

**LEGISLATIVE OVERVIEW
OF THE
GOVERNOR'S FY 1990 BUDGET**

Prepared for distribution to the Legislature by:

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Note: this overview is of the budget proposal made public by
the Governor on December 15, 1988.

SPENDING PLAN

The Governor's proposed FY90 budget, presented to the Sixteenth Alaska Legislature on December 15, 1988, requires appropriations totaling \$3,067,967,400. Of this amount, \$2,269,022,100 or 74.0%, is unrestricted general fund. Compared with appropriations made during the 1988 session, this spending plan includes:

- an overall increase of \$2,400,000, or .1% in general fund and general fund program receipts.
- an increase of 3.5% in the operating budget, and declines of 32.4% in the capital budget, 22.2% in loans program, and 7.9% in the debt service budgets.
- \$17,500,000 in general fund required for health benefits adjustments.
- \$53,001,500 of the general fund represents program receipts.

OPERATING BUDGET

The Operating Budget includes two major segments: state agency operations and formula programs.

State Agency Operations funds the actual costs of the administration of State government and the direct public services it provides. For FY90, the Governor is proposing general fund appropriations, including GF/Program Receipts, to fund agency operations at \$1,123,262,100 compared to \$1,079,756,400 for FY89 Authorized, -- an increase of 4.0% compared to FY89 Authorized.

Formula Programs are those which flow-through State agencies to municipalities and individuals, e.g. Education Support, Municipal Assistance, Revenue Sharing, Longevity Bonus, etc. For FY90, the Governor is proposing \$920,267,400 in general funds for formula programs, which represents 45% of the operating budget. By far, the largest formula program is Education Support which, at \$568,167,700 in the Governor's spending plan, accounts for 27.8% of the total general fund operating budget. This compares to 29% of the FY89 general fund operating budget authorization. However, the Governor's budget request for the Department of Education will increase by another \$40 million depending on the outcome of the proposed federal changes to PL81-874, decrease in assessed property valuation in municipal school districts, and revised enrollment information. Consequently, overall the effect of this change on the overall formula funded programs will be an increase of 6.2% over FY89 Authorized.

CAPITAL BUDGET

The Governor's FY90 capital budget earmarks \$80,000,000 in general funds, although the actual budget has not yet been submitted.

PERSONAL SERVICES

Although the Governor's FY90 request for personal services reflects a considerable increase, the bulk of it can be attributed to health benefit adjustments. A supplemental request for FY89 health benefits will also be necessary as long as current benefits remain unchanged. The following Table represents these rate increases for various bargaining units:

ACTIVE GROUP HEALTH PLANS ACTUAL DOLLARS

BARGAINING UNITS	7/84	7/86	7/87	7/88	2/89
GGU	217.65	242.15	307.53	411.16	431.72
PSEA	216.12	240.90	305.94	411.16	431.72
SU	230.84	256.80	326.14	427.41	448.78
IBU	184.57	242.15	307.53	411.16	431.72
MEBA	234.84	270.50	343.54	461.88	484.97
CONF	230.84	256.80	326.14	427.41	448.78
LTC	230.84	256.80	326.14	421.75	442.84

Another personal services aspect of the Governor's proposed budget concerns position counts and requests for new positions. This can be illustrated in two parts:

1. Positions created by revised programs in FY89 but not reflected in the Governor's new position request, e.g. eight full-time positions in the Department of Health and Social Services - AIDS Services component.
2. Positions with approved funding in personal services, contractual or miscellaneous line item but with no position authorization or approval from the Governor, e.g. eight positions in Kenai Capital Clean-up Project within the Department of Environmental Conservation.

LOAN PROGRAMS

The Governor's proposed loan budget consists of two parts: (1) as an expenditure item in an appropriation of \$13,000,000 from general fund to the Student Loan Program, and (2) as a revenue measure in an appropriation of \$8,119,400 from the cash balances of various loan funds to the general fund. Both of these appropriations are included in the front section of the operating budget appropriation bill.

DEBT SERVICE

In FY89, debt service included two elements: general obligation bond debt and school debt retirements (a statutory program in which the State funds a portion of the debt retirement costs municipalities incur for school construction).

The 1988 session appropriated \$109,472,700 to provide 90% of the eligible school debt retirement. For FY90, the Governor proposes full funding of this program with 90% or \$104,024,200 in the main body of the budget and the remaining 10% or \$11,558,200 as a contingent appropriation subject to passage of legislation which repeals the current debt retirement system.

Note that the school debt retirement contingent appropriation, general obligation debt service, and lease payments to the State Bond Committee appear in the front section of the operating budget.

The debt service portion of the budget is summarized below:

	<u>IN MILLIONS OF DOLLARS</u>		
	<u>FY88</u> <u>ACTUAL</u>	<u>FY89</u> <u>AUTH</u>	<u>FY90</u> <u>GOV</u>
General Obligation	\$147.9	\$135.6	\$120.4
State Bond Committee			
Lease Payments (1)		11.8	12.1
School Debt Retirement (2)	109.5	109.5	104.0
TOTAL	<u>\$270.7</u>	<u>\$257.5</u>	<u>\$236.5</u>

Note: 1) Lease payments have been moved from the operating budget to debt service to satisfy bond rating agency requirements.

2) The Governor's request represents 90% funding for the school debt retirement.

FY 89/90 BALANCE SHEET
General Fund
(in millions of dollars)

	LOW CASE	MID CASE	HIGH CASE	NOTE
FY88 CARRY FORWARD	224.0	224.0	224.0	From Annual Financial Report
FY89 Revenues(including settlements)	1,670.9	1,814.0	2,016.8	DOR \$/BBL 12.24, 13.25, 14.79(ANS GULF)
FY89 Adjustments	118.0	118.0	118.0	
Railbelt Energy Fund(non-add) (1)	50.0	50.0	50.0	
FY89 AVAILABLE	2,012.9	2,156.0	2,358.8	
FY89 Expenditures				
Operating	1,874.6	1,874.6	1,874.6	
Debt Service	256.9	256.9	256.9	
Capital	118.4	118.4	118.4	
Loans	16.7	16.7	16.7	
FY 89 Supplementals(estimate)	47.5	47.5	47.5	
FY89 EXPENDITURES	2,314.1	2,314.1	2,314.1	
FY89 CARRY FORWARD (2)	-301.2	-158.1	44.7	
FY90 Revenues	1,006.5	1,387.4	1,936.3	DOR \$/BBL 9.40, 12.89, 16.92(ANS GULF)
FY90 Adjustments	57.8	57.8	57.8	From OMB
FY90 AVAILABLE	763.1	1,287.1	2,038.8	
FY90 Expenditures	<u>Governor's December 15, 1988 Budget</u>			
Operating	1,939.5	1,939.5	1,939.5	
Debt Service				
-G.O.	120.4	120.4	120.4	
-School Debt	104.0	104.0	104.0	
-Lease Payment	12.1	12.1	12.1	
Loans	13.0	13.0	13.0	
Capital	80.0	80.0	80.0	OMB estimate
FY90 EXPENDITURES	2,269.0	2,269.0	2,269.0	
FY90 CARRY FORWARD	-1,505.9	-981.9	-230.2	

Notes: 1) Up to \$50 million from the Railbelt Energy Fund could be used to cover potential shortages during FY 89(see HB543 sec. 293).
2) Any positive FY 89 Carry forward, up to \$34 million, will be transferred to the Governor's Science Endowment(see HB543 sec. 189).

FY 90 GOVERNOR'S BUDGET
Unrestricted General Fund
(in millions of dollars)

	FY89 CC	FY89 AUTH	DEC 15, 1988 FY90 GOV	--PERCENT CHANGE-- FY 90/ FY 89 CC	FY 90/ FY 89 AUTH
Operating	1,867.5	1,874.6	1,939.5	3.9%	3.5%
Capital (1)	118.4	118.4	80.0	-32.4%	-32.4%
Loans	16.7	16.7	13.0	-22.2%	-22.2%
Debt Service (2)	256.9	256.9	236.5	-7.9%	-7.9%
TOTAL	2,259.5	2,266.6	2,269.0	.4%	.1%

Note: 1). The Governor's FY 90 Capital budget request is an estimate.

2). Includes General Obligation, School Debt, and School Lease Payments.

FY 90 GOVERNOR'S OPERATING BUDGET SUMMARY
Unrestricted General Fund
(in thousands of dollars)

	FY88 ACTUALS	FY89 AUTH	DEC 15, 1988 FY90 GOV	FY89 AUTH TO FY90 GOV \$	%
Operating Budget	1,870,621.7	1,984,118.7	2,043,529.5	59,410.8	3.0%
Less: Formula	-872,632.5	-904,362.3	-920,267.4	-15,905.1	1.8%
Agency Operation	997,989.2	1,079,756.4	1,123,262.1	43,505.7	4.0%
 Formula Programs					
Longevity Bonus	49,994.1	52,116.0	56,076.0	3,960.0	7.6%
Administration-other	24,894.8	25,367.8	26,311.8	944.0	3.7%
Shared Taxes	12,301.1	10,786.2	15,201.9	4,415.7	40.9%
Foundation	409,941.2	420,923.9	418,753.6	-2,170.3	-.5%
School Debt Ret.	109,472.7	109,472.7	104,024.2	-5,448.5	-5.0%
Education-other	41,111.4	45,061.0	45,389.9	328.9	.7%
Health & Social Services	103,896.9	113,240.0	128,988.4	15,748.4	13.9%
Power Cost Equaliztion	15,000.0	19,724.4	17,872.6	-1,851.8	-9.4%
Fisheries Tax Rcpts.	4,415.7	6,431.4	6,431.4	.0	.0%
Nat'l Guard Ret.	702.4	780.9	780.9	.0	.0%
Military-other	558.1	396.7	450.4	53.7	13.5%
Sr. Citizen Tax Relief	3,086.7	3,003.5	3,003.5	.0	.0%
Municipal Rev. Sharing	40,773.1	40,773.4	40,773.4	.0	.0%
Municipal Assistance	56,084.3	56,084.4	56,084.4	.0	.0%
Other C&RA Programs	400.0	200.0	125.0	-75.0	-37.5%
 TOTAL	 872,632.5	 904,362.3	 920,267.4	 15,905.1	 1.8%

OPERATING BUDGET SUMMARY
Unrestricted General Fund
(in thousands of dollars)

	FY88 ACTUALS	FY89 CC	FY89 AUTH	DEC 15, 1988 FY90 GOV
Office of the Governor	14,581.9	16,884.5	16,893.2	15,900.8
Administration	152,856.1	151,530.4	152,519.6	158,937.2
Law	26,075.0	31,665.1	31,895.9	32,591.6
Revenue	24,420.5	23,515.9	24,052.2	28,814.3
Education (1)	589,110.1	603,691.7	607,803.2	599,899.7
Health & Social Services	239,087.2	275,333.0	275,453.6	302,274.0
Labor	9,371.7	10,240.6	10,514.6	11,021.2
Commerce & Econ. Dev.	51,186.7	63,052.5	64,018.6	62,858.6
Military & Vet. Affairs	12,209.4	11,192.3	11,242.3	10,654.1
Natural Resources	49,450.5	47,903.3	48,246.0	50,033.7
Fish & Game	42,249.5	45,367.9	45,367.9	49,086.6
Public Safety	71,252.5	75,351.5	75,675.0	80,412.7
Transp./Public Facilities	158,295.5	160,284.1	160,311.1	165,817.2
Environmental Conservation	11,836.3	14,251.4	15,265.9	18,906.0
Community & Reg. Affairs	124,385.8	127,547.1	127,909.2	128,555.7
Corrections	83,215.1	92,038.1	92,038.1	96,345.4
University	144,905.3	151,277.4	152,088.7	159,051.1
Court System	37,779.4	40,004.9	40,004.9	41,187.5
Legislature	28,353.2	29,860.2	32,818.7	31,182.1
New Legislation		2,077.7		
Reappropriations		3,954.6		
TOTAL	1,870,621.7	1,977,024.2	1,984,118.7	2,043,529.5

Notes: 1. Education budget includes School Debt Retirement being funded at 90%. The remaining 10% or \$11.6 million is a contingent appropriation located in the front section of the Governor's FY 90 operating budget bill.

2. The Governor's budget request for the Department of Education will increase by another \$40 million depending on the outcome of the proposed federal changes to PL81-874, decrease in assessed property valuation in municipal school district, and revised enrollment information.

3. CC: Conference Committee numbers as passed the 1988 Legislative session and enacted by the Governor. Front section of the Operating budget, various bills, and fiscal notes have been included. See FY 89 Summary of Appropriations.

OPERATING BUDGET SUMMARY
General Fund Program Receipts
(in thousands of dollars)

	FY88 ACTUALS	FY89 CC	FY89 AUTH	DEC 15, 1988 FY90 GOV
Office of the Governor				
Administration	4,479.6	4,804.3	4,854.3	4,881.8
Law	11.3	304.8	304.8	287.0
Revenue	1,061.7	1,257.0	1,257.0	1,266.5
Education	1,372.1	1,705.0	1,705.0	1,800.3
Health & Social Services	4,833.9	5,578.9	5,578.9	5,675.3
Labor	394.9	587.2	587.2	529.9
Commerce & Econ. Dev.	15,779.8	19,963.4	20,044.6	20,408.7
Military & Vet. Affairs	26.7	29.7	29.7	29.7
Natural Resources	3,959.3	4,930.3	4,930.3	5,217.5
Fish & Game	2,648.4	4,831.0	4,831.0	5,123.0
Public Safety	1,022.7	1,556.5	1,556.5	1,592.1
Transp./Public Facilities	5,905.1	3,063.2	3,063.2	3,455.3
Environmental Conservation	69.6	95.0	95.0	95.0
Community & Reg. Affairs		14.0	14.0	14.0
Corrections	2,632.6	2,638.5	2,638.5	2,536.4
University				
Court System				
Legislature	75.8	74.0	74.0	89.0
New Legislation		131.2		
Reappropriations				
TOTAL	44,273.5	51,564.0	51,564.0	53,001.5

NOTE:

1. CC: Conference Committee numbers as passed the 1988 Legislative session and enacted by the Governor. Front section of the Operating budget, various bills, and fiscal notes have been included. See FY 89 Summary of Appropriations.

OPERATING BUDGET BY LINE ITEM
Total Funds
(in thousands of dollars)

	----FY 80----		----FY 85----		----FY 90----		FY 90 - FY 80	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	Percent
Personal Services	456,334.7	65%	875,748.7	62%	935,016.0	63%	478,681.3	105%
Travel	17,624.9	2%	37,570.8	3%	35,348.8	2%	17,723.9	101%
Contractual	171,289.7	24%	378,652.1	27%	420,356.0	28%	249,066.3	145%
Commodities	46,412.2	7%	96,223.3	7%	88,136.5	6%	41,724.3	90%
Equipment	5,106.7	1%	12,415.0	1%	9,252.8	1%	4,146.1	81%
Lands/Buildings	9,925.5	1%	10,134.1	1%	196.8	0%	-9,728.7	-98%
Government Operation	706,693.7	100%	1,410,744.0	100%	1,488,306.9	100%	781,613.2	111%
Grants/Claims	567,643.5	83%	1,127,154.4	71%	1,284,941.0	89%	717,297.5	126%
Miscellaneous	118,606.5	17%	455,870.8	29%	159,969.0	11%	41,362.5	35%
State Grant/Misc	686,250.0	100%	1,583,025.2	100%	1,444,910.0	100%	758,660.0	111%
Total	1,392,943.7		2,993,769.2		2,933,216.9		1,540,273.2	111%

STATE OF ALASKA BUDGETS
Unrestricted General Fund
(in millions of dollars)

	FY 80	FY85/FY80 Amount	CHANGE Percent	FY 85	FY90/FY85 Amount	CHANGE Percent	FY 90
State Budgets	1,160.3	3,011.6	259.6%	4,171.9	-1,902.9	-45.6%	2,269.0
Operating	1,034.8	1,245.2	120.3%	2,280.0	-104.0	-4.6%	2,176.0
Capital	92.0	1,149.9	1,249.9%	1,241.9	-1,161.9	-93.6%	80.0
Loans	33.5	106.5	317.9%	140.0	-127.0	-90.7%	13.0
Other:							
Transfer from GF to Perm. Fund		300.0		300.0	-300.0	-100.0%	
GF Loan to APA(4-Dam Pool)		210.0		210.0	-210.0	-100.0%	

OPERATING BUDGET

PASS-THRU PROGRAMS

G.O. Debt	75.2	94.3	125.4%	169.5	-49.1	-29.0%	120.4
School Retirement Debt	24.1	70.9	294.2%	95.0	9.0	9.5%	104.0
Formula Funded Programs	377.2	484.2	128.4%	861.4	-45.1	-5.2%	816.3
Lease Payment							12.1

Total pass-thru programs	476.5	649.4	136.3%	1,125.9	-73.1	-6.5%	1,052.8
Percent of operating budget	46.0%			49.4%			48.4%

GOVERNMENT OPERATION	558.3	595.8	106.7%	1,154.1	-30.9	-2.7%	1,123.2
Percent of operating budget	54.0%			50.6%			51.6%

STATE EMPLOYEES:

Full-Time	11,547.0		43.6%	16,578.0		-2.0%	16,253.0
Part-Time	1,181.0		156.6%	3,030.0		10.5%	3,349.0

STATE BUDGETS
Unrestricted General Fund
(in millions of dollars)

FY	Nominal (\$ mill)				Total	Anch. CPI-U	Real (FY89 \$ mill)				Total	Pop'n (000)	Real FY89 \$ per capita				Per Capita Total
	Operating	Capital	Loan	G.O. Debt			Operating	Capital	Loan	G.O. Debt			Oper'ng	Cap	Loan	G.O. Debt	
61	37.8	8.1			45.9	31.1	121.4	26.0			147.4	230	527	113			199
62	46.2	6.1			52.3	31.5	146.8	19.4			166.1	237	620	82			221
63	57.7	8.1			65.8	31.4	183.9	25.8			209.7	243	757	106			271
64	70.9	12.0			82.9	31.6	224.3	38.0			262.2	250	897	152			332
65	74.4	4.7			79.1	31.9	233.6	14.8			248.3	253	923	58			312
66	84.1	2.0			86.1	32.0	263.2	6.3			269.5	265	992	24			325
67	92.5	1.3			93.8	33.2	278.5	3.9			282.5	272	1,026	14			345
68	102.0	11.1			113.1	33.9	300.7	32.7			333.4	278	1,082	118			407
69	125.5	2.3			127.8	34.8	360.6	6.6			367.2	285	1,266	23			449
70	170.8	2.0			172.8	36.4	469.3	5.5			474.8	295	1,593	19			587
71	274.3	36.5			310.8	37.8	725.2	96.5			821.7	309	2,351	313			1,007
72	302.1	8.4			310.5	38.7	779.9	21.7			801.5	320	2,440	68			972
73	327.4	14.7			342.1	39.7	825.6	37.1			862.7	330	2,503	112			1,037
74	360.3	10.1			370.4	42.0	858.0	24.1			882.0	336	2,550	71			1,101
75	489.2	23.0			512.2	47.6	1,028.6	48.4			1,077.0	348	2,955	139			1,471
76	574.6	53.4			628.0	53.4	1,076.2	100.0			1,176.2	384	2,802	260			1,635
77	696.4	19.8			716.2	56.9	1,224.9	34.8			1,259.8	410	2,989	85			1,748
78	791.1	51.1	10.0		852.2	60.1	1,315.4	85.0	16.6		1,417.0	418	3,147	203	40		2,039
79	837.7	171.0	14.0	59.8	1,082.5	66.0	1,268.4	258.9	21.2	90.5	1,639.0	412	3,082	629	52	220.0	2,630
80	959.6	92.0	33.5	75.2	1,160.3	72.5	1,323.8	126.9	46.2	103.7	1,600.6	414	3,200	307	112	250.8	2,805
81	1,364.3	565.2	560.1	97.4	2,587.0	80.2	1,700.6	704.5	698.2	121.4	3,224.7	420	4,051	1,678	1,663	289.2	6,162
82	1,706.2	1,164.9	471.8	102.4	3,445.3	86.1	1,982.6	1,353.6	548.2	119.0	4,003.4	434	4,570	3,120	1,264	274.3	7,942
83	1,897.0	470.1	337.0	143.6	2,847.7	87.2	2,174.3	538.8	386.3	164.6	3,264.0	465	4,674	1,158	830	353.8	6,121
84	1,958.0	778.4	171.9	178.6	3,086.9	91.7	2,134.7	848.6	187.4	194.7	3,365.5	498	4,290	1,705	377	391.3	6,204
85	2,110.5	1,241.9	140.0	169.5	3,661.9	94.1	2,242.1	1,319.3	148.7	180.1	3,890.2	522	4,295	2,527	285	345.0	7,452
86	2,116.5	471.4	80.4	163.3	2,831.6	97.3	2,174.8	484.4	82.6	167.8	2,909.6	540	4,030	898	153	311.0	5,392
87	1,844.1	337.6	61.0	155.0	2,397.7	97.6	1,889.0	345.8	62.5	158.8	2,456.0	542	3,485	638	115	292.9	4,531
88	1,911.3	173.4	22.6	148.0	2,255.3	98.0	1,949.7	176.9	23.1	151.0	2,300.6	537	3,631	329	43	281.1	4,200
89	2,025.1	98.2	16.7	135.6	2,275.6	100.0	1,977.6	98.2	16.7	135.6	2,275.8	545	3,629	180	31	248.8	4,176

Annual Compound Growth Rates:

FY61-89	14.7	9.0	4.4	7.7	14.4	4.1	10.1	4.7	.0	3.7	9.9	3.0	6.9	1.6	5.2	9.6	6.7	11.1
FY61-76	18.5	12.5	n/a	n/a	17.8	3.4	14.6	8.8	n/a	n/a	13.9	3.2	11.0	5.4	n/a	n/a	10.3	14.1
FY76-89	9.4	4.4	4.4	7.7	9.6	4.6	4.4	-1.1	.0	3.7	4.8	2.5	1.9	-2.6	-2.2	1.1	2.2	6.9

Source:

FY 61-78 from Legislative Finance files
FY 79-87 from OMB files (Richard Fineberg)
FY 61-89 include school debt & supplemental appropriations enacted in succeeding session
FY 88-89 from Legislative Finance. FY88 Jobs Bill and GF program Receipts are included.
Extraordinary items such as appropriations to Permanent Fund, Rainy Day Fund, special appropriations, etc. are not included.

Anchorage CPI-U (Oct/Nov): FY 61 to FY 88 from Bureau of Labor Statistics; FY 89 = 2%
Population: FY 61 to FY 89 from Dept. of Labor, Alaska Population Projections

(app6189\$)
12/30/88-LFD

Nominal: not adjusted for inflation
Real: Adjusted for inflation

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OFFICE OF THE GOVERNOR

The Office of the Governor is responsible for the operation of the executive branch agencies of state government as specified in the Alaska Constitution and statutes.

The major budget request units are: Commissions and Special Offices, Executive Office, Office of Management and Budget, Alaska Land Use Council, and Elections.

The Commissions and Special Offices includes: Human Rights Commission, Office of Equal Employment Opportunity, and Alaska's Women's Commission.

The Executive Office includes: Executive Office, Governor's House, Contingency Fund, Lieutenant Governor, Office of International Trade, and Arctic National Wildlife Refuge (effort to open the area to petroleum exploration and development).

The Office of Management and Budget includes: Policy, Budget Review, Audit and Management, and Governmental Coordination.

Elections includes the Election Division operations, primary and general elections costs, and data processing support.

SUMMARY ANALYSIS

The Governor's proposed FY90 general fund spending level of \$15,842,000 is six percent below the current FY89 general appropriation. The reduction is attributed to the off-election year occurring in FY90 when the elections division requires approximately \$1.4 million less than general/primary election years. Otherwise, the budget is at approximately current levels with the standard increase for health benefits.

MAJOR ISSUES

PROGRAM CHANGES

The Alaska Women's Commission is continued in the proposed FY90 budget. The statutory existence of the Commission ended June 30, 1988 because the 1988 Legislature did not enact "sunset" legislation extending its termination date. As an interim measure, the Governor issued Administrative Order No. 110 until the sixteenth Legislature may re-address its statutory existence. The Governor is also proposing enhancements including \$30,000 for a statewide woman's conference.

The General and Primary Elections component is reduced by approximately \$1.4 million to its off-election year level.

FUNDING SOURCES

The budget is substantially supported from the general fund (88 percent). Federal Funds are received by the Human Rights Commission from the U.S. Department of Housing and Urban Development. "Youth 2000" funds are received by the Executive Office under a federal program jointly administered by the U.S. Departments of Labor and Health and Human Services for Governor's Interim Commission on Children and Youth (GICCY) activities.

The Division of Governmental Coordination, in addition to its general fund support, is also funded from the U.S. Office of Coastal Zone Management.

The Alaska Women's Commission receives federal Older American Act funds transferred as inter-agency receipts from the Department of Administration, Older Alaskans Commission.

ORGANIZATIONAL CHANGES

The proposed budget reflects no organizational changes.

POSITION ANALYSIS

Staffing changes are made as adjustments to the current FY89 budget and carried forward into the proposed FY90 plan:

- three new positions in the Office of International Trade financed by an internal reallocation of funds.
- a new position within the Executive Office to support science and technology activities, funded by internal budget transfer.
- a new full-time position and a part-time position upgrade to full-time in the Equal Employment Opportunity Office.

DEPARTMENT OF ADMINISTRATION

The Department of Administration provides basic internal services to all state departments. These services include personnel, finance (and payroll), purchasing, retirement, labor relations, telecommunications, and data processing services. The department also serves as the umbrella agency for divers unrelated functions: Longevity Bonus, Pioneer Homes, Public Defender, Public Advocacy, Public Offices Commission, Public Broadcasting, etc..

SUMMARY ANALYSIS

Three of the department's programs are considered to be "formula" funded: Longevity Bonus, up some \$3.9 million from FY89, Leasing (office space), up \$0.9 million, and the Elected Public Officers Retirement and Benefit System (EPORS), for which an additional \$76,900 has been requested.

Overall, the department has requested a \$7.4 million more general funds for FY90. This is a 4.9% increase over the FY89 appropriation.

A critical issue is the need for a new main frame computer for Information Resource Management at a cost of some \$6 million (capital budget item). The existing equipment is operating at capacity, adversely affecting response time for many agencies. The present data processing problems will be aggravated by the addition of the long awaited new payroll system funded last year.

MAJOR ISSUES

PROGRAM CHANGES

The Public Defender has requested two new attorneys and a paralegal to assist with Child in Need of Aid (CINA) litigation. The agency has also asked to eliminate the underfunding which has forced its attorneys to take leave without pay for a portion of each year.

The Risk Management Division has negotiated reductions of \$1.8 million in insurance premiums. While these funds are interagency receipts to DOA, they represent general fund savings to other agencies.

FUNDING SOURCE CHANGES

The major adjustment of fund sources is the substitution of \$533,800 in general funds for inter-agency receipts in the Leasing Component. Collection of the receipts from tenant agencies has been an annual problem for DOA.

POSITION ANALYSIS

Public Defender adds one attorney and one paralegal for Anchorage, one attorney for Barrow (CINA).

Commissioner's Office has added an interagency receipt funded Special Assistant for the Telecommunications Information Council.

The Office of Public Advocacy adds a coordinator for the Volunteer Guardian ad Litem program.

Four General Service and Supply positions have been changed from part-time to full-time.

Net zero adjustments at the Palmer Pioneer Home have funded two additional part-time positions for patient care.

DEPARTMENT OF LAW

The Department's budget structure consists of five budget request units: Consumer Protection, Prosecution, Legal Services, Oil and Gas Special Projects, and Oil and Gas Litigation.

The basic responsibility of Consumer Protection is to ensure that Alaskan consumers receive honest information and fair treatment when purchasing goods and services.

The services provided through Prosecution primarily consist of prosecuting violators of state criminal law. This function includes: providing advice and assistance to law enforcement investigations, appearing in court at all phases of trial proceedings and providing victim-witness assistance services such as counseling.

The primary responsibility of Legal Services is to represent the state in all legal actions, except for, oil and gas litigation. Another function of this unit is to provide legal advice to the executive, legislative and judicial branches of government.

Oil and Gas Special Projects is responsible for managing the litigation of all major oil and gas revenue disputes. The amount at issue is several billion dollars. Additional funding for this effort is included in another appropriation -- Oil and Gas Litigation.

The purpose of Oil and Gas Litigation is to fund attorney services that are contracted for oil and gas revenue disputes, and title challenges involving lands of high potential to the state. There are presently six or more significant litigation matters that are funded through this budget request unit. Several cases will be in some stage of trial during FY90.

SUMMARY ANALYSIS

The Governor proposes a FY90 total funding level of \$40,963,900 and a \$32,591,600 level for general funds. This represents an increase of 3.5% and 2.2% respectively, over the FY89 Authorized Budget.

MAJOR ISSUES

PROGRAM CHANGES

During the Legislative process for the Department's FY89 budget, the Oil and Gas Litigation budget request unit was transferred from the Department's operating budget to the front section of the operating bill (CH 154, Sec 17). The purpose of the transfer was to extend the lapse date of the appropriation. For the FY90 request, the Department has reported Oil and Gas Litigation as a budget request unit within the Department's operating budget. According to the Department's personnel, a request will be made

to the legislature to again move the Oil and Gas litigation appropriation to the front section of the operating bill.

The following are increments approved in the Governor's budget:

An increment of \$316.8 in federal receipts for Prosecution budget request unit will provide for four positions and supporting costs in the Victim-Witness Assistance Program.

For the Legal Services budget request unit, a proposed increment of \$481.7 general funds and \$134.3 inter-agency receipts is requested to address litigation matters, provide legal assistance to natural resource issues and for the handling of child abuse complaints. Three new positions are requested to address child abuse complaints and one new position for natural resource matters.

An increment of \$90.1 of inter-agency receipts is requested for the Oil and Gas Special Project budget request unit. The increment will fund one new position to address litigation associated with natural gas liquid disputes.

FUNDING SOURCES

The Department's budget is substantially funded by general funds and inter-agency receipts. For FY90 the Department has also obtained \$316,800 of federal funds to support the Victim-Witness program.

POSITION ANALYSIS

Comparing the Governor proposed FY90 positions with the FY89 Authorized positions indicates a request for nine new positions. These new positions are classified as full-time and are proposed to be located in various locations: Bethel, Kenai, Palmer, Juneau and Anchorage.

Within the Operations component of the Legal Services budget request unit, eleven new positions were established in the FY89 operating budget through various revised programs. These positions are funded through inter-agency receipts. It should be noted, the Governor's FY90 proposed budget does not appear to include these new positions even though the funding to support them is continued.

DEPARTMENT OF REVENUE

The main responsibilities of the Department of Revenue include: administration and enforcement of Alaska's tax laws, investment and management of almost all State funds, and collection of fees and taxes. The Department also provides support and financial advice to the following boards and authorities: the Municipal Bond Bank Authority, State Bond Committee, Royalty and Gas Advisory Board, Medical Facilities Authorities, Permanent Fund Corporation, Mental Health Fund Advisory, and the Public School Advisory Board. Additional responsibilities of the Department pertain to oil and gas litigation, revenue projections, and other in-house special projects.

SUMMARY ANALYSIS

The Governor's proposed budget for the Department of Revenue is \$61,064,800. Of this amount, \$28,814,300 is from the general fund. The general fund portion of the Governor's request represents an increase of \$4,762,100 or 19.8% increase over FY89 Authorized.

The main increase in the FY90 Governor's general fund request represents the necessary full funding for the Fisheries Tax revenue sharing program (\$4,415,700). In FY89 the funding for this program was underestimated by 30%.

MAJOR ISSUES

In comparison to FY89 Authorized, the following changes are noted:

- An overall personal services increase of \$997,200.
- A general fund increase of \$4,415,700 in Fisheries Tax revenue sharing program.
- A non-general fund increase of \$388,600 in Permanent Fund Corp. \$100,000 is allotted for a new Assistant Executive Director position. Also the \$100,000 for the Alaska Housing Marketing Council has been deleted.
- A maintenance budget for the Alaska Housing Finance Corp. with no additional positions being requested.
- A decrease of \$583,000 Federal receipts in Child Support Enforcement due to close-out of the Western Interstate Clearinghouse project.
- An increase of \$239,700 GF in Oil and Gas Audit Division for full funding of personal services and property tax study.

- A net increase of \$111,000 GF in Income and Excise Audit Division. The major changes in this Division include transfer of Fish and Game Licenses to the Department of Fish and Game and addition of Games of Chance/Contests of Skills per HB 299-Fiscal Note.
- In Treasury Management, the Alaska Resources Corporation (ARC) has been dissolved. A transfer of \$140,900 from contractual to personal services is made to fund a new Special Assistant position in addition to offsetting short-falls.

FUNDING SOURCE CHANGES

For FY90, federal financial participation in the Child Support Enforcement program changes from 68% to 66%. Therefore, the Division will experience a loss of \$113,300 in federal receipts. Accordingly, the State general fund match is requested to increase to offset loss of federal funds.

ORGANIZATIONAL CHANGES

The Science and Technology Office, previously funded within the Commissioner's Office (HB 390-Fiscal Note), is transferred to a separate budget request unit.

POSITION ANALYSIS

According to the FY90 Governor's proposed budget, seven full-time new positions are being requested: one Assistant Executive Director in the Permanent Fund Corporation, one Special Assistant in Treasury Management, one Grants Administrator in Science and Technology, two Revenue Auditors in the Income and Excise Audit Division, and two full-time positions in Administrative Services Division (one Supply Technician and one Data Processing Clerk). Of the above positions, two were created by revised programs and two were reclassified from part-time to full-time positions.

Six full-time positions (5 from Income and Excise Audit and 1 from Administrative Services) are being transferred to the Department of Fish and Game per Administrative Order #111. Also HB 299 (Fiscal Note) added 5 full-time positions to the Division of Income and Excise Audit for the Games of Chance/Contests of Skill program.

DEPARTMENT OF EDUCATION

The Department of Education is responsible for funding and regulating the State's K-12 schools. The Department also administers reimbursement of debt for school construction in municipal school districts and grants for school construction in the Regional Education Attendance Areas (REAA's). In addition, the Department administers the grants funding for adult and vocational education programs, the Alaska Vocational Technical Center (AVTEC) in Seward and the Kotzebue Technical Center, the Mt. Edgecumbe Boarding School, the Alaska State Museums and Libraries, the Alaska State Council on the Arts and the Professional Teaching Practices Commission. The Division of Vocational Rehabilitation and the Alaska Commission on Postsecondary Education are also within the Department of Education's budget.

SUMMARY ANALYSIS

The Governor's proposed FY90 budget of \$702,490,200 total funds for the department represents a 0.6% decrease from FY89 Authorized. The general fund request of \$599,899,700 is a 1.3% decrease from FY89 Authorized.

MAJOR ISSUES

A critical issue is the unknown cost of formula funded education for the FY90 budget because of the many variables that determine the required funding level. These include decreases in P.L. 81-874 funds based on changes in federal regulations concerning the treatment of military on-base schools and Indian Lands, decreases in assessed property valuations in municipal school districts affecting the local contribution level, and revised enrollment information. Preliminary estimates from the Department pegged these additional costs at roughly \$40,000,000 in general funds. The Governor did not include any additional funding in the December 15, 1988 budget submission, but indicated his intention to revise his spending proposal.

FORMULA PROGRAMS

Foundation Program - the governor recommends the FY89 funding level with a decrease of \$3,500,000 appropriated as a one time item for changes identified during FY89 and an increase of \$1,329,700 for the instruction program from Mt. Edgecumbe.

Student Lunch Program - an additional \$1,499,500 in federal funds from increased reimbursement rates for free and reduced price meals.

Cigarette Tax Distribution - a decrease of \$800,000 based on estimates of available funds by the Department of Revenue.

Schools for the Handicapped - a total increase of \$328,900, including \$278,900 to fully fund the Special Education Services Agency and \$50,000 for interpreters for the Alaska State School for the Deaf.

School Debt Reimbursement - the governor proposes a decrease of \$5,448,500 to fund the program at 90% of full entitlement with an additional \$11,558,200 contingent upon passage of legislation repealing the debt retirement program.

PROGRAM CHANGES

Health Benefits Adjustment - \$730,800 department-wide increase for benefits costs; \$386,800 in general funds and \$344,000 other funds.

Education, Finance and Support Services - non-general fund increase of \$132,200 for personnel and support costs.

Education Program Support - retains GICCY funding of a \$150,000 pilot program for suicide prevention and \$50,000 for training and curriculum development, and the Senate Special Committee on the Prevention of Suicide recommendation of \$100,000 for development of a life skills curriculum. Includes a general fund increase of \$173,200 for emphasis on science education, early childhood education and geography instruction. The non-general fund increase of \$729,000 includes new positions for distance delivery, support for federal programs and match for geography instruction.

Adult and Vocational Education - \$15,000 general funds and \$50,000 inter-agency receipts for Alaska Career Information System support, \$50,000 inter-agency receipts increase for JTPA funds for education and training for economically disadvantaged youths and \$55,000 increase in federal grant funds.

Alaska State Council on the Arts - retains \$100,000 general funds appropriated as a one time item for additional grants in Ch 173, SLA 1988, and deletes \$210,000 funding for the Alaska Repertory Theatre.

Alaska Vocational Technical Center (AVTEC) - includes \$56,000 general funds for instructor support of fisheries technology classes.

Mt. Edgecumbe - \$375,000 general funds for science and math summer school courses and \$313,700 for costs due to increases in student population.

Vocational Rehabilitation - \$157,300 in federal funds for personnel and support costs.

Alaska State Library - \$48,000 in general funds to maintain current level of service to the public.

Alaska State Museums - \$38,500 in general funds to maintain current level of service to the public.

Student Loan Administration - \$563,300 in corporate receipts to support the increased workload of the student loan program. The Commission requested 22 positions and \$1,128,000. No positions were approved but \$376,000 was added under contractual services. The Commission also requested 2 positions to deal with bonding requirements and \$113,600. Again, the positions were not approved but the funding was.

Western Interstate Commission for Higher Education (WICHE) - \$28,600 general funds for increased dues and support costs.

WAMI Medical Education - transfers \$250,000 for first year start-up costs to University of Alaska, Anchorage and includes a general fund increment of \$484,900 for student support and administrative costs for the second and third year medical students to attend the University of Washington.

Student Loan Program - deletes \$484,000 in one time corporate receipts and increases \$200,000 for a data processing support system.

FUNDING SOURCE CHANGES

Alaska Vocational-Technical Center - the Governor approved \$75,000 general funds to replace a portion of decreased Training and Building Fund revenues.

Mt. Edgecumbe, Private and Federal Grants - the Governor approved \$12,000 general fund/program receipts to replace federal grant funds from the U.S. Department of Health and Human Services.

ORGANIZATIONAL CHANGES

Data and Word Processing BRU - the Central DP Services component has been renamed Data Processing; the Field DP Services component was deleted and its funding transferred to Data Processing, and a new component, Data Management, is added.

Education Program and Support BRU - the Special Services and Supplemental Programs components were combined and renamed Special and Supplemental Services in FY90. The Instructional Improvement and Evaluation component has been renamed Basic Education and Instructional Improvement, and two new components are added, Instructional Technology Support and the Director's Office.

Executive Administration BRU and Administration and Support BRU - have been combined into one BRU named Executive Administration with three components; Executive Administration, Department Administrative Services, and Department Overhead Expenses.

Vocational/Technical Centers BRU - has been separated into two separate BRU's Kotzebue Technical Center BRU and Alaska Vocational Technical Center BRU.

POSITION ANALYSIS

The Governor approved fourteen new full-time and three part-time positions plus the transfer of one full-time and one part-time position from the Department of Administration for the Archives and Records Center for a total of 450 full-time, 109 part-time and 4 temporary positions.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

The Department of Health and Social Services provides direct services in the area of public assistance, medical care, child and adult protection, and mental health as well as grants to local providers for additional public programs. More than half of the requested budget is made up of the entitlement programs. The entitlements include all the "formula" programs (Aid to Families with Dependent Children (AFDC), Adult Public Assistance, General Relief, Medicaid, General Relief Medical and Foster Care) plus Permanent Fund Dividend and Alaska Longevity Bonus Hold Harmless which are tied directly to entitlement programs.

SUMMARY ANALYSIS

The Governor's recommended funding level of \$302,043,600 general funds is a 9.7% increase over FY89 Authorized. The total fund budget request of \$474,096,400 is a 10.3% increase over FY89 Authorized.

Some areas of budget increases are in expanded children-related services (\$2,467,300), administrative monies to meet federal law changes (\$487,000), and increases in several grant programs.

MAJOR ISSUES

PROGRAM CHANGES

The AFDC Program has been modified by the signing of the Family Support Act of 1988 (PL100-485). This federal law requires the State to also cover qualified two-parent households and creates a new entitlement for child care and medical assistance for a family up to a year after they leave the AFDC Program. To implement these changes, the Department has requested ten new positions and \$295,000 in matching general funds.

The Omnibus Reconciliation Act (OBRA) of 1987 provided many changes to Medicaid, AFDC, and Supplemental Security Income programs. The major changes were in the requirements concerning nursing facilities' staff, including certification of nurse aides. In addition, there are changes required in preadmission screening, patient transfers, staffing levels, and patient funds administration. The Governor has proposed an increment for \$192,400 in general fund match and 2 full-time positions to deal with the immediate effect on the Department's certification and licensing staff.

FORMULA PROGRAMS

The total general fund increase for the formula programs is \$15,705,500, which represents a 13.1% increase over FY89 Authorized for all of the medical and public assistance programs. The funding increase in the public assistance program is due to caseload increases and cost of living adjustments. The Medicaid program has the bulk of the increase with \$9,178,100. The

Department is preparing a supplemental request to cover current year shortfalls in funding for both public and medical assistance due to changes in federal requirements, which may require an additional \$3-4 million.

MENTAL HEALTH LANDS TRUST

In 1986 the legislature passed the Mental Health Trust legislation as part of a lawsuit settlement concerning the mental health trust lands received from the federal government. Those programs are identified by a separate funding source code, GF/Mental Health Trust, in the FY90 budget. The Department requested \$8,821,900 in new funding for mental health of which the Governor supported \$5,069,500.

Increments involving developmental disabilities and chronic alcoholics have been identified as GF/Mental Health Trust in components which have been strictly General Fund in the past. This is due to the lack of a functional definition by the Department as to what groups qualify to receive services provided by the trust. Until that definition is established these inconsistencies will continue to occur.

ORGANIZATION CHANGES

The Department transferred the Homemaker Program from the Adult Services component of the Purchased Services BRU to the Nursing component of the State Health Services BRU in an effort to consolidate the Homemaker and Home Health Programs.

Prematernal grants have been transferred from the Preventive Services component of the Purchased Services BRU to the Maternal, Child and Family Health component to reduce duplicative administrative effort. This represents a transfer of the program from the Division of Family and Youth Services to the Division of Public Health.

The Department also transferred the Community Support Program from Community Mental Health Grants component to the Services for the Chronically Mentally Ill to better reflect funds identified for the chronically mentally ill.

Two components have been deleted in the FY90 budget submission. Communicable Disease Control has been eliminated and the program has been consolidated with Epidemiology so that administration of the complementary services can be accomplished by one organizational unit. Fairbanks Community Mental Health was eliminated by transferring the funds to Community Mental Health Grants to incorporate this ongoing program with the rest of the community mental health program funds.

The new Women, Infant, and Children (WIC) component was established by the transfer of funds from Maternal, Child and Family Health component so as to separately identify the WIC Supplemental Food Program. Designated Evaluation and Treatment Component of the Community Mental Health Grants BRU was created with funds

transferred from Community Mental Health Grants and Mental Health Administration. This is to bring designated treatment bed money for Sitka and Fairbanks together with the funds for payment of hospital charges and patient travel associated with court-ordered evaluations.

POSITIONS ANALYSIS

A total of 1,827 full-time and 108 part-time positions are included in the Governor's budget request. 122 new full-time positions and 7 new part-time positions were included. Of the new positions 33 were added because they related to the FY89 appropriations for GICCY and Mental Health Trust Funds, although no positions were specifically authorized. Also, 23 new full-time and 4 new part-time positions were created by line item transfers.

Major increases in positions were relate to welfare reform (10 positions) and an Anchorage office staffing crisis for the Division of Family and Youth Services (23 positions).

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DEPARTMENT OF LABOR

The Department of Labor is responsible for enforcing the State's labor laws, providing job placement, paying unemployment claims and reporting labor statistics on Alaska's workforce. The Department also administers the Alaska workers' compensation laws and the Fishermen's Fund. There are four divisions within the Department: Employment Security, Administrative Services, Workers' Compensation and Labor Standards and Safety.

SUMMARY ANALYSIS

The Governor's proposed FY90 budget of \$49,618,500 total funds for the department represents a 2.2% increase, or \$1,090,800, over FY89 Authorized. The general fund request for an additional \$506,600 is a 4.8% increase over FY89 Authorized.

MAJOR ISSUES

Program Changes

Health Benefits Adjustment - \$1,132,800 department-wide increase for benefits costs; \$245,700 in general funds and \$887,100 other funds.

Employment Security - Decrease of \$1,331,900 other funds due to reduced revenue from the Training and Building Fund, interagency receipts, and federal funds based on workload reduction. Increase in general funds of \$100,900 for increased caseloads under the Workers Incentive Program.

Data Processing - Increase in interagency receipts \$196,700 to maintain data processing service levels.

Administrative Services - Increase of \$24,400 general funds and \$123,600 other funds to provide: 1 full-time position related to census activities and reapportionment support; data processing staff and services; improved business establishment reporting information.

Fishermen's Fund - Increase of \$8,000 other funds to reduce personal services underfunding.

Workers' Compensation - Decrease of \$66,800 other funds and \$25,000 in general funds and an increase of \$750,000 in Second Injury Funds to provide for reimbursements to eligible claimants.

Labor Standards and Safety - Increase of \$168,600 in general funds and \$17,500 in federal funds to provide inspection and enforcement, adding one position directed to the logging industry, and increased support from the Department of Law.

One-Time Items - Decrease for one-time equipment expense under Occupational Safety and Health \$1,600 and Employment Preference Enforcement \$6,400.

POSITION ANALYSIS

The Governor approved two new full-time positions; an Economist I under Labor Market Information for census activities and an Occupational Safety Compliance Officer under Occupational Safety and Health for inspection and enforcement related to the logging industry.

Five positions were added during FY89; one under the fiscal note for Ch 39, SLA 1988 for Hazardous Painting Certification, and four for Employment Preference Enforcement in Ch 173, SLA 1988, Section 212(E).

The number of authorized full-time positions has decreased from 608 in FY89 to 605. 9 full-time positions were deleted, 4 full-time positions were reclassified to part-time, 3 part-time positions reclassified to full-time, 5 were added by legislation and 2 are new. The number of part-time positions has decreased from 181 in FY89 to 164. 18 part-time positions were deleted, 4 full-time positions were reclassified to part-time and 3 reclassified to full-time.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

The Department of Commerce and Economic Development (DCED) has responsibilities in two major areas: Public Protection and Development. The public protection role provides regulation of weights and measures, financial institutions, insurance, public utilities, and the licensing of various professions. The development function attempts to stimulate Alaska's economy with Division of Business Development programs, and the Alaska Seafood Marketing Institute.

SUMMARY ANALYSIS

The FY90 budget request is \$1,651,100 higher than the FY89 authorized or a 2.2 percent increase. However, the general fund portion of the DCED budget has decreased by 1.8 percent or \$1,116,000.

MAJOR ISSUES

In comparison to FY89 Authorized, the following changes are noted:

- An overall personal services increase of \$1,524,400.
- A 24.8% increase (GF/Program Receipts) in the Division of Insurance. The request for an additional funding is partially based on an April 1988 Office of Management and Budget audit of the Division of Insurance.
- Over the past few years the responsibilities of the Division of Occupational Licensing-Administration have significantly increased. The Division has requested an increase of \$414,000 GF/Program Receipts mainly in personal services to cope with increased workload and on-going staff problems.
- According to the ruling of the Alaska Supreme Court, Alaska Public Utilities Commission (APUC) can no longer charge the utilities for the services of the Department of Law and for 100% of the costs of a proceeding. This has resulted in a loss of \$400,000 in General Fund Program Receipts.
- A decrease of \$1,848,100 in the Power Cost Equalization program reflects revisions made to the APA's forecast of utilities and fuel costs.
- The Alaska Power Authority's budget for Administration and CIP Positions components shows increases of \$146,100 and \$393,100, respectively. The additional funding in the APA-Administration component reflects full funding of the existing positions via transfers made from the APA-CIP Positions component.

FUNDING SOURCE CHANGES

The Alaska Supreme Court Ruling, in favor of the utilities appearing before the Alaska Public Utilities Commission, resulted in replacement of \$400,000 GF/Program Receipts by general fund.

ORGANIZATIONAL CHANGES

There has been some program restructuring within the Commissioner/Administrative, Investments, and Tourism budget request units. The Commissioner's Office and Administrative services are now separate components but remain within the same budget request unit. The various components of the Investments budget request unit have been consolidated to one component called Investments. Also the Division of Tourism has created a new component named Alaska Tourism Marketing Council to comply with SB 478, Chapter 78 SLA 1988.

POSITION ANALYSIS

According to the FY90 Governor's proposed budget, 14 new full-time and 1 part-time positions are being requested: 3 in Insurance, 6 full-time and 1 part-time in Occupational Licensing-Administration, 1 in Administrative Services, 1 in APA-CIP Positions, 1 in Business Development, 1 in Alaska Seafood Marketing Council, and 1 in the Commissioners Office. Of the above positions, 4 were established by revised programs.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans' Affairs is responsible for the military operations of the State, disaster planning and control, veterans' programs.

The Office of the Adjutant General is primarily responsible for military and administrative operations for the Department.

The Division of Emergency Services is responsible for State civil defense and disaster response and recovery plans. The Division's loss prevention activities include river dusting and flood watch programs.

The Division of Veteran's Affairs serves as a central point of contract within State government to coordinate veterans' programs and issues. Veterans Services is responsible for the Veterans' Death Gratuity Program.

SUMMARY ANALYSIS

The Governor's FY90 budget of \$17,506,000 in total funds is \$742,100 or 4.1% less than FY89 authorized. Federal receipts decreased by \$191,200 or 2.8% while general funds decreased by \$558,200.

MAJOR ISSUES

PROGRAM CHANGES

Disaster Planning and Control decreased by \$235,600 or 10.6%. The decrease was due to a decline in federal receipts of \$424,000. The Governor has proposed additional general funds of \$130,100 to partial offset the loss of federal receipts.

Additional federal funds in the amount of \$209,300 and general funds of \$167,700 are provided in the Army Guard Facilities Maintenance Component for space rental, upkeep, utilities and janitorial services for facilities throughout the state.

The Governor has proposed a \$1,000,000 reduction in the Disaster Relief Fund based on historical spending rate.

FUNDING SOURCES

The majority of the budget is funded from general funds. Federal receipts make up about 40% of the budget.

POSITION ANALYSIS

The Governor approved 1 new position for FY90, an accounting technician for Emergency Management Assistance Component.

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DEPARTMENT OF NATURAL RESOURCES

The Department of Natural Resources manages the state's land, water, forest grasslands, oil, gas, energy and hard rock minerals, parks, agriculture and related resource development activities. The goal of the Department is the maximization of current and future public benefits through the prudent stewardship of Alaska's renewable and non-renewable resources.

SUMMARY ANALYSIS

The Governor's proposed FY90 budget for the Department of Natural Resources is \$58,780,200 in total funds, a 4.5% increase over FY90 authorized. General funds increase from \$42,621,600 to \$44,007,100, a 3.4% increase.

MAJOR ISSUES

PROGRAM CHANGES

The Governor is recommending increments to Land and Water Management in the amount of \$574,300. The increments are for: (1) oversight of the Hatcher Pass ski area development; and (2) additional oil and gas support and for the development of land, water, and material use authorizations for North Slope development proposals.

Petroleum Management was increased by \$317,500 to ensure proper accounting for oil and gas royalty income, timely collection of revenues, and to support the state's position in the Amerada Hess litigation.

The budget provides for an additional \$880,000 for Geological Management to identify and map areas with significant resource potential to encourage exploration and development of the state resources.

The Division of Parks is proposing to use \$59,900 in program receipts to encourage concession development for needed services in parks. In addition, the division will receive interagency receipts in the amount of \$243,700 to provide visitor services and security at the state museum in Juneau.

The Division of Agriculture is requesting \$193,000 in Agriculture Revolving Loan Fund receipts to manage and dispose of the Fund's assets acquired through default and repossession. In addition, the division is seeking \$62,000 for the "Alaska Grown" program.

FUNDING SOURCES

The majority of the budget is general funds. Federal receipts are \$3,711,700 or about 6% of the total budget.

POSITION ANALYSIS

Overall 11 additional full-time and 3 part-time positions are proposed for FY90 for a total of 598 full-time, 14 part-time and 1032 temporary employees.

DEPARTMENT OF FISH AND GAME

The Department of Fish and Game (DFG), manages and regulates the living resources of the state through its six operating divisions. Commercial Fisheries manages wild fish stocks for the billion dollar seafood industry. Fisheries Enhancement and Rehabilitation Division (F.R.E.D.) reinforces natural runs through lake and stream rehabilitation, fish ladders, and hatchery programs. Sport Fish Division serves the 380,000 non-commercial fishermen of Alaska.

Game Division has changed its name to the more descriptive Wildlife Management Division, to reflect its role in the protection and management of non-game animal species. Habitat Division works with both the public and private sectors to ensure that development projects minimize the degradation of fish and wildlife resources. Subsistence Division was established by statute to monitor the subsistence consumption of wildlife resources. The Division provides the Boards of Fish and Game, the sixth division, with the data necessary to protect this traditional lifestyle.

The Commercial Fisheries Entry Commission (CFEC) is not a part of the Department, but is included in its budget as a administrative convenience. CFEC manages the limited entry program for commercial fishing permits.

SUMMARY ANALYSIS

The Governor has requested a \$4.7 million increase for DFG, 6.3% above the FY89 authorized figure. \$3.5 million of the requested increment is general funds.

Commercial Fisheries has requested approval for a \$1.1 million increase to provide an expanded stock assessment capability for more accurate adjustment of openings and the protection of wild stocks. This will enable the state to achieve maximum benefit from its hatchery programs. The division will also participate in national and international fisheries management efforts to represent Alaska's interests.

The \$1.1 million increase in Sport Fisheries Division is funded by Federal (Dingall-Johnson) receipts and from the state Fish and Game Fund, which receives the license fees from Alaska sport fishing licenses. Some positions are funded by capital improvement project funds. There are no general funds authorized. Enhancement projects include improving access to lakes and streams for sport fishing.

MAJOR ISSUES

PROGRAM CHANGES

F.R.E.D. includes proposed funding for implementation of permitting and technical review of the budding mariculture industry.

Administrative Services assumed responsibility for fish and game licensing, a function previously handled by the Department of Revenue. Funding has been increased to improve data retrieval and revenue collection.

The Division of Boards announced a restructuring to provide better staffing to the Boards. The Governor included nearly \$300,000 in additional personal services funding, but not the attendant new positions authority.

POSITION ANALYSIS

The Governor has included 45 of the 70 requested new full-time positions and 18 of the 191 seasonal requests. He also proposed 65 more temporary positions than the agency asked. These numbers are misleading, however, as 26 more part-time positions are funded, but not approved, in Commercial Fisheries (as above in Boards). DFG has been asked to transfer existing vacant positions, reclassified as necessary, to implement the new or expanded programs. This procedure tends to obscure the actual number of positions added. If a sufficient number of vacant positions is not found, the agency will be forced to create them by revised program.

DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety is charged with the responsibility of administering programs which protect life and property. The Department's budget consists of the following ten budget request units:

Fish and Wildlife Protection - The unit is primarily responsible for the enforcement of fish and game regulations. There are presently 28 posts maintained throughout the state by 82 commissioned officers.

Fire Prevention - The purpose of the unit is to conduct fire investigations and review building plans for adherence to fire codes.

Highway Safety Planning Agency - The unit's primary goal is to prevent loss of life and property caused by traffic accidents.

Motor Vehicles - The purpose of the unit is to register vehicles, issue drivers licenses and permits.

Alaska State Troopers - The unit, along with the VPSO program, are the primary law enforcement structures that meet the public's requirement for essential police services. Presently, there are 244 troopers assigned to 44 posts throughout the state.

Village Public Safety Officer Program - This program provides public protection in isolated rural communities. Presently, there are 125 authorized VPSO positions.

Alaska Police Standards Council - The council adopts regulations to establish standards of selection and training for employment as a police officer and a correctional, probational or parole officer.

Violent Crimes Compensation Board - The program reduces the financial impact on victims of violent crimes.

Domestic Violence and Sexual Assault - Funding provides support to victims of domestic violence or sexual assault.

Administration - This unit contains 8 components; Contract Jails, Commissioner's Office, Training Academy, Administrative Services, Civil Air Patrol, Laboratory Services, Information Systems and Building Security.

SUMMARY ANALYSIS

The Governor proposes a FY90 total funding level of \$84,192,400 and a \$80,412,700 level for general funds. This represents an increase of 5.9% and 6.3% respectively, over the FY89 Authorized Budget.

MAJOR ISSUES

PROGRAM CHANGES

The sum of \$1,390,000 of general funds was appropriated (SLA 1988, Ch 154, Sec 21) in FY89 to the Department for the purpose of implementing the recommendations of the Governor's Interim Commission on Children and Youth (GICCY). The appropriation was placed in the front section of the operating bill in order to distinguish this appropriation from the Department's operating programs. The Department's proposed FY90 operating budget includes the GICCY funding recommendations. The \$1,390,000 general fund appropriation is allocated in the following components for the purposes expressed and in the amounts listed:

Domestic Violence and Sexual Assault - Services for children in violent homes, \$650,000; and services for physically and sexually abused children and youth, \$250,000.

Village Safety Officer Program (Contracts Component) - Ten additional village public safety officers; \$240,000.

Village Safety Officer Program (Support Component) - Support for ten additional village public safety officers, \$210,000; and village public safety officer training, \$40,000.

The following items are the significant increments approved in the Governor's budget:

An increment of \$485,800 general funds for the Enforcement and Investigative Services component will provide 4 new positions and provide support costs for expanded patrol coverage of major commercial fisheries.

For the Aircraft Section component, \$111,000 general funds will help maintain the airworthiness of the Department's aircraft.

An increase of \$200,000 federal funds for Driver Services component will provide for a computer tie-in to the National Clearinghouse for Commercial Driver Licensing. The clearinghouse will be used to exchange information between states.

Within the Vehicle Services component, a general fund increment of \$33,500 will be used to fund a existing position that registers commercial vehicles.

An increment of \$705,900 general funds for the Detachments component will, on a statewide level, reestablish trooper coverage to a level acceptable by the Department. New positions have not been requested, the funding will keep present positions filled, permit overtime and hiring of emergency guards when necessary.

Within the Special Projects component, \$40,000 general funds will be utilized to enhance the Department's coordination efforts with the Western States Intelligence Network.

An increase of \$80,300 general funds for the Search and Rescue component is requested to enhance the search and rescue operations.

For the Contracts and VPSO Support components, the department is requesting an increment of \$338,000 general funds to address problems of training and the compensation received by village officers.

A general fund increment of \$450,000 for Domestic Violence and Sexual Assault is proposed to provide for the coordination of statewide training in the investigation of sexual assault and to provide outreach services to villages.

Contract Jails component has a \$288,700 general fund increment for the care and custody of state-charged prisoners in local communities.

The Trooper Academy component has a general fund increment of \$895,500 to provide for 30 trooper cadets and the associated support costs.

For the Laboratory Services component, a general fund increment of \$100,900 will reduce personal service under funding in the crime lab and provide funds for travel and supplies. Furthermore, \$62,000 of inter-agency receipts will provide for a lab assistant and related expenses associated with the lab's performance.

POSITION ANALYSIS

Comparing Governor proposed FY90 positions with the FY90 Authorized positions indicates an overall net increase of 4 full-time and 30 temporary positions.

Furthermore, 5 new positions were established by revised programs in the Department's FY89 operating budget. The source of funding for these positions is general funds and inter-agency receipts. The new positions were established in the following components for the purposes described:

VPSO Support - One trooper position for oversight of the VPSO program in the Aniak area.

Field Services - Three motor vehicle representatives to be assigned the duties of preparation, issuance and research of vehicle registrations, titles and driver's licenses.

Laboratory Services - One lab assistant for autopsy support.

It should be noted that the Governor's FY90 proposed budget does not appear to include these 5 new positions created by executive action in FY89.

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DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

The Department of Transportation and Public Facilities is responsible for the planning, design, construction, maintenance and operations of major infrastructure components. These include buildings, marine shoreside facilities, vessels, airports, highways, port harbors, erosion control and related facilities.

SUMMARY ANALYSIS

For FY90, the Governor has basically proposed a continuation budget for the Department of Transportation and Public Facilities. The FY90 budget of \$287,282,000 in total funds represents an increase of \$6,981,500 or 2.5% over FY89 authorized. The general fund portion when compared to FY89 authorized is increased by \$5,506,100. Included in FY90 budget is a Health and Benefit adjustment of about \$4,800,000.

MAJOR ISSUES

PROGRAM CHANGES

Maintenance and Operations Components were increased by \$1,824,600 for FY90 for : (1) increases in lane miles; (2) increases in size of airports; (3) illumination of highways and airports; (4) state equipment fleet fee increases; and (5) new state facility maintenance responsibilities.

Disadvantaged Business Enterprise was increased by \$197,100 to ensure state compliance with federal requirements relating to state highway projects.

The Governor has proposed increased funding in the amount of \$197,100 to maintain the department's capital project accounting system.

Statewide Engineering and Operations Standards is increased by \$300,000 for toxic and hazardous materials management.

The Governor has proposed an additional two weeks of service for M/V Columbia at a cost of \$281,100.

The Governor has also proposed increased funding for inspection and monitoring of airport lands and leases.

FUNDING SOURCES

The budget is approximately equally funded by general and other funds.

The majority of the other funds are International Airport Revenue and Capital Projects. Federal receipts make up less than 2% of the budget.

POSITION ANALYSIS

Overall, 5 new full-time positions are proposed for FY90, resulting in 2776 full-time positions and 866 part-time positions.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

The mission of the Department of Environmental Conservation (DEC) is to protect public health and the environment. DEC provides statewide water and sewer construction, management, and technical assistance. It inspects restaurants and food processors. DEC also has broad responsibilities in the highly technical area of pollutant and hazardous waste control and management.

SUMMARY ANALYSIS

The Governor's request includes substantial increases for DEC. An addition of \$3.3 million overall (14.9%) reflects a 22% increase in general funds. This increase is aimed at basic public health protection through improved waste management, pollution control, and food inspection. The Facility Construction and Operations Division which administers the Village Safe Water and the Fifty-Fifty matching grant program (for incorporated communities), has remained at a continuation level.

MAJOR ISSUES

PROGRAM CHANGES

The Division of Environmental Quality has expanded water and waste programs in rural Alaska, continued efforts to reduce carbon monoxide and toxic pollutant discharge, and improved its emergency response capabilities. The Governor has requested \$2 million in general funds for these improvements.

\$705,100 has been added to the Division of Environmental Health to improve seafood inspection capabilities. These efforts are considered necessary to ensure the quality of Alaska seafood products in an increasingly competitive market.

ORGANIZATIONAL CHANGES

Regional components, air and water quality, waste management, and the Kenai Peninsula cleanup component have been consolidated into a new component: Environmental Quality Projects.

POSITION ANALYSIS

The Governor's request reflects an increase of 46 full-time positions over the FY89 authorized figure with a decrease of five part-time. In the case of the Kenai Peninsula clean-up project, however, funding for a program increase of \$395,200 was approved, but the 8 positions were not included. This conceals the actual increases by forcing the agency to create positions by revised program during the interim. The additional 8 positions would raise to 54 the total new positions.

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DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

The Department of Community and Regional Affairs is responsible for providing a wide range of services to local governments and unincorporated communities in the form of grants and direct technical assistance. The Department administers the following grant programs: State Revenue Sharing; Municipal Assistance; Rural Development Grants; Organizational Grants; the Day Care Assistance Program and Child Care Grants; Workers' Adjustment Assistance (formerly Dislocated Workers); Community Service and Community Development Block Grants; and Energy and Weatherization Grants. The Department also administers the Housing Assistance Loan Program, the Job Training Partnership Act, and the Municipal Land Trustee Program required by the Alaska Native Claims Settlement Act.

SUMMARY ANALYSIS

The Governor's proposed FY90 budget of \$155,283,000 total funds for the department represents a 2.6% increase over FY89 Authorized. The general fund request of \$128,555,700 is a 0.5% increase over FY89 Authorized.

MAJOR ISSUES

FORMULA PROGRAMS

Homeowners' Property Tax Exemption - transferred \$224,400 to the Renter's Equivalency Rebate component.

Organizational Grants - Reduces Aleutians East Borough to \$100,000 to fund the third and final year of their organizational grant and adds \$25,000 for the City of Atka second year grant.

State Revenue Sharing and Municipal Assistance are funded at the FY89 level.

PROGRAM CHANGES

Health Benefits Adjustment - \$287,900 department-wide increase for benefits costs; \$206,400 in general funds and \$81,500 other funds.

Child Care - retains GICCY funding of \$1,790,000 for child care grants and \$100,000 for education and training grants; adds \$50,000 general funds for welfare reform support and \$18,400 for increased federal dependent care planning grants.

Head Start - retains GICCY funding of \$620,000 of to reduce head start waiting lists and increases general funds \$665,000 for expanded services.

Training/Energy Field Offices - increase for federal JTPA programs (interagency receipts) \$1,118,300, and \$130,000 in general funds to cover a shortfall in personal services.

Youth Programs - increase of \$640,600 federal funds for summer youth employment and training programs.

Governor's Training - increase of \$645,800 federal funds for training programs, increase of \$25,900 interagency receipts for program support, and approval of a line item transfer moving \$110,200 from the grants line and placing \$94,900 in personal services, \$10,300 in contractual and \$5,000 in equipment. The agency requested three new positions in conjunction with this line item transfer that were not approved in the Governor's budget.

Worker Adjustment Assistance - increase of \$605,800 federal funds for the new program replacing the Dislocated Workers Program.

Energy Conservation - retains \$83,500 general funds appropriated as a one time item for the Alaska Energy Efficient Home Grant Fund, increase of \$87,100 CIP receipts for program delivery, and decrease federal energy funds \$107,100.

Weatherization - increase CIP receipts \$20,500 for office equipment.

Block Grants CIP - increase CIP receipts \$10,000 to support a grants administrator position transferred in from the Governor's Training component.

Office of the Commissioner - the agency requested \$87,000 for a special assistant position that was approved by Revised Program in FY89. The Governor's budget does not include the funds or the position.

Administrative Services - increase of \$15,000 from various sources to fund personal services costs for merit increases.

Data and Word Processing - increase of \$20,000 for use of the University of Alaska computer system for JTPA participant information.

Designated Grants - deletes one-time items and legislative add-ons to reduce funding level to \$1,361,200.

Housing Loan Administration - increase interagency receipts \$50,000 from Worker Adjustment Assistance for program support relating to JTPA.

FUNDING SOURCE CHANGES

Energy Conservation - the Governor approved \$95,700 general funds to replace lost federal energy funds and \$50,000 in CIP Receipts for the state match for grant funds to administer the federal program.

ORGANIZATIONAL CHANGES

Job Training Partnership Act BRU - the Dislocated Workers component has been renamed Worker Adjustment Assistance.

Local Government Assistance BRU - the Local Government Support component was deleted and its funding and positions transferred to other components.

REDI Emerging Rural Fisheries Program BRU - and a new component, Rural Fisheries Assistance has been added but the agency request for \$665,300 general funds was not approved.

POSITION ANALYSIS

The Governor approved three new part-time positions, two under Child Care and one under Energy Conservation. Two full-time positions were deleted; one under Training and Development and one under Local Government Support. A total of 184 full-time positions and 3 part-time positions are included in the Governor's FY90 budget request.

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DEPARTMENT OF CORRECTIONS

The primary responsibilities of the Department of Corrections are to administer the state's penal institutions, supervise the probation and parole of inmates, and administer extraditions. For FY90, the Department will operate 12 institutional centers for adult incarceration and 12 probation/parole field offices. As of November 1988, 5,665 persons were under the jurisdiction of the Department. The nature of the jurisdiction consists of the following:

2,385	Persons in Alaska Institutions
91	Persons in Federal Prisons
4	Persons in Minnesota Prisons
232	Persons in Community Residential Centers
462	Persons on Parole
2,491	Persons on Probation

As part of an effort to rehabilitate inmates, the Department manages the following programs: education and sex offender programs, alcohol counseling, medical services, half-way homes and a restitution center.

SUMMARY ANALYSIS

The Governor proposes FY90 total funding level of \$100,568,800 and a \$96,345,400 general fund level. This represents an increase of 6.3% and 4.7% respectively, over the FY89 authorized budget.

MAJOR ISSUES

PROGRAM CHANGES

Within the Statewide Operations budget request unit, the Department has created a new budget component titled, Classification and Transportation. According to Department personnel, inmate classification and transportation have assumed such magnitude that it warrants a separate budget entity. Inmate classification and transportation operations were formally reported within the Statewide Programs component.

To provide gate money to inmates released from institutions and to fund rehabilitation programs within institutions, the Governor's budget has proposed the Permanent Fund Dividend Fund as the source of funding. The basis for this is Chapter 43 of SLA 1988 - an act relating to permanent fund dividends. The law stipulates that individuals incarcerated after conviction for a felony are ineligible for a permanent fund dividend. It is the Governor's position that dividends withheld from ineligible felons are available for appropriation.

The following items are the significant increments within the Governor's proposed budget.

A increment of \$225,000 in the Administrative Services component will provide gate money to offenders being released from institutions. The Permanent Fund is the source of funding for this increment.

For the Statewide Programs component, an increment of \$1,073,500 will provide funding for rehabilitation programs. The rehabilitation programs consist of: classes for vocational and post-secondary education, substance abuse, sex offender treatment, anger management, and the expansion of community residential centers. The Permanent Fund is the source of funding for this increment.

Within the Northern and the Southcentral Region Probation components a general fund increment of \$525,800 will provide 6 new positions to address probation case loads.

An increment of \$83,400 general funds within eight different components will provide for hand-held radios and other equipment to maintain security at institutions.

In the Matanuska-Susitna, Combined Hiland Mountain, Spring Creek and Lemon Creek Correctional Centers, a general fund increment of \$633,200 will provide funding to maintain the current staff levels.

For the Cook Inlet Correctional Center, a proposed general fund increase of \$102,600 will provide for additional mental and medical care.

POSITION ANALYSIS

Comparing the Governor's proposed FY90 positions with the FY89 Authorized positions indicates an overall net increase of 11 full-time positions. Six of these positions are associated with increased probation case loads in the Northern and Southcentral Region Probation components. The remaining 5 positions were established by revised program in FY89 to provide medical coverage for the Yukon-Kuskokwim Correctional Center.

It should be noted that 5 new positions in Northern Region Probation component were requested. The funding for the increment was included in the Governor's budget, however, the positions were not approved.

UNIVERSITY OF ALASKA

The University of Alaska has regional centers in Anchorage, Fairbanks and Juneau. The University centers are responsible for the colleges and extension centers located throughout the state. The only community college separately accredited is the Prince William Sound Community College.

SUMMARY ANALYSIS

The Governor's proposed FY90 budget for the University of Alaska is \$159,051,100 general funds which is a 4.6% increase over the FY89 Authorized. The major funding increases are for operation of new facilities \$1,087,500, campus safety \$113,300, maintenance of campus facilities \$622,000, student recruitment and retention \$171,500 and operation of the WAMI Medical Student Program \$555,700. The total funds budget of \$291,915,900 is a 4.5% increase from FY89 Authorized and a 22.5% increase from FY88 actual.

MAJOR ISSUES

FACILITIES

The Governor's budget provides support for operation of several new facilities throughout the state. That support includes funds for Prince William Sound Community College (\$105,200), Fairbanks Downtown Center (\$56,000), Tok Rural Education facility (\$56,700), Kachemak Bay Branch in Homer (\$47,800), Butrovich Building (\$75,000), the new facility for UAS/Sitka College located on Japonski Island (\$191,300), the new library on the Juneau campus (\$396,000), Fire Grounds Facility (\$75,000) and for off-campus lease space for the Alaska Center for International Business (\$84,500).

ORGANIZATION CHANGES

Funding for the vocational/technical programs was transferred from individual components and placed into a component of the UA Anchorage Budget Request Unit (BRU) in FY89. For FY90 these programs are being requested as a separate BRU. This will assure that the monies are used for vocational technical activities.

The Rural Education Component was eliminated by the transfer of funds and positions to several other components but the majority went to the Rural College Component.

POSITION ANALYSIS

The Governor has requested 3,233 full-time and 296 part-time positions for the University. The total number of positions is less than the FY89 Conference Committee due to reductions related to completed projects and duplicate positions (85 full-time, 4 part-time). The Governor has approved 46 new full-time and 8 new part-time positions in the University's budget. The FY90 base

includes more than half of the new positions requested: 4 full-time and 1 part-time positions identified to FY89 appropriations but not previously authorized (such as in the reappropriation bill), 9 full-time positions as a transfer of the Lands Management Operations into the University's budget and 21 full-time and 5 part-time positions added by line item transfers.

AGENCY REQUEST NOT SUPPORTED BY GOVERNOR

The University requested an 18.7% increase in general funds from FY89 Authorized. The major increment not included in the Governor's request is the \$7,500,000 for a market based compensation adjustment to make the University's salaries more competitive and general salary increases for university staff. The University requested funding increases in several areas including upper level and graduate courses to extended sites, vocational/technical programs, library services, northern studies, and various academic programs.

ALASKA COURT SYSTEM

The Alaska Court System is the Judicial Branch of state government whose authority is granted under Article IV of the Constitution of Alaska and Title 22 of the Alaska Statutes. There are four levels of courts: supreme court, court of appeals, superior court, and district court. Judges preside in each of the courts except the District Court where magistrates may also preside. The Supreme Court and Superior Court is established in the state Constitution; and the District Court and Court of Appeals by statute.

SUMMARY ANALYSIS

Like the proposed FY89 budget, the Governor has forwarded the FY90 Court System budget to the Legislature at the dollar level requested in contrast to the FY86-88 years in which the Governor recommended lump sum reductions. However, the Governor did not follow the line item breakouts of the requested budget additions, but recommended them as a single miscellaneous amount. Similarly, the Governor recommended the funding necessary to support requested new positions, but not the positions themselves. This follows a pattern throughout the Governor's proposed budget where it is made to appear that new positions are not added, when in fact they are.

The proposed FY90 Court System budget of \$40,599,900 (all general fund) is a 2.7 percent increase over FY89 authorized. Almost one-half of the increase (1.2 percent) is attributed to the adjustment for higher personnel benefit costs found throughout all agency budgets.

The Court System budget is presented in three components -- Appellate Courts, Trial Courts, and Administration and Support.

The Commissioner on Judicial Conduct and Judicial Council are each budgeted separately.

MAJOR ISSUES

PROGRAM CHANGES

Trial Courts

Funds (\$279,100) for Administrative Office space rented is transferred to the Administration and Support component to more properly account for administrative costs.

Two permanent full-time positions and \$88,800 is transferred to the Department of Public Safety, Alaska State Troopers for the Judicial Services Section to assume responsibility for providing security in the Anchorage Courthouse.

A \$278,400 workload increment is requested for four new full-time and one part-time positions; and to upgrade three part-time positions to full-time.

An increment of \$52,700 is requested to install computer assisted legal research systems in thirteen superior court locations.

Funding in the amount of \$77,000 is requested for computer maintenance contracts (\$27,000) and for new and replacement equipment statewide (\$50,000).

\$39,500 is requested in an increment for the Child Sexual Abuse Working Group to provide judicial training and to revise court rules in response to the working group's recommendation.

Administration And Support

A \$161,500 increment is requested for four new full-time positions, computer equipment maintenance, and new computer equipment in support of microfilming, data entry, personnel/payroll, and inventory operations in the Administrative Office and Law Library.

FUNDING SOURCES

The Court System is entirely supported from the general fund.

POSITION ANALYSIS

The requested budget adds/deletes/transfers positions as follows:

- adds eight new full-time and one part-time positions.
- upgrades two part-time positions to full-time (deleting two part-time positions).
- transfers two full-time positions to the Department of Public Safety.

COMMISSION ON JUDICIAL CONDUCT

The Commission is established under the Alaska Constitution to investigate complaints of alleged misconduct by judges and justices.

The Governor's FY90 budget funds the Commission's request of \$79,700, a continuation of the FY89 level with the standard health benefit adjustment -- supported entirely from the general fund.

JUDICIAL COUNCIL

The Council is constitutionally established to nominate candidates to the Governor to fill Supreme Court and Superior Court judicial vacancies; to conduct studies; and make recommendations to the Supreme Court and Legislature for improvements in the administration of justice. The Council is also mandated by statute to nominate candidates for vacancies in the Court of Appeals and District Courts; and Public Defender. By statute, the Commission also evaluates each justice or judge in retention elections.

The purposed FY90 budget includes a requested \$70,500 general fund an increment to complete an assessment of justice system needs in rural Alaska. The budget continues a federally funded evaluation study of Alaska's ban on criminal case felony plea-bargaining, at a reduced level, anticipating completion during FY90.

The budget request also includes a \$30,000 general fund increment to evaluate all judges every two years.

If authorized, the Council's requested budget would require a 26 percent increase in general fund support.

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ALASKA STATE LEGISLATURE

The Alaskan State Legislature constitutes the legislative branch of state government. The Legislature's budget is presented in four major units: Budget and Audit Committee, Legislative Council (Affairs Agency), Leadership (Legislative Operating Budget), and Ombudsman.

The Budget and Audit Committee budget request unit includes three separate components:

Audit Division

Legislative Finance (Division and Finance Committees)

Committee Expenses

The budget requests are prepared by the Legislative Auditor and Legislative Fiscal Analyst for their respective statutory areas of audit and fiscal analysis; and for the House and Senate Finance Committee, as well as the Legislative Budget and Audit committee.

The Legislative Council and Leadership budgets are prepared by the Legislative Affairs Agency.

The Ombudsman prepares the Office of the Ombudsman budget.

The legislative budgets submitted to the Governor are tentative and for information purposes. The actual requests are submitted to the finance committees during session -- typically in March or April.

The tentative legislative budget submitted to the Governor amounts to \$31,314,500 of which \$31,123,300 is supported from the general fund -- a five percent reduction from total FY89 authorizations.

Legislative Budget and Audit Committee

The requested budgets of Audit, Finance, and Committee Expenses are essentially continuation levels including the standard health benefit adjustments for those activities normally funded in the general appropriation act.

Legislative Council and Leadership

The tentative budget generally maintains current authorizations with the standard adjustment for health benefits. A detailed budget will be presented after it has been revised and approved by the Legislative Council Committee of the sixteenth Alaska Legislature.

Ombudsman

The proposed budget continues the current operating levels and an approximate nine percent increase -- details are to be provided by the Ombudsman to the finance committees.

