

ALASKA LEGISLATURE

2582

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

Agency Totals - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Military and Veterans Affairs

	<u>04 Auth</u>	<u>04MetPln</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>SenSub</u>	<u>04MetPln to SenSub</u>		<u>Gov Amd to SenSub</u>
Totals for Agency	34,660.3	34,660.3	35,037.9	35,037.9	35,037.9	377.6	1.1 %	0.0
<u>Objects of Expenditure:</u>								
Personal Services	16,009.8	16,009.8	16,393.4	16,393.4	16,393.4	383.6	2.4 %	0.0
Travel	854.4	854.4	739.8	739.8	739.8	-114.6	-13.4 %	0.0
Contractual	13,756.1	13,756.1	14,028.1	14,028.1	14,028.1	272.0	2.0 %	0.0
Commodities	2,144.8	2,144.8	2,244.4	2,244.4	2,244.4	99.6	4.6 %	0.0
Equipment	288.8	288.8	93.1	93.1	93.1	-195.7	-67.8 %	0.0
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0		0.0
Grants, Claims	1,606.4	1,606.4	1,539.1	1,539.1	1,539.1	-67.3	-4.2 %	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0		0.0
<u>Funding Sources:</u>								
F 1002 Fed Rcpts	18,971.7	18,971.7	18,805.0	18,805.0	18,805.0	-166.7	-0.9 %	0.0
G 1003 G/F Match	2,179.6	2,179.6	2,046.1	2,046.1	2,046.1	-133.5	-6.1 %	0.0
G 1004 Gen Fund	6,403.1	6,403.1	6,918.5	6,918.5	6,918.5	515.4	8.0 %	0.0
G 1005 GF/Prgm	28.4	28.4	28.4	28.4	28.4	0.0		0.0
O 1007 I/A Rcpts	5,164.4	5,164.4	5,541.3	5,541.3	5,541.3	376.9	7.3 %	0.0
O 1052 Oil/Haz Fd	0.0	0.0	300.0	300.0	300.0	300.0	100.0 %	0.0
O 1055 IA/OIL HAZ	836.9	836.9	250.3	250.3	250.3	-586.6	-70.1 %	0.0
O 1061 CIP Rcpts	142.5	142.5	551.5	551.5	551.5	409.0	287.0 %	0.0
O 1108 Stat Desig	923.6	923.6	585.0	585.0	585.0	-338.6	-36.7 %	0.0
O 1181 Vets Endow	10.1	10.1	11.8	11.8	11.8	1.7	16.8 %	0.0

Agency Totals - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Military and Veterans Affairs

	<u>04 Auth</u>	<u>04MgtPln</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>SenSub</u>	<u>04MgtPln to SenSub</u>		<u>Gov Amd to SenSub</u>
<u>Positions:</u>								
Perm Full Time	264	264	259	259	259	-5	-1.9 %	0
Perm Part Time	6	6	5	5	5	-1	-16.7 %	0
Temporary	1	1	1	1	1	0		0
<u>Funding Summary:</u>								
General Funds	8,611.1	8,611.1	8,993.0	8,993.0	8,993.0	381.9	4.4 %	0.0
Federal Receipts	18,971.7	18,971.7	18,805.0	18,805.0	18,805.0	-166.7	-0.9 %	0.0
Other Funds	7,077.5	7,077.5	7,239.9	7,239.9	7,239.9	162.4	2.3 %	0.0

Appropriation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Military and Veterans Affairs

Appropriation/ <u>Allocation</u>	<u>04 Auth</u>	<u>04MntPln</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>SenSub</u>	<u>04MntPln to SenSub</u>		<u>Gov Amd to SenSub</u>	
Homeland Security & Emerg Svcs									
Homeland Security & Emer Svcs	5,346.6	5,346.6	4,967.7	4,967.7	4,967.7	-378.9	-7.1 %	0.0	
Local Emerg Planning Committee	409.0	409.0	300.0	300.0	300.0	-109.0	-26.7 %	0.0	
* Appropriation Total	5,755.6	5,755.6	5,267.7	5,267.7	5,267.7	-487.9	-8.5 %	0.0	
Alaska National Guard									
Office of the Commissioner	1,820.9	1,820.9	2,481.5	2,481.5	2,481.5	660.6	36.3 %	0.0	
National Guard Military Hdqtrs	226.8	226.8	242.8	242.8	242.8	16.0	7.1 %	0.0	
Army Guard Facilities Maint.	11,927.4	11,927.4	11,383.9	11,383.9	11,383.9	-543.5	-4.6 %	0.0	
Air Guard Facilities Maint.	5,959.8	5,959.8	5,620.7	5,620.7	5,620.7	-339.1	-5.7 %	0.0	
State Active Duty	320.0	320.0	320.0	320.0	320.0	0.0		0.0	
Alaska Military Youth Academy	6,093.5	6,093.5	6,450.8	6,450.8	6,450.8	357.3	5.9 %	0.0	
STARBASE	299.2	299.2	308.9	308.9	308.9	9.7	3.2 %	0.0	
* Appropriation Total	26,647.6	26,647.6	26,808.6	26,808.6	26,808.6	161.0	0.6 %	0.0	
Alaska National Guard Benefits									
Educational Benefits	278.5	278.5	278.5	278.5	278.5	0.0		0.0	
Retirement Benefits	1,322.5	1,322.5	2,025.3	2,025.3	1,996.8	674.3	51.0 %	-28.5	-1.4 %
* Appropriation Total	1,601.0	1,601.0	2,303.8	2,303.8	2,275.3	674.3	42.1 %	-28.5	-1.2 %

Appropriation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Military and Veterans Affairs

Appropriation/ Allocation	<u>01 Auth</u>	<u>04MetPln</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>SenSub</u>	<u>04MetPln to SenSub</u>		<u>Gov Amd to SenSub</u>	
Veterans' Affairs									
Veterans' Services	656.1	656.1	657.8	657.8	686.3	30.2	4.6 %	28.5	4.3 %
* Appropriation Total	656.1	656.1	657.8	657.8	686.3	30.2	4.6 %	28.5	4.3 %
*** Totals for Agency	34,660.3	34,660.3	35,037.9	35,037.9	35,037.9	377.6	1.1 %	0.0	
General Funds	8,611.1	8,611.1	8,993.0	8,993.0	8,993.0	381.9	4.4 %	0.0	
Federal Receipts	18,971.7	18,971.7	18,805.0	18,805.0	18,805.0	-166.7	-0.9 %	0.0	
Other Funds	7,077.5	7,077.5	7,239.9	7,239.9	7,239.9	162.4	2.3 %	0.0	

Appropriation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language Fund Group: General Funds

Agency: Department of Military and Veterans Affairs

Appropriation/ Allocation	04 Auth	01/02/03	Gov	Gov Amd	SenSub	04/02/03 to SenSub	Gov Amd to SenSub
Homeland Security & Emerg Svcs							
Homeland Security & Emer Svcs	1,763.8	1,763.8	1,530.3	1,530.3	1,530.3	-233.5 -13.2 %	0.0
Local Emerg Planning Committee	69.8	69.8	0.0	0.0	0.0	-69.8 -100.0 %	0.0
* Appropriation Total	1,833.6	1,833.6	1,530.3	1,530.3	1,530.3	-303.3 -16.5 %	0.0
Alaska National Guard							
Office of the Commissioner	1,163.2	1,163.2	1,314.0	1,314.0	1,314.0	150.8 13.0 %	0.0
National Guard Military Hdqtrs	226.8	226.8	242.8	242.8	242.8	16.0 7.1 %	0.0
Army Guard Facilities Maint.	2,242.5	2,242.5	2,037.2	2,037.2	2,037.2	-205.3 -9.2 %	0.0
Air Guard Facilities Maint.	898.0	898.0	785.5	785.5	785.5	-112.5 -12.5 %	0.0
Alaska Military Youth Academy	0.0	0.0	133.4	133.4	133.4	133.4 100.0 %	0.0
* Appropriation Total	4,530.5	4,530.5	4,512.9	4,512.9	4,512.9	-17.6 -0.4 %	0.0
Alaska National Guard Benefits							
Educational Benefits	278.5	278.5	278.5	278.5	278.5	0.0	0.0
Retirement Benefits	1,322.5	1,322.5	2,025.3	2,025.3	1,996.8	674.3 51.0 %	-28.5 -1.4 %
* Appropriation Total	1,601.0	1,601.0	2,303.8	2,303.8	2,275.3	674.3 42.1 %	-28.5 -1.2 %
Veterans' Affairs							
Veterans' Services	646.0	646.0	646.0	646.0	674.5	28.5 4.4 %	28.5 4.4 %
* Appropriation Total	646.0	646.0	646.0	646.0	674.5	28.5 4.4 %	28.5 4.4 %

Appropriation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language
Fund Group: General Funds

Agency: Department of Military and Veterans Affairs

Appropriation/

Allocation	<u>04 Auth</u>	<u>04MetPln</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>SenSub</u>	<u>04MetPln to SenSub</u>	<u>Gov Amd to SenSub</u>
*** Totals for Agency	8,611.1	8,611.1	8,993.0	8,993.0	8,993.0	381.9 4.4 %	0.0

Transaction 1-Way Comparison - FY 2005 Operating Budget - Senate Structure

Numbers & Language

From Gov to SenSub

Agency: Department of Military and Veterans Affairs

Column	Trans Type	Total Exprd	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
<u>Alaska National Guard Benefits</u>													
<u>Retirement Benefits</u>													
Transfer from Retirement Benefits to Veterans' Services to meet program cost increases to contractors	SenSub	TrOut	-28.5	0.0	0.0	-28.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		-28.5											
		-28.5	0.0	0.0	-28.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** Appropriation Difference ***		-28.5	0.0	0.0	-28.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Veterans' Affairs</u>													
<u>Veterans' Services</u>													
Transfer from Retirement Benefits to Veterans' Services to meet program cost increases to contractors	SenSub	TrIn	28.5	0.0	0.0	28.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund		28.5											
		28.5	0.0	0.0	28.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** Appropriation Difference ***		28.5	0.0	0.0	28.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
**** Agency Difference ****		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
***** Differences - All Agencies *****		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Natural

Resources

SENATE FINANCE COMMITTEE
APR 2003 COMMITTEE ACTION

Bill Number	HB 875		
Amendment	DNR #1		
Motion	adopt		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	none		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Stevens			
Senator Bunde			
Senator Dyson			
Senator Hoffman			
Senator Olson			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	Pass		

DNR #1

Amendment to SCS for CS HB 375(FIN) version 23-GF2040\C

Offered By: Senator Green by request

ADD

Department: Natural Resources

Appropriation: Resource Development

Allocation: Agriculture Revolving Loan Program Administration

Fund Source Number & Name: 1021 Agriculture Revolving Loan Fund (ARLF)

Amount: \$1,500,000

DESCRIPTION:

The Department of Corrections has operated the Mt. McKinley Meat Plant for the Agriculture Revolving Loan Fund and accounted for the buying and selling of the animals through its Alaska Correctional Industries operation. In December 2003 the ARLF took back the operation of the meat plant with the understanding that the Department of Corrections continue to account for the buying and selling of the animals. For the balance of FY04 the Department of Corrections will perform this duty under an RSA agreement with DNR.

In order to gain more control of the overall administrative process this amendment proposes that the ARLF be given the authority to receive and expend all of the revenues and expenditures of the Mt. McKinley Meat Plant through the Agriculture Revolving Loan Fund.

The projection is that this expenditure will be matched by an equal or greater amount of revenue into the ARLF.

The long term plan is for the MMMP to be turned over to a Coop by 2006.

SENATE FINANCE COMMITTEE
4/16/2004 COMMITTEE ACTION

Bill Number	HB 375		
Amendment	DNR #2		
Motion	adopt		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	none		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Bunde			
Senator Dyson			
Senator Hoffman			
Senator Olson			
Senator Stevens			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	PASS		

DNR #2

AMENDMENT#

OFFERED IN THE SENATE FINANCE COMMITTEE

By SENATOR GREEN
By Request

TO: Senate CS for HB 375 (FIN)

ADD

Department of Natural Resources

Resource Development

Recorder's Office/Uniform Commercial Code

\$6,200 Receipt Supported Services

This amendment will provide office space for the Seward Recording Office.

Seward Recording Office

Annual Amount Requested: \$6,200 in Receipt Supported Services

Currently in the Budget: 1 part-time position for \$27,000

Total Amount of Receipts Collected in FY '03: \$33,298

Background Information: In the past, all recording was done by the Alaska Court System. However, over the last several years, the court system has urged the state to take over that function. To move in that direction, the state approved funding in FY '04 for a part-time position, but did not include funding for office space. Unfortunately, utilizing the space in the courthouse was not an option.

Due to the fact that no money was included in the budget for office space, there was talk of moving this function to Anchorage. This move was adamantly opposed by the community of Seward and in an effort to keep it there, local businesses throughout the community banded together to share the cost of paying for the office space for this fiscal year. The current lease agreement will expire on June 30th, 2004.

Seward has had a recording office for the past 90 years and would like to continue to provide that service to its residents. The cost of the office space would come from the receipts that the Seward Recording Office collects.

\$6,200 was added in House Finance and is in the House version of the budget.

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

April 6, 2004

FRANK H. MURKOWSKI, GOVERNOR

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JUNEAU, ALASKA 99811-0020
PHONE: (907) 465-4660
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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:

Please consider the following amendments to the operating budget bill, HB 375 and SB 256:

Amend section 1, Department of Natural Resources, Resource Development, Agriculture Revolving Loan Program Administration, to read:

Allocations

Agriculture Revolving Loan **2,563,100** [1,063,100]
Program Administration

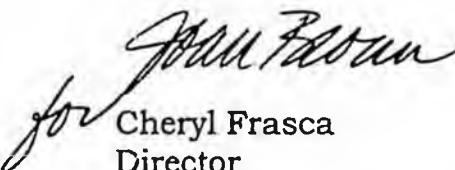
(The fund source is the Agriculture Revolving Loan Fund. The appropriation amount would also need to be increased.)

Amend section 24(a) (House version), Office of the Governor, to read:

Sec. 24. OFFICE OF THE GOVERNOR. (a) The sum of **\$7,446,803** [\$5,450,000] is appropriated from federal receipts to the election fund required by the federal Help America Vote Act.

Backup information is attached. If you have any questions, please call me (465-4660) or Joan Brown (465-4681).

Sincerely,


Cheryl Frasca
Director

Attachments
cc: David Teal
Legislative Finance

Change Record Detail With Description

Department of Natural Resources

Scenario: FY2005 Governor Amended (3734)

Component: Agriculture Revolving Loan Program Administration (2235)

RDU: Resource Development (136)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
AMD: Mt. McKinley Meat Packing Plant													
	Inc	1,500.0	0.0	0.0	1,500.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1021 Agric Loan	1,500.0												
<p>The Department of Corrections has operated the Mt. McKinley Meat Plant for the Agriculture Revolving Loan Fund and accounted for the buying and selling of the animals through its Alaska Correctional Industries operation. In December 2003 the ARLF took back the operation of the meat plant with the understanding that the Department of Corrections continue to account for the buying and selling of the animals. For the balance of FY04 the Department of Corrections will perform this duty under an RSA agreement with DNR.</p> <p>In order to gain more control of the overall administrative process this amendment proposes that the ARLF be given the authority to receive and expend all of the revenues and expenditures of the Mt. McKinley Meat Plant through the Agriculture Revolving Loan Fund.</p> <p>The projection is that this expenditure will be matched by an equal or greater amount of revenue into the ARLF.</p> <p>The long term plan is for the Mt. McKinley Meat Plant to be turned over to a Coop by 2006.</p>													
Totals		1,500.0	0.0	0.0	1,500.0	0.0	0.0	0.0	0.0	0.0	0	0	0

**Senate Finance Subcommittee – Department of Natural Resources –
3/24/04**

The Senate Finance Subcommittee for the Department of Natural Resources has adopted the following FY 05 budget for the Department of Natural Resources. This total budget of \$104,374,800 contains \$36,972,900 in General Funds, \$16,196,100 in Federal Funds, and \$51,205,800 in Other Funds.

The only change from the Governor's amended request is the addition of Agricultural Revolving Loan Fund receipt authority. This includes \$150,000 for the Alaska Grown Marketing Program and \$60,000 for the Organic program.

The subcommittee also adopted the following conditional language.

Resource Development – Forest Management and Development

The amount allocated for Forest Management and Development includes the unexpended and unobligated balance on June 30, 2004, of the timber receipts account (AS 38.05.110).

Agency Totals - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Natural Resources

	<u>04NetPln</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>UseSub</u>	<u>SenSub</u>	<u>04NetPln to SenSub</u>		<u>Gov to SenSub</u>		<u>UseSub to SenSub</u>	
Totals for Agency	100,355.1	103,764.8	104,164.8	100,233.3	104,374.8	4,019.7	4.0 %	610.0	0.6 %	4,141.5	4.1 %
<u>Objects of Expenditure:</u>											
Personal Services	58,307.5	61,877.5	61,982.5	58,850.5	62,042.5	3,735.0	6.4 %	165.0	0.3 %	3,192.0	5.4 %
Travel	2,007.9	2,033.7	2,067.7	2,020.5	2,070.7	62.8	3.1 %	37.0	1.8 %	50.2	2.5 %
Contractual	32,540.3	33,352.8	33,611.8	32,913.2	33,743.8	1,203.5	3.7 %	391.0	1.2 %	830.6	2.5 %
Commodities	-1,812.3	4,315.8	4,317.8	4,287.6	4,332.8	-479.5	-10.0 %	17.0	0.4 %	45.2	1.1 %
Equipment	1,355.8	1,110.0	1,110.0	1,086.5	1,110.0	-245.8	-18.1 %	0.0		23.5	2.2 %
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0	
Grants, Claims	1,331.3	1,075.0	1,075.0	1,075.0	1,075.0	-256.3	-19.3 %	0.0		0.0	
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0	
<u>Funding Sources:</u>											
F 1002 Fed Rcpts	17,547.9	16,026.1	16,196.1	16,026.1	16,196.1	-1,351.8	-7.7 %	170.0	1.1 %	170.0	1.1 %
G 1003 G/F Match	1,395.4	1,580.9	1,580.9	1,319.4	1,580.9	185.5	13.3 %	0.0		261.5	19.8 %
G 1004 Gen Fund	44,067.3	31,531.0	32,398.8	40,532.2	32,398.8	-11,668.5	-26.5 %	867.8	2.8 %	-8,133.4	-20.1 %
G 1005 GF/Prgm	2,716.5	2,993.2	2,993.2	2,993.2	2,993.2	276.7	10.2 %	0.0		0.0	
O 1007 I/A Rcpts	5,954.4	7,864.2	7,418.4	7,864.2	7,418.4	1,464.0	24.6 %	-445.8	-5.7 %	-445.8	-5.7 %
O 1018 EVOS Trust	620.7	615.7	615.7	615.7	615.7	-5.0	-0.8 %	0.0		0.0	
O 1021 Agric RLF	2,230.2	2,280.9	2,280.9	2,280.9	2,490.9	260.7	11.7 %	210.0	9.2 %	210.0	9.2 %
O 1055 I/A/OIL HAZ	100.8	67.0	67.0	67.0	67.0	-33.8	-33.5 %	0.0		0.0	
O 1061 CIP Rcpts	4,387.6	4,369.4	4,369.4	4,369.4	4,369.4	-18.2	-0.4 %	0.0		0.0	
O 1066 Pub School	463.5	0.0	0.0	0.0	0.0	-463.5	-100.0 %	0.0		0.0	
O 1092 MHTAAR	1,108.6	1,181.2	1,181.2	1,181.2	1,181.2	72.6	6.5 %	0.0		0.0	
O 1105 PFund Rcpt	2,816.4	3,145.3	3,145.3	3,145.3	3,145.3	328.9	11.7 %	0.0		0.0	

Agency Totals - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Natural Resources

	<u>01MetPLu</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>UseSub</u>	<u>SenSub</u>	<u>01MetPLu to SenSub</u>		<u>Gov to SenSub</u>		<u>UseSub to SenSub</u>	
O 1108 Stat Desig	6,358.5	8,187.1	7,995.1	8,187.1	7,995.1	1,636.6	25.7 %	-192.0	-2.3 %	-192.0	-2.3 %
O 1140 AIDEA Div	0.0	11,000.0	11,000.0	0.0	11,000.0	11,000.0	100.0 %	0.0		11,000.0	100.0 %
O 1150 ASLC Div	0.0	1,673.5	1,673.5	0.0	1,673.5	1,673.5	100.0 %	0.0		1,673.5	100.0 %
O 1153 State Land	4,638.5	4,650.9	4,650.9	4,753.2	4,650.9	12.4	0.3 %	0.0		-102.3	-2.2 %
O 1154 Shore Fish	329.4	341.1	341.1	341.1	341.1	11.7	3.6 %	0.0		0.0	
O 1155 Timber Rcp	693.7	711.9	711.9	711.9	711.9	18.2	2.6 %	0.0		0.0	
O 1156 Rcpt Svcs	4,925.7	5,545.4	5,545.4	5,845.4	5,545.4	619.7	12.6 %	0.0		-300.0	-5.1 %
<u>Positions:</u>											
Perm Full Time	691	707	707	697	707	16	2.3 %	0		10	1.4 %
Perm Part Time	276	265	265	265	265	-11	-4.0 %	0		0	
Temporary	98	102	102	102	102	4	4.1 %	0		0	
<u>Funding Summary:</u>											
General Funds	48,179.2	36,105.1	36,972.9	44,844.8	36,972.9	-11,206.3	-23.3 %	867.8	2.4 %	-7,871.9	-17.6 %
Federal Receipts	17,547.9	16,026.1	16,196.1	16,026.1	16,196.1	-1,351.8	-7.7 %	170.0	1.1 %	170.0	1.1 %
Other Funds	34,628.0	51,633.6	50,995.8	39,362.4	51,205.8	16,577.8	47.9 %	-427.8	-0.8 %	11,843.4	30.1 %

Appropriation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Natural Resources

Appropriation/ Allocation	<u>0101</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>UseSub</u>	<u>SenSub</u>	<u>0101 to SenSub</u>	<u>Gov to SenSub</u>	<u>UseSub to SenSub</u>
Resource Development								
Commissioner's Office	1,330.8	739.1	739.1	88.9	739.1	-591.7 -44.5 %	0.0	650.2 731.4 %
Administrative Services	2,499.5	1,929.4	1,929.4	1,817.4	1,929.4	-570.1 -22.8 %	0.0	112.0 6.2 %
Information Resource Mgmt.	2,564.1	2,673.2	2,673.2	2,513.2	2,673.2	109.1 4.3 %	0.0	160.0 6.4 %
Oil & Gas Development	6,573.6	8,002.3	8,002.3	7,435.5	8,002.3	1,428.7 21.7 %	0.0	566.8 7.6 %
Pipeline Coordinator	3,778.8	3,840.9	3,840.9	3,840.9	3,840.9	62.1 1.6 %	0.0	0.0
AK Coastal Management Program	5,199.9	5,301.5	5,301.5	5,040.0	5,301.5	101.6 2.0 %	0.0	261.5 5.2 %
Large Project Permitting	0.0	2,358.5	2,368.5	2,358.5	2,368.5	2,368.5 100.0 %	10.0 0.4 %	10.0 0.4 %
Habitat Mgmt and Permitting	3,551.8	3,631.5	3,631.5	3,631.5	3,631.5	76.7 2.2 %	0.0	0.0
Claims, Permits, & Leases	7,703.3	7,976.8	8,101.8	7,434.8	8,101.8	398.5 5.2 %	125.0 1.6 %	667.0 9.0 %
Land Sales & Muni Entitlements	3,044.4	3,582.9	3,617.9	3,582.9	3,617.9	573.5 18.8 %	35.0 1.0 %	35.0 1.0 %
Title Acquisition & Defense	1,178.7	1,182.5	1,182.5	1,076.5	1,182.5	3.8 0.3 %	0.0	106.0 9.8 %
Water Development	1,443.3	1,510.4	1,510.4	1,510.4	1,510.4	67.1 4.6 %	0.0	0.0
RS2477 Assertions & Litigation	116.3	266.3	266.3	266.3	266.3	150.0 129.0 %	0.0	0.0
Director's Office/Mining, Land	481.6	403.1	403.1	403.1	403.1	-81.5 -16.8 %	0.0	0.0
Forest Management & Develop	4,987.3	4,880.4	4,880.4	4,640.4	4,880.4	-106.9 -2.1 %	0.0	240.0 5.2 %
EFF Non-Emergency Projects	250.0	250.0	250.0	250.0	250.0	0.0	0.0	0.0
Geological Development	4,196.2	4,759.4	4,759.4	4,586.4	4,759.4	563.2 13.4 %	0.0	173.0 3.8 %

Appropriation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Natural Resources

Appropriation/ Allocation	<u>Obj</u>	<u>Gov</u>	<u>Gov Aed</u>	<u>UseSub</u>	<u>SenSub</u>	<u>Obj to SenSub</u>		<u>Gov to SenSub</u>		<u>UseSub to SenSub</u>	
Resource Development											
Recorder's Office/UCC	3,111.2	3,360.1	3,360.1	3,360.1	3,360.1	248.9	8.0 %	0.0		0.0	
Agricultural Development	1,395.2	1,561.7	1,644.7	1,444.7	1,854.7	459.5	32.9 %	290.0	18.5 %	410.0	28.4 %
N. Latitude Plant Material Ctr	2,381.2	2,076.4	2,076.4	2,076.4	2,076.4	-307.8	-12.9 %	0.0		0.0	
Agr Revolving Loan Pgm Admin	1,251.3	1,063.1	1,063.1	1,063.1	1,063.1	11.8	1.1 %	0.0		0.0	
Conservation&Development Board	89.9	91.9	91.9	91.9	91.9	2.0	2.2 %	0.0		0.0	
Public Services Office	399.3	384.6	384.6	384.6	384.6	-14.7	-3.7 %	0.0		0.0	
Trustee Council Projects	695.8	656.2	656.2	656.2	656.2	-39.6	-5.7 %	0.0		0.0	
Interdept. IT Chargeback	1,010.3	1,087.3	1,087.3	1,087.3	1,087.3	77.0	7.6 %	0.0		0.0	
Human Resources Chargeback	0.0	701.3	701.3	701.3	701.3	701.3	100.0 %	0.0		0.0	
Facilities Rent and Chargeback	1,511.1	1,746.8	1,746.8	1,746.8	1,746.8	235.7	15.6 %	0.0		0.0	
Facilities Maintenance	300.0	300.0	300.0	300.0	300.0	0.0		0.0		0.0	
Development - Special Projects	3,215.1	601.8	751.8	601.8	751.8	-2,463.3	-76.6 %	150.0	21.9 %	150.0	24.9 %
Mental Health Lands Admin	1,108.6	1,181.2	1,181.2	1,181.2	1,181.2	72.6	6.5 %	0.0		0.0	
* Appropriation Total	65,177.6	68,106.6	68,506.6	65,175.1	68,716.0	3,539.0	5.4 %	610.0	0.9 %	3,511.5	5.4 %
Fire Suppression											
Fire Suppression Preparedness	11,572.1	12,599.3	12,599.3	12,319.3	12,599.3	1,027.2	8.9 %	0.0		250.0	2.0 %
Fire Suppression Activity	14,323.9	13,673.9	13,673.9	13,673.9	13,673.9	-650.0	-4.5 %	0.0		0.0	
* Appropriation Total	25,896.0	26,273.2	26,273.2	26,023.2	26,273.2	377.2	1.5 %	0.0		250.0	1.0 %

Appropriation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Natural Resources

Appropriation/ Allocation	<u>04Mgt Plan</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>UseSub</u>	<u>SenSub</u>	<u>04Mgt Plan to SenSub</u>	<u>Gov to SenSub</u>	<u>UseSub to SenSub</u>	<u>Gov to SenSub</u>	<u>UseSub to SenSub</u>
Parks & Recreation Mgmt										
State Historic Preservation	1,372.1	1,402.8	1,402.8	1,402.8	1,402.8	30.7	2.2 %	0.0		0.0
Parks Management	5,814.2	5,798.8	5,798.8	5,448.8	5,798.8	-15.4	-0.3 %	0.0		350.0 6.4 %
Parks & Recreation Access	2,095.2	2,183.4	2,183.4	2,183.4	2,183.4	88.2	4.2 %	0.0		0.0
* Appropriation Total	9,281.5	9,385.0	9,385.0	9,035.0	9,385.0	103.5	1.1 %	0.0		350.0 3.9 %
*** Totals for Agency	100,355.1	103,764.8	104,161.8	100,233.3	104,374.8	4,019.7	4.0 %	610.0	0.6 %	4,141.5 4.1 %
General Funds	48,179.2	36,105.1	36,972.9	44,844.8	36,972.9	-11,206.3	-23.3 %	867.8	2.4 %	-7,871.9 -17.6 %
Federal Receipts	17,547.9	16,026.1	16,196.1	16,026.1	16,196.1	-1,351.8	-7.7 %	170.0	1.1 %	170.0 1.1 %
Other Funds	34,628.0	51,633.6	50,995.8	39,362.4	51,205.8	16,577.8	47.9 %	-127.8	-0.8 %	11,843.4 30.1 %

Appropriation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language Fund Group: General Funds

Agency: Department of Natural Resources

Appropriation/ Allocation	04NetPl n	Gov	Gov And	UseSub	SenSub	04NetPl n to SenSub	Gov to SenSub	UseSub to SenSub
Resource Development								
Commissioner's Office	1,274.2	650.2	650.2	0.0	650.2	-624.0 -49.0 %	0.0	650.2 100.0 %
Administrative Services	1,516.1	1,116.4	1,116.4	1,004.4	1,116.4	-399.7 -26.4 %	0.0	112.0 11.2 %
Information Resource Mgmt.	1,602.2	1,602.2	1,602.2	1,442.2	1,602.2	0.0	0.0	160.0 11.1 %
Oil & Gas Development	4,036.1	5,169.6	5,169.6	4,602.8	5,169.6	1,133.5 28.1 %	0.0	566.8 12.3 %
Pipeline Coordinator	413.7	413.7	413.7	413.7	413.7	0.0	0.0	0.0
AK Coastal Management Program	1,073.9	1,157.1	1,157.1	895.6	1,157.1	83.2 7.7 %	0.0	261.5 29.2 %
Large Project Permitting	0.0	102.3	102.3	0.0	102.3	102.3 100.0 %	0.0	102.3 100.0 %
Habitat Mgmt and Permitting	1,714.4	1,737.6	2,375.4	1,737.6	2,375.4	661.0 38.6 %	637.8 36.7 %	637.8 36.7 %
Claims, Permits, & Leases	5,283.5	5,423.9	5,423.9	4,881.9	5,423.9	140.4 2.7 %	0.0	542.0 11.1 %
Title Acquisition & Defense	1,063.1	1,063.1	1,063.1	957.1	1,063.1	0.0	0.0	106.0 11.1 %
Water Development	861.1	861.1	861.1	561.1	861.1	0.0	0.0	300.0 53.5 %
RS2477 Assertions & Litigation	116.3	116.3	116.3	116.3	116.3	0.0	0.0	0.0
Director's Office/Mining, Land	384.1	384.1	384.1	384.1	384.1	0.0	0.0	0.0
Forest Management & Develop	2,463.8	2,395.8	2,395.8	2,155.8	2,395.8	-68.0 -2.8 %	0.0	240.0 11.1 %
Geological Development	1,945.1	1,725.1	1,725.1	1,552.1	1,725.1	-220.0 -11.3 %	0.0	173.0 11.1 %
Agricultural Development	38.5	121.5	201.5	1.5	201.5	163.0 423.4 %	80.0 65.8 %	200.0 >999 %

Appropriation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language Fund Group: General Funds

Agency: Department of Natural Resources

Appropriation/ Allocation	04MetPln	Gov	Gov Amd	HseSub	SenSub	04MetPln to SenSub	Gov to SenSub	HseSub to SenSub
Resource Development								
N. Latitude Plant Material Ctr	14.5	14.5	14.5	14.5	14.5	0.0	0.0	0.0
Interdept. IT Chargeback	826.0	852.8	852.8	852.8	852.8	26.8 3.2 %	0.0	0.0
Human Resources Chargeback	0.0	399.7	399.7	399.7	399.7	399.7 100.0 %	0.0	0.0
Facilities Rent and Chargeback	1,372.2	1,401.2	1,401.2	1,401.2	1,401.2	29.0 2.1 %	0.0	0.0
Development - Special Projects	248.0	0.0	150.0	0.0	150.0	-98.0 -39.5 %	150.0 100.0 %	150.0 100.0 %
* Appropriation Total	26,246.8	26,708.2	27,576.0	23,374.4	27,576.0	1,329.2 5.1 %	867.8 3.2 %	4,201.6 18.0 %
Fire Suppression								
Fire Suppression Preparedness	10,738.7	4,897.3	4,897.3	11,331.7	4,897.3	-5,841.4 -54.4 %	0.0	-6,434.4 -56.8 %
Fire Suppression Activity	7,363.5	724.4	724.4	6,713.5	724.4	-6,639.1 -90.2 %	0.0	-5,879.1 -89.2 %
* Appropriation Total	18,102.2	5,621.7	5,621.7	18,045.2	5,621.7	-12,480.5 -68.9 %	0.0	-12,423.5 -68.8 %
Parks & Recreation Mgmt								
State Historic Preservation	297.4	297.4	297.4	297.4	297.4	0.0	0.0	0.0
Parks Management	3,532.8	3,477.8	3,477.8	3,127.8	3,477.8	-55.0 -1.6 %	0.0	350.0 11.2 %
* Appropriation Total	3,830.2	3,775.2	3,775.2	3,425.2	3,775.2	-55.0 -1.4 %	0.0	350.0 10.2 %
*** Totals for Agency	48,179.2	36,105.1	36,972.9	44,814.8	36,972.9	-11,206.3 -23.3 %	867.8 2.4 %	-7,871.9 -17.6 %

Transaction 1-Way Comparison - FY 2005 Operating Budget - Senate Structure

Numbers & Language

From Gov to SenSub

Agency: Department of Natural Resources

Resource Development	Column	Trans Type	Total Expnd	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
Large Project Permitting														
AMD National Park Service Funding for ANILCA program	SenSub	Inc	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts			10.0											
			10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Office of Habital Management and Permitting														
AMD Replace Unrealized IA Receipts and SDPR Authorization to Fulfill Workload Requirements	SenSub	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund			637.8											
1007 IA Rcpts			-445.8											
1108 Stat Desig			-192.0											
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims, Permits & Leases														
AMD Bureau of Land Management and Minerals Management Service federal agreements	SenSub	Inc	125.0	65.0	29.0	29.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts			125.0											
			125.0	65.0	29.0	29.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land Sales & Municipal Entitlements														
AMD Federal Grant Agreement with US Fish and Wildlife Service	SenSub	Inc	35.0	30.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1002 Fed Rcpts			35.0											
			35.0	30.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Agricultural Development														
AMD Seed Potato Export Program	SenSub	Inc	80.0	0.0	0.0	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund			80.0											
Increase personal services authorization for the Organic program	SenSub	Inc	60.0	60.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1021 Agric RLF			60.0											
Increase activities for Alaska Grown marketing	SenSub	Inc	150.0	0.0	3.0	132.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1021 Agric RLF			150.0											
			290.0	60.0	3.0	212.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Development - Special Projects														
AMD Scientific Assessments for Resource Development	SenSub	Inc	150.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund			150.0											
			150.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** Appropriation Difference ***			610.0	165.0	37.0	391.0	17.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
**** Agency Difference ****			610.0	165.0	37.0	391.0	17.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Transaction 1-Way Comparison - FY 2005 Operating Budget - Senate Structure

Numbers & Language

From Gov to SenSub

Agency: Department of Natural Resources

***** Differences - All Agencies *****

Column	Trans Type	Total Expnd	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
		610.0	165.0	37.0	391.0	17.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Wordage Report - FY 2005 Operating Budget - Senate Structure

Agency: Department of Natural Resources

Gov Gov Amd HseSub SenSub

Resource Development
 Forest Management & Develop

Conditional Language

The amount allocated for Forest Management and Development includes the unexpended and unobligated balance on June 30, 2004, of the timber receipts account (AS 38.05.110).

X X

Intent

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2004, of the timber receipts account (AS 38.05.110).

X X

•
Public

• Safety

SENATE FINANCE COMMITTEE
4/29/2003 COMMITTEE ACTION

Bill Number	HB 375		
Amendment	DPS#1		
Motion	amend		
<u>Motion by</u>	Hoffman		
<u>Objection by</u>	none		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Olson			
Senator Stevens			
Senator Bunde			
Senator Dyson			
Senator Hoffman			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	PASS		

SENATE FINANCE COMMITTEE
4/20/2003 COMMITTEE ACTION

Bill Number	HB 375		
Amendment	DPS #1		
Motion	adopt-as amended		
<u>Motion by</u>	Hoffman		
<u>Objection by</u>	Green		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Dyson			✓
Senator Hoffman	✓		
Senator Olson	✓		
Senator Stevens			✓
Senator Bunde		—	
Co-Chair Green			✓
Co-Chair Wilken			✓
<u>Tally</u>			
Yea	2		
Nay	4		
Absent	1		
<u>MOTION</u>	FAIL		

DPS #1
Amended

AMENDMENT TO SCS CSHB 375 (FIN) version 23-GF2040\C

Offered by: Senator Hoffman

ADD

Agency: Department of Public Safety

Appropriation: Council on Domestic Violence and Sexual Assault

Allocation: Council on Domestic Violence and Sexual Assault

Fund Source

Amount

GF 1004

~~696.6~~
300.0

DESCRIPTION:

Due to reductions in PFD/Felon funds, TANF funds, and VOCA funds, the grants to shelters and rape crisis centers remains 696.6 less than in FY04, after a transfer of 200.0 within this budget from administration to the grants line. (These funds are anticipated to be made up in administration through a Denali Commission administrative fee on capital funds (see letter, attached)).

This amendment adds the remaining 696.6 needed to hold shelters and rape crisis centers harmless in FY05 to the Council on Domestic Violence and Sexual Assault budget from General Funds.

DPS #1

AMENDMENT TO SCS CSHB 375 (FIN) version 23-GF2040\c

Offered by: Senator Hoffman

ADD

Agency: Department of Public Safety

Appropriation: Council on Domestic Violence and Sexual Assault

Allocation: Council on Domestic Violence and Sexual Assault

<u>Fund Source</u>	<u>Amount</u>
GF 1004	696.6

DESCRIPTION:

Due to reductions in PFD/Felon funds, TANF funds, and VOCA funds, the grants to shelters and rape crisis centers remains 696.6 less than in FY04, after a transfer of 200.0 within this budget from administration to the grants line. (These funds are anticipated to be made up in administration through a Denali Commission administrative fee on capital funds (see letter, attached)).

This amendment adds the remaining 696.6 needed to hold shelters and rape crisis centers harmless in FY05 to the Council on Domestic Violence and Sexual Assault budget from General Funds.

Alaska State Legislature

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Senate District N

Senate Finance Subcommittee Department of Public Safety FY05 Budget

The Senate Public Safety Budget Subcommittee approves the Governor's request for the Department of Public Safety FY05 budget with the following recommendations:

- Reduce the Alaska State Troopers personal services general fund increment by \$100.0: \$50.0 from the AST Detachment allocation and \$50.0 from the Alaska Bureau of Investigation allocation.
- Transfer \$9.9 general funds to the Department of Administration for DPS State Facilities Rent, as requested by the Department.
- Increase grants for the Council of Domestic Violence and Sexual Assault by \$200.0 general funds. Redistribute \$200.0 PFD felon funds from CDVSA contractual to grants, for a total increase of \$400.0 to offset the impact of reduced funding for the 21 council-funded programs to provide services to victims of domestic violence and sexual assault.

Agency Totals - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Public Safety

	<u>04 Auth</u>	<u>04MetPln</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>SenSub</u>	<u>04MetPln to SenSub</u>		<u>Gov to SenSub</u>		
Totals for Agency	109,599.3	109,599.3	114,610.0	114,600.1	114,700.1	5,100.8	4.7 %	90.1	0.1 %	
<u>Objects of Expenditure:</u>										
Personal Services	62,443.9	62,402.9	65,874.8	65,874.8	65,774.8	3,371.9	5.4 %	-100.0	-0.2 %	
Travel	4,765.6	4,797.6	4,997.7	4,997.7	4,997.7	200.1	4.2 %	0.0		
Contractual	24,256.1	23,991.6	25,709.8	25,699.9	25,499.9	1,508.3	6.3 %	-209.9	-0.8 %	
Commodities	3,289.5	3,429.5	3,522.3	3,522.3	3,522.3	92.8	2.7 %	0.0		
Equipment	820.1	825.1	1,000.8	1,000.8	1,000.8	175.7	21.3 %	0.0		
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0		0.0		
Grants, Claims	14,024.1	14,152.6	13,504.6	13,504.6	13,904.6	-248.0	-1.8 %	400.0	3.0 %	
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0		0.0		
<u>Funding Sources:</u>										
F 1002 Fed Rcpls	12,464.4	12,464.4	11,882.6	11,882.6	11,882.6	-581.8	-4.7 %	0.0		
G 1003 G/F Match	517.4	517.4	532.9	532.9	532.9	15.5	3.0 %	0.0		
G 1004 Gen Fund	77,054.7	77,054.7	82,603.7	82,593.8	82,693.8	5,639.1	7.3 %	90.1	0.1 %	
G 1005 GF/Prgm	774.3	774.3	801.3	801.3	801.3	27.0	3.5 %	0.0		
O 1007 I/A Rcpls	7,118.6	7,118.6	7,559.8	7,559.8	7,559.8	441.2	6.2 %	0.0		
O 1055 I/A OIL HAZ	52.6	52.6	25.0	25.0	25.0	-27.6	-52.5 %	0.0		
O 1061 CIP Rcpls	845.4	845.4	1,439.1	1,439.1	1,439.1	593.7	70.2 %	0.0		
O 1108 Stat Desig	1,455.7	1,455.7	1,458.8	1,458.8	1,458.8	3.1	0.2 %	0.0		
O 1134 F&G CFP	1,020.1	1,020.1	1,034.0	1,034.0	1,034.0	13.9	1.4 %	0.0		
O 1152 AFSC Rcpls	226.3	226.3	229.0	229.0	229.0	2.7	1.2 %	0.0		
O 1156 Rcpl Svcs	3,861.0	3,861.0	3,936.8	3,936.8	3,936.8	75.8	2.0 %	0.0		
O 1171 PFD Crim	4,208.8	4,208.8	3,107.0	3,107.0	3,107.0	-1,101.8	-26.2 %	0.0		

Agency Totals - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Public Safety

	<u>04 Auth</u>	<u>01NetPln</u>	<u>Gov</u>	<u>Gov Amd</u>	<u>SenSub</u>	<u>01NetPln to SenSub</u>		<u>Gov to SenSub</u>	
<u>Positions:</u>									
Perm Full Time	757	761	771	771	771	10	1.3 %	0	
Perm Part Time	20	20	20	20	20	0		0	
Temporary	9	9	9	9	9	0		0	
<u>Funding Summary:</u>									
General Funds	78,346.4	78,346.4	83,937.9	83,928.0	84,028.0	5,681.6	7.3 %	90.1	0.1 %
Federal Receipts	12,464.4	12,464.4	11,882.6	11,882.6	11,882.6	-581.8	-4.7 %	0.0	
Other Funds	18,788.5	18,788.5	18,789.5	18,789.5	18,789.5	1.0		0.0	

Allocation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Public Safety

Appropriation/ Allocation	01 Auth	0101010	Gov	Gov Amt	SenSub	0101010 to SenSub	Gov to SenSub
Fish and Wildlife Protection							
Enforcement/Investigative Svcs	11,959.5	12,083.1	0.0	0.0	0.0	-12,083.1	-100.0 %
Director's Office	291.2	167.6	0.0	0.0	0.0	-167.6	-100.0 %
* Appropriation Total	12,250.7	12,250.7	0.0	0.0	0.0	-12,250.7	-100.0 %
Fire Prevention							
Fire Prevention Operations	2,302.1	2,302.1	2,368.5	2,368.5	2,368.5	66.4	2.9 %
Fire Service Training	1,630.1	1,630.1	1,677.1	1,677.1	1,677.1	47.0	2.9 %
* Appropriation Total	3,932.2	3,932.2	4,045.6	4,045.6	4,045.6	113.4	2.9 %
AK Fire Standards Council							
AK Fire Standards Council	226.3	226.3	229.0	229.0	229.0	2.7	1.2 %
* Appropriation Total	226.3	226.3	229.0	229.0	229.0	2.7	1.2 %
Alaska State Troopers							
Special Projects	4,102.3	4,130.1	4,680.6	4,680.6	4,680.6	550.2	13.3 %
Criminal Investigations Bureau	3,187.0	4,666.0	0.0	0.0	0.0	-4,666.0	-100.0 %
Director's Office	780.8	686.0	289.1	289.1	289.1	-396.9	-57.9 %
Judicial Services-Anchorage	2,205.3	2,019.8	2,185.5	2,185.5	2,185.5	165.7	8.2 %
Prisoner Transportation	1,701.7	1,701.7	1,701.7	1,701.7	1,701.7	0.0	0.0
Search and Rescue	368.1	368.1	368.1	368.1	368.1	0.0	0.0

Allocation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Public Safety

Appropriation/ Allocation	GI Auth	01MetPlan	Gov	Gov Amd	SenSub	01MetPlan to SenSub		Gov to SenSub	
Alaska State Troopers									
Rural Trooper Housing	718.1	722.8	730.2	730.2	730.2	7.4	1.0 %	0.0	
Marcotics Task Force	3,347.6	3,347.6	3,405.9	3,405.9	3,405.9	58.3	1.7 %	0.0	
AST Detachments	38,973.7	37,742.2	38,971.9	38,971.9	38,921.9	1,179.7	3.1 %	-50.0	-0.1 %
Alaska Bureau of Investigation	0.0	0.0	4,865.2	4,865.2	4,815.2	4,815.2	100.0 %	-50.0	-1.0 %
AK Bureau of Alcohol & Drug	0.0	0.0	2,217.5	2,217.5	2,217.5	2,217.5	100.0 %	0.0	
AK Bureau of Wildlife Enforce	0.0	0.0	11,462.1	11,462.1	11,462.1	11,462.1	100.0 %	0.0	
Aircraft Section	2,474.4	2,474.4	2,827.2	2,827.2	2,827.2	352.8	14.3 %	0.0	
Marine Enforcement	3,320.4	3,320.4	3,370.4	3,370.4	3,370.4	50.0	1.5 %	0.0	
* Appropriation Total	61,179.4	61,179.4	77,075.4	77,075.4	76,975.4	15,796.0	25.8 %	-100.0	-0.1 %
Village Public Safety Officers									
VPSO Contracts	5,436.4	5,436.4	5,436.4	5,436.4	5,436.4	0.0		0.0	
Support	357.4	357.4	364.1	364.1	364.1	6.7	1.9 %	0.0	
* Appropriation Total	5,793.8	5,793.8	5,800.5	5,800.5	5,800.5	6.7	0.1 %	0.0	
AK Police Standards Council									
AK Police Standards Council	978.0	978.0	989.5	989.5	989.5	11.5	1.2 %	0.0	
* Appropriation Total	978.0	978.0	989.5	989.5	989.5	11.5	1.2 %	0.0	

Allocation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Public Safety

Appropriation/ Allocation	01 Auth	01101110	Gov	Gov Amd	SenSub	01101110 to SenSub	Gov to SenSub
Domestic Viol/Sexual Assault							
Domestic Viol/Sexual Assault	9,734.8	9,734.8	9,095.6	9,095.6	9,295.6	-439.2	-4.5 %
Batterers Intervention Program	200.0	200.0	200.0	200.0	200.0	0.0	0.0
* Appropriation Total	9,934.8	9,934.8	9,295.6	9,295.6	9,495.6	-439.2	-4.4 %
Statewide Support							
Commissioner's Office	690.2	690.2	731.3	731.3	731.3	44.1	6.4 %
Training Academy	1,517.2	1,517.2	1,543.7	1,543.7	1,543.7	26.5	1.7 %
Administrative Services	1,825.5	1,912.5	3,022.4	3,022.4	3,022.4	1,079.9	55.6 %
Civil Air Patrol	503.1	503.1	503.1	503.1	503.1	0.0	0.0
Alcohol Beverage Control Board	912.5	912.5	939.5	939.5	939.5	27.0	3.0 %
APSIN	2,186.7	2,233.7	2,518.8	2,518.8	2,518.8	285.1	12.8 %
Alaska Criminal Records and ID	4,269.6	4,082.6	4,406.0	4,406.0	4,406.0	323.4	7.9 %
Laboratory Services	2,668.8	2,691.8	2,776.1	2,776.1	2,776.1	84.3	3.1 %
* Appropriation Total	14,573.6	14,573.6	16,443.9	16,443.9	16,443.9	1,870.3	12.8 %
Statewide Facility Maintenance							
Facility Maintenance	608.8	608.8	608.8	608.8	608.8	0.0	0.0
* Appropriation Total	608.8	608.8	608.8	608.8	608.8	0.0	0.0

Allocation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Public Safety

Appropriation/ Allocation	01 Auth	01NetPln	Gov	Gov Amd	SenSub	01NetPln to SenSub		Gov to SenSub	
DPS State Facilities Rent									
DPS State Facilities Rent	121.7	121.7	121.7	111.8	111.8	-9.9	-8.1 %	-9.9	-8.1 %
* Appropriation Total	121.7	121.7	121.7	111.8	111.8	-9.9	-8.1 %	-9.9	-8.1 %
*** Totals for Agency									
General Funds	78,316.4	78,316.4	83,937.9	83,928.0	84,028.0	5,681.6	7.3 %	90.1	0.1 %
Federal Receipts	12,461.4	12,461.4	11,882.6	11,882.6	11,882.6	-581.8	-4.7 %	0.0	
Other Funds	18,788.5	18,788.5	18,789.5	18,789.5	18,789.5	1.0		0.0	

Allocation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language
Fund Group: General Funds

Agency: Department of Public Safety

Appropriation/ Allocation	01 Auth	01NetPln	Gov	Gov And	SenSub	01NetPln to SenSub	Gov to SenSub
Fish and Wildlife Protection							
Enforcement/Investigative Svcs	11,280.9	11,401.5	0.0	0.0	0.0	-11,401.5 -100.0 %	0.0
Director's Office	291.2	167.6	0.0	0.0	0.0	-167.6 -100.0 %	0.0
* Appropriation Total	11,572.1	11,572.1	0.0	0.0	0.0	-11,572.1 -100.0 %	0.0
Fire Prevention							
Fire Prevention Operations	837.4	837.4	866.8	866.8	866.8	29.4 3.5 %	0.0
Fire Service Training	399.9	399.9	413.5	413.5	413.5	13.6 3.4 %	0.0
* Appropriation Total	1,237.3	1,237.3	1,280.3	1,280.3	1,280.3	43.0 3.5 %	0.0
Alaska State Troopers							
Criminal Investigations Bureau	3,187.0	4,666.0	0.0	0.0	0.0	-4,666.0 -100.0 %	0.0
Director's Office	780.8	686.0	289.1	289.1	289.1	-396.9 -57.9 %	0.0
Judicial Services-Anchorage	2,158.6	1,973.1	2,137.5	2,137.5	2,137.5	164.4 8.3 %	0.0
Prisoner Transportation	1,656.7	1,656.7	1,656.7	1,656.7	1,656.7	0.0	0.0
Search and Rescue	368.1	368.1	368.1	368.1	368.1	0.0	0.0
Rural Trooper Housing	257.6	260.1	355.1	355.1	355.1	95.0 36.5 %	0.0
Narcotics Task Force	501.1	501.1	519.6	519.6	519.6	15.5 3.1 %	0.0
AST Detachments	38,031.6	36,833.4	38,265.8	38,265.8	38,215.8	1,382.4 3.8 %	-50.0 -0.1 %

Allocation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language
Fund Group: General Funds

Agency: Department of Public Safety

Appropriation/ Allocation	01 Auth	01NetPln	Gov	Gov Amd	SenSub	01NetPln to SenSub	Gov to SenSub
Alaska State Troopers							
Alaska Bureau of Investigation	0.0	0.0	4,865.2	4,865.2	4,815.2	4,815.2 100.0 %	-50.0 -1.0 %
AK Bureau of Alcohol & Drug	0.0	0.0	2,217.5	2,217.5	2,217.5	2,217.5 100.0 %	0.0
AK Bureau of Wildlife Enforce	0.0	0.0	10,778.6	10,778.6	10,778.6	10,778.6 100.0 %	0.0
Aircraft Section	1,619.0	1,619.0	2,440.7	2,440.7	2,440.7	821.7 50.8 %	0.0
Marine Enforcement	2,610.2	2,610.2	2,650.3	2,650.3	2,650.3	40.1 1.5 %	0.0
* Appropriation Total	51,176.7	51,176.7	66,514.2	66,514.2	66,444.2	15,267.5 29.8 %	-100.0 -0.2 %
Village Public Safety Officers							
VPSO Contracts	5,436.4	5,436.4	5,436.4	5,436.4	5,436.4	0.0	0.0
Support	247.0	247.0	249.0	249.0	249.0	2.0 0.8 %	0.0
* Appropriation Total	5,683.4	5,683.4	5,685.4	5,685.4	5,685.4	2.0	0.0
Domestic Viol/Sexual Assault							
Domestic Viol/Sexual Assault	0.0	0.0	351.8	351.8	551.8	551.8 100.0 %	200.0 56.9 %
Batterers Intervention Program	0.0	0.0	200.0	200.0	200.0	200.0 100.0 %	0.0
* Appropriation Total	0.0	0.0	551.8	551.8	751.8	751.8 100.0 %	200.0 36.2 %
Statewide Support							
Commissioner's Office	594.3	591.3	638.4	638.4	638.4	44.1 7.4 %	0.0
Training Academy	897.4	897.4	920.4	920.4	920.4	23.0 2.6 %	0.0

Allocation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language
Fund Group: General Funds

Agency: Department of Public Safety

Appropriation/ Allocation	01 Auth	0401ptPI n	Gov	Gov Amd	SenSub	0401ptPI n to SenSub	Gov to SenSub		
Statewide Support									
Administrative Services	1,506.8	1,506.8	2,213.9	2,213.9	2,213.9	707.1	46.9 %		0.0
Civil Air Patrol	503.1	503.1	503.1	503.1	503.1	0.0			0.0
Alcohol Beverage Control Board	755.0	755.0	782.0	782.0	782.0	27.0	3.6 %		0.0
APSIN	917.7	991.7	1,193.7	1,193.7	1,193.7	199.0	20.0 %		0.0
Alaska Criminal Records and ID	827.7	757.7	874.4	874.4	874.4	116.7	15.4 %		0.0
Laboratory Services	2,523.2	2,546.2	2,628.6	2,628.6	2,628.6	82.4	3.2 %		0.0
* Appropriation Total	8,555.2	8,555.2	9,754.5	9,754.5	9,754.5	1,199.3	14.0 %		0.0
DPS State Facilities Rent									
DPS State Facilities Rent	121.7	121.7	121.7	111.8	111.8	-9.9	-8.1 %		-9.9 -8.1 %
* Appropriation Total	121.7	121.7	121.7	111.8	111.8	-9.9	-8.1 %		-9.9 -8.1 %
*** Totals for Agency	78,316.4	78,316.4	83,937.9	83,928.0	84,028.0	5,681.6	7.3 %		90.1 0.1 %

Revenue



SENATOR FRED DYSON

Senate Finance Subcommittee – Department of Revenue

MEMORANDUM

April 2, 2004

To: Senate Lyda Green, Co-Chair
Senator Gary Wilken, Co-Chair
Senate Finance Committee

From: Senator Fred Dyson, Chair
Senator John Cowdery
Senator Donny Olson

RE: FY05 Closeout – Department of Revenue

I. Introduction

The Senate Finance Subcommittee for the Department of Revenue reviewed the department's proposed FY05 Operating Budget, reviewed the changes recommended by the House Finance Subcommittee, reviewed the governor's proposed amendment, and discussed all three reviews with department representatives. It is the determination of the subcommittee that the proposed budget, with the changes recommended by the House Finance Subcommittee, except as noted below, will be adequate to allow the department to meet the demands of its mission. The Senate Finance Subcommittee hereby recommends approval of the budget as proposed, except as noted below.

II. Financial Overview

The department's proposed budget, prior to any proposed amendments, reflects an increase of \$969,600 (0.6%) from the FY04 Management Plan. A synopsis of the changes having the largest impact on the department's budget is provided below, while a detail provided by the department is attached.

- A. The Tax Division has requested an increment of \$250,000 (general fund) in order to maintain the auditing efforts at the current level. They indicated that if they don't receive the funding, they may be required to reduce staff by up to 5 people.

- B. Treasury Management is requesting an increment of \$94.8K to cover increased personnel costs, most of which are related to retirement costs, an increment of \$61.1K for external custody and manager fees, and an increment of \$40K to bring investment officer salaries closer to market.
- C. The Alaska State Pension Investment Board is requesting an increment of \$208.7K as their share of additional retirement costs.
- D. The Permanent Fund Dividend Division requests an increment of \$140.6K for personal rate changes including PERS and other benefits.
- E. The Child Support Enforcement Division is requesting an increment of \$568.3K (federal receipts and receipt services) to cover retirement and other benefits.
- F. The Child Support Enforcement Division is centralizing casework to Anchorage and will reduce its requirement for legal services. As a result they are proposing a decrement of \$268.5K.
- G. The AMHTA Long Term Care Ombudsman office is established as a new component. \$391.2K is transferred in from the Mental Health Trust Authority.
- H. The Alaska Housing Finance Corporation Operations budget request reflects an increment of \$1.1314 million for retirement and other benefits.
- I. The Anchorage State Office Building budget request reflects a \$190.4K decrease due to declining lease costs in the Atwood Building.
- J. The Alaska Permanent Fund Corporation requests an increment of \$151.9K for retirement benefits, but also reflects a \$168.3 decrement to reflect an adjustment in its spending plan.
- K. APFC Custody and Management Fees are reduced by \$1.709 million of fund receipts in accordance with its FY05 spending plan.
- L. The Alaska Mental Health Trust Authority requests an increment of \$155.4K for its Disability Justice Initiative. In FY03 & 04 this initiative was funded by an unbudgeted Reimbursable Service Agreement (RSA) with the Department of Health & Social Services from the federal Substance Abuse and Mental Health Services Administration (SAMHSA) grant. The federal grant funding ends in June 2004, and the Trustees voted to continue the project with MHTAARE funds. This increment adds the funding for the initiative and the position that had previously been funded by the unbudgeted RSA.

Pending:

The Senate Finance Subcommittee recommends tentative approval, with final determination made before or during the hearing before the full Senate Finance Committee. Additionally, the subcommittee requested, and the department agreed, to provide a short presentation regarding the Disability Justice Initiative.

III. Changes Recommended by House Finance Subcommittee

The House Finance Subcommittee proposed a number of changes as reflected in the attached narrative of their recommendation to the House Finance Committee. Unless noted otherwise in Section IV below, the Senate Finance Subcommittee concurs with the changes recommended by the House Finance Subcommittee.

IV. Changes Recommended by Senate Finance Subcommittee

The Senate Finance Subcommittee concurs with the changes proposed by the House Finance Subcommittee with the following exceptions:

A. New Bond Analyst Position [Amendment Item Nos. 104 & 105]

The department, in their amendment, proposed a new bond analyst for the Treasury Division at a cost of \$48.9K to be funded from Inter-Agency receipts (\$16.6K from ASPIB) and Alaska Student Loan Corporation receipts (\$32.3K). The division will offset a portion of the cost by deleting a vacant Accounting Tech position in the Cash Management section. This amendment request correlates with the House Finance Subcommittee's recommendations.

The Senate Finance Subcommittee concurs with this requested amendment.

B. ASPIB Contribution to New Bond Analyst Position [Amendment Item #106]

To fund their portion (\$16,000) of the new Bond Analyst position in Item A immediately preceding, the Alaska State Pension Investment Board proposed, and the House Finance Subcommittee agreed, that such funding will come from the following sources: \$9,900 from P/E Retirement; \$5,300 from Teachers Retirement; \$700 from Judicial Retirement; and \$700 from National Guard receipts.

The Senate Finance Subcommittee concurs with this requested amendment.

C. Reduction in ASPIB Bank Custody & Management Fees [Amendment Item #107]

The department requested, and the House Finance Subcommittee agreed, to a reduction of \$1,500,000 of bank custody and management fees. Of this amount, \$975,000 will come from P/E Retirement, and \$525,000 will come from Teachers Retirement.

The Senate Finance Subcommittee concurs with this requested amendment.

- D. Increase Alaska Municipal Bond Bank Receipts [Amendment Item #108]
The department requested, and the House Finance Subcommittee agreed, to an increase of \$150,000 to cover costs associated with increased use of the Bond Bank by municipalities. The appropriation will come from funding other than General Funds.

The Senate Finance Subcommittee concurs with this requested amendment.

- E. Tax Division Changes
The House Finance Subcommittee recommended a reduction of General Fund receipts by \$1,100,000 to be replaced by funds from Business License Receipts. The fees are collected from businesses purchasing or renewing their business licenses, and will support the Tax Division's Corporate Income Tax auditing function.

The Senate Finance Subcommittee concurs with this requested amendment.

- F. Reduce CSED Incentive Funds
The House Finance Subcommittee concurred with the department's request to reduce incentive funds paid to CSED by the Federal Government by \$1,168,600, and replace it with Receipt Supported Services. The division anticipates such reduction in federal incentive payments as a result of other states improving their performance and thus garnering a larger share of a limited pot. The department proposed filling this shortfall with funds collected by the division.

Although expressing concern that the shortfall could come at the expense of children, the Senate Finance Subcommittee concurs with this requested amendment.

- G. Reduce CSED Administrative Cost Receipts
The House Finance Subcommittee recommended a reduction in the general fund of federal indirect cost recovery receipts in the amount of \$304,600 to be replaced by Receipt Supported Services funding. This was done to clarify the funding sources used for matching the programmatic federal receipts they collect.

This action frees up these receipts to cover indirect costs associated with Administrative Services. This federal funding has been collected from the federal child support enforcement program to reimburse the state for overhead expenses. The funds have been used as a match to other federal funds. According to the department they can be replaced by Receipt Support Services without any loss to the department of personnel or services. CSED will continue to collect the maximum amount of receipts allowable under the federally negotiated rate.

The Senate Finance Subcommittee concurs with this requested amendment.

- H. Alaska Permanent Fund Corporation Request for POMV Education Plan
The corporation requested \$700,000 of Permanent Fund receipts to fund a comprehensive public communications plan to educate, promote and advocate for the Corporations Trustees' Percent of Market Value Proposal.

On March 31, 2004, the Alaska Permanent Fund Corporation withdrew this request.

- I. Amendment to ANGDA FY05 Budget
On March 16, 2004, and subsequent to closeout by the House Finance Subcommittee, the department submitted a second amendment requesting an additional \$106,000 for revised costs to support the Alaska Natural Gas Development Authority. The original budget request was for \$150,000. Revised estimates indicate a total of \$256,000 (General Funds) is required to adequately run the authority. A detail of the total requirement is attached and titled, "ANGDA FY 05 BUDGET."

Pending:

The Senate Finance Subcommittee recommends tentative approval, with final determination made before or during the hearing before the full Senate Finance Committee. Additionally, the subcommittee requested, and the department agreed, to provide additional information and justification regarding the request for \$27,000 for a Wood McKenzie subscription to North American Gas Insight Service/Multi-Client Study.

- J. CBR Access
The language allowing access to the CBR is usually contained in the operating bill, and was included in the governor's operating bill that the Senate is reviewing.

In this language there is a provision appropriating \$125,000 to the Treasury Division for investment costs associated with the CBR. The funding source is CBR funds and thus requires the 3/4 vote to make the appropriation.

The house removed the CBR access language and the provisions from the operating bill and placed them in a separate bill, SB 283, which ties the CBR access vote to increased funding for K-12 education, the university, and some capital projects.

The Senate has not passed such a bill. Thus, the language and budget request remains. Therefore the budget amount recommended by the Senate Finance Subcommittee is \$125,000 higher than the budget recommended by the House Finance Subcommittee.

Pending:

Because this issue goes beyond the scope the Senate Finance Subcommittee, the committee defers to the Senate Finance Committee.

V. Missions and Measures

The department has been asked to consider adopting a number of various measures, as well as developing appropriate missions and measures for their "new" organizations.

A. Child Support Division

1. Recommendations:

Senator Dyson recommended three new measures:

- a. The number and time duration of collections and penalties that are not fair and due.
- b. The time it takes a non-custodial parent to get payment changed due to status changes.
- c. Should there be a measure for detecting fraud?

Response

- a. The department proposed an alternative target of "Decreased percentage of complaints where an error was found as compared to the previous fiscal year."

The corresponding measure would be, "number of complaints received by the division's complaint resolution section."
The departments' rationale for this alternative target and measure follows:

There are federal and state laws and regulations relating to child support enforcement collections and penalties. These laws and regulations dictate the amount and duration of the order and the interest rate to be charged on past due amounts (interest is the only penalty CSED charges). The federal government requires the division to do a self-assessment audit, conducts an audit of the data reported in the federal incentive program; in addition, the Division of Legislative Audit conducts a federal compliance audit of Alaska's child support enforcement federal program. The department believes that if the division meets these requirements, Alaska will have a good child support enforcement program. We recommend adding a measure of the number of complaints received by the division's complaint resolution section. These are complaints from the division's clients that come directly or through legislators, the Governor's office or the Commissioner's office. The division would record the number received and the

number in which an error was found to get to the intent of your proposed measure. This may be a proxy measure because as people believe that the child enforcement program is not fair and due, they would complain about it.

Resolution

The suggested target and measure is acceptable to the subcommittee.

- b. With regard to the second recommended measure the division responded:

A change in payment would result from a modification of the child support order. Under federal regulations the division has 180 days from the request date, or the date we locate the non-requesting parent, to complete the modification. The Child Support Enforcement Division (CSED) currently maintains this information for the federal fiscal year. To provide this information for the state fiscal year, CSED would have to make change to the computer program currently used to measure and record the information. Annually, during the program's self-assessment audit, the division reviews compliance with this federal timeframe for modification of orders. The Division will incorporate the following as a measure of customer service.

Target: Increase the number of cases with a requested modification competed in 180 days to 80%. The current percentage is approximately 73%.

Measure: Percentage of cases with a modification request where the modification was completed in 180 days.

Resolution

The subcommittee requested the department to consider a target of "increase the number of cases with a requested modification completed in 120 days to 80%," and to identify and explain the sticking points, or obstacles, to achieving such a target. The subcommittee requested a response by the time the Senate Finance Committee hears this budget.

- c. With regard to the third recommended measure the division responded:

We have referred the question of welfare fraud to the Department of Health and Social Services for their response. CSED does not have any statutes or regulations related to fraud, per se. When it is reported that individuals are receiving cash assistance payments, yet their children are not living with them, we report this to the

Department of Health and Social Services, Division of Public Assistance, for their Fraud Investigations Unit to respond to the complaint.

In the normal process of handling cases, if the division sees things that are abnormal and it is within our purview, the division will address it. For example, if a couple marries, has a child and then divorces, yet the father later learns that the child is not his biological child, CSED can order a paternity test to establish paternity. A more onerous example is when a court orders both child support and the custody of the children. CSED may learn that the child is living with the other parent and should not pay child support; the division may not change the child support order because they have no jurisdiction to do so. The courts must change the child support and custody order.

Resolution

Pending:

The Department of Health and Social Services responded. "The Fraud Unit is currently developing goals and measures. A copy will be forwarded to you when they are complete."

The subcommittee requested at least a draft of the goals and measures by the time the Senate Finance Committee hears this budget.

B. Alaska Municipal Bond Bank Authority

Recommendation

Senator Lyson questioned whether there should be applications that are turned down.

Response

The Bond Bank receives applications from a wide range of municipalities for many different intended purposes. If an application is received for a project that is beyond the financial means of a particular municipality, Bond Bank staff works with local representatives to determine alternatives. In some cases, there are other financing alternatives that may be more attractive to the particular borrower (the Rural Development Program administered by the United States Department of Agriculture, or the Clean or Drinking Water Funds administered by DEC). In some cases, the security offered can be increased or the project modified to allow Bond Bank participation. In still other cases, the community is really in need of a grant and is steered toward agencies and programs that may provide funding. The Bond Bank Board and staff want to avoid formally denying applications in any of these cases, and these actions are taken prior to formal Board consideration. The only time it is likely the Bond Bank Board would formally deny a community's

loan request is if a community was insistent upon requesting a loan for an undertaking they were unable, or unwilling, to pledge resources sufficient to provide comfort the loan would be repaid. In such a case a Board denial would follow.

Resolution

The suggested target and measure is acceptable to the subcommittee.

C. Alaska Permanent Fund Corporation

Recommendation:

Senator Dyson asked whether there should be a measure for detecting fraud.

Response

The Permanent Fund Dividend Division has established a target of increasing identification and prosecution of fraud by 100%.

The Permanent Fund Dividend (PFD) Division administers the distribution of the annual dividends from the permanent fund and has included in their performance measures fraud detection of PFD application fraud. The division has re-established contacts with municipal law enforcement agencies, the Department of Public Safety, and other state investigators, and the Department of Law. It has also completed a fraud database and reporting methodology and has renewed its focus on detecting fraud.

The division is aggressively pursuing fraud detection activities. A new Investigator was hired in April 2003, and has set up developing a comprehensive fraud detection and deterrent program. A major area of improvement for the division is to measure their efforts in order to concentrate extremely limited resources on areas where the division will get the most return. Below is a table that identifies fraud identified from April 2003 through December 31, 2003.

Permanent Fund Dividend Division Fraud Investigations Number and Dollar Amount of PFD Applications Denied or Assessed April through December 31, 2003						
	Denied				Total	
		Previously Paid	Not Previously Paid	Number		\$
Investigations	160	\$264,321.72	260	\$326,349.44	420	\$590,671.16
Audits	9	\$16,065.00	441	\$489,533.96	450	\$505,598.96
Total	169	\$280,386.72	701	\$815,883.40	870	\$1,096,270.12

The division has no knowledge of any prosecutions for fraud abuse for the last four and a half years. Currently, there are five cases, one by the Sitka Police Department, one by the Federal Bureau of Investigation (FBI) in Fairbanks and three cases by the United States Office of the Inspector General relating to

identity theft that are slated for prosecution. You can see in that area, it will be very easy to increase the prosecution by 100% in 2004.

I have also attached an excerpt from the division's Fraud section of their web site. You may be interested in seeing on page 2 of 3, that the division is posting on their web site some examples of applicants who have fraudulently applied for a dividend and been prosecuted for it.

Resolution

Pending:

The suggested target and measure is acceptable to the subcommittee. However, the subcommittee requested, prior to or during the Senate Finance Committee hearing, a detailed explanation of the appeal process for an applicant who is initially denied, appeals and is successful in the appeal. There is concern that the appeal process can be lengthy. What redress does a successful appellant have for recovery of the costs incurred to appeal the denial or for lost earnings he/she may have otherwise enjoyed?

D. State Pension Investment Board

Recommendation:

Senator Dyson asked whether there should be a target of developing a means for making the pension fund viable, and sustaining viability.

Response

The department stated that they have no control over the liability portion of this issue. The Department of Revenue is responsible for investing and managing the funds designated for pension programs. However, the Department of Administration is responsible for assessing and determining the liability for pensions.

Resolution

Senator Dyson has requested the Department of Revenue and the Department of Administration to work together to investigate how pension viability can be established and maintained. In response to that request, the Department of Revenue responded with the following:

You have asked the departments to work together to investigate how pension viability can be established and maintained.

I doubt there has ever been a time when the two departments were working together more closely on pension funds matters, particularly with respect to examining and becoming more familiar with roles and responsibilities. Last week the PERS and TRS Boards, the Alaska State Pension Investment Board, and

respective staff people had a joint meeting. These combined meetings occur one or two times a year.

A main determinant of viability (as we at the Department of Revenue understand your use of the term) is the simple equation: earnings + contributions - distributions - expenses = the funding amount, and the independently audited funding amount divided by the actuarially determined liability is the funding level. As everyone knows, the PERS and TRS boards along with the Department of Administration, looks at the contribution rates annually. They will be doing that again on April 19. Those officials effectively keep the Department of Revenue and the State Pension Investment Board informed of their considerations and actions. For the distribution component, a separate committee has been established by the Department of Administration and the PERS and TRS boards to look at new benefit levels - often termed new tiers.

A major responsibility is the actuarially determined liability. The Division of Retirement and Benefits, in the Department of Administration, retains an actuary who uses standardized methodologies to determine the present amount of all estimated future liabilities, earnings, contributions and expenses.

Earnings rates tend to stabilize over the long term - say a decade or more - but can fluctuate and even be negative over a shorter period of time. The Alaska State Pension Investment Board has the fiduciary responsibility for pension investments - the asset side of the balance sheet - and hires the Treasury Division to manage a major portion of the assets. The board carries out its investment responsibilities at several public meetings throughout the year, including reviewing quarterly investment results at 4 meetings each year. Between meetings, board members sometimes attend seminars and visit investments, and study investment results. The board is the largest client of the Treasury Division, and the pension assets are over 75% of the money invested by Treasury.

Resolution

The department's response is acceptable to the subcommittee.

E. Other Issues and Questions

Senator Dyson asked a number of questions for clarification prior to, and during, the first subcommittee meeting with the department. Included as an attachment to this document is a copy of the department's response.

Attachments

cc: Annette Skibinski (Sen. Cowdery)
Dave Gray (Sen. Olson)
Rob Carpenter (Leg. Fin.)
Susan Taylor (DOR)
Jason Hooley (Sen. Dyson)

Agency Totals - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Revenue

	<u>01MetPln</u>	<u>Gov Amd</u>	<u>HscSub</u>	<u>SenSub</u>	<u>01MetPln to SenSub</u>		<u>Gov Amd to SenSub</u>		<u>HscSub to SenSub</u>	
Totals for Agency	162,996.8	162,681.9	162,662.9	162,787.9	-208.9	-0.1 %	106.0	0.1 %	125.0	0.1 %
<u>Objects of Expenditure:</u>										
Personal Services	54,662.9	57,375.4	57,399.8	57,399.8	2,736.9	5.0 %	24.4		0.0	
Travel	1,797.6	1,716.6	1,746.6	1,746.6	-51.0	-2.8 %	30.0	1.7 %	0.0	
Contractual	102,326.4	99,183.6	99,106.7	99,231.7	-3,094.7	-3.0 %	48.1		125.0	0.1 %
Commodities	2,713.1	2,271.6	2,272.6	2,272.6	-440.5	-16.2 %	1.0		0.0	
Equipment	666.8	581.3	583.8	583.8	-83.0	-12.4 %	2.5	0.4 %	0.0	
Lands/Buildings	0.0	0.0	0.0	0.0	0.0		0.0		0.0	
Grants, Claims	830.0	830.0	830.0	830.0	0.0		0.0		0.0	
Miscellaneous	0.0	723.4	723.4	723.4	723.4	100.0 %	0.0		0.0	
<u>Funding Sources:</u>										
O 1001 CBR Fund	0.0	125.0	0.0	125.0	125.0	100.0 %	0.0		125.0	100.0 %
F 1002 Fed Rcpts	33,953.7	34,713.2	34,713.2	34,713.2	759.5	2.2 %	0.0		0.0	
G 1004 Gen Fund	8,378.2	8,518.0	7,219.4	7,219.4	-1,158.8	-13.8 %	-1,298.6	-15.2 %	0.0	
G 1005 GF/Prgm	649.7	612.7	612.7	612.7	-37.0	-5.7 %	0.0		0.0	
O 1007 I/A Rcpts	4,038.9	4,252.5	4,252.5	4,252.5	213.6	5.3 %	0.0		0.0	
F 1016 CSED Fed	2,790.8	2,790.8	1,622.2	1,622.2	-1,168.6	-41.9 %	-1,168.6	-41.9 %	0.0	
O 1017 Group Ben	99.0	99.0	99.0	99.0	0.0		0.0		0.0	
O 1027 Int Airprt	38.9	67.7	67.7	67.7	28.8	74.0 %	0.0		0.0	
O 1029 P/E Retire	20,276.3	19,444.8	19,444.8	19,444.8	-831.5	-4.1 %	0.0		0.0	
O 1034 Teach Ret	10,534.7	10,017.2	10,017.2	10,017.2	-517.5	-4.9 %	0.0		0.0	
O 1042 Jud Retire	275.4	278.4	278.4	278.4	3.0	1.1 %	0.0		0.0	
O 1045 Nat Guard	102.4	173.7	173.7	173.7	71.3	69.6 %	0.0		0.0	

Agency Totals - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Revenue

	<u>04MgtPln</u>	<u>Gov Amd</u>	<u>UseSub</u>	<u>SenSub</u>	<u>04MgtPln to SenSub</u>		<u>Gov Amd to SenSub</u>		<u>UseSub to SenSub</u>
O 1046 Educ Loan	27.5	48.8	48.8	48.8	21.3	77.5 %	0.0		0.0
O 1050 PFD Fund	5,444.1	5,554.7	5,554.7	5,554.7	110.6	2.0 %	0.0		0.0
O 1053 Invst Loss	22.7	0.0	0.0	0.0	-22.7	-100.0 %	0.0		0.0
O 1061 CIP Rcpts	1,644.6	1,722.7	1,722.7	1,722.7	78.1	4.7 %	0.0		0.0
O 1066 Pub School	164.5	187.6	187.6	187.6	23.1	14.0 %	0.0		0.0
O 1092 MHTAAR	100.0	155.4	155.4	155.4	55.4	55.4 %	0.0		0.0
O 1094 MHT Admin	1,199.1	1,263.0	1,263.0	1,263.0	63.9	5.3 %	0.0		0.0
O 1098 ChildTrErn	53.0	34.6	34.6	34.6	-18.4	-34.7 %	0.0		0.0
O 1103 AHFC Rcpts	16,743.3	17,045.0	17,045.0	17,045.0	301.7	1.8 %	0.0		0.0
O 1104 AMBB Rcpts	524.2	677.4	677.4	677.4	153.2	29.2 %	0.0		0.0
O 1105 PFund Rcpt	50,447.1	48,492.1	48,492.1	48,492.1	-1,955.0	-3.9 %	0.0		0.0
O 1108 Stat Desig	750.0	750.0	750.0	750.0	0.0		0.0		0.0
F 1133 CSED Admin	1,161.7	1,194.1	1,194.1	1,194.1	32.4	2.8 %	0.0		0.0
O 1142 RHIF/MM	23.7	63.9	63.9	63.9	40.2	169.6 %	0.0		0.0
O 1143 RHIF/LTC	37.1	70.5	70.5	70.5	33.4	90.0 %	0.0		0.0
O 1156 Rcpt Svcs	3,220.2	4,164.1	5,637.3	5,637.3	2,417.1	75.1 %	1,473.2	35.4 %	0.0
O 1163 COP	200.0	0.0	0.0	0.0	-200.0	-100.0 %	0.0		0.0
O 1169 PCE Endow	96.0	165.0	165.0	165.0	69.0	71.9 %	0.0		0.0
O 1175 BLic Rcpts	0.0	0.0	1,100.0	1,100.0	1,100.0	100.0 %	1,100.0	100.0 %	0.0

Agency Totals - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Revenue

	<u>04MetPln</u>	<u>Gov Amd</u>	<u>UseSub</u>	<u>SenSub</u>	<u>04MetPln to SenSub</u>		<u>Gov Amd to SenSub</u>		<u>UseSub to SenSub</u>	
<u>Positions:</u>										
Perm Full Time	825	806	806	806	-19	-2.3 %	0		0	
Perm Part Time	42	56	56	56	14	33.3 %	0		0	
Temporary	40	19	19	19	-21	-52.5 %	0		0	
<u>Funding Summary:</u>										
General Funds	9,027.9	9,130.7	7,832.1	7,832.1	-1,195.8	-13.2 %	-1,298.6	-14.2 %	0.0	
Federal Receipts	37,906.2	38,698.1	37,529.5	37,529.5	-376.7	-1.0 %	-1,168.6	-3.0 %	0.0	
Other Funds	116,062.7	114,853.1	117,301.3	117,426.3	1,363.6	1.2 %	2,573.2	2.2 %	125.0	0.1 %

Allocation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Revenue

Appropriation/ Allocation	04HgtPln	Gov_Amd	HseSub	SenSub	04HgtPln to SenSub	Gov_Amd to SenSub	HseSub to SenSub
Tax and Treasury							
Tax Division	7,187.1	7,137.5	7,137.5	7,137.5	-49.6 -0.7 %	0.0	0.0
Treasury Division	3,704.1	4,005.1	3,880.1	4,005.1	301.0 8.1 %	0.0	125.0 3.2 %
State Pension Investment Board	3,374.2	3,599.5	3,599.5	3,599.5	225.3 6.7 %	0.0	0.0
Pension Custody and Mgmt Fees	27,913.6	26,413.6	26,413.6	26,413.6	-1,500.0 -5.4 %	0.0	0.0
Perm Fund Dividend Division	5,479.1	5,589.7	5,589.7	5,589.7	110.6 2.0 %	0.0	0.0
* Appropriation Total	47,658.1	46,745.4	46,620.4	46,745.4	-912.7 -1.9 %	0.0	125.0 0.3 %
Child Support Enforcement							
Child Support Enforcement	19,214.8	20,238.0	20,238.0	20,238.0	1,023.2 5.3 %	0.0	0.0
* Appropriation Total	19,214.8	20,238.0	20,238.0	20,238.0	1,023.2 5.3 %	0.0	0.0
Administration and Support							
Commissioner's Office	1,865.0	1,856.3	1,856.3	1,856.3	-8.7 -0.5 %	0.0	0.0
Administrative Services	1,173.4	1,256.1	1,256.1	1,256.1	82.7 7.0 %	0.0	0.0
State Facilities Rent	223.0	223.0	223.0	223.0	0.0	0.0	0.0
Agency-wide Unalloc Reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0
* Appropriation Total	3,261.4	3,335.4	3,335.4	3,335.4	74.0 2.3 %	0.0	0.0
Gas Development Authority							
Gas Authority Operations	150.0	150.0	256.0	256.0	106.0 70.7 %	106.0 70.7 %	0.0
* Appropriation Total	150.0	150.0	256.0	256.0	106.0 70.7 %	106.0 70.7 %	0.0

Allocation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language

Agency: Department of Revenue

Appropriation/ Allocation	<u>04MetPln</u>	<u>Gov Amd</u>	<u>IlseSub</u>	<u>SenSub</u>	<u>04MetPln to SenSub</u>		<u>Gov Amd to SenSub</u>		<u>IlseSub to SenSub</u>		
Mental Health Trust Authority											
Mental Health Trust Operations	1,690.3	1,418.4	1,418.4	1,418.4	-271.9	-16.1 %	0.0		0.0		
Long Term Care Ombudsman	0.0	403.7	403.7	403.7	403.7	100.0 %	0.0		0.0		
* Appropriation Total	1,690.3	1,822.1	1,822.1	1,822.1	131.8	7.8 %	0.0		0.0		
Municipal Bond Bank Authority											
Bond Bank Operations	524.2	677.4	677.4	677.4	153.2	29.2 %	0.0		0.0		
* Appropriation Total	524.2	677.4	677.4	677.4	153.2	29.2 %	0.0		0.0		
Housing Finance Corporation											
AHFC Operations	39,357.3	40,488.7	40,488.7	40,488.7	1,131.4	2.9 %	0.0		0.0		
Anch State Office Building	990.4	800.0	800.0	800.0	-190.4	-19.2 %	0.0		0.0		
* Appropriation Total	40,347.7	41,288.7	41,288.7	41,288.7	941.0	2.3 %	0.0		0.0		
Permanent Fund Corporation											
APFC Operations	7,011.3	6,994.9	6,994.9	6,994.9	-16.4	-0.2 %	0.0		0.0		
APFC Custody and Mgt Fees	43,139.0	41,430.0	41,430.0	41,430.0	-1,709.0	-4.0 %	0.0		0.0		
* Appropriation Total	50,150.3	48,424.9	48,424.9	48,424.9	-1,725.4	-3.4 %	0.0		0.0		
*** Totals for Agency	162,996.8	162,641.9	162,662.9	162,787.9	-208.9	-0.1 %	106.0	0.1 %	125.0	0.1 %	
General Funds	9,027.9	9,130.7	7,832.1	7,832.1	-1,195.8	-13.2 %	-1,298.6	-14.2 %	0.0		
Federal Receipts	37,906.2	38,698.1	37,529.5	37,529.5	-376.7	-1.0 %	-1,168.6	-3.0 %	0.0		
Other Funds	116,062.7	114,813.1	117,301.3	117,426.3	1,363.6	1.2 %	2,573.2	2.2 %	125.0	0.1 %	

Allocation Summary - FY 2005 Operating Budget - Senate Structure

Numbers & Language
Fund Group: General Funds

Agency: Department of Revenue

Appropriation/ Allocation	01NetPln	Gov Amd	UseSub	SenSub	01NetPln to SenSub		Gov Amd to SenSub		UseSub to SenSub
Tax and Treasury									
Tax Division	6,704.4	6,879.2	5,779.2	5,779.2	-925.2	-13.8 %	-1,100.0	-16.0 %	0.0
Treasury Division	1,197.2	1,233.2	1,233.2	1,233.2	36.0	3.0 %	0.0		0.0
* Appropriation Total	7,901.6	8,112.4	7,012.4	7,012.4	-885.2	-11.3 %	-1,100.0	-13.6 %	0.0
Child Support Enforcement									
Child Support Enforcement	118.6	0.0	0.0	0.0	-118.6	-100.0 %	0.0		0.0
* Appropriation Total	118.6	0.0	0.0	0.0	-118.6	-100.0 %	0.0		0.0
Administration and Support									
Commissioner's Office	271.9	230.4	230.4	230.4	-41.5	-15.3 %	0.0		0.0
Administrative Services	362.8	414.9	110.3	110.3	-252.5	-69.6 %	-304.6	-73.4 %	0.0
State Facilities Rent	223.0	223.0	223.0	223.0	0.0		0.0		0.0
Agency-wide Unalloc Reduction	0.0	0.0	0.0	0.0	0.0		0.0		0.0
* Appropriation Total	857.7	868.3	563.7	563.7	-294.0	-34.3 %	-304.6	-35.1 %	0.0
Gas Development Authority									
Gas Authority Operations	150.0	150.0	256.0	256.0	106.0	70.7 %	106.0	70.7 %	0.0
* Appropriation Total	150.0	150.0	256.0	256.0	106.0	70.7 %	106.0	70.7 %	0.0
*** Totals for Agency	9,027.9	9,130.7	7,832.1	7,832.1	-1,195.8	-13.2 %	-1,298.6	-14.2 %	0.0

Allocation Summary - FY 2005 Operating Budget - Senate Structure

Fund Group: General Funds

Agency: Department of Revenue

Appropriation/ Allocation	<u>04Met Pln</u>	<u>Gov Amd</u>	<u>UseSub</u>	<u>SenSub</u>	<u>04Met Pln to SenSub</u>		<u>Gov Amd to SenSub</u>		<u>UseSub to SenSub</u>
Tax and Treasury									
Tax Division	6,704.4	6,879.2	5,779.2	5,779.2	-925.2	-13.8 %	-1,100.0	-16.0 %	0.0
Treasury Division	1,197.2	1,233.2	1,233.2	1,233.2	36.0	3.0 %	0.0		0.0
* Appropriation Total	7,901.6	8,112.4	7,012.4	7,012.4	-889.2	-11.3 %	-1,100.0	-13.0 %	0.0
Child Support Enforcement									
Child Support Enforcement	118.6	0.0	0.0	0.0	-118.6	-100.0 %	0.0		0.0
* Appropriation Total	118.6	0.0	0.0	0.0	-118.6	-100.0 %	0.0		0.0
Administration and Support									
Commissioner's Office	271.9	230.4	230.4	230.4	-41.5	-15.3 %	0.0		0.0
Administrative Services	362.8	414.9	110.3	110.3	-252.5	-69.6 %	-304.6	-73.4 %	0.0
State Facilities Rent	223.0	223.0	223.0	223.0	0.0		0.0		0.0
Agency-wide Unalloc Reduction	0.0	0.0	0.0	0.0	0.0		0.0		0.0
* Appropriation Total	857.7	868.3	563.7	563.7	-294.0	-34.3 %	-304.6	-35.1 %	0.0
Gas Development Authority									
Gas Authority Operations	150.0	150.0	256.0	256.0	106.0	70.7 %	106.0	70.7 %	0.0
* Appropriation Total	150.0	150.0	256.0	256.0	106.0	70.7 %	106.0	70.7 %	0.0

Allocation Summary - FY 2005 Operating Budget - Senate Structure

Fund Group: General Funds

Agency: Department of Revenue

Appropriation/ Allocation	<u>01NetPln</u>	<u>Gov. Amd</u>	<u>UseSub</u>	<u>SenSub</u>	<u>01NetPln to SenSub</u>		<u>Gov. Amd to SenSub</u>		<u>UseSub to SenSub</u>
*** Totals for Agency	9,027.9	9,130.7	7,832.1	7,832.1	-1,195.8	-13.2 %	-1,298.6	-14.2 %	0.0
General Funds	9,027.9	9,130.7	7,832.1	7,832.1	-1,195.8	-13.2 %	-1,298.6	-14.2 %	0.0
Federal Receipts	0.0	0.0	0.0	0.0	0.0		0.0		0.0
Other Funds	0.0	0.0	0.0	0.0	0.0		0.0		0.0

HOUSE FINANCE SUBCOMMITTEE RECOMMENDATIONS

MEMORANDUM

TO: Members of the House Finance Subcommittee on the Department of Revenue FY2005 Budget
FROM: Representative Bill Williams, Subcommittee Chairman
RE: Department of Revenue Budget Closeout
DATE: February 19th, 2004

Attached with this memorandum are:

1. Six pages of proposed amendments to the Governor's FY05 Budget, provided by the Department of Revenue
2. Four reports prepared by Legislative Finance:
 - A three page report entitled "Agency Totals"
 - An "Appropriation Summary" report that includes all funding sources
 - An "Appropriation Summary" report that includes general funds only
 - A "Transaction Compare" report

I am recommending that the Subcommittee adopt the following actions (in the order in which they appear on the comparison report):

Tax Division

1. Reduce General Fund receipts by \$1,100,000, and replace those funds with \$1,100,000 in Business License Receipts. These are fees collected from businesses purchasing or renewing their business licenses. These receipts are to support the Tax Division's Corporate Income Tax auditing function.

Treasury Division

2. Use \$16,600 from I/A Receipts and \$32,300 from Student Loan Receipts to partially fund a new Bond Analyst position in the Treasury Division. A 2002 audit recommended to the Alaska State Pension Investment Board that Treasury add four investment and audit staffers. This increment plus the increment for an equity analyst will fill two of the recommended positions. This action was requested by the Department.

3. Delete a vacant Accounting Tech position in the Cash Management section to provide some of the funds for the Bond Analyst position. This action was requested by the Department.

Alaska State Pension Investment Board

4. Use \$9,900 from P/E Retirement, \$5,300 from Teacher Retirement, \$700 from Judicial Retirement, and \$700 from National Guard receipts to pay ASPIB's share of the bond analyst position requested in the Treasury Division's budget. This action was requested by the Department.
5. A Decrement totaling \$1,500,000 (\$975,000 from P/E Retirement and \$525,000 from Teacher Retirement) to reduce investment management fees. ASPIB investment management fees are based upon the market value of the amounts invested. Because of lower market values, ASPIB should not require all of the previously authorized amount. This action was requested by the Department.

Child Support Enforcement Division

6. Reduce incentive funds paid to the CSED by the Federal Government by \$1,168,600 and replace it with \$1,168,600 from Receipt Supported Services. This is to reflect an anticipated reduction in Federal Incentive payments in FY2005. The CSED earns these incentives for meeting certain performance levels in its child support programs. As other states have improved their performance, Alaska's share of incentive funding has been reduced. The Department is proposing to fill this shortfall with funds collected by the Division (Receipt Supported Services). This action was requested by the Department.
7. Reduce CSED Administrative Cost Receipts by \$304,600 and replace those funds with Receipt Supported Services funding. This Federal funding has been collected from the federal child support enforcement program to reimburse the state for overhead. These funds have been used as a match to other federal funds. They can be replaced by RSS without any loss to the Department of personnel or service. The CSED will continue to collect the maximum amount of receipts allowable under the federally negotiated rate.

Administration and Support

8. Reduce General Funds to the Administrative Services division by \$304,600 and replace those funds with \$304,600 from CSED Administrative Cost Receipts (See note 7, above). Using this money

to replace General Funds allows a saving of General Fund revenues without any loss to the Department of personnel or service.

Alaska Municipal Bond Bank Authority

9. Increase Alaska Municipal Bond Bank Receipts by \$150,000 to cover the costs associated with increased use of the Bond Bank. Because more municipalities are using the Bond Bank's services, the Authority expects increased costs. There is no expenditure of General Fund dollars involved. This action was requested by the Department.

I am proposing that the Subcommittee deny the Department's request for the following amendment until a conclusive position is reached by the legislature on this issue:

Alaska Permanent Fund Corporation

10. The Corporation is requesting authority to spend \$700,000 from Permanent Fund Receipts to fund a comprehensive public communications plan to educate, promote and advocate for the Corporation's Trustees' Percent of Market Value proposal.

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

March 9, 2004

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110400
JUNEAU, ALASKA 99811-0400
TELEPHONE: (907) 465-2300
FACSIMILE: (907) 465-2389

The Honorable Fred Dyson, Chair
Senate Finance Sub-Committee
Department of Revenue
Alaska State Capitol
Juneau, AK 99801-1182

Re: SFSC Questions

Dear Senator Dyson:

Prior to the Senate Finance Subcommittee meeting, your Legislative Assistant, Lucky Schultz, sent over a number of questions about performance measures for the Department of Revenue to answer. While some of these questions were discussed and answered in the Wednesday, March 3, 2004, subcommittee meeting, others were not. Below are the questions and answers for your consideration. Also included are responses from questions that arose in the meeting.

Suggested Measures for Department of Revenue

DRev – Child Support Division

Measure = The time it takes a non-custodial parent to get payment changed due to status changes.

A change in payment would result from a modification of the child support order. Under federal regulations the division has 180 days from the request date, or the date we locate the non-requesting parent, to complete the modification. The Child Support Enforcement Division (CSED) currently maintains this information for the federal fiscal year. To provide this information for the state fiscal year, CSED would have to make changes to the computer program currently used to measure and record the information. Annually, during the program's self-assessment audit, the division reviews compliance with this federal timeframe for modification of orders. The Division will incorporate the following as a measure of customer service.

Target: Increase the number of cases with a requested modification completed in 180 days to 80%.

Measure: Percentage of cases with a modification request where the modification was completed in 180 days.

DRev – Child Support Division**Measure = Should there be a measure for detecting fraud?**

We have referred the question of welfare fraud to the Department of Health and Social Services for their response. CSED does not have any statutes or regulations related to fraud, per se.

When it is reported that individuals are receiving cash assistance payments, yet their children are not living with them, we report this to the Department of Health and Social Services, Division of Public Assistance, for their Fraud Investigations Unit to respond to the complaint.

In the normal process of handling cases, if the division sees things that are abnormal and it is within our purview, the division will address it. For example, if a couple marries, has a child and then divorces, yet the father later learns that the child is not his biological child, CSED can order a paternity test to establish paternity. A more onerous example is when a court orders both child support and the custody of the children. CSED may learn that the child is living with the other parent and should not pay child support; the division may not change the child support order because they have no jurisdiction to do so. The courts must change the child support and custody order.

DRev – Child Support Division**Item (b)(5) = The percentage of cases in which there are child support orders.**

What does this mean?

What is the measure intended to indicate?

This is the number of child support cases in which either the court or administrative agency has issued an order or a party to pay child support. CSED has other cases in which paternity has not been established or a child support order has not been established, therefore, no support can be collected. This is intended to provide an indication of the percentage of cases where CSED can collect support. This is one of the calculations that the federal government uses to pay incentive funds to the states.

DRev – Alaska Permanent Fund Corporation**Measure = Should there be a measure for detecting fraud?**

The Permanent Fund Dividend (PFD) Division administers the distribution of the annual dividends from the permanent fund and has included in their performance measures fraud detection of PFD application fraud. The division has re-established contacts with municipal law enforcement agencies, the Department of Public Safety, and other state investigators, and the Department of Law. It has also completed a fraud database and reporting methodology and has renewed its focus on detecting fraud.

DRev – Alaska Mental Health Trust Authority

Item (b)(1) = The amount of revenue from land and cash

To what is this measure compared?

The Trust Land office does development plans based on available staff resources and the current opportunities to maximize revenues on a specific project. The projections are based on the development plan and previous year's performance.

What is it intended to indicate?

It is intended to indicate the progress on the development plan and the continued success of previously developed land. The projections are also used by the Trust Authority in setting estimated income available for funding of the Comprehensive Integrated Mental Health Program when Trustees approve their budget recommendations to the Governor and Legislature.

Item (b)(2) = The percentage of trust income disbursed for mental health programs.

Is this measure intended to tell us how well we are managing our cost of administration, or overhead?

This is the measure of implementation the Board of Trustee Asset Management Policy which was set in consultation with a professional investment advisor who provided recommendations on how to maintain a sustainable payout rate. Policy is set on a reserve account, annual % payout from the principle account and spendable income from all sources.

Item (b)(3) = The number of partners and the amount of money from mental health trust programs received from funding partners.

To what is this measure compared?

This measure is compared to the year before as AMHTA builds a partnership program. There are also philanthropy industry indicators of what other funders are accomplishing in this area – although these numbers are just becoming more commonly collected and reported.

What is it intended to indicate?

The Trust Partnership Program has a goal to maximize Trust funding by partnering with other public and private funding sources to improve the lives of our beneficiaries. The objective is to continually increase the number of partners and their percentage of project funding – trying to allow Trust funds to accomplish as much as possible by bringing in other funds that would not have been used for these projects otherwise.

Tax Division:

What is the definition of taxes due? This relates to the Performance Measure below.

Performance Measure Detail
(1) Result: Optimize tax collections.
Target: Percentage of taxes collected compared to taxes due between 92% and 98%.
Measure: Percentage of taxes collected compared to the taxes due.

Taxes due relates to taxes paid voluntarily and all assessments made by the Tax Division. This percentage will be greatly influenced by resolution of large and complex oil and gas income and production tax cases.

Why is the target 96% in FY 2005 when the Division did better than that in FY 2003?

Another way of asking this question is why is the measure not 100% of taxes collected compared to taxes due? Too high a percentage means the division is not making any aggressive assessments but only issuing assessments that will be paid without complaint.

Child Support Enforcement Division:

How do your measures relate to the needs of Alaskans?

CSED helps Alaskan children receive the financial support of both parents. The Division serves the parties on 51,000 cases. The measures contained in the budget allow for more collections, better distribution, and better customer service at less cost to the state. The increased collections and more efficient distribution will provide a better economic environment for the children of Alaska. Better customer service will benefit both custodial and non-custodial parents that have dealings with the agency. Maximizing federal funds will allow better service to Alaskans at a lower cost to the state.

Federal performance measures:

Are these just dollar measurements or do they show the quality of the program?

The federal performance measures were instituted by the federal government because it was felt that if these things were done correctly then there would be an effective child support program in the state.

Does the Child Support Enforcement Division pay interest when they over collect child support?

Alaska Statute 25.27.320 provides the circumstances in which the division pays interest on money that was incorrectly collected.

Sec 25.27.320. Interest on agency return of certain overpayments. (a) If the agency disburses money to an obligor because the agency made an error and

mistakenly required the obligor to overpay under a support order enforced by the agency, the agency shall include interest with the disbursement at the rate of six percent a year. The interest accrues from the date the payment at issue was received by the agency, regardless of when the payment is determined to be an overpayment.

(b) The provisions of (a) of this section do not apply to situations where the agency is ordered by a court to return money to an obligor based on the obligor's being the prevailing party in a court action. (Sec 2 ch 46 SLA 2000)

Permanent Fund Dividend Division:

What is the penalty for fraud?

A person who applies for or receives a Permanent Fund Dividend fraudulently, forfeits the dividend and the next 5 dividends and is subject to a fine of up to \$5,000 according to AS 43.23.035. In order to assess the fine, the PFD Division has to go through court proceedings. The division has not assessed any applicants the fine recently but this is a tool they expect to use in the future.

Why is the division estimating double fraud cases in FY 2005?

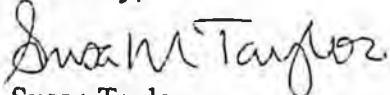
The division is doubling its estimates because the PFD Division is expecting to double its investigations staff. For FY 2004, the Division has one investigator; for FY 2005, the division will add another investigator position. The division is adding the investigator position to handle additional cases that result from new audit programs and increased fraud tips received from the public. The funding for the position will come from re-directing existing resources.

Can fraud cases be publicized as a deterrent? (Photos on the wall of local PFD offices of folks prosecuted)?

PFD regulations do not provide for disclosure of applicants who have defrauded the PFD program. The division will research this question to see if it can amend the regulations to allow disclosure under state confidentiality statutes.

If you have further inquiries, please do not hesitate to contact me at 465-2312.

Sincerely,



Susan Taylor
Director
Division of Administrative Services

cc: Members, Senate Finance Subcommittee

Fraud

PFD FRAUD HOTLINE TELEPHONE NUMBERS

ANCHORAGE

(907) 269-0385

JUNEAU

(907) 465-2654

Fraud occurs when all of the following elements exist.

- an individual intentionally makes an untrue representation about an important fact or event;
 - the untrue representation is believed by the victim (the PFD Program), to whom the representation has been made;
 - the victim (the PFD Program) relies upon and acts upon the untrue representation; and
 - the victim (the PFD Program) suffers a loss (of money) as a result of relying upon and acting upon the untrue representation.
-

Information to provide in a fraud tip

When providing fraud tip information, if available, provide the applicant's full name, approximate age, social security number, current address, previous address, and telephone number. In addition, if available, provide their spouse's name and children's name(s), approximate ages, and social security numbers.

It will also help us if you can provide the name of the applicant's spouse and the applicant's employer's name, address and telephone number.

Once you have identified the individual for us, let us know why you think the applicant and/or their family is not eligible for a dividend, and how you acquired this information. If you have any documentation to substantiate their ineligibility, include that as well as providing the name, address and telephone number of someone who can substantiate or provide additional information.

You can also provide your name, address, and telephone number - it is not required - if you do provide it, it will remain confidential under 15 AAC 23.253(f).

Penalties for false filing or eligibility verification

Under AS 43.23.035(c), if you falsely claim eligibility for yourself or another, or if you falsely verify the eligibility of another by willfully misrepresenting the facts, or being grossly negligent, or recklessly disregarding the facts, you will be subject to a civil fine of up to \$5000 and will lose your eligibility for the next five dividends.

In addition, you may be found guilty of the crime of unsworn falsification, a Class A misdemeanor. If convicted, under AS 11.56.210, you may be fined up to \$5,000, or sentenced to up to one year in jail, or both. Also, you must pay back all the permanent fund dividends you have ever received and you give up the right to all future dividends.

If you falsely apply on behalf of a child, you must pay back the dividend that was wrongfully claimed for that child. You must also pay back all permanent fund dividends for which you have filed in the past that were paid to the child, as well as your own dividends. You also give up your right to any future permanent fund dividends.

Convictions and Indictments

(Examples Selected at Random)

Department of Revenue May 12, 1997

Carolyn H. Plum, 59, of Salcha was sentenced in the Fairbanks Superior Court April 25, 1997, for PFD fraud. Judge Richard D. Savell sentenced Plum to a year in jail (ten months suspended), restitution, and five years probation.

Plum pleaded no contest to one count of Theft in the Second degree for filing for and receiving a 1994 Dividend in the name of her daughter, Betty Plum who died in 1993.

In addition to three months in jail, restitution of \$3780.00, and five years probation, Plum will forfeit her right to ever participate in the dividend program again. "We actively investigate all reports of fraud and will continue to prosecute offenders to the fullest extent of the law. If you suspect someone is fraudulently receiving a dividend, call one of our Fraud Hotline Numbers at 907-269-0385 or 907-465-2654 operating 24 hours per day," said Director Nanci Jones, "we protect the identity of the caller."

Department of Revenue October 28, 1996

An Anchorage Grand Jury has indicted long time Anchorage resident Carolyn J. Moeller, 53, charging her with Theft in the 2nd Degree.

The indictment charges that Moeller applied for and received dividends from 1988 through 1994 in the names of her non-resident mother, and a sister who had been deceased before Moeller herself was born.

Moeller is scheduled to be arraigned on 10/31/96. The law provides that if convicted, she will forfeit all the dividends that she has ever received, and will be barred from the dividend program for life. She will also be subject to criminal penalties of up to five years in jail and a \$50,000 fine.

"Only a few people try to beat the system," said Director Nanci Jones. "Our Fraud Investigation Section does a good job of finding those who fraudulently file for dividends. When a person cheats the dividend program, that person cheats all Alaskans. We will continue to prosecute offenders to the fullest extent of the law," Jones said.

"If you suspect someone is fraudulently receiving a dividend, call one of the fraud reporting numbers at (907) 269-0385 or (907) 465-2654. We follow up on all fraud tips," said Jones.

[PFD Home Page](#)

[Contact Us](#)

This page was last updated Friday, January 30, 2004

3/16/2004

ANGDA FY 05 BUDGET

Personal Services

FT CEO	Annual 12 months	120.0	<i>5 + ?</i> <i>MAY ADJUSTED</i>
FT Project Coord. <i>STATE EMPLOYEE</i>	6 months	<u>42.0</u>	
		162.0	

Travel (estimate only)

Staff Travel		20.0 -
Board Travel <i>7 people</i>		<u>15.0 -</u>
		35.0

Contractual

Space Rent/Phone RSA		7.0
Annual Audit Contract		10.0
Core Services		5.0
DHL		1.0
Subscriptions	Wood McKenzie***	27.0
Registrations/Conferences		<u>5.0</u>
		55.0

Supply

Office Supplies		1.5
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Equipment

Office Equipment		2.5
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Estimated base cost for FY05	<u>256.0</u>
Funded in FY05 Budget	<u>150.0</u>
PROPOSED AMENDMENT AMOUNT	106.0

*** Wood McKenzie subscription to North American Gas Insight Service/Multi-Client Study

**Alaska Natural Gas Development Authority
Personal Services Information**

	Authorized Positions		Personal Services Costs	
	FY2004 Authorized	FY2005 Governor		
Full-time	0	1	Annual Salaries	103,781
Part-time	0	1	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	35,661
			<i>Less 1.32% Vacancy Factor</i>	(1,842)
			Lump Sum Premium Pay	0
Totals	0	2	Total Personal Services	137,600

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Executive Director	1	0	0	0	1
Project Coordinator	1	0	0	0	1
Totals	2	0	0	0	2