

# **The Fiscal Year 1997 Budget:**

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

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**Legislative Finance Division**

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## INTRODUCTION

*As required by statute, the Governor's proposed Fiscal Year 1997 budget was made public in draft form on December 15, 1995.*

*The Governor's recommended budget is to be formally presented to the Legislature on January 11, 1996, and will likely include changes to the December 15 draft.*

*Following is an analysis of the December 15 version:*

## STATEWIDE ANALYSIS

*Beginning with the FY97 budget process, the focus on general fund spending will expand to include all funding sources -- general, other state funds, and federal funds. In that light, the spending plan included in this legislative overview document now reflects all fund sources -- for revenues and expenditures. The legislative fiscal analyst's analysis continues to emphasize the general fund portion but attention is directed to all funds where appropriate.*

The Governor's spending plan proposes to reduce FY97 expenditures by \$ 35 million, with \$ 31.8 million actually achieved as follows:

Operating		- 3.3
Agencies (non-formula)	0.8	
Formula programs	- 4.1	
Debt Service		-14.7
General Obligation	- 3.0	
School Reimbursement	-11.7	
Capital		0.3
Special Appropriations/Fund Transfers		0.1
Supplementals		- 1.0
Major Reductions requiring legislation		-13.2

NOTE: The difference between the proposed \$35 million reduction and the \$31.8 million amount lies in the divergence between the Governor's overall spending plan document and the actual elements of the draft appropriation bill: Court System-operating \$2.3 million, School Debt Reimbursement \$0.1 million, and Special Appropriations/Fund Transfers \$0.8 million.

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## OPERATING BUDGET

The Governor's proposed \$2.2 billion general fund operating budget includes two major segments: state agency operations and formula programs.

	FY95 Act	FY96 Auth	FY97 Gov
Operating budget (\$millions, rounded)	2,188.4	2,200.4	2,205.9
Agency operations	1,155.5	1,126.3	1,135.9
Formula programs	1,032.9	1,074.1	1,070.0

The Governor's fiscal year 1997 recommendation for agency operations which support the costs of administering state government and providing public services is \$ 1.136 billion -- 51.5 percent of the operating budget.

The Governor has included roughly \$ 8.5 million general funds in the agencies' operating budget to fund the increased personal services costs of state employee salaries and benefits for those covered by collective bargaining agreements and similar increases for executive branch non-covered employees. Total cost of the executive branch salary and benefits increase from all fund sources amount to approximately \$ 14.4 million.

As noted in the preceding summary analysis, the Governor proposes to offset operating expenditure increases with reductions in other areas. Implementing legislation is required to effect savings -- \$ 5 million of the \$ 13.2 million to the operating budget from a proposed retirement incentive program for state employees. Much of the balance would come from proposed legislation to reduce longevity bonus payments by \$6.0 million described below under the formula programs.

Fiscal year 1997 funding for formula programs appropriated as payments to municipalities, non-profits, and individuals are proposed at a general fund level of \$ 1.07 billion or 48.5 percent of the operating budget. Compared to the past two years, the percentage of the operating budget allocated to formula programs was 47.2 percent in FY95 and 48.8 percent in FY96.

Formula Programs flow through the operating budget to municipalities, non-profits, or individuals: K-12 Education/Foundation support, municipal assistance and revenue sharing, health and social services assistance, and longevity bonus payments being the major ones. By far, the largest single formula expenditure in the budget is under the education support category with \$ 654.4 million general funds included in the Governor's proposed budget. The Governor recommends no increase in general fund support even though the projected higher student enrollments driving the formula result in a \$ 6.5 million increased full-funding

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need. Instead of increased general funds, the Governor proposes to use other funds--Public School Fund to finance the increase. The additional Public School Funds are available through a one-time \$ 3.4 million "accounting change" and the use of a \$ 3.0 million higher projection of income to the fund during the upcoming budget year.

Local assistance through municipal assistance and revenue sharing at \$ 53.6 million are also a significant portion of formula program spending which the Governor proposes to reduce by eight percent in FY97, almost \$ 4.7 million. The Governor also proposes to eliminate the \$ 1.2 million in current funding for the homeowner's portion of senior citizen property tax relief by making it a local option, but maintains funding for the renters' rebate at a slightly reduced level.

Health and Social Services formula programs account for \$262 million of the formula total with only a slight increase in general fund support over the FY96 budget level. Flat caseload projections and anticipated federal and state welfare reform efforts make this possible. The Governor's skeletal plan for welfare reform is to be fleshed-in with more specific information, including proposed legislation.

The Governor proposes a major change to the longevity bonus formula program with forthcoming legislation to install an income cap for eligible seniors. The Governor's spending plan claims \$ 6 million in savings with this measure. If this legislation is not enacted, additional funding may be needed to fund the present program--currently estimated at \$300,000.

### **DEBT SERVICE**

The debt service portion of the spending plan consists of three parts: repayment of general obligation bond principal and interest (G.O. Debt), school construction debt reimbursement, and lease purchase obligations for court, correctional, and general office facilities.

	FY95 Act	FY96 Auth	FY97 Gov
Debt Service (\$million)	133.0	109.4	94.7
G.O.	18.5	19.5	16.5
School	103.3	80.3	68.6
Lease	11.2	9.6	9.6

General obligation bonds provided for a variety of capital improvement projects authorized by law and approved the voters in earlier years. Debt service requirements have sharply tailed off in recent years because the state limited the maturities of these issues to conform with projected oil production in the Prudhoe Bay field and no additional obligations have been incurred. The amount for G.O. debt drops \$ 3.0 million from \$19.5 million in FY96 to the \$ 16.5 million requirement in fiscal year 1997.

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Requirements for state general fund school construction debt reimbursement are projected to drop \$ 11.7 million from the FY96 amount to \$ 68.6 million in FY97.

Projections for lease debt funding remain flat at \$ 9.6 million for fiscal year 1997.

## **CAPITAL BUDGET**

The Governor's initial FY97 spending plan earmarks \$ 110.2 million in general funds for the capital budget. An appropriation bill and specific project information are to be provided during the session.

Disclosure of the Governor's spending plan did include reference to the transfer of \$ 6.2 million in items traditionally contained in the capital budget to the operating budget, e.g., motor vehicle license plates, marine highway system vessel overhaul, and other ongoing needs.

## **LOANS PROGRAMS**

The Governor's proposal for loans program funding consists of a single item: a general fund appropriation of \$ 1.5 million for the Alaska Clean Water Fund, the same level as the previous year.

## **FUND TRANSFERS/SPECIAL APPROPRIATIONS**

Normally included under this category and for FY97 as well, are the appropriation of oil production five cents per barrel surcharge revenues from the general fund to the oil and hazardous substances release-prevention (\$.03) and response accounts (\$.02); and from the prior fiscal year ending balance of the mitigation account in the general fund to the Storage Tank Assistance Fund. Even though numbers are included in the spending plan each year, the actual amounts transferred are dependent on production, revenue collections and the status of the account balances. Currently these transfers are in the annual range of \$ 16-to-\$17 million.

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## REVENUES

The Governor's spending plan is financed through a combination of unrestricted general fund revenues, user fees, special taxes, payments from the Alaska Housing Finance Corporation, and withdrawals from the Constitutional Budget Reserve (CBR).

The fall 1995 revenue forecast for FY97 has unrestricted general funds declining \$ 43.7 million from fiscal year 1996 primarily from reduced petroleum production estimates--the price per barrel relatively flat at \$16.41 in FY97 compared to \$16.36 estimated for FY96.

Earmarked user fees are proposed to increase by over \$ 5 million in the Governor's budget.

The Governor also proposes to increase taxes on motor fuel--highway and marine, tobacco and tobacco products, and alcohol to generate approximately \$ 80 million in additional revenues for FY97. The Governor's plan would have revenue collections under the increased rates begin in October 1996 resulting in 75 percent of what would be the annual amounts:

	FY97 Increase (rounded)
Fuel tax -	
-Highway	\$ 29 million
-Marine	4 million
Tobacco	32 million
Alcohol	15 million

The Governor's revenue package to balance FY97 spending includes \$ 50 million from the Alaska Housing Finance Corporation in annual return-to-the-general funds payment for FY97, compared to the FY96 payment of \$ 70 million.

The Governor's spending plan requires an estimated \$444.2 million withdrawal from of the Constitutional Budget Reserve fund compared to \$429.4 estimated for FY96, an increase of \$ 14.8 million to balance the fiscal year 1997 budget.

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## **STATE'S INTEGRATED COMPREHENSIVE MENTAL HEALTH PROGRAM**

<b>FY96 AUTHORIZED</b>	<b>114,726.3</b>
<b>FY97 AMHTA REQUEST</b>	<b>115,692.2</b>
<b>FY97 GOVERNOR RECOMMENDED</b>	<b>108,851.3</b>
General Fund/Mental Health	108,851.3

The Alaska Mental Health Trust Authority (AMHTA) proposed a separate appropriations bill for the state's integrated comprehensive mental health program under the settlement provisions of the Alaska Mental Health trust litigation. Funding recommendations were made by the four beneficiary groups: the Alaska Commission on Aging, Governor's Council on Disabilities and Special Education, Alaska Mental Health Board, and the Advisory Board on Alcohol and Drug Abuse. The AMHTA made the final decision about what would be included in the state's integrated comprehensive mental health program. In particular, funding recommendations included changes in the allocation between general fund and general fund/mental health funds. However, the recommended changes did not affect the overall operating base for a particular program. The Governor made changes to the AMHTA recommendation. The majority of funding in the state's integrated comprehensive mental health program is for the Department of Health and Social Services. Other departments that have funding recommendations in the separate mental health bill are the Department of: Administration, Law, Education, Corrections, The University of Alaska, and the Alaska Court System.

The AMHTA has agreed to fund part of the operating costs of Harborview Development Center in the Department of Health and Social Services from mental health trust settlement income funds (MHTSIA) while the department agreed to fund certain community mental health services. In addition, the AMHTA agreed to fund an additional Healthy Families site with MHTSIA funds. Their total funding commitment in the state's integrated comprehensive mental health program is \$1,945,000 MHTSIA.



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## **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, justice, and regulatory agencies. These functions are performed by Senior Services, Public Defender, and the Office of Public Advocacy. The following boards and commissions are also administered by the department: Alaska Commission on Aging, Citizen's Review Panel for Permanency Planning, Pioneers' Homes Advisory Board, Alaska Public Offices Commission, Public Broadcasting Commission, and the Alaska Oil & Gas Conservation Commission.

### **MAJOR CHANGES**

- The proposed budget for the Pioneers' Home would increase the rates charged to residents in order to realize an additional \$2,825,000 in general fund program receipts. Of this, \$2,000,000 is a fund switch from general fund to general fund program receipts. The increments totaling \$825,000 would increase direct care staff in the homes and create a new section to collect income and asset information from residents and applicants.
- Contained in all state agencies budgets are adjustments for Risk Management and Information Services Chargeback Services. The Risk Management increase is to fully reflect the cost of routine risk management claims. In the past couple of years, the risk management fee charged to state agencies has not reflected the actual cost of routine claims. Instead some routine claims have been paid from the state insurance catastrophe reserve account described in AS 37.05.289(a) instead of from the risk management appropriation. The Information Services Chargeback reductions reflect the cost of reduced rates as a result of the rate setting process and savings from software licensing fees since the mainframe at the Anchorage Data Center is no longer used.

### **ORGANIZATIONAL CHANGES**

At the beginning of FY96, the Labor Relations function was separated from the Division of Personnel. Labor Relations employees now report to the Commissioner's office. A new component has been created to reflect this in the FY97 operating budget. A new BRU, Legal and Advocacy Services, was created for the Public Defender Agency and Office of Public Advocacy components. In FY96, these were separate appropriations. The Computer Services and Telecommunications Services components are consolidated into a new component called Information Services.

In FY97 a new BRU, Public Communications Services, is created to consolidate funding for public broadcasting. Included are: Alaska Rural Communications Services (ARCS) which replaces RATNET, Public Broadcasting Commission, Public Broadcasting - Radio, and Public Broadcasting - TV. The Public Broadcasting - Radio, and Public Broadcasting - TV. components were under the Statewide communications Services BRU.

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## DEPARTMENT OF ADMINISTRATION

<b>FY96 CONFERENCE COMMITTEE</b>	<b>256,025.9</b>
Fiscal Notes	284.8
Special	250.0
Veto	-80.0
<b>FY96 AUTHORIZED</b>	<b>256,480.7</b>
One-time Items	-250.0
Agency Transfers In	318.5
Agency Transfers Out	-6.9
Labor Agreements Front Section	50.0
Salary Adjustments	808.1
Risk Management	3,670.4
Info Svcs Chargeback	-1,919.5
Public Defender Agency/Office of Public Advocacy	448.8
Administrative Services	41.8
Personnel	183.3
Leasing	975.0
Miscellaneous adjustment	-18.2
<b>FY97 ADJUSTED BASE</b>	<b>260,782.0</b>
Increments	3,485.6
Decrements	-2,021.6
<b>FY97 GOVERNOR REQUEST</b>	<b>262,246.0</b>
General Fund	6,849.7
Other Funds	173,270.5
Federal Funds	82,125.8

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## **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.

### **MAJOR CHANGES**

- The department reorganized its operations in the area of international trade and economic development, combining the two divisions into the Division of Trade and Economic Development. This restructuring will provide a more focused and coordinated trade effort by the department. The division requests a decrement of \$202,700 for savings realized from the reorganization.
- Funding for the Alaska Regional Development Organization (ARDOR) program, proposed at \$650,000, within the new Division of Trade and Development is shifted from the general fund to interagency receipts, the source of which is AIDEA corporate receipts.
- The Alaska Tourism Marketing Council and the Alaska Seafood Marketing Institute (ASMI) are each being reduced by \$50,000 general funds. ASMI also proposes a reduction in federal receipt authority of \$1,251,100.
- The Division of Measurement Standards proposes a shift from general fund to general fund/program receipts of \$876,500 in its Weights and Measures Program.
- Fund source changes occur from general fund/program receipts to general fund/designated program receipts in the divisions of Measurement Standards, Banking, Securities and Corporations, Insurance, Occupational Licensing, Trade and Development, Tourism, the Alaska Public Utilities Commission and the Alaska Tourism Marketing Council, totaling \$13,963,600.
- The Alaska Public Utilities Commission requests \$420,500 in increments, the two largest being \$229,500 for payment of rent and \$96,800 to investigate Alaska telecommunications market structure and options.
- Tourism proposes a net decrement of \$392,500. Two major adjustments are deletion of funding for the Public Lands Information Centers for \$208,700 and a \$88,100 reduction to the Film Office.
- The department requests a total increment of \$126,700 general fund/program receipts for third party travel reimbursements. Affected divisions are Measurement Standards, Banking, Securities and Corporations, Insurance, Occupational Licensing, Trade and Development and Tourism.

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## **DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT**

**FY96 CONFERENCE COMMITTEE** **61,269.5**

Fiscal Notes	138.6
Vetoed	-198.5
Transfer in from Front Section	100.0

**FY96 AUTHORIZED** **61,309.6**

One Time Items	0.0
Salary Adjustments	298.8
Risk Management Chargeback	-23.6
Information Services Chargeback	64.9

**FY96 ADJUSTED BASE** **61,649.7**

Increments	1,767.4
Decrements	-2,377.8

**FY97 GOVERNOR REQUEST** **61,039.3**

General Funds	36,320.3
Other Funds	19,444.0
Federal Funds	5,275.0

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## **DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS**

The Department of Community and Regional Affairs provides a wide range of services to local governments and unincorporated communities in the form of grants and direct technical assistance. It operates the Rural Economic Development Initiative Program (REDI), the state administered federal Job Training Partnership Act (JTPA) program, and parent caregiver and community services. It also administers programs offering assistance to incorporated and unincorporated entities in the areas of governmental and financial management, utility management, public planning processes, land use planning, and capital project planning. It manages the Shared Fisheries Business Program, and two major formula funded grant programs: Senior Citizens/Disabled Veterans Tax Relief, and the State Revenue Sharing and Municipal Assistance Programs. The energy development components include a rural utility Circuit Rider Program, and administration of the Power Cost Equalization (PCE) Program.

### **MAJOR CHANGES**

- A new full-time Special Assistant is included in the Commissioner's Office to oversee the Governor's new Children's Mini Cabinet. The \$70,100 position is funded through inter-agency receipts to be collected from the Departments of Health and Social Services (\$30,000), Education (\$10,000), Public Safety (\$10,000), Law (\$10,000), and Corrections (\$10,000).
- The Designated Grants component includes one new grant (\$80,000 general funds) to the Sitka-based non-profit organization Alaska Marine Safety Education Association (AMSEA) for a marine safety instructor network.
- Municipal Assistance and Revenue Sharing are reduced 8% below the FY96 Authorized level (\$4,658,400 general funds).
- Funding for the Senior Citizens/Veterans' Tax Relief/Homeowner's Property Tax Exemption is eliminated (\$1,163,800 general funds). Funding for the Renters' Equivalency Rebate is reduced approximately 10% below the FY96 Authorized level (\$36,200 general funds).
- Funding for the rural development assistance grants (\$340,000 federal funds, \$800,000 general funds) is transferred out of the operating budget base and into the Governor's proposed FY97 capital budget.
- General funds for the Division of Energy/Energy Operations are reduced by \$520,000 (23%) below the FY96 authorized level which would eliminate the circuit rider program (\$350,000); close the Division's Juneau office and eliminate two positions (\$120,000); delete grants to local community utilities for electrical supplies (\$25,000), and forego replacement equipment (\$25,000).

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## DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

### FY96 CONFERENCE COMMITTEE

147,912.7

### FY96 AUTHORIZED

147,912.

Misc. Adjustments	0.0
One Time Items	0.0
Salary Adjustments	147.5
Risk Management Chargeback	9.0
Information Services Chargeback	8.7
Transfers In	481.1
Transfers Out	-1,396.1

### FY96 ADJUSTED BASE

147,162.9

Increments	2,150.6
Decrements	-7,378.6

### FY97 GOVERNOR REQUEST

141,934.9

General Funds	83,031.5
Other Funds	29,845.5
Federal Funds	29,057.9

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## **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.

### **MAJOR CHANGES**

- \$2,464,900 was added department-wide to carry reappropriated FY95 authorization into the FY97 budget request.
- \$1,087,000 (\$1,067,000 general funds), is added for salary and benefit increases.
- An increase of \$500,000 Correctional Industries Fund in the Correctional Industries Product Cost component covers the cost of added emphasis on the office furniture industry. No personal services are paid from this funding source.
- The Data and Word Processing component added \$464,700 intra-departmental interagency receipts along with 5 new positions for a new management information system.
- \$504,400 in general funds is requested to fund the effects of DWI legislation in FY97.
- Twenty-one non-permanent positions are added without funding to the Correctional Academy component. Formerly, the Department used vacant correction officer positions in institutions to pay academy recruits. The addition of the non-perm positions is consistent with the method used by Public Safety to reflect Trooper academy recruits.



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## DEPARTMENT OF CORRECTIONS

<b>FY96</b>	<b>CONFERENCE COMMITTEE</b>	<b>134,467.6</b>
	Reappropriation/Carryforward '95 Auth	2,464.9
	Front Section Appropriation - Community Jails	437.0
	Fiscal Note, HB159 DWI	540.4
<b>FY97</b>	<b>AUTHORIZED</b>	<b>137,909.9</b>
	Risk Management Decrease	-10.4
	Info Services Chargeback Decrease	-29.7
	FY97 Fiscal Note funding	540.4
	Personal Services Increase	1,087.0
<b>FY97</b>	<b>ADJUSTED BASE</b>	<b>139,497.2</b>
	Increments	1,044.7
	Decrements	-124.6
<b>FY97</b>	<b>GOVERNOR REQUEST</b>	<b>140,417.3</b>
	General Fund	134,140.2
	Other Funds	4,588.8
	Federal Funds	1,688.3

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## 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.

### MAJOR CHANGES

- The Foundation Program component reflects an increase of 1.0% total funds above the FY96 Authorized level. This represents a decrease of \$23,300 in total general funds, and an increase of \$6,461,200 in Public School Funds (45.5% above FY96 Authorized). \$3,422,743 of the \$6,461,200 is a **one-time adjustment** for prior years' undistributed dividends earned by the principal assets within the Public School Fund's domestic equity pool.
- School Debt Reimbursement is reduced 14.6% (\$11,705,800 general funds) below FY96 Authorized to reflect actual anticipated need.
- Pupil Transportation is reduced 8.0% (\$2,627.4 general funds) below FY96 Authorized.
- Additional District Support for single site schools is reduced 2.5% (\$79,300 general funds) below FY96 Authorized. Grants for Community Schools are reduced 16.7% (\$100,000 general funds) below FY96 Authorized.
- Funding and positions from the Correspondence Study-State component have been transferred into a new component and Budget Request Unit (BRU) entitled Alyeska Central School. General funds for the program (\$59,800) are deleted.
- Funding for the Kotzebue Technical Center is reduced 8.2% (\$60,000 general funds) below FY96 Authorized. Alaska Vocational Technical Center and Mt. Edgecumbe Boarding School reflect slight general fund increases (0.5% and 0.4% respectively).
- General funds for the Vocational Rehabilitation Administration component are reduced 48% (\$182,500) below FY96 Authorized.
- Grant funding for Specific Cultural Programs (\$88,400 general funds) is deleted.
- Library Operations component transferred \$450,000 into the operating budget base from the capital budget to continue funding for SLED (\$300,000), and to purchase library materials (\$150,000).
- Governor's Council on Vocational and Career Education component is transferred to the Office of the Governor, Alaska Human Resources Investment Council.

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## DEPARTMENT OF EDUCATION

**FY96 CONFERENCE COMMITTEE 195,119.7**

Special Appropriations 711,150.0

**FY97 AUTHORIZED 906,269.7**

Salary Adjustments 342.1

Risk Management 11.4

Information Services Chargeback -119.4

Transfers In 450.0

Transfers Out -161.4

Miscellaneous Adjustments -111.0

**FY97 ADJUSTED BASE 906,681.4**

Increments 9,919.6

Decrements -15,435.9

**FY97 GOVERNOR REQUEST 901,165.2**

General Fund 684,748.3

Other Funds 100,726.6

Federal Funds 115,690.3

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## **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 also has lead agency responsibility for oil spill management, and oversees the disposition of the Oil and Hazardous Substance Release Response and Prevention Fund.

### **MAJOR CHANGES**

- Under AS 46.14.260 the Clean Air Protection Fund will be established contingent on federal approval of Alaska's permit program. Fees for annual emissions and facility permitting will be deposited into the fund which will only be used to cover the direct and indirect costs of the permit program. The Governor's budget includes \$1,943,900 in Clean Air Protection funds. Of this amount, \$1,743,900 is a conversion from general fund program receipts.
- The Department's budget submission reflects a comprehensive reorganization which was implemented during FY96 (Administrative Order 158).
- The reorganization eliminates the department's regional structure and replaces it with a program management approach. Program managers will have responsibility for major areas of activity. Previously, field staff reported to regional office directors.
- The Division of Statewide Public Services is established with three major functions: domestic wastewater (sewage) management program, community and compliance assistance, and an enforcement unit to address serious environmental crimes.
- The Division of Environmental Quality is renamed the Division of Air and Water Quality. It includes major industry air and water quality regulatory functions that were previously managed by the separate regions.
- The Division of Information and Administrative Services is renamed the Division of Administrative Services and will incorporate administrative services previously performed by separate regions.

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## DEPARTMENT OF ENVIRONMENTAL CONSERVATION

**FY96 CONFERENCE COMMITTEE** **46,881.4**

Fiscal Notes 50.0

**FY96 AUTHORIZED** **46,931.4**

Salary Adjustment 381.2

Risk Management Rate Adjustment 24.9

Information Services Chargeback 9.6

Other Miscellaneous Adjustments 0.0

**FY96 ADJUSTED BASE** **47,347.1**

Increments 3,933.2

Decrements -4,157.5

**FY97 GOVERNOR** **47,122.8**

General Fund 16,742.3

Other Fund 19,210.0

Federal Fund 11,170.5

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## 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 consistent with social, cultural, aesthetic, environmental, and economic needs. The department manages these resources in accordance with regulations adopted by the Boards of Fisheries and Game, and the Commercial Fisheries Entry Commission.

### MAJOR CHANGES

- All salmon hatcheries operated by the Commercial Fisheries Management and Development Division have (or are in the process of being) closed or transferred to the Sport Fish Division or the private sector. Funds formerly allocated for hatchery management and support staff (up to \$402,000 general funds) are being transferred from the Fisheries Development component to the Fisheries Management component to fund a state waters groundfish fisheries initiative in FY97. Possible projects to be funded include a pollock fishery in Price William Sound; Pacific cod pot fisheries in the Lower Cook Inlet, Kodiak, and the Sand Point/Dutch Harbor areas; and a sablefish longline fishery in western Alaska.
- The Wildlife Conservation component includes a \$1,000,000 increment (\$600,000 federal Pittman Robertson Funds, and \$400,000 Fish and Game Funds) for new and continuing projects in FY97. Approximately \$500,000 is allocated for general wildlife support (equipment replacement, maintenance for division aircraft, increased programming support for wildlife information data base, extended seasonal and non-permanent employee hires). The remaining \$500,000 is allocated to species-specific projects (brown bear management - \$108,400; caribou management - \$85,100; furbearer management - \$19,800; marine mammal management - \$20,900; moose management - \$105,500; muskox management - \$33,800; wolf management - \$63,900; public services - \$62,600).
- A new component, Assert and Protect State's Rights, is created in the Administration and Support BRU. It includes \$200,000 general funds and \$200,000 Fish and Game Funds transferred into the operating budget base from prior years' capital projects. Ongoing projects include the development and implementation of a state position on the reauthorization of the Magnuson Fisheries Conservation and Management Act, the Marine Mammal Protection Act, the Endangered Species Act, and ANILCA litigation and planning. Activities also involve challenges to federal subsistence board regulations, and continued technical and legal assistance work on the Pacific Salmon Treaty.
- Beginning in FY97, projects formerly funded in the Habitat, Habitat/Special Projects, and Habitat Permitting/Title 16 components have been transferred into the new Stream and Refuge Permits or Habitat Protection components.

# *A legislative overview of the governor's FY97 request*

## DEPARTMENT OF FISH AND GAME

<b>FY96 CONFERENCE COMMITTEE</b>	<b>93,170.7</b>
Fiscal Notes	30.0
Vetoed	-30.0
<b>FY96 AUTHORIZED</b>	<b>93,170.7</b>
Misc. Adjustments	-120.2
Salary Adjustments	836.1
Risk Management Chargeback	6.2
Information Services Chargeback	-39.8
Transfers In	8,263.0
Transfers Out	-7,863.0
<b>FY96 ADJUSTED BASE</b>	<b>94,253.0</b>
Increments	2,690.8
Decrements	-1,557.9)
<b>FY97 GOVERNOR REQUEST</b>	<b>95,385.9</b>
General Funds	41,295.1
Other Funds	23,190.2
Federal Funds	30,900.6

# *A legislative overview of the governor's FY97 request*

## OFFICE OF THE GOVERNOR

The Governor is responsible for the operation of the executive branch of state government as specified in the *Alaska Constitution* and statutes through the Executive Office including the Lieutenant Governor, Office of Management and Budget, Elections, and Commissions/Special Offices.

The Executive Office is funded with funds carried forward from previous fiscal years in addition to current year appropriation, primarily from the general fund.

### MAJOR CHANGES

- An every-other-year general fund increment of \$2,025,800 is included to fund the 1996 general and primary election costs.
- Salary and benefit increases funded with \$166,000 general fund are provided for the office's non-covered employees similar to those covered by collective bargaining agreements.

### ORGANIZATIONAL CHANGES

- The Alaska Resources Investment Council is included as a new special office with funding and positions transferred from the Departments of Community & Regional Affairs, Education-Postsecondary Commission, Health & Social Services, and Labor.



# *A legislative overview of the governor's FY97 request*

## OFFICE OF THE GOVERNOR

<b>FY96 CONFERENCE COMMITTEE</b>	<b>17,756.7</b>
Fiscal Notes	45.0
Carryforward Funds	3,573.6
<b>FY96 AUTHORIZED</b>	<b>21,375.3</b>
Backout Carryforward/One-time Items	-2,033.2
Salary Adjustments	166.0
Risk Management & Info Svcs Chargeback	-40.3
Transfers Out	-23.3
Transfers In	161.4
<b>FY97 ADJUSTED BASE</b>	<b>19,605.9</b>
Increments	2,264.5
Decrements	-712.5
<b>FY97 GOVERNOR REQUEST</b>	<b>21,157.9</b>
General Fund	17,665.9
Other Fund	238.7
Federal Fund	3,253.3

# *A legislative overview of the governor's FY97 request*

## **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 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 entitlement programs which include the "formula" programs (Aid to Families with Dependent Children (AFDC), Adult Public Assistance, General Relief Assistance, Medicaid, General Relief Medical, Foster Care and Subsidized Adoption/Guardianship) plus Permanent Fund Dividend and Alaska Longevity Bonus Hold Harmless which are tied directly to entitlement programs.

### **MAJOR CHANGES**

- The AFDC average caseload from FY94 to FY95 was flat and this trend is continuing into FY96. The department is requesting less money in FY97 for AFDC than the amount authorized in the previous year. The FY97 general fund request is \$55,354,900, the FY96 authorization was \$58,796,600. As part of the Governor's Welfare Reform proposal, the department will request savings from the prior year levels be redirected to other programs such as Child Care Benefits and the Alaska Work Program.
- Taking into account structure changes and transfers, the FY97 general fund formula request for Medicaid is exactly the same as the amount authorized for FY96. This is unprecedented. The department cites the following factors as to why there is no increment for Medicaid in FY97: the caseload impact of less AFDC recipients and the lag time between AFDC recipients leaving AFDC and an additional year's eligibility for Medicaid, the department's managed care efforts and cost containment systems, and the national trend that the health care CPI is decreasing or not growing very fast.
- The department is requesting a general fund increase of \$1,885,700, \$902,500 and \$130,600 for the Adult Public Assistance, Foster Care and Subsidized Adoption/Guardianship formula programs.
- Harborview Development Center (HDC) is in the second year of a three year phase-out. The department agreed to fund certain community mental health services while the Alaska Mental Health Trust Authority funds part of the operating costs of HDC from Mental Health Trust Income Account (MHTIA) funds.
- Savings from throughout the department were achieved by taking approximately 3% from administration of programs, with some direct service reductions, such as from Nursing in the Division of Public Health. In addition, reductions of 1% were taken from most grant programs with the exception of Alcoholism and Drug Abuse and Infant Learning Program grants.

### **ORGANIZATIONAL CHANGES**

The department requests to change its FY97 appropriation/allocation structure. If the legislature concurs, the department would have an appropriation for each of the following divisions: Public Assistance, Medical Assistance, Family and Youth Services, Public Health, Alcoholism and Drug Abuse, Mental Health and Developmental Disabilities, and Administrative Services. In general, this change combines the administrative and benefit costs together in one appropriation. The Social Services Block Grant Offset, Human Services Community Matching Grant, and designated grants remain separate appropriations. The providers for the designated grants are: Maniilaq, Norton Sound, Southeast Alaska Regional Health Corporation, Kawerak, Tanana Chiefs Conference, Tlingit-Haida Central Council, and Yukon-Kuskokwim Health Corporation.

# *A legislative overview of the governor's FY97 request*

## **DEPARTMENT OF HEALTH AND SOCIAL SERVICES**

<b>FY96 CONFERENCE COMMITTEE</b>	<b>861,245.3</b>
Special	150.0
Reappropriation	83.8
<b>FY96 AUTHORIZED</b>	<b>861,479.1</b>
One-time Items	-83.8
Agency Transfers Out	-250.0
Salary Adjustments	1,569.6
Risk Management	376.5
Info Svcs Chargeback	-307.9
<b>FY97 ADJUSTED BASE</b>	<b>862,783.5</b>
Increments	7,331.7
Decrements	-8,726.7
<b>FY97 GOVERNOR REQUEST</b>	<b>861,388.5</b>
General Fund	456,823.1
Other Funds	66,338.9
Federal Funds	338,226.5

# *A legislative overview of the governor's FY97 request*

## 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.

### MAJOR CHANGES

- Employment/Unemployment Services requests a net decrement of \$1,859,600 in federal and interagency receipts and the training/building fund, due to transferring the indirect cost plan to the Administrative Services Division and anticipating a reduction in federal training and employment funds (Wagner-Peyser funds).
- The Management Services component requests a switch from interagency receipts to federal receipts for \$1,795,400 to allow the federal indirect costs to flow directly to the Administrative Services Division rather than through other divisions first. The Management Services component also requests a fund source transfer from general fund to general fund/match of \$311,000, reflecting the actual use of the general funds as match for federal indirect cost plan funds.
- The publications unit and an administrative assistant position are transferred from Labor Market Information to the Management Services component within the Administrative Services Division.
- Labor Market Information requests a net decrement of \$419,800 in federal receipt authority, due to Congressional cutbacks.
- Mechanical Inspections requests a net decrement of \$245,800, a result of reductions in general fund and federal receipt authority and increments in interagency receipts. One electrical inspector position and one boiler/pressure vessel position are deleted.
- Fund source transfers totaling \$197,200 from general fund/program receipts to general fund/designated program receipts are proposed by the following components: Employment/Unemployment Services; Governor's Committee on Employment; Labor Market Information; Occupational Safety and Health; and the Alaska Safety Advisory Council.

# *A legislative overview of the governor's FY97 request*

## DEPARTMENT OF LABOR

<b>FY96 CONFERENCE COMMITTEE</b>	<b>61,591.5</b>
Fiscal Notes	89.8
Vetoed	-89.8
<b>FY96 AUTHORIZED</b>	<b>61,591.5</b>
One Time Items	0.0
Salary Adjustments	509.3
Risk Management Chargeback	36.2
Information Services Chargeback	0.0
Agency Transfer Out	-30.0
<b>FY96 ADJUSTED BASE</b>	<b>62,107.0</b>
Increments	3,057.
Decrements	-4,882.6
<b>FY97 GOVERNOR REQUEST</b>	<b>60,282.0</b>
General Funds	9,043.7
Other Funds	16,131.3
Federal Funds	35,107.0

# *A legislative overview of the governor's FY97 request*

## 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 tax and royalty disputes and legal services for extraordinary proceedings such as oil and gas litigation. The department also advises state agencies in areas of legal concern including the promulgation of regulations and drafting of legislation.

### MAJOR CHANGES

- The budget structure of the Department has been changed for consolidation purposes. The resulting structure has just three BRU's - Criminal Division, Civil Division, and Oil and Gas Litigation. A crosswalk from the old structure to the new one is included in the Governor's budget request book for the Department of Law.
- A decrease of \$1,905,600 in State Corporation Receipts (Permanent Fund) and \$1,554,600 in Constitutional Budget Reserve funds are requested for Oil and Gas Litigation. Funding is requested in the back rather than front section of the Governor's bill.
- One new general fund positions, at a cost of \$114,600 is requested in the Criminal Division to handle an increasing caseload in the Bethel area.
- Federal Litigation positions normally funded through CIP receipts will be supported by general funds with the transfer of \$900,000 from the Capital Budget to the Operating Budget in the General Legal Services component of the Civil Division BRU. This transfer is offset by the reduction of \$807,700 in CIP Receipts in the same component.
- \$392,300 (\$222,600 general fund) is included for salary and benefits increase.

# *A legislative overview of the governor's FY97 request*

## DEPARTMENT OF LAW

<b>FY 96 CONFERENCE COMMITTEE</b>	<b>55,285.7</b>
Fiscal Note	147.1
<b>FY 96 AUTHORIZED</b>	<b>55,432.8</b>
Transfer from Capital Budget Request	900.0
Personal Services Increase	392.3
Risk Management Increase	30.8
Info Services Chargeback Adjustment	-71.6
Fiscal Note - FY 97 funding	147.0
Transfer Out	-14.7
Remove one time item	-21.5
<b>FY 97 ADJUSTED BASE</b>	<b>56,795.1</b>
Increment	114.6
Decrement	-4,267.9
<b>FY 97 GOVERNOR REQUEST</b>	<b>52,641.8</b>
General Fund	21,224.1
Other Funds	30,997.1
Federal Funds	420.6

# ***A legislative overview of the governor's FY97 request***

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## **DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS**

The Department of Military and Veterans' Affairs is responsible for the State's military operations, disaster planning and control, and veterans programs. Within the department, the Commissioner's Office is primarily responsible for military and administrative operations and veterans programs, while the Division of Emergency Services is responsible for civil defense and disaster response and recovery plans.

### **MAJOR CHANGES**

- The FY97 budget request does not include an appropriation of general funds to capitalize the disaster relief fund. The average annual general fund cost for disaster relief efforts is approximately \$5,786,000 for FY91 through FY95.
- An increase of \$1,480,500 in general funds is included to improve the actuarial position of the National Guard and Naval Militia Retirement System.
- The Army Guard Facilities Maintenance component reflects a \$367,000 increase in interagency receipts associated with the provision of maintenance services for Alaska Court System facilities in Anchorage and Kenai.
- The Army Guard Facilities Maintenance component includes a federal funds increment of \$952,600 for operation and maintenance of Bryant Airfield on Fort Richardson.



# *A legislative overview of the governor's FY97 request*

## **DEPARTMENT OF MILITARY & VETERANS' AFFAIRS**

**FY96 CONFERENCE COMMITTEE** **31,824.8**

**FY96 AUTHORIZED** **31,824.8**

Salary Adjustments	113.5
Risk Management	42.3
Info Svcs Chargeback	17.3
Increment (misc. adj.)	1,480.5

**FY97 ADJUSTED BASE** **33,478.4**

Increments	1,454.2
Decrements (misc. adj.)	-307.9

**FY97 GOVERNOR REQUEST** **34,624.7**

General Fund	8,253.4
Other Funds	2,640.9
Federal Funds	23,730.4

# ***A legislative overview of the governor's FY97 request***

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## **DEPARTMENT OF NATURAL RESOURCES**

The Department of Natural Resources manages the State's land, water, forest, grasslands, petroleum, minerals, parks, agriculture programs, and related development activities. The goal of the department is the maximization of current and future public benefit through the prudent stewardship and wise development of Alaska's renewable and non-renewable resources.

### **MAJOR CHANGES**

- The \$90,700 general fund budget of the Citizens Advisory Council on Federal Areas in the Commissions component has been eliminated.
- The shore fishery lease program in the Land Development component is proposed for a reduction of \$150,000 in general funds.
- The Renewable Resource Development and Wildland Fire Protection Services project budgets in the Forest Management component have been reduced by a combined total of \$225,000 in general funds.
- The coal surface mining regulatory and abandoned mine lands programs have been eliminated in the Mining Development component, resulting in a reduction of \$124,400 in general funds and \$2,594,400 in federal funds.
- A general fund reduction of \$395,000 in the Agricultural Development BRU is partially offset by a \$200,000 increase in the use of Agriculture Revolving Loan Fund proceeds for operating costs.
- The budget request for the Fire Suppression component is approximately \$6,000,000 less than the average annual general fund cost of fire suppression efforts on state land.

# *A legislative overview of the governor's FY97 request*

## DEPARTMENT OF NATURAL RESOURCES

**FY96 CONFERENCE COMMITTEE** 62,581.5

Fiscal Note, HB 207 45.0

**FY96 AUTHORIZED** 62,626.5

Salary Adjustments 530.5

Risk Management 116.1

Info Svcs Chargeback -20.2

**FY97 ADJUSTED BASE** 63,252.9

Increments 1,439.2

Decrements -5,364.1

**FY97 GOVERNOR REQUEST** 59,328.0

General Fund 43,671.5

Other Funds 7,337.6

Federal Funds 8,318.9

# *A legislative overview of the governor's FY97 request*

## **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, licensing drivers to ensure highway safety, vehicles registration, search and rescue, operating the state's forensic crime laboratory, and administering a training academy for public safety personnel. Public Safety also serves as the umbrella agency for the Council on Domestic Violence and Sexual Assault and the Violent Crimes Compensation Board.

### **MAJOR CHANGES**

- Repeal of the portion of Section 153, Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 related to sanctions against states failing to pass a motorcycle helmet law has resulted in a decrease of \$5,576,600 in federal money for Highway Safety Planning Agency.
- The Council on Domestic Violence and Sexual Assault reflects increased federal funds of \$708,000 as a result of the Violence Against Women's STOP (Services, Training, Officers, Prosecutors) Project and additional federal funds under their continuation grant. Other additional federal funds appear in the Alaska Criminal Records and ID component (\$420,600) as a result of the new NCHIP (National Criminal History Improvement Program) grant; in Alaska State Troopers' Special Projects component (\$150,000) as a result of a grant from the FBI and DEA federal agencies and the continuation of the Marijuana Eradication grant; and in the Violent Crimes Compensation Board component (\$131,000) due to an increase in available federal funds under their continuation grant.
- Also included in the Violent Crimes Compensation Board is an additional \$378,300 in Permanent Fund Dividends available as a result of withheld dividends from felons.
- Motor Vehicles has created a new Vehicle Services component funded by a transfer of \$476,900 in general funds from the proposed FY 97 Capital Budget. A similar transfer of general funds from the Capital Budget adds \$250,000 to the Detachments component of the Alaska State Troopers, and \$95,000 to the Alaska Public Safety Information Network (APSIN) component of State Support.
- \$378,100 (\$356,900 in general funds) is included for salary and benefits increases.
- Five permanent positions and \$300,000 in general funds are deleted from the Detachments component as a result of the consolidation to Ketchikan of the Southeast Alaska trooper dispatching function.
- The Department deleted 14 permanent and 2 part-time unfunded positions.

# *A legislative overview of the governor's FY97 request*

## DEPARTMENT OF PUBLIC SAFETY

<b>FY 96 CONFERENCE COMMITTEE</b>	<b>99,056.2</b>
Fiscal Notes	58.1
Reappropriation/Carryforward	200.0
<b>FY 96 AUTHORIZED</b>	<b>99,314.3</b>
Personal Services Increase	378.1
Risk Management Increase	130.3
Info Services Chargeback adjustment	-179.4
Transfer in from FY 97 Capital Request	821.9
Fiscal Note - FY 97 amount	29.7
Transfer Out	-.5
<b>FY 97 ADJUSTED BASE</b>	<b>100,494.4</b>
Increments	2,949.8
Decrements	-6,519.0
<b>FY 97 GOVERNOR REQUEST</b>	<b>96,925.2</b>
General Fund	86,300.6
Other Funds	4,946.7
Federal Funds	5,677.9

# ***A legislative overview of the governor's FY97 request***

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## **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, collection of fees and taxes, and operation of the child support enforcement, charitable gaming, debt management and Permanent Fund Dividend programs. 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, Alaska Mental Health Trust Authority, Alcoholic Beverage Control Board, Alaska Housing Finance Corporation, State Assessment Review Board, Alaska Gas Pipeline Financing Authority, Alaska State Pension Investment Board, and the Public School Fund Advisory Board.

### **MAJOR CHANGES**

- The Permanent Fund Corporation forecasts a reduced need for investment management fees and requests a decrement of \$4,809,500 in its corporate receipts.
- The administrative expenses of the Mental Health Trust Authority have been made distinct from beneficiary expenses in the FY97 budget request, in order to produce a separate mental health appropriations bill. The Trust Authority's budget of \$893,500 is assigned a new fund code and name, Mental Health Trust Administration. The source of funds for the Trust Authority's budget remains income from the Mental Health Settlement Trust.
- The Alaska State Pension Investment Board requests a net increment of \$1,745,100 from related retirement funds for overhead costs.
- The Division of Income and Excise Audit is being reduced by \$100,000 general funds, while the Division of Oil & Gas Audit is being reduced by \$200,000 general funds.

# *A legislative overview of the governor's FY97 request*

## DEPARTMENT OF REVENUE

<b>FY96 CONFERENCE COMMITTEE</b>	<b>118,651.6</b>
Fiscal Notes	1,093.8
Vetoed	-742.2
<b>FY96 AUTHORIZED</b>	<b>119,003.2</b>
One Time Items	-10.0
Salary Adjustments	577.9
Risk Management Chargeback	80.1
Information Services Chargeback	-251.3
<b>FY96 ADJUSTED BASE</b>	<b>119,399.9</b>
Increments	2,575.4
Decrements	-5,810.4)
<b>FY97 GOVERNOR REQUEST</b>	<b>116,164.9</b>
General Funds	11,868.3
Other Funds	77,268.9
Federal Funds	27,027.7

# ***A legislative overview of the governor's FY97 request***

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## **DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES**

The Department of Transportation and Public Facilities is responsible for the planning, design, construction, maintenance, and operation of the State's major transportation infrastructure components and public buildings.

### **MAJOR CHANGES**

- The Highways and Aviation Maintenance and Operations, Facilities Maintenance and Operations, and State Equipment Fleet budget components have been returned to a regional structure.
- \$3,000,000 in general funds for Alaska Marine Highway annual improvement and overhaul costs formerly requested in the capital budget have been transferred to the Marine Highways Stabilization operating budget component.
- \$1,750,000 in general funds for non-routine and deferred highway and aviation maintenance previously requested in the capital budget have been transferred to the regional Highways and Aviation Maintenance and Operations operating budget components.
- General fund reductions of \$784,300 have been made to the Highways and Aviation Maintenance and Operations component budgets, \$260,000 to the Facilities Maintenance and Operations component budgets, and \$320,000 to the Marine Highways Stabilization component budget.
- The FY96 unallocated reduction to the Statewide Programs portion of the DOT&PF budget of \$917,300 was taken exclusively from the Highways and Aviation Maintenance and Operations budget component.



# *A legislative overview of the governor's FY97 request*

## **DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES**

**FY96 CONFERENCE COMMITTEE** **335,728.6**

Special Appropriations 500.0

**FY96 AUTHORIZED** **336,228.6**

Agency Transfers In 4,756.9

Salary Adjustments 4,254.3

Risk Management 2,098.0

Info Svcs Chargeback -146.9

Increment (misc. adj.) 3,000.0

**FY97 ADJUSTED BASE** **350,190.9**

Increments 576.2

Decrements -3,346.1

**FY97 GOVERNOR REQUEST** **347,421.0**

General Fund 134,991.1

Other Funds 211,487.3

Federal Funds 942.6

# *A legislative overview of the governor's FY97 request*

## 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.

### MAJOR CHANGES

- General funds of \$250,000 will replace an equivalent level of funding from the Alaska Science and Technology fund.
- General funds of \$1,750,000 are included for salary adjustments. This represents a 1.3 % COLA increase for all permanent employees. The University has requested that proportionate amounts of this total for the CEA and ACCFT bargaining units be broken out into separate sections or bills.
- General funds of \$43,100 fund anticipated increases in Department of Administration data processing chargeback costs.
- The Governor's budget for the university contains an unallocated reduction of \$19,678,800. This is composed of two elements. The University requested \$17,638,700 in general fund increments. The Governor's Office submits all increments requested by the university but offsets the increases with an equivalent unallocated reduction. An additional unallocated reduction of \$2,040,100 reduces general fund support by about 1.2% from the FY97 adjusted base.
- Non-general fund increments totaling \$6,978,100 are allowed. These increments do not, generally, represent new programs. Authority is increased at the Major Administrative Unit level to accommodate anticipated revenues.
- Included in the non-general fund increments is \$1,031,100 in Federal Receipts. This total includes a \$1,500,000 decrease in Statewide Networks for a telecommunications grant that ends in FY96; a \$2,500,000 increase at UAA for several federal programs (notably USAID funds to the American Russian Center); and a \$435,000 increase at UAS primarily for Federal Student Financial Aid receipts. UAF has net-zero transfers of federal receipts to bring authority in line with anticipated revenues.

# *A legislative overview of the governor's FY97 request*

## UNIVERSITY OF ALASKA

<b>FY96 CONFERENCE COMMITTEE</b>	442,611.6
Veto	-100.0
<b>FY96 AUTHORIZED</b>	442,511.6
Salary Adjustment	1,750.0
Information Services Chargeback	43.1
<b>FY96 ADJUSTED BASE</b>	444,304.7
Increments	27,590.2
Decrements	-22,402.2
<b>FY97 GOVERNOR</b>	449,492.7
General Fund	167,364.7
Other Fund	199,665.7
Federal Fund	82,462.3

# *A legislative overview of the governor's FY97 request*

## 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 districts 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.

### MAJOR CHANGES

- The courts have requested \$415,000 to maintain and operate the new Anchorage courthouse.
- An additional \$1,160,600 in personal services is requested to reduce personal services underfunding (\$600,000) and add 10 new permanent full-time positions and one new part-time position (\$560,600).
- Ongoing efforts to increase courthouse security resulted in an increment for \$242,000 general funds which will be focused on the Juneau and Anchorage trial court locations.
- Increased jury pay will add \$107,400 to the contractual line of the Trial Courts component.

# *A legislative overview of the governor's FY97 request*

## ALASKA COURT SYSTEM

<b>FY 96 CONFERENCE COMMITTEE</b>	<b>45,396.6</b>
Fiscal Note - HB 159 DWI	65.8
<b>FY 96 AUTHORIZED</b>	<b>45,462.4</b>
FY 97 Fiscal Note funding	65.8
One time item	-1.5
<b>FY 97 ADJUSTED BASE</b>	<b>45,526.7</b>
Increments	2,171.9
<b>FY 97 AGENCY REQUEST</b>	<b>47,698.6</b>
General Fund	47,298.6
Other Funds	400.0

# *A legislative overview of the governor's FY97 request*

## 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.

- Judicial conduct has submitted a continuation budget of \$243,000 with the exception of a \$15,000 general fund increment requested to provide funds for special counsel attorneys fees in an on-going formal investigation. The requested increment was not submitted in time to be included in the December 15 version but may be in the formally introduced Governor's budget.

# *A legislative overview of the governor's FY97 request*

## COMMISSION ON JUDICIAL CONDUCT

<b>FY 96 CONFERENCE COMMITTEE</b>	<b>228.0</b>
<b>FY 96 AUTHORIZED</b>	<b>228.0</b>
<b>FY 97 ADJUSTED BASE</b>	<b>228.0</b>
<b>FY 97 GOVERNOR</b>	<b>228.0</b>
General Fund	228.0

# *A legislative overview of the governor's FY97 request*

## **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.

The Judicial Council has submitted a continuation budget with the exception of two projects which are requested in two increments:

1. \$10,000 in general funds to restore a grant of the CourtWatch program run by the Victims for Justice organization. This program gives ordinary citizens the training and opportunity to evaluate the performance of judges.
2. A broad-based group of criminal justice professionals involved in a juvenile victim-offender mediation program have asked the Judicial Council to evaluate the effectiveness of the program and make recommendations. The Council proposes an increment of \$15,000 in general funds to accomplish the evaluation.



# *A legislative overview of the governor's FY97 request*

## JUDICIAL COUNCIL

<b>FY 96 CONFERENCE COMMITTEE</b>	<b>617.8</b>
<b>FY 96 AUTHORIZED</b>	<b>617.8</b>
<b>FY 97 ADJUSTED BASE</b>	<b>617.8</b>
Increments	25.0
<b>FY 97 GOVERNOR</b>	<b>642.8</b>
General Fund	642.8

# ***A legislative overview of the governor's FY97 request***

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## **ALASKA STATE LEGISLATURE**

The Alaska State Legislature is the legislative branch of state government as specified in the *Alaska Constitution* and as additionally provided for in statute. The legislative branch includes the sixty members and supporting offices in the Legislative Budget and Audit Committee, Legislative Council (Legislative Affairs Agency), Legislative Operating Budget (leadership), and the Ombudsman.

The legislature is funded with current appropriations primarily from the general fund and no longer includes funds carried forward from previous fiscal years, which had been the practice until the current fiscal year 1996.

## **MAJOR CHANGES**

At the request of the Legislature, the FY1996 authorized level is included as the Governor's FY97 proposed budget for the Legislature. The actual legislative budget requests will be developed and submitted to the finance and oversight committees during the session.

# *A legislative overview of the governor's FY97 request*

## ALASKA STATE LEGISLATURE

<b>FY96 CONFERENCE COMMITTEE</b>	<b>30,957.6</b>
Fiscal Notes	96.3
Carryforward Funds	0.0
<b>FY96 AUTHORIZED</b>	<b>31,053.9</b>
Backout Carryforward/One-time Items	0.0
Salary Adjustments	0.0
Risk Management & Info Svcs Chargeback	0.0
Transfers Out	0.0
Transfers In	0.0
<b>FY97 ADJUSTED BASE</b>	<b>31,053.9</b>
Increments	0.0
Decrements	0.0
<b>FY97 GOVERNOR REQUEST</b>	<b>31,053.9</b>
General Fund	30,941.9
Other Funds	112.0
Federal Funds	

**SPENDING PLAN  
AND  
OTHER FINANCIAL SUMMARIES**

# A legislative overview of the governor's FY97 request

## FY96/97 ALL FUNDS SPENDING PLAN REVENUE ADJUSTMENT AND DUPLICATED EXPENDITURE DETAIL

(in millions of dollars)

	FY96 Authorized			FY97 Governor				
	GF	FF	OF	TOTAL	GF	FF	OF	TOTAL
<b>REVENUES</b>								
Unrestricted General Fund	1,881.3			1,881.3	1,837.6			1,837.6
Revenue Adjustments (see detail)	93.3			93.3	31.2			31.2
FY96 AHFC Transfer to General Fund	70.0			70.0	50.0			50.0
From Constitutional Budget Reserve	417.5			417.5	523.9			523.9
Federal and Other Funds		1,080.5	2,448.4	3,528.9		*	*	4,210.7
<b>TOTAL AVAILABLE</b>	<b>2,462.1</b>	<b>1,080.5</b>	<b>2,448.4</b>	<b>5,991.0</b>	<b>2,442.7</b>	<b>*</b>	<b>*</b>	<b>6,653.4</b>
<b>EXPENDITURES</b>								
Operating								
Agency Operations (Non-Formula)	1,144.0	427.9	715.9	2,287.8	1,152.0	425.7	730.4	2,308.1
Formula Programs	1,074.1	301.6	155.3	1,530.9	1,070.0	300.1	150.2	1,520.3
Debt Service	109.4		36.8	146.2	94.7		5.8	100.5
Capital	116.0	343.4	121.2	580.6	110.2	*	*	560.0
Loans	1.5	7.6		9.1	1.5	7.3		8.8
Specials & Fund Transfers	17.1		1,419.3	1,436.4	14.3		2,141.4	2,155.7
<b>TOTAL APPROPRIATIONS</b>	<b>2,462.1</b>	<b>1,080.5</b>	<b>2,448.5</b>	<b>5,991.0</b>	<b>2,442.7</b>	<b>*</b>	<b>*</b>	<b>6,653.4</b>
Less Duplicated Expenditures (see detail)			477.5	477.5			470.7	470.7
<b>UNDUPLICATED EXPENDITURES</b>	<b>2,462.1</b>	<b>1,080.5</b>	<b>1,971.0</b>	<b>5,513.5</b>	<b>2,442.7</b>			<b>6,182.7</b>

\*The Governor's FY97 capital budget is not yet available. As a result, the federal and other fund totals for FY97 cannot be calculated at this time. In addition, FY96 capital budget totals for federal and other funds have been used to calculate FY97 duplicated expenditures. Note: The GF columns in this document include general funds and direct appropriations of Constitutional Budget Reserve funds.

# A legislative overview of the governor's FY97 request

## FY96/97 ALL FUNDS SPENDING PLAN REVENUE ADJUSTMENT AND DUPLICATED EXPENDITURE DETAIL (in millions of dollars)

REVENUE ADJUSTMENTS	FY96 Authorized	FY97 Governor
GF program receipts from restricted to unrestricted:		
Operating	83.4	89.9
Capital	0.4	
From unrestricted to restricted:		
Seafood Marketing	-2.5	-2.5
Salmon Marketing Tax	-3.5	-3.5
Marine Highway receipts	-41.3	-41.0
Shared Taxes "off budget"	-24.4	-24.4
Fisheries Enhancement "off budget"	-5.0	-5.0
Loan fund transfers to general fund	1.1	1.4
Executive Life/ILTF recovery	68.4	
Trans-Alaska Pipeline Fund	3.6	16.0
Storage Tank Assistance Fund receipts	0.4	0.3
From Mitigation Account	4.4	
From Debt Retirement Fund	8.3	
<b>Total</b>	<b>93.3</b>	<b>31.2</b>

DUPLICATED EXPENDITURES	FY96 Authorized	FY97 Governor
Operating:		
Interagency Receipts	192.3	197.9
Highway Working Capital Fund	22.6	22.6
Debt Retirement Fund	80.3	68.6
Oil & Hazardous Rel Resp & Prev	12.0	11.5
Interagency Oil/Haz	2.0	2.1
Capital Improvement Project Rcpts	79.6	76.4
Marine Highway Fund	28.3	32.4
Information Services Fund	21.6	20.4
operating - subtotal	<b>438.7</b>	<b>431.9</b>

# *A legislative overview of the governor's FY97 request*

## FY96/97 ALL FUNDS SPENDING PLAN REVENUE ADJUSTMENT AND DUPLICATED EXPENDITURE DETAIL (in millions of dollars)

	FY96 Authorized	FY97 Governor
<b>DUPLICATED EXPENDITURES</b>		
Capital:		
Reforestation Fund	0.1	0.1
Highway Working Capital Fund	11.8	11.8
Oil & Hazardous Rel Resp & Prev	3.9	3.9
Capital Improvement Project Rcpts	1.5	1.5
Information Services Fund	1.4	1.4
Municipal Capital Matching Fund	18.3	18.3
Unincorporated Capital Matching Fd	1.7	1.7
Capital - subtotal	<b>38.8</b>	<b>38.8</b>
<b>Duplicated Expenditures - - Total</b>	<b>477.5</b>	<b>470.7</b>

# *A legislative overview of the governor's FY97 request*

## OPERATING BUDGET SUMMARY

	FY 95 ACTUALS	FY 96 AUTHORIZED	FY 97 GOVERNOR	FY96 AUTH. to FY97 GOV.
<b>OPERATING/SPECIALS</b>				
Operating	\$2,186,975.0	\$2,199,164.2	\$2,205,815.9	\$6,651.7
Community Jails	\$0.0	\$437.0	0.0	-\$437.0
Sitka Airport Maintenance	\$0.0	\$500.0	0.0	-\$500.0
Labor Agreements	\$1,473.1	\$206.3	50.0	-\$156.3
Subtotal:	\$2,188,448.1	\$2,200,307.5	\$2,205,865.9	\$5,558.4
<b>DEBT</b>				
Lease	\$11,244.0	\$9,628.2	\$9,595.9	-\$32.3
G.O.	\$18,477.6	\$19,452.0	\$16,528.7	-\$2,923.3
School	\$103,345.3	\$80,322.4	\$68,616.6	-\$11,705.8
Subtotal:	\$133,066.9	\$109,402.6	\$94,741.2	-\$14,661.4
<b>TRANSFERS</b>				
Storage Tank Registration Fees (est.)	\$450.0	\$380.0	\$300.0	-\$80.0
Oil/Hazard Fund	\$25,900.0			
Response Account		\$4,015.1	\$0.0	-\$4,015.1
Prevention Account		\$9,875.7	\$14,000.0	\$4,124.3
Oil/Hazard Mitigation to STAF	\$3,541.3	\$2,791.3	\$0.0	-\$2,791.3
Mental Health Trust Indirect	\$1,100.0	\$0.0	\$0.0	\$0.0
Subtotal:	\$30,991.3	\$17,062.1	\$14,300.0	-\$2,762.1
<b>LOANS</b>	\$0.0	\$1,516.3	\$1,469.2	-\$47.1
<b>TOTALS:</b>	<b>2,352,506.3</b>	<b>2,328,288.5</b>	<b>2,316,376.3</b>	<b>-\$11,912.2</b>

Notes: Excludes Shared Taxes/Fisheries Enhancement Tax



# *A legislative overview of the governor's FY97 request*

## FY95/96/97 OPERATING BUDGET GENERAL FUNDS (in thousands of dollars)

	FY95 Actuals	FY96 Authorized	FY97 Governor
<b>Front Sections</b>			
1	-	-	-
1	-	-	-
	Lease Debt	9,628.2	9,595.9
	General Obligation Debt	19,452.0	16,528.7
2	School Debt Retirement	80,322.4	68,616.6
	Oil/Hazardous Response Fund	25,900.0	-
	Oil/Haz. Fund - Prevention Account (3c)	9,875.7	14,000.0
	Oil/Haz. Fund - Response Account (2c)	4,015.1	0.0
3	<b>Oil/Gas Litigation</b>	<b>0.0</b>	<b>0.0</b>
3	<b>Disaster Relief Fund</b>	<b>0.0</b>	<b>0.0</b>
3	<b>Fire Suppression</b>	<b>0.0</b>	<b>0.0</b>
	<b>Information Services</b>	<b>55.0</b>	<b>55.0</b>
	<b>Marine Highway Fund</b>	<b>28,263.2</b>	<b>32,353.2</b>
	Storage Tank Assistance Fund	2,791.3	0.0
	Storage Tank Registration Fees	380.0	300.0
	<b>Monetary Terms</b>	<b>206.3</b>	<b>50.0</b>
	Alaska Clean Water Fund	1,516.3	1,469.2
	Mental Health Indirect Cost	0.0	0.0
	<b>Sitka Airport Maintenance</b>	<b>500.0</b>	<b>0.0</b>
	<b>Community Jails</b>	<b>437.0</b>	<b>0.0</b>
	<b>248,331.5</b>	<b>157,442.5</b>	<b>142,968.6</b>
<b>Agencies</b>			
	Governor	18,069.4	17,665.9
	Administration	170,722.3	173,165.5
	Law	19,888.6	21,224.1
	Revenue	12,085.3	11,868.3
4	Education	687,629.2	684,748.3
	Health and Social Services	455,121.8	456,823.1
	Labor	9,177.2	9,043.7
	Commerce & Economic Development	37,013.5	36,320.3
	Military & Veterans Affairs	6,915.8	8,253.4
	Natural Resources	42,763.4	43,671.5
	Fish and Game	40,522.0	41,295.1
	Public Safety	85,356.6	86,300.6
	Transportation/Public Facilities	101,001.4	102,637.9
	Environmental Conservation	17,978.4	16,742.3
	Community & Regional Affairs	90,333.6	83,031.5
	Corrections	132,055.7	134,140.2
	University of Alaska	167,361.7	167,364.7
	Court System	45,908.2	48,169.4
	Legislature	30,941.9	30,941.9
	<b>2,104,174.8</b>	<b>2,170,846.0</b>	<b>2,173,407.7</b>
<b>Total:</b>			
	<b>Operating:</b>	<b>2,200,307.5</b>	<b>2,205,865.9</b>
	<b>Debt Service:</b>	<b>109,402.6</b>	<b>94,741.2</b>
	<b>Fund Transfers:</b>	<b>17,062.1</b>	<b>14,300.0</b>
	<b>Loans:</b>	<b>1,516.3</b>	<b>1,469.2</b>
<b>GRAND TOTAL:</b>	<b>2,352,506.3</b>	<b>2,328,288.5</b>	<b>2,316,376.3</b>

1 Considered "off budget" and not reflected in expenditures.

2 Included as a front section item for comparison purposes even though not appropriated there in all years, i.e., FY95.

3 Included as Agency Items in FY96 and FY97.

4 Includes education formula funding as an agency item that is usually included in separate appropriations, i.e. in FY95 and FY96

# A legislative overview of the governor's FY97 request

## FY97 OPERATING BUDGET FORMULA/NON-FORMULA PROGRAM FUNDING General Funds (in thousands of dollars)

Agencies	FY95 Actual		FY96 Auth.		FY97		Total
	Formula	Non-Formula	Formula	Non-Formula	Formula	Governor Non-Formula	
Governor Administration	0.0	16,447.2	0.0	18,069.4	0.0	17,665.9	17,665.9
Law	98,745.3	77,713.7	96,214.7	74,768.9	97,221.3	76,049.2	173,270.5
Revenue	0.0	32,087.8	0.0	19,888.6	0.0	21,224.1	21,224.1
Education	0.0	12,269.6	0.0	12,085.3	0.0	11,868.3	11,868.3
Health and Social Services	634,136.8	32,105.7	657,080.7	30,548.5	654,346.1	30,402.2	684,748.3
Labor	234,846.2	189,790.0	259,920.0	195,201.8	261,977.0	194,846.1	456,823.1
Commerce & Economic Development	0.0	9,224.9	0.0	9,177.2	0.0	9,043.7	9,043.7
Military & Veterans Affairs	0.0	37,841.9	0.0	37,013.5	0.0	36,320.3	36,320.3
Natural Resources	1,104.4	16,268.6	1,104.4	5,811.4	2,584.9	5,668.5	8,253.4
Fish and Game	0.0	50,918.7	0.0	42,763.4	0.0	43,671.5	43,671.5
Public Safety	0.0	41,801.2	0.0	40,522.0	0.0	41,295.1	41,295.1
Transportation/Public Facilities	0.0	88,541.0	0.0	85,356.6	0.0	86,300.6	86,300.6
Environmental Conservation	0.0	131,158.1	0.0	129,764.6	0.0	134,991.1	134,991.1
Community & Regional Affairs	64,114.3	17,378.6	59,730.7	17,978.4	0.0	16,742.3	16,742.3
Corrections	0.0	32,469.9	0.0	30,602.9	53,872.3	29,159.2	83,031.5
University of Alaska	0.0	120,348.3	0.0	132,492.7	0.0	134,140.2	134,140.2
Court System	0.0	169,513.5	0.0	167,361.7	0.0	167,364.7	167,364.7
Legislature	0.0	45,685.8	0.0	45,908.2	0.0	48,169.4	48,169.4
	0.0	33,936.6	0.0	30,941.9	0.0	30,941.9	30,941.9
<b>Total:</b>	<b>1,032,947.0</b>	<b>1,155,501.1</b>	<b>1,074,050.5</b>	<b>1,126,257.0</b>	<b>1,070,001.6</b>	<b>1,135,864.3</b>	<b>2,205,865.9</b>
<b>Percent:</b>	<b>47.2%</b>	<b>52.8%</b>	<b>48.8%</b>	<b>51.2%</b>	<b>48.5%</b>	<b>51.5%</b>	<b>100.0%</b>

Notes: Excludes Shared Taxes/Fisheries Enhancement Tax Receipts

# *A legislative overview of the governor's FY97 request*

## FORMULA FUNDED PROGRAMS

General Funds (in thousands)

	FY95 Actual	FY96 Auth.	FY97 Governor	FY96 Auth to FY97 Governor
<b>ADMINISTRATION</b>				
Longevity Bonus Program	72,709.5	72,152.6	72,152.6	0.0
Retirement & Benefits/EPORS	868.0	891.1	891.1	0.0
Leasing	25,167.8	23,171.0	24,177.6	1,006.6
<b>Subtotal</b>	<b>98,745.3</b>	<b>96,214.7</b>	<b>97,221.3</b>	<b>1,006.6</b>
<b>EDUCATION</b>				
Public School Foundation	595,791.2	617,216.2	617,192.9	-23.3
Tuition Students	1,825.2	1,731.2	1,731.2	0.0
Boarding Home Grants	171.1	185.9	185.9	0.0
Youth in Detention	738.9	800.0	800.0	0.0
Schools for the Handicapped	3,447.6	3,705.2	3,721.3	16.1
Pupil Transportation	31,564.8	32,842.2	30,214.8	-2,627.4
Community Schools	598.0	600.0	500.0	-100.0
<b>Subtotal</b>	<b>634,136.8</b>	<b>657,080.7</b>	<b>654,346.1</b>	<b>-2,734.6</b>
<b>HEALTH &amp; SOC. SVS.</b>				
AFDC	54,530.6	58,796.6	55,354.9	-3,441.7
Adult Public Assistance	36,281.6	39,494.5	41,380.2	1,885.7
General Relief Assistance	798.3	1,041.9	1,041.9	0.0
Old Age Asst.-ALB Hold	2,264.8	2,298.1	2,298.1	0.0
Medicaid	128,377.0	142,762.7	146,019.0	3,256.3
Medicaid Asst.-ALB Hold	49.4	25.7	25.7	0.0
General Relief Medical	4,389.4	5,311.1	5,311.1	0.0
Waivers Services	886.6	2,256.3		-2,256.3
FSA Child Care Benefits	2,085.7	2,227.2	3,807.1	1,579.9
Foster Care	8,374.7	7,937.1	8,839.6	902.5
Subsidized Adoptions/Guardians	3,202.8	4,079.6	4,210.2	130.6
Social Services Block Grant Offset	-6,394.7	-6,310.8	-6,310.8	0.0
<b>Subtotal</b>	<b>234,846.2</b>	<b>259,920.0</b>	<b>261,977.0</b>	<b>2,057.0</b>
<b>MILITARY &amp; VETS AFFAIRS</b>				
National Guard Retirement	1,104.4	1,104.4	2,584.9	1,480.5
<b>Subtotal</b>	<b>1,104.4</b>	<b>1,104.4</b>	<b>2,584.9</b>	<b>1,480.5</b>
<b>COMMUNITY &amp; REG.</b>				
Senior Citizen Tax Relief	1,496.5	1,500.0	300.0	-1,200.0
Municipal Revenue Sharing	28,240.8	26,271.7	24,170.0	-2,101.7
Municipal Assistance	34,364.4	31,959.0	29,402.3	-2,556.7
Power Cost Equalization (GF)	12.6			0.0
<b>Subtotal</b>	<b>64,114.3</b>	<b>59,730.7</b>	<b>53,872.3</b>	<b>-5,858.4</b>
<b>Total</b>	<b>1,032,947.0</b>	<b>1,074,050.5</b>	<b>1,070,001.6</b>	<b>-4,048.9</b>
<b>DEBT SERVICE</b>				
General Obligation	18,477.6	19,452.0	16,528.7	-2,923.3
Lease Purchase	11,244.0	9,628.2	9,595.9	-32.3
Local School Debt Retirement	103,345.3	80,322.4	68,616.6	-11,705.8
<b>Subtotal</b>	<b>133,066.9</b>	<b>109,402.6</b>	<b>94,741.2</b>	<b>-14,661.4</b>
<b>TOTAL:</b>	<b>1,166,013.9</b>	<b>1,183,453.1</b>	<b>1,164,742.8</b>	<b>-18,710.3</b>

Note: Excludes Shared Taxes and Fisheries Enhancement Tax Receipts

# *A legislative overview of the governor's FY97 request*

## State of Alaska Budgets General Funds (in millions of dollars)

FY	Operating	Capital	Loan	G.F. Debt	Total
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	2,327.0	300.3	7.6	71.1	2,706.0
94	2,344.2	521.8	18.3	45.1	2,929.4
95	2,339.2	101.3	0.0	29.7	2,470.2
96	2,273.3	116.6	1.5	29.1	2,420.5

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