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# HOUSE COMMITTEE REPORT

(7)

Date Referred: January 23, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 1/3/89

The LABOR & COMMERCE Committee recommends that:

HOUSE BILL NO. 111

"An Act reducing the operating appropriation to the Alaska Power Authority for fiscal year 1989; and providing for an effective date."

- be replaced with \_\_\_\_\_  the same title
- have attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact
- zero fiscal note
- zero with analysis

APPROVES PREVIOUS:

- fiscal note(s) published: \_\_\_\_\_
- zero fiscal notes(s) published: \_\_\_\_\_

SIGNING DO PASS:

David Donley

SIGNING OTHER THAN DO PASS:  
(Do Not Pass, No Recommendation, Amend)

Mark Boyer no rec  
Brew D. Kinney no rec  
John M. Glass no rec  
Cliff Spahr no rec  
W. J. ... no rec  
... no rec

David Donley  
Chairman's signature

HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

P.O. BOX Y, JUNEAU 99811

(907) 465-3892



January 23, 1989

Robert E. LeResche, Executive Director  
Alaska Power Authority  
P.O. Box AM  
Juenau, Alska 99801

Dear Mr. LeResche:

Thanks for your January 3 letter regarding APA payroll in response to my questions during last year's budget process.

While I appreciate your answers, I am unsatisfied with your suggested remedy for the unreasonably high APA salaries. I'd hoped for a more immediate response than to fill the positions at a lower salary range as they become vacant. If anything, I'd like to see that we don't fill the positions at all.

Please don't take this personally, but I firmly believe that the state has no business creating and funding an agency like the APA and that we should phase it out as soon as possible. The high salaries are only a small part of the problem but it would have been more palatable had the agency shown more restraint in their staffing policies in the past.

I look forward to working with you again during the budget process and during House Labor and Commerce Committee hearings.

Sincerely,

Representative Dave Doniey, Chair  
House Labor and Commerce Committee

cc: Governors Office  
Commissioner, DCED  
Members files

dd/gb

# HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

P.O. BOX Y, JUNEAU 99811

(907) 465-3892

January 11, 1989

## M E M O R A N D U M

To: Members, House Labor and Commerce Committee

From: Representative Dave Donley, Chair  
House Labor and Commerce Committee

Re: Proposed Committee legislation - AFA Budget Cut

The attached bill draft (Work Order # 6-0189A/Utermohle) deletes \$120,000 from the Alaska Power Authority Budget.

Last year, the House Finance Subcommittee on DCED cut \$247,000 from the APA's personal services line in the FY89 Operating budget.

The APA then inserted Section 143 in HB 543 (Reappropriations) repealing funds from the Rural Electrification Revolving Loan Fund and reappropriating \$120,000 to the DCED/APA for additional administrative costs for the fiscal year ending June 30, 1989.

The attached draft bill will take those funds out of APA's FY 90 budget and perhaps serve to demonstrate to the APA that doing an "end run" around the legislative budget process in the future is not without consequences.

(b) The sum of \$2,450,000 is appropriated from the general fund to the University of Alaska, as an endowment for the Alaska Center for International Business, contingent on the deposit in the general fund of the funds appropriated in (a) of this section.

(c) If the amount deposited in the general fund under (a) of this section is less than \$2,450,000, then the appropriation made in (b) of this section shall be reduced by the amount of the shortfall.

\* Sec. 142. The unexpended and unobligated balance of the appropriation made in sec. 24, ch. 95, SLA 1987, page 8, line 21 (Executive Operations - \$7,569,500) lapses into the general fund June 30, 1989.

\* Sec. 143. (a) The sum of \$1,614,900 is appropriated from the rural electrification revolving loan fund (AS 44.83.361) to the general fund.

(b) The sum of \$1,494,900 is appropriated from the general fund to the Department of Commerce and Economic Development, Alaska Power Authority, contingent on the deposit in the general fund of the funds appropriated in (a) of this section and is allocated for the purposes expressed and in the amounts listed:

PURPOSE	ALLOCATION
(1) Waste heat program	700,000
(2) Rural technical assistance/ circuit riders	325,000
(3) Rural systems efficiency improvements pilot programs	300,000
(4) Metering installation survey	100,000
(5) Brevig Mission electrical system upgrade	144,900
(6) Snettisham project transfer	50,000
(7) Unalaska generator upgrade	50,000
(8) Grant under AS 37.05.316	

to the Alaska Native

Foundation for a Kotzebue/Nome

coal feasibility study 150,000

(9) White Mountain power system upgrade 75,000

(10) Ouzinkie hydroelectric project 100,000

(c) The sum of \$120,000 is appropriated from the general fund to the Department of Commerce and Economic Development, Alaska Power Authority for additional administrative costs for the fiscal year ending June 30, 1989.

(d) If the amount deposited in the general fund under (a) of this section is less than \$1,614,900, then the appropriations made in (b) - (c) of this section shall be reduced by the amount of the shortfall and each allocation set out in (b) of this section shall be reduced in proportion to the amount of the shortfall.

\* Sec. 144. Section 1, ch. 42, SLA 1986 as amended by sec. 150, ch. 3, FSSLA 1987 is amended to read:

Section 1. The sum of ~~2,500,000~~<sup>2,150,000</sup> (\$2,500,000) is appropriated from the Railbelt energy fund in the general fund to the Alaska Power Authority for preparing studies required under AS 44.83.177 - 44.83.185 for electric interties between the Kenai Peninsula and Fairbanks.

\* Sec. 145. The appropriation made in sec. 3, ch. 96, SLA 1985, page 18, line 7 (Nulqsut-Prudhoe Road preliminary engineering and construction - \$13,000,000) is repealed.

\* Sec. 146. The sum of \$1,005,000 is appropriated from National Petroleum Reserve Fund receipts to the Department of Administration for payment as a grant under AS 37.05.315 to the North Slope Borough and is allocated for the purposes expressed and in the amounts listed:

PURPOSES	ALLOCATIONS
Atkasuk-water delivery vehicle purchase	150,000

08-08-24-00-00 (00-00-0-00-00-00)

## STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

SALSFRMA 14:58 5/18/88

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT  
CATEGORY: DEVELOPMENTPROGRAM: ALASKA POWER AUTHORITY  
SUB-PROGRAM: ADMINISTRATION

LEG FIN.

## \*\*\*\*\* C. C. ANALYSIS \*\*\*\*\*

OBJECT GROUP	VARIATION		DESCRIPTION: C. C. (\$781.1) VERSUS GOV AMD (\$1,053.2)
01 PERS. SERV.	-247.1	-29.2%	REDUCE PERSONAL SERVICES COSTS <\$247.1>.
02 TRAVEL	-10.0	-25.0%	REDUCE TRAVEL <\$10.0>.
03 CONTRACTUAL	-15.0	-10.0%	REDUCE CONTRACTUAL <\$15.0>.
** TOTALS	-272.1	-25.8%	

## LEGISLATIVE INTENT:

IT IS THE INTENT OF THE LEGISLATURE THAT THE ALASKA POWER AUTHORITY COMPLETE ITS PRELIMINARY STUDY OF THE RAILBELT GASLINE AS PART OF THE RAILBELT INTERTIE STUDY.

## \*\*\*\*\* HOUSE ANALYSIS \*\*\*\*\*

OBJECT GROUP	VARIATION		DESCRIPTION: HOUSE (\$781.1) VERSUS GOV AMD (\$1,053.2)
01 PERS. SERV.	-247.1	-29.2%	REDUCE PERSONAL SERVICES COSTS <\$247.1>.
02 TRAVEL	-10.0	-25.0%	REDUCE TRAVEL <\$10.0>.
03 CONTRACTUAL	-15.0	-10.0%	REDUCE CONTRACTUAL <\$15.0>.
** TOTALS	-272.1	-25.8%	

FUND SOURCE CHANGE DELETE PDRL &lt;\$967.8&gt;, ADD GF \$720.7.

## \*\*\*\*\* SENATE ANALYSIS \*\*\*\*\*

OBJECT GROUP	VARIATION		DESCRIPTION: SENATE (\$1,028.2) VERSUS GOV AMD (\$1,053.2)
02 TRAVEL	-15.0	-37.5%	REDUCE TRAVEL <\$15.0>.
03 CONTRACTUAL	-10.0	-6.6%	REDUCE CONTRACTUAL <\$10.0>.
** TOTALS	-25.0	-2.4%	

FUND SOURCE CHANGE DELETE PDRLF &lt;\$967.8&gt;, ADD GF \$967.8.

## LEGISLATIVE INTENT:

IT IS THE INTENT OF THE LEGISLATURE THAT THE ALASKA POWER AUTHORITY COMPLETE ITS PRELIMINARY STUDY OF THE RAILBELT GASLINE AS PART OF THE RAILBELT INTERTIE STUDY.

08-08-24-00-00 (00-00-0-00-00-00)

## STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 14:58 5/18/88

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT  
CATEGORY: DEVELOPMENTPROGRAM: ALASKA POWER AUTHORITY  
SUB-PROGRAM: ADMINISTRATION

LEG. FIN.

EXPENDITURES & FUNDING	FISCAL YEAR 1989												
	(01) FY87 ACT	(19) FY88 CC	(03) FY88 RP	(04) FY88 SUP	(02) FY88 A/H	(20) FY89 AGY	(21) FY89 GOV	(08) GOV AMD	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS	(13) LEG REC
01 PERS. SERV.	1154.1	592.6		674.2	903.8	903.8	847.1	600.0	847.1	600.0			
02 TRAVEL	47.9	40.0		40.0	40.0	40.0	40.0	30.0	25.0	30.0			
03 CONTRACTUAL	141.5	130.0		130.0	150.5	150.5	150.5	135.5	140.5	135.5			
04 COMMODITIES	14.4	20.0		20.0	15.6	15.6	15.6	15.6	15.6	15.6			
05 EQUIPMENT	7.4												
06 LANDS/BLDG													
07 GRANTS, CLHS													
08 MISC.												120.0	
** TOTAL EXPEND	1365.3	782.6		864.2	1109.9	1109.9	1053.2	781.1	1028.2	781.1		120.0	
09 I-A TRANSFER	17.6	21.0		21.0	21.0	21.0	21.0	21.0	21.0	21.0			
1002 FED RCPTS	50.0	45.2		50.0	50.0	50.0	50.0	50.0	50.0	50.0			
1003 G/F MATCH	20.1	20.1		20.1									
1004 GEN FUND	1295.2	717.3		794.1				695.7	942.8	695.7		120.0	
1005 GF/PRGM					35.4	35.4	35.4	35.4	35.4	35.4			
1007 I/A RCPTS					28.4	28.4							
1073 PDRL FUND					996.1	996.1	967.8						
15 FULL TIME	17.0	12.0		11.0	13.0	13.0	12.0	12.0	12.0	12.0			
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS	204.0	120.0		132.0	156.0	156.0	144.0	144.0	144.0	144.0			

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL &amp; SPECIAL APPROPRIATIONS AND FISCAL NOTES...

SPECIAL APPROPRIATIONS: HB 543 \$120.0

NEW LEGISLATION...

HB 543

SPECIAL APPROPRIATION: SEC 143(C) FY1989 OPERATING COSTS \$120.0.

\*\*\*\*\* GOV AMD ANALYSIS \*\*\*\*\*

\*\*\* FY89 GOVERNOR (OMB NOTES) \*\*\*

DETAIL DESCRIPTION OF VETOS, TRANSFERS, INCREMENTS, & DECREMENTS  
CHANGES FROM FY88 CONFERENCE COMMITTEE TO FY88 AUTHORIZED

REF#	DESCRIPTION	AGENCY / GOVERNOR				LINE ITEM IMPACT							
WHO:	PFT	PFT	TOTAL	GEN FUND	OTHER	100	200	300	400	500	600	700	800
1013	ADD BACK TEN PERCENT PERSONAL SERVICES REDUCTION												
AGY:	0.0	0.0	81.6	76.8	4.8	81.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	81.6	76.8	4.8	81.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3019	APA-POSITION COUNT ADJUSTMENT												
AGY:	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CHANGES FROM FY88 AUTHORIZED TO FY89 GOVERNOR

REF#	DESCRIPTION	AGENCY / GOVERNOR				LINE ITEM IMPACT							
WHO:	PFT	PFT	TOTAL	GEN FUND	OTHER	100	200	300	400	500	600	700	800
2213	HEALTH & VARIABLE BENEFIT ADJUSTMENT												
AGY:	0.0	0.0	15.0	11.4	3.6	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	15.0	11.4	3.6	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2328	LINE ITEM TRANSFER WITH APA ADMINISTRATION												
AGY:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.2	-5.2	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.2	-5.2	0.0	0.0	0.0	0.0
2329	TRANSFER 2 PFT FROM APA CIP TO APA ADMINISTRATION COMPONENT												
AGY:	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3015	APA-SELF FINANCING FROM POWER DEV REVOLVING LOAN FUND												
AGY:	0.0	0.0	0.0	-825.6	825.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	0.0	-825.6	825.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3017	APA-REDUCE FEDERAL FUNDS / INCREASE I/A RECEIPTS												
AGY:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

3021 APA-REALLOCATE COSTS CHARGED TO CIP PROJECTS IN FY88													
AGY:	0.0	0.0	96.6	0.0	96.6	96.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	96.6	0.0	96.6	96.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3023 APA-PERSONAL SERVICES COSTS ADJUSTMENT													
AGY:	0.0	0.0	6.6	0.0	6.6	6.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	6.6	0.0	6.6	6.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3025 APA-ALASKA POWER STATIS ICS													
AGY:	0.0	0.0	70.8	35.4	35.4	54.7	0.0	15.3	0.8	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	70.8	35.4	35.4	54.7	0.0	15.3	0.8	0.0	0.0	0.0	0.0
3027 APA-LOANS/POWER COST EQUALIZATION PRGM MANAGER													
AGY:	0.0	0.0	56.7	0.0	56.7	56.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	56.7	0.0	56.7	56.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CHANGES FROM FY89 GOVERNOR TO FY89 GOVERNOR AMENDED

REFR DESCRIPTION													
WHO:	PFT	PPT	AGENCY / GOVERNOR			LINE ITEM IMPACT							
			TOTAL	GEN FUND	OTHER	100	200	300	400	500	600	700	800
4016 TRANSFER 1 PFT POSITION FROM APA ADMINISTRATION TO POWER COST EQUALIZATION ADMINISTRATION													
AGY:	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4018 DELETE FUNDING ASSOCIATED WITH POSITION TRANSFERRED TO PCE ADMINISTRATION													
AGY:	0.0	0.0	-56.7	0.0	-56.7	-56.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GOV:	0.0	0.0	-56.7	0.0	-56.7	-56.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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