

HOUSE

COMMITTEE REPORT

(11)

Date referred: 4/4/86

FURTHER REFERRALS:

DATE: 4-28-86

The FINANCE Committee has considered HCR 43

Relating to the University of Alaska School of Mineral Industry, Mineral Industry Research Laboratory and Mining Extension Program.

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with _____ same title
- _____ new title

and recommends _____

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note

SIGNING DO PASS:

John P. ...

Deirdre ...

Ronald J. ...

Pat ...

Steve ...

Mark ...

SIGNING OTHER RECOMMENDATIONS:

Albert P. Adams - No Rec.

Mike ... - No Rec.

John ... (ON REC)

John ... No Rec.

Albert P. Adams
 Chairman

Introduced: 2/5/86
Referred: Health, Education &
Social Services and Resources

BY DAVIS, KOPONEN, FRANK
AND SHULTZ

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO. 43

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Relating to the University of Alaska
6 School of Mineral Industry, Mineral
7 Industry Research Laboratory and Mining
8 Extension Program.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 WHEREAS the University of Alaska School of Mineral Industry, Mineral
11 Industry Research Laboratory and Mining Extension Program has a history of
12 distinguished service as a leader in scientific and technical research and
13 education related to the mining industry; and

14 WHEREAS the placer mining industry is currently faced with a strenuous
15 challenge to develop economically feasible methods of gold recovery and
16 wastewater management to comply with the stringent standards of water
17 quality, including the turbidity standard, demanded by current state and
18 federal regulations; and

19 WHEREAS the placer mining industry contributes as much as
20 \$127,000,000, including economic multipliers into the Alaskan economy; and

21 WHEREAS the Alaska legislature has appropriated funds for the purposes
22 of furthering innovative research into wastewater management techniques
23 that will help the industry meet the water quality standards that have been
24 adopted; and

25 WHEREAS the economic and environmental well being of the state would
26 be enhanced should these research efforts succeed;

27 BE IT RESOLVED by the Alaska State Legislature that the University of
28 Alaska School of Mineral Industry, Mineral Industry Research Laboratory and
29 Mining Extension Program endeavor to conduct innovative research with the

1 goal in mind of achieving significant advances in mineral industry waste-
2 water management and other techniques that will enable the placer gold
3 mining industry to economically comply with the stringent federal and state
4 water quality regulations, including that of turbidity; and be it

5 FURTHER RESOLVED that as new techniques are developed, the University
6 of Alaska School of Mineral Industry, Mineral Industry Research Laboratory
7 and Mining Extension Program work to bring advances in wastewater manage-
8 ment and other techniques, from whatever sources, to the miner in the
9 field.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : House Resolution 43
 Title : Relating to UA School of Mineral Industry, Mineral Ind. Res. Lab and Mining Extension Program
 Sponsor : Davis, Koponen, Frank, Shultz
 Requestor : _____
 Date of Request : March 7, 1986

FISCAL DETAIL

Agency Affected : University of Alaska
 BRU : University of Alaska - Fairbanks, Organized Research
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-				

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

See attached page.

Prepared by : Brian Rogers, Budget Director Phone : 474-7593
 Division : University of Alaska Date : March 10, 1986

Approved by Commissioner : *Jameson Carter* Date : March 10, 1986
 Agency : University of Alaska

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. 43

Assumptions

1. Mining operations will continue to have difficulty in complying with water quality regulations and standards for discharges from mining operations into receiving streams. Solutions utilizing new technology are needed for these problems before serious disruption occurs to the mining industry. This fiscal note does not attempt to calculate the impact to the state if miners are forced to curtail operations due to water quality regulations.
2. A comprehensive study on mining water quality control is needed on the soils contributing to and the causing of turbidity including those of organic muck, clay, decomposed bedrock and combinations of thereof. Emphasis should be placed on the application of available treatment technology as well as the evaluation of new and innovative treatment strategies.
3. Any studies or publications required will be funded by outside research grants and contracts.

Program Summary:

1. Positions. No new permanent positions will be created as a result of House Resolution 43.
2. Other expenditures needed to complete the water quality control analyses will also be absorbed with existing budgets.
3. No additional funding will be required by the University as the study would be a regular research grant covered within the existing budget authority levels.



Sherman Carter
Executive Vice President
474-7448

University of Alaska
Fairbanks, Alaska 99701

March 12, 1986

The Honorable
Representative Mike Davis
Pouch V
Juneau, AK 99811

SUBJECT: Fiscal Note, House Resolution 43

Dear Representative Davis:

Attached are two fiscal notes for House Resolution 43 detailing the projected cost to the University of Alaska.

If House Resolution 43 is passed the university anticipates that the first phase of the Alaska Placer Mining Water Quality Control study will cost \$281,872. The publication of brochures, newsletters and bulletins for distribution to the mining community will add an additional \$76,000. No analysis has been completed as to the economic impact should placer miners be forced to cease operations due failure to meet water quality regulations in this fiscal note.

A second or corollary fiscal note for House Resolution 43 is also attached. The second fiscal note assumes that the resolution's intent is that the Department of Environmental Conservation or other outside entities will fund the research and extension activities. Considering declining state revenues and the federal Gramm-Rudman deficit reduction act, the chances of this becoming a reality are very slim.

The appropriate fiscal note forms and backup are attached. If you need any further information, please do not hesitate to call me or Brian Rogers at 474-7593.

Sincerely,

Sherman Carter

Enclosures:

cc: The Honorable Niilo Koponen
The Honorable Steve Frank
The Honorable Richard Shultz
Jay Hogan, Office of Management and Budget
✓ Liz Blecker, Legislative Finance



Alaska State Legislature

Representative Mike Davis

Pouch V
Juneau, Alaska 99811
(907) 465-4930/4941

Interim Office:
P.O. Box 81435
Fairbanks, Alaska 99708

TO: House Finance Committee
FROM: Rep. Mike Davis *Mike*
DATE: April 25, 1986
RE: HCR 43 Relating to the University of Alaska School of Mineral Industry, the Mineral Industry Research Laboratory and Mining Extension Program

The placer gold mining industry is a significant contributor to our state's economy. The accompanying charts indicate just how important this role is. The source of this data is the Department of Commerce and Economic Development's Office of Mineral Development.

While the industry in Alaska has existed for nearly one hundred years, it is uncertain if it will be able to continue making this contribution. Currently, almost all placer mining operations are not meeting stringent State and Federal regulations regarding water quality. There is increasing political and legal pressure being brought to bear on the industry to comply with these regulations.

With the exception of research in mining discharge water quality being done by selected miners in an innovative demonstration grant program administered by the DNR and DEC, miners have been left largely to their own devices to find their own solutions.

To date the University of Alaska School of Mineral Industry (SMI) and its research arm, the Mineral Industry Research Laboratory (MIRL) have not played a prominent role in efforts to find a practical solution to this dilemma. This is in no way meant as a criticism. Rather, it is the intention of this resolution to recognize the scientific and engineering contributions the University can make towards a solution. The SMI, MIRL and the Mining Extension program have an eminent faculty which represents a heretofore underutilized resource

which may significantly aid in resolving this difficult technical problem.

We ask that the MIREL make water quality research a top priority by initiating a research involvement in the field aimed at achieving technical advances in placer mining wastewater management. The resolution further asks that the Mining Extension Program bring forth new information to the miner in the field.

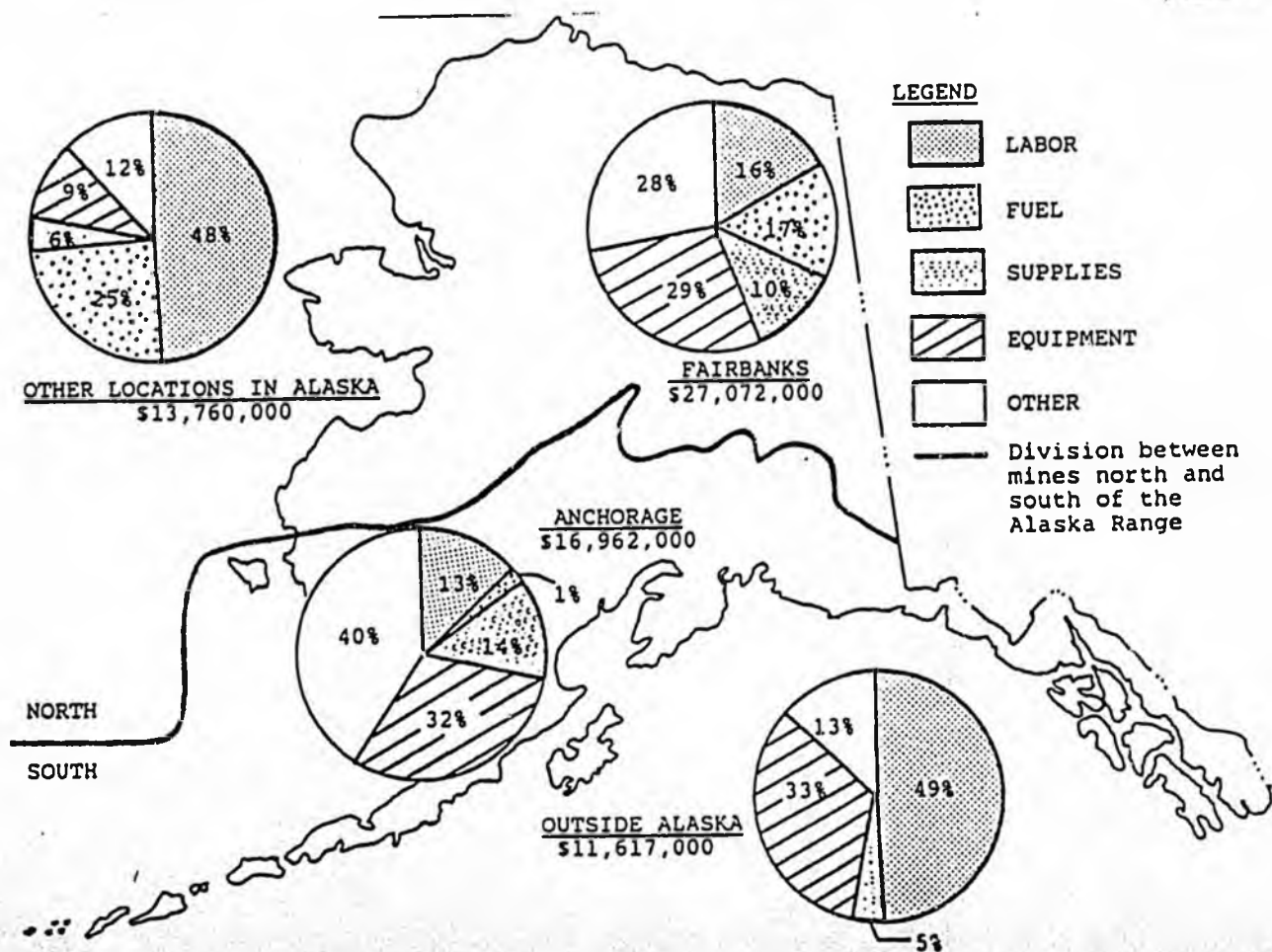
It is intended that the "Zero" fiscal note apply to this legislation.

**GROSS SALES AND FULL-TIME EMPLOYMENT
RESULTING FROM PLACER MINING**

Support Industry	Sales (x million)			Employment		
	State	FBKS	ANCH	State	FBKS	ANCH
Fuel	\$ 7.0	\$ 2.7	\$ 0.8	8	3	1
Equipment	6.4	0.7	1.7	55	6	15
Maintenance	2.7	1.3	0.8	26	12	8
Other Expenses	9.8	3.2	2.2	95	31	21
Communications	1.2	0.4	0.3	23	7	6
Utilities	0.6	0.1	0.2	3	0	1
Trade	12.8	4.8	3.5	448	169	123
Banking	0.9	0.2	0.2	25	7	7
Services	5.2	1.3	0.9	106	27	18
Restaurants & Bars	2.4	0.8	0.6	110	37	29
Health Services	0.7	0.3	0.3	26	10	9
All Other	77.6	30.6	20.3	753	316	201
Total	\$ 127.3	\$ 46.4	\$ 31.8	1,678	625	438

EMPLOYMENT BY PLACE OF RESIDENCE IN 1985
(in person-months and by percentage)

Location	North	South	Total
Fairbanks	2,890	218	3,108
Anchorage	620	1,008	1,628
Rural Alaska	2,276	1,159	3,435
Outside Alaska	1,517	351	1,868
Total	7,303	2,737	10,040
	72.8%	27.2%	100.0%



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