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HOUSE RULES  
STANDING COMMITTEE  
May 30, 1983  
9:00 a.m.

Members Present: Rep. Fuller, Chairman  
Rep. Phillips, Vice-Chairman  
Rep. Hayes  
Rep. Barnes  
Rep. Tischer  
Rep. M.M. Miller  
Rep. Larson  
Rep. Koponen

Members Absent: Rep. M.W. Miller

COMMITTEE CALENDAR

CSSB 152 (Fin): "An Act relating to the budget of the state and bills related to the budget and merging the division of budget and management, the division of policy development and planning, and the latter's office of coastal management into one office; and providing for an effective date."

WITNESS REGISTER

Peter McDowell  
Director  
Office of Budget and Management  
Office of the Governor  
Pouch AM  
Juneau, Alaska 99811  
465-3568

Position Statement: Representing the Governor; will testify if necessary.

PREVIOUS ACTION

SB 152: 2/25/83 - First Reading In Senate.

Committee Referrals - Finance Committee.

3/9/83 - Finance Committee Report - Page 350  
of the Senate Journal:

The Finance Committee considered SB 152  
(merging the division of budget and  
management, the division of policy  
development and planning, and the later's

office of coastal management into one office) and recommended it be replaced with CS for SB 152 (Fin), entitled:

"An Act relating to the budget of the state and bills related to the budget and merging the division of budget and management, the division of policy development and planning, and the latter's office of coastal management into one office; eff. date."

and do pass. The report was signed by Senators Bennett, Josephson, Mulcahy, Faiks, V. Fischer, Ferguson and Sackett.

SB 152 was referred to the Rules Committee.

3/15/82 - Page 392 of the Senate Journal;

The Rules Committee considered SB 152 (making the division of budget and management, the division of policy development and planning, and the latter's office of coastal management into one office) and a majority of the committee recommended it be placed on the March 15 calendar with the Finance Committee Substitute. The report was signed by Senators Ferguson, Bennett and Faiks; Kelly signed "do pass before SSCR 1"; and Ray signed "no recommendation".

See Senate Journal on the following dates:

March 15, 1983 - Pages 394 -396,

March 16, 1983 - Pages 404 and 405.

March 17, 1983 - Pages 420 - 422.

CSSB 152 (Fin): 3/18/83 - First Reading In House.

Committee Referrals - Finance Committee.

Letter of Intent accompanied the bill - Page 532 of the House Journal.

3/28/83 - Page 651 of the House Journal:

The Finance Committee had CSSB 152 (Fin) (relating to the budget of the state and bills related to the budget and merging the division of budget and management, the division of policy development and planning,

and the latter's office of coastal management into one office; efd) under consideration and recommends it be replaced with HOUSE COMMITTEE SUBSTITUTE FOR CSSB 152 (Fin) (same title) and reports it back as follows: Pestinger, Flood, Ward, Lindauer, Martin and Bettisworth recommended do pass and Hurlbert signed "do pass if amended"; Adams, Grussendorf and Zharoff had no recommendation; and Duncan signed "no recommendation, should be amended".

A Zero Fiscal Note was attached.

CSSB 152 (Fin) was referred to the Rules Committee for placement on the calendar.

No previous action in the Rules Committee.

#### ACTION NARRATIVE

TAPE#1  
Recording  
Number 0002

Chairman Fuller called the meeting to order at 8:30 a.m., in the Butrovich Room and indicated the members present. Not present at the beginning of the meeting, but arriving late were: Representatives Koponen, Larson and M.M. Miller.

Chairman Fuller announced the agenda; CSSB 152 (Fin) and gave a brief description of the following proposed amendments:

#### Amendment No. 1:

Page 5, Line 6: Amend Section 6 to read:

\*Sec. 6. AS 37.07.040 is amended by adding new paragraphs to read:

(8) prepare the proposed capital improvements budget for the coming fiscal year evaluating both state and local requests from the standpoint of need, equity and priorities of the jurisdiction. Other factors such as project amounts, population, local financial match, or federal funds being used for local match, municipality or unincorporated community acceptance of the facility and all associated costs of the

facility may be considered.

(c) promulgate regulations consistent with this section in accordance with AS 44.62 no later than August 1, 1983.

Amendment No. 2:

Page 9, Lines 19 - 22: Delete existing language in subsection (13) and insert:

(13) render, on behalf of the state, all federal consistency determinations and certifications authorized by Sec. 307 of the Coastal Zone Management Act of 1972, as amended, 16 U.S.C. Sec. 1456, and a conclusive state consistency determination when a project requires two or more state or federal permits, leases or other authorizations.

Amendment No. 3:

Page 7, Lines 7 - 10: Delete existing language and insert:

(8) "capital projects" and "capital improvements" mean an allocation or appropriation item for an asset with an anticipated life in excess of one year and a cost of \$25,000, and includes land acquisition, construction, or structural improvements including engineering and design for the project, and equipment and repair costs.

Chairman Fuller asked for testimony.

Number 0057

Peter McDowell, Director, Office of Management and Budget, gave his opinion of Amendment No. 1. His office doesn't have any problems with Paragraph 8, added they were in the process of planning the 1985 capitol budget development processes and that they may very well take a little different cut at it because they were finding that, and he felt personally that the state has not carried out its obligation to the unorganized borough very well. They are thinking seriously for example of perhaps three capitol budget bills for next year; one strictly state agencies projects, one would be unorganized borough projects

which are clearly a state's responsibility under the constitution and the third would be municipal projects.

Paragraph 8 would not have any impact on what they were contemplating for the interim in terms of developing capitol projects for next year. Mr. McDowell commented on Paragraph 9, and did not think they (OMB) promulgated regulations for anything to date and that this would be their first and if it weren't necessary as discussed with Chairman Fuller earlier, they would just as soon not enter into the regulations business.

Number 0104

Chairman Fuller apologized and told Mr. McDowell they had tried to contact the Senate regarding this section (9) of the amendment, but he would pursue it further. Chairman Fuller asked about the date mentioned in section (9) and did it bother them?

Mr. McDowell stated that he had no problems with this and that their office would hope to have it done before August first of every year - in terms of budget instructions. In the budget preparation process the target date to have instructions out to agencies carrying 1985 budget is July 1, 1984. This is 11 months behind the beginning of the fiscal year.

Number 0190

Rep. Barnes stated she had problems with this part of the amendment, Section (9) that says another state agency must promulgate regulations; we have too many regulations already and the language shouldn't be left in there.

Rep. Hayes stated that he thought Amendment No. 1 was prepared by his staff and that it would be withdrawn as it wasn't intended for this particular bill.

Chairman Fuller entertained a motion to withdraw Section (9) out of Amendment No. 1.

Rep. Hayes stated the whole amendment should be withdrawn.

Chairman Fuller stated this was submitted by the Senate and pulled out in Finance - Section (8) and they rewrote it.

Rep. Hayes said this was prepared by his office as a substitute for the language in Section 6 in the Senate version and worked it out with Sen. Ferguson's office and changed the language in there as a compromise. House Finance took that section and he wanted to make it clear that it was not his amendment.

Chairman Fuller said as he understood this Section (8), was a compromise with Sen. Ferguson who had originally put it in.

Rep. Hayes said it was a compromise to the Senate version of SB 152 when it first came to the House Finance Committee, but in the meantime the House Finance Committee put out the House Committee Substitute which is this one here and we don't want it in there. His office is not interested in submitting Amendment No. 1, but that doesn't preclude someone else from submitting it.

Chairman Fuller stated he was now the sponsor of Amendment No. 1.

Rep. Tischer asked for clarification as to which bill they were dealing with, the HCS or the Senate bill?

Committee answered; House version.

Linda Wild, Assistant to Chairman Fuller stated that she had talked with Sen. Ferguson several times last week and he liked the language in Section (8) and wanted it in there.

Rep. M.M. Miller raised his ideas on regulations in regards to the reasons and positive aspects of regulations.

Rep. Barnes moved and asked unanimous consent that Section (9) be deleted. There was an objection.

Rep. Barnes stated that they had too many regulations and that the Director of OMB had said they had no problems meeting or getting these things done.

Chairman Fuller stated there was a motion to delete Section (9) of Amendment No. 1. Rep. Tischer stated as a correction; Subsection

(9); and Rep. Barnes said Section (8) in the bill.

There were no objections and the motion carried.

Chairman Fuller explained Amendment No. 2; having the OMB be the lead agency in the coastal land management determinations.

This amendment is proposed by the Rules Chairman and basically what it does; instead of having a whole bunch of agencies addressing these determinations we are giving the hammer to the Governor and Director of OMB and would be cutting out time it takes on determinations. Chairman Fuller asked Mr. McDowell to speak on this.

Mr. McDowell stated the objectives are those of the Governor in terms of the permit process. In the past 5-6 months there has been a joint effort between, OMB, Department of Fish & Game, Environmental Conservation and Natural Resources to reform permit process. The position of the working group of those four agencies to date is moving toward speeding up the process by reducing the number of agencies that do these consistency determinations. The Administration hasn't officially adopted this plan, we might not end up exactly doing it this way - the working group, but he would guess they were right now not that far off. The working group is still debating things like having a center in Fairbanks and another one in Anchorage and Juneau. It represents the same principal they are trying to achieve with permits and it may not end up to be exactly this way.

Number 0430

Rep. Barnes moved and asked unanimous consent that Amendment No. 2 be adopted. No objections and the amendment was adopted.

Chairman Fuller requested Rep. Barnes to move Amendment No. 1.

Rep. Barnes moved and asked unanimous consent that Amendment No. 1 as amended be adopted. No objections, so ordered.

Number 0439

Amendment No. 3 is now to be considered, re; definition of capitol projects.

Rep. Koponen stated he wondered about this and wanted to know if it would not be appropriate to use IRS definitions for capitol project for purpose of consistency, and said he was not objecting.

Mr. McDowell stated he could not say without study.

Rep. Barnes moved and asked unanimous consent that Amendment No. 3 be adopted. No objections, motion carried.

Chairman Fuller stated this was a compromise with Sen. Ferguson, Mr. McDowell and Senate/House Finance version.

Rep. Barnes moved that the Rules Committee Substitute with incorporated amendments be moved out of committee. There were no objections.

No further business to come before the committee, Chairman Fuller adjourned the meeting at 9:30 a.m.

(9)

FURTHER:

Date: May 30, 1983

Mr. Speaker:

The Committee on RULES has had CSSB 152(Fin)

An Act relating to the budget of the state and bills related to the budget and merging the division of budget and management, the division of policy development and planning, and the latter's office of coastal management into one office; and providing for an effective date.  
under consideration and reports it back as follows:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[XX] replace with <sup>H</sup>CS for CSSB 152(Rules) [X] same tit  
[X] new titl  
and recommends DO PASS

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation [X] ~~Zero fiscal note attached~~

[ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

ROBERT PROUD Do Pass  
MacLuskie  
Barbara Bales  
Jim Hays  
John D. Miller

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

Walter J. ... (u.rec.)  
W. ...  
Ronald ...

John D. Miller  
CHAIRMAN



AMENDMENT #1 TO HCS CSSB 152(Fin):

Page 5, line 6, amend Section 6 to read:

\*Sec. 6. AS 37.07.040 is amended by adding new paragraphs to read:

(8) prepare the proposed capital improvements budget for the coming fiscal year evaluating both state and local requests from the standpoint of need, equity and priorities of the jurisdiction. Other factors such as project amounts, population, local financial match, or federal funds being used for local match, municipality or unincorporated community acceptance of the facility and all associated costs of the facility may be considered.

(9) promulgate regulations consistent with this section in accordance with AS 44.62 no later than August 1, 1983.

AMENDMENT #2 to HCSCSSB 152(Fin):

Page 9, lines 19 - 22: DELETE existing language in subsection (13) and INSERT:

(13) render, on behalf of the state, all federal consistency determinations and certifications authorized by Sec. 307 of the Coastal Zone Management Act of 1972, as amended, 16 U.S.C. Sec. 1456, and a conclusive state consistency determination when a project requires two or more state or federal permits, leases or other authorizations.

May 24, 1983

The Honorable Jack Fuller  
Chairman, House Rules Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811


Re: HCS CSSB #152 (Finance)

Dear Chairman Fuller:

On behalf of the Alaska Federation of Natives, I am transmitting, for consideration by the Rules Committee, a proposed amendment to HCS CSSB #152 (Finance). That bill, which would create the Office of Budget and Management, is currently pending before the Rules Committee.

As explained in the analysis of the amendment, our proposed change to the bill would cure an existing and severe problem in the administration of the Alaska Coastal Management program. Because administration of that program is the responsibility of the Governor's Office, and because OMB's responsibilities under the ACMP are already addressed in both the title and body of the bill, we believe that SB 152 is the proper vehicle for solving this problem.

Sincerely,



Janie Leask, President  
Alaska Federation of Natives

ANALYSIS OF PROPOSED AMENDMENT TO

HCSCSSB 152 (FINANCE)

The enclosed amendment to HCSCSSB 152 (Finance), which would change the wording of proposed AS 44.19.145(a)(13), (page 9, lines 19-22), is intended to cure a severe problem with administration of the Alaska Coastal Management program ("ACMP") which has existed for several years, but which to this date neither the Administration nor the Legislature has been able to solve.

Under current regulations, each state agency with permit jurisdiction over a project is required to find, in the course of its permit proceedings, that the project is "consistent" with the development standards and guidelines contained in the ACMP. Routinely, projects require several state permits from several agencies. Additionally, most significant projects require one or more federal permits, for which yet another "consistency determination" is required by federal law. As a result, precisely the same issue -- the consistency of the project with the ACMP standards -- is adjudicated time and time again by different agencies in different permit proceedings.

At a minimum, this redundancy threatens substantial delays in commencement of a project, and costs the applicant a great deal in both time and money. Moreover, the various agencies who currently conduct these determinations need not agree. Thus, it is entirely possible for one state agency to block a project,

even though most state agencies believe that the project is consistent with the ACMP.

There is no justification for this redundant and burdensome procedure. It has been recognized for several years that only one consistency determination should be performed for a project. Yet, although the problem is obvious, resolution has been elusive because of the in-fighting which has occurred between various state agencies, each of which believes that they should be the department which renders the consistency determination on behalf of the state.

As SB 152 already recognizes, to some degree, the Governor's Office should be ultimately responsible for making a consistency determination on behalf of the state. The Governor's Office is already primarily responsible for administration of the ACMP, and is uniquely suited to mediate disputes between the various resource agencies involved.

Under the Finance Committee substitute, OMB is given responsibility for rendering consistency determinations on federal permits. That does not go far enough, because it does not address the problem of multiple consistency determinations on state permits. The proposed amendment would solve both problems, by providing that OMB will render a single, conclusive consistency determination -- for both state and federal law purposes -- in any situation in which the applicant is faced with multiple permits.

The proposed amendment, therefore, provides a simple and workable solution to an aggravating problem which has persisted only because of inter-agency quarrels. Because of those quarrels, it is unrealistic to assume that the problem will be solved in the future short of legislation.

am # 3

CAPITAL PROJECTS AMENDMENT:

Page 7, lines 7 - 10. DELETE existing language and INSERT:

(8) "capital projects" and "capital improvements" mean an allocation or appropriation item for an asset with an anticipated life in excess of one year and a cost of \$25,000, and includes land acquisition, construction, or structural improvements including engineering and design for the project, and equipment and repair costs.

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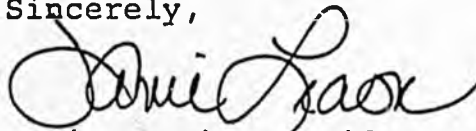
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McDowell

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Jan 15 - Feb 15 = 1  
Feb 15 - Mar 15 = 1  
Mar 15 - Apr 15 = 1  
Apr 15 - May 15 = 1  
May 15 - Jun 15 = 1  
Jun 15 - Jul 15 = 1  
Jul 15 - Aug 15 = 1  
Aug 15 - Sep 15 = 1  
Sep 15 - Oct 15 = 1  
Oct 15 - Nov 15 = 1  
Nov 15 - Dec 15 = 1  
Dec 15 - Jan 15 = 1  
Total = 12

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COMMITTEE REPORT

HOUSE

(9)

FURTHER:

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- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>H</sup>CS for CSSB 152(Rules)  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero fiscal note attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Ross E. Proulx, D. Pass

Max F. ...

Demarcus ...

John ...

John ...

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

Alvin ... (no rec.)

...

Ronald ... No Rec.

John ...  
CHAIRMAN