

The Fiscal Year 1994 Budget:

**A legislative overview
of the governor's request**



Legislative Finance Division

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Note: This overview is of the governor's budget proposal made public on December 15, 1992.

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SPENDING PLAN

On December 15, 1992 the governor presented a draft budget bill to the legislature and the public. The following is an analysis of that bill with a few changes requested by the Office of Management and Budget (i.e., restoration of the Alaska Longevity Bonus Hold Harmless Program and corrections to the Alaska Court System and Legislature's budgets). Legislative Finance Division has been informed that there will be additional technical changes in the governor's budget presentation to the legislature on January 14, 1993.

The governor's proposed FY94 budget, presented to the First Session of the Eighteenth Alaska Legislature, requires appropriations totaling \$3,783,786,300. Of this amount, \$2,384,198,600 or 63 percent, is unrestricted general fund. Compared with appropriations made during the 1992 session, this spending plan includes:

- an overall decrease of \$24,702,100 or 1.0 percent in general fund and general fund program receipts;
- increases of 0.3 percent in the operating budget, decreases of 36.5 percent in debt service, and a decrease of 72.4 percent in loan programs; and
- \$75,866,600 of the General Fund is made up of program receipts representing a 3.5 percent increase over FY93.

OPERATING BUDGET

The operating budget includes two major segments: state agency operations and formula programs. The amount requested for agency operations in FY94 is \$1,173,811,400 which represents 50.9 percent of the operating budget. Formula programs are requested at \$1,134,165,200 or 49.1 percent of the operating

budget. In the past two years the percentage of the operating budget earmarked for formula programs has been 48.3 percent in FY92 and 49.9 percent in FY93.

State agency operations funds the actual costs of administering state government and the direct public services it provides. For FY94, the governor is proposing a 1.6 percent decrease from the FY93 Authorized amount of \$1,153,795,100.

Formula Programs are those which flow through state agencies to municipalities and individuals, e.g. Education Support, Municipal Assistance, Revenue Sharing, Longevity Bonus, etc. By far the largest formula program is the School Foundation Program which, at \$585,385,000 in the governor's spending plan, accounts for 25.4 percent of the total general fund operating budget. Formula funded programs show a decrease from FY93 Authorized of \$13,276,000 or 1.2 percent. Although increases are shown in the Medical and Public Assistance Programs, School Foundation, and Longevity Bonus, more than offsetting reductions have been identified in the Municipal Assistance, Municipal Revenue Sharing, School Debt Reimbursement, and Military and Veterans' Affairs Reenlistment Bonus and Death Gratuities Programs. Additionally, program changes are being proposed within Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA) to reduce the increases needed to meet participant growth.

The Office of Management and Budget has revised the format used by agencies in submitting their FY94 budget requests. In past years, agencies went through a building process identifying transactions or changes to the previous year's approved budget. C4 and C5 forms were used to identify transfers, adjustments, additions and deletions to create a final budget request. This year those forms have been deleted and replaced with CF1 forms. The purpose of the CF1 form is to provide a component-level summary that focuses on program goals, services and costs. The new format focuses on the total amount of financial resources necessary to support a program and not the incremental changes from one fiscal year to another. The lack of information on changes to an agency's budget has made analysis of specific programs difficult.

CAPITAL BUDGET

The governor's initial FY94 spending plan earmarks \$300,000,000 in general funds for the capital budget. An appropriation bill and specific project information are not yet available.

LOAN PROGRAMS

The governor's proposed loan budget consists of two parts: (1) an expenditure item in an appropriation of \$2,068,200 from general fund to the Fisheries Enhancement Loan Fund, and (2) a revenue measure in an appropriation of \$6,502,800 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

Debt service includes three elements: general obligation (GO) bond debt, school debt retirement, and lease payments.

General obligation bonds provide funds for a variety of capital improvements that have been authorized by law and ratified by the voters. Debt service requirements dropped sharply after 1990 as a result of the state limiting the maturities of state debt to conform with projected oil production generated from the Prudhoe Bay field. The amount needed for GO debt service for FY94 is \$34,009,975 or 43.1 percent less than the amount required in FY93 (see Debt Service Summary).

School debt retirement is a statutory program in which the state funds a portion of the debt retirement costs municipalities incur for school construction. For FY94, the governor proposes \$99,795,200 to fully fund eligible school debt retirement.

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Lease payments are included in debt service to satisfy bond rating agency requirements. The FY93 request of \$11,143,807 includes payments for such facilities as the Spring Creek and Wildwood Correctional Centers, the Seward Student Service Center, and the courthouse in Palmer. Payments to the Alaska State Housing Authority for lease of facilities constructed with the proceeds of lease revenue bonds are also included.

AS 37.15.011 created the Alaska Debt Retirement Fund. All appropriations are made from the general fund to the Debt Retirement Fund and from that fund the actual debt payments are made. Note that the appropriations appear in the front section of the operating budget. The debt service portion of the budget is summarized below (shown in millions of dollars):

Debt Service Summary

	FY92 <u>ACTUAL</u>	FY93 <u>AUTH</u>	FY94 <u>GOV</u>
General Obligation	\$68.3	\$59.7	\$34.0
State Bond Committee			
Lease Payments	11.9	11.3	11.1
School Debt Retirement	129.0	127.6	99.8
 Total	 \$209.2	 \$198.6	 \$144.9

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FY93/94 GOVERNOR'S SPENDING PLAN GENERAL FUND (Includes Mental Health Trust Funds) (in millions of dollars)

Fall 1992 - Dept. of Revenue Mid Scenario

Statutory Budget Reserve Balance	340.8	
FY93 Revenues [1]	2,271.5	\$18.23/bbl weighted avg ANS
FY93 Adjustments to Revenue	79.8	
Tax Settlement Received	59.9	
HAD Loan Purchase	180.0	
AHFC Dividend	40.7	
Science & Technology Surplus	17.0	
TAPS Tarrif Rate Change	40.0	
From Budget Reserve Fund	75.3	
FY93 AVAILABLE	2,764.2	
FY93 Expenditures		
Operating	2,173.6	
Debt Service		
-G.O. Debt	59.8	
-School Debt	127.6	
-Other Debt	11.3	
Capital	300.3	
Loans	7.6	
Fund Transfers	34.0	
Supplementals	50.0	OMB 12/15/92 Spending Plan
FY93 Expenditures	2,764.2	
Budget Reserve Balance	265.5	
FY94 Revenues [1]	2,287.9	\$18.42/bbl weighted avg ANS
FY94 Adjustments	78.2	
AHFC Dividend	40.0	OMB 12/15/92 Spending Plan
TAPS Tarrif Rate Change	40.0	
From Budget Reserve Fund	238.0	
FY94 AVAILABLE	2,684.1	
FY94 Expenditures		
Operating	2,208.1	
Debt Service		
-G.O. Debt	34.0	
-School Debt	99.8	
-Other Debt	11.1	
Capital	300.0	OMB 12/15/92 Spending Plan
Loans	2.1	
Fund Transfers	29.0	
FY94 EXPENDITURES	2,684.1	
FY94 Carryforward	0.0	
Fund Balances		
Statutory Budget Reserve	27.5	
Mental Health Trust Income Balance	109.4	
Total	136.9	

[1] Revenues are based on Department of Revenue's mid scenario fall 1992 forecast

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FY93/94 GOVERNOR'S MENTAL HEALTH SPENDING PLAN GENERAL FUND (in millions of dollars)

Fall 1992 - Dept. of Revenue Mid Scenario		
FY 92 MHTIA Balance [1]	103.0	
FY93 Revenues		
Mental Health Trust [2]	136.3	\$18.23/bbl weighted avg ANS
FY93 AVAILABLE	239.3	
FY93 Expenditures		
Operating - Mental Health	130.3	
Capital	6.3	
Supplementals - Operating	0.0	
FY93 Expenditures	136.6	
Carryforward	102.7	
FY94 Revenues [2]	137.3	\$18.42/bbl weighted avg ANS
FY94 AVAILABLE	240.0	
Governor's Request		
FY94 Expenditures		
Operating-Mental Health	130.6	
Capital	0.0	Has not been released as of 1/11/93
New Legislation	0.0	
FY94 EXPENDITURES	130.6	
FY94 CARRYFORWARD	109.4	

[1] Sec 145, CH 96, SLA 91 appropriates the balance to the Mental Health Capital Project Account, effective date based upon the dismissal of Weiss v State of Alaska. Settlement is pending approval by the courts.

[2] Based on 6% of unrestricted general fund revenues.
Does not project 6% of revenues not included in the fall forecast (i.e., AHFC dividend, HAD purchase, settlements placed in general fund, investment earnings, etc.)

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FY93/94 OPERATING BUDGET BILL COMPARISON

General Funds (in millions of dollars)

	FY93 Authorized	FY94 Governor
Front Sections		
Sec 1-Shared Taxes	15,440.0	15,440.0
Sec 2-Salmon Enhancement	3,553.5	3,553.5
Sec 11-Lease debt	11,250.2	11,143.8
Sec 12-GO Debt	59,768.2	34,010.0
Sec 13-School Construction Debt	127,603.2	99,795.2
Sec 21-Oil/Hazardous Response	27,000.0	27,000.0
Sec 24-Fire Suppression	1,997.4	3,788.4
Sec 25-Disaster Relief Fund	2,945.2	2,945.2
Sec 26-Information Services	2,766.6	2,616.6
Sec 27-Ak Marine Highway Fund	30,000.0	29,000.0
Sec 28-Fisheries Enhancement Loan	6,000.0	2,068.2
Sec 29-Mental Health Indirect Costs	2,000.0	2,000.0
Ak Clean Water Fund	1,646.0	0.0
Subtotal	291,970.3	233,360.9
Agencies		
Office of the Governor	18,764.1	15,652.4
Department of Administration	167,436.7	170,866.0
Department of Law	30,348.8	31,797.5
Department of Revenue	11,837.9	11,042.6
Department of Education	636,028.7	651,567.9
Department of Health & Social Services	407,159.0	429,273.5
Department of Labor	10,216.4	9,579.6
Dept. of Commerce & Economic Development	59,115.5	60,722.8
Department of Military & Veterans Affairs	6,859.2	6,742.2
Department of Natural Resources	45,780.8	45,215.3
Department of Fish & Game	46,889.0	44,256.0
Department of Public Safety	85,526.7	89,269.1
Dept. of Transportation & Public Facilities	100,736.1	99,079.0
Department of Environmental Conservation	20,671.1	21,169.1
Department of Community & Regional Affairs	113,531.3	89,568.3
Department of Corrections	107,794.3	120,000.0
University of Alaska	166,041.3	171,022.5
Court System	44,362.5	46,182.9
Legislature	37,831.0	37,831.0
Subtotal	2,116,930.4	2,150,837.7
Operating Total	2,408,900.7	2,384,198.6

Note: Items appearing in the front section are deleted from the agencies' totals.

FY94 GOVERNOR'S BUDGET
Unrestricted General Fund
(in millions of dollars)

	FY92 ACTUALS [1]	FY93 AUTH	FY94 GOV	-PERCENT CHANGE-	
				FY94/ FY92 ACTUAL	FY94/ FY93 AUTH
Operating:					
Agencies	1,200.0	1,153.8	1,173.8	-2.2%	1.7%
Formula Programs	992.8	1,019.8	1,034.4	4.2%	1.4%
School Debt	127.7	127.6	99.8	-21.8%	-21.8%
Total Operating	2,320.5	2,301.2	2,308.0	-0.5%	0.3%
Capital [2]	352.2	300.3	300.0	-14.8%	-0.1%
Loans	11.7	7.6	2.1	-82.1%	-72.4%
Debt Service [3]	80.2	71.0	45.1	-43.8%	-36.5%
TOTAL	2,764.6	2,680.1	2,655.2	-4.0%	-0.9%

- Note: 1] Actuals shown for operating only, other areas shown at appropriated amounts.
2] As of 1/12/93 the Governor's FY94 capital budget request has not been released.
The amount shown is from OMB's spending plan dated 12/15/92.
3] Includes General Obligation and Lease Payments.

FY 94 OPERATING BUDGET SUMMARY
Unrestricted General Fund
(in thousands of dollars)

	FY92 ACTUALS	FY93 AUTH	FY94 GOVERNOR	FY93 AUTH/FY94 GOV \$ %	
Operating Budget	2,320,478.9	2,301,236.3	2,307,976.6	6,740.3	0.3%
Less: Formula	1,120,501.7	1,147,441.2	1,134,165.2	-13,276.0	-1.2%
Agency Operation	1,199,977.2	1,153,795.1	1,173,811.4	20,016.3	1.7%
Formula Programs					
Longevity Bonus	67,073.7	64,898.7	69,584.2	4,685.5	7.2%
Administration - Other	26,752.6	26,081.9	27,362.2	1,280.3	4.9%
Shared Taxes	21,474.3	15,440.0	15,440.0	0.0	0.0%
Foundation	532,899.2	555,682.8	585,385.0	29,702.2	5.3%
School Debt Ret.	127,671.8	127,603.2	99,795.2	-27,808.0	-21.8%
Education - Other	47,053.5	47,231.7	32,338.2	-14,893.5	-31.5%
Health & Social Services	184,994.4	205,919.0	223,386.0	17,467.0	8.5%
Power Cost Equalization	15,029.6	18,026.7	17,920.0	-106.7	-0.6%
Fisheries Tax Receipts	7,375.4	3,553.5	3,553.5	0.0	0.0%
Nat'l Guard Ret.	754.5	754.5	754.5	0.0	0.0%
Military - Other	495.9	270.0	0.0	-270.0	-100.0%
Sr. Citizen Tax Relief	3,658.4	3,658.8	0.0	-3,658.8	-100.0%
Municipal Rev. Sharing	38,345.4	35,279.2	26,459.2	-8,820.0	-25.0%
Municipal Assistance	46,648.0	42,916.2	32,187.2	-10,729.0	-25.0%
Other C&RA Programs	275.0	125.0	0.0	-125.0	-100.0%
TOTAL	1,120,501.7	1,147,441.2	1,134,165.2	-13,276.0	-1.2%

OPERATING BUDGET SUMMARY

Unrestricted General Fund
(in thousands of dollars)

	FY92 ACTUALS	FY93 CC	FY93 AUTH	FY94 GOV
Office of the Governor	15,295.6	16,246.0	18,764.1	15,652.4
Department of Administration	172,673.1	169,690.0	170,203.3	173,482.6
Department of Law	47,611.7	30,348.8	30,348.8	31,797.5
Department of Revenue	33,673.3	27,261.8	27,277.9	26,482.6
Department of Education	738,869.2	762,128.2	763,631.9	751,363.1
Department of Health & Social Services	388,229.7	407,270.1	407,159.0	429,273.5
Department of Labor	12,305.1	10,150.4	10,216.4	9,579.6
Dept. of Commerce & Economic Development	59,699.6	62,595.3	62,669.0	64,276.3
Department of Military & Veterans Affairs	12,838.9	9,761.3	9,804.4	9,687.4
Department of Natural Resources	63,407.0	47,473.2	47,778.2	49,003.7
Department of Fish & Game	51,326.4	46,796.7	46,889.0	44,256.0
Department of Public Safety	85,673.4	85,556.7	85,526.7	89,269.1
Dept. of Transportation & Public Facilities	136,570.2	130,736.1	130,736.1	128,079.0
Department of Environmental Conservation	22,584.4	20,671.1	20,671.1	21,169.1
Department of Community & Regional Affairs	122,541.8	109,815.2	113,531.3	89,568.3
Department of Corrections	111,330.5	107,794.3	107,794.3	120,000.0
University of Alaska	168,105.5	166,041.3	166,041.3	171,022.5
Court System	44,885.5	43,581.8	44,362.5	46,182.9
Legislature	32,858.0	33,833.2	37,831.0	37,831.0
New/Special Legislation		6,006.3		
CH5, FSSLA 92 (SB483)		6,314.8		
TOTAL	2,320,478.9	2,300,072.6	2,301,236.3	2,307,976.6

Note: CC refers to Conference Committee numbers as passed the 1992 Legislative session. Front section of the operating budget, various bills, and fiscal notes have been included. See FY93 Summary of Appropriations.

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

	FY92 ACTUALS	FY93 CC	FY93 AUTH	FY94 GOV
Office of the Governor	4.3	4.9	4.9	4.9
Department of Administration	6,620.6	7,637.8	7,692.8	4,779.2
Department of Law	247.6	377.4	377.4	377.4
Department of Revenue	351.8	558.3	559.3	662.8
Department of Education	1,983.2	2,150.1	2,170.9	2,346.6
Department of Health & Social Services	8,207.1	9,862.9	9,990.6	13,241.8
Department of Labor	2,334.8	742.6	779.4	872.9
Dept. of Commerce & Economic Development	15,353.5	22,384.3	22,458.0	23,723.3
Department of Military & Veterans Affairs	29.6	29.1	29.1	29.1
Department of Natural Resources	6,614.3	8,072.0	8,352.0	8,321.8
Department of Fish & Game	8,606.7	7,212.7	7,212.7	6,188.2
Department of Public Safety	3,273.5	3,505.6	3,505.6	3,788.4
Dept. of Transportation & Public Facilities	4,409.0	5,008.6	5,008.6	4,946.6
Department of Environmental Conservation	398.3	2,573.9	2,573.9	3,962.1
Department of Community & Regional Affairs	275.1	35.9	33.6	60.0
Department of Corrections	2,473.6	2,469.7	2,469.7	2,469.7
Legislature	83.6	91.8	91.8	91.8
New/Special Legislation		1,999.5		
TOTAL	61,266.6	74,717.1	73,310.3	75,866.6

Note: CC refers to Conference Committee numbers as passed the 1992 Legislative session. Front section of the operating budget, various bills, and fiscal notes have been included. See FY93 Summary of Appropriations.

OPERATING BUDGET BY LINE ITEM

Total Funds
(in thousands of dollars)

	----FY85----		----FY90----		----FY94----		FY94 - FY85	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	Percent
Personal Services	875,748.7	62%	937,215.7	62%	1,110,729.0	61%	234,980.3	27%
Travel	37,570.8	3%	36,619.0	2%	46,375.5	3%	8,804.7	23%
Contractual	378,652.1	27%	433,373.0	29%	524,473.8	29%	145,821.7	39%
Commodities	96,223.3	7%	89,042.9	6%	120,072.6	7%	23,849.3	25%
Equipment	12,415.0	1%	9,988.0	1%	15,996.4	1%	3,581.4	29%
Land/Buildings	10,134.1	1%	167.4	0%	511.6	0%	-9,622.5	-95%
Government Operations	1,410,744.0	100%	1,506,406.0	100%	1,818,158.9	100%	407,414.9	29%
Grants/Claims	1,127,154.4	71%	1,361,401.0	89%	1,699,103.5	95%	571,949.1	51%
Miscellaneous	455,870.8	29%	175,134.0	11%	81,317.2	5%	-374,553.6	-82%
State Grant/Misc.	1,583,025.2	100%	1,536,535.0	100%	1,780,420.7	100%	197,395.5	12%
Total	2,993,769.2		3,042,941.0		3,598,579.6		604,810.4	20%

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

	FY85	FY90/FY85 Change		FY90	FY94/FY90 Change		FY94
		Amount	Percent		Amount	Percent	
STATE BUDGETS	4,171.9	-1,698.6	-41%	2,473.3	208.9	8%	2,682.2
Operating	2,280.0	-28.9	-1%	2,251.1	102.0	5%	2,353.1
Capital	1,241.9	-1,061.7	-85%	180.2	119.8	66%	300.0
Loans	140.0	-130.0	-93%	10.0	-7.9	-79%	2.1
Other:							
Transfer from GF to Perm. Fund	300.0	-300.0	-100%	0.0	0.0	0%	0.0
GF Loan to APA (4-Dam Pool)	210.0	-210.0	-100%	0.0	0.0	0%	0.0
To Oil/Hazardous Response Fund				32.0	-5.0	-16%	27.0
OPERATING BUDGETS							
PASS-THRU PROGRAMS							
G.O. Debt	169.5	-49.1	-29%	120.4	-86.4	-72%	34.0
School Retirement Debt	95.0	15.6	16%	110.6	-10.8	-10%	99.8
Formula Funded Programs	861.4	7.9	1%	869.3	165.1	19%	1,034.4
Lease Payment				12.1	-1.0	-8%	11.1
Total pass-thru programs	1,125.9	-13.5	-1%	1,112.4	66.9	6%	1,179.3
Percent of operating budget	49%			49%			50%
GOVERNMENT OPERATIONS	1,154.1	-15.4	-1%	1,138.7	35.1	3%	1,173.8
Percent of operating budget	51%			51%			50%
STATE EMPLOYEES							
Full-Time	16,578.0	-181.0	-1%	16,397.0	497.0	3%	16,894.0
Part-Time	3,030.0	274.0	9%	3,304.0	-380.0	-12%	2,924.0

The Fiscal Year 1994 Budget:

FORMULA FUNDED PROGRAMS Unrestricted General Fund

	FY92 Actual	FY93 Auth	FY94 Governor
ADMINISTRATION			
Longevity Bonus Program	67,073.7	64,898.7	69,584.2
Retirement and Benefits/EPORS	723.2	784.5	893.9
Leasing	26,029.4	25,297.4	26,468.3
Subtotal	93,826.3	90,980.6	96,946.4
REVENUE			
Shared Taxes	21,474.3	15,440.0	15,440.0
EDUCATION			
Public School Foundation	532,899.2	555,682.8	585,385.0
Pupil Transportation	28,572.0	28,745.7	25,718.1
Tuition Students	13,878.5	13,878.5	2,012.6
Boarding Home Grants	230.0	230.0	230.0
Youth in Detention	800.0	800.0	800.0
Schools for the Handicapped	2,977.5	2,977.5	2,977.5
Local School Debt Retirement	127,671.8	127,603.2	99,795.2
Community Schools	595.5	600.0	600.0
Subtotal	707,624.5	730,517.7	717,518.4
HEALTH AND SOCIAL SERVICES			
AFDC	45,778.5	50,888.4	56,800.4
Adult Public Assistance	24,804.8	31,365.2	31,351.3
General Relief	737.1	991.9	991.9
Old Age Asst.- ALB Hold Harmless	5,803.1	2,194.5	2,456.0
Medicaid	92,927.6	108,247.4	119,598.0
Medicaid Asst. ALB Hold Harmless	654.3	0.0	56.4
General Relief Medical	5,820.3	5,455.6	6,090.0
Family Support Act Child Care	1,001.7	1,184.6	1,234.6
Foster Care	13,568.0	11,986.1	11,202.1
Social Services Block Grant Offset	-6,101.0	-6,394.7	-6,394.7
Subtotal	184,994.4	205,919.0	223,386.0
COMMERCE AND ECONOMIC DEVEL.			
Power Cost Equalization	15,029.6	18,026.7	17,920.0
Fisheries Enhancement Tax Receipts	7,375.4	3,553.5	3,553.5
Subtotal	22,405.0	21,580.2	21,473.5
MILITARY & VETERANS' AFFAIRS			
National Guard Retirement	754.5	754.5	754.5
Reenlistment Bonus	140.4	0.0	0.0
Death Gratuities	355.5	270.0	0.0
Subtotal	1,250.4	1,024.5	754.5
COMMUNITY AND REGIONAL AFFAIRS			
Senior Citizens Tax Relief	3,658.4	3,658.8	0.0
Municipal Revenue Sharing	38,345.4	35,279.2	26,459.2
Municipal Assistance	46,648.0	42,916.2	32,187.2
Organizational Grant	275.0	125.0	0.0
Subtotal	88,926.8	81,979.2	58,646.4
Total	1,120,501.7	1,147,441.2	1,134,165.2

A legislative overview of the governor's request

STATE OF ALASKA FUND BALANCES (in millions of dollars)

STATUTORY BUDGET RESERVE FUND

Balance Available at 6/30/92	340.8
(Does not include \$103.0 unobligated/unappropriated balance in the Mental Health Trust)	
Includes \$103.8 in administrative settlements.	

CONSTITUTIONAL BUDGET RESERVE FUND

1/12/93 Balance	681.9
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RAILBELT ENERGY

Railbelt Energy Fund	2.5
Intertie Reserve (1/12/93)	116.1

PERMANENT FUND EARNINGS RESERVE - Unencumbered

FY93 projected balance contained within Nov. 1992 monthly report	831.0
Based on fall 1992 low case revenue forecast	
1993 inflation impact	
1993 dividend payment	
Escrow earnings	
Unencumbered balance	

SCIENCE & TECHNOLOGY ENDOWMENT FUND

Alaska Permanent Fund Monthly Financial Report (Nov. 1992)	114.3
Remaining disbursements for appropriations made during the 1992 legislative session will reduce the balance by an additional \$12.8	

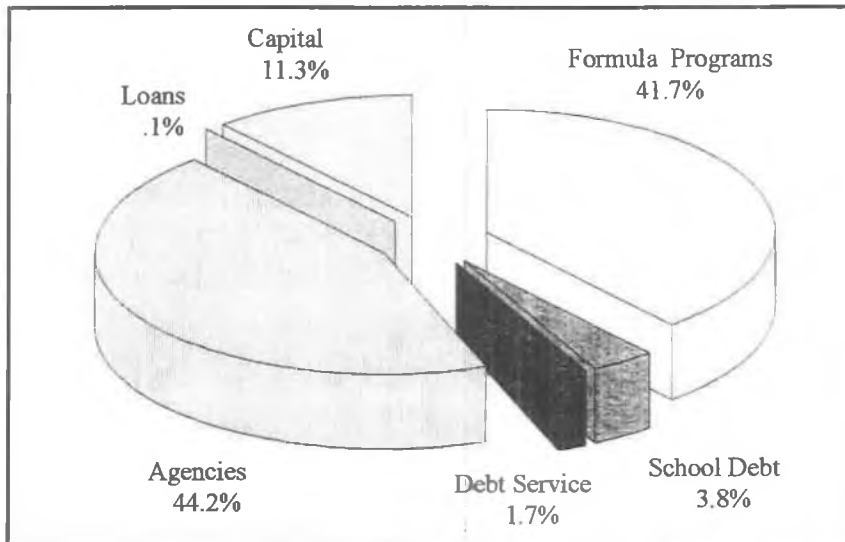
INVESTMENT LOSS TRUST FUND (1/12/93)

Appropriations	146.4
Income	

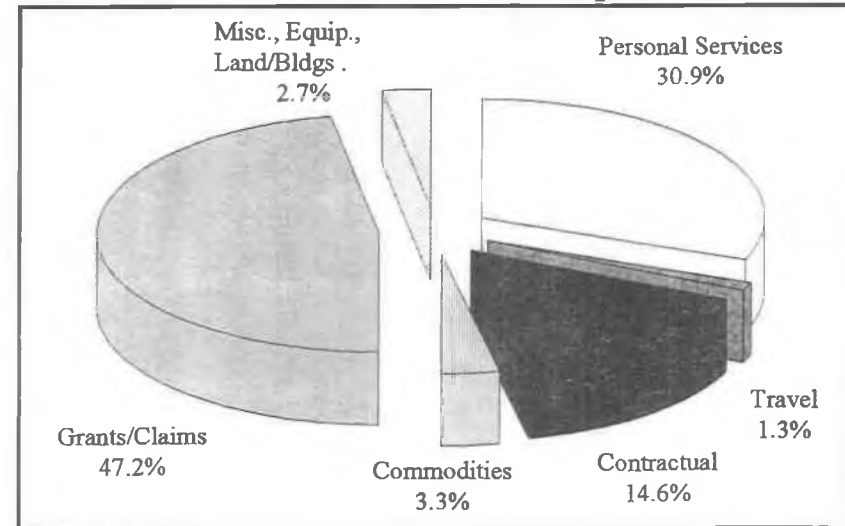
FY94 GOVERNOR'S BUDGET

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Unrestricted General Fund



Total Funds by Line-item



The Fiscal Year 1994 Budget:

A legislative overview of the governor's request

State Budgets Unrestricted General Fund (in millions of dollars)

FY	Nominal (\$ mill)				Total
	Operating	Capital	Loan	G.F. Debt	
61	37.8	8.1			45.9
62	46.2	6.1			52.3
63	57.7	8.1			65.8
64	70.9	12.0			82.9
65	74.4	4.7			79.1
66	84.1	2.0			86.1
67	92.5	1.3			93.8
68	102.0	11.1			113.1
69	125.5	2.3			127.8
70	170.8	2.0			172.8
71	274.3	36.5			310.8
72	302.1	8.4			310.5
73	327.4	14.7			342.1
74	360.3	10.1			370.4
75	489.2	23.0			512.2
76	574.6	53.4			628.0
77	696.4	19.8			716.2
78	791.1	51.1	10.0		852.2
79	837.7	171.0	14.0	59.8	1,082.5
80	959.6	92.0	33.5	75.2	1,160.3
81	1,364.3	565.2	560.1	97.4	2,587.0
82	1,706.2	1,164.9	471.8	102.4	3,445.3
83	1,897.0	470.1	337.0	143.6	2,847.7
84	1,958.0	778.4	171.9	178.6	3,086.9
85	2,110.5	1,241.9	140.0	169.5	3,661.9
86	2,116.5	471.4	80.4	163.3	2,831.6
87	1,844.1	337.6	61.0	155.0	2,397.7
88	1,911.3	173.4	22.6	148.0	2,255.3
89	2,086.7	127.1	17.5	147.4	2,378.7
90	2,118.6	180.2	10.0	132.5	2,441.3
91	2,286.3	147.3	13.7	107.6	2,554.9
92	2,325.0	354.6	11.7	80.2	2,771.5
93	2,282.3	300.3	7.6	71.1	2,661.3

Annual Compound Growth Rates:

FY61-93	13.7	12.0	(1.8)	1.2	13.5
FY61-76	18.5	12.5	n/a	n/a	17.8
FY76-93	8.5	10.7	(1.8)	1.2	8.9

Note: Shared Taxes, Fisheries Enhancement and extraordinary items such as appropriations to Permanent Fund, Budget Reserve Fund, special appropriations, etc. are not included.

OFFICE OF THE GOVERNOR

The Office of the Governor is responsible for the operation of the executive branch of state government as specified in the *Alaska Constitution* and statutes. The budget request units are Commissions and Special Offices, Executive Office, Office of Management and Budget, and Elective Operations.

SUMMARY ANALYSIS

The governor's proposed FY94 general fund appropriation of \$15,652,400 is 16.6 percent below the \$18,764,100 FY93 Authorized amount. The reduction comes from the normal biennial decrement to the off- election year activity level of the Elections Division and the absence of a request for additional funding for the Arctic National Wildlife Refuge (ANWR) education/lobby effort.

The total expenditure level proposed from all fund sources is \$18,142,500. Federal Coastal Zone Management, Education, and Housing and Urban Development funds comprise the non-general funds and these federal funding sources remain level at approximately \$2,500,000.

MAJOR CHANGES

- Funds to continue the Alaska Sentencing Commission in FY94 are not included in the governor's request, a reduction of \$165,700 from FY93 which was budgeted as a phase-down year for the commission.
- FY94 funding for the ongoing education and lobby effort to open the Arctic National Wildlife Refuge (ANWR) is not included in the governor's request which accounts for \$1,200,000 of the \$3,100,000 reduction in the agencywide general fund appropriations from FY93.
- The Media Center is established in a separate new budget component with general fund support of \$391,300 and six new positions: five full-time and one part-time. Currently the media center operates within the

A legislative overview of the governor's request

executive office as an unbudgeted activity with funds transferred from the appropriations of the executive branch line agencies: \$366,000 for five full-time positions and support costs.

- The Division of Audit and Management within the Office of Management and Budget takes a \$289,900 reduction, largely in contractual expenditures for professional services.
- The normal biennial reduction in Elections Operations reflects the reduced level of activity in the off-election year. Funds are usually then restored in the following election year. The off-election year decrement of \$1,797,800 will be offset, in part, with a pending FY93 supplemental appropriation request and possibly a FY94 budget amendment to address shortfalls relating to legal, election, and reapportionment issues.

ORGANIZATIONAL CHANGES

The Media Center is included as a new budget component funded with a direct general fund appropriation. For FY92 and FY93, the Media Center has been informally established and funded through unbudgeted Reimbursable Service Agreements (RSA's) with other executive branch agencies.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	167	167	174
PPT	5	5	4

DEPARTMENT OF ADMINISTRATION

The Department of Administration provides basic internal services to other state agencies. These include services provided by Personnel, Finance, General Services, Retirement and Benefits, Labor Relations, Risk Management, and Information Services. The department also serves as the umbrella agency for a group of diverse social service and justice agencies. These functions are performed by Pioneer Benefits, Public Defender, and the Office of Public Advocacy. Three commissions are also administered by the department: Alaska Public Offices, Public Broadcasting, and Older Alaskans.

SUMMARY ANALYSIS

The governor's proposed budget of \$259,186,600 total funds represents a 2.8 percent increase from FY93 Authorized. The general fund request of \$173,482,600 is a 1.9 percent increase, or \$3,279,300. Formula programs for Longevity Bonus, Elected Public Officers Retirement System, and Leases represent 56 percent of the department's general fund budget. Requested general funds for these programs have increased 6.4 percent compared to the 3.2 percent decrease for agency operations.

MAJOR CHANGES

- Longevity Bonus grants increased \$4,685,500 in general funds due to growth of the eligible population. The agency estimates 24,137 warrants will be issued each month in FY94 compared to 22,865 in FY93.
- Pioneer Home budgets show a revenue increase of \$815,304 in general fund program receipts. This increase reflects the net impact of fee increases and increased emphasis on assisted living and residential care. Proposed fee increases for FY94 compared to FY93 are Skilled Nursing Care (to \$880/month from \$800/month), Assisted Living Care (to \$700/month from \$630/month), and Residential Care (to \$600/month from \$525/month).

A legislative overview of the governor's request

- The Older Alaskan Services component has added a new Elderly Home Care Medicaid Waiver unit to assist local grantee agencies to become Medicaid billing providers. A new component, Senior Residential Services, provides grants for group residential living for frail rural elders in Tanana and Kotzebue.
- Alaska Public Broadcasting Commission grants have been reduced by 5.0 percent from \$6,024,800 general funds authorized in FY93 to \$5,724,700 requested for FY94.
- The Leases budget shows an increase to \$31,188,500 total funds in FY94 from \$30,309,200 authorized for FY93. This increase represents an estimate of full funding for leased space in FY94.

ORGANIZATIONAL CHANGES

Personnel/Office of Equal Employment Opportunity - Certain personnel functions formerly performed in individual agencies are being consolidated within the department. Also, the Labor Relations component is combined with Personnel/EEO in FY94.

Information Services - The Department of Labor transferred its computer workload onto the Juneau Data Center mainframe at the beginning of FY93. Nine positions were transferred from the Department of Labor to this program.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	1056	1042	1070
PPT	96	91	86

DEPARTMENT OF LAW

The Department of Law is responsible for public protection through enforcement of unfair trade practice and antitrust laws, prosecution of violators of state criminal laws, representing the state in legal actions, providing legal services in the resolution of resource revenue disputes and legal services for extraordinary proceedings such as the *Exxon Valdez* litigation. The department also advises state agencies in areas of legal concern including the promulgation of regulations and drafting of legislation.

SUMMARY ANALYSIS

The governor proposes a FY94 total funding level of \$50,555,600 of which \$31,797,500 are general funds. This represents an increase of 5.9 percent total funds, or \$2,834,900; and 4.8 percent general funds, or \$1,448,700, from the FY93 Authorized budget.

MAJOR CHANGES

- \$400,000 general funds are included to increase personal services and reduce vacancy in the six Prosecution components. The increase would bring vacancy adjustments to OMB's maximum percentage allowed except in the Third and Fourth Judicial Districts. In both of these components, the governor's request leaves vacancy at higher levels than the guidelines normally permit. No new positions are requested.
- The requested budget includes \$1,103,300 in general funds for thirteen new positions in Legal Services Operations. Twelve of the positions are to "assert the state's prerogatives in the management and use of Alaska's Natural Resources," primarily regarding issues where the state is at odds with the federal government. One attorney is added to assist with a backlog of regulation and legislation issues.
- The governor is also requesting \$1,374,000 in increased inter-agency receipt authority for the civil section. The increase is intended to fund

A legislative overview of the governor's request

new positions to assist the Department of Education and the Medicaid Rate Commission, a new position to help with oil and gas related outside counsel cost containment, as well as increased personal services to eliminate vacancy for positions funded with inter-agency receipts.

ORGANIZATIONAL CHANGES

The Data and Word Processing components in both Prosecution and Oil and Gas Special Projects are deleted and the funding and positions transferred to the other component(s) in each BRU.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	389	401	418
PPT	8	7	7

DEPARTMENT OF REVENUE

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

SUMMARY ANALYSIS

The governor's proposed FY94 budget of \$101,055,200 total funds for the department represents a 2.8 percent increase, or \$2,724,600 above FY93 Authorized. The general fund request of \$26,482,600 is \$795,300 below FY93 Authorized or 2.9 percent.

MAJOR CHANGES

- Decrease in corporate receipts of \$617,300 for the Permanent Fund Corporation reflects lower equity management and custodial fees.
- Decrease of \$749,200 total funds for the Alaska Housing Finance Corporation (AHFC) includes deleting nine positions related to foreclosed properties and one-time equipment costs. Other changes include increased federal and inter-agency receipts for energy related grant programs.
- Science and Technology increases to cover activity in that program including two new positions, \$239,600, and an additional \$4,750,000 in grant funds.
- An overall reduction of \$193,500 under Income and Excise Audit includes a program receipt increment of \$103,500 to restore two

A legislative overview of the governor's request

positions for the unclaimed property program. There is a transfer of general funds and a programmer position from Administrative Services for work on the tax master file. A general fund reduction of \$360,600 deletes six positions related to revenue audits.

- The Oil and Gas Audit Division is reduced \$338,000 in general funds; four positions are deleted.
- One Revenue Hearing Officer position is deleted in the Commissioner's Office.
- The overall reduction of \$147,800 general funds in Administrative Services includes the transfer of one position to the Department of Administration for personnel consolidation, the transfer of one programmer position to Income and Excise Audit for work on the tax master file, and deletes one position.
- Permanent Fund Dividend Operations is decreased \$121,400 in Permanent Fund Dividend funds to budget for allowable vacancy under personal services and reduce travel costs.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	509	539	523
PPT	17	18	16

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 to municipal school districts and grants for school construction. In addition, the department administers 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 Libraries and Museums, and the Alaska State Council on the Arts. 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 FY94 education budget of \$877,551,300 total funds represents a 0.8 percent decrease from FY93 Authorized. The overall decrease in total funds is due to the reduction in funding for the school debt reimbursement program. The general fund request of \$651,567,900 is a 2.4 percent increase, or \$15,539,200. Formula programs represent 94.8 percent of the department's general fund budget and have increased 2.5 percent while agency operations received an 2.1 percent increase in general funds.

MAJOR CHANGES

- The Foundation Program increased 5.3 percent from FY93 Authorized. This includes the transfer of \$11,137,900 general funds from the Tuition Program to cover the cost of the three military base contracts and a general fund increment of \$18,564,300 for increased enrollment. The governor's budget fully funds the Foundation Program at the \$61,000 instructional unit value approved by the legislature in Ch 69, SLA 92.
- School Debt Reimbursement is decreased \$27,807,000 from FY93 Authorized to reflect actual entitlement for the remaining outstanding bonds.

A legislative overview of the governor's request

- Pupil Transportation is decreased 10.5 percent from FY93 Authorized. Funding for school bus safety and driver training programs are transferred to other components and disbursements to school districts are reduced \$2,599,300.
- General fund program receipts increase \$251,700 which includes funding for the Teacher Certification Unit, Professional Teaching Practices Commission, the Alaska Vocational Technical Center fish processing training program, Vocational Rehabilitation's Business Enterprise Program and the Americans with Disabilities Act program, and fees for services under the State Library.
- Increase of \$225,000 general funds for the Americans With Disabilities Act to complete the state facilities assessment program and to bring the state into compliance with federal law.
- \$1,000,000 in federal funds for Special and Supplemental Services for grants to school districts to serve students with disabilities, students with economic disadvantages and migrant students.
- Federal funds increase \$1,876,000 for programs under Vocational Rehabilitation including client services, training funds, strategic planning, independent living services, disability determination, supported employment and assistive technology.
- \$586,600 increase in corporate receipts for the Postsecondary Education Commission reflects increased administrative costs for student loan processing and collecting, data processing and bond financing.

ORGANIZATIONAL CHANGES

The department has reorganized to streamline operations and maximize resources. Specifically, an Administrative Services Division was established to consolidate the various administrative functions within the department under one division. The reorganization changes the programs administered by the Education Finance and Support and Education Program Support

The Fiscal Year 1994 Budget:

Divisions. Several components have been transferred between BRU's to accomplish this reorganization in the FY94 budget.

K-12 Support BRU - the Student Lunch Program component is renamed Child Nutrition and transferred to the Education Program Support BRU. The school bus safety and driver training programs under Pupil Transportation are transferred to the Executive Administration BRU, Administrative Services component and funding for administering pupil transportation disbursements to school districts is transferred to the School Finance BRU, District Support Services component.

Education Finance and Support Services BRU - is renamed School Finance. The CIP and Teacher Certification components are transferred to the Executive Administration BRU under the direction of the new Administrative Services Division. Under the District Support Services component, food services is transferred to the Education Program Support BRU under the new Child Nutrition component and the donated commodities program is also transferred to the Education Program Support BRU into a new Donated Commodities component.

Education Program Support BRU - The Data Management component is transferred to School Finance as part of the department reorganization.

Under Vocational Rehabilitation, a new component called Client Services is created by combining the Counseling and Placement, Services to Clients, Specialized Facilities and Services for the Blind and Deaf components. This results in combining all funds for provision of direct services to clients including guidance and counseling and case services and will simplify the accounting and expenditure of federal funds for these programs.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	501	474	478
PPT	101	104	105

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, treatment and prevention of substance abuse, and mental health, as well as grants to local providers for additional public programs. More than half of the total 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 Assistance, 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 \$431,420,900 general funds is a 6.0 percent increase over FY93 Authorized. The total fund budget request of \$756,004,400 is a 8.7 percent increase over FY93 Authorized. A major portion of the increase in general funds is due to a \$17,467,000 increase in formula programs (8.5 percent over FY93 Authorized). Formula programs make up over 52 percent of the department's general fund budget. The non-formula programs and administration of the department received a 3.3 percent increase in general funds.

MAJOR CHANGES

- Aid to Families with Dependent Children (AFDC) is increased by \$11,766,700 in general funds, \$25,606,000 total funds, to cover an 11 to 15 percent increase in caseloads and to restore the FY93 cost-of-living adjustment (COLA) where legislation to eliminate it failed during the FY92 session.
- A ratable reduction of AFDC to 1991 payment levels (a 6.5 percent reduction in grants) decreases the program by \$3,921,600 in general fund, \$8,600,100 total funds. No COLA increases for FY94 is another reduction of \$960,900, \$2,107,300 total funds.

The Fiscal Year 1994 Budget:

- Adult Public Assistance (APA) is increased \$5,283,100 general funds, \$5,702,700 total funds, for a 10 percent caseload growth.
- A ratable reduction in APA to 1990 payment levels (a 10.7 percent reduction in grants) decreases the program by \$3,815,600 general funds, \$4,051,900 total funds. No COLA increases for FY94 is another reduction of \$572,200, \$607,700 total funds. \$475,200 is expected to be saved by prorating benefits for the month in which an initial application is filed.
- Medicaid programs are increased by \$11,263,000 general funds, \$26,209,400 total funds, due to increases in eligibles, price, and utilization. Funding is being allocated for licensed clinical social workers, psychologists, and chiropractors which were not funded by the 1992 legislature.
- \$684,400 in general funds is added to the General Relief Medical (GRM) Program for increases in eligibles, price and utilization.
- \$743,600 in general funds has been added to Medical Assistance Claims Processing for the management information system and increases in claims volume.
- Residential Child Care is increased \$500,000 general fund, \$720,000 total funds, to accommodate a rate increase recommended in the rate study completed during FY92. The rate study was requested by legislative intent contained in the FY92 budget.
- \$200,000 in general funds is added to Youth Facilities components to assist in personal services and other fixed costs shortfalls.
- \$351,400 general fund, \$539,400 total funds, is added to the Alaska Work Programs component for Family Support Act JOBS case managers, employment counselors and supportive services to meet a federally mandated 31 percent caseload increase .

A legislative overview of the governor's request

- \$296,000 was reduced from the Women, Infant, and Children's Program (WIC). This represents the deletion of the remaining general funds in this program with no supposed federal impact.
- The Post Mortem Examinations component has been reduced by \$300,000 in general funds anticipating a reduction in the number of autopsies ordered. The agency is proposing that only autopsies related to criminal investigations and Sudden Infant Death Syndrome be ordered.
- \$1,109,000 general funds has been added to Harborview Developmental Center to establish a Dementia Unit and expand the existing Sourdough Unit. This long term care wing will accommodate difficult to handle patients now in Alaska Psychiatric Institute (API) and nursing homes that would be more appropriate in the Harborview care and social environment.
- A \$460,000 decrease in federal funds for the Division of Alcohol and Drug Abuse is due to changes in the formula allocating Federal Substance Abuse and Mental Health Services Administration Block Grant funds.
- The department has requested the use of \$345,900 in Mental Health Trust indirect costs based on the agency's federally negotiated indirect cost rate. This could be reduced from the amount included in the front section of the bill dealing with the transfer of Mental Health indirect costs.
- Increases in program receipts for the department include the following: \$352,100 for fees for laboratory services; \$200,000 for fees initiated for the Infant Learning Program; \$865,000 due to the restructuring of the billing procedures of third party payers at API; \$1,100,000 in Child Support Enforcement recovery; and \$400,000 for infant formula rebate increases for WIC.

ORGANIZATIONAL CHANGES

Chapter 26, SLA 1990 authorized the department to seek Medicaid options and waivers for home and community-based care for people in need of long term care for developmentally delayed children, developmentally disabled persons, disabled adults and older Alaskans. Approval of the state's waivers by the federal government will allow for home and community-based care as an alternative to institutional care. \$4,920,600 has been transferred from Medicaid Facilities to fund a new component where Medicaid waivers services will be budgeted.

\$425,800 in general funds is being transferred from Delinquency Prevention to the Family Preservation component. This eliminates general funds used to support programs for youth identified as juvenile delinquents and will use the funding for more intensive services directed to keep families together and reduce out of home placements. Services include sex offender treatment, individual, group and family counseling, emergency shelter care, family mediation, parenting classes, diversion services and home detention services. The Family Preservation component was created in the FY93 budget.

Chapter 74, SLA 1992, established the Human Services Community Matching Grant Program to provide social services that if unavailable could subject persons to serious mental or physical hardship. The services are to be provided through private nonprofit agencies within a municipality. The new program is available to any city with a population over 20,000 and any municipality over 100,000. To fund this program, the department has transferred all funds from the Anchorage and Fairbanks Social Services Block Grants BRU's.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	1,971	1,943	2,003
PPT	94	93	85

DEPARTMENT OF LABOR

The Department of Labor is responsible for enforcing the state's labor laws, providing job placement, paying unemployment claims, reporting labor statistics, public protection through inspections and certification, and training and enforcement of occupational safety and health standards. The department also administers the Alaska Worker's Compensation laws and the Fishermen's Fund.

SUMMARY ANALYSIS

The governor's proposed FY94 budget of \$57,375,700 total funds for the department represents a 1.7 percent increase, or \$947,600 above FY93 Authorized. The general fund request of \$9,579,600 is 6.2 percent, or \$636,800, below FY93 Authorized.

MAJOR CHANGES

- A \$238,000 general fund reduction in Wage and Hour Administration will reduce contractor licensing investigations and certified payroll audits and transfer the fish processor bonding program to the Department of Revenue.
- Reductions to Occupational Safety and Health of \$147,000 in general funds eliminate grant funding for the Alaska Health Project and reflect efficiencies in worker certification programs and consolidation of administrative functions.
- Increased federal receipt authorization of \$906,200 is requested for Employment/Unemployment Services to cover the increased caseload projected for FY94.
- Increases in inter-agency receipts and other funds represent efforts by the department to cover costs of services provided by the various divisions.

The Fiscal Year 1994 Budget:

- The State Training and Employment Program (STEP) sunsets June 30, 1993, and will require legislation and a fiscal note to be continued in FY94. SB 37, as introduced, will extend the STEP program for two years.

ORGANIZATIONAL CHANGES

Three components within the Employment Security BRU, Employment Services, Unemployment Insurance and Youth Employment Services, are combined into a new component entitled Employment/Unemployment Services. These components are largely federally funded and the consolidation is made to simplify the accounting and tracking of the funding and positions for these programs.

The consolidation of data processing resources between the Departments of Labor and Administration required the transfer of nine full-time positions from Labor to Administration. Funding for the positions is provided via Reimbursable Services Agreement with the Department of Administration.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	602	581	591
PPT	148	132	125

A legislative overview of the governor's request

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

The Department of Commerce and Economic Development has responsibilities in two major areas: Public Protection and Development. Public Protection regulates weights and measures, banking, securities and corporations, insurance, occupations and public utilities. Development provides general assistance and access to capital markets for business, coordinates numerous state loan programs, manages programs aimed at key economic sectors such as electric power generation, tourism, aerospace, mining and fishing. Additionally, the department participates in the domestic and international marketing of Alaskan products and attractions.

SUMMARY ANALYSIS

The governor's proposed budget of \$82,468,100 total funds represents a 0.7 percent increase from FY93 Authorized. The general fund request of \$64,276,300 is a 2.6 percent increase, or \$1,607,300. Formula programs for Power Cost Equalization grants and Fisheries Enhancement Tax Receipts represent 33.4 percent of the department's general fund budget. Requested general funds for these programs have decreased 0.5 percent compared to the 4.2 percent increase for agency operations.

MAJOR CHANGES

- Measurement Standards requests \$350,000 in general funds for additional personal services to allow for more complete staffing of weigh stations. The agency is concerned that a portion of Alaska's federal highway moneys could be withheld if the state fails to maintain an effective truck size and weight enforcement program.
- Economic Development requests an increase of \$370,000 in general funds to fully implement the "Making the Case for Alaska" program. This increase includes \$130,000 for regional marketing grants to Alaska Regional Development Organizations (ARDOR's).

The Fiscal Year 1994 Budget:

- Funding for the Alaska Public Utilities Commission was switched from general funds to general fund program receipts beginning in the FY93 budget year. Use of receipts from the Regulatory Cost Charge Program, AS 42.05.253 and AS 42.06.285, continues in the governor's FY94 budget.
- The Alaska Energy Authority operating budget includes the Circuit Rider Maintenance program. Previously, funding was provided in the capital budget.
- The Power Cost Equalization Grants program is funded at \$17,920,000 general funds in the governor's budget. Legislation is being considered which would increase the entry rate from 8.5 to 9.5 cents/kwh, and exclude federal, state, and school facilities from the program.
- The Alaska Aerospace Development Corporation Revolving Fund will be the fund source for the organization's FY94 operating budget. That fund was capitalized by an appropriation of earnings from the Alaska Science and Technology Fund by Ch 136, SLA 92, Sec. 41.
- Total funding for the Alaska Seafood Marketing Institute represents a reduction of \$1,951,000 from the FY93 Authorized level. This change represents a combination of three elements: a) reduced federal support for market promotion of \$1,716,000; b) reduced state general fund support for domestic marketing of \$327,700; and c) increased seafood assessment program receipts of \$92,700.

ORGANIZATIONAL CHANGES

In the Division of Occupational Licensing, two budget components, Administration and Investigations, have been combined into a single component called Operations.

A legislative overview of the governor's request

POSITION SUMMARY

	FY92	FY93	FY94
PFT	443	454	466
PPT	18	17	17

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, and veterans' programs. Within the department, the Commissioner's Office is primarily responsible for military and administrative operations, while the Division of Emergency Services is responsible for the state civil defense and disaster response and recovery plans including loss prevention activities such as river dusting and flood watch programs. The Division of Veterans' Affairs serves as a central point of contact within state government to coordinate veterans' programs and issues, and has administered the Veterans' Death Gratuity Program.

SUMMARY ANALYSIS

The governor proposed a FY94 funding level of \$27,313,500 in total funds and \$9,687,400 in general funds. Total funds increased by \$134,100, or less than 1.0 percent, over FY93 Authorized. General funds decreased by \$117,000, or 1.5 percent. Federal funds also decreased, by 2.0 percent or \$317,200. The net total funds increase is due to other funds, which increased by \$568,300, or 42 percent.

MAJOR ISSUES

- The Disaster Planning and Control BRU increased by \$523,700, or 65 percent, in inter-agency receipts for the Hazardous Materials Response component for personnel and equipment.
- The Army Guard is requesting a decrease of \$317,200 in federal funds. These funds are for environmental projects and will be requested in the capital budget.
- The Air Guard is requesting an increase of \$100,000 general funds to pay for the division director position. This position is not new, but was previously funded with federal funds which are no longer available.

A legislative overview of the governor's request

- Veterans' Death Gratuity Program is not funded in FY94. This is a decrease of \$270,000 in general funds.
- Veteran Service grants were increased by \$143,100 from \$286,500 to \$429,600. The increase includes \$100,000 new funds, and a \$43,100 line-item transfer from contractual.
- Disaster Relief was moved from the department's budget to the front section of the bill. The funding remains at \$7,945,200 total funds, \$5,000,000 federal and \$2,945,200 general funds.

ORGANIZATIONAL CHANGES

The Office of Adjutant General was renamed the Office of the Commissioner.

The Division of Veteran Services personnel, two positions and \$130,000 in general funds, were transferred into the Office of the Commissioner.

The Oil Spill Response Support component is renamed Hazardous Materials Response.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	145	146	145
PPT	4	0	0

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 the current and future public benefits through the prudent stewardship and wise development of Alaska's renewable and non-renewable resources.

SUMMARY ANALYSIS

The governor's proposed FY94 budget for the Department of Natural Resources is \$72,853,400 in total funds, an 11 percent increase, or \$7,332,700 over FY93 Authorized. General funds increased by \$1,225,500, or 2.5 percent, to \$49,003,700.

MAJOR CHANGES

- Fire Suppression is moved to the front section of the bill with an additional funding request. General funds are increased from \$1,997,400 to \$3,788,400. This request is to cover fire suppression fixed costs.
- The Recorder's Office requests a \$220,000 general fund program receipts increment. This increase continues a FY93 legislative revised program approved to restore a FY93 reduction transferring recording responsibilities to local governments.
- Wetland Permitting funding, included in FY93 as a one-time item, is eliminated. This is a \$97,500 general fund decrease.
- Land Development has a net \$340,300 general fund reduction spread to all land projects which includes a \$360,000 general fund increase for the Public Information Center that was offset by decrements to various land projects.

A legislative overview of the governor's request

- Forest Management and Development has a \$791,000 general fund reduction. Most of this reduction is taken in personal services in fire pre-suppression and the director's office projects.
- Mining Development has a \$1,680,300 federal fund increase for the Abandoned Mine Land program.

ORGANIZATIONAL CHANGES

Many of the components are renamed to incorporate the term "Development" into the component name.

The following components were moved from the Management and Administration BRU to the Resource Development BRU: Oil and Gas Conservation Commission, Pipeline Coordinator, Information Resource Management, and DOA Data Processing Chargeback.

The Kawerak Reindeer Grant was moved from the Management and Administration BRU to Agricultural Development BRU.

The Public Information Center is moved from Administrative Services to the Land Development component.

The Fairbanks Office Chargeback is moved from Administrative Services to its own component under the Resource Development BRU.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	661	661	676
PPT	262	265	237

DEPARTMENT OF FISH AND GAME

The Department of Fish and Game is responsible for the maintenance, development, and enhancement of the fish and wildlife resources of Alaska, and to provide for the sustained optimum use of these resources consistent with social, cultural, aesthetic, environmental, and economic needs. In accordance with regulations adopted by the Boards of Fisheries and Game, and the management plans of the quasi-judicial Commercial Fisheries Entry Commission, the department conserves and provides opportunities to use these living resources.

SUMMARY ANALYSIS

The governor's proposed budget of \$92,132,700 total funds represents a 6.4 percent decrease from FY93 Authorized, or \$6,327,000. The general fund request of \$44,256,000 is a 5.6 percent decrease, or \$2,633,000, below FY93 Authorized. Thirty-nine percent, or \$1,024,500, of the decrease in the agency's total general fund authorization represents a reduction in general fund program receipts due primarily to the proposed privatization or closure of selected hatcheries discussed below.

MAJOR CHANGES

- The Division of Commercial Fisheries seeks an increase of \$185,300 in general fund program receipts for a statutorily required crab pot identification system related to the implementation of a king and Tanner crab pot limit for the Bering Sea crab fisheries.

The division also proposes to reallocate over \$300,000 in currently authorized general fund program receipt authority to support ongoing efforts to manage fishery resources for maximum sustained yield, particularly for the recently initiated Community Development Quotas and onshore/offshore allocations.

A legislative overview of the governor's request

- The Division of Sport Fisheries proposes to increase the number of projects designed to obtain management information about wild stocks of chinook salmon, and to emphasize programs to enhance sport fisheries for coho salmon in urban areas. These program expansions will be funded with the sport fishing license fee increase and king salmon tag that go into effect in January 1993.

The division also seeks an increase of \$211,800 in Capital Improvement Project (CIP) receipts. This represents a federally mandated increase of 2.5 percent in the Federal Aid in Sport Fish Restoration Program set-aside requirement for boating access projects.

- The Fisheries Rehabilitation and Enhancement Division (FRED) proposes to transfer management responsibility, personnel, and associated costs for the Elmendorf and Fort Richardson Hatcheries and the Broodstock Development Center, to the Division of Sport Fisheries.

The division also proposes to close or transfer four hatcheries in FY94 (Deer Mountain, Klawock, Big Lake, Crooked Creek). A transfer would require the regional association to develop the necessary infrastructure to continue hatchery operation. State support for three other hatcheries (Gulkana, Kitoi Bay, Pillar Creek) is being deleted.

Ninety-two percent, or \$6,885,700, of the agency's total \$7,475,800 reduction in federal funds is a technical adjustment to FRED's Special Projects component to bring federal revenue estimates in line with actual anticipated federal receipts.

- The Division of Wildlife Conservation seeks approval for funding of a new position, \$100,000 Fish and Game Funds, to coordinate the department's participation in the U.S. Forest Service's New Perspective Planning Effort in the Tongass National Forest. The request will continue a FY93 legislative revised program.

The division also proposes to reprogram \$109,700 in total funds from other projects to cover implementation of wolf management programs spread among the existing moose, caribou, and wolf management projects.

- The Boards of Fisheries and Game request \$492,000 additional general funds: \$130,100 for Boards Services; \$361,900 for Advisory Committees and Regional Councils. The funds will support existing staff, extensive travel, copying and distribution costs associated active public participation in the regulatory review process.
- The Division of Subsistence is reduced 11.4 percent below the FY93 Authorized level, a decrease of \$42,000 general funds and \$210,300 federal funds. The general fund reduction will result in the closure of the Kotzebue office and the reassignment of staff to Fairbanks.

ORGANIZATIONAL CHANGES

The former Habitat Division, and the Oil Spill Impact Assessment and Restoration Division (OSIAR) have been merged to form the Habitat and Restoration Division. No changes in program goals are proposed, and no changes in the level or methods of delivery, or the basic services provided, are anticipated under the new organization.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	778	768	748
PPT	841	815	772

DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety is the state's primary law enforcement agency. The department's basic function is to safeguard the lives and property of citizens. Public Safety's responsibilities include enforcement of criminal laws, providing public protection programs for fire and traffic safety, enforcement of fish and game regulations, operating the state's forensic crime laboratory, and administering a training academy for public safety personnel.

SUMMARY ANALYSIS

The governor proposed a FY94 total funding level of \$95,823,900 and a \$89,269,100 general fund level. This represents a 4.4 percent increase in total funds, \$4,050,300; and a 4.4 percent increase in general funds, \$3,742,400; when compared to FY93 Authorized.

MAJOR CHANGES

- A net general fund increase of \$2,035,100 is proposed for the Alaska State Troopers (AST) BRU. The requested funding level is intended to allow 256 commissioned officer positions be filled in FY94. While 258 positions are currently authorized, the department estimates that funding will be available for only 242 by July 1, 1993. No new trooper positions are requested, but \$815,600 of the AST increase will fill fourteen of the positions expected to be vacant at year end. In the Statewide Services BRU, \$532,400 general funds are budgeted for a State Trooper academy to train the new recruits.

Related general fund requests in the AST BRU and Village Public Safety Officer Support component are intended to hold off further attrition in the commissioned officer ranks: \$977,800 to restore underfunded personal services and increase overtime from six hours to ten per month; \$462,000 to pay increased, PSEA benefit/leave cash-in rates.

The Fiscal Year 1994 Budget:

- Motor Vehicles Field Services proposes a \$350,000 general fund program receipts increase to restore seasonal services eliminated in FY92. The eighteen new seasonal positions will reduce public wait times at field offices and for road tests.
- Fish and Wildlife Enforcement's FY94 general fund request is \$268,300 more than FY93 Authorized. The level of funding would increase seasonal position staff months by 42.5, fund \$240,700 of the operating costs of the used twin engine aircraft authorized in the FY93 capital budget, and pay mandatory leave cash-in rate increases of \$148,000. Several decrements are proposed to offset these increases including \$125,000 realized savings from having to dry-dock the P/V Vigilant, and \$82,800 from reducing employee transfers. Overtime and vacancy are not addressed. The division predicts one additional full-time trooper will be forced vacant in FY94, for a new total of six, and overtime will continue at five hours per month per trooper, half of the allowed amount in FY92.
- A FY94 general fund increase of \$622,500 is proposed for Contract Jails. The same amount will be requested as a FY93 supplemental.

ORGANIZATIONAL CHANGES

No organizational changes are reflected in the budget; however, the department has reorganized its detachment structure during the interim. The Alaska State Trooper's six separate detachments have been consolidated into four. Fish and Wildlife Protection has been reorganized into the same detachment structure. Both divisions now share the same detachment geographic boundaries.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	843	838	839
PPT	46	45	63

**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 shore facilities, vessels, airports, highways, ports and harbors, erosion control and related facilities.

SUMMARY ANALYSIS

For FY94, the governor's proposed budget for the Department of Transportation and Public Facilities is \$330,386,700 total funds, less than 1.0 percent lower, or \$1,920,900, from FY93 Authorized. The department is requesting \$128,079,000 in general funds for a 2.0 percent decrease, or \$2,657,100, from FY93 Authorized. \$29,000,000 in general funds for the Alaska Marine Highway are requested in the front section of the governor's FY94 budget bill.

MAJOR CHANGES

- A decrease of \$606,300 in general funds for Design and Construction and Administrative Services was replaced by a CIP increase. This change was due to the implementation of the indirect cost allocation plan.
- The decrease of \$370,200 in federal funds for Disadvantaged Business Enterprise/External Equal Employment Opportunity and Internal Review was replaced by an increase in CIP receipts for on-the-job training support services and for federal audit requirements.
- \$1,000,000 general funds were deleted from the front section Marine Highway appropriation for operations.

A legislative overview of the governor's request

- \$499,900 in general funds were deleted from the Retirement Incentive Program as funding for prior obligations is no longer necessary.
- \$759,900 in general funds were taken from Maintenance and Operations (M&O) BRUs, largely highways and aviation maintenance, including: \$273,000 from Central Region; \$250,000 from Northern Region; and \$100,000 from Southeast Region.
- New highway/facility maintenance increments totaled \$1,258,800 general funds. The M & O BRUs took additional reductions to those outlined above to offset these maintenance increments.

ORGANIZATIONAL CHANGES

Statewide Leasing/Property Management was consolidated with Statewide Aviation Planning. The employee housing program, which was previously part of Statewide Leasing, was transferred to the Central and Northern Region M & Os.

Airport Leasing and Property Management was transferred from Interior M & O to Northern Region Administrative Services.

Both the Anchorage and Fairbanks International Airports have added an Operations component. International Airport funds and positions were transferred from the Safety and Administration components.

Western District M & O deleted the Administration component and transferred \$57,000 general funds and one position from that component to Highways and Aviation.

Southcentral District M & O deleted the Administration component and transferred \$167,500 general funds and two positions to Highways and Aviation.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	2,738	2,693	2,670
PPT	780	786	786

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

The Department of Environmental Conservation is a technical assistance, regulatory, and grant-in-aid agency responsible for protecting the environment and public health. The agency prevents or responds to air, land, and water pollution; enforces basic standards of sanitation in public facilities; assures wholesome meat, fish, and dairy products for consumers; and provides financial and technical assistance to municipalities and local communities for water, sewer, and solid waste projects. It has broad responsibilities in the highly technical area of pollutant and hazardous waste control. It also has lead agency responsibility for oil spill management, and oversees the disposition of the Oil and Hazardous Substance Release Response Fund.

SUMMARY ANALYSIS

The governor's proposed FY94 budget of \$61,990,300 total funds shows a 30 percent decrease, or \$27,124,800, from FY93 Authorized. This significant reduction is attributable mainly to the reduction of funding authorization for the Oil and Hazardous Substance Release Response (OHSRR) fund. The total general fund request of \$21,169,100 for FY94 is less than 1.0 percent, or \$498,000, above FY93 Authorized.

MAJOR CHANGES

As of this writing no detail budget information has been provided to Legislative Finance Division. No analysis of the agency's FY94 proposal is possible at this time.

ORGANIZATIONAL CHANGES

The agency reclassified the Director of Administrative Services position to an assistant commissioner position, and deleted a special assistant to the

The Fiscal Year 1994 Budget:

commissioner position. The assistant commissioner is responsible for coordinating all legislative related activities, and the agency's operating and capital budgets.

The agency proposes to implement a major reorganization plan in FY94. The proposed plan will maximize the agency's funding flexibility, and create a highly decentralized management structure. Highlights of the plan include:

- Reduce the number of appropriation levels from five to two.
- Establish a new Regional Services BRU containing four new components; Southeast Region Operations, South Central Region Operations, Northern Region Operations, and Pipeline Corridor Operations; with the funding allocations and staff for all environmental quality and spill prevention and response activity on a regional rather than program basis.
- Collapse the Spill Prevention and Response BRU and the Environmental Quality BRU into a single BRU; transfer all project activity out of this BRU and into the new Regional Services BRU, and establish two new components, Environmental Quality Program Development and Spill Prevention and Response Program Development. The new components will identify only Environmental Quality Division and Spill Prevention and Response Division administrative and program development staff and related costs.
- Establish an Exxon Restoration BRU to delineate the department's activity in this area in the operating budget.
- Transfer the Facility Construction and Operations BRU out of the Natural Resource Management program area, and into Public Protection. This will commingle the Village Safe Water Program within the Environmental Health appropriation.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	480	489	491
PPT	14	10	21

DEPARTMENT OF COMMUNITY & 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 three major formula funded grant programs: Senior Citizens/Disabled Veterans Tax Relief; the State Revenue Sharing and Municipal Assistance Programs; and Organizational Grants. In addition, it administers the Day Care Assistance Program and Child Care Grants; Rural Development Grants; and Community Development Block Grants. The department is also responsible for implementing the Job Training Partnership Act, the State Employment and Training Program, and the Municipal Lands Trustee Program required by the Alaska Native Claims Settlement Act.

SUMMARY ANALYSIS

The governor's proposed FY94 budget of \$124,406,300 total funds for the department represents a 15.6 percent decrease, or \$23,029,600, below FY93 Authorized. The general fund request of \$89,568,300 is a 21.1 percent decrease, or \$23,959,400, below FY93 Authorized. The general fund decrease is due to the elimination of the Senior Citizens/Disabled Veterans Tax Relief Programs, shifting the Organizational Grants program to the capital budget, and a reduction to the Revenue Sharing and Municipal Assistance Programs.

MAJOR CHANGES

- Alaska Legal Services Corporation, funded in part as a pass-through grant from the Commissioner's Office, is reduced by \$100,000 general funds.
- \$358,900 in State Training and Employment Program (STEP) funding, awarded in FY93 as a one-time designated grant to the Fairbanks Native Association for a model employment program, is deleted.

A legislative overview of the governor's request

- General funds for Municipal Assistance are reduced 25 percent, or \$10,729,000, below the FY93 Authorized level, and general funds for Revenue Sharing reduced 25 percent, or \$8,820,000, below FY93 Authorized.
- Funding for Senior Citizens/Veterans' Tax Relief programs, \$3,658,800 general funds, is eliminated. Legislation to implement an optional exemption will be introduced this session.
- The agency seeks a \$1,500,000 increment for inter-agency receipts in the Statewide Assistance component. Funds would be transferred from the Department of Revenue. Effective July 1, 1992, all revenues collected under the State Fisheries Tax, but not previously shared, will be subject to additional sharing by the Department of Community and Regional Affairs.
- The agency proposes a 6.0 percent reduction in funding to the Day Care Assistance component. This includes a decrease of \$40,400 federal funds for the Child Care Development Block Grant; a decrease of \$88,400 general funds for the Day Care Assistance Program; and a decrease of \$411,600 general fund match and \$448,600 in inter-agency receipts for the At-Risk Assistance Program. This proposal is based on lower than anticipated applications for day care assistance in FY93 (based on October 1992 projections), and technical adjustments to federal receipt authority and related general fund match requirements.
- The agency seeks a \$100,000 increase in federal funds for a Head Start State Collaboration Project. This represents second year funding for the project approved in FY93 by the Legislative Budget and Audit Committee.
- The agency seeks an increase of \$375,000 inter-agency receipts in the Training and Development component. Funds would be transferred from the Department of Environmental Conservation (DEC) to help support the Remote Utility Business Assistance (RUBA) Program. The RUBA program focuses on communities that are having difficulty managing the financial aspects of their utility. Funding availability is contingent upon

legislative support for DEC's proposed FY94 Village Safe Water capital budget.

- The agency seeks an increase of \$322,900 general funds and four new full-time positions in the Community Development Assistance Program component to replace funds and positions transferred to the Alaska Housing Finance Corporation (AHFC) under Ch 4, FSSLA 92.
- In addition, an increase of \$64,200 in general funds is included in the Statewide Service Delivery component and \$38,700 general funds in the Administrative Services component to replace funds transferred to AHFC.
- Funding for organizational grants, \$125,000 general funds, will be included in the FY94 capital budget.

ORGANIZATIONAL CHANGES

The agency has reorganized the Rural Development Division and changed the name to the Division of Community and Rural Development as a result of three programs and forty-two positions being transferred to AHFC to consolidate state housing programs.

In the Local Government Assistance BRU, the former ANCSA Plan of Survey component has been renamed Land Management and Planning Assistance.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	194	139	149
PPT	3	5	4

DEPARTMENT OF CORRECTIONS

The primary responsibilities of the Department of Corrections are to administer the state's penal institutions and supervise the probation and parole of offenders. As part of an effort to rehabilitate inmates, the department manages education and sex offender programs, alcohol counseling, medical services, and community residential and restitution centers.

SUMMARY ANALYSIS

The governor proposes a FY94 total funding level of \$123,963,000, of which \$120,000,000 are general funds. This represents a 11.4 percent increase in total funds, \$12,702,800, and an 11.3 percent increase in general funds, \$12,205,700, over the FY93 Authorized budget.

MAJOR CHANGES

The Department of Corrections provided only net personal services and net total other line item funding differences by component. Only "major" changes were identified, without explanation, and absent specific line item information.

- \$8,081,200 of the total general fund increase over FY93 Authorized can be found in the twelve correctional institution components. The major changes to the institution budgets include increasing personal services to reduce vacancy to 1.5 percent at all institutions; reopening the sentenced portion of Wildwood Correctional Center; increased costs of utilities, household and institutional supplies; the restoration of five Correctional Officer positions at Fairbanks Correctional Center due to inability to implement double bunking at that institution as the FY93 budget plan envisioned; and the creation of three new positions at other institutions.

Approximately half of the institutions' general fund increase, \$4,392,100, is in the Wildwood component, and includes both reopening the sentenced

part of the correctional center, and increasing personal services to reduce underfunding to 1.5 percent.

- \$1,612,700 in general funds are included for increased costs of Inmate Health Care professional services and guard hire contracts, and medical and dental supplies.
- In the area of intermediate sanctions, \$187,100 general funds are included in the Community Corrections Director's Office for "program initiatives."
- Personal services lines in the regional probation components have been increased to reflect reduced vacancy rates of 1.5 percent in Northern and Southcentral regions, and 1 percent in Southeast. Personal services lines in all other non-institution components have been adjusted, where necessary, to the OMB minimum vacancy rate.
- Seventy-four new positions are identified in the request, including forty-nine to reopen Wildwood.

ORGANIZATIONAL CHANGES

The budget structure of the department has been reorganized into six BRUs where there were two. The new BRU's are Commissioner's Office, Administrative Services, Statewide Programs, Correctional Industries, Institutions, and Community Corrections. A seventh BRU, Statewide Operations, has been retained from the FY93 budget structure to temporarily hold the unallocated reduction components from FY93 until they phase out of the budget system.

One new component has been created, Correctional Academy, and funds and positions transferred in from Administrative Services. The new component is in the Commissioner's Office BRU.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	1,316	1,244	1,317
PPT	2	3	2

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

Funding for the state's higher education programs represents 10.7 percent of expenditures from all state funds and 7.8 percent of general fund operating expenditures proposed in FY94.

The governor's proposed FY94 budget for the University of Alaska is \$171,022,500 general funds, which is a 3.0 percent increase, \$4,981,200, from FY93 Authorized. The total funds budget of \$385,293,200 is a 9.0 percent increase from FY93 Authorized and a 20.7 percent increase from FY92 Actual.

MAJOR CHANGES

The Governor's Office has included all increases requested by the university, \$20,704,300, but has offset the increases with a corresponding unallocated reduction of (\$15,723,100), to bring the total budget for the university to the final requested level. It is not known how the university will distribute the reduction nor which increments will be reduced or eliminated. The following is a summary of requested increments:

- \$3,370,800 in general funds, \$6,530,800 total funds, has been requested to provide 80 percent of the funds needed for salary and benefit increases adopted by the Board of Regents and for a 4.05 percent increase in Public Employees Retirement rates.

A legislative overview of the governor's request

- \$3,149,500 in general funds has been requested to cover 80 percent of fixed cost increases system wide. Some of these costs include: federal audit compliance; maintenance, custodial and utilities related to completion of the basement of the Butrovich Building (unrelated to supercomputer) and the University of Alaska, Anchorage (UAA) laboratory and classroom building; academic computer and scientific equipment maintenance costs; federal match increases for various grant programs; increased costs of library periodicals, costs of compliance with Drug Free Work Place regulations and Assistance for Americans with Disabilities Act; increased production costs of academic schedules and college catalogs; hazardous materials handling; increased cost of travel for intercollegiate athletic teams; increased costs of utilities and physical plant operation; and ash disposal.
- \$2,666,500 general fund, \$3,166,500 total funds, has been requested by the three major academic units for building maintenance, renewal and replacement. The increases will bring to full funding the campuses' maintenance needs based on a formula using total square feet and replacement value of the buildings.
- \$3,608,00 has been requested as basic support to UAA instruction and University of Alaska, Southeast (UAS) student assessment. Funding to UAA will begin a phase-in of the instruction resource allocation model which has indicated underfunding of instruction at the Anchorage campus. Funding to UAS will provide a student portfolio system to assess new students' writing skills.
- \$7,909,500 in general funds, \$8,230,200 total funds, has been requested to meet enrollment demands and accreditation. The following is a list of some areas requesting funds: undergraduate programs staff and support, graduate fellowships and stipends, professional programs support, continuing education and technical service coordinators, developmental learning centers, financial aid offices, shuttle bus service, institutional research enhancement, native bridging programs, rural student advising and counseling, staff development, academic affairs staff, new labor

relations and contract management, human resource development system needs, and library staff and materials acquisition.

- \$22,792,500 restricted receipts revenue and expenditure authority, in addition to what is mentioned above, has been requested by the university. Of that amount, \$6,488,200 represents authority for increased student tuition and fees approved by the Board of Regents in June to offset general fund budget reductions. Other increases are needed in the following areas: federal aid awards, computer network costs, bookstore operations, CIP overhead, supercomputer operations, Juneau's Elderhostel Program, Sitka's new student housing, and student fees to retire revenue bonds for and to operate University of Alaska, Fairbanks (UAF) student recreation center.

ORGANIZATIONAL CHANGES

Regional vocational technical education BRU's are being eliminated by transferring the programs to specific campuses. The administration believes that program activities can be adequately accounted for at the campus level. This will reduce the ability of the legislature to review funding for these specific programs.

CIP Overhead BRU is transferred to the main campuses. This reflects the transfer of Facilities Planning and Construction CIP staff and physical plant support to the regions.

UAA is absorbing funding for Alaska Center for International Business and Anchorage Organized Research. The university's budget states that the transfers are technical and necessary to affect organizational and accounting requirements. This will reduce the ability of the legislature to review funding for these specific programs.

Within all BRU's Sponsored Programs and Research Sponsored have been transferred into other appropriate components. This transfer is technical in nature and does not eliminate the ability to track these restricted funds.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	3,243	3,243	3,240
PPT	295	295	296

ALASKA COURT SYSTEM

The Alaska Court System is the judicial branch of state government under the authority of Article IV of the *Alaska Constitution* 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 courts are established in the *Alaska Constitution*; the district courts and court of appeals, by statute.

The Court System budget is presented in three components: Appellate Courts, Trial Courts, and Administration and Support. The Commission on Judicial Conduct and the Judicial Council are budgeted separately.

SUMMARY ANALYSIS

The governor has forwarded the Court System's FY94 budget request proposing a funding level of \$45,115,900 general and total funds. This represents an increase of 3.8 percent over the Court System's FY93 Authorized budget.

MAJOR CHANGES

- The courts have requested \$508,300 general funds for eleven new positions for the Trial Courts. The positions are varied, *e.g.*, Court Clerk I, Law Clerk I, Rural Court Trainer/Area Court Administrator, Facilities Maintenance Supervisor, and would impact courts in Ketchikan, Nome, Barrow, Kotzebue, Anchorage, Dillingham, Unalaska, Fairbanks, Wrangell, Valdez, and Craig.

A legislative overview of the governor's request

- \$148,500 is included for space rental in Haines, Skagway, Ambler, St. Marys, and Galena, and the operation and maintenance costs of the new Kenai courthouse.
- \$401,200 would be allocated for increased juror compensation.
- Other requests include four new positions to respond to workload created by the Victims' Rights Act, \$134,800, and two new non-permanent positions for a one-year Mediation Pilot Project, \$123,300.
- \$337,500 is proposed for four new administrative positions, as well as additional warehouse space.

POSITION SUMMARY

	FY92	FY93	FY94
PFT	627	630	648
PPT	30	32	33

COMMISSION ON JUDICIAL CONDUCT

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

SUMMARY ANALYSIS

The commission has submitted a request at their FY93 Authorized level, \$278,400 general funds. The only change is the deletion of a part-time position. The commission intends to phase out their investigator position after a backlog of pending complaints is cleared. The personal services funds associated with the position are transferred to the contractual line. Contracted investigator services will be used if needed in the future.

JUDICIAL COUNCIL

The Judicial 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 in Alaska. The council is also mandated by statute to nominate candidates for vacancies in the court of appeals, district courts, and public defender position. The council is also empowered by statute to evaluate justices and judges in retention elections.

SUMMARY ANALYSIS

The Judicial Council requests \$788,800 for FY94, a 31 percent increase above FY93 Authorized.

MAJOR CHANGES

- \$88,400 general funds are included at the request of the Alaska Sentencing Commission to continue the commission's research analyst position in the Judicial Council's budget. The Sentencing Commission is discontinued after FY93. The research analyst would continue data collection and use of a comprehensive, unified criminal justice database intended to allow analysis of the impacts of a policy or budgetary change on any agency in the criminal justice system.
- The Alaska Sentencing Commission has also requested that \$30,600 general funds be added to the Judicial Council's budget to fund a second project, writing and distributing an explanatory guidebook for the public on Alaska's criminal justice and sentencing system.
- \$68,000 general funds are requested to evaluate the effectiveness of medical malpractice peer panels using an Alaska Medical Association database, and compare the effectiveness of Alaska's system with other states'.

ALASKA STATE LEGISLATURE

The Alaska State Legislature is the legislative branch of state government as provided in the *Alaska Constitution*. The four budget request units are Budget and Audit Committee, Legislative Council (Legislative Affairs Agency), Legislative Operating Budget (Leadership), and the Ombudsman.

SUMMARY ANALYSIS

The legislative budgets are tentative and are included in the governor's proposed budget for information purposes. The actual legislative agency requests are submitted by the legislative agencies to the finance committees during session and the actual appropriation levels will be determined by the legislature.

The tentative funding levels for the four budgets request units are proposed at or below the FY93 authorizations.

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