

House Subcommittee Recommendations FY2007 Operating Budget

Education

- The Governor proposed \$5 million dollars for the new Alaska Teacher and Principal mentoring program. This program was begun in cooperation with the University of Alaska and has already demonstrated success in teacher retention. The subcommittee has recommended eliminating the program.
- Early Childhood Education: The Governor proposed \$750 thousand to allow the Task Force on Early Childhood Education to complete its work. This request was considered by both the House subcommittee on Health and Social Services and the subcommittee on Education. Both subcommittees have recommended no funding for this effort.
- The Governor proposed \$4 million for his “Alaska Youth First Initiative” in the Department of Labor and Workforce Development to work with Alaska high schools to educate youth on job opportunities and training opportunities for new Alaska jobs, particularly those potential jobs created as a result of a gas pipeline deal. The subcommittee has recommended only \$1.9 million for that effort.
- The Governor has proposed an increase in the base instructional unit value for FY07, which will require additional funding of \$90 million. This proposal is included in legislation separate from the operating budget. Due to increased costs of personal services and utilities, school districts will experience significant cuts to existing programs without an increase in the state aid formula. To date, the legislature has not considered the proposed legislation increasing the instructional unit value. Funding levels for K-12 education for the 2006-2007 school year remains undecided.
- The House subcommittee recommended elimination of the University of Alaska scholars program expansion from the top 10% to the top 15% of Alaska seniors. This resulted in a reduction of \$5 million from the level proposed by the Governor. Other cuts proposed by the subcommittee result in an unallocated reduction of approximately \$6.5 million.

Assistance to Communities

- No funding is proposed in the operating budget for municipal assistance/revenue sharing or a community dividend program. Several community dividend proposals have been introduced for legislative consideration.

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- No funding has been proposed for small community energy assistance
- No funding has been proposed for assistance with increased retirement contribution costs by local governments.

Energy

- Power Cost Equalization is proposed for funding at the current (FY06) levels. (The Governor had proposed full funding for PCE). At the level recommended by the House subcommittee, PCE will be prorated at approximately 60% for FY2007. Full funding for PCE would require an additional \$6.4 million.
- No increased funding has been provided for the Low Income Energy Assistance program.
- The Governor proposed numerous increases in state department budgets for the increased cost of fuel and utilities for facilities operated by the state, i.e. prisons, Pioneers' Homes, office buildings, etc. Most increments have been eliminated in the subcommittee recommendations and will be reconsidered by the full Finance committee prior to completion of the proposed operating budget.

Fish and Game Management

- The Governor proposed \$1.1 million for Commercial Fisheries salmon stock assessment. The Subcommittee recommends elimination of this funding. Without adequate research, the Department of Fish and Game must manage the commercial fish openings conservatively, rather than maximizing yield.
- Sport Fish will have a shortfall of approximately \$800 thousand under the proposed subcommittee recommended level of funding. This will result in numerous program cuts which will all have the effect of reducing recreational angling opportunity. For example: reduced hours of operation for the Little Susitna Boat Launch facility; elimination for hardshell clam research in Kachemak Bay reducing the ability to assure sustained yield management of hardshell clams; stocked water research will be reduced which will reduce the ability to create and sustain fishing opportunities in various waters of the Interior region that are currently stocked with fish; and reduce support for the experimental work leading to the design on the new Fairbanks Hatchery.

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- The Governor requested \$2.9 million to increase intensive game management programs. The subcommittee recommended only \$600 thousand for that purpose. However, the unallocated reductions also recommended for the department will jeopardize any increase in big game management.
- The Governor proposed an increase in the Subsistence Division for research efforts. The proposed budget reduces the research increase to \$101 thousand, approximately half of what had been proposed.

Health and Social Services

- The Governor proposed \$6 million for a Youth at Risk initiative. The money was designated as grants to Big Brothers/Big Sisters, Boys and Girls Clubs, Alaska Associated School Boards, and RuralCap to provide programs throughout the state for youth who would otherwise be at risk of alcohol and substance abuse, suicide, and school failure. The subcommittee recommended no funding for this purpose
- The Governor recommended \$3 million for substance abuse and treatment funding targeted specifically at youth. The subcommittee recommended no funding for this purpose
- The Governor recommended an increase of \$1.7 million for the Human Services matching grant program. This program provides block grants to Anchorage, Fairbanks and Mat-Su for the communities' distribution to local social service agencies. The subcommittee recommends no increase funding for this program.
- The Governor recommended \$500 thousand to replace the lost federal funding for the statewide Fetal Alcohol Effective Disorder program that provides infant screening and education. The subcommittee recommended no increased funding for this purpose, but instead reduced all funding for the program for a total reduction from the Governor's proposal of over \$1 million dollars. This will jeopardize the continuation of the FAE diagnostic teams throughout the state.
- Increased funding, over \$3 million, was added by the House Subcommittee for Health and Social Services to address the waiting list for developmentally disabled services
- Increased funding of \$455 thousand was added by the HSS subcommittee for both rural and regional EMS grants.

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Transportation

- The Governor proposed \$357 thousand to expand the operating hours for the rural airports in Dillingham, Kodiak, and Unalaska, and \$95 thousand to increase operating hours at Nome and Kotzebue airports. This funding was eliminated.
- The Governor proposed \$300.0 to expand the anti-icing program on surface lanes in Anchorage, Mat-Su and the Denai. This additional funding was not recommended by the subcommittee.
- The Governor proposed an addition \$1.5 million for maintenance of the Dalton Highway. This funding was eliminated by the DOTPF subcommittee.

Other

- Full funding of the Governor's request for Public Broadcasting is in the budget
- The Department of Environmental Conservation has identified the need to substitute general fund dollars for money previously collected from the oil industry for the oil and hazardous release and prevention fund to continue operations of the industry preparedness and pipeline operations efforts of the department. The Governor recommended that \$750 thousand of general fund be added to the budget. The subcommittee recommends that \$750 thousand be pulled from the cruise ship compliance fund for this purpose. This provides a one year solution to the problem, and jeopardizes the intent of the cruise ship tax collections which were designed to specifically address monitoring and compliance activities with the cruise ship industry.
- The Governor proposed \$3 million dollars for the Alaska Seafood Marketing program to increase consumer marketing campaigns. The House subcommittee has recommended \$1.2 million in funding for that purpose.
- The Governor proposed an increase for Parks Management of approximately \$500 thousand to address the increased costs of operations and maintenance of state parks. Failure to fund these increased costs could jeopardize the continued operations of state parks, or severely restrict hours of operation in some locations.
- The Governor requested \$1.2 million to replace a federal grant that is no longer available for bootlegging enforcement efforts, primarily in rural Alaska. The proposed budget retains the federal funding authorization, but provides no other fund source for this effort. Because the federal funding is

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not expected to materialize this failure to provide general funds could result in the severe curtailment of enforcement efforts.