

The Fiscal Year 1998 Budget:

**legislative fiscal analyst
overview of the governor's request**



Legislative Finance Division

TABLE OF CONTENTS

	Page
INTRODUCTION AND SUMMARY ANALYSIS.....	1
FISCAL SUMMARY AND OTHER STATEWIDE FINANCIAL SUMMARIES.....	5
All Funds Fiscal Summary FY97/98 (with supporting schedules)	6
Agency Operating Budgets: Formula/Non-Formula.....	9
Formula Funded Programs.....	10
Operating Budget Bills Comparison.....	11
CONSTITUTIONAL BUDGET RESERVE FUND ANALYSIS.....	12
COMPREHENSIVE INTEGRATED MENTAL HEALTH PROGRAM.....	15
ADMINISTRATION	18
COMMERCE AND ECONOMIC DEVELOPMENT	20
COMMUNITY AND REGIONAL AFFAIRS	22
CORRECTIONS.....	24
EDUCATION.....	26
ENVIRONMENTAL CONSERVATION.....	28
FISH AND GAME.....	30
GOVERNOR	32
HEALTH AND SOCIAL SERVICES.....	34
LABOR.....	36
LAW.....	38
MILITARY AND VETERANS' AFFAIRS.....	40
NATURAL RESOURCES.....	42
PUBLIC SAFETY.....	44
REVENUE.....	46
TRANSPORTATION AND PUBLIC FACILITIES	48
UNIVERSITY.....	50
ALASKA COURT SYSTEM.....	52
COMMISSION ON JUDICIAL CONDUCT	54
JUDICIAL COUNCIL	56
ALASKA STATE LEGISLATURE	58
HISTORICAL SUMMARY - Alaska Budgets - FY61-97 General Fund.....	60

legislative fiscal analyst overview of the governor's request

INTRODUCTION

As required by statute, the Governor's proposed Fiscal Year 1998 budget was made public on December 16, 1996 to be formally presented to the Legislature on January 16, 1997.

Here follows, Legislative Fiscal Analyst staff analysis.

SUMMARY ANALYSIS

Beginning with the FY97 budget, the focus on general fund spending was widened to include all funding sources -- general, other state funds, and federal funds. The fiscal summary included in this overview document now reflects all fund sources but emphasizes the general fund portion although attention is directed to the other fund sources where appropriate.

The Governor's spending plan proposes to reduce overall FY98 general fund expenditures by \$2.6 million from the FY97 authorized level:

Operating		9.9
Agencies	-5.3	
Formula programs	23.2	
Statute change-		
-Longevity Bonus	-8.0	
Debt Service		-12.1
Capital		-0.1
Special Appropriations/Fund Transfers		-0.3

legislative fiscal analyst overview of the governor's request

OPERATING BUDGET

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

	FY96 Actual	FY97 Authorized	FY98 Governor
Operating budget (96 Actual includes CBR) (\$thousands, rounded)	2,224.8	2,206.2	2,228.2
Agency operations	1,150.9	1,137.6	1,136.4
Formula programs	1,073.9	1,068.6	1,091.8

The Governor's fiscal year 1998 recommendation for agency operations which support the costs of administering state government and providing public services accounts for 51 percent of the operating budget.

The Governor has included roughly \$11.1 million in additional general funds in the agencies' operating budget for increased salaries and benefits costs for those state employees 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 \$19 million. The governor's budget plan does not include similar increases for the Court System and Legislature, which would cost an estimated additional \$1 million to fund.

As noted in the preceding summary analysis, the Governor proposes to offset both agency and formula operating expenditure increases with reductions in other areas, such as new income eligibility provisions in the Longevity Bonus program. Implementing legislation would be required to effect savings of \$8 million estimated in the Governor's FY98 budget plan.

Formula programs include appropriations as payments to municipalities, non-profits, and individuals that comprise 49 percent of the operating budget. Compared to the past two years, the percentage of the operating budget allocated to formula programs was 48.6 percent in FY96 and 48.4 percent in FY97.

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 \$671.8 million general funds included in the Governor's proposed budget—an increase of \$14.8 million over FY97.

Local assistance through municipal assistance and revenue sharing at \$52.3 million is also a significant portion of formula program spending which the Governor proposes to reduce by 1.2 million.

Health and Social Services formula programs account for \$270.1 million of the formula general fund --a \$12.3 increase in general fund support over the current budget level. Caseload projections and anticipated federal and state welfare reform efforts are factored into the proposed spending level.

legislative fiscal analyst overview of the governor's request

DEBT SERVICE

The debt service portion of the budget 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.

	FY96 Actual	FY97 Authorized	FY98 Governor
Debt Service (\$millions)	109.4	93.1	86.9
G.O.	19.5	14.9	14.3
School	80.3	68.6	62.3
Lease	9.6	9.6	10.3

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 issue to conform with projected oil production in the Prudhoe Bay field and no additional obligations have been subsequently incurred. G.O. debt service need drops to \$14.3 million in FY98.

Requirements for state general fund school construction debt reimbursement are projected to drop \$6.3 million from the FY97 amount based on the administration's projection of local school bonding activity for FY98.

Lease debt funding requirements increase slightly for FY98 as a result of additional facility construction.

The overall need for appropriations in FY98 are reduced by a projected \$5.9 million in carryforward funds from prior years. Similarly, the FY97 amount needed had been reduced by \$1.6 million in carryforward funds applied to the G.O. debt service portion.

CAPITAL BUDGET

The Governor's initial FY98 spending plan earmarks \$100 million in general funds for the capital budget. An appropriation bill and specific project information are to be provided during the session.

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 two years.

legislative fiscal analyst overview of the governor's request

FUND TRANSFERS/SPECIAL APPROPRIATIONS

Normally included under this category and for FY98 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). Even though estimates are included in the spending plan each year, the actual amounts transferred are production-dependent on revenue collections and the status of the account balances. Currently these transfers are in the annual range of \$13 - 14 million.

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 the Alaska Industrial Development and Export Authority, and an appropriation from the Constitutional Budget Reserve (CBR).

The fall 1996 revenue forecast for Fiscal Year 1998 has unrestricted general funds declining \$395 million from fiscal year 1997 current projections.

The Governor proposes to increase taxes on tobacco and tobacco products to generate approximately \$40 million in additional revenues for FY98.

The Governor's revenue plan includes a \$50 million payment from the Alaska Housing Finance Corporation as an annual return-to-the-general fund and a \$16 million payment of a similar nature from the Alaska Industrial Development and Export Authority.

The Governor's budget plan would require an estimated \$374 million appropriation from the Constitutional Budget Reserve fund to balance FY98 revenues and expenditures.

Last session, the Legislature anticipated that \$409 million may be needed to balance the FY97 budget but actual experience to date indicates that no CBR funds will be needed, instead, a general fund budget surplus exceeding \$100 million is anticipated if current oil price projections hold.

**FISCAL SUMMARY
AND
OTHER STATEWIDE FINANCIAL SUMMARIES**

legislative fiscal analyst overview of the governor's request

FY97/98 ALL FUNDS FISCAL SUMMARY (in millions of dollars)

REVENUES		
Unrestricted General Fund: Fall 96 Forecast		
Change in Unrestricted: Update 1/1/97 Update		
Revenue Adjustments		
New Revenues: Tobacco Tax Increase		
AHFC Transfer to General Fund		
AIDEA Transfer to General Fund		
From Constitutional Budget Reserve		
Federal and Other Funds		
TOTAL AVAILABLE		
EXPENDITURES		
Operating		
Agency Operations (Non-Formula)		
Court System Increments/Other		
Formula Programs		
Statutory Change: Longevity Bonus		
Debt Service		
Capital		
Loans		
Specials & Fund Transfers		
Supplementals (estimated)		
TOTAL APPROPRIATIONS		
Less Duplicated Expenditures		
UNDUPLICATED EXPENDITURES		

	FY97 Authorized		Total
	Federal	Other	
GF			
2,409.9			2,409.9
111.0			111.0
(48.0)			(48.0)
50.0			50.0
15.0			15.0
0.0			0.0
1,097.4	2,143.2		3,240.6
2,537.9	2,143.2		5,778.5
1,137.6	429.7	743.7	2,311.0
1,068.6	307.9	147.5	1,524.0
93.1	31.9		125.1
100.1	188.1		640.7
1.5	7.3		8.8
13.9	1,031.9		1,045.8
17.0			17.0
2,431.8	1,097.4	2,143.2	5,672.4
		(485.2)	(485.2)
2,431.8	1,097.4	1,658.0	5,187.2

	FY98 Governor's Request		Total
	Federal	Other	
GF			
2,014.5			2,014.5
(65.0)			(65.0)
39.9			39.9
50.0			50.0
16.0			16.0
373.8			373.8
	764.3	2,092.4	2,856.7
2,429.2	764.3	2,092.4	5,285.9
1,136.4	431.0	765.6	2,333.0
(4.1)			(4.1)
1,091.8	326.0	136.3	1,554.1
(8.0)			(8.0)
81.0		30.4	111.4
100.0	*	*	100.0
1.5	7.3		8.8
13.6		1,160.1	1,173.7
17.0			17.0
2,429.2	764.3	2,092.4	5,285.9
		(458.1)	(458.1)
2,429.2	764.3	1,634.3	4,827.8

Projected General Fund Surplus 106.1

	FY 97	FY 97	FY 98
	Fall 96 Forecast	1/1/97 Update	Fall 96 Forecast
(1) Price per barrel	\$20.33	\$21.63	\$17.71
Production (Millions of Barrels/day)	1.429	1.413	1.373
(2) Shared tax and salmon enhancement tax programs are off-budget.			
(3) The Governor's FY98 Capital budget is not yet available. As a result, the federal and other fund totals for FY98 cannot be calculated at this time. In addition, FY97 capital budget totals for federal and other funds have been used to calculate FY98 duplicated expenditures.			
(4) FY97 Authorized does not include RPL's			

legislative fiscal analyst overview of the governor's request

**FY 97/98 ALL FUNDS SPENDING PLAN
REVENUE ADJUSTMENT AND DUPLICATED EXPENDITURE DETAIL**
(in millions of dollars)

FY97 General Fund Revenue Adjustments	
From Unrestricted to Restricted:	(40.3)
Marine Highway Receipts	
Salmon and Seafood Marketing	
Other Adjustments:	
Trans Alaska Pipeline Fund	20.0
Loan Fund Transfers to General Fund	0.6
Storage Tank Assistance Fund Receipts	0.3
Salmon Enhancement "off budget"	(5.0)
Shared Taxes "off budget"	(25.1)
From Mitigation Account	1.5
FY97 Revenue Adjustment Total	(48.0)

FY98 General Fund Revenue Adjustments	
From Unrestricted to Restricted:	(40.9)
Marine Highway Receipts	
Salmon and Seafood Marketing	
Other Adjustments:	
Trans-Alaska Pipeline Fund	0.0
Loan Fund Transfers to General Fund	0.4
Storage Tank Assistance Fund Receipts	0.3
Salmon Enhancement "off budget"	(5.0)
Shared Taxes "off budget"	(24.9)
From Mitigation Account	5.1
FY98 Revenue Adjustment Total	(65.0)

legislative fiscal analyst overview of the governor's request

FY97/98 ALL FUNDS FISCAL SUMMARY
FY97 Authorized
 (in millions of dollars)

DUPLICATED EXPENDITURES	OPERATING	CAPITAL	TOTAL	OPERATING	CAPITAL	TOTAL
Interagency Receipts	198.8		198.8	181.5		181.5
Highway Working Capital Fund	22.5	11.8	34.3	22.7	11.8	34.5
Debt Retirement Fund	93.1		93.1	81.0		81.0
Oil & Hazardous Rel Resp & Prev	11.8	2.7	14.5	11.9	2.7	14.6
Interagency Oil & Haz	2.1		2.1	1.7		1.7
Capital Improvement Project Rcpts	76.9	1.5	78.4	79.3	1.5	80.8
Marine Highway System Fund	28.3		28.3	28.3		28.3
Information Services Fund	20.3	0.4	20.7	20.3	0.4	20.7
Municipal Capital Matching Fund		13.3	13.3		13.3	13.3
Unincorporated Capital Matching Fund		1.7	1.7		1.7	1.7
FY97 Duplicated Expenditure Total	453.8	31.4	485.2	426.7	31.4	458.1

legislative fiscal analyst overview of the governor's request

AGENCY OPERATING BUDGETS FORMULA/NON-FORMULA PROGRAM FUNDING GENERAL FUNDS and CONSTITUTIONAL BUDGET RESERVE FUNDS (in thousands of dollars)

Agencies	FY96 Actual		FY97		(1) FY98 Governor	
	Formula	Agency	Formula	Authorized Agency	Formula	Agency
Administration	98,149.7	75,061.7	98,524.3	74,379.8	95,826.9	77,334.8
Commerce & Economic Development	0.0	39,812.4	0.0	38,558.0	0.0	37,669.3
Community & Regional Affairs	59,730.7	31,077.6	53,872.3	28,109.1	52,640.1	27,707.5
Corrections	0.0	129,381.2	0.0	132,463.4	0.0	133,853.7
Court System	0.0	46,437.8	0.0	48,984.4	0.0	52,400.8
Education	653,359.0	30,015.7	656,973.5	29,747.0	671,754.0	30,320.5
Environmental Conservation	0.0	17,133.1	0.0	15,904.8	0.0	15,622.3
Fish and Game	0.0	39,467.3	0.0	39,864.1	0.0	40,954.2
Governor	0.0	14,898.6	0.0	19,766.7	0.0	15,737.7
Health and Social Services	253,588.2	190,394.7	257,832.6	194,004.7	270,113.2	189,438.7
Labor	0.0	9,058.4	0.0	8,901.3	0.0	8,894.0
Law	0.0	35,681.8	0.0	32,432.7	0.0	30,985.2
Legislature	0.0	29,314.8	0.0	31,113.4	0.0	31,113.4
Military & Veterans Affairs	9,104.4	11,457.5	1,434.9	5,650.0	1,434.9	5,940.6
Natural Resources	0.0	56,010.6	0.0	43,599.6	0.0	42,294.0
Public Safety	0.0	84,801.2	0.0	86,085.2	0.0	87,454.8
Revenue	0.0	12,404.4	0.0	12,162.8	0.0	12,179.5
Transportation/Public Facilities	0.0	129,787.1	0.0	128,179.0	0.0	128,810.6
University of Alaska	0.0	168,680.0	0.0	167,693.6	0.0	167,693.6
Total:	1,073,932.0	1,150,875.9	1,068,637.6	1,137,599.6	1,091,769.1	1,136,405.2
Percent:	48.6%	51.4%	48.4%	51.6%	49.0%	51.0%
		100.0%		100.0%		100.0%

(1) FY98 Governor excludes veto override in Department of Natural Resources for Chapter 1 FSSLA 1996 (Agricultural Lands)

Notes: Excludes Shared Taxes/Fisheries Enhancement Tax Receipts

legislative fiscal analyst overview of the governor's request

FORMULA FUNDED PROGRAMS General Funds and Constitutional Budget Reserve Funds (in thousands of dollars)

	FY96 Actual	FY97 Auth	FY98 Governor	FY97 Auth to FY98 Governor
ADMINISTRATION				
Longevity Bonus Program	73,270.1	74,062.6	71,198.9	(2,863.7)
Retirement & Benefits/EPORS	855.7	891.1	1,033.8	142.7
Leasing	24,023.9	23,570.6	23,594.2	23.6
Subtotal	98,149.7	98,524.3	95,826.9	(2,697.4)
EDUCATION				
Public School Foundation	613,537.4	617,192.9	629,574.3	12,381.4
Tuition Students	1,854.2	1,731.2	1,731.2	0.0
Boarding Home Grants	129.4	185.9	185.9	0.0
Youth in Detention	693.8	800.0	800.0	0.0
Schools for the Handicapped	3,705.2	3,721.3	3,767.4	46.1
Pupil Transportation	32,842.2	32,842.2	35,195.2	2,353.0
Community Schools	596.8	500.0	500.0	0.0
Subtotal	653,359.0	656,973.5	671,754.0	14,780.5
HEALTH & SOC. SVS.				
AFDC	52,399.2	55,195.7	52,664.6	(2,531.1)
Adult Public Assistance	38,415.3	40,080.2	40,781.0	700.8
General Relief Assistance	1,025.7	1,041.9	1,041.9	0.0
Old Age Asst.-ALB Hold Harmless	2,428.7	2,298.1	2,298.1	0.0
Medicaid	138,251.7	142,309.5	149,640.1	7,330.6
Medicaid Asst.-ALB Hold Harmless	29.4	25.7	25.7	0.0
General Relief Medical	3,359.7	4,854.1	2,838.7	(2,015.4)
Waivers Services	2,436.6	2,106.3	7,144.2	5,037.9
Child Care Benefits	2,628.1	3,402.1	5,024.4	1,622.3
Foster Care	9,105.5	8,619.6	9,452.0	832.4
Subsidized Adoptions/Guardians	3,508.3	4,210.2	4,613.3	403.1
Social Services Block Grant Offset	0.0	(6,310.8)	(5,410.8)	900.0
Subtotal	253,588.2	257,832.6	270,113.2	12,280.6
MILITARY & VETS AFFAIRS				
National Guard Retirement	9,104.4	1,434.9	1,434.9	0.0
Subtotal	9,104.4	1,434.9	1,434.9	0.0
COMMUNITY & REG. AFFAIRS				
Senior Citizen Tax Relief	1,500.0	300.0	300.0	0.0
Municipal Revenue Sharing	26,271.7	24,170.0	23,614.1	(555.9)
Municipal Assistance	31,959.0	29,402.3	28,726.0	(676.3)
Subtotal	59,730.7	53,872.3	52,640.1	(1,232.2)
Total	1,073,932.0	1,068,637.6	1,091,769.1	23,131.5
DEBT SERVICE				
General Obligation	19,452.0	14,928.7	14,251.7	(677.0)
Lease Purchase	9,628.2	9,595.9	10,342.4	746.5
Local School Debt Retirement	80,322.4	68,616.6	62,288.4	(6,328.2)
Subtotal	109,402.6	93,141.2	86,882.5	(6,258.7)
TOTAL	1,183,334.6	1,161,778.8	1,178,651.6	16,872.8

Note: Excludes Shared Taxes and Fisheries Enhancement Tax Receipts

legislative fiscal analyst overview of the governor's request

FY96/97/98 OPERATING BUDGET BILLS COMPARISON General Funds and Constitutional Budget Reserve Funds (in thousands of dollars)

	FY96 Actuals	FY97 Authorized	FY98 Governor
Front Sections			
Alaska Clean Water Fund	1,516.3	1,469.2	1,469.2
Information Services	20.0	55.0	55.0
Marine Highway Fund	28,263.2	28,284.0	28,624.1
(a) Oil/Haz. Fund - Prevention Account (3c)	11,562.4	13,600.0	13,300.0
(a) Oil/Haz. Fund - Response Account (2c)	539.4	0.0	0.0
(b) <i>Salmon Enhancement (estimated)</i>	<i>5,516.0</i>	<i>5,349.4</i>	<i>5,349.4</i>
(b) <i>Shared Taxes (estimated)</i>	<i>25,877.4</i>	<i>26,619.2</i>	<i>26,245.0</i>
General Fund Debt Retirement Fund		(1,600.0)	
Lease Debt	9,584.0	9,595.9	10,342.4
General Obligation Debt	19,452.0	16,528.7	14,251.7
School Debt Retirement	80,322.4	68,616.6	62,288.4
Storage Tank Registration Fees	309.6	280.0	250.0
Storage Tank Assistance Fund	2,873.3	0.0	0.0
(c) Oil and Gas Audit	15,935.0	0.0	0.0
University Alumni Associations	0.0	20.7	0.0
Sitka Airport Maintenance	300.0	0.0	0.0
Community Jails	437.0	0.0	0.0
Criminal Justice Computer System	50.0	0.0	0.0
Healthy Families Program	150.0	0.0	0.0
	171,314.6	136,850.1	130,580.8
Agencies			
Administration	173,191.4	172,849.1	173,106.7
Commerce & Economic Development	39,812.4	38,558.0	37,669.3
Community & Regional Affairs	90,808.3	81,981.4	80,347.6
Corrections	128,944.2	132,463.4	133,853.7
Education	603,052.3	618,103.9	639,786.1
Environmental Conservation	17,133.1	15,904.8	15,622.3
Fish and Game	39,467.3	39,864.1	40,954.2
Governor	14,848.6	19,766.7	15,737.7
Health and Social Services	443,832.9	451,837.3	459,551.9
Labor	9,058.4	8,901.3	8,894.0
Law	19,746.8	32,432.7	30,985.2
Military & Veterans Affairs	20,561.9	7,084.9	7,375.5
(d) Natural Resources	56,010.6	43,561.1	42,294.0
Public Safety	84,801.2	86,116.4	87,454.8
Revenue	12,404.4	12,162.8	12,179.5
Transportation/Public Facilities	101,223.9	99,895.0	100,186.5
University of Alaska	168,680.0	167,672.9	167,693.6
Court System	46,437.8	48,984.4	52,400.8
Legislature	29,314.8	31,113.4	31,113.4
	2,099,330.3	2,109,253.6	2,137,206.8
TOTAL - Operating, Loans, Fund Transfers	2,270,644.9	2,246,103.7	2,267,787.6

Note: Items appearing in the front section are not included in the agencies' base totals.

(a)FY96 Actuals identifies operating expenditures only.

(b)For information purposes only. **Not included in the totals.**

(c) Includes FY96 appropriation only.

(d)FY98 Governor excludes veto override for Chapter 1 FSSLA 1996 (Agricultural Lands)

legislative fiscal analyst overview of the governor's request

CONSTITUTIONAL BUDGET RESERVE FUND ANALYSIS

January 1997 Update

Balance as of June 30, 1995 (1)	2,135.4
FY 96 Activity:	
To General Fund, estimated, to balance FY96 revenues and expenditures Chapter 94, SLA 1995, Section 43(b)	(284.9)
Direct appropriations of CBR funds in Chapter 94, SLA 1995	(8.4)
Appropriation of amounts swept under 17(d) from the CBRF, section 43(a) CCS HB 100 & section 110(a) SCS CSHB 268(FIN)	(95.5)
BP Settlement, December 1995 payment	350.0
Additional Settlements, FY96 to date per Department of Revenue	201.5
Estimated FY96 Interest Earnings	145.1
Sweep of various general fund subfund and account balances per section 17(d), estimated	74.4
Balance as of June 30, 1996 (1)	2,517.6
FY 97 Activity:	
To General Fund, estimated, to balance FY97 revenues and expenditures (2)	0.0
Appropriation of amounts swept under 17(d) from the CBRF, estimated (1)	(74.4)
BP Settlement, December 1996 payment (3)	350.0
Additional Settlements, FY97 to date per Department of Revenue (3)	68.7
Estimated FY97 interest earnings (3)	173.4
Sweep of various general fund subfund and account balances per section 17(d), estimated	75.0
Potential GF Surplus to CBR per section 17 (d) (2) (4)	106.1
Projected balance as of June 30, 1997 (1) (2)	3,216.4

(1) Source: State of Alaska Annual Financial Report, June 30, 1996

(2) Source: FY 1997 Executive Petroleum Revenue Update: 12/31/1996)

(3) Source: Department of Revenue, Projected Cash Flow and Fund Balances January 3, 1997.

Any additional settlements received will increase the projected balances.

(4) Source: Expenditure assumptions based on Governor FY97/98 Budget Plan for FY 1998, 12/15/96.

(This page intentionally left blank)

legislative fiscal analyst overview of the governor's request

COMPREHENSIVE INTEGRATED MENTAL HEALTH PROGRAM

The Alaska Mental Health Trust Authority (Trust Authority) is established in the Department of Revenue with responsibility for protecting trust assets and planning and promoting the State's comprehensive integrated mental health program. According to the Trust Authority's September 15, 1996, annual report, in FY96: the Trust Land Office generated approximately \$1,460,000 from Trust land fees, rents, royalties and sales. The total earnings of Mental Health Trust funds with the Alaska Permanent Fund Corporation are \$23,949,000 from earnings of the \$200 million money trust, inflation-proofing and land revenues allocated as principal. The Trust Authority must prepare, and periodically revise and amend, a plan for a comprehensive integrated mental health program in conjunction with the Department of Health and Social Services. The following agencies' mental health budgets are included in the separate mental health bill: Administration, Corrections, Education, Health and Social Services, Law, Natural Resources, Revenue, University of Alaska and the Court System. The Department of Health and Social Services has by far the majority of mental health programs and consequently funding – with 93% of total general fund mental health funds and 66% of Trust Authority funds.

MAJOR CHANGES

Department of Administration

- The Governor's request includes an increase of \$407,200 Trust Authority funds in the Home and Community Based Care component for Alzheimer's Disease and Related Dementia (ADRD) training and to assist seniors with mental illness.

Department of Health and Social Services

- The Trust Authority would provide \$1,150,000 Mental Health Trust funds to match federal funds of \$2,300,000 for restoring Medicaid Optional services for adult Medicaid recipients that have not been funded since the Fall of 1994: adult dental services, speech-language pathology services, audiology services and hearing aids, vision examinations and eyeglasses, and occupational therapy services. The proposal also includes an increase of \$1,150,000 general funds.
- In FY97, the department agreed to fund specific community mental health services with general funds while the Alaska Mental Health Trust Authority agreed to fund part of the operating costs of Harborview Development Center (HDC) with Trust Authority funds. Fiscal Year 1998 is the final year of a three year closure plan for HDC. A \$980,100 decrease of Trust Authority funds in the HDC reflects the planned closure.

There were no significant changes in Corrections, Education, Law, Natural Resources, Revenue, University of Alaska or the Court System.

The statutes relating to the separate mental health bill include a provision that if the bill for the comprehensive integrated mental health program includes any differences from the Trust Authority's

legislative fiscal analyst overview of the governor's request

funding recommendation, then a report must accompany the bill to explain the differences between the Trust Authority's recommendations and those of the Governor or Legislature. Below are some of the differences between the Trust Authority's funding recommendation and the Governor's recommendations.

Department of Administration

- The Governor did not fund increased respite and increased care coordination for seniors in the Home and Community Based Care component – the request was for \$400,000 and \$750,000 general fund mental health funds, respectively.

Department of Corrections

- The Governor did not fund an increment of \$600,000 general fund mental health funds for an Inpatient Unit for female mentally ill offenders.

Department of Health and Social Services

- Of \$3 million general fund mental health increments requested for the Department of Health and Social Services, the Governor recommended funding \$150,000 of the request. Of this amount \$100,000 is for the Infant Learning Program and \$50,000 is for an Inhalant Prevention Project in Alcohol and Drug Abuse Grants. Programs not funded include: increased respite care for developmental disabilities clients, seven new emergency services detoxification beds, new models for mental health crises respite services, developmental disabilities individualized vocational assistance and Harborview Development Center operating funds.

FY98 Governor's Recommendation for Mental Health Programs (In thousands of dollars)

Department	GF/MH	MHTAAR	MHT Admin	Total
Administration	3,131.5	407.2		3,538.7
Corrections	3,462.2			3,462.2
Education	228.1			228.1
Health and Social Services	101,726.7	4,053.7		105,780.4
Law	67.9			67.9
Natural Resources		743.5		743.5
Revenue			892.8	892.8
University of Alaska	200.8			200.8
Alaska Court System	79.3			79.3
Total	108,896.5	5,204.4	892.8	114,993.7

GF/MH - General Fund/Mental Health
MHTAAR - Mental Health Trust Authority Authorized Receipts
MHT Admin - Mental Health Trust Administration

The funding source for MHTAAR and MHT Admin is the Mental Health Trust Settlement Account (MHTSIA). The source of funds for the MHTSIA are earnings from the Trust Fund and land proceeds.

legislative fiscal analyst overview of the governor's request

COMPREHENSIVE INTEGRATED MENTAL HEALTH PROGRAM

FY97 CONFERENCE COMMITTEE **112,398.4**

FY97 Salary Adjustment 44.9

FY97 AUTHORIZED **112,443.3**

FY98 Salary Adjustment 209.3

FY98 Health Premium Increase 73.8

Miscellaneous Adjustment (89.5)

FY98 ADJUSTED BASE **112,636.9**

Trust Authority Increments 7,995.8

Governor's Increments 3,282.7

Governor's Decrements (8,921.7)

FY98 GOVERNOR REQUEST **114,993.7**

General Fund Mental Health 108,896.5

Mental Health Trust Authority Authorized Receipts 5,204.4

Mental Health Trust - Administration 892.8

legislative fiscal analyst overview of the governor's request

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 the divisions of Senior Services, the Public Defender Agency, 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

- Underfunding issues in the FY98 Governor's budget - The Office of Public Advocacy, Public Defender Agency, and Leasing budget requests do not include the department's estimate of full funding. The difference between the Governor's budget and the agency's estimate of full funding is \$720,000, \$550,000, and \$1,183,500, respectively, or a total general funding shortfall of up to \$2,453,500. These are all areas of the Department of Administration's budget which have required supplemental appropriations in the past, which the Governor apparently plans to continue as a matter of policy.
- Fiscal Year 1998 is the first year that the Longevity Bonus authorization will decrease because of the phase-out adopted by the Legislature in 1993. The last applicants accepted into the longevity bonus program are those individuals that turned 65 years of age before December 31, 1996. The expected FY98 general fund decrease is \$2,863,700, a 4% decrease from the FY97 authorized amount.
- The proposed budget for the Pioneers' Home component would increase the rates charged to residents. This is the second year in a seven year plan to charge residents for the full cost of care. As rates are increased, residents unable to pay the increased costs will not be discharged. The increase in rates would be effective July 1997. This increase would generate an additional \$1,887,900 in program receipts to replace direct general fund appropriation.

ORGANIZATIONAL CHANGES

The Office of Tax Appeals was added in Chapter 108, SLA 1996 (HB 341) and is codified in AS 43.05.400 through 43.05.499. The law governs administrative appeals regarding: electric and telephone cooperative taxes, seafood marketing assessment, and other state taxes, except for Oil & Gas Exploration, Production and Pipeline transportation Property Taxes.

Funding is transferred from the Department of Health and Social Services to the Department of Administration for the administrative costs of the Medicaid Home and Community Based Care program. This will not change how the program currently operates. Another addition to the Division of Senior Services in FY98 is the Home Health Services (personal care attendants) grant program. This program is transferred from the DHSS, Division of Public Health.

At the beginning of FY97, the Citizens Review Panel for Permanency Planning began reporting to the director of the Division of Senior Services. This change is reflected in the FY98 budget request.

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF ADMINISTRATION

FY97 CONFERENCE COMMITTEE	262,191.3
Fiscal Notes	907.7
Vetoed	(100.0)
FY97 Salary Adjustment	479.1
FY97 AUTHORIZED	263,478.1
One-time Items	(185.2)
Agency Transfers In	1,789.2
Agency Transfers Out	(11.8)
FY98 Salary Adjustment	827.6
FY98 Health Premium Increase	285.7
Information Service Fund Front Section	(21,606.5)
Retirement Incentive Program funding	734.4
FY98 ADJUSTED BASE	245,311.5
Increments	2,370.4
Decrements	(3,461.6)
FY98 GOVERNOR REQUEST	244,220.3
General Funds	173,161.7
Other Funds	64,200.7
Federal Funds	6,858.0

legislative fiscal analyst 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.

MAJOR CHANGES

- FY97 Authorization included \$9,185,800 in carryforward funding, including \$2,785,800 general funds. These amounts are reduced in the FY98 budget by \$8,013,900 total funds and \$1,613,900 general funds. These transactions affect Insurance, Occupational Licensing, Alaska Public Utilities Commission, Alaska Seafood Marketing Institute and the Alaska Science and Technology Foundation.
- The Trade and Development component includes \$56,200 additional interagency receipt funding to support international tourism and other development activity in Taiwan and Korea.
- Occupational Licensing has FY97 carryforward authorization of \$1,386,400 in general fund program receipts. This authorization was reduced by \$1,017,800 leaving \$368,600 to fund costs increases for: 1) two existing investigator positions; 2) an executive secretary for the Board of Registration for Architects, Engineers, and Land Surveyors; 3) administrative support for several boards; and 4) a contract (RSA) with the Department of Labor for increased enforcement of construction contractor and electrical/mechanical administrator licensing laws.
- The Alaska Tourism Marketing Council budget includes an increment for increased television advertising. The increment adds \$200,000 in general funds and \$66,700 in general fund program receipts as match for the increased state contribution. Funding for the Film Office in the Division of Tourism is reduced by \$157,300 and is accompanied by the elimination of one full time position. \$400,000 in general fund program receipts is requested to continue coordination of the Alaska/Canada cooperative program, Tourism North.
- Activities eliminated in the FY98 budget include the Juneau Mining and Development Specialist position and funding of \$82,700 general funds.

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

FY97 CONFERENCE COMMITTEE **58,685.2**

Fiscal Notes	1,161.0
Carryforward Funding	9,185.8
Multi-year Supplemental	47.5
FY97 Salary Adjustment	140.4

FY97 AUTHORIZED **69,219.9**

FY98 Salary Adjustment	303.6
FY98 Health Premium Increase	115.3
One-time Items	(6,447.5)
Inter Agency Receipts Increase	33.6
Funding for Tourism North	400.0

FY97 ADJUSTED BASE **63,624.9**

Increments	732.4
Decrements	(3,562.2)

FY98 GOVERNOR REQUEST **60,795.1**

General Funds	37,669.3
Other Funds	19,431.7
Federal Funds	3,694.1

legislative fiscal analyst overview of the governor's request

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, the state administered federal Job Training Partnership Act 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

- In FY97 the department received federal approval for a three year grant to implement an integrated one-stop career center system. Staff from the Departments of Community and Regional Affairs, Labor, Education, Health and Social Services and Administration will either co-locate physically or electronically through computer networks to provide integrated access to services required by job seekers and employers. In FY98 the Department establishes a new component in the Administration and Support BRU entitled One-Stop, and includes an increment for \$3,656,700 federal funds to continue the physical and electronic integration of one-stop sites in Eagle River, Kenai, Anchorage, Homer, Juneau, Kotzebue, Nome, Sitka and Wasilla. Statewide oversight of the One-Stop State Office system will be provided by the Alaska Human Resource Investment Council.
- As a part of the federal and state welfare reform effort, the Day Care Assistance program includes an increment for \$2,094,600 interagency receipts from the Department of Health and Social Services to provide child care subsidies for families receiving and coming off public assistance, and low income families at risk of going on public assistance.
- Funding and positions for the Community Development Quota (CDQ) program, the Rural Development Initiative Fund (RDIF) program, the Alaska Rural Development Council (ARDC), the Rural Development Grant program and the Community Development Block Grant program have been consolidated into a new component/BRU entitled Community and Economic Development. Responsibility for these programs has been transferred from the Division of Community and Rural Development to the Municipal and Regional Assistance Division.
- Municipal Assistance and Revenue Sharing are reduced 2.3 percent below the FY97 Authorized level (\$1,232,200 general funds).

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

FY97 CONFERENCE COMMITTEE	138,088.6
FY97 Salary Adjustment	76.6
Fiscal Notes	351.2
Vetoed	(100.0)
FY97 AUTHORIZED	138,416.4
One-time Items	(251.2)
FY98 Salary Adjustment	139.3
FY98 Health Premium Increase	49.4
FY98 ADJUSTED BASE	138,353.9
Increments	10,794.9
Decrements	(2,917.5)
FY98 GOVERNOR REQUEST	146,231.3
General Funds	80,347.6
Other Funds	30,963.6
Federal Funds	34,920.1

legislative fiscal analyst overview of the governor's request

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

- \$727,100 general funds added to replace reappropriated funds in the FY97 budget for Community Residential Centers.
- The FY98 request increases funding in the Out-of-State Contractual component by a total of \$1,000,200 general funds. This request would allow the department to contract for an additional 44 beds in FY98 to address over-crowding of state institutions. The funding would come from general fund transfers from the Commissioner's Office and the Community Residential Centers components; the amounts are \$540,000 and \$460,200, respectively.

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF CORRECTIONS

FY97 CONFERENCE COMMITTEE **136,840.7**

Fiscal Notes 708.4

Reappropriation for Community Residential Centers 727.1

FY97 Salary Adjustment 469.3

FY97 AUTHORIZED **138,745.5**

FY98 Salary Adjustment 1,082.4

FY98 Health Premium Increase 369.3

FY98 ADJUSTED BASE **140,197.2**

Increments 358.5

Decrements (55.3)

FY98 GOVERNOR REQUEST **140,500.4**

General Funds 133,853.7

Other Funds 4,938.4

Federal Funds 1,708.3

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 Alyeska Central 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.

MAJOR CHANGES

- To offset the one-time carryforward of \$3,678,000 authorized in Chapter 123 SLA 96. section 80, and the one-time increase and expenditure of \$3,422,700 Public School Funds in FY97, the Foundation Program component includes two major general fund increases. The first is a fund change of (\$2,633,800) in Public School Funds and a general fund increase of \$2,633,800. A general fund increment for \$9,747,600 represents the balance necessary to meet department's current estimates of an assumed 1.5 percent increase based on the past four years average increased costs. **The assumptions do not account for changes in local effort based on assessed values, or proposed changes in the foundation formula.**

Changes to the foundation formula as currently proposed by the department would require an additional \$12,000,000 general funds to accommodate the Level III/Incentive Grant associated with distinguished school recognition.

- School Debt Reimbursement for FY98 is decreased by \$6,328,200 based on the assumption that the remaining bond principal for Fairbanks, Anchorage, Aleutians East, Hoonah and Yakutat will be sold in FY97. Projections for potential carryforward in the School Debt Fund due to extended time frame for issuing bonds in FY97 could reduce the need for additional general funds required in FY98.
- Pupil Transportation is increased 7.2 percent (\$2,353,000 general funds) above FY97 Authorized. This is based on the department's assumption of a five year average 3 percent increase for contractual cost of living increases, and growth due to new routes and contracts.
- Additional district support for single site schools is increased 9.4 percent above FY97 Authorized (\$296,500 general funds).

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF EDUCATION

FY97 CONFERENCE COMMITTEE	899,444.0
Fiscal Notes	16.4
Special Appropriations	3,678.8
FY97 Salary Adjustment	241.8
FY97 AUTHORIZED	903,381.0
FY98 Salary Adjustment	353.9
FY98 Health Premium Increase	156.9
FY98 ADJUSTED BASE	903,891.8
Increments	19,852.8
Decrements	(7,066.9)
FY98 GOVERNOR REQUEST	916,677.7
General Funds	702,074.5
Other Funds	92,246.2
Federal Funds	122,357.0

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

- A decrement of \$1,976,200 in Storage Tank funds in the Storage Tank Program component proposes to transfer the financial assistance program staff and grants to the capital budget because storage tank projects typically require more than one year's time for completion.
- The line item transfer of \$71,800 from grants to the contractual line in Facility Construction Operations is due to an increase in DEC Administrative Services chargeback (for phone, copier and administrative support). Due to the additional non-general funds requested in the Remote Maintenance Worker Program, grantees will not be eliminated nor grant amounts reduced as a result of this transfer.
- An increment of \$592,500 in federal receipts is requested to support existing programs in the Facility Construction and Operations BRU. A fund source change from general fund to general fund match is proposed for the capture of the additional federal receipts. \$450,000 will provide continuing support and establish new services for the Remote Maintenance Worker program. \$120,000 will be used to increase local understanding, training, and management of rural sanitation facilities in conjunction with the Governor's Council on Rural Sanitation. A request for \$22,500 to increase travel will ensure efficient management of the federal contract management assistance grant.

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

FY97 CONFERENCE COMMITTEE **45,547.0**

FY97 Salary Adjustment 216.2

FY97 AUTHORIZED **45,763.2**

FY98 Salary Adjustment 387.2

FY98 Health Premium Increase 136.4

FY97 ADJUSTED BASE **46,286.8**

Increments 2,688.4

Decrements (2,916.3)

FY97 GOVERNOR **46,058.9**

General Funds 15,622.3

Other Fund 19,897.6

Federal Fund 10,539.0

legislative fiscal analyst overview of the governor's request

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, 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

- The Commercial Fisheries Management and Development program, Fisheries Management component includes an increment for \$351,900 general fund program receipts from test fish project resource sales. Anticipated test fisheries include Southeast herring (\$30,800), Southeast groundfish (\$67,700), Southeast shellfish (\$39,000), a South Unimak chum-to-sockeye ratio assessment (\$90,400) and Kodiak herring (\$124,000).
- A \$574,800 Sport Fisheries increment for Dingell-Johnson/Wallop Breaux federal funds (\$265,100) and Fish and Game Funds (\$309,700) will support a number of new or continuation projects. These include a reimbursable services agreement with the Department of Public Safety for increased Fish and Wildlife Protection officers on the Kenai Peninsula; dolly varden research in the Kenai River drainage; pre-season king crab abundance estimates for the rapidly expanding personal use king crab fishery in Juneau; Katchemak Bay hard-shell clam and Dungeness crab stock assessment; Unalakleet and North River king salmon telemetry; spawning escapement surveys for Kodiak road system coho; Ninilchik razor clam assessment; research/assessment of Kobuk River sheefish spawning population; and enhancements for public communications and general program administration. Authorization for twenty-six new permanent full-time positions is included in this request.
- The Wildlife Conservation component includes a \$1,996,200 increment for Fish and Game Funds to restore prior year reductions to Fish & Game Fund authorization, and to support new and continuing projects relating to wolf management and control, watchable wildlife and hunter education. The component also includes a proposal to transfer \$319,500 Fish and Game Funds to the Boards of Fish and Game in exchange for a like amount of general funds to support continuation of the watchable wildlife program.
- Of the \$2,749,800 in decrements identified by the department for FY98, over 85% (\$2,359,900) represents a reduction in Exxon Valdez Oil Spill Settlement fund authorization for projects specifically related to and funded by the Exxon Valdez Oil Spill Settlement. The remaining \$389,900 is comprised of reductions in interagency receipts (\$252,300), general funds (\$71,900) and CIP receipts (\$65,700).

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF FISH AND GAME

FY97 CONFERENCE COMMITTEE	104,157.6
FY97 Salary Adjustment	520.2
Fiscal Notes	563.2
Vetoed	(44.2)
FY97 AUTHORIZED	105,196.8
FY98 Salary Adjustment	886.7
FY98 Health Premium Increase	314.8
FY98 ADJUSTED BASE	106,398.3
Increments	3,386.7
Decrements	(2,749.8)
FY97 GOVERNOR REQUEST	107,035.2
General Funds	40,954.2
Other Funds	34,286.9
Federal Funds	31,794.1

legislative fiscal analyst overview of the governor's request

OFFICE OF THE GOVERNOR

The Governor's Office is responsible for the operation of the executive branch of state government as specified in the *Alaska Constitution* and statutes: the Executive Office (Governor, Lieutenant Governor and related offices), 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 decrement of \$1,825,800 is included in recognition that general and primary elections will not be held during fiscal year 1998 with their associated costs.
- A \$119,800 general fund increment is added to Human Rights Commission to reduce hearings backlog.
- Reduced funding is proposed for the Coastal Zone Management Program and savings from permitting streamlining amounting to \$259,100 in general funds and \$444,600 total funds.
- Minor travel and other non-personal services reductions are proposed throughout the budget components.

ORGANIZATIONAL CHANGES

- Office of Management and Budget: the previously separate components for Office of the Director, Budget Review, and Audit and Management are collapsed into a single new component through transfers.
- The Arctic National Wildlife Refuge development promotion component is renamed North Slope Development Promotion without a request for new funding. In recent years this effort has been funded with reappropriations.

legislative fiscal analyst overview of the governor's request

OFFICE OF THE GOVERNOR

FY97 CONFERENCE COMMITTEE	20,025.7
Fiscal Notes	72.0
Carryforward Funds	3,283.8
FY97 Salary Adjustment	82.1
FY97 AUTHORIZED	23,463.6
Backout Carryforward/One-time Items	(2,248.1)
FY98 Salary Adjustment	170.7
FY98 Health Premium Increase	57.0
FY98 ADJUSTED BASE	21,443.2
Increments	127.0
Decrements	(2,502.8)
FY98 GOVERNOR REQUEST	19,067.4
General Funds	15,737.7
Other Funds	406.9
Federal Funds	2,922.8

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

The Department of Health and Social Services (DHSS) 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 budget is made up of entitlement programs which include the following formula programs: Alaska Temporary Assistance Program (ATAP) - replaces Aid to Families with Dependent Children (AFDC), Adult Public Assistance, General Relief Assistance, Medicaid, General Relief Medical, Foster Care and Subsidized Adoption/Guardianship, plus the Permanent Fund Dividend and Alaska Longevity Bonus Hold Harmless which are tied directly to entitlement programs.

MAJOR CHANGES

- General fund increases in formula programs: ATAP - \$1,245,800, Medicaid - \$1,149,400, Foster Care - \$832.4, Subsidized Adoptions and Guardianship - \$403,100 and Social Services Block Grant Offset - \$900,000. The increase for Medicaid is net of \$2.0 million general fund reduction for changes to the Supplemental Security Income (SSI) eligibility criteria for alcohol and drug abuse as the primary disability determination and for children who are relatively less disabled. Social Services Block Grant offset funding reflects reduced federal funding.
- The Governor's budget proposes general fund transfers from assistance payments to: the Alaska Work Program - \$1,724,500, Child Care Benefits - \$1,722,300 and Data Processing \$261,100. A similar request was made in the FY97 budget. The Legislature elected to allow some reinvestments and to take some of the reductions as savings.
- A proposed increase of \$1,150,000 general funds for restoring Medicaid Optional services for adult Medicaid recipients that have not been funded since the Fall of 1994: adult dental services; speech-language pathology services; audiology services and hearing aids; vision examinations and eyeglasses; and occupational therapy services. The Alaska Mental Health Trust Authority would also provide \$1,150,000 Mental Health Trust funds to match federal funds of \$2,300,000.
- The request includes \$658,000 general funds for a new grant program in the Division of Family and Youth Services to enable communities to handle less serious offenses through community based diversion programs.
- The request places in the budget a new grant program begun by the department in FY97 - COMPASS Grants. COMPASS stands for **COMM**unity **Partnerships** for **Access**, **Solutions** and **Success**. The grants are for communities to plan for the delivery of integrated education, health and social services. The source of the \$900,000 funds is the Division of Medical Assistance federal claims for services provided to Medicaid eligible children by school districts. The Department of Education uses part of the claim for grants to school districts and other administrative expenses.
- FY98 will be the first year that funds are appropriated from the Alaska Children's Trust Fund - \$100,000 for administrative costs, board travel and grants administration, and \$290,000 for community-based child abuse and neglect prevention grants.

ORGANIZATIONAL CHANGES

The DHSS is transferring the Home Health Services (personal care attendants) grant program to the Department of Administration, Division of Senior Services in FY98.

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

FY97 CONFERENCE COMMITTEE	857,258.1
Fiscal Notes	3,333.4
Reappropriations	340.0
Special	150.8
One-time Item	(50.0)
FY97 Salary Adjustment	1,368.7
FY97 AUTHORIZED	862,401.0
One-time Item	(100.8)
Agency Transfers In	243.0
Agency Transfers Out	(1,753.8)
FY98 Salary Adjustment	1,586.7
FY98 Health Premium Increase	586.4
FY98 ADJUSTED BASE	862,962.5
Increments	43,079.9
Decrements	(9,747.1)
FY98 GOVERNOR REQUEST	896,295.3
General Funds	459,551.9
Other Funds	71,309.3
Federal Funds	365,434.1

legislative fiscal analyst overview of the governor's 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, certification, 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 proposes a reduction of \$1,500,000 in federal and interagency receipts due to an anticipated reduction in available federal receipts -- along with the elimination of 25 vacant positions.
- A general fund match reduction in the Alaska Work Program is proposed due to reallocating data processing costs internally for an overall savings of \$100,000.
- An increment of \$99,900 of Employee Training funds is proposed due to an increased estimate in wages. One tenth of one percent of Unemployment Insurance (wage base) provides funding for the State Training Employment Program.
- Mechanical Inspection requests an increment of \$100,000 in interagency receipt authorization to allow an increase in the reimbursable services agreement with the Department of Commerce, Occupational Licensing. The Department of Labor inspects electrical/mechanical contractors statewide and, through the agreement with Occupational Licensing, checks for current and appropriate licensure.

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF LABOR

FY96 CONFERENCE COMMITTEE	59,696.5
FY97 Salary Adjustment	322.8
Fiscal Notes	108.8
FY96 AUTHORIZED	60,128.1
FY98 Salary Adjustment	505.6
FY98 Health Premium Increase	189.1
FY96 ADJUSTED BASE	60,822.8
Increments	374.5
Decrements	(2,062.4)
FY97 GOVERNOR REQUEST	59,134.9
General Funds	8,894.0
Other Funds	15,996.1
Federal Funds	34,244.8

legislative fiscal analyst overview of the governor's 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 department plans to eliminate Statehood Defense as a separate BRU, and move its \$1.44 million and 13 positions to the Civil Division BRU, General Legal Services/Statehood Defense component. This is a continuation of the department's FY97 consolidation of the Civil Division, but contrary to FY97 legislative appropriation.
- The Civil Division proposes to eliminate two attorney positions and \$320,000 in general funds, while protecting the child protection and employment law areas.
- The department plans to reduce its outside counsel budget for oil and gas litigation by \$2,089,800 based on increasing in-house staff expertise in the area, and because the scope of work is decreasing.
- A \$132,100 Civil Division increment is proposed to create a new Anchorage position to prosecute fish and game violations, funded by the Fish & Game Fund.
- The department proposes to add \$504,000 in interagency receipts, in recognition of work it has been doing for two or more years through unbudgeted reimbursable service agreements.

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF LAW

FY97 CONFERENCE COMMITTEE **47,520.8**

Fiscal Notes 349.8
Reappropriations 500.0
FY97 Salary Adjustment 230.3

FY97 AUTHORIZED **48,600.9**

FY98 Salary Adjustment 406.9
FY98 Health Premium Increase 129.7
One-time Items 28.0

FY98 ADJUSTED BASE **49,109.5**

Increments 636.1
Decrements (2,506.0)

FY98 GOVERNOR REQUEST **47,239.6**

General Funds 30,985.2
Other Funds 15,829.3
Federal Funds 425.1

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

- A \$250,000 GF increment is requested as state support for continuation of the federal Youth Corps program as it moves out of its final year as a pilot project into a permanent program. Congress has stressed the need for state support for the Youth Corps projects in order to retain federal funding, which was \$3.12 million in FY97; FY98 federal funding has not yet been determined.
- The FY97 budget request includes \$9 million in federal receipts authorization for the Disaster Relief Fund – same as the FY97 request. It does not include a general fund appropriation to the Fund, which may occur through supplemental appropriation when and if needed. The average annual general fund cost for disaster relief efforts has been approximately \$5.75 million for FY91 through FY96.
- A new component, *Alaska National Guard Military Headquarters*, is created by transferring two existing PCN's and their funding from the Commissioner's Office and Air Guard Facilities Maintenance to the new component. The Air National Guard Commander, Army National Guard Commander will comprise the component.

The Army and Air National Guard Commanders each oversee 2,000 employees throughout the state, and together manage \$128 million in federal dollars. These two positions must be staffed at a full Commander level (equivalent to division director) to be in compliance with federal rules. This has not been the case for the Army Guard Commander position. Funding for the position upgrade is accomplished with a \$52.2 increment for increased federal receipts. The director positions are located in the new Military Headquarters component rather than the facilities maintenance components, because the Commanders are more involved with military activities than facilities maintenance.

- The department's FY98 request includes a \$168,600 increment in federal receipt authority to support a State Hazard Mitigation position, Terrorism Training, Arson training, FEMA training and the City of Sand Point's Emergency Operations Plan implementation.
- The agency proposes to move \$185,000 from 100% general funded facilities to general fund match. This will provide the federally-required 25% general fund match to support the new facilities at Bryant Airfield. The fund switch will impact maintenance plans for state-owned facilities by reducing general funds available.

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

FY97 CONFERENCE COMMITTEE	35,239.8
FY97 Salary Adjustment	80.5
FY97 AUTHORIZED	35,320.3
FY98 Salary Adjustment	119.6
FY98 Health Premium Increase	38.5
FY98 ADJUSTED BASE	35,478.4
Increments	470.8
Decrements	(7.1)
FY8 GOVERNOR REQUEST	35,942.1
General Funds	7,375.5
Other Funds	2,661.6
Federal Funds	25,905.0

legislative fiscal analyst overview of the governor's request

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

- Funding for the staff and operation of the Citizen's Advisory Commission on Federal Areas (CACFA) in the Commissions component is being eliminated. The total reduction is \$91,100 in general funds and one permanent full-time position.
- The department is requesting \$630,800 additional general fund program receipt authority in the Pipeline Coordinator component of the Resource Development BRU for three projects: Alpine/Colville Development (\$353,300), the Sadlerochit Pipeline (\$152,500) and the State Pipeline Coordinator's Office Liaison (\$125,000).
- Mental Health Lands Administration is adding two permanent full-time positions to work on the Asset Management Plan. Funding for these positions is being transferred from contractual services in order to perform the work in-house.
- Parks Access is a new component added to Parks and Recreation Management to segregate projects funded with CIP receipts from day-to-day operations of the State Park System. An internal transfer (\$1,367,100 CIP; \$41,800 federal; 24 permanent full-time and 5 permanent part-time positions) plus increments (\$332,500 CIP and 6 permanent full-time positions for Parks Facilities; \$41,800 CIP for Marine Recreation; \$73,000 interagency for Mining Reclamation; and \$26,100 interagency minus \$19,200 federal authority for Trails) are the fund sources.
- Funding (\$40,000 in general funds) for state fairs in the Agricultural Development BRU is being eliminated.
- The FY98 Governor's budget does not include the \$38,500 general fund appropriation restored by legislative veto override for Agricultural Programs and Land Used for Agricultural Purposes (Chapter 1 FSSLA96). Two components are effected: Land Development in the Resource Development BRU (\$15,000) and Agricultural Development (\$23,500).
- A total of \$336,100 in general fund reductions is proposed in the Governor's budget.

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF NATURAL RESOURCES

FY97 CONFERENCE COMMITTEE	62,745.5
Fiscal Notes	1,005.6
Veto	(201.8)
Veto Override	38.5
Other/Special Appropriations	20,320.0
One-time Items	(12,496.8)
FY97 Salary Adjustment	231.7
FY97 AUTHORIZED	71,642.7
FY98 Salary Adjustment	528.1
FY98 Health Premium Increase	187.2
Remove One-time Items	(7,534.2)
Veto Override Removal	(38.5)
Other Miscellaneous Adjustments	0.0
FY98 Adjusted Base	64,785.3
Increments	2,889.6
Decrements	(1,027.4)
FY98 Governor	66,647.5
General Funds	42,294.0
Other Funds	13,446.2
Federal Funds	10,907.3

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 and register vehicles as property, 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 (DVSA), the Violent Crimes Compensation Board (VCCB) and the Alaska Police Standards Council.

MAJOR CHANGES

- A \$300,000 general fund increment is requested to provide base funding to establish Village Public Safety Officers in ten additional communities.
- The request includes \$560,000 in increments to the Fish and Wildlife Protection BRU, funded by the Fish & Game Fund. The additional funds are split between Marine Enforcement, Enforcement and Investigation Service Unit and Aircraft Enforcement components.
- A \$200,000 general fund increment would increase education and outreach efforts for victims' services from the Council on Domestic Violence and Sexual Assault (CDVSA). \$839,000 in additional federal receipt authority is also requested to continue and expand programs run by the Council

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF PUBLIC SAFETY

FY97 CONFERENCE COMMITTEE	95,452.8
Fiscal Notes	411.3
Special Front Section Appropriation	25.0
FY97 Salary Adjustment	704.2
FY97 AUTHORIZED	96,593.3
FY98 Salary Adjustment	805.8
FY98 Health Premium Increase	252.6
One-time Item	(25.0)
FY98 ADJUSTED BASE	97,626.7
Increments	3,478.0
Decrements	(825.6)
FY98 GOVERNOR REQUEST	100,279.1
General Funds	87,454.8
Other Funds	5,105.8
Federal Funds	7,718.5

legislative fiscal analyst overview of the governor's request

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 (ASPIB) and the Public School Fund Advisory Board.

MAJOR CHANGES

- The Permanent Fund Corporation forecasts an increased need for investment management fees and requests an increment of \$751,200 from corporate receipts.
- Child Support Enforcement requests an increment of \$546,100 in the personal services and contractual lines. \$257,600 is proposed to fund reclassifications of approximately 54 positions due to increased responsibilities, and \$288,500 in contractual services, primarily Department of Administration information services charge back. The increment includes \$56,200 in general funds, \$360,500 in federal receipts and \$129,400 in federal incentive funds.
- The Alaska State Pension Investment Board requests an increase of \$10,383,900 from the various retirement funds for overhead costs. An RPL (4-7-0011) for \$2,425,000 was approved on November 7, 1996 by the Legislative Budget and Audit Committee for increased management fees.
- The Alaska Housing Finance Corporation requests increments in each of its three components for increased fixed costs, portfolio management fees and additional housing projects: Operations-\$425,000, Rural Housing-\$250,000 and Public Housing-\$250,800, for a total increment request of \$925,800 from corporate receipts.
- An increment of \$133,300 in Treasury is requested as part of the ASPIB compensation agreement for investment officers for salary increases and the purchase of portfolio management materials and software.
- The Permanent Fund Dividend BRU is requesting an increment of \$48,800 in Permanent Fund Dividend Funds and one new position as a result of increased appeals due to passing of SB 232 Notices and Eligibility.
- A general fund decrement of \$78,600, which includes one position, is proposed in Oil and Gas Audit due to the Retirement Incentive Program and projected reduced work load.

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF REVENUE

FY97 CONFERENCE COMMITTEE	115,710.4
FY97 Salary Adjustment	426.9
Fiscal Notes	1,501.2
FY97 AUTHORIZED	117,578.3
FY98 Salary Adjustment	597.8
FY98 Health Premium Increase	236.1
One-time Item	
- Equipment reduction	(24.2)
- Fiscal Note HB32	(166.3)
FY97 ADJUSTED BASE	118,186.3
Increments	12,854.9
Decrements	(113.4)
FY98 GOVERNOR	130,927.8
General Funds	12,179.5
Other Fund	90,006.1
Federal Fund	28,742.2

legislative fiscal analyst overview of the governor's request

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

- Capital Improvement Project (CIP) funding is increasing by \$258,000 for Statewide Planning, covering personal services for three permanent full-time positions proposed for transfer into the component, as well as for one existing vacant position. The objectives are to produce additional area transportation studies, to reduce the backlog of federally required accident reporting, and to increase support for various federally required programs.
- The Technology Transfer Program, including all component funding and three permanent full-time positions, is being consolidated within the research program under Engineering and Operations.
- The Administrative Services and Leasing and Property Management components for both the Central and Northern Regions were consolidated by legislative action for FY97 into a Central Region Administrative Services, Leasing and Property component and a Northern Region Administrative Services, Leasing and Property component. The department, however, is transferring funding back into the Central and Northern Region Administrative Services components, and into Central and Northern Region Leasing and Property Management components now under Statewide Maintenance and Operations.
- Safety and security concerns at the state's rural airports and at Anchorage International Airport expressed by the Federal Aviation Administration (FAA) through mandated regulations and recent recommendations are addressed in internal transfers and increments of funding and staffing in the Highways and Aviation components under the Statewide Maintenance and Operations BRU, and within the Anchorage International Airport BRU.
- \$3,000,000 in Alaska Marine Highways System (AMHS) fund authority is being reduced from the Overhaul component of the Marine Engineering BRU to reflect the reduced general fund support level to the fund for vessel repairs.
- The total agency general fund reduction is \$1,102,000. The information released from the Governor's Office entitled, "Governor's Proposed FY98 Operating Budget Summary of Changes from FY97", shows the total under two items: Reduce road maintenance in areas with low use and other access alternatives (\$265,000), and administrative efficiencies in Department of Transportation, including Marine Highway System (\$837,000). These are broad, inclusive categories, which encompass a variety of reductions throughout the budget.

legislative fiscal analyst overview of the governor's request

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

FY97 CONFERENCE COMMITTEE **337,263.7**

Fiscal Note 16.5
Veto (21.5)
FY97 Salary Adjustment 2,353.3

FY97 AUTHORIZED **339,612.0**

FY98 Salary Adjustment 3,087.7
FY98 Health Premium Increase 943.3
Miscellaneous Adjustments (3,000.0)
Transfers In 11.8

⁸
FY97~~8~~ ADJUSTED BASE **340,654.8**

Increments 1,423.9
Decrements (1,601.0)

⁸
FY97~~8~~ GOVERNOR REQUEST **340,477.7**

General Funds 128,810.6
Other Funds 210,717.0
Federal Funds 950.1

legislative fiscal analyst overview of the governor's request

UNIVERSITY OF ALASKA

The primary mission of the University of Alaska (AS 14.40) is to provide postsecondary education to the citizens of Alaska. The University is governed by a Board of Regents consisting of 11 regents. 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

- Funding from the Alaska Science and Technology fund is reduced by \$530,000 in the Fairbanks Organized Research Component. This is part of a five year phase out of this fund source.
- The Governor's budget for the university contains an unallocated, general fund reduction of \$17,480,700. This reduction is composed of these actions: 1) \$15,703,000 in general fund increments are included in the Board of Regents request; 2) \$1,798,300 in general funds are included for FY98 salary increases; and 3) \$20,700 in general funds are removed as a one time item. The Governor's Office submits all increments requested by the University but offsets any general fund increases with an equivalent unallocated reduction. The net effect leaves general funds at the FY97 Authorized level.
- Non-general fund increments total \$14,815,200 and non-general fund decrements \$4,500,000. Much of this activity involves the adjustment of non-general fund receipt authority. This continues an on-going process to bring this authority in line with anticipated receipts.

ORGANIZATIONAL CHANGES

The FY98 budget includes the following organizational changes: 1) The Arctic Region Supercomputer Center is moved into Fairbanks Organized Research; 2) Alaska Cooperative Extension is included in the Fairbanks Campus; 3) the School of Fisheries and Ocean Sciences is divided between Fairbanks Organized Research and the Fairbanks Campus; 4) Higher Education/ Armed Forces is absorbed into the Anchorage Campus; and 5) the Homer Campus is combined with the Kenai Peninsula College.

legislative fiscal analyst overview of the governor's request

UNIVERSITY OF ALASKA

FY97 CONFERENCE COMMITTEE	433,017.7
Front Section: University License Plates	20.7
FY97 Salary Adjustment	2,183.2
FY97 AUTHORIZED	435,221.6
FY98 Salary Adjustment	2,581.9
One-time Items	(20.7)
FY98 ADJUSTED BASE	437,782.8
Increments	30,518.2
Decrements	(22,510.7)
FY98 GOVERNOR REQUEST	445,790.3
General Funds	167,693.6
Other Funds	210,283.2
Federal Funds	67,813.5

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 Court System request transfers a \$50,000 Anger Management Treatment Grant to the Department of Health and Social Services, Alcohol Safety Action Program.
- A \$1.43 million increment in general funds for contract services is requested to improve courthouse security statewide - in Ketchikan, Kodiak, Kotzebue, Kenai, Anchorage, Palmer, Dillingham, Fairbanks and Seward. These funds would pay for 22 Court Safety Officers (CSO) through a reimbursable services agreement with the Department of Public Safety.
- A general fund increment of \$87,300 is proposed to pay for increased space rental costs in Haines, Hoonah, Petersburg, Cordova, Homer, Naknek, Sand Point, Unalaska, Kiana, Unalakleet, Aniak and Galena. The component also includes a \$75,300 increment for courthouse maintenance, replacement equipment and leasehold improvements for Kenai and Fairbanks.
- The Trial Courts component would transfer \$193,000 to the Department of Health and Social Services, Bureau of Vital Statistics, to operate the Fairbanks Vital Statistics Office. For now, the Court System will continue to provide these services in locations other than Anchorage and Fairbanks.
- Trial Courts requests \$335,300 additional general funds for six new full time and two part time positions for clerical, library, domestic violence and law clerk functions.
- A \$103,000 general funds increment would increase juror pay from \$25/day to \$27.50/day.
- The Appellate Courts are seeking a \$37,800 increment to reduce personal services underfunding from 8% to 7%. The component also includes a \$102,500 increment to enhance the Computerized Case Management System. The funds will be used for an analyst to maintain the system, purchase hardware and provide Internet access.
- The Administration and Support component requests \$346,000 for five full time and one part time positions, and equipment for the Print Shop and Law Library.

legislative fiscal analyst overview of the governor's request

ALASKA COURT SYSTEM

FY97 CONFERENCE COMMITTEE	46,209.7
FY97 Salary Adjustment	1,665.8
Fiscal Notes	308.2
Veto	(79.0)
FY97 AUTHORIZED	48,104.7
FY98 Salary Adjustment	563.9
Transfer Out	(243.0)
FY98 ADJUSTED BASE	48,425.6
Increments	3,030.3
FY98 AGENCY REQUEST	51,455.9
General Funds	51,455.9

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.

- The Commission has submitted a continuation budget for FY98, which includes salary adjustments: a 1.2% increase for FY98, compared to the FY97 increase of 5.2%.
- The request also includes a \$15,000 increment to pay special counsel attorneys fees in an on-going formal investigation.

legislative fiscal analyst overview of the governor's request

COMMISSION ON JUDICIAL CONDUCT

FY97 CONFERENCE COMMITTEE	228.0
FY97 AUTHORIZED	228.0
¹ FY97 Salary Adjustment	7.3
FY98 Salary Adjustment	2.1
FY98 ADJUSTED BASE	237.4
Increment	15.0
FY98 GOVERNOR	252.4
General Funds	252.4

¹ Due to an oversight, the Commission was not appropriated its funding for the FY97 COLA.

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 and increments for three projects:

- \$13,900 in general funds to update two publications: the "Crime Victims' Handbook" and its "Guide to the Criminal Justice System";
- \$9,700 in general funds to complete a directory of rural justice organizations; and
- \$10,000 in general funds to restore a grant to the CourtWatch program run by the Victims for Justice organization. This program gives citizens the training and opportunity to evaluate the performance of judges.

legislative fiscal analyst overview of the governor's request

JUDICIAL COUNCIL

FY97 CONFERENCE COMMITTEE	617.8
FY97 Salary Adjustment	20.0
Fiscal Note	13.9
FY97 AUTHORIZED	651.7
FY98 Salary Adjustment	7.2
FY98 ADJUSTED BASE	658.9
Increments	33.6
FY98 GOVERNOR	692.5
General Funds	692.5

legislative fiscal analyst overview of the governor's request

ALASKA STATE LEGISLATURE

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

The legislature is funded primarily with appropriations from the general fund.

MAJOR CHANGES

The FY1997 authorized level is proposed as the Governor's FY98 budget for the Legislature. The actual legislative budget request will be developed and submitted to the finance and oversight committees during session, approximately in February.

legislative fiscal analyst overview of the governor's request

ALASKA STATE LEGISLATURE

FY97 CONFERENCE COMMITTEE	30,724.6
Fiscal Notes	15.0
Reappropriations	224.0
FY97 Salary Adjustment	284.0
FY97 AUTHORIZED	31,247.6
FY98 ADJUSTED BASE	31,247.6
Increments	0.0
Decrements	0.0
FY98 GOVERNOR REQUEST	31,247.6
General Funds	31,113.4
Other Funds	134.2

Note: The Governor's proposed FY98 budget for the Legislature is the FY97 Authorized level.

legislative fiscal analyst overview of the governor's request

HISTORICAL SUMMARY 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
97	2,192.2	100.1	1.5	24.5	2,318.3

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