

ALASKA LEGISLATURE

2297

HOUSE and SENATE FINANCE COMMITTEE FILES,

2001 - 2002

Impact Analysis:

The Senate Finance Subcommittee proposal cuts the Chronic and Acute Medical Assistance program (CAMA) for our most needy citizens by \$2 million in general funds or 50 percent. In effect, the responsibility of providing essential health care to more than 600 Alaska citizens in severe need will shift to our pharmacies, physicians and hospitals.

CAMA provides an extremely limited package of health services to Alaskans with terminal illnesses or one of four chronic illnesses: diabetes, seizure disorder, chronic mental illness, or hypertension. Each CAMA recipient is unable to obtain any other assistance – private or public.

Medical services provided under CAMA are limited to necessary, life-saving prescription drugs, a limited number of physician visits, and required hospital care for no more than eight days per year. Approximately 1,288 Alaskans received CAMA in FY2001.

A cut of \$2,000,000 will be a serious hardship to many of the 600 Alaskan citizens who will have no other means of aid.

Program:	Dollar Amount(s):	Fund Source(s):
Alaska Temporary Assistance Program (ATAP)	(\$4,300,000) \$4,300,000	Inter-Agency Federal

Impact Title: Impacts Ability to Sustain Existing Temporary Assistance to Needy Families (TANF) funded Services

The Senate Finance Subcommittee budget replaces funds that are used to hold poor people harmless from losing benefits when they receive a permanent fund dividend. The Senate has replaced these funds with federal funds from welfare block grant dollars (ATAP/TANF).

This change significantly increases TANF expenditures and jeopardizes our ability to maintain TANF financing obligations next year and in future years. If federal TANF funding for ATAP is insufficient to meet program obligations, the Department will have to reduce funding or request a supplemental to pay for TANF funded services that currently provide child care, welfare-to-work, head start, child welfare and domestic violence services.

Welfare reform has saved millions of state general fund dollars. The state GF share of these savings have been deleted from ATAP to the federally required maintenance of effort floor and the surplus federal TANF shares transferred to other block grants producing additional state general fund savings. Additional direct TANF funding has supplanted state GF spending in Head Start, domestic violence and healthy families programs. Comparing what was spent in FY1997 to

the amount for FY2002, the total general fund savings was \$47.9 million in FY2002.

Federal funding for the TANF block grant expires in FFY2003 and must be reauthorized by Congress this year. If Congress does not reauthorize TANF block grant funding at its current baseline level, we will not have enough federal TANF money to fund the Senate Finance Subcommittee's proposed FY2003 TANF financing.

Program: Adult Public Assistance (APA)	Dollar Amount(s): (\$500,000)	Fund Source(s): General Fund
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Impact Title: Short fund Projected Public Assistance Formula

Impact Analysis:

The APA budget request estimated the APA caseload would continue to grow by about 4.2% to 15,156 persons in FY2003. The Senate Finance Subcommittee budget funds an APA population increase of 3.2%. The Department has no discretionary control over formula program service demand or the number eligible. If the APA authorization is insufficient to meet program demand, the Department would request supplemental funding.

The Adult Public Assistance program was established with the purpose of furnishing financial assistance to needy aged, blind and disabled persons to cover basic living expenses such as shelter, clothing and food. The elderly and disabled poor are the most vulnerable citizens. With few options to improve or even maintain their quality of life, these citizens tend to be heavily dependent upon state assistance to provide basic necessities.

Any potential reduction in the APA benefit takes away from the income around which these Alaskans have structured their lives. A reduction in APA benefits could destabilize the living arrangements of a poor disabled or elderly person who is living independently, forcing them into institutional care at greater public expense, or into homelessness.

Program: Public Assistance Admin	Dollar Amount(s): (\$100,000)	Fund Source(s): General Fund
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Impact Title: Eliminate support for the Alaska Food Coalition

Impact Analysis:

This budget cut eliminates the \$100,000 GF grant to the Alaska Food Coalition. Alaska Food Coalition is an organization of community-based private food assistance providers, food banks, churches, state agencies and other concerned

partners working together to strengthen and coordinate Alaska's various food and nutrition assistance programs. The Coalition formed after the passage in 1996 of national welfare reform laws. The aim was to assure that needy Alaskans had continued access to their basic food needs. The majority of the Coalition's annual grant funding has gone to purchase food and equipment needed by local food banks to meet the demand.

An important aspect of the coalition has been the growing coordination and greater communication between public and private hunger prevention organizations. The efforts of the group, supported by this modest grant, have directly and positively impacted the hunger problem in Alaska.

Program:	Dollar	Fund
Public Assistance Field Services	Amount(s):	Source(s):
	(\$457,200)	General Fund

Impact Title: Cut caseworkers managing 4,600 Public Assistance cases

Impact Analysis:

Due to federal matching requirements, the \$457,200 general fund reduction also results in \$457,200 lost federal match participation. The total financial impact to this component is about \$915,000.

This budget cut eliminates 17 existing positions that collectively manage an average caseload of 4,600 public assistance program cases. The forced vacancies and layoffs will impact Anchorage, Juneau, Fairbanks, Mat-Su, Kenai and Bethel field offices. The proposed cuts are to existing positions needed to maintain current services. This will increase caseloads to an unmanageable size.

The programmatic impacts of staff reductions are truly severe.

- Division of Public Assistance (DPA) offices will lose the ability to carry out their mission of providing timely, accurate assistance benefits and reducing welfare dependency; and
- As accuracy and timeliness decrease with extremely high caseloads, high benefit payment error rates are likely to result in federal fiscal sanctions that could exceed \$1.0 million.

DPA cannot fully absorb a cut of this magnitude at the contractual line allocation. The Field Services contractual budget is almost entirely fixed costs that provide basic operating items like telephones, postage, office space leases, and other essential operation supports. This entire proposed cut is only achieved through significant reductions to existing field positions.

Unemployment, illness, and other personal emergencies can threaten the well being of any Alaskan and create the need to seek public assistance. One out of every eight Alaskans requests some type of cash, food, medical, or energy

assistance from the Division. While many families and individuals are served only for a short period of need, an estimated 90,000 persons will receive some form of assistance in the coming year.

The Public Assistance Field Services component provides basic eligibility services for the services mentioned above in 14 communities statewide. Eligibility workers and clerical support deliver essential, often life sustaining, services by ensuring timely benefits reach eligible poor Alaskans to pay for food, shelter and other basic needs. This general fund and corresponding federal reduction directly impacts client services and will delay getting essential food and other assistance benefits to poor Alaskans.

Program:	Dollar Amount(s):	Fund Source(s):
Public Assistance Admin BRU	(\$406,400)	General Fund

Impact Title: Lack of Funding for Year 3 Contract Labor Costs

Impact Analysis

The Senate Finance Subcommittee proposed budget eliminates funding for the Year 3 Contract Labor Costs. This budget cuts \$406,400 GF that would result in an additional \$328,200 in lost federal match participation. The total financial impact on Public Assistance BRU would be \$734,600. This cut only compounds the impacts of other GF reductions particularly in the PA Field Services component where the combined cuts in GF and the loss of federal matching participation would total \$1.5 million. There is no associated reduction in formula casework, only the severe reduction of existing staff who do the work to insure timely and accurate benefit payments.

Program:	Dollar Amount(s):	Fund Source(s):
Public Assistance Data Processing	(\$100,000)	General Fund

Impact Title: Cut Basic Data Processing

Impact Analysis:

This budget cut eliminates two existing positions and contractual support that helps maintain the Division of Public Assistance Eligibility Information System (EIS). The Senate Finance Subcommittee budget proposal to cut \$100,000 GF would result in an additional \$100,000 in lost federal match participation. The total financial impact would be \$200,000.

Supporting this system is vital. Nearly every facet of public assistance daily operations has some connection to the Division's Eligibility Information System (EIS). The long-term impact will be the degradation in services and computer

systems, which will impact the ability for field and administrative staff to perform their work in a timely and efficient manner.

Public Assistance workers in 14 communities rely upon the EIS and its computer network for determining eligibility for ATAP, Medicaid, Food Stamps, Adult Public Assistance, Denali KidCare, and General Relief Assistance, as well as welfare-to-work case management. EIS supports the management and issuance of cash, food and medical assistance benefits, childcare for ATAP recipients and supportive service for working clients.

Each month over 85,000 welfare recipients depend on the successful operation of the EIS system for receipt of their assistance benefits.

Program:	Dollar Amount(s):	Fund Source(s):
Community Mental Health Grants	(877,900) (\$50,000)	General Funds/MH MHTAAR

Impact Title: Community Mental Health Service Losses

Impact Analysis:

For FY2003, the Senate Finance Subcommittee proposes to reduce the general funding for community mental health grants by \$877,900. This reduction will mean the loss of major portions of the community mental health system statewide. The division will be forced to base community mental health funding on priority populations.

General Community Mental Health Services:

As a result of the reductions to this component and Psych. Emergency Svcs. below, the Division will eliminate "general mental health services" statewide. These programs provide services to emotionally disturbed adults and youth who do not reach the level of impairment to be classified as severely mentally ill or severely emotionally disturbed. The estimated impact on the population is the loss of services to over 9,720 adults and youth.

Psychiatric Emergency Services:

The reduction will eliminate three general mental health grants that were transferred to this component and renamed as crisis follow-up services. The remainder of the statewide psychiatric emergency services will be maintained at FY2002 levels.

Services to Chronically Mentally Ill Adults:

The general community mental health services programs also provide limited support services to Severely Emotionally Disturbed Adults, who are adults with severe and disabling, but non-psychotic disorders. This population has never had specific grant funding. Severely Emotionally Disturbed Adults are another priority

population, and will have to be absorbed into the programs for Chronically Mentally Ill Adults, and the increase helps support that change.

Program:	Dollar	Fund
MHDD Administration	Amount(s):	Source(s):
	(\$425,800)	General Funds

Impact Title: Staff reduction

Impact Analysis:

The Senate Finance Subcommittee's proposal to cut \$425,800 in the MHDD Administration component would result in the Division laying off six to seven staff. We would lose the ability to adequately license, monitor and investigate the Assisted Living Homes serving our Mental Health (MH) and Developmentally Disabled (DD) consumers, leaving this population dangerously vulnerable to threats and potential facility safety issues. We would lose a portion of the Community MH Grants and Community DD Grants programmatic oversight and technical assistance for the program's non-profit service providers. This would result in a reduction of the Division's ability to assure delivery of appropriate service to consumers. Finally, we would suffer a decreased ability to provide Division infrastructure support to the MH, DD and Safety/Quality Assurance programs—processing grant awards and payment, developing and maintaining information systems for reporting service data, and providing management of the Division's fiscal and human resources.

The component's ability to carry out the Division's mission to "improve and enhance the quality of life for consumers impacted by mental disorders or developmental disabilities" would be seriously compromised by these changes. Likewise, the Division's ability to implement the newly proposed performance measure related to consumer satisfaction with services would be greatly compromised if we did not have the staff to conduct the related provider site reviews.

Program:	Dollar	Fund
Emergency Medical Services (EMS) Grants	Amount(s)	Source(s):
	(\$204,300)	General Fund

Impact Title: Significant overall reduction in support for Regional EMS Organizations

Impact Analysis:

Elimination of the \$204,300 means a significantly impaired ability to support the critical infrastructure needed to maintain local EMS services statewide. Preventable deaths and disability due to inadequate EMS response capacity are likely consequences of these reductions.

Program:	Dollar	Fund
Tobacco Prevention and Control	Amount(s): (\$4,123,900)	Source(s) Tob Ed/CES

Impact Title: Significant reduction in tobacco settlement dollars available for tobacco prevention and control activities

Impact Analysis:

In FY2002, the Alaska Legislature passed legislation (AS 37.07.580) that deposits twenty percent of the annual Master Settlement Agreement receipts into the Tobacco Use Education and Cessation Fund for tobacco education, prevention and control efforts. However, the Senate Finance Subcommittee has diverted about \$2,000,000 each of carryover FY2002 dollars and FY2003 settlement dollars to Medicaid Services. This will result in a significant decrease in the amount of planned funding for tobacco cessation, youth activities related to keeping young people from starting to smoke, and counter marketing and other media work aimed at educating people regarding their choices and de-glamorizing the image that is continually put forward by the tobacco industry. Without these dollars, additional young people will begin smoking and youth and adults who desire to stop smoking will have fewer resources available to assist them.

Program:	Dollar	Fund
Infant Learning Program Services	Amount(s): (\$1,200,000)	Source(s): General Fund

Impact Title: Deny \$1.2 million for Infant Learning Program.

Impact Analysis:

Early Intervention/Infant Learning Program services for children between the ages of 0-3 are provided to reduce or ameliorate disabling conditions. Each year, the number of children needing services increases, the number and percentage of children with the most significant disabilities and service needs has grown, and the cost per enrolled child continues to escalate. During FY2001, the average cost for a child enrolled in Early Intervention/Infant Learning Program services was approximately \$3800 per year. Elimination of \$1,000,000 in base funding, with the directive of moving to a needs based program, would likely eliminate many children from the program. These children with disabling conditions will likely develop secondary disabilities, and the resulting inability to deal with the conditions at a young age may mean long term problems that are costlier and harder to ameliorate. It will make it impossible to meet the agreed upon measure of all eligible Infant Learning Program children being served.

Program:	Dollar	Fund
Human Services Community	Amount(s): (\$ 205,500)	Source(s): General Funds
Matching Grants	Amount(s): (\$ 233,000)	Source(s): Interagency

Impact Title: Reduction of Human Services Community Matching Grant

Impact Analysis:

The proposed cut would reduce, by 25 percent, each of the health and human services grants to the two qualified municipalities: Fairbanks North Star Borough and the Municipality of Anchorage. Non-profit organizations that compete for these funds provide high quality, cost efficient services to children and youth. The reduction of funds would decrease services that address priority areas such as family dysfunction and mental and emotional problems. Additional services that may decrease include temporary shelter for homeless persons, delivery of meals to those in economic need, child care for school age children from low and moderate income families, and domestic violence services to family members involved in domestic violence situations.

Program:	Dollar Amount(s):	Fund Source(s):
Medicaid Services	(\$ 1,165,400)	Federal Funds
	(\$15,630,500)	General Funds
	\$ 3,671,200	Interagency Rcpts
	<u>\$ 2,062,500</u>	<u>Tobacco ED/CES</u>
	(\$11,062,200)	Total

Impact Title: Reduced Match Funding within the Medicaid Program

Impact Analysis:

The Senate Finance Subcommittee proposal to reduce general funds within Medicaid Services by \$15,630,500 and partially offset the reduction with increased Interagency receipts and Tobacco Education and Cessation funds totaling \$5,733,700, results in a net loss of available match for medical services claims payments. The loss of matching funds would reduce the ability of Medicaid to provide services to those in need by approximately \$27,686,900. At an average cost of \$667 per month per person, the proposed cut plus the associated federal funds could provide medical services for 3,450 Alaskans during FY 2003.

Loss of these funds will result in more aggressive cost containment that will have widespread effects throughout the provider community and other DHSS program areas.

Providers will experience reduced revenues, either because they will not be paid or because their rates will be reduced. Provider participation in the Medicaid Program is optional and rate reductions would provide a disincentive for continued participation.

CORRECTION

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



Rev. 6/98

Central Microfilm Services
Department of Education & Early Development
State of Alaska

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Providers will experience reduced revenues, either because they will not be paid or because their rates will be reduced. Provider participation in the Medicaid Program is optional and rate reductions would provide a disincentive for continued participation.

Cost shifting results in the movement of program expenditures between mandatory and other optional service areas. For example: A person who now receives occupational or physical therapy services under the Medicaid option may choose to acquire these services under an outpatient setting if the option is cut. This will cost more. A person in severe pain because of a gum infection will probably not go without necessary medical care because Medicaid no longer covers dental. They will seek the required care from a physician in a clinic or an emergency room – services that Medicaid will pay for anyway, possibly at a higher rate.

The Legislature has made the number of participating providers and access to health care for Alaskans a performance measure for the Division of Medical Assistance. Each funding cut puts provider participation at risk. Cutting optional services from the program may appear to save general fund dollars, but in the long run, the savings may be negligible or entirely non-existent.

In the alternative, Medicaid will be forced to request supplemental funding.

Program:	Dollar Amount(s):	Fund Source(s):
Medical Assistance Administration	(\$126,000)	General Funds
	(\$ 70,000)	Federal Funds

Impact Title: Reduce State Medicaid costs.

Impact Analysis:

Alaska's Medicaid program directly impacts the service delivery of every division within the Department of Health and Social Services, as well as divisions in four other departments within the state system. There are six sources of federal funding that branch into a kaleidoscope of varying federal participation rates, allotments, and reimbursements, each with its own federal and state regulatory structure.

Current economic and health care trends in Alaska continue to exert increasing pressure on state health care managers and policymakers to provide clear demonstrated evidence of the ability to sustain an effective and responsive health care management capability. Loss of these funds will result in cost containment and the effectiveness of this action are not limited to Medicaid clients, as that effort will have widespread effects throughout other program areas and among Medical service providers.

The division's cost for administering the Medicaid and CAMA programs equaled only 3.3% of the total dollars paid for those medical care services, compared to a national average of over 4%. While the efforts to save general fund dollars have been extensive, services provided to a growing number of eligible Alaskans have been maintained, and in some instances increased. This is directly attributable to an aggressive effort to develop and sustain effective business management practices for the state's health care delivery system.

Program: Medicaid State Programs	Dollar Amount(s): (\$99,400)	Fund Source(s): General Fund
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Impact Title: Reduce services purchased from other state agencies in accordance with Alaska's Medicaid State Plan.

Impact Analysis:

Alaska's Medicaid program impacts the service delivery of every division in the department, and four other state departments. Services that would be lost or reduced due to the proposed reduction of general funds to match federal Medicaid dollars include feasibility studies for client outreach and education, public safety concerns such as life safety cost compliance surveys and provider background checks on personal care providers for public, support for home health care (personal care attendant program), and training and technical assistance for public health nurses statewide.

Program: Health Purchasing Group	Dollar Amount(s): (\$71,300)	Fund Source(s): General Funds
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Impact Title: Reduce surveillance and utilization review to recover provider overpayments.

Impact Analysis:

Any reduction in general fund matching funds will erode the division's ability to identify potential fraud and abuse, make appropriate referrals for investigation, assure timely and accurate provider claims, and pursue third party recoveries.

A decrease in claims reviews will compromise efforts to consistently evaluate/audit claims for new visit frequency, intensity of service, diagnosis to procedure comparison, and multiple component/duplicative component conditions.

The inability to effectively screen for and identify procedures or services during claims processing that exceed clinical/coding guidelines, and to compare their appropriateness of care against national profiles, automatically generates a reduction or denial of the claim. Such actions, when made in error as a result of reporting service delivery incorrectly, will erode provider participation and potentially remove an opportunity to initiate corrective action to eliminate (or significantly curtail) unnecessary service provision.

Efforts to identify and target those provider types experiencing claims filing problems through outreach and more accessible education/training have reduced the time and effort needed to process provider reimbursement claims, and strengthened provider participation in the Medicaid program.

Program:	Dollar	Fund
Health Facilities Certification and Licensing	Amount(s):	Source(s):
	(\$32,500)	General Funds
	(\$13,400)	Federal Funds

Impact Title: Reduce the number of complaint investigations.

Impact Analysis:

The federal government has established minimum standards for providers who wish to participate in the Medicare or Medicaid programs. The Social Security Act establishes the framework within which state health facility licensure agencies carry out the Medicare certification process under agreements between the states and the Secretary of Health and Human Services. The Social Security Act stipulates that these same agencies are authorized to set and enforce standards for Medicaid.

Over the past three years mandates from the Centers for Medicare and Medicaid Services (CMS) have increased the requirement for oversight of Long Term Care (LTC) facilities. The result has been a significant increase in the number and seriousness of complaint investigations and reports of harm, including resident-to-resident abuse, which now requires on-site investigation.

Complaints have increased 40% since 1998 and reports of harm (ROH) have increased 1126% in the same timeframe. Centers for Medicare and Medicaid Services (CMS) can potentially impose penalties by withholding Medicaid funding if HFL&C does not meet the mandated timelines for surveys and reports. The budget reductions proposed by the Senate Finance Subcommittee will undermine the division's ability to ensure that facility certification and licensing activities take place in a timely fashion and in compliance with federal requirements.

Program:	Dollar	Fund
Hearings and Appeals	Amount(s):	Source(s):
	(\$10,600)	General Fund

Impact Title: Reduce Access to the Medicaid Payment Rate Appeals Process

Impact Analysis:

Health care facility appeals of Medicaid payment rates and audit findings are formal hearings governed by the Administrative Procedures Act. Hearings are conducted by a hearing examiner pursuant to AS 44.62.350. Client appeals of actions by the Division of Public Assistance and the Division of Medical Assistance are adjudicated in fair hearings mandated by a number of state and federal regulations.

This checks and balance system provides an impartial and unbiased vehicle to individuals and providers to present evidence and arguments for a decision and final administrative action. The proposed reduction to funding for this process may ultimately result in aggrieved parties seeking satisfaction through the state's more costly legal system.

Program:	Dollar	Fund
Children's Health Eligibility	Amount(s):	Source(s):
	(\$44,500)	General Fund

Impact Title: Reduce Access to Health Care

Impact Analysis:

Services/activities supported under Children's Health Eligibility include eligibility determinations and enrollment of potentially eligible children and their families into the Medicaid program and the Title XXI Medicaid expansion program under the Children's Health Insurance Program (Denali KidCare). Fewer resources will be available to provide eligibility determination services for this client group.

The proposed reduction in this program would negatively affect several of the division's performance measures and more importantly the children the division is responsible for protecting. Specifically, the number of children in state custody longer than 18 and 36 months would increase due to reduced family support services. Reduced services could preclude families from successfully meeting the treatment and case goals that would lead to the release of children from custody.

Additionally, the length of time in state custody before achieving reunification would increase due to the reduction in vital services such as follow-up care and supervised visitation that allow the child to return to the family home.

Not funding the Governor's Family Visitation Center \$750,000 increment will eliminate the proposed visitation centers in Anchorage, Fairbanks, MatSu, Kenai, Juneau, and Bethel. A lack of supervised visitation places children at greater risk of harm, and fails to maintain or foster the relationship of parent and child. This may lead to longer involvement with the family on the division's part, failed reunification efforts, fewer family visits, and a less secure attachment between parent and child.

Not funding the \$975,000 Early Intervention for Family Support increment will eliminate the Early Intervention program expansion planned for the Fairbanks, Bethel, and Kenai areas. This program would enable the division to refer low risk reports of harm to a community-based non-profit social services agency. Due to caseload levels, the high number of reports of harms, and the shortage of trained workers, the division would not be able to investigate each report of harm. This would force workers to workload adjust low risk reports that they were unable to investigate.

Program:	Dollar	Fund
Foster Care Base Rate	Amount(s):	Source(s):
	(\$909,500)	General Funds
	(\$349,000)	Federal

Impact Title: Deny Foster Care Daily Rate Increase

Impact Analysis:

Not funding the Foster Care Daily Rate Increase increment will require the division to continue to pay foster parents based on the 1993 poverty guideline, a rate that does not reflect the 23.45% cost of living increase that has occurred since it was established. Without the daily rate increase, the division may lose trained, experienced foster care providers who feel the current rate of reimbursement is inadequate to meet the basic needs of the foster child. Denying the rate increase may also diminish the division's ability to recruit foster parents and force the division to place children in more expensive facilities such as residential care facilities.

Program:	Dollar	Fund
Foster Care Augmented Rate	Amount(s):	Source(s):
	(\$63,000)	General Funds

Impact Title: Short fund Foster Care Augmented Rate Program

Impact Analysis:

The proposal to not fund the anticipated caseload increase for the next year will prevent an estimated 14 foster children from receiving augmented benefits each month. The Augmented Foster Care program or difficulty of care program reimburses foster care providers for extraordinary costs and for higher levels of supervision authorized by AS 47.14.100 that are not covered by the Foster Care Base Rate program. When children enter foster care with a higher level of disturbance, foster parents are required to access a higher level of services to meet their needs (i.e., physical and/or psychological therapy, supervised visits with family members, individual education plans, tutoring). The proposed reduction would diminish the department's ability to meet its obligation to reimburse foster parents and would impose a hardship on existing foster care providers.

There is already a shortage of foster parents. An inability to reimburse foster care providers for services rendered will seriously erode any success that the Department has made during the last two years to recruit and retain foster parents. This could result in the Department not having enough foster parents to care for the children committed to State custody. This may force placement of children in more expensive facilities such as Residential Care Facilities.

Program: Foster Care Special Needs	Dollar Amount(s): (\$195,300)	Fund Source(s): General Funds
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Impact Title: Short fund Foster Care Special Needs Caseload Increase

Impact Analysis:

The proposal to only partially fund the anticipated caseload increase means DFYS will not be able to provide special needs benefits to approximately 84 children placed in foster care. Based upon this potential reduction, the division projects that it will completely exhaust funds and will not be able to provide services to these children. Foster Care Special Needs funds reimburse foster care providers for one-time or short-term approved expenses authorized by AS 47.14.100 that are not covered by the Foster Care Base Rate.

In recent years, children placed in foster care have had more complex needs and issues, and foster parents are often required to have a greater level of specialized knowledge. Short funding this program would further diminish the department's ability to recruit and retain new foster parents who can provide the care needed to meet the individual behaviors and specific needs of these children.

Program: Subsidized Adoption & Guardianship	Dollar Amount(s): (\$500,000)	Fund Source(s): General Funds
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Impact Title: Short fund Subsidized Adoption & Guardianship Program

Impact Analysis:

The proposal to only partially fund the 14% anticipated caseload increase for next year will force the division to seek a supplemental appropriation to fulfill its obligation to subsidize approximately 1,700 guardianships and adoptions. This is due in part because the FY2002 program needs a supplemental of \$2.5 million. From FY1992 to FY2001 the number of children transitioned from the foster care system into a permanent home increased 348%, from 338 to 1,515. The division anticipates that the number of children in the subsidy program will reach 1,784 by the end of FY2002.

By law, the division must comply with the terms of the subsidy agreements, and is unable to eliminate or reduce the subsidy contract. The Subsidized Adoption & Guardianship program is an adoption and guardianship incentive program for children with special needs. Subsidized adoption is a way to establish permanent homes through adoption for children who are hard to place, who are in the permanent custody of the State, and who are unlikely to be adopted without a subsidy. AS 13.26.062 and AS 25.23.190 — 25.23.240 provide the department with statutory authority and guidelines to administer the program. Placement must also be accomplished within the shortened time frames mandated by State and

Federal law, including Alaska's HB375 and the Federal Adoption and Safe Families Act of 1998.

Short funding this program would potentially subject the State to legal action for breach of contract, as the State would no longer be in compliance with State and Federal laws if subsidy payments are not processed.

Program:	Dollar Amount(s):	Fund Source(s):
Residential Child Care	(\$100,000)	General Funds
	(\$550,000)	Interagency Receipts

Impact Title: Eliminate Mental Health Stabilization Home Program

Impact Analysis:

Not funding the Mental Health Stabilization Home \$650,000 increment will eliminate the short-term option that was to serve as a step-down program from acute hospital care or secure residential psychiatric treatment care. It may also eliminate the availability of an interim placement for severely disturbed youth who are difficult to place. Lack of this home will decrease the options available to families and providers to develop a safe and appropriate placement.

Program:	Dollar Amount(s):	Fund Source(s):
Adoption Placement Program	(\$ 262,600)	General Funds
(formerly the Balloon Project)	(\$ 200,000)	Federal Funds

Impact Title: Reduction of Adoption Placement Program (Balloon Project) Funding and Elimination of Adoption Incentive Funds

Impact Analysis:

Of the \$2,009,200 request for the Adoption Placement Program, \$1,546,600, or the FY2002 funding level, was funded, resulting in a \$462,600 shortfall.

In FY2002 the division was able to cover the reduction of \$262,600 with funds carried forward from FY2001. Additional funds were not available to carry forward from FY2002 to FY2003. In FY2003 the \$262,600 reduction in Adoption Placement funds may result in the loss of 1 social worker position and 3 attorney positions statewide. The reduction of 1 social worker position would increase the caseload of the remaining social workers by an additional case, at a time when the average caseload already exceeds national caseload standards.

The attorney positions were established to help transition children through the foster care system and into a permanent home more rapidly. These positions enable the division to meet the legal mandate that permanent placement must be

accomplished within the shortened time frames set by State and Federal law. These laws require children that have been in foster care for 15 of the past consecutive 22 months be placed into a permanent home. The elimination of funds dedicated to this effort will reduce the department's ability to meet these legal mandates and force children to remain in the foster care system longer.

The proposed reduction of \$200,000 federal funds for the Adoption incentive program will hamper the division's ability to develop post-adoption services for adoptive parents in Alaska. These services are critical to ensure adoptive parents receive the support and parenting skills necessary to address the many special needs of the children in their homes.

The reduction of this program would negatively affect several of the division's performance measures and more importantly the children the division is responsible for protecting. Specifically, the number of children in state custody longer than 18 and 36 months would increase, as resources dedicated to transitioning children into permanent homes are eliminated. Substantial progress has been made by the Balloon Project workers to terminate parental rights and free children in long-term custody for adoption. As such, the length of time in state custody before achieving adoption would also increase due to the elimination of staff and essential resources.

Program:	Dollar	Fund
Family and Youth Services Management	Amount(s):	Source(s):
	(\$ 123,000)	General Funds

Impact Title: Elimination of Positions

Impact Analysis:

The proposed reduction of \$123,000 in general funds from the Family and Youth Services Management base budget may result in the lay off of 4 positions. These positions provide comprehensive program, managerial, and financial support to the Front Line Social Workers that deliver direct services to abused and neglected children. Short funding this program would further impact the program development, guidance, and progress toward zero tolerance.

Program:	Dollar	Fund
Probation Services	Amount(s):	Source(s):
	(\$ 500,000)	General Fund

Impact Title: Eliminate increment for additional probation resources

Impact Analysis:

The Senate Finance Subcommittee proposal to cut this general fund request will mean that 7 new Probation Officers, one each for Kenai, Homer, Barrow, Kodiak, Anchorage, Dillingham, and Valdez will not be added. Additional early

accountability resources are needed to provide immediate responses as a means of keeping young offenders from becoming chronic, habitual delinquents who prey on victims and communities. The increment needed to implement this two-year strategic plan is small compared to the costs associated with constructing and staffing a new youth facility. In tangible terms, this strategy is most easily understood in terms of its impact on juvenile probation officer time available to provide swift and effective service to victims, communities and offenders. The most distinctive benefits that would not be realized are safer communities, more satisfied victims and juveniles less likely to commit additional crime.

Program:	Dollar	Fund
Public Health Nursing	Amount(s):	Source(s):
	(\$404,300)	General Fund
	(\$661,500)	Interagency Receipts

Impact Title: Elimination of needed increments for the Bethel facility and Health Passport Program

Impact Analysis:

The Senate Finance Subcommittee added federal dollars for Homeland Security, resulting in a net increase; however, the program still needs general fund increments. The elimination of the increment to fully fund the lease costs for the Bethel Health Center will result in staff operating and providing services out of a sub-standard facility. The elimination of the Health Passport project increment will preclude the state being able to draw down significant additional federal dollars to fund seven nurses that would assist children in Foster Care get the medical and health care services they need and currently do not receive due to lack of consistent caregivers and health care providers.

Program:	Dollar	Fund
Maternal, Child & Family Health Services	Amount(s):	Source(s):
	(\$172,600)	General Fund

Impact Title: Cut handicapped children program.

Impact Analysis:

The FY2003 general fund reduction of \$72,600 will require severe curtailment of the Handicapped Children's Program, which provides some rehabilitative and diagnostic services to a number of high-risk children with special health care needs. None of these children are eligible for Medicaid and do not have any other coverage, so may have to go without some of the complex medical care they require.

The elimination of the increment (\$100,000) for general fund/program receipt authority will not allow the Newborn Metabolic Screening Program or Specialty and

Genetics Clinics to use all of the receipts generated. As a result, clinic slots will be more limited and some children who need specialty services will be denied care.

Program: Public Health Administration	Dollar Amount(s): (\$27,300)	Fund Source(s): General Fund
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Impact Title: Eliminate funding for most of one support staff in the Director's Office

Impact Analysis:

The reduction in Public Health Administration will eliminate funding for most of the salary for one support staff needed to ensure the Director's Office can provide timely administrative and budget support to the Sections.

Program: Epidemiology	Dollar Amount(s): (\$200,000)	Fund Source(s): General Fund
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Impact Title: Elimination of environmental contaminant monitoring increment.

Impact Analysis:

Due to the elimination of funding for the evaluation and monitoring of environmental contaminants, the State will not have a credible voice to speak out on food safety issues. Because the scientific basis for risk assessment methodology is controversial and unsettled, considerable public health expertise is required to answer the question, "Is this food safe to eat?" Dedicated professional staff will not be available to provide authoritative public health advice, leverage resources from other agencies, develop risk communication techniques in partnership with affected constituencies, and provide a check on the US Environmental Protection Agency's ability to bypass State government.

Program: Health Information and Systems Support	Dollar Amount(s): (\$90,000)	Fund Source(s): General Fund
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Impact Title: Elimination of a new position to monitor the well-being of children and evaluate the impact of programs and services

Impact Analysis:

Without this funding, it will be difficult to monitor the health of Alaskan children over time, to determine whether current services and strategies for achieving objectives are effective and know how to revise programs and services so they provide the most benefit for Alaska's children.

Program: Community Health/Emergency Medical Services	Dollar Amount(s): (\$66,000)	Fund Source(s): General Fund
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Impact Title: Reduction to Emergency Medical Services training and certification, which will compromise emergency medical services in the state

Impact Analysis:

The reduction to Emergency Medical Services training and certification will result in the following: 1) not funding a contract for the State Emergency Medical Services Medical Director; 2) reduced expenditures for Emergency Medical Services equipment and supplies; 3) elimination of printing the quarterly Emergency Medical Services newsletter *Response*; and 4) a reduction in the small amount of general funds that support Emergency Medical Services staff in the state office. This will reduce the quality of program services statewide as a result of less medical direction and support for local activities.

Program: Community Health Grants	Dollar Amount(s): (\$476,400)	Fund Source(s): General Fund
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Impact Title: Eliminate the specialized programs in Community Health.

Impact Analysis:

As a result of eliminating the funding for the Prematernal Homes (\$121,200) in Nome and Kotzebue, these two programs will either have to reduce services or find outside funding to maintain the current service level. These homes are critically important to ensuring women have a place to stay in the regional hub while waiting to give birth.

Elimination of the support for the hearing and language services and vision services (\$136,900) for Norton Sound and Maniilaq means that some individuals served by these corporations may go without these services. The result could be learning problems in these children and impaired communication or mobility for an adult/elder.

Reduction of the funds available to assist small local communities in maintaining access to primary care services by (\$218,300) will mean virtual elimination of the small supplemental grants that sometimes mean the difference between being able to sustain one provider and having to stop services.

Program: Office of State Medical Examiner	Dollar Amount(s): (\$33,000)	Fund Source(s): General Fund
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Impact Title: Deny increased labor costs.

Impact Analysis:

Elimination of the FY2003 request to cover increased labor costs will make it impossible for the program to completely fund the third forensic pathologist position in the office. This means fewer autopsies will be done and there will be less time available for the pathologists to provide consultation to law enforcement agencies and to testify in court. Overall there will be less information for families and the legal system regarding causes of death and how to prevent them in the future or to hold those causing the death accountable.

Program:	Dollar	Fund
Public Health Laboratories	Amount(s):	Source(s):
	(\$415,500)	General Fund

Impact Title: Cut critical laboratory services for communicable diseases and possibly close Fairbanks lab.

Impact Analysis:

Due to the proposed reduction, the Laboratories Section may have to eliminate the biomonitoring and alcohol and drugs of abuse lab capacity in Anchorage and make other reductions in current capacity at both labs. The elimination of the biomonitoring laboratory will result in the inability to assist Epidemiology with scientific evidence to respond to local requests for consultation. Additionally, Alaska may be unable to counter the national food advisories that are not appropriate for Alaska and may undermine subsistence and commercial and sport fishing viability. Elimination of the alcohol and drugs of abuse laboratory will significantly hinder the Medical Examiner in establishing toxicological causes of death. A cut this significant may require the closure of one lab to reduce overall operating costs.

Base fund reductions could result in at least a 23% reduction in the number of individuals that can be tested for significant contagions such as tuberculosis, hepatitis and sexually transmitted diseases. The result will be that one out of four individuals with these diseases will not be identified nor treated, potentially increasing the spread of disease throughout the population.

Program:	Dollar	Fund
Alaska Mental Health Board	Amount(s):	Source(s):
	(\$18,700)	General Fund

Impact Title: Reduction to the Alaska Mental Health Board

Impact Analysis:

The AMHB mission is to act as the State planning, advocacy, monitoring, and coordinating agency for Alaskans experiencing mental illness and serious

emotional disorders (consumers). Relevant FY2003 measures of mission progress are:

1. Provide quarterly reviews of the quality assurance monitoring process for the state mental health program at regular public meetings.
2. Develop and implement a strategic communications plan, including forums and outreach efforts, to raise public awareness of Alaska Mental Health Trust beneficiary needs and to reduce stigma.

An \$18,700 reduction of AMHB funding from FY2002 General Fund base budget will directly impact both AMHB's capacity to fulfill its mission as reflected in FY2003 measures and its statutory and Mental Health Trust litigation settlement mandates. The cut will require the elimination of one of the AMHB's quarterly meetings, making it impossible to provide quarterly review of quality assurance monitoring and curtailing forums and outreach efforts. Reducing the number of AMHB meetings to three will limit consumer access and advocacy during State policy and planning processes. Consumer involvement represents the core value of the AMHB and is mandated both in statute and the Trust settlement. Without significant consumer involvement, accomplished by taking the AMHB to consumers around the state, a consumer-centered system of care cannot be achieved.

Program:	Dollar Amount(s)	Fund Source(s)
Advisory Board on Alcoholism and Drug Abuse	(\$15,600)	General Fund

Impact Title: Reduction to Advisory Board on Alcoholism and Drug Abuse

Impact Analysis:

The Senate Finance Subcommittee's proposal to cut the Board's budget \$15,600 would significantly impair the Advisory Board's process for conducting business on an already limited budget. To accomplish this cut, it would be necessary to reduce the Advisory Board's travel budget by \$15,600, eliminating one to two of the four quarterly meetings of the fifteen-person board. In an attempt to mitigate this impact, two three-hour teleconferences would be substituted for the eliminated meetings. It would also be necessary to hold the standing committee meetings telephonically before each meeting by teleconference. This telephonic meeting cost is estimated at \$6,478 for member, agency and organizational partners in the Advisory Board's work. This reconfiguration of meetings would reduce the opportunities for Board members to receive testimony from members of the public and interested stakeholders, and to share their expertise and views on policy recommendations regarding Alaska's greatest public health problem.

The ability of the Advisory Board to meet its statutory responsibilities would be compromised. Responsibilities include advising the Legislature, the Governor, and state agencies in matters related to mental health and substance use disorders, preparing and maintaining a comprehensive plan of services, and providing the Alaska Mental Health Trust Authority with recommendations for implementation of the comprehensive integrated mental health plan and the expenditure of Trust income from the mental health trust settlement income account.

Proposed cuts to the FY2003 budget would put additional pressure on an already constricted operating budget.

Program: Commissioner's Office	Dollar Amount(s): (\$80,600)	Fund Source(s): General Fund
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Impact Title: Reduce Commissioner's Office

Impact Analysis:

The Senate Finance Subcommittee proposes to fully fund the Suicide Prevention Council; however, the remainder of the cut will reduce the Commissioner's Office budget by almost 10%. A 10% reduction will negatively affect the Commissioner's Office ability to ensure that the department's mission, policy goals and division measures can be met.

It will likely mean a new Commissioner next fall will have one Special Assistant instead of two. The size of DHSS and the complexity of its programs necessitate a certain number of senior staff to manage the department; this cut will make that difficult for a new administration.

Program: Administrative Services	Dollar Amount(s): (\$182,900)	Fund Source(s): General Fund
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Impact Title: Decreased administrative support services

Impact Analysis:

The mission of the division is to provide quality administrative services that support the Department's programs. The DAS mission and its performance in achieving measures will be impacted by loss of funds. If an alternate funding source cannot be found to replace the general fund reduction, DAS will have to reduce services and potentially cut a position.

DAS will have to review the current charge backs from the Department of Administration for potential reductions and efficiencies.

These funding reductions will cause delays in reporting, accounting, revenue collection and auditing for the many federal grants administered by the department and may result in penalties and loss of essential federal revenue.

There will be delays in hiring which will impact the department's programs and delivery of services (i.e., Social Workers for Child Protection, Eligibility Technicians for Medicaid and Public Assistance, Nurses for Public Health, Probation Officers for Juvenile Justice and Psychiatric staff for Alaska Psychiatric Institute).

LABOR +
WORKFORCE
DEVELOPMENT

ALASKA STATE SENATE
SENATE FINANCE SUBCOMMITTEE

Department of Labor & Workforce Development

Senator Alan Austerman, Chair
Senator John Torgerson
Senator Kim Elton

FY03 Operating Budget Closeout Recommendations

- Approved in Subcommittee on April 16, 2002 -

<u>Gov Amended</u>	<u>12,146.9</u>
<u>FY02 MgtPln</u>	<u>12,228.1</u>
<u>SB289 Intro</u>	<u>12,233.0</u>
<u>HB403 House Final</u>	<u>10,775.3</u>
<u>Senate Allocation</u>	<u>11,494.4</u>
<u>Senate Sub</u>	<u>11,494.4</u>

Narrative:

The subcommittee adopted the attached spreadsheet, summary and transaction worksheets that reflect all of the action below.

Since our allocation was \$719.1 above the final House numbers we did not accept their decrement of 503.4 GF to the Job Training Programs component under Employment Security, and we did not accept their decrement of 3.7 GF to the Alaska Labor Relations Agency.

As in the House budget, we fully funded the increased labor costs. We also fully funded the department's request of 102.0 for a wage and hour technician and 92.0 for an additional electrical inspector. An extra 9.1 was directed towards the Mechanical Inspection component.

In addition, we allowed the third and final year for the fund source changes to the Occupational Safety and Health component (343.5) and the Workers' Compensation component (625.4). This action completes the conversion of federal grant matching funds from GF to fee based funding.

The subcommittee also reiterated that the Senate structure has eight separate budget appropriations vs. the three budget appropriations in the FY03 House structure.

Finally, the subcommittee expressed support for the passage of HB 262 that in part establishes a building safety account and supports the positions that would be authorized for boiler inspections and elevator inspections.

~End of Report~

Transaction Detail - FY 03 Operating Budget - Senate Structure

Numbers & Language, Transaction Types:
Dec, FndChg, Inc ONLY!

Sen Sub Column

Agency: Department of Labor and Workforce Development

Trans Type	Total Expend	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
<u>Office of the Commissioner</u>												
<u>Commissioner's Office</u>												
Consolidate Federal Billings Into Management Services	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		-82.4										
1007 I/A Rcpts		82.4										
Add Authorization to Support the DOL Liaison to the Gas Pipeline Position	Inc	82.4	82.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1061 CIP Rcpts		82.4										
Increase Indirect Cost Plan Authorization in Commissioner's Office	Inc	27.5	27.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Rcpts		27.5										
		109.9	109.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		109.9	109.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Employment Security</u>												
<u>Employment Services</u>												
Decrease I/A authority in Employment Services	Dec	-100.0	0.0	0.0	0.0	0.0	0.0	-100.0	0.0	0.0	0.0	0.0
1007 I/A Rcpts		-100.0										
Delete Temporary PCN 07-N078 as Position Ended	Dec	-49.6	-49.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0
1002 Fed Rcpts		-49.6										
		-149.6	-49.6	0.0	0.0	0.0	0.0	-100.0	0.0	0.0	0.0	-1.0
<u>Unemployment Insurance</u>												
Decrease I/A authority in Unemployment Insurance	Dec	-100.0	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Rcpts		-100.0										
		-100.0	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Job Training Programs</u>												
Increase federal authorization to provide Denali Commission grant funding	Inc	2,000.0	0.0	0.0	0.0	0.0	0.0	2,000.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		2,000.0										
		2,000.0	0.0	0.0	0.0	0.0	0.0	2,000.0	0.0	0.0	0.0	0.0
*** BRU Total ***		1,750.4	-49.6	0.0	-100.0	0.0	0.0	1,900.0	0.0	0.0	0.0	-1.0

Transaction Detail - FY 03 Operating Budget - Senate Structure

Numbers & Language, Transaction Types:
Dec, FndChg, Inc ONLY!

Sen Sub Column

Agency: Department of Labor and Workforce Development

	Trans Type	Total Expnd	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
Administrative Services													
DOL State Facilities Rent													
Decrease State Facility Funds to Reflect FY03 Rate Reduction	Dec	-26.6	0.0	0.0	-26.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-26.6											
		-26.6	0.0	0.0	-26.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Data Processing													
Increase Federal and Interagency Authorization to Reflect DOA Chargeback Increase	Inc	232.3	0.0	0.0	232.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		188.0											
1007 I/A Rcpts		44.3											
		232.3	0.0	0.0	232.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Management Services													
Consolidate Federal Billings Into Management Services	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		82.4											
1007 I/A Rcpts		-82.4											
Indirect Cost Plan Authorization Adjustment	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		-250.0											
1007 I/A Rcpts		250.0											
Add 1 PFT with Existing Funds to Accomodate Workload	Inc	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Labor Market Information													
Adjust Year 3 Labor Cost Fund Source Distribution	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Rcpts		0.1											
1108 Stat Desig		-0.1											
Delete one full time support position to the redistricting board	Dec	-45.9	-45.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
1007 I/A Rcpts		-45.9											
		-45.9	-45.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
*** BRU Total ***		159.8	-45.9	0.0	205.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Transaction Detail - FY 03 Operating Budget - Senate Structure

Numbers & Language, Transaction Types:
Dec, FndChg, Inc ONLY!

Sen Sub Column

Agency: Department of Labor and Workforce Development

	Trans Type	Total Expnd	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
<u>Human Resources Investment Council</u>													
Alaska Human Resources Investment Council													
Increase Interagency Authorization to Align with Anticipated Receipts	Inc	332.7	87.3	34.0	194.9	16.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Rcpts 332.7													
		332.7	87.3	34.0	194.9	16.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		332.7	87.3	34.0	194.9	16.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Workers' Compensation</u>													
Workers' Compensation													
Change Funding Source GF to Workers' Safety	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund -625.4													
1157 Wrkrs Safe 625.4													
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Labor Standards and Safety</u>													
Wage and Hour Administration													
Add Two Wage and Hour Technician Positions and Funding	Inc	102.0	88.2	0.0	8.0	5.8	0.0	0.0	0.0	0.0	2.0	0.0	0.0
1004 Gen Fund 102.0													
		102.0	88.2	0.0	8.0	5.8	0.0	0.0	0.0	0.0	2.0	0.0	0.0
Mechanical Inspection													
Add an Electrical Inspector Position - Funding	Inc	92.0	60.0	20.0	9.0	3.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
1004 Gen Fund 92.0													
Increase mechanical inspection general funds	Inc	9.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.1	0.0	0.0	0.0
1004 Gen Fund 9.1													
		101.1	60.0	20.0	9.0	3.0	0.0	0.0	0.0	9.1	1.0	0.0	0.0

Transaction Detail - FY 03 Operating Budget - Senate Structure

**Numbers & Language, Transaction Types:
Dec, FndChg, Inc ONLY!**

Sen Sub Column

Agency: Department of Labor and Workforce Development

	Trans Type	Total Expnd	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
Occupational Safety and Health													
Fund Source Change from GFM to Workers Safety	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 G/F Match		-343.5											
1157 Wrks Safe		343.5											
Increased Funding for an Industrial Hygienist Position	Inc	73.0	67.4	2.1	2.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		50.0											
1157 Wrks Safe		23.0											
		73.0	67.4	2.1	2.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alaska Safety Advisory Council													
Delete funding for the Alaska Safety Advisory Council	Dec	-108.4	-36.1	-8.7	-49.3	-14.3	0.0	0.0	0.0	0.0	0.0	-1.0	0.0
1005 GF/Prgm		-108.4											
Designated program receipt authority for the Governor's Safety Conference as a self-supporting program	Inc	108.4	36.1	8.7	49.3	14.3	0.0	0.0	0.0	0.0	0.0	1.0	0.0
1108 Stat Desig		108.4											
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total ***		276.1	215.6	22.1	19.0	10.3	0.0	0.0	0.0	9.1	3.0	0.0	0.0
Vocational Rehabilitation													
Client Services													
Delete Homer Pilot Project Non Perm Position and Funding	Dec	-35.1	-35.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0
1002 Fed Rcpts		-17.5											
1007 I/A Rcpts		-17.6											
		-35.1	-35.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0
Special Projects													
Delete Federal Authorization for Access to Alaska and Transition Initiative Grants	Dec	-1,097.9	-121.6	-10.0	-588.8	-7.5	-20.0	0.0	-350.0	0.0	0.0	0.0	-3.0
1002 Fed Rcpts		-1,097.9											
		-1,097.9	-121.6	-10.0	-588.8	-7.5	-20.0	0.0	-350.0	0.0	0.0	0.0	-3.0
*** BRU Total ***		-1,133.0	-156.7	-10.0	-588.8	-7.5	-20.0	0.0	-350.0	0.0	0.0	0.0	-4.0
**** Agency Total ****		1,495.9	160.6	46.1	-269.2	19.3	-20.0	0.0	1,550.0	9.1	3.0	0.0	-5.0
***** Total - All Agencies *****		1,495.9	160.6	46.1	-269.2	19.3	-20.0	0.0	1,550.0	9.1	3.0	0.0	-5.0

Component Summary - FY 03 Operating Budget - Senate Structure

Numbers AND Language Sections!

Agency: Department of Labor and Workforce Development

Budget Component	<u>02MalEltg</u>	<u>S Intro</u>	<u>Sen Sub</u>	<u>House</u>	<u>Gov Amd</u>	<u>02MalPin to Sen Sub</u>		<u>House to Sen Sub</u>		<u>Gov Amd to Sen Sub</u>	
Office of the Commissioner											
Commissioner's Office	555.9	570.7	680.6	680.6	680.6	124.7	22.4%	0.0	0.0%	0.0	0.0%
Agency-wide Unallocated Reduction	0.0	-162.2	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.0	0.0%
* BRU Total	555.9	408.5	680.6	680.6	680.6	124.7	22.4%	0.0	0.0%	0.0	0.0%
Employment Security											
Employment Services	17,581.9	17,876.1	18,315.1	18,306.2	18,315.1	733.2	4.2%	8.9	0.0%	0.0	0.0%
Unemployment Insurance	17,715.5	18,034.1	17,988.5	17,988.5	17,988.5	273.0	1.5%	0.0	0.0%	0.0	0.0%
Job Training Programs	29,265.2	29,352.2	30,602.2	30,098.8	30,602.2	1,337.0	4.6%	103.4	1.7%	0.0	0.0%
Adult Basic Education	2,599.8	2,604.0	2,711.0	2,711.0	2,711.0	111.2	4.3%	0.0	0.0%	0.0	0.0%
* BRU Total	67,162.4	67,866.4	69,616.8	69,104.5	69,616.8	2,454.4	3.7%	512.3	0.7%	0.0	0.0%
Administrative Services											
DOL State Facilities Rent	277.1	273.1	246.5	246.5	246.5	-30.6	-11.0%	0.0	0.0%	0.0	0.0%
Data Processing	6,137.1	6,220.1	6,452.4	6,452.4	6,452.4	315.3	5.1%	0.0	0.0%	0.0	0.0%
Management Services	3,009.9	3,084.9	3,084.9	3,084.9	3,084.9	75.0	2.5%	0.0	0.0%	0.0	0.0%
Labor Market Information	4,014.6	4,074.2	4,028.3	4,028.3	4,028.3	13.7	0.3%	0.0	0.0%	0.0	0.0%
* BRU Total	13,438.7	13,652.3	13,812.1	13,812.1	13,812.1	373.4	2.8%	0.0	0.0%	0.0	0.0%
Human Resources Investment Council											
Alaska Human Resources Investment Council	407.9	416.8	749.5	749.5	749.5	341.6	83.7%	0.0	0.0%	0.0	0.0%
* BRU Total	407.9	416.8	749.5	749.5	749.5	341.6	83.7%	0.0	0.0%	0.0	0.0%

Component Summary - FY 03 Operating Budget - Senate Structure

Numbers AND Language Sections

Agency: Department of Labor and Workforce Development

Budget Component	02 Mot Pin	5 Infr	Sen Sub	House	Gov Amd	02 Mot Pin to Sen Sub	House to Sen Sub	Gov Amd to Sen Sub
Alaska Labor Relations Agency								
Alaska Labor Relations Agency	332.3	342.0	342.0	338.3	342.0	9.7 2.9%	3.7 1.1%	0.0 0.0%
* BRU Total	332.3	342.0	342.0	338.3	342.0	9.7 2.9%	3.7 1.1%	0.0 0.0%
Workers' Compensation								
Fishermens Fund	1,307.8	1,312.2	1,312.2	1,312.2	1,312.2	4.4 0.3%	0.0 0.0%	0.0 0.0%
Workers' Compensation	2,558.0	2,609.8	2,609.8	2,609.8	2,609.8	51.8 2.0%	0.0 0.0%	0.0 0.0%
Second Injury Fund	3,178.6	3,182.5	3,182.5	3,182.5	3,182.5	3.9 0.1%	0.0 0.0%	0.0 0.0%
* BRU Total	7,044.4	7,104.5	7,104.5	7,104.5	7,104.5	60.1 0.9%	0.0 0.0%	0.0 0.0%
Labor Standards and Safety								
Wage and Hour Administration	1,348.2	1,377.4	1,479.4	1,377.4	1,479.4	131.2 9.7%	102.0 7.4%	0.0 0.0%
Mechanical Inspection	1,376.8	1,408.5	1,509.6	1,408.5	1,831.0	132.8 9.6%	101.1 7.2%	-321.4 -17.6%
Occupational Safety and Health	3,331.6	3,404.2	3,477.2	3,477.2	3,699.9	145.6 4.4%	0.0 0.0%	-222.7 -6.0%
Alaska Safety Advisory Council	107.5	108.4	108.4	108.4	108.4	0.9 0.8%	0.0 0.0%	0.0 0.0%
* BRU Total	6,164.1	6,298.5	6,574.6	6,371.5	7,118.7	410.6 6.7%	203.1 3.2%	-544.1 -7.6%
Vocational Rehabilitation								
Client Services	12,218.6	12,331.4	12,296.3	12,296.3	12,296.3	77.7 0.6%	0.0 0.0%	0.0 0.0%
Federal Training Grant	56.3	56.3	56.3	56.3	56.3	0.0 0.0%	0.0 0.0%	0.0 0.0%
Vocational Rehabilitation Administration	1,447.3	1,471.6	1,471.6	1,471.6	1,471.6	24.3 1.7%	0.0 0.0%	0.0 0.0%
Independent Living Rehabilitation	1,590.2	1,592.8	1,592.8	1,592.8	1,592.8	2.6 0.2%	0.0 0.0%	0.0 0.0%

Component Summary - FY 03 Operating Budget - Senate Structure

Numbers AND Language Sections!

Agency: Department of Labor and Workforce Development

<u>Budget Component</u>	<u>02MajPin</u>	<u>S. Intro</u>	<u>Sen Sub</u>	<u>House</u>	<u>Gov Amd</u>	<u>02MajPin to Sen Sub</u>		<u>House to Sen Sub</u>		<u>Gov Amd to Sen Sub</u>	
Vocational Rehabilitation											
Disability Determination	5,088.5	5,127.6	5,127.6	5,127.6	5,127.6	39.1	0.8%	0.0	0.0%	0.0	0.0%
Special Projects	2,855.7	2,864.4	1,766.5	1,766.5	1,766.5	-1,089.2	-38.1%	0.0	0.0%	0.0	0.0%
Assistive Technology	565.3	587.7	567.7	567.7	567.7	2.4	0.4%	0.0	0.0%	0.0	0.0%
Americans With Disabilities Act (ADA)	192.0	104.7	194.7	194.7	194.7	2.7	1.4%	0.0	0.0%	0.0	0.0%
* BRU Total	24,013.9	24,206.5	23,073.5	23,073.5	23,073.5	-940.4	-3.9%	0.0	0.0%	0.0	0.0%
*** Total Agency Expenditure	119,119.6	120,295.5	121,953.6	121,234.5	122,497.7	2,834.0	2.4%	719.1	0.6%	-544.1	-0.4%
Gen Purpose	12,228.1	12,233.0	11,494.4	10,775.3	12,146.9	-733.7	-6.0%	719.1	6.7%	-652.5	-5.4%
Fed Restricted	82,255.8	83,158.4	83,981.4	83,981.4	83,981.4	1,725.6	2.1%	0.0	0.0%	0.0	0.0%
Other Funds	24,635.7	24,904.1	26,477.8	26,477.8	26,369.4	1,842.1	7.5%	0.0	0.0%	108.4	0.4%

Component Summary w/Funding - FY 03 Operating Budget - Senate Structure

Numbers AND Language Sections!

Agency: Department of Labor and Workforce Development

Budget Component	Gen Purpose	Fed Restricted	Other Funds	
	<u>Sen Sub</u>	<u>Sen Sub</u>	<u>Sen Sub</u>	<u>Sen Sub</u>
Office of the Commissioner				
Commissioner's Office	360.3	0.0	320.3	680.6
Agency-wide Unallocated Reduction	0.0	0.0	0.0	0.0
* BRU Total	360.3	0.0	320.3	680.6
Employment Security				
Employment Services	54.2	13,011.2	5,249.7	18,315.1
Unemployment Insurance	0.0	17,505.1	483.4	17,988.5
Job Training Programs	547.1	24,369.9	5,685.2	30,602.2
Adult Basic Education	1,739.5	971.5	0.0	2,711.0
* BRU Total	2,340.8	55,857.7	11,418.3	69,616.8
Administrative Services				
DOL State Facilities Rent	246.5	0.0	0.0	246.5
Data Processing	114.7	4,288.6	2,049.1	6,452.4
Management Services	417.1	2,226.9	440.9	3,084.9
Labor Market Information	529.9	1,912.5	1,585.9	4,028.3
* BRU Total	1,308.2	8,428.0	4,075.9	13,812.1
Human Resources Investment Council				
Alaska Human Resources Investment Council	0.0	0.0	749.5	749.5
* BRU Total	0.0	0.0	749.5	749.5

Component Summary w/Funding - FY 03 Operating Budget - Senate Structure

Numbers AND Language Sections!

Agency: Department of Labor and Workforce Development

<u>Budget Component</u>	Gen Purpose	Fed Restricted	Other Funds	
	<u>Sen Sub</u>	<u>Sen Sub</u>	<u>Sen Sub</u>	<u>Sen Sub</u>
Alaska Labor Relations Agency				
Alaska Labor Relations Agency	342.0	0.0	0.0	342.0
* BRU Total	342.0	0.0	0.0	342.0
Workers' Compensation				
Fishermens Fund	0.0	0.0	1,312.2	1,312.2
Workers' Compensation	173.5	0.0	2,436.3	2,609.8
Second Injury Fund	0.0	0.0	3,182.5	3,182.5
* BRU Total	173.5	0.0	6,931.0	7,104.5
Labor Standards and Safety				
Wage and Hour Administration	1,456.8	0.0	22.6	1,479.4
Mechanical Inspection	1,280.0	0.0	229.6	1,509.6
Occupational Safety and Health	89.6	1,942.3	1,445.3	3,477.2
Alaska Safety Advisory Council	0.0	0.0	108.4	108.4
* BRU Total	2,826.4	1,942.3	1,805.9	6,574.6
Vocational Rehabilitation				
Client Services	3,203.9	8,727.4	365.0	12,296.3
Federal Training Grant	5.6	50.7	0.0	56.3
Vocational Rehabilitation Administration	171.0	1,279.8	20.8	1,471.6
Independent Living Rehabilitation	676.9	770.8	145.1	1,592.8

Component Summary w/Funding - FY 03 Operating Budget - Senate Structure

Numbers AND Language Sections!

Agency: Department of Labor and Workforce Development

<u>Budget Component</u>	Gen Purpose	Fed Restricted	Other Funds	
	<u>Sen Sub</u>	<u>Sen Sub</u>	<u>Sen Sub</u>	<u>Sen Sub</u>
Vocational Rehabilitation				
Disability Determination	0.0	4,926.4	201.2	5,127.6
Special Projects	85.8	1,526.6	154.1	1,766.5
Assistive Technology	0.0	471.7	96.0	567.7
Americans With Disabilities Act (ADA)	0.0	0.0	194.7	194.7
* BRU Total	4,143.2	17,753.4	1,176.9	23,073.5
*** Total Agency Expenditure	11,494.4	83,981.4	26,477.8	121,953.6

Agency Totals - FY 03 Operating Budget - Senate Structure

Numbers AND Language Sections!

Agency: Department of Labor and Workforce Development

	<u>02MatPln</u>	<u>S. Intro</u>	<u>Sen Sub</u>	<u>House</u>	<u>Gov Amd</u>	<u>02MatPln to Sen Sub</u>	
Totals for Agency	119,119.6	120,295.5	121,953.6	121,234.5	122,497.7	2,834.0	2.4 %
<u>Objects of Expenditure:</u>							
Personal Services	51,179.8	52,513.0	53,378.3	53,226.4	53,771.3	2,198.5	4.3 %
Travel	2,400.3	2,400.3	2,446.4	2,426.4	2,528.7	46.1	1.9 %
Contractual	23,455.4	23,460.3	22,542.0	22,516.1	22,598.9	-913.4	-3.9 %
Commodities	1,860.3	1,860.3	2,191.8	2,183.0	2,212.8	331.5	17.8 %
Equipment	1,004.7	1,004.7	629.9	629.9	629.9	-374.8	-37.3 %
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Grants, Claims	39,219.1	39,219.1	40,756.1	40,756.1	40,756.1	1,537.0	3.9 %
Miscellaneous	0.0	-162.2	9.1	-503.4	0.0	9.1	100.0 %
<u>Funding Sources:</u>							
1002 Fed Rcpts	82,255.8	83,158.4	83,981.4	83,981.4	83,981.4	1,725.6	2.1 %
1003 G/F Match	3,037.7	3,037.7	2,734.8	2,734.8	2,734.8	-302.9	-10.0 %
1004 Gen Fund	8,235.7	8,240.6	7,896.0	7,176.9	7,859.8	-339.7	-4.1 %
1005 GF/Prgm	954.7	954.7	863.6	863.6	1,552.3	-91.1	-9.5 %
1007 I/A Rcpts	10,673.7	10,851.8	11,242.8	11,242.8	11,242.8	569.1	5.3 %
1031 Sec Injury	3,173.8	3,177.6	3,177.6	3,177.6	3,177.6	3.8	0.1 %
1032 Fisher Fnd	1,307.8	1,312.2	1,312.2	1,312.2	1,312.2	4.4	0.3 %
1049 Trng/Bldg	682.6	692.7	692.7	692.7	692.7	10.1	1.5 %
1054 Empl Trng	5,150.1	5,165.6	5,165.6	5,165.6	5,165.6	15.5	0.3 %
1061 CIP Rcpts	75.0	75.0	157.4	157.4	157.4	82.4	109.9 %
1108 Stat Desig	638.5	639.6	748.0	748.0	639.6	109.5	17.1 %
1117 VocSmBus	365.0	365.0	365.0	365.0	365.0	0.0	0.0 %
1157 Wrkrs Safe	2,569.2	2,624.6	3,616.5	3,616.5	3,616.5	1,047.3	40.8 %

Agency Totals - FY 03 Operating Budget - Senate Structure

Numbers AND Language Sections!

Agency: Department of Labor and Workforce Development

	<u>02MatPln</u>	<u>S Intro</u>	<u>Sen Sub</u>	<u>House</u>	<u>Gov Amd</u>	<u>02MatPln to Sen Sub</u>	
Positions:							
Perm Full Time	827.0	827.0	847.0	844.0	853.0	20.0	2.4 %
Perm Part Time	76.0	76.0	59.0	59.0	59.0	-17.0	-22.4 %
Temporary	14.0	14.0	9.0	9.0	9.0	-5.0	-35.7 %
Funding Summary:							
Gen Purpose	12,228.1	12,233.0	11,494.4	10,775.3	12,146.9	-733.7	-6.0 %
Fed Restricted	82,255.8	83,158.4	83,981.4	83,981.4	83,981.4	1,725.6	2.1 %
Other Funds	24,635.7	24,904.1	26,477.8	26,477.8	26,369.4	1,842.1	7.5 %

**Department of Labor and Workforce Development
Impact Statements in Response to
Senate Finance Subcommittee Budget Proposals
Date: April 19, 2002**

Prepared by: Remond Henderson, Administrative Services Director

Program: Mechanical Inspection	Dollar Amount(s): (\$6,100)	Fund Source(s): General Fund
	(\$225,000)	General Fund Program Receipts

Impact Title: Deny funding to reduce serious backlog of boiler safety inspections.

Impact Analysis: The Senate Finance Subcommittee's decision to eliminate funding for two new boiler/pressure vessel inspectors and one clerk in the Mechanical Inspection program means that the current inspection backlog of over 6,000 boilers and pressure vessels overdue for safety inspection will not decrease in the foreseeable future. The two new boiler inspectors would generate additional inspection fee receipts of approximately \$225,000.

Program: Mechanical Inspection	Dollar Amount(s): (\$22,800)	Fund Source(s): General Fund
	(\$67,500)	General Fund Program Receipts

Impact Title: Eliminate One New Elevator Inspector Position

Impact Analysis: Eliminating the funding for one new elevator inspector position in the Mechanical Inspection program means a backlog of over 300 devices overdue for inspection can not be addressed. The new inspector would generate additional inspection fee receipts of approximately \$67,500.

Program: Occupational Safety and Health	Dollar Amount(s): (\$222,700)	Fund Source(s): General Fund
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Impact Title: Eliminate Funding for Oil Safety and Development Initiative

Impact Analysis: The Senate Finance Subcommittee's action deletes one new industrial hygienist position in Anchorage, and one new electrical inspector in Anchorage. These positions will ensure that facilities erected or used during gas and oil production or development comply with the National Electrical Code and Uniform Plumbing Code. Employees should have a safe and healthy work environment with protection against hazardous materials and exposures.

**Department of Labor and Workforce Development
Impact Statements in Response to
Senate Finance Subcommittee Budget Proposals
Date: April 15, 2002**

Prepared by: Remond Henderson, Administrative Services Director

The Senate Finance Subcommittee's budget reduces the Department of Labor and Workforce Development's general fund budget request by \$652,500 from the Governor's amended budget.

Program:	Dollar Amount(s):	Fund Source(s):
Mechanical Inspection	(\$6,100)	General Fund
	(\$225,000)	General Fund Program Receipts

Impact Title: Deny funding to reduce serious backlog of boiler safety inspections.

Impact Analysis: The Senate Finance Subcommittee's decision to eliminate funding for two new boiler/pressure vessel inspectors and one clerk in the Mechanical Inspection program means that the current inspection backlog of over 6,000 boilers and pressure vessels overdue for safety inspection will not decrease in the foreseeable future. These devices are used for steam/hot water heating systems, power generation and storage of gases under pressure. Without regular inspections, the division cannot ensure that maintenance and repairs to boilers and pressure vessels are being carried out as appropriate. A boiler that is not properly maintained represents a clear and immediate risk to life and property.

New vessels are coming into service constantly throughout the state, and must be inspected before they can be used. The division has attempted to cope with this situation by increasing efficiency and training plumbing inspectors to do some of the lower-pressure vessel inspections, but the size of the state and the travel and weather challenges involved present an effective upper limit to what can be accomplished with the current number of inspectors. The two new boiler inspectors would generate additional inspection fee receipts of approximately \$225,000.

With these new positions, the Mechanical Inspection program estimates that the backlog could be eliminated within four years, and kept current from then on. The clerical position was requested to handle the increased accounting associated with fees and certificates for the backlog of vessels.

Pending legislation, HB 262, provides for fees for mechanical inspections and certificates of fitness collected by the department to be deposited into a new Building Safety Account (a subfund of the general fund). The revenue in this account will

replace all general fund program receipt authorization and most of the general fund authorization used to support the mechanical inspection program.

Program:	Dollar Amount(s):	Fund Source(s):
Mechanical Inspection	(\$22,800)	General Fund
	(\$67,500)	General Fund Program Receipts

Impact Title: Eliminate One New Elevator Inspector Position

Impact Analysis: The Senate Finance Subcommittee's decision to eliminate funding for one new elevator inspector position in the Mechanical Inspection program means that the single elevator inspector within the program will continue to perform all required elevator and wheelchair lift inspections statewide (excluding Anchorage where work is performed by the Municipality of Anchorage). New mechanisms come into service regularly, and cannot be used until they are inspected. A backlog of over 300 devices overdue for inspection has developed in the two years since elimination of the second inspector, a change to biennial inspections notwithstanding.

The position was requested in order that the program might better accommodate the workload currently allotted to the program's one elevator inspector. The new inspector would generate additional inspection fee receipts of approximately \$67,500.

Program:	Dollar Amount(s):	Fund Source(s):
Occupational Safety and Health	(\$222,700)	General Fund

Impact Title: Eliminate Funding for Oil Safety and Development Initiative

Impact Analysis: The Senate Finance Subcommittee's action deletes one new industrial hygienist position in Anchorage, and one new electrical inspector in Anchorage. Duties for these positions involve safety and health inspections on new and existing wells and drilling projects. Workplace safety at aging oil and gas production facilities on the North Slope and in Cook Inlet are serious concerns. These positions will ensure that facilities erected or used during gas and oil production or development comply with the National Electrical Code and Uniform Plumbing Code. All employees should have a safe and healthy work environment with protection against hazardous materials and exposures.

LAW

GARY WILKEN

SENATOR
West Fairbanks

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Alaska State Legislature

Senate

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MEMORANDUM

TO: Senator Dave Donley, Co-chairman
Senator Pete Kelly, Co-chairman
Senate Finance Committee

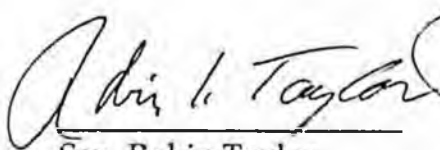
FROM: Senator Gary Wilken, Chairman
Senate Finance Subcommittee for the Department of Law

RE: Department of Law
FY03 Operating Budget

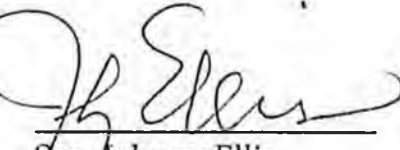
DATE: 12 April 2002

The Senate Finance Subcommittee for the Department of Law met on Friday, April 12, 2002 and voted to forward the attached spreadsheets to the full Senate Finance Committee for consideration.

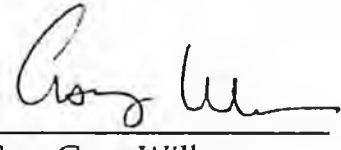
Thank you for your assistance.



Sen. Robin Taylor
Member



Sen. Johnny Ellis
Member



Sen. Gary Wilken
Chairman

Department of Law

Considered by the Finance Subcommittee on April 12, 2002

General Purpose Fund Group Only ('000s)

BRU/Component	FY01	FY02		FY03 Sen.	FY03	FY03 Intro	
	Actual	MgtPln	δ%	Intro	Sen. SC	to Sen. SC	δ%
Office of the Attorney General	334.4	338.2	1.1%	(120.8)	(161.5)	(40.7)	-33.7%
Office of the Attorney General	334.4	338.2	1.1%	344.8	344.8	0.0	0.0%
Agency-wide Unallocated Reduction	0.0	0.0	n/a	(465.6)	(506.3)	(40.7)	8.7%
Criminal Division	12,941.6	13,581.4	4.9%	13,857.8	13,558.8	(299.0)	-2.2%
First Judicial District	1,203.7	1,243.1	3.3%	1,267.7	1,261.8	(5.9)	-0.5%
Second Judicial District	765.0	876.5	14.6%	891.8	882.4	(9.4)	-1.1%
Third Judicial District: Anchorage	3,067.9	3,285.1	7.1%	3,357.2	3,246.8	(110.4)	-3.3%
Third Judicial District: Outside Anchorage	2,355.0	2,322.1	-1.4%	2,366.9	2,465.4	98.5	4.2%
Fourth Judicial District	2,759.6	2,854.5	3.4%	2,912.9	2,843.1	(69.8)	-2.4%
Criminal Justice Litigation	1,416.2	1,513.9	6.9%	1,541.8	1,518.3	(23.5)	-1.5%
Criminal Appeals/Special Litigation Component	1,374.2	1,486.2	8.2%	1,519.5	1,591.0	71.5	4.7%
Unallocated Reduction	0.0	0.0	n/a	0.0	(250.0)	(250.0)	
Civil Division	8,452.5	7,850.5	-7.1%	8,001.8	7,309.8	(692.0)	-8.6%
Deputy Attorney General's Office	1,478.9	206.3	-86.1%	210.2	200.2	(10.0)	-4.8%
Collections and Support	341.7	519.9	52.2%	528.4	528.4	0.0	0.0%
Commercial Section	307.7	275.2	-10.6%	279.3	314.0	34.7	12.4%
Environmental Law	549.6	576.8	4.9%	586.9	600.0	13.1	2.2%
Fair Business Practices	413.5	483.8	17.0%	494.3	471.9	(22.4)	-4.5%
Governmental Affairs Section	1,100.7	1,461.7	32.8%	1,484.0	1,033.6	(450.4)	-30.4%
Human Services Section	2,868.8	2,968.3	3.5%	3,026.0	3,026.0	0.0	0.0%
Legislation/Regulations	395.6	375.2	-5.2%	382.7	382.7	0.0	0.0%
Natural Resources	929.6	960.4	3.3%	982.8	982.8	0.0	0.0%
Special Litigation	66.4	7.0	-89.5%	9.7	2.7	(7.0)	-72.2%
Transportation Section	0.0	0.0	n/a	1.6	1.6	0.0	0.0%
Timekeeping and Support	0.0	15.9	n/a	15.9	15.9	0.0	0.0%
Unallocated Reduction	0.0	0.0	n/a	0.0	(250.0)	(250.0)	
Statehood Defense	919.8	1,095.4	19.1%	1,114.5	1,114.5	0.0	0.0%
Statehood Defense	919.8	1,095.4	19.1%	1,114.5	1,114.5	0.0	0.0%
Oil and Gas Litigation & Legal Services	3,311.6	3,313.8	0.1%	3,313.8	2,721.3	(592.5)	-17.9%
Oil & Gas Litigation	2,894.5	2,868.1	-0.9%	2,868.1	2,868.1	0.0	0.0%
Oil & Gas Legal Services	417.1	445.7	6.9%	445.7	295.7	(150.0)	-33.7%
Unallocated Reduction	0.0	0.0	n/a	0.0	(442.5)	(442.5)	
Administration and Support	555.5	557.8	0.4%	570.0	590.0	20.0	3.5%
Administrative Services	555.5	557.8	0.4%	570.0	590.0	20.0	3.5%
Total Agency Expenditure	\$26,515.4	\$26,737.1	0.8%	\$26,737.1	\$25,132.9	(\$1,604.2)	-6.0%
				Target =	25,132.9	(1,604.2)	-6.0%

Change Detail

3RU / Component / Detail	Gen Fund	I/A Rcpts	Fed	Other	Total
Governor's Amended FY03 Request	27,639.0				
Office of the Attorney General	(506.3)				(506.3)
<i>Agency-wide Unallocated Reduction</i>	<i>(506.3)</i>				<i>(506.3)</i>
Unallocated Reduction	(506.3)				(506.3)
Criminal Division	(750.1)	17.2	(1.7)		(734.6)
<i>First Judicial District</i>	<i>(13.8)</i>				<i>(13.8)</i>
Legal Secretary Reclassification	(13.8)				(13.8)
<i>Second Judicial District</i>	<i>(14.6)</i>				<i>(14.6)</i>
Legal Secretary Reclassification	(14.6)				(14.6)
<i>Third Judicial District</i>	<i>(257.1)</i>	<i>(1.9)</i>			<i>(259.0)</i>
Legal Secretary Reclassification	(35.9)	(1.9)			(37.8)
.08 Blood Alcohol/Felony DWI - Annualize Fiscal Note Funding	(168.4)				(168.4)
Therapeutic Courts - Fully Fund Fiscal Note	(33.3)				(33.3)
Restore one time equipment for Therapeutic Drug & Alcohol Courts	(19.5)				(19.5)
<i>Third Judicial District; Outside Anchorage</i>	<i>(22.9)</i>				<i>(22.9)</i>
Legal Secretary Reclassification	(22.9)				(22.9)
<i>Fourth Judicial District</i>	<i>(113.1)</i>				<i>(113.1)</i>
Restore one time equipment for Therapeutic Drug & Alcohol Courts	(13.0)				(13.0)
Legal Secretary Reclassification	(29.2)				(29.2)
Therapeutic Courts - Annualize Fiscal Note Funding	(70.9)				(70.9)
<i>Criminal Justice Litigation</i>	<i>(68.9)</i>	<i>20.0</i>			<i>(48.9)</i>
Victim Witness Effort	(20.0)	20.0			0.0
Legal Secretary Reclassification	(8.9)				(8.9)
Victim Notification for Court Proceeding	(40.0)				(40.0)
<i>Criminal Appeals/Special Litigation</i>	<i>(9.7)</i>	<i>(0.9)</i>	<i>(1.7)</i>		<i>(12.3)</i>
Legal Secretary Reclassification	(9.7)	(0.9)	(1.7)		(12.3)
<i>Unallocated Reduction</i>	<i>(250.0)</i>				<i>(250.0)</i>
Unallocated Reduction	(250.0)				(250.0)
Civil Division	(794.6)	(60.4)		(2.4)	(857.4)
<i>Collections and Support</i>	<i>(119.2)</i>	<i>(8.4)</i>			<i>(127.6)</i>
Legal Secretary Reclassification	(8.4)	(8.4)			(16.8)
Victim Restitution Program - Fully Fund Fiscal Note	(106.5)				(106.5)
.08 Blood Alcohol/Felony DWI - Annualize Fiscal Note Funding	(4.3)				(4.3)
<i>Commercial Section</i>	<i>(126.8)</i>	<i>(3.0)</i>			<i>(129.8)</i>
Legal Secretary Reclassification	(6.8)	(3.0)			(9.8)
Telecommunications Act Outside Counsel	(120.0)				(120.0)
<i>Environmental Law</i>	<i>(3.2)</i>	<i>(3.2)</i>		<i>(2.4)</i>	<i>(8.8)</i>
Legal Secretary Reclassification	(3.2)	(3.2)		(2.4)	(8.8)
<i>Fair Business Practices</i>	<i>(3.8)</i>	<i>(8.1)</i>			<i>(11.9)</i>
Legal Secretary Reclassification	(3.8)	(8.1)			(11.9)
<i>Governmental Affairs</i>	<i>(4.0)</i>	<i>(11.7)</i>			<i>(15.7)</i>
Legal Secretary Reclassification	(4.0)	(11.7)			(15.7)
<i>Human Services</i>	<i>(272.5)</i>	<i>(18.8)</i>			<i>(291.3)</i>
Legal Secretary Reclassification	(25.5)	(18.8)			(44.3)
Paralegal support for Bethel / Fairbanks	(98.7)				(98.7)
Therapeutic Courts - Fully Fund Fiscal Note	(148.3)				(148.3)
<i>Legislation / Regulations</i>	<i>(2.4)</i>				<i>(2.4)</i>
Legal Secretary Reclassification	(2.4)				(2.4)
<i>Natural Resources</i>	<i>(12.7)</i>	<i>(7.2)</i>			<i>(19.9)</i>
Legal Secretary Reclassification	(12.7)	(7.2)			(19.9)
<i>Unallocated Reduction</i>	<i>(250.0)</i>				<i>(250.0)</i>
Unallocated Reduction	(250.0)				(250.0)
Statehood Defense	(2.3)				(2.3)
<i>Statehood Defense</i>	<i>(2.3)</i>				<i>(2.3)</i>
Legal Secretary Reclassification	(2.3)				(2.3)
Oil & Gas Litigation and Legal Services	(452.8)				(452.8)
<i>Oil and Gas Litigation</i>	<i>(10.3)</i>				<i>(10.3)</i>
Legal Secretary Reclassification	(10.3)				(10.3)
<i>Unallocated Reduction</i>	<i>(442.5)</i>				<i>(442.5)</i>
Unallocated Reduction	(442.5)				(442.5)
Agency Change	(2,506.1)	(43.2)	(1.7)	(2.4)	(2,553.4)
FY03 Senate Subcommittee Target	25,132.9				
FY03 Senate Intro	26,737.1				
Change: Sen. Intro to Sen. Target	(1,604.2)				
% Change: Sen. Intro to Sen. Target	-6.0%				

Agency Totals - FY 03 Operating Budget - Senate Structure

Numbers AND Language Sections!

Agency: Department of Law

	<u>02MolPln</u>	<u>S Intro</u>	<u>Sen Sub</u>	<u>House</u>	<u>S intro to Sen Sub</u>	
Totals for Agency	46,766.7	47,089.4	46,615.4	46,656.1	-474.0	-1.0 %
<u>Objects of Expenditure:</u>						
Personal Services	33,284.9	34,073.2	34,479.1	34,479.1	405.9	1.2 %
Travel	1,178.6	1,178.6	1,179.2	1,179.2	0.6	0.1 %
Contractual	11,380.1	11,380.1	11,541.0	11,541.0	160.9	1.4 %
Commodities	832.0	832.0	818.2	818.2	-13.8	-1.7 %
Equipment	91.1	91.1	46.7	46.7	-44.4	-48.7 %
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0 %
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0 %
Miscellaneous	0.0	-465.6	-1,448.8	-1,408.1	-983.2	211.2 %
<u>Funding Sources:</u>						
1002 Fed Rcpts	480.4	486.7	488.4	488.4	1.7	0.3 %
1003 G/F Match	158.6	158.6	158.6	158.6	0.0	0.0 %
1004 Gen Fund	26,122.5	26,122.5	24,518.3	24,559.0	-1,604.2	-6.1 %
1005 GF/Prgm	392.2	392.2	392.2	392.2	0.0	0.0 %
1007 I/A Rcpts	16,966.6	17,269.7	18,300.8	18,300.8	1,031.1	6.0 %
1037 GF/MH	63.8	63.8	63.8	63.8	0.0	0.0 %
1055 IA/OIL HAZ	470.8	478.7	481.1	481.1	2.4	0.5 %
1105 PFund Rcpt	1,477.0	1,477.0	1,477.0	1,477.0	0.0	0.0 %
1108 Stat Desig	507.8	511.0	606.0	606.0	95.0	18.6 %
1134 F&G CFP	127.0	129.2	129.2	129.2	0.0	0.0 %

Agency Totals - FY 03 Operating Budget - Senate Structure

Numbers AND Language Sections!

Agency: Department of Law

	<u>02MotPln</u>	<u>S Intro</u>	<u>Sen Sub</u>	<u>House</u>	<u>S Intro to Sen Sub</u>	
<u>Positions:</u>						
Perm Full Time	469.0	469.0	472.0	472.0	3.0	0.6 %
Perm Part Time	18.0	18.0	18.0	18.0	0.0	0.0 %
Temporary	0.0	0.0	0.0	0.0	0.0	0.0 %
<u>Funding Summary:</u>						
Gen Purpose	26,737.1	26,737.1	25,132.9	25,173.6	-1,604.2	-6.0 %
Fed Restricted	480.4	486.7	488.4	488.4	1.7	0.3 %
Other Funds	19,549.2	19,865.6	20,994.1	20,994.1	1,128.5	5.7 %

Component Summary - FY 03 Operating Budget - Senate Structure

Numbers AND Language Sections!

Agency: Department of Law

<u>Budget Component</u>	<u>02MalPln</u>	<u>S Intro</u>	<u>Sen Sub</u>	<u>House</u>	<u>02MalPln to Sen Sub</u>		<u>S Intro to Sen Sub</u>		<u>House to Sen Sub</u>	
Office of the Attorney General										
Office of the Attorney General	338.2	344.8	344.8	344.8	6.6	2.0 %	0.0	0.0 %	0.0	0.0 %
Agency-wide Unallocated Reduction	0.0	-465.6	-506.3	-465.6	-506.3	0.0 %	-40.7	8.7 %	-40.7	8.7 %
* BRU Total	338.2	-120.8	-161.5	-120.8	-499.7	-147.8 %	-40.7	33.7 %	-40.7	33.7 %
Criminal Division										
First Judicial District	1,243.1	1,267.7	1,261.8	1,261.8	18.7	1.5 %	-5.9	-0.5 %	0.0	0.0 %
Second Judicial District	876.5	891.8	882.4	882.4	5.9	0.7 %	-9.4	-1.1 %	0.0	0.0 %
Third Judicial District: Anchorage	3,679.1	3,758.5	3,650.0	3,650.0	-29.1	-0.8 %	-108.5	-2.9 %	0.0	0.0 %
Third Judicial District: Outside Anchorage	2,322.1	2,368.5	2,467.0	2,467.0	144.9	6.2 %	98.5	4.2 %	0.0	0.0 %
Fourth Judicial District	3,154.5	3,214.8	3,145.0	3,145.0	-9.5	-0.3 %	-69.8	-2.2 %	0.0	0.0 %
Criminal Justice Litigation	1,720.7	1,750.5	1,727.0	1,727.0	6.3	0.4 %	-23.5	-1.3 %	0.0	0.0 %
Criminal Appeals/Special Litigation Component	2,705.7	2,757.1	2,831.2	2,831.2	125.5	4.6 %	74.1	2.7 %	0.0	0.0 %
Unallocated Reduction	0.0	0.0	-250.0	-250.0	-250.0	0.0 %	-250.0	0.0 %	0.0	0.0 %
* BRU Total	15,701.7	16,008.9	15,714.4	15,714.4	12.7	0.1 %	-294.5	-1.8 %	0.0	0.0 %
Civil Division										
Deputy Attorney General's Office	206.3	210.2	200.2	200.2	-6.1	-3.0 %	-10.0	-4.8 %	0.0	0.0 %
Collections and Support	1,862.2	1,894.5	1,902.9	1,902.9	40.7	2.2 %	8.4	0.4 %	0.0	0.0 %
Commercial Section	1,885.9	1,915.3	2,000.9	2,000.9	115.0	6.1 %	85.6	4.5 %	0.0	0.0 %
Environmental Law	1,204.4	1,225.0	1,241.3	1,241.3	36.9	3.1 %	16.3	1.3 %	0.0	0.0 %

Component Summary - FY 03 Operating Budget - Senate Structure

Numbers AND Language Sections!

Agency: Department of Law

<u>Budget Component</u>	<u>02MatPln</u>	<u>S Intro</u>	<u>Sen Sub</u>	<u>House</u>	<u>02MatPln to Sen Sub</u>		<u>S Intro to Sen Sub</u>		<u>House to Sen Sub</u>	
Civil Division										
Fair Business Practices	1,585.6	1,616.3	1,712.9	1,712.9	127.3	8.0 %	96.6	6.0 %	0.0	0.0 %
Governmental Affairs Section	3,105.9	3,150.2	3,551.8	3,551.8	445.9	14.4 %	401.6	12.7 %	0.0	0.0 %
Human Services Section	3,931.2	4,011.3	4,030.1	4,030.1	98.9	2.5 %	18.8	0.5 %	0.0	0.0 %
Legislation/Regulations	503.5	513.1	513.1	513.1	9.6	1.9 %	0.0	0.0 %	0.0	0.0 %
Natural Resources	1,275.9	1,304.3	1,311.5	1,311.5	35.6	2.8 %	7.2	0.6 %	0.0	0.0 %
Oil, Gas and Mining	2,856.0	2,908.8	2,919.1	2,919.1	63.1	2.2 %	10.3	0.4 %	0.0	0.0 %
Special Litigation	2,361.3	2,407.2	2,421.2	2,421.2	59.9	2.5 %	14.0	0.6 %	0.0	0.0 %
Transportation Section	2,089.8	2,128.2	2,143.8	2,143.8	54.0	2.6 %	15.6	0.7 %	0.0	0.0 %
Timekeeping and Support	735.0	749.9	769.2	769.2	34.2	4.7 %	19.3	2.6 %	0.0	0.0 %
Unallocated Reduction	0.0	0.0	-250.0	-250.0	-250.0	0.0 %	-250.0	0.0 %	0.0	0.0 %
* BRU Total	23,603.0	24,034.3	24,468.0	24,468.0	865.0	3.7 %	433.7	1.8 %	0.0	0.0 %
Statehood Defense										
Statehood Defense	1,095.4	1,114.5	1,114.5	1,114.5	19.1	1.7 %	0.0	0.0 %	0.0	0.0 %
* BRU Total	1,095.4	1,114.5	1,114.5	1,114.5	19.1	1.7 %	0.0	0.0 %	0.0	0.0 %
Oil and Gas Litigation and Legal Services										
Oil & Gas Litigation	4,345.1	4,345.1	4,345.1	4,345.1	0.0	0.0 %	0.0	0.0 %	0.0	0.0 %
Oil & Gas Legal Services	445.7	445.7	295.7	295.7	-150.0	-33.7 %	-150.0	-33.7 %	0.0	0.0 %
Unallocated Reduction	0.0	0.0	-442.5	-442.5	-442.5	0.0 %	-442.5	0.0 %	0.0	0.0 %
* BRU Total	4,790.8	4,790.8	4,198.3	4,198.3	-592.5	-12.4 %	-592.5	-12.4 %	0.0	0.0 %

Component Summary - FY 03 Operating Budget - Senate Structure

Numbers AND Language Sections!

Agency: Department of Law

<u>Budget Component</u>	<u>02MatPln</u>	<u>S Intro</u>	<u>Sen Sub</u>	<u>House</u>	<u>02MatPln to Sen Sub</u>		<u>S Intro to Sen Sub</u>		<u>House to Sen Sub</u>	
Administration and Support										
Administrative Services	1,237.6	1,261.7	1,281.7	1,281.7	44.1	3.6 %	20.0	1.6 %	0.0	0.0 %
* BRU Total	1,237.6	1,261.7	1,281.7	1,281.7	44.1	3.6 %	20.0	1.6 %	0.0	0.0 %
*** Total Agency Expenditure	46,766.7	47,089.4	46,615.4	46,656.1	-151.3	-0.3 %	-474.0	-1.0 %	-40.7	-0.1 %
Gen Purpose	26,737.1	26,737.1	25,132.9	25,173.6	-1,604.2	-6.0 %	-1,604.2	-6.0 %	-40.7	-0.2 %
Fed Restricted	480.4	486.7	488.4	488.4	8.0	1.7 %	1.7	0.3 %	0.0	0.0 %
Other Funds	19,549.2	19,865.6	20,994.1	20,994.1	1,444.9	7.4 %	1,128.5	5.7 %	0.0	0.0 %

Transaction 1-Way Comparison - FY 03 Operating Budget - Senate Structure

Numbers & Language

From S Intro to Sen Sub

Agency: Department of Law

	Trans Type	Total Expnd	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
<u>Office of the Attorney General</u>													
Agency-wide Unallocated Reduction													
Unallocated Reduction	Unalloc	-40.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-40.7	0.0	0.0	0.0
1004 Gen Fund		-40.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-40.7	0.0	0.0	0.0
		-40.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-40.7	0.0	0.0	0.0
*** BRU Difference ***													
		-40.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-40.7	0.0	0.0	0.0
<u>Criminal Division</u>													
First Judicial District													
To Third Judicial District: Outside Anchorage to adjust vacancy	TrOut	-4.7	-4.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-4.7											
To Criminal Appeals/Special Litigation to adjust vacancy	TrOut	-1.2	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-1.2											
		-5.9	-5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Second Judicial District													
To Third Judicial District: Outside Anchorage to adjust vacancy	TrOut	-9.4	-9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-9.4											
		-9.4	-9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Third Judicial District: Anchorage													
PCN 03-1224 to Third Judicial Dist: Outside Anchorage	TrOut	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
To Third Judicial District: Outside Anchorage to adjust vacancy	TrOut	-84.4	-84.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-84.4											
Reverse one time equipment for Therapeutic Drug & Alcohol Courts Sec 2 CH 60 SLA 01 P 39 L 29 (Ch64-HB 172)	OTI	-19.5	0.0	0.0	0.0	0.0	-19.5	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-19.5											
Back out one-time equipment costs related to HB 179	OTI	-6.5	0.0	0.0	0.0	0.0	-6.5	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-6.5											

Transaction 1-Way Comparison - FY 03 Operating Budget - Senate Structure

Numbers & Language

From S Intro to Sen Sub

Agency: Department of Law

Criminal Division

Third Judicial District: Anchorage

Legal Secretary Reclassification: I/A funding
1007 I/A Rcpts 1.9

Trans Type	Total Expnd	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/Bldgs	Grants	Misc	PFT	PPT	Tmp
Inc	1.9	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	-108.5	-82.5	0.0	0.0	0.0	-26.0	0.0	0.0	0.0	-1.0	0.0	0.0

Third Judicial District: Outside Anchorage

PCN 03-1224 from Thrd Judicial Dist: Anchorage

From First Judicial District to adjust vacancy
1004 Gen Fund 4.7

From Second Judicial District to adjust vacancy
1004 Gen Fund 9.4

From Thrd Judicial District: Anchorage to adjust vacancy
1004 Gen Fund 84.4

TrIn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
TrIn	4.7	4.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TrIn	9.4	9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TrIn	84.4	84.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	98.5	98.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0

Fourth Judicial District

To Criminal Appeals/Special Litigation to adjust vacancy
1004 Gen Fund -56.8

Reverse one time equipm for Therapeutic Drug &
Alcohol Courts Sec 2 CH 60 SLA 01 P 39 L 29 (Ch64-HB
172)
1004 Gen Fund -13.0

TrOut	-56.8	-56.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTI	-13.0	0.0	0.0	0.0	0.0	-13.0	0.0	0.0	0.0	0.0	0.0	0.0
	-69.8	-56.8	0.0	0.0	0.0	-13.0	0.0	0.0	0.0	0.0	0.0	0.0

Criminal Justice Litigation

PCN 03-1245 from Criminal Appeals/Special Litigation

PCN 03-026 to Criminal Appeals/Special Litigation

To Criminal Appeals/Special Litigation to adjust vacancy
1004 Gen Fund -13.5

To Admin Support Appropriation/Admin Services
allocation to adjust vacancy
1004 Gen Fund -10.0

TrIn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
TrOut	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
TrOut	-13.5	-13.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TrOut	-10.0	0.0	0.0	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	-23.5	-13.5	0.0	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Transaction 1-Way Comparison - FY 03 Operating Budget - Senate Structure

Numbers & Language

From S Intro to Sen Sub

Agency: Department of Law

	Trans Type	Total Expend	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
Criminal Appeals/Special Litigation Component													
PCN 03-0266 from Criminal Justice Litigation	TrIn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
From First Judicial District to adjust vacancy 1004 Gen Fund 1.2	TrIn	1.2	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
From Fourth Judicial District to adjust vacancy 1004 Gen Fund 56.8	TrIn	56.8	56.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
From Criminal Justice Litigation to adjust vacancy 1004 Gen Fund 13.5	TrIn	13.5	13.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PCN 03-1245 to Criminal Justice Litigation	TrOut	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Legal Secretary Reclassification: I/A & Federal funding 1002 Fed Rcpts 1.7 1007 I/A Rcpts 0.9	Inc	2.6	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AMD: Technical Correction of position count	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	-1.0	0.0
		74.1	74.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	-1.0	0.0
Unallocated Reduction													
Reduce funding within the Criminal Division only 1004 Gen Fund -250.0	Unalloc	-250.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-250.0	0.0	0.0	0.0
		-250.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-250.0	0.0	0.0	0.0
*** BRU Difference ***		-294.5	4.5	0.0	-10.0	0.0	-39.0	0.0	0.0	-250.0	1.0	-1.0	0.0
Civil Division													
Deputy Attorney General's Office													
Adjust Vacancy Factor	LIT	0.0	-1.2	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
To Admin Support Appropriation/Admin Services allocation to adjust vacancy 1004 Gen Fund -10.0	TrOut	-10.0	0.0	0.0	-10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		-10.0	-1.2	0.0	-8.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Collections and Support													
Legal Secretary Reclassification: I/A Funding 1007 I/A Rcpts 8.4	Inc	8.4	8.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		8.4	8.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Transaction 1-Way Comparison - FY 03 Operating Budget - Senate Structure

Numbers & Language

From S Intro to Sen Sub

Agency: Department of Law

	Trans Type	Total Expnd	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/Bldgs	Grants	Misc	PFT	PPT	Tmp
Commercial Section													
From Governmental Affairs to adjust vacancy 1004 Gen Fund 12.3	TrIn	12.3	12.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PCN 03-0263 from Environmental Law	TrIn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Transfer GF from Fair Business Practices/Replaces I/A 1004 Gen Fund 22.4	TrIn	22.4	22.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer I/A back to Fair Business Practices, Replace with GF 1007 I/A Rcpts -22.4	TrOut	-22.4	-22.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PCN 03-212 to Environmental Law	TrOut	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Legal Secretary Reclassification: I/A Funding 1007 I/A Rcpts 3.0	Inc	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banking & Securities Attorney 1007 I/A Rcpts 70.3	Inc	70.3	58.1	0.1	10.4	1.7	0.0	0.0	0.0	0.0	0.0	1.0	0.0
		85.6	73.4	0.1	10.4	1.7	0.0	0.0	0.0	0.0	0.0	1.0	0.0
Environmental Law													
From Governmental Affairs to adjust vacancy 1004 Gen Fund 13.1	TrIn	13.1	13.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PCN 03-212 from Commercial Section	TrIn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
PCN 03-0263 to Commercial Section	TrOut	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Legal Secretary Reclassification: I/A Funding 1007 I/A Rcpts 0.8 1055 IA/OIL HAZ 2.4	Inc	3.2	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		16.3	16.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fair Business Practices													
Transfer I/A from Commercial/Replace with GF 1007 I/A Rcpts 22.4	TrIn	22.4	22.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer GF to Commercial/Replaces I/A 1004 Gen Fund -22.4	TrOut	-22.4	-22.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Back out one-time equipment costs related to HB 228 1007 I/A Rcpts -6.5	OTI	-6.5	0.0	0.0	0.0	0.0	-6.5	0.0	0.0	0.0	0.0	0.0	0.0

Transaction 1-Way Comparison - FY 03 Operating Budget - Senate Structure

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From S Intro to Sen Sub

Agency: Department of Law

	Trans Type	Total Expnd	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
Civil Division													
Fair Business Practices													
Legal Secretary Reclassification: I/A Funding 1007 I/A Rcpts 8.1	Inc	8.1	8.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AMD: Consumer Protection Investigator 1108 Stat Desig 95.0	Inc	95.0	61.9	0.3	30.6	1.1	1.1	0.0	0.0	0.0	1.0	0.0	0.0
		96.6	70.0	0.3	30.6	1.1	-5.4	0.0	0.0	0.0	1.0	0.0	0.0
Governmental Affairs Section													
Reduce funding for Bank of America (Sec 41 CH 61 SLA 01 P 93 L 28 SB29) 1004 Gen Fund -425.0	OTI	-425.0	0.0	0.0	-425.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
To Commercial Section to adjust vacancy 1004 Gen Fund -12.3	TrOut	-12.3	-12.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
To Environmental Law to adjust vacancy 1004 Gen Fund -13.1	TrOut	-13.1	-13.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Legal Secretary Reclassification: I/A Funding 1007 I/A Rcpts 11.7	Inc	11.7	11.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retirement & Benefits Attorney IV Position and Funding 1007 I/A Rcpts 140.3	Inc	140.3	116.0	0.2	20.7	3.4	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Permanent Fund Corp. Outside Counsel 1007 I/A Rcpts 700.0	Inc	700.0	0.0	0.0	700.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		401.6	102.3	0.2	295.7	3.4	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Human Services Section													
PCN 03-1039 from Transportation Section	TrIn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Legal Secretary Reclassification: I/A Funding 1007 I/A Rcpts 18.8	Inc	18.8	18.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		18.8	18.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Natural Resources													
Legal Secretary Reclassification: I/A Funding 1007 I/A Rcpts 7.2	Inc	7.2	7.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		7.2	7.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Transaction 1-Way Comparison - FY 03 Operating Budget - Senate Structure

Numbers & Language

From S Intro to Sen Sub

Agency: Department of Law

	Trans Type	Total Exprd	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
Oil, Gas and Mining													
Legal Secretary Reclassification 1007 I/A Rcpts 10.3	Inc	10.3	10.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		10.3	10.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Litigation													
Reduce funding for Tort Reform SLA 01 Ch3 Sec8(a) Pg31 L8 1004 Gen Fund -7.0	OTI	-7.0	0.0	0.0	-7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Legal Secretary Reclassification 1007 I/A Rcpts 21.0	Inc	21.0	21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		14.0	21.0	0.0	-7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transportation Section													
PCN 03-1039 to Human Services	TrOut	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Legal Secretary Rr classification 1007 I/A Rcpts 15.6	Inc	15.6	15.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		15.6	15.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Timekeeping and Support													
Legal Secretary Reclassification 1007 I/A Rcpts 19.3	Inc	19.3	19.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		19.3	19.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unallocated Reduction													
Reduce funding within the Civil Division only 1004 Gen Fund -250.0	Unalloc	-250.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-250.0	0.0	0.0	0.0
		-250.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-250.0	0.0	0.0	0.0
*** BRU Difference ***		433.7	361.4	0.6	320.9	6.2	-5.4	0.0	0.0	-250.0	2.0	1.0	0.0
<u>Oil and Gas Litigation and Legal Services</u>													
Oil & Gas Legal Services													
Reduce funding for Gasline Legal Services Sec 8(b) CH 3 SLA 01 P 3 L 21 (HB 117) 1004 Gen Fund -150.0	OTI	-150.0	0.0	0.0	-150.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		-150.0	0.0	0.0	-150.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Transaction 1-Way Comparison - FY 03 Operating Budget - Senate Structure

Numbers & Language

From S Intro to Sen Sub

Agency: Department of Law

Trans Type	Total Expend	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
Unallocated Reduction												
Reduce funding within the Oil & Gas Litigation & Legal appropriation	Unalloc	-442.5	0.0	0.0	0.0	0.0	0.0	0.0	-442.5	0.0	0.0	0.0
1004 Gen Fund		-442.5										
		-442.5	0.0	0.0	0.0	0.0	0.0	0.0	-442.5	0.0	0.0	0.0
*** BRU Difference ***												
		-592.5	0.0	0.0	-150.0	0.0	0.0	0.0	-442.5	0.0	0.0	0.0
Administration and Support												
Administrative Services												
Adjust Vacancy Factor	LIT	0.0	20.0	0.0	0.0	-20.0	0.0	0.0	0.0	0.0	0.0	0.0
From Criminal Division/Criminal Justice Litigation to adjust vacancy	TrIn	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		10.0										
From Civil Division/Deputy Attorney General to adjust vacancy	TrIn	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		10.0										
		20.0	40.0	0.0	0.0	-20.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Difference ***												
		20.0	40.0	0.0	0.0	-20.0	0.0	0.0	0.0	0.0	0.0	0.0
**** Agency Difference ****												
		-474.0	405.9	0.6	160.9	-13.8	-44.4	0.0	-983.2	3.0	0.0	0.0
***** Differences - All Agencies *****												
		-474.0	405.9	0.6	160.9	-13.8	-44.4	0.0	-983.2	3.0	0.0	0.0

**Department of Law
Impact Statements in Response to
Senate Finance Subcommittee Budget Proposals
Date: April 19, 2002
Prepared by: Kathryn Daughhete**

The Senate Finance Subcommittee's budget reduces the Department of Law's general fund request by \$2,506,100 from the Governor's amended budget request. \$1,604,200 represents a reduction from our budget in FY 02. The most critical pieces of the \$2,506,100 general fund reduction are summarized as follows:

1. \$680,000 in denied and unavoidable salary cost increases. This amount represents the combination of the FY 03 negotiated salary increases for state employees, and reclassification costs to provide better pay equity and reduce the high turnover in agency's law office assistant positions.
2. \$531,700 in denied funds related to the fiscal impacts of new crime laws for victim restitution, drunk driving, and therapeutic courts.
3. \$983,200 in cuts directed to the three primary units in the Department: Criminal Division, Civil Division, and Oil & Gas Litigation.

The above cuts, plus additional targeted cuts, are discussed below. A large portion of the department's funding is provided through interagency agreements with our client agencies. We do not yet know how cuts to those agency's budgets will impact Department of Law.

Program:	Dollar	Fund
Office of the Attorney General	Amount(s):	Source(s):
	(\$506,300)	General Fund

Impact Title and Analysis: Unallocated reduction in an amount equal to FY 03 labor cost increase plus an additional \$40.7 "The mission of the Department of Law is to provide legal services to state government and to prosecute crime." The combined specific and unallocated budget reductions described hereafter pose serious questions regarding how effectively our mission can be accomplished.

Program:	Dollar	Fund
Criminal Division	Amount(s):	Source(s):
Third and Fourth Judicial Districts	(\$250,000)	General Fund

Impact Title and Analysis: Reduce prosecution attorneys and support staff. The only way to reduce the cost of prosecution is to reduce staff. At least three attorney positions in Anchorage and Fairbanks could be eliminated. This reduction will be made

increasingly difficult as a result of the City of Fairbanks' recent repeal of all of its domestic violence ordinances, which shifts the burden and cost of prosecution and incarceration from the city to the state.

Program:	Dollar Amount(s):	Fund Source(s):
Civil Division Human Services	(\$148,900)	Inter-Agency Receipts

Impact Title and Analysis: *Discontinue the "Balloon Project" which moves children from state custody to permanent homes.* Without the funds that HSS would have transferred to Law for one of two child protection attorneys, there will be a resurgence of the backlog of Alaskan children in foster care or other temporary home situations awaiting permanent placement. With the elimination of one attorney position, legal timelines establishing how quickly these cases need to move to conclusion, will in all likelihood, not be met.

Program:	Dollar Amount(s):	Fund Source(s):
Civil Division Unallocated	(\$250,000)	General Fund

Impact Title and Analysis: *Reduce Civil Division services.* This reduction represents the loss of attorneys and/or paraprofessional and support staff positions. Whenever possible, as a matter of priority, we try to protect from cuts those legal services needed to ensure the safety and health of Alaskan citizens. It is therefore likely that some legal services provided on behalf of the Departments of Natural Resources and Fish and Game will have to be eliminated.

Program:	Dollar Amount(s):	Fund Source(s):
Civil Division & Criminal Division Law Office Assistant Reclass	(\$214,400)	General Fund

Impact Title and Analysis: *Reduce Law Office Assistant positions.* The Senate Finance Subcommittee did not include general funds for the cost of the reclassification of legal secretaries to law office assistants. The study was begun in the wake of a grievance filed by the union and because of retention and recruitment problems. Without the funds to pay for the increased salary costs, some positions will have to be eliminated.

Program:	Dollar Amount(s):	Fund Source(s):
Civil Division Collections and Support	(\$106,500)	General Fund

Impact Title and Analysis: *Deny full fiscal note funding for victim restitution legislation (Ch 60, SLA 01).* As many as 5,000 victim restitution court orders may be sent to the Civil Division for collection as a result of passage of this new legislative act. Because the full amount of requested funding for this process was denied, the victim restitution effort may fall far short of its goal of successfully tracking down convicted criminals and delinquents and making payment to victims who are due restitution.

Program:	Dollar Amount(s):	Fund Source(s):
Criminal Division Fourth Judicial District	(\$100,000 - 200,000)	General Fund

Impact Title: *Move District Attorney office out of the old Fairbanks Courthouse.* The Department of Transportation and Public Facilities states that as a consequence of budget reductions to that agency, it plans to close the old Fairbanks Courthouse on July 1, 2002. Twenty-five attorneys and support staff are located in that building. Law does not have all the funds needed for a new office and will need to further reduce staff in that office or elsewhere, or request supplemental funding in FY 2003.

Program:	Dollar Amount(s):	Fund Source(s):
Criminal Division Third & Fourth Judicial Districts	(\$104,200)	General Fund
Civil Division Human Services	(\$118,300)	General Fund

Impact Title and Analysis: *Deny full year funding for new therapeutic court legislation.* Therapeutic courts for felony drug and alcohol offenders are very resource intensive in terms of the treatment programs, close monitoring of defendants, and the frequency of hearings. Only a portion of the funding for three Criminal Division positions was received. One attorney for Human Services to handle additional cases anticipated as a result of adding the new superior court judge was not funded at all. Lack of funds to address prosecutions could jeopardize the program's success.

Program:	Dollar Amount(s):	Fund Source(s):
Criminal Division Third Judicial District	(\$168,400)	General Fund

Impact Title and Analysis: *Deny full year funding for new drunk driving legislation.* Failure to adequately fund new staff required by the passage of this new drunk driving legislation will mean the level of prosecution will not meet the public's expectation.

Program:	Dollar Amount(s):	Fund Source(s):
Oil & Gas Litigation and Legal Services		
Oil & Gas Litigation	(\$442,500)	General Fund

Impact Title: Reduce Oil & Gas Litigation

Impact Analysis:

These funds pay for the cost of litigating the state's oil and gas pipeline-related, tax, and royalty cases. This reduction will result in less money contracted to outside counsel and experts. Further reductions to this appropriation might result in the need for a supplemental request for additional general funds in FY 03 and beyond.

**Department of Law
Impact Statements in Response to
Senate Finance Subcommittee Budget Proposals
Date: April 17, 2002
Prepared by: Kathryn Daughhete**

The Senate Finance Subcommittee's budget reduces the Department of Law's general fund request by \$2,506,100 from the Governor's amended budget request. \$1,604,200 represents a reduction from our budget in FY 02. The most critical pieces of the \$2,506,100 general fund reduction are summarized as follows:

1. \$680,000 in denied salary cost increases, which are unavoidable without severe reductions in staffing levels since 71 percent of the department's budget is for payroll costs. This amount represents the combination of the FY 03 negotiated salary increases for state employees, and reclassification costs to provide better pay equity and reduce the high turnover in agency's law office assistant positions.
2. \$531,700 in denied funds related to the fiscal impacts of new crime laws for victim restitution, drunk driving, and therapeutic courts.
3. \$983,200 in cuts directed to the three primary units in the Department: Criminal Division, Civil Division, and Oil & Gas Litigation.

The above cuts, plus additional targeted cuts, are discussed below. A large portion of the department's funding is provided through interagency agreements with our client agencies. We do not yet know how cuts to those agency's budgets will impact Department of Law.

Program:	Dollar Amount(s):	Fund Source(s):
Office of the Attorney General	(\$506,300)	General Fund

Impact Title: Unallocated reduction in an amount equal to FY 03 labor cost increase plus an additional \$40.7

Impact Analysis:

The department is uncertain how to absorb this reduction in consideration of the many other budget reductions discussed hereafter.

"The mission of the Department of Law is to provide legal services to state government and to prosecute crime." The combined specific and unallocated budget reductions pose serious questions regarding how effectively our mission can be accomplished. The department is facing directed reductions to its major functions, which can only be sustained through reductions in staff. One option for the unallocated cut would be to further reduce Oil & Gas Litigation and place a much higher certainty on the need to

request supplemental funds in FY 03 in order to continue that work. Another option would involve further across-the-board reductions, which would in turn require further reductions in staff and even further limit this agency's ability to carry out its mission.

Program:	Dollar Amount(s):	Fund Source(s):
Criminal Division Third and Fourth Judicial Districts	(\$250,000)	General Fund

Impact Title: Reduce prosecution attorneys and support staff

Impact Analysis:

The only way to reduce the cost of prosecution is to reduce staff. Furthermore, since many of the division's 14 district attorney offices are staffed by just one or two attorneys, staff reductions will need to be focussed on the Anchorage and Fairbanks offices. At least three attorney positions could be eliminated. This reduction will be made increasingly difficult as a result of the City of Fairbanks' recent repeal of all of its domestic violence ordinances, which shifts the burden and cost of prosecution and incarceration from the city to the state.

Program:	Dollar Amount(s):	Fund Source(s):
Civil Division Human Services	(\$148,900)	Inter-Agency Receipts

Impact Title: Discontinue the "Balloon Project" which moves children from state custody to permanent homes

Impact Analysis: The Department of Health and Social Services (HSS) subcommittee has denied the "Balloon Project" increment to continue the highly successful project to move children from foster care to permanent homes. Without the funds that HSS would have transferred to Law for one of two child protection attorneys, there will be a resurgence of the backlog of Alaskan children in foster care or other temporary home situations awaiting permanent placement. New laws passed in 1998 (Ch. 99, SLA 98) define the timelines within which certain actions must be taken to move these kinds of cases to conclusion more quickly. With the elimination of one attorney position, those timelines will in all likelihood not be met.

Program:	Dollar Amount(s):	Fund Source(s):
Civil Division Unallocated	(\$250,000)	General Fund

Impact Title: Reduce Civil Division services

Impact Analysis:

This reduction represents the loss of two attorneys, or one attorney in combination with other paraprofessional and support staff positions. Although the Human Services section funding represents the largest allocation of general funds within the division, a further reduction is not sustainable there because two positions will already be eliminated with the loss of "Balloon" funding discussed previously. Whenever possible, as a matter of priority, we try to protect from cuts those legal services needed to ensure the safety and health of Alaskan citizens. Other general fund services involving employment law, elections, protection of natural resources, legislation, state treasury, and commercial enterprises will be considered for possible reduction. It is likely that some legal services provided on behalf of the Departments of Natural Resources and Fish and Game will have to be eliminated.

Program:	Dollar Amount(s):	Fund Source(s):
Civil Division & Criminal Division Law Office Assistant Reclass	(\$214,400)	General Fund

Impact Title: Reduce Law Office Assistant positions

Impact Analysis:

The Senate Finance Subcommittee did not include requested general funds to pay for the cost of the reclassification of this agency's former legal secretaries to law office assistants. The study was begun in the wake of a grievance filed by the union on behalf of these positions. The grievance was precipitated by an action taken by state government that resulted in a higher level of pay for non-legal secretaries in state government. It became increasingly difficult to recruit and retain competent legal support staff. To complicate matters, the job descriptions were woefully outdated. The classification study commenced in January 2000, was finalized in May of 2001, and implemented the following month. The study clearly indicated that the legal secretaries were inappropriately classified and underpaid. Without the funds to pay for the increased salary costs resulting from the reclassification of 121 support positions, some will have to be eliminated.

Program:	Dollar Amount(s):	Fund Source(s):
Civil Division Collections and Support	(\$106,500)	General Fund

Impact Title: Deny full fiscal note funding for victim restitution legislation (Ch 60, SLA 01).

Impact Analysis:

As many as 5,000 victim restitution court orders may be sent to the Civil Division for collection as a result of passage of this new legislation. The legislation became effective on January 1, 2002, and the workload related to the task of collecting, accounting for, and paying out restitution is just beginning to be felt. Because the full

amount of requested funding for this process was denied, the victim restitution effort may fall far short of its goal of successfully tracking down convicted criminals and delinquents and making payment to victims who are due restitution.

Program:	Dollar Amount(s).	Fund Source(s):
Criminal Division Fourth Judicial District	(\$150,000 - \$200,000)	General Fund

Impact Title: Move District Attorney office out of the old Fairbanks Courthouse

Impact Analysis:

The Department of Transportation and Public Facilities states that as a consequence of budget reductions to that agency, it plans to "cold close" the old Fairbanks Courthouse on July 1, 2002. Currently approximately 25 attorneys and support staff are located in that building. In order to remain there temporarily, or possibly move to other temporary quarters, and finally move to new permanent offices, will require additional funds Law does not have and had not planned on needing until approximately FY 2004. As the costs will now be incurred sooner than anticipated, Department of Law will need to further reduce staff in that office or elsewhere in order to make funds available to pay for the cost to keep the building open and maintained. In light of the previously described cuts and impacts that will impact the Fairbanks District Attorney's office, a FY 2003 supplemental request for funding may ensue.

Program:	Dollar Amount(s):	Fund Source(s):
Criminal Division Third & Fourth Judicial Districts	(\$104,200)	General Fund
Civil Division Human Services	(\$148,300)	General Fund

Impact Title: Deny full year funding for new therapeutic court legislation (Ch. 64, SLA 2001)

Impact Analysis:

Therapeutic courts for felony drug and alcohol offenders are very resource intensive. Defendants who are accepted into the court agree to enter a program structured for them that is very closely monitored. The court requires defendants to make frequent appearances, and all parties, including the prosecutor, attend these court proceedings. In FY 02, this agency received authority for three new criminal division attorneys, but funding for just a portion of those positions. One attorney for Human Services to handle additional cases anticipated as a result of adding the new superior court judge was not funded at all. Lack of this funding will leave Human Services attorneys further

scrambling to cover the caseload, which will be already sharply increased with the loss of the "Balloon Project" attorneys. Lack of funds to address prosecutions will mean less than adequate prosecutorial involvement in the program, and could jeopardize its success.

Program:	Dollar Amount(s):	Fund Source(s):
Criminal Division Third Judicial District	(\$168,400)	General Fund

Impact Title: Deny full year funding for new drunk driving legislation (Ch. 63, SLA 2001)

Impact Analysis:

Passage last year of stiffer alcohol laws requires new prosecutors in Anchorage to handle the increased drunk driving prosecutions as a result of the .08 percent BAC and the changes to the "look-back" periods for repeat DWI and felony DWI offenses. Failure to adequately fund new staff required by the passage of this legislation will mean the level of prosecution will not meet the public's expectation.

Program:	Dollar Amount(s):	Fund Source(s):
Civil Division Human Services	(\$98,700)	General Fund

Impact Title: Deny paralegal position for Fairbanks Human Services section

Impact Analysis:

Statewide, the Civil Division's largest concentration of staff is in the Human Services sections. This section provides important child protection, juvenile delinquency prosecution, mental health legal services, and protection of senior citizens. The Fairbanks section is the only location without paralegal support services for the Human Services attorneys. This office serves a huge geographical area and the caseload is excessive. Lack of funding for a paralegal will further compromise the ability to meet the timelines established in the 1998 child protection law.

Program:	Dollar Amount(s):	Fund Source(s):
Oil & Gas Litigation and Legal Services Oil & Gas Litigation	(\$442,500)	General Fund

Impact Title: Reduce Oil & Gas Litigation

Impact Analysis:

These funds pay for the cost of litigating the state's oil and gas pipeline-related, tax, and royalty cases. This reduction will result in less money contracted to outside counsel and experts who have historically assisted with a number of ongoing issues as well as new

cases. These experts are needed to ensure that Alaska gets its full oil and gas revenues. Further reductions to this appropriation, such as the unallocated reduction of \$465.6 to the Attorney General's Office, might result in the need for a supplemental request for additional general funds in FY 03 and beyond.

Program:	Dollar Amount(s):	Fund Source(s):
Civil Division Governmental Affairs	(\$120,000)	General Fund

Impact Title: Deny funds for tele communications representation

Impact Analysis:

Without these funds, the state may lose its legal representation on telecommunication matters in Washington, D.C., before the Federal Communications Commission. Since the passage of the Telecommunications Act of 1996, the focus has been on assuring that the implementation of that Act by the FCC advances the interests of Alaskans. Of particular consequence recently has been the protection and possible expansion of the policies of "geographic rate averaging" and "rate integration." These policies assure that Alaskans do not pay more for interstate long distance services than other Americans do. These policies are under continuous attack from long distance carriers who want the opportunity to charge prices that reflect costs in each area they serve.

MILITARY +
VETERANS
AFFAIRS

ALASKA STATE SENATE
SENATE FINANCE SUBCOMMITTEE

Department of Military & Veterans Affairs

Senator Alan Austerman, Chair
Senator Bettye Davis
Senator Randy Phillips
Senator Gene Therriault
Senator Gary Wilken

FY03 Operating Budget Closeout Recommendations

~ Approved in Subcommittee on April 16, 2002 ~

<u>Gov Amended</u>	<u>9,896.2</u>
<u>FY02 MgtPln</u>	<u>8,517.5</u>
<u>SB289 Intro</u>	<u>8,517.5</u>
<u>HB403 House Final</u>	<u>8,924.4</u>
<u>Senate Allocation</u>	<u>8,517.4</u>
<u>Senate Sub</u>	<u>8,517.4</u>

Narrative:

The subcommittee adopted the attached spreadsheet, summary and transaction worksheets that reflect all of the action below.

As you can see from the numbers above, this department's allocation is funded at the FY02 management plan level. Regardless of this fact, the subcommittee was able to fully fund the increased labor costs of 111.0, the increased grant for Veterans' Services of 20.0, the Air Guard's Anchorage Airport Joint User Fees of 41.0, the Air Guard's New Facilities operational costs in the amount of 52.7 (which is 4.2 under the House authorization) and the increase in actuarial costs to retirement benefits of 442.7.

In addition, we accepted the House GF decrements (Governor amended) to the Air Force Association Air Show Grant of 12.0 and a small technical adjustment of .7 to the State Active Duty component of the Guard. The subcommittee allowed a small technical addition of the words "Naval Militia" to the Educational Benefits component of the Alaska National Guard Benefits BRU. This was an oversight by the department and should have been included in the Governor's request, as well as the House version.

After funding the core services of the department, the allocation still left the subcommittee the decision of where to take an additional cut of 654.7. The department recommended and we approved to take a decrement of 654.7 GF and replace it with interagency receipts of 654.7 in the Alaska Military Youth Academy.

The subcommittee also commented that if HB 312 (Relating to funding the Alaska Challenge Youth Academy program) becomes law as written, then the fiscal note will reduce the GF to 0 for the entire component and be funded with I/A receipts from the Department of Education and Early Development. The Senate Finance Committee may also want to consider creating a new BRU/Component for the Academy within the DMVA budget structure if HB 312 passes.

~End of Report~

Transaction Detail - FY 03 Operating Budget - Senate Structure

Numbers & Language

Sen Sub Column

Agency: Department of Military and Veterans Affairs

	Trans Type	Total Expend	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
Commissioner's Office													
Office of the Commissioner													
FY02 Conference Committee	ConfCom	1,686.5	1,457.5	31.5	164.3	33.2	0.0	0.0	0.0	0.0	25.0	1.0	0.0
1002 Fed Rcpts		379.7											
1003 G/F Match		214.6											
1004 Gen Fund		809.3											
1007 I/A Rcpts		282.9											
Air Force Assn Air Show Grant Sec 79(c) CH61 SLA2001 P117 L29 (SB29) ADN 9-1-0083	ReAprop	12.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	0.0	0.0	0.0	0.0
1004 Gen Fund		12.0											
Delete One-Time Appropriation for Air Force Assn Air Show Grant Sec 79(c) CH61 SLA2001 P117 L29	OTI	-12.0	0.0	0.0	0.0	0.0	0.0	0.0	-12.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-12.0											
Reallocate line items to fund personal services costs for Human Resources section	LIT	0.0	26.0	0.0	26.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Year 3 Labor Costs - Not Change from FY2002	SalAdj	34.6	34.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		8.1											
1003 G/F Match		4.7											
1004 Gen Fund		15.6											
1007 I/A Rcpts		6.2											
Cost Allocation Plan Realignment of General Fund to General Fund Match	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 G/F Match		45.5											
1004 Gen Fund		-45.5											
		1,721.1	1,518.1	31.5	138.3	33.2	0.0	0.0	0.0	0.0	25.0	1.0	0.0
Agency-wide Unallocated Reduction													
Unallocated Reduction	Unalloc	-216.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-216.2	0.0	0.0	0.0
1003 G/F Match		-97.2											
1004 Gen Fund		-119.0											
reverse: Unallocated Reduction	Unalloc	216.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	216.2	0.0	0.0	0.0
1003 G/F Match		97.2											
1004 Gen Fund		119.0											
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** BRU Total***		1,721.1	1,518.1	31.5	138.3	33.2	0.0	0.0	0.0	0.0	25.0	1.0	0.0

Transaction Detail - FY 03 Operating Budget - Senate Structure

Numbers & Language

Sen Sub Column

Agency: Department of Military and Veterans Affairs

	Trans Type	Total Expend	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
Disaster Planning and Control													
Disaster Planning & Control													
FY02 Conference Committee	ConfCom	4,530.7	2,561.5	290.2	827.5	71.0	237.7	0.0	542.8	0.0	42.0	0.0	0.0
1002 Fed Rcpts		2,484.2											
1003 G/F Match		478.9											
1004 Gen Fund		203.0											
1007 I/A Rcpts		728.1											
1055 IA/OIL HAZ		499.4											
1061 CIP Rcpts		137.1											
New positions associated with funded increment for State Emergency Coordination Center 24-Hour Operation	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	0.0
Add interagency receipt funded position for the 24-hour State Emergency Coordination Center	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Adjust Lino Items to Reduce Vacancy Percentage	LIT	0.0	50.0	0.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Year 3 Labor Costs - Net Change from FY2002	SalAdj	53.5	53.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		27.3											
1004 Gen Fund		4.6											
1007 I/A Rcpts		11.1											
1055 IA/OIL HAZ		7.8											
1061 CIP Rcpts		2.7											
Year 3 Labor Cost--Replace IA/OIL HAZ with GF	Inc	7.8	7.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		7.8											
Funding Unavailable for Year 3 Labor Costs	Dec	-7.8	-7.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1055 IA/OIL HAZ		-7.8											
Fund Change to Reflect Direct Disaster Position Funding from Fed Funds Within Disaster Relief Fund	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		-350.0											
1007 I/A Rcpts		350.0											
		4,584.2	2,605.0	290.2	777.5	71.0	237.7	0.0	542.8	0.0	47.0	0.0	0.0
*** BRU Total ***		4,584.2	2,665.0	290.2	777.5	71.0	237.7	0.0	542.8	0.0	47.0	0.0	0.0

Transaction Detail - FY 03 Operating Budget - Senate Structure

Numbers & Language

Sen Sub Column

Agency: Department of Military and Veterans Affairs

	Trans Type	Total Expnd	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
<u>Local Emergency Planning Committee Grants</u>													
Local Emergency Planning Committee													
FY02 Conference Committee	ConfCom	493.2	0.0	0.0	0.0	0.0	0.0	0.0	493.2	0.0	0.0	0.0	0.0
1004 Gen Fund		19.8											
1053 Invst Loss		50.0											
1055 I/OIL HAZ		423.4											
		493.2	0.0	0.0	0.0	0.0	0.0	0.0	493.2	0.0	0.0	0.0	0.0
*** BRU Total***		493.2	0.0	0.0	0.0	0.0	0.0	0.0	493.2	0.0	0.0	0.0	0.0
<u>Alaska National Guard</u>													
National Guard Military Headquarters													
FY02 Conference Committee	ConfCom	331.9	305.2	21.3	3.0	2.4	0.0	0.0	0.0	0.0	3.0	0.0	0.0
1004 Gen Fund		331.9											
Adjutant General for Missile Defense CH30 SLA2001 (HB72) ADN 09-2-0002	FisNot02	200.0	148.4	35.0	16.6	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
1002 Fed Rcpts		200.0											
Year 3 Labor Costs - Net Change from FY2002	SalAdj	12.1	12.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts		3.8											
1004 Gen Fund		8.3											
		544.0	465.7	56.3	19.6	2.4	0.0	0.0	0.0	0.0	4.0	0.0	0.0
Army Guard Facilities Maintenance													
FY02 Conference Committee	ConfCom	10,619.9	3,363.4	301.0	5,915.9	839.6	200.0	0.0	0.0	0.0	58.0	1.0	1.0
1002 Fed Rcpts		7,098.4											
1003 G/F Match		604.0											
1004 Gen Fund		1,011.4											
1005 GF/Prgm		28.4											
1007 I/A Rcpts		657.5											
1061 CIP Rcpts		183.2											
1108 Stat Desig		237.0											
Add position for federally-funded environmental program	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Army Guard Deferred & Preventative Maintenance Projects Line Item Adjustment	LIT	0.0	0.0	0.0	200.0	0.0	-200.0	0.0	0.0	0.0	0.0	0.0	0.0
Allocate Funding for Federally Funded Environmental Program Position	LIT	0.0	48.0	0.0	-48.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0