Juneau and the services they deliver affect approximately 40 communities located in the interior and SE regions of the state. Staff serve in a consulting city manager/finance director type role, providing on-site technical assistance to small local governments in the management of their finances and related service delivery issues. The impacts of eliminating these positions include:

- 22 fewer on-site technical assistance visits to small rural municipalities;
- 110 fewer incidents of assisting small rural municipalities;

We anticipate that these reduced services will in turn result in several serious impacts for Alaska communities, including:

- An increase of 7% in the incidence of municipalities not paying current employer taxes, failing to maintain current worker's compensation insurance, or maintaining general liability insurance;
- An increase of 3% in the number of small municipalities whose outstanding debts exceeds their annual income; and
- An increase of 7% in the number of small municipalities incurring election problems, failing to adopt an annual budget, and failing to produce accurate financial reports.

Program Area:	Dollar Amount(s):	Fund Source(s):
Division of International Trade & Market Development	(\$903.8) (\$12.9) (\$256.8)	GF GF/PR ITBF

Impact Analysis:

The budget as proposed by the House Finance DCED Subcommittee cuts more than 1/2 of the division's budget and would (1) totally eliminate Alaska's trade presence in Japan and Korea, and (2) cripple the trade operations and business recruitment by reducing staff from 12 to 3. Each of these impacts is addressed separately below.

Cancellation of Overseas Contracts in Japan and Korea: This reduction represents total elimination of Alaska's trade presence in Japan and Korea, our two largest markets. The Japan and Korea markets together accounted for over \$1.8 billion of Alaska exports in 1999, over 70% of our total exports. Alaska was the first American State to open a trade office in Japan (1965) and the first in Korea (1985). A retreat from these markets would turn our backs on the experience, capabilities and investment the state has made over the past thirty years. Further, it

would send a negative signal to the business communities of these countries that Alaska no longer finds it important to maintain trade and investment representation in their countries. The damage caused by such a move would be difficult, if not impossible, to undo.

The current Japan contract is approximately \$381,000 from the general fund, funded 50% by Division of Trade and Development (DTD) and 50% by Division of Tourism. The House budget reduction eliminates the trade portion of the Japan contract. The subcommittee's budget also means elimination of funding for Alaska's trade presence in Korea, which currently stands at \$175.2 in FY 00.

Seventy-five Percent Reduction in Trade Staff: The budget proposed by the House Finance DCED Subcommittee reduces staffing for the department's trade activities and related programs from 12 to 3, leaving only two professional positions (for protocol and trade mission coordination) and an administrative clerk. These cuts will close the division and virtually eliminate all trade and business/investment recruitment activities by the department. Specific personnel eliminated under the proposal include:

- The division director, who serves as the lead point of contact within state government for international trade promotion and business/investment recruitment. The director is responsible for development and implementation of the state's international trade program as well as supervision of division staff and overseas trade contractors. The director is also the lead contact for government-to-government coordination.
- All country-specific specialists, which currently include specialists for Japan/Korea, Russia, and China/Taiwan/Hong Kong. Combined with the elimination of funding for the Japan and Korea contracts, all trade assistance for Alaska's most important international markets will be eliminated. These cuts will eliminate contacts and trade lead referrals for Alaska businesses in foreign markets; information services to Alaska businesses including practical information on doing business in the region; direct business assistance to Alaska firms operating overseas; trade information seminars, forums, reports, and newsletters; coordination with the federal government on international economic development projects; and government-to-government business development.
- Economic research specialists. The division's research personnel currently provide economic research to the private sector, the administration, and legislators. The focus of the information is on international trade and development indicators. The majority of assistance is provided to the smaller businesses in Alaska that cannot afford a research analyst and to start up firms and entrepreneurial ventures. The division also maintains the international trade statistics (taken on after the funding for the Alaska Center for International Business at the UAA was eliminated by the Legislature in 1997). These positions are the only State personnel conducting independent research on market trends, and the only ones that monitor news and trends of Alaska's major Asian markets as well our biggest competitors.
- The only person in the state dedicated to business and investment recruitment. These cuts will eliminate the only position in state government charged with marketing Alaska's attributes and advantages to companies seeking to relocate or expand, through company visits or participation in trade shows targeted at Outside companies. When companies contact Alaska there would be no one to answer questions, provide information, or conduct familiarization visits. Alaska would become the only state in America that does not have at

least one person recruiting businesses. Business and investment recruitment is a highly competitive process, and the stakes are high. The proposed budget cut would simply take Alaska out of the game.

- The only remaining personnel providing part-time assistance to the Alaska film program. The cuts would prevent the division from continuing its assistance to the Alaska film industry.

Program Area:	Dollar Amount(s):	Fund Source(s):
Banking, Securities and Corporations Hearings and Legal Costs of Enforcement	(\$50.0)	GF/PR

Impact Analysis:

The denial of the proposed increment to the Division of Banking, Securities and Corporations (BSC) will seriously cripple the division's ability to pursue enforcement actions, primarily designed to protect Alaskans from fraudulent securities sales.

So far in FY 00, the securities section has issued 8 orders involving 15 respondents for alleged violations of Alaska's securities laws. The section has levied fines of \$108,750. In addition, violators have returned \$107,000 to Alaska investors as a result of enforcement activities. Every time the division issues an order, a respondent has the statutory right to a hearing, and can appeal an adverse ruling to Superior Court. Currently, there are 7 respondents at various stages of the hearing process, and one in a court appeal. In addition, the division needs to take collection action on the large amount of fines levied where the respondents thus far refuse to pay.

The enforcement activity described above represents a sharp increase over recent years. Five years ago, in FY 95, the division issued 5 orders involving 7 respondents. With 4 months to go in this fiscal year, the division has already issued orders to twice as many respondents as then. Further, the number of complaints is increasing.

The division is required to pay the costs of any administrative hearing, including the expense of the hearing officer. The division also must pay costs for witnesses, expert witnesses, transcriptions, and depositions. If the hearing officer decides to hold the hearing outside of Juneau, BSC pays transportation, lodging, and per diem. Currently, there is no appropriation to cover such costs; this increment would provide that appropriation.

Without the increment, BSC has two choices: (1) they can withdraw any order issued if a respondent requests a hearing; or (2) they can keep positions vacant to meet the hearing and legal costs. The director in 1997 vacated an order after determining the division lacked the funds to conduct a hearing. The same respondent was cited for similar violations in 1998, and that case is now on appeal in Superior Court.