

ALASKA LEGISLATURE

2497

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

Amendment to CSSH B 75(FIN)/S

Offered in the House Finance Committee by
Representative Harris

Appropriation: Statewide Support
Allocation: Training Academy

Add: \$8,200 of General Funds

Appropriation: Statewide Support
Allocation: Administrative Services

Add: \$57,700 of General Funds

Appropriation: Statewide Support
Allocation: Alaska Public Safety Information Network

Add: \$17,600 of General Funds

Appropriation: Statewide Support
Allocation: Laboratory Services

Add: \$29,500 of General Funds

Explanation: This amendment restores the Governor's original request to fund telecommunications and computer services in several allocations. General funds from Fire Prevention and Alaska Criminal Records and Identification are supplanted with their own excess receipt supported services by increasing the amount available for carry-forward in FY04. These general funds are then spread throughout the agency as requested.

DPS 2

AMENDMENT

Offered by: Representative Stoltze

ADD

Department of Public Safety
Alaska State Troopers
Alaska State Trooper Detachments
1108 SDPR (Statutory Designated Program Receipts) \$75.0

Discussion:

The Matanuska-Susitna Borough would like to provide financial support for state trooper presence in Palmer. A contract will be drafted by the borough for approval by the Department of Public Safety. The contract will specify an increase of state trooper presence and that the additional funding will not be used to supplant general funds or other funding for existing services provided to the Mat-Su Borough.

Replacement

DPS-3

AMENDMENT

OFFERED BY REPRESENTATIVE *CROFT*
IN THE HOUSE FINANCE COMMITTEE:

DELETE:

Department: Public Safety
Appropriation: Alaska State Troopers
Allocation: Alaska State Troopers Detachment

Increment:
\$280.0

Fund Source:
AHFC Dividend

Explanation: This amendment restores \$280,000 cut to the Alaska State Troopers.

Budget Impact: Net \$0

MOSES

AMENDMENT

Offered by Representative Moses

House Finance Sub-committee on the Department of Public Safety

DPSA

It is the intent of the Legislature that the Department of Public Safety will continue to look for supportive funding for the M/V Stimson by contracting with the western Alaska fishermen and coordinating with the Department of Fish and Game through the test fisheries program.

AMENDMENT

DOC 1

**OFFERED BY REP. JOULE
IN THE HOUSE FINANCE COMMITTEE**

To: CS SS HB 75 (FIN)

ADD

Department: Corrections
BRU: Administration and Operations
Component: Community Jails

Add GF 400.0

Since January 1995, community jails have only received an increase of \$424.4 despite an approximate 10.5% consumer price increase during this period (1995-2000). During this same time period prisoner populations have increased with many jails at bed capacity. At the same time all other costs for running and maintaining a jail have increased, especially in rural Alaska. This increment will help to at least stabilize this funding shortfall.

COR 2

Amendment to CSSH B 75(FIN)/S

Offered in the House Finance Committee by
Representative Harris

Agency: Department of Corrections
Appropriation: Administration and Operations
Allocation: Point MacKenzie Correctional Farm

Page 9, line 19

Delete: -100,000 General Funds

Explanation:

This amendment reverses an increment included by the subcommittee for items which belong in the capital budget.

DEC 1

Amendment to CSSSHB 75(FIN)/S

Offered in the House Finance Committee by
Representative Harris

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Appropriation: Administration
Allocation: Office of the Commissioner

Delete: \$100,000 GF

EDUCATION & EARLY DEVELOPMENT

Appropriation: Alaska Library and Museums
Allocation: Library Operations

Add: \$100,000 GF

Explanation: This amendment removes a total of \$100,000 of general funds from DEC's Commissioner's Office and places \$100,000 of general funds in the Library Operations component in DEED.

DEC 2

AMENDMENT to FY 04 Operating Budget

Offered By: Representative CROFT

ADD

Agency: Dept. of Environmental Conservation
BRU: Environmental Health ~~Division~~ *Quality*
Component: Laboratory Services

Fund Source	Amount
1004 General Fund	\$137.1

TITLE: Restore Funding for two positions: one organic chemist and one inorganic chemist, at the State Chemistry Laboratory.

Impacts of closing lab:

- 8 Jobs Lost
- Environmental studies program will have to cancel classes affecting 50 students
- 5 classes will have no lab/classroom
- 7 Grants stopped mid-project
- SE Alaska Science Fair will have no place for students to do projects

The DEC lab and chemists currently perform three main duties. First, they analyze tests from contaminated sites, second, they audit private labs, and third, they act as a teaching facility for both the University and high school. Closing the lab would be a step backwards for both science & education in Alaska. This amendment would keep minimum staff necessary to continue education functions.

This lab is important to the University's economic viability and is an integral part of both the teaching and research function of the Environmental Science Program. There are currently approximately 50 environmental science students at UAS, five environmental science classes, and grant based projects in progress utilizing the lab. The University contributes \$25,000 annually to use the lab and its equipment, valued at \$2 million dollars. Due to the specialization of the DEC lab, it is the only southeast location equipped to perform this type of research. Without the lab, the Environmental Science Program would not exist, which would force the University to give back federal research dollars and reduce the amount of future federal money. This would cut the amount of programs available through the university and is contradictory to their goals of expanding the program and ensuring that jobs are filled within the state rather than hiring individuals who have no practical study in Alaska.

Students participating in the Southeast Alaska Science Fair use the lab and rely on the expertise of the chemists to create and test their projects. This year, 4 Juneau winners qualified for the Intel International Science and Engineering Fair in Cleveland, Ohio. Future science fair competitors from all of Southeast Alaska will be affected by the closure due to limited lab space in our region.

Agency: Dept. of Environmental Conservation
BRU: Environmental Health Division
Component: Laboratory Services

TITLE: Restore Funding for one organic chemist and one in-organic chemist at the State Chemistry Laboratory.

Talking Points:

- 8 Positions would be lost (two retained but moved out of lab).
- Last year the lab received \$95,000 receipts from services and space rental.
- Space for the DEC lab has been prepaid and will remain under lease until 2006.

University of Alaska

- It makes no sense to close the lab, lose the equipment, and hurt UAS when we already have the lab and the lease is prepaid.
- The DEC lab in Juneau acts as a teaching facility. Undergraduates obtaining degrees in Environmental Science, at the University of Alaska Southeast, use the lab's analytical equipment, valued at \$2 million dollars to do scientific research.
- Currently there are seven grant funded research projects in progress at the lab. Grants were given with the understanding that the University would have adequate space and instrumentation to conduct research.

High School

- The science fair is growing. This year was the first year the Science Fair was open to all Southeast Alaska Students. To encourage more SE students to participate, the Juneau high school will be holding a class for area wide teachers to come to Juneau and find out more about the fair. This will increase enrollment of other SE students, increasing the need for a laboratory and chemists.
- While lab personnel act as mentors for high school students, they have in the past and may continue to, take part in judging science fair projects and may be on the scientific review team that approves all projects prior to entry.
- The science fair committee is made up of volunteers. Therefore, they would not be able to accommodate students financially to fund the services that the lab provides if these resources were taken away.

DLWD I

by Harris

Amendment to CSSSHB 75(FIN)/S

DEPARTMENT: LABOR & WORKFORCE DEVELOPMENT

Appropriation: Office of the Commissioner

Allocation: Commissioner's Office

Delete: 100,000 GF

Appropriation: Vocational Rehabilitation

Allocation: Independent Living Rehabilitation

Add: 200,000 GF

DEPARTMENT OF FISH AND GAME

Appropriation: Administration and Support

Allocation: Commissioner's Office

Delete: 100,000 GF

Explanation:

This amendment removes a total of \$200,000 (\$100,000 from each of the Commissioner's Offices in DFG and Labor) and replaces a portion of the general funds cut by the Governor in the Independent Living Rehabilitation Program.

DLWD2

AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE
BY REPRESENTATIVE CROFT

Department: Department of Labor & Workforce Development

Appropriation: Vocational Rehabilitation

Allocation: Independent Living Rehabilitation

Increment: \$235.5GF

Department: Department of Labor & Workforce Development

Appropriation: Compensation and Safety

Allocation: Wage & Hour

Increment: \$67.7GF

Budget Impact: \$303.2 GF

Explanation: This amount is intended increase Independent Living and Wage Hour GF to its original amount.

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AMENDMENT NO. _____

TO: CSSSHB 75 (Fin)

by JOULE

Work draft dated 4/1/03

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

ADD:
BRU: *Business Partnerships*
Kotzebue Tech Operations Grant: \$300.0 GF
Center

DEED 1

Amendment to CSSSHB 75(FIN)/S

Offered in the House Finance Committee by
Representative Harris

Agency: Department of Education and Early Development

Appropriation: K-12 Support

Allocation: Foundation Program

Add: \$1,340,900 of General Funds

Explanation: This increment corrects an error in the Governor's original operating budget and provides the correct projection for the FY04 Foundation Program.

DEED 2

Amendment to CSSSHB 75(FIN)/S

Offered in the House Finance Committee by
Representative Harris

EDUCATION & EARLY DEVELOPMENT

BRU: Alaska Library and Museums
Component: Museum Operations

Add: 23,200 ILTF

Explanation:

This amendment provides \$23,200 ILTF for the Sheldon Jackson Museum in the Alaska Library and Museums BRU, Museum Operations Component. This amendment will allow funds to assure maintenance of extended museum hours seven days a week during tourist season and will provide additional funds for traveling exhibits to smaller museums and the loan of artifacts.

Note: This amendment would exhaust the available balance in the Investment Loss Trust Fund.

AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE
BY: REPRESENTATIVE CROFT

DEPARTMENT OF EDUCATION:

Add:

Alyeska Central School	
Alyeska Central School	Net Zero (I/A transfer)
	(4,338.9) formula
	4,338.9 Alyeska

This budget amendment will restore funds from the formula to the Alyeska Central School to continue to provide a certificated year-round correspondence school program for Alaskan students.

Failure to restore these funds will mean:

- *displacement of over 3,000 students, and loss of over 40 jobs ;
- * increased costs to the formula when students enroll in brick and mortar schools – making them eligible for an additional 20% or more of formula funds;
- * inability of at least some students, including special needs students, currently enrolled to finish their coursework this year thereby failing to complete their grade—with associated costs for make-up in the coming year.

Alyeska Central School also provides a cost effective means of offering highly qualified instructors to rural students per the requirements of No Child Left Behind.

~~Budget Impact: Net (0)-~~

DEED 4

AMENDMENT

OFFERED BY REPRESENTATIVE *CROFT*
IN THE HOUSE FINANCE COMMITTEE

ADD:

Department: Education & Early Development
Appropriation: K-12 Support
Allocation: Community Schools

Increment:

\$500.0 AHFC *Div*

Explanation: This increment will restore funds for the Community Schools programs. Community schools statewide use this small amount of money to leverage matching funds that in FY02 were in excess of \$7 million in small grants, volunteer and in-kind donated services. Community Schools offer essential services such as Adult Basic Education, student prep work for benchmark tests, and supervised after school programs for children of working parents. This program serves thousands of adults and children statewide each year.

Department: Education & Early Development
Appropriation: K-12 Support
Allocation: Foundation Program

Increment:

\$ 16,261,158 AHFC *Div*

(this is to be reflected in the language section as an adjusted ADM grant.)

Explanation: This would put \$80 per student into the foundation formula section of the budget as adjusted average daily membership.

Budget Impact: Net: \$0 GF,
\$13,261,658 unappropriated AHFC dividend

DOR 1

Amendment to CSSH B 75(FIN)/S

Offered in the House Finance Committee by
Representative Harris

Department of Revenue

Page 31, line 21

Delete: -1,300,000 **Add:** -150,000

Page 31, line 27

Delete: 1,300,000 **Add:** 150,000

Explanation:

This amendment replaces a \$1.3 million dollar unallocated general fund reduction with a \$150 thousand unallocated general fund reduction and reduces funding for the Alaska Natural Gas Development Authority to \$150,000.

ADF#9 1

Amendment to CSSH B 75(FIN)/S

Offered in the House Finance Committee by
Representative Harris

DEPARTMENT: FISH AND GAME

Appropriation: Administration and Support
Allocation: Boards of Fisheries and Game

Delete: 56.4 General Funds
Add: 56.4 Federal Funds

Appropriation: Administration and Support
Allocation: Advisory Committees

Delete: 56.4 Federal Funds
Add: 56.4 General Funds

Explanation: Technical Amendment transferring funds between components.

ADFG 2

AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE

To: CSSSHB 75 (FIN)
Work Draft 4-1-03

by JOULE

ADD: \$200,000 GF

AGY. Department of Fish & Game

BRU. Subsistence

COM. Subsistence

PURPOSE: To restore adequate funding by offsetting the 20% reduction in AIDEA contributions. Without funding restoration, regional subsistence harvest and use updates will be reduced from a five-year to a seven-year frequency.

This information is also used by the Boards of Fish and Game who rely on accurate, current information to implement subsistence priority laws, and to make allocation and regulatory decisions among users.

DCED 1

Amendment to CSSH B 75(FIN)/S

Offered in the House Finance Committee by
Representative Harris

AGENCY: Department of Community and Economic Development

Appropriation: Alaska Science and Technology Foundation

Allocation: Alaska Science and Technology Foundation

Delete: \$10,518,600 Science & Technology Endowment Income
\$ 90,000 Statutory Designated Program Receipts

Explanation: The decrement removes all funding from the Alaska Science & Technology Foundation's FY04 operating budget.

LANGUAGE AMENDMENT

Sec. 18, page 57, line 10,

Insert:

- (d) The balance of the Alaska science and technology endowment (AS 37.17.020) on June 30, 2003, including unobligated and unencumbered earnings, is appropriated to the general fund.

Explanation: This amendment restores the Governor's requested language depositing the entire ASTF Endowment into the general fund.

DCED 2

AMENDMENT

OFFERED BY REPRESENTATIVE MOSES
IN THE HOUSE FINANCE COMMITTEE

ADD:

Department: Community & Economic Development
Appropriation: Power Cost Equalization
Allocation: Power Cost Equalization

Increment:
\$4,300.0

Fund source:
AHFC Dividends

Explanation:
This amendment fully funds Power Cost Equalization. PCE impacts about 79,000 citizens living in 189 participating communities.

Budget Impact: ~~GF \$0~~

AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE

BY REPRESENTATIVE Croft

Safe Communities and Revenue Sharing Programs

Page 57, line 1

Replace subsections a and b with the following language:

(a) The sum of \$4,193,900 is appropriated from the international trade and business endowment (AS 37.17.440) to the Department of Community and Economic Development for distribution through the Safe Communities Program (AS 44.33.119-.125).

(b) After the appropriation made by (a) of this section, the balance of the international trade and business endowment (AS 34.17.440) on June 30, 2003, including any unobligated and unencumbered earnings, is appropriated to the Department of Community and Economic Development for distribution through the State Revenue Sharing Program (AS 29.60.010-.310).

Page 57, following line 9

Add the following new subsection:

(d) The sum of \$2,500,000 is appropriated from the state land disposal income fund (AS 38.04.022) to the Department of Community and Economic Development for distribution through the State Revenue Sharing Program (AS 29.60.010-.310).

Explanation:

This amendment (1) restores funding for the Safe Communities Program to the FY03 level and (2) restores approximately \$2.7 million (of a \$3.2 million reduction from FY03 funding level) to the Revenue Sharing program. Both are accomplished without additional general fund expenditures.

Budget Impact: Net \$0

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

FRANK H. MURKOWSKI, GOVERNOR

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April 4, 2003

Harris

DHSS I

The Honorable Lyda Green
The Honorable Gary Wilken
The Honorable John Harris
The Honorable Bill Williams
Alaska State Legislature
State Capitol
Juneau, AK 99801

Dear Finance Committee Co-Chairs:

We are submitting the following operating budget amendment for your consideration:

(The amendment below is based upon CSSH B 75(FIN) that is currently before the House Finance Committee. For SB 36, it would be a new appropriation of \$1,300,000.)

Amend sec. 1, Health and Social Services, page 21, lines 22 and 31, to read:

	Allocations	Appropriation Items	General Funds	Other Funds
Human Services		<u>1,300,000</u>	<u>1,300,000</u>	
Community		[850,000]	[850,000]	
Matching Grant				
Human Services	<u>1,300,000</u>			
Community	[850,000]			
Matching Grant				

These funds are used as grants to Anchorage and Fairbanks for services which include, but are not limited to, substance abuse treatment, mental health services, food and shelter for the low income population, sexual assault and domestic violence treatment, runaway shelters, health services for the low income population, housing and rehabilitation for the physically and mentally ill. Anchorage and Fairbanks contract with non-profit agencies to provide these services.

DHSS 2

AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE

BY REPRESENTATIVE CHENAULT

TO: CS SS HB 75(FIN), Draft Version

DELETE Department: Health and Social Services
BRU: Administrative Services Division
Component: Office of Program Review

<u>Fund Source</u>	<u>Amount</u>
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General Funds	(30.0)
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ADD Department: Health and Social Services
BRU: Children's Services
Component: Residential Child Care

<u>Fund Source</u>	<u>Amount</u>
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General Funds	30.0
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DESCRIPTION:

This amendment restores \$30.0 of the \$133.0 decrement to this component attributed to Kodiak's only program providing day treatment services to children with behavioral and emotional problems. (Grant reductions from FY 03 authorized and including subcommittee action for this component total \$-617.0). This amendment represents a one-time only transition grant (FY 04 only) to keep Kodiak Youth Services from closing down. These programs must continue until such time as the department writes and approves the regulations that will enable the school district to accomplish the intent behind the legislative mandate of Chapter 130, SLA 2002.

Kodiak Youth Services is the sole provider in the Kodiak Island Borough for services required in referrals from Teen Court, the District Court, Department of Corrections probation office, and the School District. KYS provides direct intervention services, case management, day treatment, including summer programs; and classes teaching: life skills, decision-making, and family support and strengthening skills. The program currently offers group-based intensive, structured, supervised, rehabilitative programs. The transition to Medicaid-based cooperative services appears to have several technical hurdles to surmount and this grant will provide a bridge to prevent the immediate loss of a treatment program that has had a high level of success.

DHSS 3

A M E N D M E N T

TO: CS SS HB 75 (Finance work draft)
Dated 4/1/03

BY: CROFT

Department of Health and Social Services

Human Services Community Matching Grant

Page 21, lines 24-30

Delete Intent:

"It is the intent of the legislature that the Human Services Community Matching Grant funding will be phased out in equal reductions over a period of three years. This phased reduction is to facilitate development of Faith Based and other community focused initiatives to supplant dependency upon direct State funding. Faith Based and other community focused initiatives are most appropriate to direct specific resources to particular community needs, complimenting the concentration of State resources on core public health and social services needs."

AMENDMENT #

Offered by Representative JOULE
In House Finance Committee

To: CS SS HB 75 (FIN) (Work Draft 4/01/03)

Agency: Department of Health and Social Services
BRU: Seniors and Disability Services
Component: Community Developmental Disabilities Grants
Add: \$1,794.7 GF/MH for underutilized and nonhabilitative grants
Fund Source: AHFC Dividend

Agency: Department of Health and Social Services
BRU **Component:** Human Services Community Matching Grant
Add: \$428.4
Fund Source: AHFC Dividend

Agency: Department of Health and Social Services
BRU: Behavioral Health
Component: Services to the Chronically Mentally Ill
Add: \$466.5
Fund Source: AHFC Dividend

Agency: Department of Health and Social Services
BRU: Behavioral Health
Component: Behavioral Health Grants
Add: \$683.4
Fund Source: AHFC Dividend

Agency: Department of Health and Social Services
BRU: Children's Services
Component: Children's Trust Program
Add: \$75.5
Fund Source: AHFC Dividend

Agency: Department of Health and Social Services
BRU: Behavioral Health
Component: Services for Seriously Emotionally Disturbed Youths
Add: \$100.2
Fund Source: AHFC Dividend

Agency: Department of Health and Social Services

BRU: Public Assistance

Component: Public Assistance Administration/Healthy Families

Add: \$1,083.4

Fund Source: AHFC Dividend

Agency: Department of Health and Social Services

BRU: Children's Services

Component: Family Preservation/Family Support Grants

Add: \$ 270.6

Fund Source: AHFC Dividend

DHSS 5

Amendment to CSSH B 75(FIN)/S

Offered in the House Finance Committee by
Representative Harris

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Appropriation: Administrative Services
Allocation: Commissioner's Office

Delete: \$33,500 General Funds/Match
\$73,000 Federal Funds

EDUCATION & EARLY DEVELOPMENT

Appropriation: Alaska Library and Museums
Allocation: Library Operations

Add: \$30,000 GF

Explanation: This amendment removes a total of \$100,500 of funds from DH&SS Commissioner's Office and places \$30,000 of general funds in the Library Operations component in DEED for the SLED program.

UNIV

AMENDMENT

OFFERED BY REPRESENTATIVE *CROFT*
IN THE HOUSE FINANCE COMMITTEE

To: CS SS HB 75 (FIN)

Page 1, line 1, after "appropriations", insert:
"and reappropriations"

ADD:

Department:	University of Alaska
Appropriation:	Budget Reductions/ Additions - System wide <i>University of Alaska</i>
Allocation:	Budget Reductions/ Additions - System wide

Increment:

\$6,728,800 reappropriation of the ~~unexpended~~ *unexpended* and unobligated funds described under Section 1, Chapter 94, SLA 2002, page 11, lines 17 & 18.

\$3,575,200 unappropriated AIFC dividend

Explanation: The Governor recommended a \$10.3 million dollar increase in the UA budget this year- sufficient to maintain the momentum and meet the basic fixed costs because he sees the University as essential to the economic growth and vitality of the state. This amendment seeks to restore the University budget to the Governor's level

Budget Impact: Net \$0 GF

LEG 1

A M E N D M E N T

TO: CS SSHB 75
(Finance work draft 4/1/03)

BY: CROFT

Legislature

Legislative Operating Budget

Delete: 12.0 GF

Legislative Ethics *Council*
Select Committee on Ethics

Add: 12.0 GF

A reduction of 12.0 was made in subcommittee to travel to cover office space rental. The Ethics Committee is located at the Anchorage Legislative Information Office building. Increase cost in Anchorage office space for the Legislature was provided with an increment of 70.0 in the Legislature's operating budget. A reduction in the Ethics budget is not needed to cover office space.

GOV 1

BUDGET AMENDMENT NO. _____

by CROFT

Department: Office of the Governor

Executive Operations
Executive Office

Decrement: \$167.1 GF

Department: Department of Labor & Workforce Development

Business Partnerships
Adult Basic Education

Increment: \$167.1 GF

Budget Impact: \$0

Explanation: These funds represent a 5.9% reduction of Adult Basic Ed GF. This amendment would restore GF to the FY03 Conference Committee amount of \$1,739.5.

TALKING POINTS: ADULT BASIC ED

There was no testimony or discussion in L&C Subcom regarding Adult Basic Ed, but recipients of services have provided the following information:

1. English is taught through the Anchorage Literacy Project to people who are living and working in Alaska but who do not speak English as a first language.
2. Adult Basic Education tutors help with important life skills: how to make doctor's appointments, learning to drive, how to work with school districts so children of recipients get good educations.
3. Adult Basic Education students get help working toward a GED or high school diploma.
4. American culture and history is taught to immigrants through the Anchorage Literacy Project.

Adult Basic Education provides important learning opportunities for life skills necessary to ensure that program recipients and their families remain self-supporting and independent of other state services.

GOV 2

A M E N D M E N T

by JOULE

TO: CS SS HB 75 (Finance work draft)
Dated 4/1/03

BY:

Office of the Governor

Executive Operations
Executive Office

Delete 130.0 GF

Reductions for administrative savings through day to day management and streamlined functions.

Department of Education *and Early Development*

Alaska Library and Museums
Library Operations

Add: 100.0 GF

Alaska Library and Museums
Library Operations (~~SLED~~)

Add: 30.0 GF

This amendment will allow for basic conservation/reference functions of the library to continue, including SLED (Statewide Libraries Electronic Doorway), which is extensively used by librarians and members of the public statewide.

GOV 3

A M E N D M E N T

TO: CS SSHB 75 (Finance work draft 4/1/03)

BY: CROFT

Office of the Governor

New BRU Agency wide Reduction

Insert: "Administrative Savings – Unallocated Reduction -371.2 GF"

In the Governor's proposed budget, as submitted to the Legislature on March 5, twelve of the eighteen agencies were specifically designated to absorb "administrative savings" (the exceptions were Law, Military, University, Courts, Governor and Legislature). For example, a target of 961.0 in administrative savings was designated for the Department of Labor (with a total GF of 10.9 million). The Governor should lead by example and designate a targeted amount for administrative savings within his own agency. (see attached sheet which displays savings per department along with agency summary of GF for departments)

Department of Labor and Workforce Development

Vocational Rehabilitation
Independent Living Rehabilitation
Add 303.5 GF*

Compensation and Safety
Wage and Hour Administration
Add 67.7 GF

**note: I/L was originally cut 619.1 GF. Labor Subc restored 300.0 GF in Commissioner's office, 67.7 GF to Wage and Hour, and 15.6 GF Alaska labor relations for a net reduction of 235.8. This amendment, however, includes restoring 67.7 to wage and hour, increasing the net I/L reduction to 303.5. This amount will increase I/L GF to the original amount budgeted.*

Gov 4

AMENDMENT

OFFERED BY REPRESENTATIVE *Croft*
IN THE HOUSE FINANCE COMMITTEE

DELETE:

Department: Office of the Governor
Appropriation: ~~State~~ Wide Unallocated Reduction
Allocation: ~~State~~ Wide Unallocated Reduction
Decrement: *Branch*
\$2000.00 GF

Explanation: This takes the \$2 million cut to the Office of the Governor- Statewide Unallocated Reduction and makes it \$4 million.

GOV 5

AMENDMENT

OFFERED BY REPRESENTATIVE *Croft, JOULE + MOSES*
IN THE HOUSE FINANCE COMMITTEE

DELETE:

Department: Office of the Governor
Appropriation: ~~Statewide~~ Unallocated Reduction
Allocation: ~~Statewide~~ Unallocated Reduction
Branchwide

Decrement:

\$16,761,158 GF

Insert:

Page 2, line 7, insert a new paragraph to read:

"It is the intent of the legislature for unallocated general fund cuts to be taken across the board to reduce state bureaucracy through cuts to travel, upper and mid level management, and to reduce the overall size and cost of state government. This intent applies to all general fund appropriations covered in this section."

Renumber accordingly.

Explanation: This amendment is designed to express legislative intent of cutting the "bloat" from state government.

ADD:

Department: Education & Early Development
Appropriation: K-12 Support
Allocation: Community Schools

Increment:

\$500.0 GF

Explanation: This increment will restore funds for the Community Schools programs. Community schools statewide use this small amount of money to leverage matching funds that in FY02 were in excess of \$7 million in small grants, volunteer and in-kind donated services. Community Schools offer essential services such as Adult Basic Education, student prep work for benchmark tests, and supervised after school programs for children of working parents. This program serves thousands of adults and children statewide each year.

Department: Education & Early Development
Appropriation: K-12 Support
Allocation: Foundation Program

Increment:

\$ 16,261,158 GF

(this is to be reflected in the language section as an adjusted ADM grant.)

Explanation: This would put \$80 per student into the foundation formula section of the budget as adjusted average daily membership.

Budget Impact: Net \$0

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE HARRIS

TO: CSSH B 75(FIN), Draft Version "S"

1 Page 60, following line 6:

2 Insert a new bill section to read:

3 **"* Sec. 27. SALARY AND BENEFIT ADJUSTMENTS.** (a) The operating budget
4 appropriations made to the University of Alaska in sec. 1 of this Act include amounts for
5 salary and benefit adjustments for university employees who are not members of a collective
6 bargaining unit and for implementing the monetary terms of the following collective
7 bargaining agreements with entities representing employees of the University of Alaska:

8 (1) Alaska Higher Education Crafts and Trades Employees;

9 (2) Alaska Community Colleges' Federation of Teachers;

10 (3) United Academics;

11 (4) United Academics-Adjuncts.

12 (b) The operating budget appropriations made in sec. 1 of this Act include
13 \$11,935,700 to implement the monetary terms for the fiscal year ending June 30, 2004, of the
14 following collective bargaining agreements:

15 (1) Alaska Public Employees Association, for the Confidential Unit;

16 (2) Alaska Public Employees Association, for the Supervisory Unit;

17 (3) Alaska State Employees Association, for the General Government Unit;

18 (4) Alaska Vocational Technical Center Teachers' Association, representing
19 teachers at the Alaska Vocational Technical Center;

20 (5) Alyeska Central School Education Association, representing teachers at
21 the Alyeska Central School;

22 (6) Inlandboatmen's Union of the Pacific, representing the unlicensed marine
23 unit;

24 (7) Public Employees Local 71, for the Labor, Trades and Crafts Unit;

1 (8) Public Safety Employees Association, for the Correctional Officers Unit;
2 (9) Public Safety Employees Association, representing state troopers and other
3 commissioned law enforcement personnel;

4 (10) Teachers' Education Association of Mt. Edgecumbe.

5 (c) If a collective bargaining agreement listed in (b) of this section is not ratified by
6 the membership of the respective collecting bargaining unit, the appropriations made by this
7 Act that are applicable to that collective bargaining unit's agreement are reduced
8 proportionately by the amount for that collective bargaining agreement, and the corresponding
9 funding source amounts are reduced accordingly."

10

11 Renumber the following bill sections accordingly.

12

13 Page 64, lines 30 - 31:

14 Delete "29(c), 29(i), 29(j), 29(k), 29(l), 29(m), 29(n), 29(o), and 30"

15 Insert "30(c), 30(i), 30(j), 30(k), 30(l), 30(m), 30(n), 30(o), and 31"

Statewide Totals - FY 04 Operating Budget - Senate Structure

Numbers AND Language Sections!

	<u>HlthBene</u>
Statewide Totals	11,935.7
<u>Objects of Expenditure:</u>	
Personal Services	11,935.7
Travel	0.0
Contractual	0.0
Commodities	0.0
Equipment	0.0
Lands/Buildings	0.0
Grants, Claims	0.0
Miscellaneous	0.0

Funding Sources:

1002 Fed Rcpts	2,091.1
1003 G/F Match	348.4
1004 Gen Fund	4,466.8
1005 GF/Prgm	57.9
1007 I/A Rcpts	785.0
1014 Donat Comm	3.8
1016 CSED Fed	29.7
1017 Group Ben	24.9
1018 EVOS Trust	2.6
1021 Agric RLF	14.6
1023 FICA Acct	1.3
1024 Fish/Game	184.0
1026 Hwy Capitl	171.6
1027 Int Airprt	402.9
1029 P/E Retire	45.8

*Fund sources for
Amendment Lang 1*

Statewide Totals - FY 04 Operating Budget - Senate Structure

Numbers AND Language Sections!

	<u>HlthBene</u>
1031 Sec Injury	2.5
1032 FisherFnd	2.7
1033 Surpl Prop	3.5
1034 Teach Ret	17.4
1035 Vets RLF	0.6
1036 Cm Fish Ln	32.4
1037 GF/MH	431.6
1040 Surety Fnd	0.8
1042 Jud Retire	0.2
1045 Nat Guard	0.8
1046 Stdnt Loan	0.1
1049 Trng/Bldg	6.9
1050 PFD Furid	51.2
1052 Oil/Haz Fd	99.0
1053 Invst Loss	0.1
1054 Empl Trng	5.6
1055 IA/OIL HAZ	6.9
1061 CIP Rcpts	1,090.6
1066 Pub School	0.1
1068 Child Care	0.1
1070 FishEn RLF	3.5
1071 Alt Energy	1.4
1075 Clean Wtr	3.0
1076 Marine Hwy	579.5
1079 Storg Tank	8.3
1081 Info Svc	91.9
1092 MHTAAR	4.6
1093 Clean Air	32.8
1098 ChildTrErn	0.1

Statewide Totals - FY 04 Operating Budget - Senate Structure

Numbers AND Language Sections!

	<u>HlthBene</u>
1100 ADWF	3.4
1104 AMBB Rcpts	0.8
1105 PFund Rcpt	19.4
1108 Stat Desig	56.3
1109 Test Fish	13.7
1133 IndCostRe	8.4
1134 F&G CFP	3.0
1141 RCA Rcpts	45.6
1142 RHIF/MM	0.1
1143 RHIF/LTC	0.1
1147 PublicBldg	8.9
1151 VoTech Ed	3.0
1152 AFSC Rcpts	0.4
1153 State Land	38.6
1154 Shore Fish	3.8
1155 Timber Rcp	6.2
1156 Rcpt Svcs	539.3
1157 Wrkrs Safe	39.8
1162 AOGCC Rct	6.3
1164 Rural Dev	0.4
1166 Vessel Com	2.0
1168 Tob ED/CES	6.1
1169 PCE Endow	0.1
1170 SBED RLF	0.4
1172 Bldg Safe	14.1
1175 BLic Rcpts	6.9

Statewide Totals - FY 04 Operating Budget - Senate Structure

Numbers AND Language Sections!

HlthBene

Positions:

Perm Full Time	0.0
Perm Part Time	0.0
Temporary	0.0

Funding Summary:

Gen Purpose	5,304.7
Fed Restricted	2,136.5
Other Funds	4,494.5

LANG 2

Amendment to CSSH B 75(FIN)/S

Offered in the House Finance Committee by
Representative Harris

Capitalization of the Debt Retirement Fund

Page 57, line 3

Delete: general fund

Add: Alaska debt retirement fund (AS 37.15.011)

Page 57, line 5

Delete: general fund

Add: Alaska debt retirement fund (AS 37.15.011)

Page 60, line 30

Delete: 40,877,900

Add: 33,995,900

Explanation:

This amendment affects the source of money used to capitalize the Alaska debt retirement fund; it replaces general funds with \$2.5 million surplus cash in the state land disposal income fund and the entire balance of the International Trade and Business Endowment (estimated to be \$4.382 million).

Amendment to CSSSHB 75(FIN)/S

Offered in the House Finance Committee by
Representative Harris

State Debt and Other Obligations

Page 61, line 2

Delete: Department of Revenue, treasury division
Add: state bond committee

Page 61, lines 5 and 6

Delete: Department of Administration, division of finance
Add: state bond committee

Page 62, line 21

Delete: Department of Administration, division of finance
Add: state bond committee

Page 62, line 25

Delete: Department of Administration, division of finance
Add: state bond committee

Page 62, line 29

Delete: Department of Administration, division of finance
Add: state bond committee

Explanation:

The Department of Administration acts as the fiscal agent for the state bond committee, however, the Department has established an accounting structure for the state bond committee and prefers that the committee be named in the appropriation bill. This amendment has no fiscal impact.

AMENDMENT

OFFERED BY REPRESENTATIVE **JOULE**
IN THE HOUSE FINANCE COMMITTEE

School Debt Reimbursement

Page 60, line 30

Delete: 40,877,900 Add: 47,480,300

Page 61, line 12

Delete: 59,421,700 Add: 66,024,100

Page 61, line 15

Delete: 30,821,700 Add: 37,424,100

Fund Source:

~~AHFC Dividend~~ GF

Explanation:

This amendment adds \$6,602,400 GF to the debt retirement fund. The additional funds are appropriated to the Department of Education and Early Development for school debt reimbursement.

The amendment funds the school debt reimbursement program at the 70% level approved by the legislature last year. The Governor's bill and this committee substitute reduce the funding level by 10%, so that state reimbursement of municipal school debt is 63% of municipal costs.

TO: The House Finance Committee
FROM: Susan J. Sciabbarrasi, Supt of Wrangell Public Schools
DATE: April 4, 2003
RE: Educational Budget Cuts

Thank you for the opportunity to testify.

A major portion of the Wrangell's lobbying this year pertained to educational issues because education is very important to our community. We are asking for full funding of the foundation formula. That includes all portions including Learning Opportunity Grants (LOGs), pupil transportation, debt reimbursement, and community schools. In addition to those specifically mentioned in the budget, we are asking for adequate and equitable funding overall in education to compensate for prior flat funding. Public Education is being asked to "broaden their belts" by constantly increasing state and federal unfunded mandates (particularly NCLB act).

The City of Wrangell has long supported education. We impose a city level tax rate at 7 percent that is the highest in the nation. Therefore, Wrangell has been "tightening our belts" and increasing our taxes for years in order to adequately fund education to the cap. Our test scores have indicated that we have spent wisely because 84-87% of our students scored proficient or advanced on each section the 2002 High School Qualifying Exam. The community of Wrangell provides approximately one-third of the school budget but they will not be able to continue at that rate with additional cuts to the city budget. Wrangell Public Schools is cutting between \$700-\$900 thousand from our school staff and programs for next year. We are reducing the certified teaching positions by 29% thereby increasing our pupil teacher ratio and eliminating many elective classes that have proven to enrich the quality of the student's education.

Education was a major campaign issue and one of the top priorities for the governor as well as many legislators. It's difficult for me to believe that you would not uphold those promises of just a few months ago and take away our children's educational resources. In education we ask "Is it Good for Kids", if it's 'Good for Kids', who are our future, then it's the right thing to do to adequately and equitably fully fund education.

Thank you,

LaTonnie Barlow
P.O. Box 1726
Wrangell, Alaska 99929

Parent and School Board member

Thank you for the opportunity to speak to you today. I like Governor Murkowski place education as one of my highest priorities. We are a resource rich state and I believe our children are our greatest resource. Developing resources cost money but is an investment worth making.

Education has been under funded for years. We have been asked to "tighten our belts"; schools have no belt left to tighten. Since education funding has not been inflation proofed we have already seen over a 30% reduction in spending power over the last 12 years. Add to this the numerous unfunded mandates and the responsibility to insure all children meet our academic standards. Now NCLB adds to this huge task even more mandates and responsibilities.

My community of Wrangell has been hard hit with the decline of the timber and fishing industries. Still this small community of 2100 people have made the commitment to education; doing our share and funding schools at the maximum amount allowed by law year after year after year. And continuing our responsibility to upgrade and maintain our facilities by passing every bond measure put before the voter for over 30 years.

We need to fully fund all aspects of education. Since the foundation formula does not meet schools needs; Learning Opportunity grant, Quality school grant, pupil transportation, and debt reimbursement are vital to schools and communities. The budget submitted by Wrangell reduces our certified staff by 10, administration by 2 and classifies staff by at least 5 and that was assuming a funding level equal to last year. These deep cuts are jeopardizing our children's right to an adequate education granted them by our constitution.

I believe Governor Murkowski was correct when he said in his State of the State and Budget address: "We must not forget that it is not for ourselves it is for the young Alaskans, including those not yet born, counting on us to see that there are the jobs, the opportunities, the quality of life and all the other reasons to make this great state their home as we made it ours."

I beg you to give the children of Alaska these opportunities by fully funding all aspects of education.

April 4, 2003

Speaking in writing primarily
you the Seniors and the Disabled
and Elders

Disabled people are indeed in needs
of benefits accessible to their disability
whether it is physical or mental
disability without the facilities of
agency workers, as well, who work
with each individual in differential
common grounds of disability are of
Mental Health Physical Therapy, Womens
Services for Domestic and Abusive Relation
ship, Doctors who look after Low-Income Peoples
Health.

Sincerely Yours

Mary M. Schofield
4614 Ben Walters Lane A-4
Homer, Alaska 99603

message 907-235-9312
Phone # 7



**LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE INFORMATION OFFICE**
210 LAKE STREET, SITKA, AK 99835
Phone: 747-6276 Fax: 747-5807
Email: sitka_lio@legis.state.ak.us

DATE: April 4, 2003

TO: House Finance

FAX: 465-6813

pages, including cover sheet -3

**FROM: Jerry Kainulainen, Southeast Alaska Independent Living
employee and Sitka constituent**

**MESSAGE: Please add this written testimony to Budget hearing as read today
by Jerry Kainulainen.**

Thank you.

**Testimony April 4, 2003
House Finance Committee
State Operating Budget**

Good afternoon. My name is Jerry Kainulainen. I am an IL Specialist for Southeast Alaska Independent Living and a member of the Governor's Committee on Employment and Rehabilitation of Persons with Disabilities. Thank you for this opportunity to speak with you about the value of Independent living programs in Alaska. IL centers assist persons with disabilities to live active productive lives in their communities. This statement is the underlying message in the mission statements of independent living centers across the nation. It is the basis of the Independent Living philosophy. This is accomplished by providing information, advocacy, skills training, peer support and deinstitutionalization services that allow persons with disabilities to live outside of institutions and move toward independence and employment. It is a very cost effective program when you look at the amount of money that is saved by living in the community versus living in a nursing home. Four IL Centers across the state last year served 1805 persons with significant disabilities. 43 of those were transitioned from nursing homes. Depending on the city, nursing home care costs can range up to \$130,000 per person per year. Community based services are about one third of that.

It is estimated that if the \$619,000 state funds are cut, two centers could close and the other two centers would have to reduce services. The impact would be that an estimated 17 fewer Alaskans would be transitioned from nursing homes at

an estimated cost to the state of \$1.5 million dollars and that 49 more Alaskans would have to go into nursing home situations at a cost of \$4.4 million dollars. Independent Living centers are cost effective programs. The figures speak for themselves. \$619,000 versus \$5.9 million.

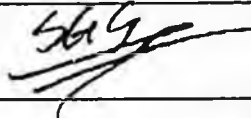
I urge you to fully reinstate state funding to the IL programs.

Thank you.

**Jerry Kainulainen
SAIL IL Specialist
GCERPD**

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Fax Cover Sheet

Send to: Alaska House Finance Committee Secretary	From: Steven Schellong 
Attention: ALL House Finance Committee Members	Date: 4/4/03
Office location:	Office location:
Fax number: 907-465-6813	Phone number: 907.279.5260

Total pages, including cover: 2

Comments:

I would like the following message to be delivered to all members of the House Finance Committee.

I strongly oppose Governor Murkowski's plan to eliminate the Alaska Science and Technology Foundation (ASTF) for the following reasons:

1. To eliminate ASTF would be a short-term "reaction" to what is a long-term problem. The earnings from ASTF's endowment are deployed to promote and enhance economic development and technological innovation in Alaska for the future. It accomplishes this by creating new jobs and revenues. As such, eliminating ASTF will eliminate a much-needed and vital engine of innovation in Alaska. Furthermore, "poaching" the ASTF endowment might solve our budget problems for this year, but what about next year? Or two years from now? Or five years from now? ASTF is sowing seeds that will pay off in the long term.
2. The services and resources provided by ASTF and its partner organizations play vital roles toward diversifying and expanding Alaska's economy. By eliminating ASTF, we not only lose ASTF's vital services, but we will also adversely impact -- if not eliminate -- ASTF's partner organizations, such as the Alaska Manufacturer's Association, Alaska InvestNet, and Alaska Growth Capital. These organizations leverage ASTF funds very efficiently by bringing additional money into the state from outside sources.

As an entrepreneur, I have directly benefited from vital services provided by Alaska InvestNet, one of ASTF's partners. Alaska InvestNet is a statewide non-profit corporation helping entrepreneurs access investors by providing them with the tools and resources they need to succeed. InvestNet not only helped our company, GrantStation, refine our business plan, but also helped us to identify and secure three private investors. These investments enabled us to expand our company to a national market.

Since it derives a great deal of its funding from ASTF, InvestNet will be adversely impacted if ASTF is eliminated. This will create yet another void since there is no other organization in Alaska providing the type of tools and resources that InvestNet provides.

3. It is wrong to cut ASTF's funding in mid-year and "pull the rug out" from under ASTF and its partners. IF the legislature were to make the ill-advised decision to eliminate ASTF, it

should do so in a phased approach over a number of years. This would enable ASTF to honor its financial commitments and obligations to its partners.

It is for these reasons that I believe the Alaska legislature SHOULD NOT eliminate ASTF.

Thank you,

Steven Schellong
1134 H Street
Anchorage, AK 99501
(907) 279-5260



Alaska State Legislature

Please enter into the record my testimony to the House Finance
committee name

committee on HB 75- Operating Budget dated 4-3-03
bill/subject

Please find a way to fully fund
education including inflation proofing it.
Saying that you are fully funding
education and not considering the
rising costs of fuel and health insurance
is not fully funding. Consider that
school districts are in the same bind
with insurance as ~~are~~ is the state.

Signed: Norma Cordry
Testifier

Self
Representing (Optional)

Box 3167 Kodiak AK 99615
Address

907-486-3658
Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Finance
 committee name
 committee on HB 75- Operating Budget dated 4-3-03
 bill/subject

Please find a way to completely fund the education budget. The PFD was called the "rainy day fund" I believe a contribution of \$100 from every permanent fund recipient would help our budget shortfall.

Signer: Barbara Anthony
 Testifier

self
 Representing (Optional)

210 Hillcrest Kodiak, AK 99615
 Address

907-486-6463
 Phone No.

Stoltze

Wolcott Family
P.O. Box 1023
Willow, Alaska 99886
(907) 495-7070

April 4, 2003

7 pages including cover page

To: Governor Murkowski, Lt. Governor Leman, Speaker of the House Pete Kott, Senator Theriault, Senator Wilken, Senator Green, Representative Harris, Representative Williams, Representative Meyer, Representative Chenault, Representative Foster, Representative Hawker, Representative Stoltze, Representative Whitaker, Representative Croft, Representative Joule, Representative Moses.

These items are for tonight's House Finance Operating Budget Hearing Packets.

1. Alyeska is a DUPLICATION of services. Please let us know the name(s) of such choice(s). We have called all the 11 other choices the EED Dept. states as options. NONE of them compare. Isn't it true it could cost the state a lot more money if ACS closed: ACS \$3,800.00 per child - all going to child's education, IDEA \$4100.00 per child only \$1700.00 per child going to family for education, Boarding School \$15,000.00 per child.
2. The state will save money by closing Alyeska Central School - Rent \$\$ Issue (ownership - Permanent Dividend Fund) - Isn't it true that the education department will just take over the office space Alyeska currently has if Alyeska was to be closed? Isn't it true this space can only be occupied by a state agency? Where is the state going to get the additional money to cover Alyeska's part (\$115,300.00) for the fees for sections of the Department that are non revenue producing?
3. Alyeska students should return to their own districts - Isn't it true the district schools are over crowded and under budgeted? How is adding the Alyeska students to their district (where possible) going to help?
4. Districts to provide same services as ACS - What if it is not advantageous to the district to provide a similar program statewide? Can't they cease providing the program at anytime?
5. Still providing ACS curriculum - Wouldn't this take qualified staff to keep up to date? It takes experienced people to write for students at a distance.
6. Governor Murkowski and administration are committed to quality education - show us. Don't close Alyeska Central School.

Thank you,
Gregg, Kym, Dylon & Ryan Wolcott
Alyeska Central School Family

Dear Senate Hess Committee Members:

April 2, 2003

Here are some key points in support of saving Alyeska Central School Program as a vital educational service available to all K-12 grade Alaskan students.

- ◆ **Closing Alyeska Central School will not be a cost saving measure. The foundation funding will follow the student were ever they go. The state will pay at least the same amount if not more to educate that child.**
- ◆ **If we were to send our children to a state boarding school that could cost the state approximately 15,000 per child.**
- ◆ **What is Accreditation? A school has met the standards of a regional accreditation agency. Alaska does not require schools to provide accreditation to graduate. Accreditation is important to students applying for college.**
- ◆ **The Federal "No Child Left Behind Act" currently in place mandates that every teacher will be highly qualified by the year 2006. Alyeska Central School already has teachers certified at the appropriate subject areas and grade levels should meet the highly qualified standards being adopted by EED.**
- ◆ **If Alyeska Central School summer program is taken away it may cost the state more money due to students, especially Seniors lacking in credits, having to return to their local school for one semester or year.**
- ◆ **Our economy is so bad that many students work full time and take home school/correspondence courses. We all know that high school graduates with a diploma are preferred employees, even at fast food restaurants.**
- ◆ **We have not been able to find another home school/correspondence that offers dual enrollment or tuition.**
- ◆ **Alyeska Central School is vital to other Alaska School Districts. They purchase Alyeska Central School's quality curriculum and teaching services to use with their students.**
- ◆ **Alyeska Central School provides an exemplary educational experience.**
- ◆ **Students do not want to go back to overcrowded, under budgeted public schools in a sometimes hostile learning environment. This option is not a possibility for all students through out the state, especially rural Alaska.**
- ◆ **Alyeska Central School is not a duplication (Governor Murkowski states Alyeska Central School is a duplication). No other home school/correspondence compares. Alyeska Central School courses are written by Alaska Teachers based on Alaska standards. Students receive full teaching services from certified teachers with each subject area endorsement.**
- ◆ **In the Governors televised state address on March, 30, 2003, he stated "Choices we make determine the quality of our lives in the future". Please consider carefully the value of saving Alyeska Central School, students are our future.**

**Alyeska Central School Families, Gregg, Kym, Dylon and Ryan Wolcott (907)336-2379
Vicky Martin, Maylie and Sean Ruddell (907)563-5759**

1 of 6

Alyeska Central School Costs and Funding

Statement by Rick Currier,

Alyeska Central School Teacher and member, Alyeska Central School Education Association

Alyeska Central School receives the majority of its funding from the Department of Education and Early Development foundation funding. Other income comes from selling courses on a tuition basis at \$250.00 per semester course and some federal grant funding under the Migrant Education program. Foundation funding and tuition course receipts, not appropriated funds fund faculty and staff salaries, educational supplies, the warehouse lease, and course-printing equipment costs. In addition, ACS is "taxed" for certain services received from the Department and other state agencies including:

- \$52,000.00 per year for the Commissioner's office
- \$15,000.00 per year for the State Board of Education
- \$18,300.00 per year for ESS costs including Human Resources, and accounting
- \$19,000.00 per year for miscellaneous services from other departments
Including legal services from the Department of Law, risk management, mail room operation, and the library connection
- \$11,000.00 per year for IT support
- \$115,300.00 annual total**

The above costs are paid with receipts from foundation funding and tuition courses. If ACS is closed, other divisions in the Department will have to bear these costs.

Alyeska Central School has two major leases. One is the warehouse at \$128,000.00 per year. The Department of Administration contributes \$19,000.00 per year toward this lease. Alyeska's annual cost share for the warehouse lease is \$109,000.00 per year. The other lease is \$95,000.00 for printer/copier machines to reproduce course lesson plans. Both leases are funded with ACS's proceeds from foundation funding and tuition courses. The warehouse lease expires in 2009. Although the lease has a release clause if the Legislature doesn't fund ACS, the State doesn't typically cancel active leases in order to maintain the good will and confidence of lenders and leasers.

In my previous testimony, I stated that closing Alyeska Central School will cost the State money, rather than save money. I have included several enclosures that breakdown the differences in FTE the State will pay if various percentages of our currently enrolled students enter classrooms in Anchorage, which receives no rural cost differential funding, rather than enroll in another distance education program. Please note the statements that you have heard from several parents and students indicating that they do not feel other distance learning programs can meet their needs. Thus, if 25 per cent of our 641 foundation-funded students enroll in local brick and mortar schools at 100 per cent FTE, the State will pay an additional \$128,521.00 or 6 per cent more per year.

20f6

If 40 per cent seek brick and mortar enrollment, it will cost the State \$205, 000.00 more per year. If 70 per cent enroll in local classrooms, the State will pay an additional \$359,000.00 per year. Note that these figures are for Anchorage or schools that have no rural cost differentials. If rural cost differentials are added, the costs increase substantially. For example, our five Barrow students will cost the State an additional \$2823.04 each per year each or \$14, 115.00 per year in rural cost differential plus the difference between 0.8 and 100 per cent FTE of \$3946.00 for an increase of \$18,061.00. That's just for five students. We have students in every school district in the state. Note that if 95 per cent or more of our students enter brick and mortar classrooms next year, the result will be a 25 percent foundation funding increase.

- Encl: (1) ACS Closure is not a Cost Saving chart
(2) Potential Foundation Funding Increases due to ACS Closure graphic
(3) Alyeska Central School Student Enrollment Counts as of 03/04/03

ACS Closure is not a cost savings!

\$4,010 Per Student 641 Students \$ 2,058,328

Correspondence		Brick & Mortar		Foundation \$	Increase	%
Stay	80%	Switch	100%			
95%	\$ 1,953,512	5%	\$ 128,521	\$ 2,082,032	\$ 25,704	1%
90%	\$ 1,850,895	10%	\$ 257,041	\$ 2,107,738	\$ 51,408	3%
85%	\$ 1,747,879	15%	\$ 385,562	\$ 2,133,440	\$ 77,112	4%
80%	\$ 1,645,062	20%	\$ 514,082	\$ 2,159,145	\$ 102,817	5%
75%	\$ 1,542,246	25%	\$ 642,603	\$ 2,184,849	\$ 128,521	6%
70%	\$ 1,439,430	30%	\$ 771,123	\$ 2,210,553	\$ 154,225	8%
65%	\$ 1,336,613	35%	\$ 899,644	\$ 2,236,257	\$ 179,929	9%
60%	\$ 1,233,797	40%	\$ 1,028,164	\$ 2,261,961	\$ 205,633	10%
55%	\$ 1,130,980	45%	\$ 1,156,685	\$ 2,287,665	\$ 231,337	11%
50%	\$ 1,028,164	50%	\$ 1,285,205	\$ 2,313,370	\$ 257,042	13%
45%	\$ 925,348	55%	\$ 1,413,726	\$ 2,339,074	\$ 282,746	14%
40%	\$ 822,531	60%	\$ 1,542,246	\$ 2,364,778	\$ 308,450	15%
35%	\$ 719,715	65%	\$ 1,670,767	\$ 2,390,482	\$ 334,154	16%
30%	\$ 616,898	70%	\$ 1,799,287	\$ 2,416,186	\$ 359,858	18%
25%	\$ 514,082	75%	\$ 1,927,808	\$ 2,441,890	\$ 385,562	19%
20%	\$ 411,266	80%	\$ 2,056,328	\$ 2,467,594	\$ 411,266	20%
15%	\$ 308,449	85%	\$ 2,184,849	\$ 2,493,299	\$ 436,971	21%
10%	\$ 205,633	90%	\$ 2,313,369	\$ 2,519,003	\$ 462,675	23%
5%	\$ 102,816	95%	\$ 2,441,890	\$ 2,544,707	\$ 488,379	24%
0%	\$ -	100%	\$ 2,570,410	\$ 2,570,411	\$ 514,083	25%

**Current
ACS
Foundation
Funding**

**Average
Foundation
Funding
Increase**

**Potential
Foundation
Funding
Increase**

Cost Differential

	1.504
Barrow	\$ 6,031.04
ACS	\$ 3,208.00
	\$ 2,823.04

**Additional Foundation Funding
needed for students returning
to local districts with cost
differential such as Barrow.**

Local Contribution

	23%
JSD	\$ 4,932.30
ACS	\$ 3,208.00
	\$ 1,724.30

**Additional Local Funding
needed for students returning
to local districts with a local
contribution such as Junneau.**

AOV

Choice is the driving force in education and is the heart and soul of all recent movements and philosophies in American education from the federal to the state and local levels.

Every statewide correspondence or charter "at home" program in Alaska has differences. Different students and families have different needs that require different approaches. This is the fundamental justification for **choice** in education. In no way is one better than another-just different.

Comparisons and Features of two different and viable choices available to Alaskans.

ACS	IDEA
Teachers certified in content area and grade level review books and other materials and make selections that will best meet both the standards and the needs of students.	Parents choose all materials from vendor lists or in person at curriculum fairs put on by vendors.
Teachers certified in content area write courses and daily lesson plan: designed to meet the standards.	Parents are provided objectives and standards to help them design and write their own learning plans. LP must be submitted and approved by IDEA.
Teachers create tests and assessments.	Parents create tests and assessments based on school provided guidelines.
Teachers certified in content area grade and evaluate assessments. All work is returned to the student by the course teacher with comments, corrections and suggestions.	Parents grade their own student's assessments. Parents choose and submit sample(s) of student's work to the contact teacher.
Certified teacher determines and assigns all grades.	Parents submit course grades with comments and explanations of how grade was determined. Teacher assigns a final grade after considering parent recommendations.
Fully accredited by NWASC since 1979. Transcripts readily accepted by other high schools, the military, colleges and NCAA scholarships.	Provisional Accreditation in place. Full Accreditation awaiting completion of self study.
Internet courses available but internet access not required for paper based courses.	Must have Internet access and an active e-mail account that must be checked on a regular basis.
Must have a homeschool teacher of record, but does not have to be a parent.	One parent must be home during school hours. Enrolled students cannot be schooled by friends, neighbors or anyone other than a parent.
Certified teachers for each course are available by phone, email or fax, to provide help to students and parents.	Will provide help from a certified teacher as needed for consultation should a parent desire advice in any area of education
Required by law to offer educational services to all Alaskans.	Required only to offer educational services to district residents. May serve students statewide at districts discretion.

5 of 6

FACTS ABOUT ACS

- While many students are enrolled in correspondence schools statewide, a large number of those students were not previously enrolled in any public school, including ACS. ACS regular enrollment has declined some due to parents and students having more choices, as well as changes in the way students have been counted, but ACS still enrolls a significant number of students statewide. For FY03, there were 35 school districts in Alaska that enrolled fewer students than ACS.
- Since the passage of the Alaska home school law in 1997, there are now nearly 8000 students per year being served by a dozen "at home" district-based programs. It must be concluded that these new programs are serving a new and different group of families with different needs and philosophies.
- Alaskan parents are well informed and intelligent. Parents enroll their children in programs of their own choice after investigating the options available.
- ACS has not ceased to "serve its purpose" or it would have died of natural causes during the past five years.
- ACS is unique. It is a fully accredited program offering a full range of educational services as well as Alaskan Certified Teacher developed standards based curriculum.
- ACS is the only statutorily mandated program in the state and cannot arbitrarily cease to offer statewide services. School districts offer statewide programs at their own pleasure.
- ACS operates 12 months of the year and offers flexibility for family and student schedules.
- ACS enrolls many students on a tuition basis, not through foundation funding, to accommodate educational needs that may not be met by local schools.
- ACS is a founding member of the Alaska Online Consortium and offers 18 of the 29 online courses now available to school districts through the consortium.
- ACS is the first distance program to offer AP (advanced college placement) courses to college bound students.
- ACS has the infrastructure in place to offer distance education options to students in rural schools to support the goals of NCLB federal legislation.

Please do not limit the educational choice available to Alaskan families. The state of Alaska needs all of the choice and flexibility it can muster to meet the challenges of "NO Child Left Behind" as well as the ever increasing demands and expectations placed on students to become well educated and valuable members of society.

The state of Alaska cannot require any district to service students out of their district. If the intent is to replace ACS with choices, offered by districts, how will parents and students be guaranteed that these choices will be available next year or the year after?

Please do not eliminate or dismantle a valuable and unique choice when there is no measurable impact on state spending.

If this legislation is really a policy issue, then the policy must be to eliminate choice.

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ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the House Finance Com
Committee Name
 Committee on Reduced Family Support / Dated 4-4-03
Bill / Subject Family Preservation

Fairbanks Native Assoc. runs a 24 hour / 7-day a week emergency shelter for run away & throw away youth through our Family Focus program. This shelter is a safety net for youth to find a safe place to sleep when they cannot go home -- or have no home to go to. We help and support youth reunification with families -- if it is in the best interest of the child. Children generally run away because of severe family conflict, physical or sexual abuse or parental drug and/or alcohol abuse. FNA strives to help families at different levels through a variety of programs

We help approximately 600 youth per year! Family Focus is a safe haven for youth who are vulnerable to physical and sexual abuse on the streets. This is an important service. Help! Please!

SIGNED:

Annette Freiburger
 Testifier

Fairbanks Native Assoc
 Representing

201 First Ave., Suite 200, Fbks 99701
 Address / Phone Number 907-452-1648 x 223



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the House Finance Committee
 Committee on Family Preservation Committee Name
Bill / Subject Electronic Monitoring Dated 4-8-03

In addition, to opposing the Family Preservation / Family Support grants,

I urge you to address the cuts to the state — primarily funded Electronic Monitoring Program.

In FY 02, we served 40 youth. 29 of those youth would have been otherwise incarcerated at \$150 per day at the Fairbanks Youth Facility, 2597 days of Electronic Monitoring were provided! $2297 \times \$150 = \$344,550$! It saved the state a tremendous amount. To date in FY 03 over 1000 hrs $\times 150.00 = \$150,000$ in savings. The program costs less than \$60,000 to operate!

SIGNED:

Anna D. Hoppe

Testifier

FNA Family Focus

Representing

394 Hamilton Ave., Fairbanks, AK 99709

Address / Phone Number



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the House Finance
 Committee on the budget Committee Name Dated 4/4/2003
Bill / Subject

My name is Mary Ann Eiminger. I live at 2290
 Patterson Court, North Pole. My representatives are Hugh Tate
 and Ralph Seelins. I have lived in Alaska for 34
 years.

The budget reduction proposals you are considering
 affect the very people and programs that can least
 afford to be impacted: most prominently, senior
 citizens, medicare participants, disabled citizens, public
 school students, and children whose families cannot
 afford health insurance. The "user fees", otherwise
 known as taxes, proposed by the Governor
 disproportionately hit low and moderate
 income

SIGNED:

Mary Ann Eiminger
 Testifier

Self

Representing

468-2877

Address / Phone Number

income, working people of the state. Nowhere
in their proposals do we see acknowledgment
that all citizens have a duty to help
provide the services available to them, among
we who cannot, due to no fault of their own,
support their own needs.

It is time for the Legislature to
lead and to listen. A progressive
income tax, along with eminent domain reform,
must be enacted. We are willing to pay
an income tax and we will support it.
stand this need and will support it.



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the House Finance Com
 Committee on HB 167 / SB 124 Dated 4-4-03
Committee Name
Bill / Subject

Good afternoon, today I would like to express concern for this bill, which required drug and alcohol programs to increase matching funds from the current required 10% to 25%. For our programs that, by state mandate, treat indigent clients who do not qualify for private insurance or Medicaid we can not match through client pay. If we can not match state funds our awards will be reduced. We have not received an increase in 10 years, which in essence is the same as a cut because we can not keep up with the increasing cost of providing services.

While we can not afford increases in match requirements, we support the House amendment to step into this new requirement over the next two years rather than all at once. Loss of these programs will cost the State much more in the long run!

SIGNED: Annette Freiburger
 Testifier

Thank you

Fbks Nature Assoc.
 Representing

201 First Ave, Ste. 200 Fbks AK 99701
 Address / Phone Number 907-452-1648 x223



Family Focus Emergency Shelter 97 Timberland Dr.

A Service of Fairbanks Native Association, Inc.

TO: Legislative Affairs

FROM: Annie Hopper, LCSW
Program Director, Family Focus

RE: Recommended reductions to the Family Preservation/Family Support Grants

DATE: April 4, 2003

The FNA Family Focus Emergency shelter has operated for over 25 years and falls under the Family Preservation/Family Support Grants, component number 1628... It needs twice what the state and federal grants offer to keep its doors open. The proposed reduction in funding even further compromises the safety of youth (we have already seen this) and of staff.

In addition, what is not obvious in these proposed budget reductions is that these pots of funding have been reduced already over the last three years.....-\$74,544 to the shelter. With these reductions, that will amount to \$159,363 over two years in the northern region. Other agencies affected include RCPC and FCA.

We are a 24 hour facility. Children are staying longer. Housing options are limited. Staff is staying longer thanks to the DFYS training grant. Turnover is lower. It is the relationship built with staff and youth and families that makes a difference. Youth return again and again over the years and see mentoring faces, people they can trust when so many have let them down. Please, reconsider...don't throw us all into the same crisis our abandoned youth face.

Please close your eyes and bear with me for two brief minutes...

Picture this...you are 14 years old, and your single mother is an active alcoholic.

-394 Hamilton, - Fairbanks, Alaska 99701 - (907) 452-5502 Fax 452-5550

She drinks heavily every night, but especially on weekends and you are responsible for helping care for your 8 and 5 year old brother and sister, including cooking, homework, clothing, etc. You rarely have fun and there is little money to help out. She manages to maintain minimum wage jobs, changing every 6-8 months. She screams at you frequently, and is more than not in a foul mood with her hangovers. DFYS has investigated, but not found sufficient neglect or abuse to change the situation. One day you cannot stand it another minute and you walk out....bag in hand, and begin to stay with your friends.....anyone...you stop going to school but because they insist on accountability for your homework, etc. and at this point,...why does it matter. You distrust authority by now anyway.....

At some point of course, you are picked up by the police and you get to know the local law enforcement and JPO's. You are an angry young lady and refuse to talk with anyone or go home. Eventually, they bring to Family Focus the 24 emergency shelters for runaway and homeless youth.

Scenario #1: The program is adequately staffed and over the next few days you begin to trust and talk to the professionally trained staff there to help you. You may come in and out of the facility thru the years, but you become close enough to some of the staff...e.g., they have stayed on the job and have continued to work there over the next 8 years of your life. They are your mentors, and they eventually help you finish your GED, find a place to live, get a job.....You rely on them even now when things get tough. You are even on a youth board that works locally and nationally.

Scenario #2: Same family situation. But because the emergency shelter is not open during the day when the opportunity presented itself for you to go there, you don't even try. You find yourself finally ending up there because the police bring you, but there is only one staff member on duty, handling the meal preparation, the phone ringing, the family session, and 4 other youth that are also staying there. Why bother... You only return for showers and food when you are desperate but there is no one to really listen....You have an attitude towards everything and everyone, never finish high school and begin a predictable pattern of drinking heavily, pregnant early,.....

Please do not compromise safety and quality when it comes to our children.



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the HOUSE FINANCE
 Committee on HB 75-OP BUDGET Committee Name Dated 04.04.03
Bill / Subject

Honorable Representatives, Thank you for your service to the State of Alaska and its citizens.

I realize that you are stuck between a rock and a hard place, the rock being maintenance of constitutionally mandated university education and the hard place being our state's financial challenges.

There's something fantastic about that "Rock". It is part of Alaska's golden future. It should not be eroded, worn away. The U of A is a solid source of community education, traditional education, job training, and pertinent technology for all Alaskans.

Don't erode the U of A with flat funding. I'm willing to pay for it, and let my fellow citizens know you made the best choice for Alaska's golden future.

SIGNED:

Marta Mueller
 Testifier

Personal Interests - UAF Alumna
 Representing

516 Auklet Place Fairbanks AK 99709
 Address / Phone Number 907 479 6780

**House Finance Committee Testimony
Human Services Community Matching Grant HB 75**

My name is Denise Daniello and I reside at 3844 Ullrbahn Road, Fairbanks, AK 99709. I am testifying in support of full funding for the Human Services Community Matching Grant. I am also the executive director of the North Star Council on Aging, Senior Center.

The Human Services Community Matching Grant provides funding to social safety net agencies that distribute food to the poor, provide legal services for low-income persons, care for the dying, and deliver Meals on Wheels to homebound seniors. Each HSCMG agency provides a unique and unduplicated service for the community, collaborating with other programs to enhance social services. Approximately 31,000 people in the Borough have received services from agencies funded by this Block grant. That number amounts to roughly one-third of all Borough residents.

The North Star Council on Aging is a recipient of the Human Services Community Matching Grant. We use this grant to provide funding for the Meals on Wheels program, delivering hot nutritious meals to 150 homebound persons of the Fairbanks North Star Borough targeting at-risk elders who are frail, disabled, and financially in need. NSCoA is the only agency in the Borough providing the Meals on Wheels service. Of those individuals receiving Meals on Wheels, 95% are physically or mentally impaired; 66% are low-income earning less than \$1,000 monthly; and 63% are both medically incapacitated and financially distressed.

We travel more than 150 miles each day delivering meals to seniors who live within the city limits and those who reside outside the city core. For many, the Meals on Wheels service is a lifeline that provides the one and only meal of the day. One in eight Fairbanks seniors (persons 60 years and older) live below poverty level, too poor to buy healthy food, and too frail to shop and cook for themselves.

The Meals on Wheels program benefits two distinct categories of recipients - the frail elderly in long-term need of support, and those in need of short-term intervention recovering from an illness. Without access to proper nutrition, an elder's status can deteriorate rapidly resulting in hospitalization that can be unnecessarily costly in both human and financial terms. The full price of a home delivered meal is \$10.34 per day as compared to \$850 per day at Fairbanks Memorial Hospital.

The Human Services Community Matching Grant helps us to leverage more than \$300,000 of outside dollars for our nutrition program and over \$21,000 in in-kind assistance from 14 MOW program volunteers. Last year, we prepared and served almost 50,000 meals for Fairbanks seniors. The loss of this grant means that 23 homebound seniors will lose their Meals on Wheels service.

The Human Services Community Matching Grant is a sound, long-term community investment we support. Thank you.

Denise Daniello
4/14/03



Alaska Interior Region Service and Program Integration

An integrated volunteer service approach among a variety of non-profit agencies in the Fairbanks North Star Borough (FNSB) is unique. Their mutual goal is to provide positive solutions to community concerns through the use of volunteers of all ages. The volunteers are viewed as a powerful and often under-utilized resource. The FNSB cooperating agencies strive to provide benefits, services, and support to these community volunteers so they may be as involved in their communities and peer groups as they desire. The FNSB cooperating agencies provide information, assistance, and support to enable volunteers to make informed choices as to volunteer assignments and the community need of their choice.

The National Senior Service Corps (NSSC) Interior Region strongly supports service integration among non-profit service organizations and is an active participant. The approach of the NSSC Interior Region senior service volunteer programs is primarily focused on the specific task of recruiting, training, and placing senior citizens in volunteer assignments responsive to defined community needs. The Interior Region staff provide on-going senior volunteer training; monitoring of volunteer sites; advocacy and referral when appropriate; recognition; and social activities. Senior service volunteers continue to receive all benefits for which they are qualified, with never a charge for their services to clients or a charge to the community agencies where they are assigned. Volunteer files are maintained and kept up to date at the Interior Region office, with annual evaluations of placements and volunteer needs.

The NSSC Interior Region staff and senior volunteers know that individuals who are physically and mentally active and challenged; who participate in activities with others and who feel they are making a difference in someone else's life feel healthier, require less medical attention, experience less depression, loneliness and substance abuse and are victimized less often than those who are not. The unique benefits that the NSSC Interior Region program provides to senior volunteers include annual physical exams, liability insurance, meals, and transportation while volunteering. Also available to senior service volunteers are training, recognition, participation in social events, and a monetary stipend to qualified low income volunteers that is non-taxable and does not affect other services based on income. There are many benefits that the senior service volunteers provide to other adults (both elderly and disabled) and needy children.

An ongoing integrated volunteer service approach among non-profit agencies in the Fairbanks North Star Borough is a strong positive resource for the community and the FNSB citizenry. Non-profit service providers are available to support, guide, inform and facilitate volunteerism at the local level and community support for these efforts should be sustained. The loss of block grant funding and or reduced funding will severely impact the capability of several non-profit agencies who have responded to our community's needy for more than twenty years. Diminished funding will be a detriment to Alaska Natives, youth, adult, and senior populations regardless of age or income. Why would you want to be identified as an advocate of this inappropriate action?



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the House Finance
 Committee on HB 75 - Budget Committee Name Dated 04-04-03
Bill / Subject

Please fully restore the HSS Community Matching Block grant to pre-FY03 levels. The programs funded by this grant provide a safety net for this state, saving the State millions of dollars in incarceration, institutionalization, and public assistance costs. These programs leverage volunteer hours and attract additional funding to dramatically increase their positive impacts.

It is entirely appropriate that programs that save the State money should receive funding from the state, so I ask that the subcommittee's intent language be deleted.

Also on behalf of Arctic Alliance for People, I ask that you restore funding for Foster Care & Subsidized Adoption, Family Support and Family Preservation, and staff support for the Alaska Children's Trust.

Thank you for your attention and your service to this State

SIGNED:

Taber S Rehbaum
 Taber S Rehbaum

Testifier

Arctic Alliance for People
 Representing

PO Box 438 E. Star AK 99725
 Address / Phone Number

H: 458 0423
 W: 452 8110

*Candy Waugaman
Box 80589 Fairbanks AK 99708*

The proposed \$255,000 decrease in funding for the Alaska State Library, one of the most user-friendly agencies of our State and one that exists to serve the public and preserve Alaskan history, is a sorry sign of the times and the priorities our elected officials choose to give government.

I'm sure that everyone taking part in this testimony today has used a library, grown up with a library nearby, and taken their own children to use such a facility. Children know what a library is by the time or before they know about apple pie and baseball...and everyone enjoys the library! There is not another agency in the State of Alaska that can brag such recognition, and few other agencies that are ever happily used by people during their lifetime.

Standing in line to get my license from Motor Vehicles, being summoned for jury duty, fined by DEC, or involved with the AG's office are all unpleasant experiences with State agencies. The library is one of the few saving graces of government and many of the various programs offered by the Alaska State Library that are accessible state-wide will be lost with the proposed budget cuts.

Most significant to a collector such as myself will be the curtailment of preservation programs of our historical collection, a collection that affords our grandchildren the opportunity to view how we lived and how the times were in the 19th and 20th centuries in Alaska.

The budget cuts will also result in reduced hours at the library for walk-in use and inquiries through other means, and reduction in staff to maintain web access to the Alaska State Library collections and services. In addition, the cuts to the archives budget will result in limited public access to historic records, as well as limiting your access to research proposed actions being taken by the legislature and other branches of state government.

Budget cuts will eliminate SLED, our Alaska information web site. This is a program used by researchers statewide, and is of particular importance to students and the universities and community colleges throughout Alaska.

The Alaska State Library has suffered through legislative budget cuts over the last decade because of lack of support by our elected officials of this essential part of state government that cannot be self-sustaining. Like the Governor's Office and the Legislature itself, some departments just can't

pay their own way, but are necessary. I would put the library at the top of that list!

In addition to the substantial reductions proposed for the Alaska State Library and Archives, the proposed seasonal closure due to non-funding essential staff of the Sheldon Jackson Museum is a sad look at government priorities in Alaska. Sheldon Jackson Museum represents the oldest such collection of Alaskan history in our state, existing long before statehood was even an issue. This museum works with school districts state-wide and promotes the first hand exhibition of historic objects for teaching opportunities through a loan program. The closure of this museum during the school year or during the summer months when thousands of visitors see part of Alaskan history will severely hamper educating the public about Alaska.

More than half of those of you sitting in judgment today on historic Alaska are Alaskans by birth...Harris, Williams, Foster, Stoltz, Croft and Joule. I would hope that those of you given the opportunity to support protection of your past would happily do so by reinstating funding for operations in our Alaska State Museums, Alaska State Library and our Historical Collections.

Thank you for your time.

An Alyeska Central School Student has compiled this fact sheet.

Closing ACS will not save the state money.

- ASC, for the past 5 years, has not required the full 5.5 Million.
 - 2002/2003 cost: 3.8 million.
 - 2001/2002 cost: 4.4 million.
- Shifting ACS' students to District/Borough schools would cause
 - **Increased costs by 20%** to the state compared to the 80% that ACS gets.
 - **Overcrowding (About 750 ACS students reside in the state's largest five districts, and are most likely to return to local schools.)**
 - Cost to build **new schools** and to hire **new staff** when small communities suddenly have enough students who are interested in going to a local school.
 - An increase in the lack of funding already existing in small schools.
- At least 1/3 of our 200 seniors are not going to be able to graduate by the deadline.
 - ACS seniors who do not graduate by June 30th will each either cost the state another full semester of classes, or will drop out of the school system altogether.
- Warehouse rent is paid from the ACS budget. Rent for office, \$369,000, is paid to the Permanent Fund corporation. **Funds go from one state pocket to another.** ACS could, conceivably, pay for office rent out of their own budget.
- **No other correspondence school:**
 - Is fully accredited (others have provisional accreditation and are applying, but IF they are accepted, it won't be for another 3-5 years.)
 - Offers dual enrollment
 - Is mandated to enroll rural students after the student count period.
 - Has the know-how to aid special-needs children. ACS has a certified resource (special needs) teacher.
 - Has the ample teachers, or the support that ACS offers. This makes ACS the only correspondence school capable of meeting the 2005 No Child Left Behind criteria.
 - A summer school; without the ACS summer school, students without access to a brick and mortar school are denied an equal education.
 - Offers participation in as many unique programs, such as National (DC) and State (Juneau) Close-Up, Academic Decathlon, Presidential Classroom, Geography-B, Battle of the Books, and Lego League Tournament.
- These things, along with ACS's Parent Advisory Council, Library, the individual support teachers give to their students, structure of lesson plans, optional flexibility, advanced, online and traditional courses and a proven track record, **make ACS dynamic, unparalleled and absolutely unique.**
- ACS has developed **18** of the 29 online courses used by other schools in the state.
- Student from many other correspondence schools, such as IDEA and PACE enroll in ACS courses; so closing ACS will harm all Alaskan correspondence schools.

Please continue to fund ACS!!!

To House Finance Committee 4/3/03
Rep. Williams
Testimony to Senate State Affairs Committee March 25, 2003

Chairman and Committee Members --

My name is Marie Darlin. I am Coordinator of the AARP Captial City Task Force. You have received a letter from the AARP State Office regading our concern about SB 117, which repeals the Longevity Bonus for Seniors. I wish to add a few additional facts to your deliberations.

The Longevity Bonus is important to many seniors and is phasing itself out. The cost has dropped 13 million in the last four years and will continue to decrease even more each year. Research shows that 12,000 or 2/3 of the 18,000 seniors on the Longevity Bonus are over age 75 that receive the \$250. They are our most elderly, so we know the yearly cost will be declining more rapidly each year. If you don't believe me, read the obituaries in your local papers. In 1999 over 2,000 of the state's seniors were over age 85.

One of the main reasons for the Longevity Bonus was to keep our seniors in Alaska, so they wouldn't have to leave upon retirement. And statistics show they are staying. The Bonus helps them do that. There are reasons you should want them to stay in Alaska.

Governor Murkowski talks a lot about Alaska resources and business. The Alaska SENIORS ARE BOTH. Although they are usually overlooked or ignored when either is mentioned. I want to refer you to the December 2001 study entitled "Issues Affecting the Economic Well-Being of Alaska Seniors" prepared by the McDowell Group for the Alaska Commission on Aging, and also to the Dept of Labor Trends issue of December 2001, read April 2003.

SENIORS ARE A BASIC INDUSTRY. They bring revenue into the state- i.e. retirement pension income, investments and assets, medicare and medical

payments, veterans benefits, Social Security payments, etc.-- that came to a total of 1 billion, 217 million in 1999. Most of it was spent here. If you apply the multiplier of two to this income, this is a 2.4 billion impact on our economy, generating more income than most of the state's leading industries. Thus the 47 million the Governor saves by eliminating the bonus takes 94 million of the Alaska's economy.

The seniors are also an important RESOURCE that gets overlooked most of the time. The McDowell report shows 20,000 seniors over age 60 provide 400,000 hours a month of volunteer time to our communities. This is the equivalent of 2400 full time jobs worth approximately 60 million per year. Many non-profit organizations could not exist without this help. Our municipalities also benefit greatly from these volunteer services. Then we have the senior caregivers who provide an average of 20 days per month of unpaid care to someone. An equivalent of 6300 full time jobs.

In 1999 there were 6,000 Alaska seniors living on less than \$1,000 per month, the poverty level, and the bonus is important to them. It provides about 10% of the income for single seniors. The seniors are an important part of our communities, and critical to many of our families, and they hope to spend the rest of their lives here.

These statistics show how our seniors contribute to our state and I ask you to consider them in your deliberations. I want to thank the Commission . Aging for the McDowell Study, which had been needed for a long time. I urge all legislators to review it.

Thank you for your time.


Marie Darlin

- The City of Petersburg has traditionally funded its social service and public safety programs well above levels provided from the state and the city will try its very best to continue to do so. However, the city currently faces a projected shortfall of \$250,000. in its upcoming FY 04 budget just to maintain existing service levels. Any further decrease in revenues will create an even greater gap.

- State Revenue Sharing Received

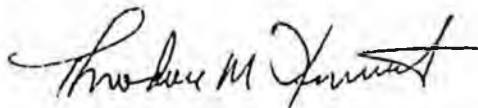
Revenue Sharing funds received from the State are restricted for use in the following categories. This fiscal year we received revenue sharing funds for:

	<u>Rec'd for FY 03</u>	<u>If cut 25%</u>
Road Maintenance	\$ 8,122.00	\$ 6,091.00
Hospital	\$37,672.00	\$ 28,254.00
Health Facilities	\$ 3,615.00	\$ 2,711.00
Non-restricted	<u>\$56,518.00</u>	<u>\$ 42,389.00</u>
Total	\$105,927.00	\$ 79,444.00

- Safe Communities Program receipts:

	<u>For FY 03</u>	<u>If cut 25%</u>
Total	\$81,308.00	\$ \$60,981.00

These funds are required to be used for police protection, fire protection and emergency medical services, water and sewer services not offset by user fees, or solid waste management. Petersburg has traditionally used these funds only for its police, fire and EMS services.



TED SMITH, Mayor
 PO BOX 841
 PETERSBURG, AK

MR. CHAIRPERSONS MEMBERS
OF THE COMMITTEE

REVENUE SHARING CUT EFFECTS

- THIS IS** ~~is~~ the wrong time for the State to cut line items within its budget that affect municipalities. Coastal communities in western and southeast Alaska are facing a severe economic downturn due to declining fish markets and loss of the timber industry. At the same time, the price of oil is up, so the State's financial position should be looking relatively good, especially compared to municipalities that are exhausting their means of acquiring operating revenue. Many cities are at, or near, their tax limits and can not locally raise sufficient revenues to continue to provide adequate, essential services to their residents.
- MISTAKENLY**
HOLDING STADY ON

Oil revenue **is** the people's money and in these times of economic downturn the State should be **increasing** revenue sharing instead of continuing the vicious cycle we are in. Our local economy is taking a tail spin. We are losing population, yet our debt obligations remain. Schools and communities have continued fixed costs, no matter how many pupils or citizens served. 6.22.02. from 759. We must provide the same level of police and fire protection, no matter if our population is 3,400 people, or 2,500 people.
- Revenue Sharing and Safe Community Program receipts provide needed funds for the most basic social services. Any funding decrease, let alone a 25% reduction, hurts the social well being of a community.
- Now is the time to be funding social service and public safety programs to the max. Programs such as drug and alcohol counseling, mental health services, public health nurse, fire and police protection are very necessary services, and more so when people are out of work, that must be provided in each and every community.



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907)586-1325, Fax (907)-463-5480

To: House Finance Committee

From: Kevin Ritchie, Executive Director

Date: April 4, 2003

Re: Consolidated information on the economic challenges in your communities

A number of citizens and community leaders have outlined the economic situations facing their community.

This is a good consolidated survey of fiscal conditions in 59 communities done in March 2003.

As you will see, many communities battling to restart their local economies are struggling to maintain key local services while keeping local taxes within reason.

Significant cuts to school funding, municipal revenue sharing, school bond debt reimbursement, and other state support to communities can hinder economic recovery.

AML/Alaska Conference of Mayors
2003 Municipal Fiscal Conditions Survey

The **doubt** hit of State cuts to municipal revenue sharing and new unfunded state mandates, on top of severe local economic downturns would devastate many local economies and communities

Summary of Current Fiscal Conditions already facing municipalities:

- **Moderate to severe local job and population loss** that reduce local revenue generating capacity;
- **Fewer people to pay fixed operating costs** of schools, utilities, bonds, etc.
- **Steeply increasing operating costs** for oil and other commodities/services;
- **Severe increases** in general liability and property and health **insurance**, and State provided **retirement plans**;
- **Loss of investment earnings**, and
- State and federal **unfunded mandates**.