

HCR

43

HOUSE
COMMITTEE REPORT

(9)

Date referred: 3/19/86

FURTHER REFERRALS:

4/4
Rules

DATE: April 4, 1986

The RESOURCES 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

same zero w/analyses reported out these on sup # 99 3/19

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Herrmann Adelheid Herrmann

Miller(NP) M. L. Miller

Thompson [Signature]

Pearce [Signature]

Jenkins [Signature]

Cato [Signature]

Adelheid Herrmann
Co-Chairman Herrmann



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 Resources Committee

FROM: Rep. Mike Davis

DATE: April 4, 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.

This resolution merely asks that the MIREL initiate a research involvement in the field aimed at achieving advances in placer mining water quality. The resolution further asks that the Mining Extension Program bring forth new information to the miner in the field.

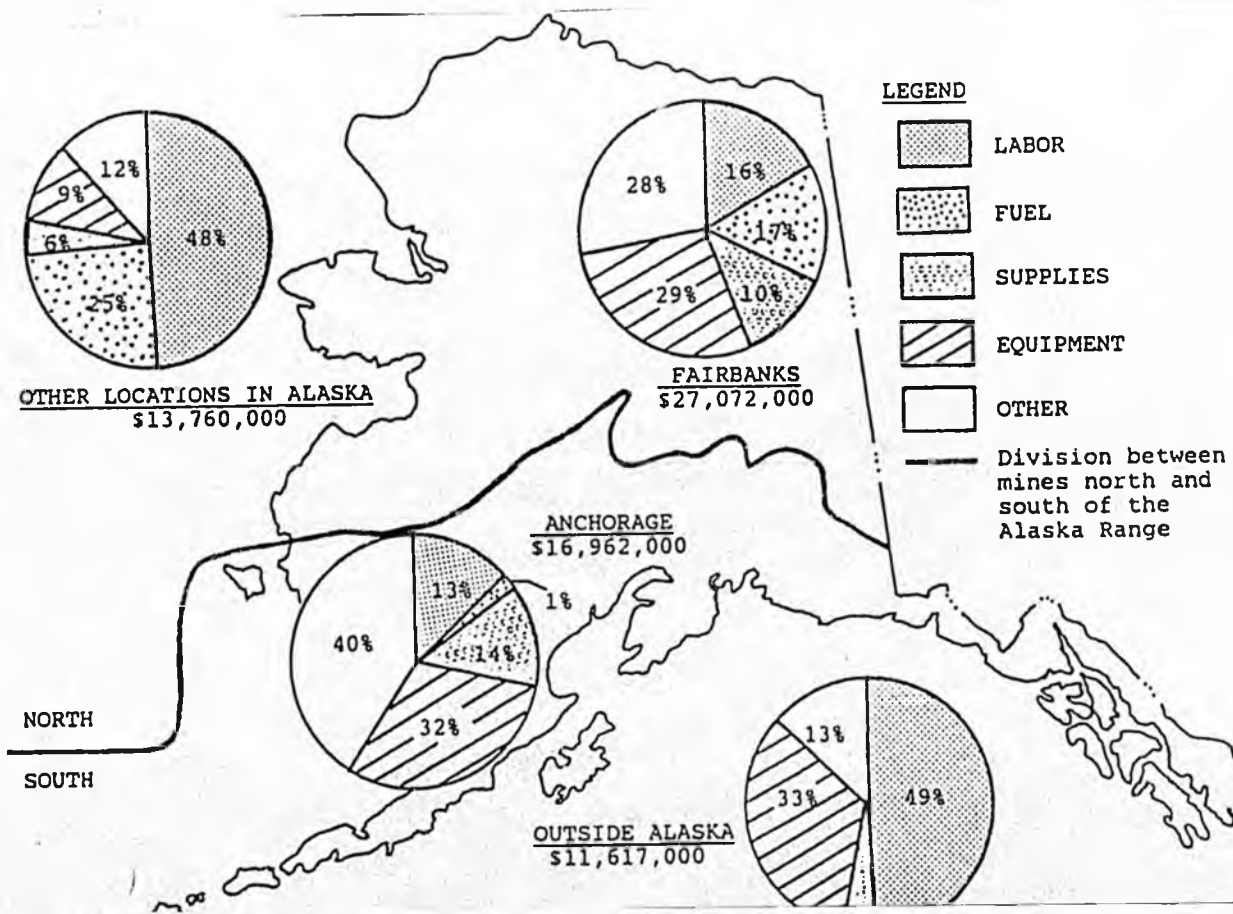
It is intended that the "Zero" fiscal note apply to this legislation.

**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
	28.8%	2.2%	31.0%
Anchorage	620	1,008	1,628
	6.2%	10.0%	16.2%
Rural Alaska	2,276	1,159	3,435
	22.7%	11.5%	34.2%
Outside Alaska	1,517	351	1,868
	15.1%	3.5%	18.6%
Total	7,303	2,737	10,040
	72.8%	27.2%	100.0%





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

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: David. Koponen, Frank and 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		165.3				
TRAVEL		6.0				
CONTRACTUAL		85.0				
SUPPLIES		15.0				
EQUIPMENT		10.0				
LAND & STRUCTURES						
GRANTS, CLAIMS		76.6				
MISCELLANEOUS						
TOTAL OPERATING		357.9				

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

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

FUNDING : (Thousands of Dollars)

GENERAL FUND		357.9				
FEDERAL FUNDS						
OTHER						
TOTAL		357.9				

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: *Thomas Carter*
 Agency: University of Alaska

Date: March 10, 1986

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. The proposed study will be completed in two phases. Only the first phase costs are covered by this fiscal note. A progress report on Phase I will be available on July 1, 1987 with a final report on Phase I submitted on or before December 31, 1987. Advances in wastewater management and other techniques are made available to miners in the field.

Program Summary:

1. Positions. No new permanent positions will be created as a result of House Resolution 43. Personal services costs include 4 staff months of the co-principal mining engineer investigator, 5 staff months of the co-principal environmental engineer investigator, 50 months of graduate student labor and related fringe and staff benefits. Total personal services costs are \$165,310.

2. Other major expenditures include:

- Laboratory and field supplies	\$ 10,000
- Advisory Resources Services	9,000
- Services (Telephone, copying, report preparation, film, etc.	85,000
- Travel.	6,000
- Overhead on above expenditures.	76,562
- Equipment.	10,000
- Publication of brochures, newsletters and bulletins for distribution to the mining community. Preparation, printing and secretarial costs	<u>76,000</u>
Total Phase I Costs	\$357,872

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, Kodonen, 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
 Division : University of Alaska

Phone : 474-7593
 Date : March 10, 1986

Approved by Commissioner : *William Carter*
 Agency : University of Alaska

Date : March 10, 1986

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.

HOUSE
COMMITTEE REPORT

3/19

(7)

Date referred: 2/5/86

FURTHER REFERRALS: RESOURCES

DATE: March 4, 1986

HEALTH, EDUCATION AND
The SOCIAL SERVICES 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
- replace with _____ new title

and recommends _____

further referral to the _____ Committee

and attaches:

- letter of intent
- first fiscal note
- new fiscal note
- zero fiscal note w/analysis

} Supplement # 99

SIGNING DO PASS: *first*

SIGNING OTHER RECOMMENDATIONS:

GRUENBERG *Max Gruenberg*

KOPONEN *Wito Koponen*

TAYLOR *Vice Chair Robin Taylor*

HURLEY *Katie Hurley*

PETTYJOHN *[Signature]*

THOMPSON *David W. Thompson*

Max Gruenberg
Co-Chairman

Wito Koponen
Co-Chair