

Leg. Finance - Finance Comte Files (1971-72) 8879

HB 504 cont., 505 877

# MEMORANDUM

TO:  M. R. Charney, Director  
Division of Budget & Management  
Department of Administration

THRU: V. L. Iverson, Director  
Division of Administrative Services

FROM: Dept. of Health & Social Services

FROM: Roger C. Lange, Comptroller  
Dept. of Health & Social Services

DATE: March 10, 1972

SUBJECT: Request Permission to  
Receive & Expend Un-  
Budgeted Federal Receipts

The Department of Health and Social Services requests permission to receive and expend \$2,016,500 of unbudgeted Federal receipts. This request was informally discussed with your Division and with Governor Egan when it became known that a Supplemental Grant for retroactive reimbursement of indirect costs under BOB Circular A 87 in the amount of \$1,331,500 was due the State of Alaska. The request was to reduce the Department's FY 1972 Supplemental Appropriation request, and received verbal concurrence at the time the request was made.

Testimony to the House Finance Committee made, and a revised HB 504 prepared by the Department was distributed to the Committee (copy attached). In the event this request is not approved, the Department of Health and Social Services will need the total funds requested in the original bill.

The Department is requesting permission to expend 90% or \$1,198,400 of the retroactive indirect cost reimbursement (the Department of Administration earns approximately 10% of the indirect costs for their indirect support of Federal programs). The additional Federal receipts of \$818,100 are formula reimbursements for public assistance grants, contractual purchase services, and program administration.

Since time is of the essence because of the relationship between this request and HB 504, your early approval and transmittal to Governor Egan and the Legislative Budget and Audit Committee is requested.

RCL:as

Attachment 1

| PROGRAM                                 | House Bill No. 504 (Original Submission) |                         |                  | FUNDING ALLOCATION SUMMED   |                  | REDUCTION OF 1962 FISCAL YEAR |  |             | CS AND CS RE HOUSE BILL NO. 504 |         |                  | REVISED CS FOR CS FOR HB NO. 504 REQUESTED (APRIL 3, 1972): |         |                  |
|---|--|-------------------------|------------------|-----------------------------|------------------|-------------------------------|--|-------------|---------------------------------|---------|------------------|---|---------|------------------|
|   | REQUEST TOTAL                            | FUNDING STATE GEN. FUND | FEDERAL RECEIPTS | HAVE BEEN: STATE GEN. FUNDS | FEDERAL RECEIPTS | TOTAL                         | Cost Reimbursement from Supplemental: Distribution of 1962 Federal Reimbursement | CS RE CS RE | HOUSE BILL NO. 504              | TOTAL   | STATE GEN. FUNDS | FEDERAL RECEIPTS  | TOTAL   | STATE GEN. FUNDS |
| Public Health: Certified Child Svcs.    | 147700                                   | 147700                  | -0-              | 147700                      | -0-              |                               |  |             | 147700                          | 147700  | -0-              | 147700  | 147700  | -0-              |
| MENTAL HEALTH:                          | 83500                                    | 83500                   | -0-              | 83500                       | -0-              |                               |  |             | 83500                           | 83500   | -0-              | 83500   | 83500   | -0-              |
| CARICATIONS:                            | 300000                                   | 300000                  | -0-              | 300000                      |                  |                               |  |             | 300000                          | 300000  | -0-              | 300000  | 300000  | -0-              |
| FAMILY & CHILDREN SERVICES:             |  |                         |                  |                             |                  |                               |  |             |                                 |         |                  |   |         |                  |
| ADMINISTRATION                          | 384400                                   | 145500                  | 238900           | 146100                      | 238300           | 384400                        | 146100   | 238300      |                                 |         |                  |   |         |                  |
| ADULT PUBLIC ASSISTANCE                 | 1212100                                  | 572500                  | 639600           | 792100                      | 420000           | 110500                        | 73500  | 37000       | 1101600                         | 718600  | 383000           | 1101600   | 718600  | 383000           |
| AID TO FAMILIES WITH DEPENDENT CHILDREN | 1521600                                  | 1250000                 | 271600           | 783100                      | 538500           | 1521600                       | 778800   | 542800      |                                 |         |                  |   |         |                  |
| FOOD STAMPS                             | 206400                                   | 158800                  | 47600            | 144500                      | 61900            |                               |  |             | *500000                         | 350000  | 150000           | **306400  | 214500  | 91900            |
| GENERAL RELIEF                          | 140400                                   | 117000                  | 23400            | 135500                      | 4900             |                               |  |             | 140400                          | 135500  | 4900             | **385300  | 371800  | 13500            |
| GENERAL RELIEF-MEDICAL                  | 2342700                                  | 1795700                 | 546800           | 2050300                     | 292400           |                               |  |             | 2342700                         | 2050300 | 292400           | 2241900   | 1749500 | 292400           |
| CHILD WELFARE SERVICES/ JUVENILE CODE   | 293300                                   | 293300                  | -0-              | 293300                      |                  |                               |  |             | 293300                          | 293300  | -0-              | 293300  | 293300  | -0-              |
| DIVISION SUB-TOTAL                      | 6105900                                  | 4338000                 | 1767900          | 4549900                     | 1536000          | 2016500                       | 1198400  | 818100      | 4323000                         | 3552700 | 830300           | 4333500   | 3552700 | 750200           |
| DEPARTMENT TOTAL                        | 6637100                                  | 4869200                 | 1767900          | 5081100                     | 1536000          | 2016500                       | 1198400  | 818100      | 4714200                         | 4083900 | 830300           | 4844700   | 4083900 | 750200           |

\* WITH ADDITIONAL FUNDS RECOMMENDED BY HWJE COMMITTEE OF \$293,600.

\*\* REVISED ESTIMATE OF NEED BASED ON THE REMAINING TO MAKE PROGRAM CHANGE EARLY EXPENDITURES.

\*\* INCREASED REQUEST BASED ON INCREASED EXPENDITURE RATE SINCE ORIGINAL BILL WAS SUBMITTED.

DEPARTMENT OF HEALTH &amp; SOCIAL SERVICES

TO: [ Joseph R. Henri, Commissioner  
Department of Administration

ATTN: Myrton R. Charney, Director  
Div. of Budget & Management

FROM: <sup>Chuck Degan</sup> Frederick McGinnis  
Commissioner

DATE: March 29, 1972

SUBJECT: Request for Commitment of  
\$626,300 (Unbudgeted Salary  
Appropriation)

In a meeting today with Representative Chuck Degan and Mr. Glen Vernon of the House Finance Committee on the subject of the Department's FY 71/72 supplemental budget request (HB 504) we were instructed to reduce the request by that dollar amount in General Fund money which could be made available from the Department of Administration Unbudgeted Salary Increase appropriation. It was reported that the Department of Administration had indicated in testimony before the Committee that sufficient funds would be available from this appropriation to cover the needs of all departments of State. The House Finance Committee is now in the final stage of deliberation on House Bill 504 and has requested that we submit to them immediately our revised dollar requirements after deducting the monies being made available from the Department of Administration. It is of the utmost importance that HB 504 be enacted into law at the earliest possible date since the funding situation, especially in certain of the Public Assistance programs, has reached crisis proportions.

For reasons enumerated above, request Department of Administration assurance that a sum of not to exceed \$626,300 in State General Funds will be made available to the Department of Health and Social Services to fund the projected year end deficit in Personal Services. This figure includes the state share of Code 100 monies identified in the supplemental request for the Division of Family and Children Services. (The request to receive and expend Federal receipts in the amount of \$164,500 will be included in a program revision.) This amount does not include the \$300,000 requested for Division of Corrections or the \$83,500 for the Division of Mental Health, as these deficits are a result of a shift differential and overtime requirements not funded. This \$626,300 figure also supersedes the \$491,900 figure quoted in the supplemental request transmittal memorandum of November 15, 1971.

Your approval of this request is urgently requested.

APPROVED: *subject to these comments:*

*M. R. Charney*  
\_\_\_\_\_  
\_\_\_\_\_

1. HB 504 is eventually enacted at the lower figure
2. These funds will now not lapse as I promised the Finance Committee earlier.

cc: Representative Degan

William A. Egan, Governor  
State of Alaska

DATE March 23, 1972

Joseph R. Henri, Commissioner  
Department of Administration

SUBJECT Department of Health & Social Services  
Social Services Request to receive  
and expend \$2,016,500 in additional  
federal receipts

The Department of Health and Social Services requests authorization to receive and expend additional Federal receipts of \$2,016,500. A Supplemental Grant for retroactive reimbursement of indirect costs under BCS Circular A B7 for \$1,331,500 has been made to Alaska. The Department proposes to expand 90% or \$1,150,000 of the retroactive indirect cost reimbursement. (The Department of Administration earns approximately 10% of the indirect costs for their indirect support of Federal programs.) The additional Federal receipts of \$818,100 are formula reimbursements for public assistance grants, contractual purchase of services, and program administration.

These funds will be expended in the following manner:

|  |                    |                   |
|--|--------------------|-------------------|
| Program Administrations:                 |                    |                   |
| 100 Personal Services                    | <del>255,300</del> | 169,500           |
| 200 Travel                               |                    | 25,000            |
| 300 Contractual Services                 |                    | 94,100            |
| Adult Public Assistance:                 |                    |                   |
| 700 Grants, Claims, Shared Revenue       |                    | 110,500           |
| Aid to Families with Dependent Children: |                    |                   |
| 300 Contractual Services                 |                    | 239,300           |
| 700 Grants, Claims, Shared Revenue       |                    | 1,282,300         |
| GENERAL RELIEF-MEDICAL                   |                    | 100,000           |
| 300 CONTRACTUAL SERVICES                 |                    |                   |
|  |                    | Total = 2,016,500 |

The \$818,100 not yet received for indirect cost reimbursement from the Federal government will be held in an appropriations reserve pending final receipt.

Upon approval of this request these funds (\$2,016,500) will be utilized to offset supplemental appropriation requests as follows:

|   |                 |         |
|---|-----------------|---------|
| Administration                                    | (GODDARD SHARE) | 180,500 |
| Unfunded salary increases and staff travel        |                 | 269,200 |
| Operation Intercept                               |                 | 30,600  |
| Contractual obligation for leases of office space |                 | 64,100  |
| Adult Public Assistance                           |                 |         |
| General caseload projections                      |                 | 81,000  |
| Nursing Home beds                                 |                 | 29,500  |
| GENERAL RELIEF-MEDICAL                            |                 |         |
| MEDICAL, HOSPITALIZATION                          |                 | 100,000 |

William A. Egan, Governor

-2-

March 23, 1972

|   |           |
|---|-----------|
| Aid to Families with Dependent Children |           |
| Operation Upgrade and Non-WIN day care  | 239,300   |
| Grants for additional 1,571 recipients  | 1,282,300 |

Your approval of this request is recommended in accordance with the provisions of Section 12, Chapter 131, SLA 1971. No additional state funds are required.

*Joseph R. Henri*  
 \_\_\_\_\_  
 Joseph R. Henri, Commissioner  
 Department of Administration

Approved this 23<sup>rd</sup> day of March, 1972.

*William A. Egan*  
 \_\_\_\_\_  
 William A. Egan, Governor  
 State of Alaska

Legislative Budget and Audit Committee

Date: \_\_\_\_\_

**RECEIVED**  
 MAR 27 1972

Office of the  
 Comptroller

**RECEIVED**  
 MAR 29 1972

Administrative Services  
 Comptrollers Office

**RECEIVED**  
 MAR 29 1972  
 ADMINISTRATIVE SERVICES  
 OFFICE OF THE DIRECTOR

TESTIMONY BY  
FREDERICK MCGINNIS, COMMISSIONER  
DEPARTMENT OF HEALTH & SOCIAL SERVICES

BEFORE  
HOUSE FINANCE COMMITTEE

FEBRUARY 21, 1972

MR. CHAIRMAN, MEMBERS OF THE FINANCE COMMITTEE:

I WISH TO EXPRESS MY APPRECIATION TO THE COMMITTEE FOR YOUR EARLY CONSIDERATION OF COMMITTEE SUBSTITUTE FOR HOUSE BILL 504, THE SUPPLEMENTAL APPROPRIATION FOR THE DEPARTMENT OF HEALTH & SOCIAL SERVICES. IT IS NECESSARY THAT THIS MATTER RECEIVE EARLY CONSIDERATIONS BY THE LEGISLATURE IN ORDER THAT PROGRAM CONSIDERATIONS MAY BE RESOLVED AS EARLY AS POSSIBLE.

YOU WILL RECALL THAT DURING THE PRIOR SESSION YOU CONSIDERED A SUPPLEMENTAL APPROPRIATION FOR THE DEPARTMENT. THE 1971 FISCAL YEAR DEPARTMENTAL BUDGET APPROPRIATION WAS \$42,393,900. AS IN PRIOR YEARS IT WAS ANTICIPATED THAT A SUPPLEMENTAL WOULD BE REQUIRED. A STATED SUPPLEMENTAL NEED FOR \$4,508,000 WAS MADE BY THE DEPARTMENT. THIS WAS ADJUSTED DOWNWARD BY THE DEPARTMENT OF ADMINISTRATION BY THE UTILIZATION OF \$761,000 UNBUDGETED SALARY INCREASE FUNDS. THE DECEMBER 4, 1970, ESTIMATE OF SUPPLEMENTAL NEED WAS \$3,385,600. THE FINAL APPROVED SUPPLEMENTAL WAS \$3,046,900 WHICH INCLUDED \$2,730,200 (HB 61) GENERAL FUND MONEY. THE TOTAL EFFECTIVE SUPPLEMENTAL FOR FY 71 WAS \$3,207,900.

YOU WILL FURTHER RECALL TESTIMONY BY THIS DEPARTMENT DURING THE LAST SESSION WHICH POINTED OUT THE FACT THAT PROJECTED CASELOAD INCREASES, COUPLED WITH THE FULL COST OF CARE LEGISLATION, WOULD IN ALL PROBABILITY NECESSITATE A SUPPLEMENTAL APPROPRIATION, IF THE CATEGORICAL PROGRAMS WERE TO BE CONTINUED AT THEIR PRESENT PAYMENT LEVELS AND THE FULL COST OF CARE STATUTES WERE TO BE IMPLEMENTED. IN A DOCUMENT PRESENTED TO THE BUDGET FREE CONFERENCE COMMITTEE, THE DEPARTMENT SPOKE TO THE IMPACT OF THE BUDGET AS PROPOSED BY STATING -

"IF THE LEGISLATURE WILL ENTERTAIN A SUPPLEMENTAL APPROPRIATION NEXT SESSION, THE DIVISION OF PUBLIC WELFARE CAN OPERATE WITHIN EITHER THE HOUSE OR SENATE VERSION. HOWEVER, THE LEGISLATURE SHOULD BE AWARE OF THE FACT THAT WITH RISING CASELOADS AND COSTS THAT OUR ORIGINAL ESTIMATE OF \$31,904,000 WILL BE NEEDED TO OPERATE THE PROGRAMS DURING THE COMING YEAR.

"IN THE EVENT THAT THE LEGISLATURE STATES AN INTENT TO NOT ALLOW A SUPPLEMENTAL, THE PERCENTAGE CUTS OF 31% ACROSS THE BOARD FOR AFDC, APA, GR-MED, GR, AND CWS WILL HAVE TO BE MADE EFFECTIVE JULY 1, 1971, IN ORDER TO STAY WITHIN THE ALLOTTED BUDGET.

"NEITHER THE HOUSE NOR SENATE ALLOWANCE PROVIDES FOR THE ADDITIONAL FUNDS REQUIRED TO FUND THE PURCHASE OF SERVICE AT FULL COST OF CARE AS MANDATED BY AS 47,40,040 IN THE 1970 LEGISLATIVE SESSION. UNDER PROPOSAL 1, \$1,182,700 IS REQUIRED TO FUND THIS STATUTORY OBLIGATION. THIS FIGURE WAS ONE OF THREE ALTERNATIVE PROPOSALS DEVELOPED AS A RESULT OF RATE HEARINGS HELD IN FEBRUARY 1971."

IN SEPTEMBER 1971, BASED UPON A LIMITED 60 DAY EXPERIENCE INTO FISCAL YEAR 1972, I INDICATED THAT THE SUPPLEMENTAL FUNDS REQUIRED TO CONTINUE PROGRAMS AT THEIR PRESENT PAYMENT LEVELS COULD REACH \$10 MILLION. A COPY OF THAT ANALYSIS OF EXPECTED SUPPLEMENTAL APPROPRIATIONS REQUIRED IS APPENDED TO THIS STATEMENT FOR YOUR REVIEW. SINCE THAT TIME THE DEPARTMENT HAS MAINTAINED CLOSE SCRUTINY AND CONTROL OF EXPENDITURES WITH THE GOAL OF REDUCTION OF SUPPLEMENTAL REQUIREMENTS TO THE LOWEST POSSIBLE LEVEL. AS OUR EXPERIENCE INTO THE FISCAL YEAR INCREASES, CASELOAD PROJECTIONS AND EXPENDITURE PATTERNS DEVELOP AND ASSUME A MORE REALISTIC PATTERN.

ON NOVEMBER 15, THE DEPARTMENT SUBMITTED TO THE DIVISION OF BUDGET AND MANAGEMENT A SUPPLEMENTAL REQUIREMENT TOTALING \$8,500,400. LATER DURING CONSIDERATION BY THE GOVERNOR'S BUDGET REVIEW COMMITTEE THE REQUEST WAS REDUCED TO \$6,637,100. THE REDUCTION WAS BASED PRIMARILY ON INFORMATION SUPPLIED BY THIS DEPARTMENT AFTER MORE EXPERIENCE INTO THE FISCAL YEAR. THEREFORE, THE GOVERNOR'S SUPPLEMENTAL APPROPRIATION REQUEST WAS CONSISTENT WITH THE PROJECTIONS THEN AVAILABLE.

IN TESTIMONY THIS SESSION BEFORE THE HOUSE HEALTH, WELFARE AND EDUCATION COMMITTEE, THE DEPARTMENT INDICATED THAT THE FUNDS INCLUDED IN THE SUPPLEMENTAL REQUEST WOULD MAINTAIN THE FOOD STAMP PROGRAM AT THE PRESENT LEVEL OF SERVICE. THE COMMITTEE EXPRESSED A DESIRE FOR MORE SUBSTANTIAL SERVICE AND AMENDED THE APPROPRIATION BILL TO PROVIDE AN ADDITIONAL \$293,600 TO INCREASE THE LEVEL OF SERVICE IN THE FOOD STAMP PROGRAM.

ON A MORE ENCOURAGING NOTE THE DEPARTMENT HAS BEEN ADVISED THAT OUR REQUEST FOR INDIRECT COSTS FOR SUPPORTIVE SERVICES TO SOCIAL SERVICES PROGRAMS HAVE EARNED \$1,193,500 IN RETROACTIVE FEDERAL PAYMENTS. I HAVE OBTAINED THE GOVERNOR'S CONCURRENCE IN UTILIZING THESE FUNDS TO REDUCE THE SUPPLEMENTAL APPROPRIATION. THEREFORE, ASSUMING BUDGET AND <sup>AUDIT</sup> COMMITTEE APPROVAL TO RECEIVE AND EXPEND THESE FUNDS, THE SUPPLEMENTAL CAN BE REDUCED BY THIS AMOUNT.

TO RECAPITULATE -

|  |                  |
|--|------------------|
| THE GOVERNOR REQUESTED                 | \$6,637,100      |
| THE HOUSE HWE COMMITTEE ADDED          | <u>293,600</u>   |
| FOR A TOTAL OF (CSHB 504)              | 6,930,700        |
| REDUCED BY RETROACTIVE FEDERAL PAYMENT | <u>1,198,500</u> |
| LEAVES NET SUPPLEMENTAL REQUIREMENT    | \$5,732,200      |

THIS REQUIREMENT WILL INSURE THE CONTINUATION OF PROGRAMS AT PRESENT LEVELS WITHIN THE DIVISIONS OF FAMILY AND CHILDREN SERVICES, CORRECTIONS, PUBLIC HEALTH AND MENTAL HEALTH. REPRESENTATIVES FROM EACH OF THE PROGRAMS ARE AVAILABLE TODAY TO ANSWER ANY QUESTIONS YOU MIGHT HAVE CONSIDERING THE PROGRAM IMPLICATIONS OF THIS REQUEST.

ANALYSIS OF EXPECTED SUPPLEMENTAL:  
 DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
 DIVISION OF FAMILY AND CHILDREN SERVICES  
 September 17, 1971

|                    |   |
|--------------------|---|
| <u>Total Funds</u> |   |
| \$ 28,763          | Original Department of Health & Social Services request   |
| 25,914             | Governor's Budget Allowance   |
| <u>32,301</u>      | Revised Department Request  |
| 6,387              | Recognized probable total funds supplemental required:<br>(Dept. Request) - (Gov. Allow.)             |
| <u>23,729</u>      | Legislative Appropriation   |
| 8,572              | Actual Underfunding<br>(Dept. Request) - (Appropriation)  |
| plus: 159          | Adult Public Assistance: Increased Caseload, 2,795 to 3,150<br>Decreased Cost per case                |
| 1,182              | Estimated "Full Cost of Care" (AS 47.40)  |
| 168                | "Voluntary Placement" (HB 223)  |
| <u>200</u>         | "Operation Upgrade" (Legislative intent)  |
| 10,281             | Total Division of Family and Children Services<br>"Welfare" Supplemental anticipated                  |
| plus: 300          | Estimated overtime for Division of Corrections  |
| 0                  | Estimated overtime at API, Harborview<br>(Too early in year to determine whether supplemental needed) |
| <u>10,581</u>      | Total Department of Health and Social Services Supplemental<br>anticipated: Total GF and other funds  |
| 900                | Federal and other   |
| <u>9,681</u>       | GF  |
| 10,581             |   |



*Estimate of the Department of Health and Social Services*  
*2/18/72*

ALASKA

MEMORANDUM

TO: Chairman and Members  
House Finance Committee

DATE: 2/18/72

FROM: Glen K. Vernon  
Fiscal Analyst

SUBJ: Health and Social Services Supplemental Budget Request.

In response to your request for an analysis of House Bill 504, "An Act making supplemental appropriations to the Department of Health and Social Services; and providing for an effective date" the following information is presented:

The original House Bill 504, as presented at the request of the Governor, contains a supplemental request for \$6,637,100 of which \$1,767,900 would come from federal funds and \$4,869,200 would be from the state general fund. The department's original request of \$8,500,400 contained \$1,813,500 in federal funds and \$6,686,900 in state general fund. (See Attachment "A")

The House Committee on Health, Education and Welfare has reported out a substitute bill increasing the supplemental request by \$293,600 for a total of \$6,930,700 of which \$1,767,900 would be from federal funds and \$5,162,800 from the state general fund. The total increase is made in Food Stamps.

I. SOCIAL SERVICES

*P.S.*

A. Administration: \$384,400

*265,300 R. Long*

House Bill 504 would provide \$290,300 for "unfunded salary increases and staff travel"; \$30,000 to fund Operation Intercept, and \$64,100 to cover contractual obligations for leases of office space.

Some question might be raised as to whether the \$290,300 for salary increases and staff travel is a proper request. A block appropriation was made to the Department of Administration to provide for salary increases in all agencies. Indications are that this appropriation is adequate to cover salary increases, and that some of the appropriation will be turned back. Even if additional funding is needed; however, it would be more consistent with past practice to provide the funding to the Department of Administration and require that department to administer it.

Operation Intercept was initiated to discourage job seekers from coming to Alaska from the "South 48" and becoming welfare recipients in this state. In the past it has been funded from other program surpluses. A request for \$30,000 is being made to provide funding for the balance of FY 1972.

The remaining \$64,100 is requested to cover contractual obligations for leases and office space. Question: This should be a predictable set expenditure which can be set at the beginning of a given fiscal year. Why wasn't sufficient funding scheduled?

B. Adult Public Assistance: \$1,212,100

*Cases*  
2556 est  
3300 new act. request.

House Bill 504 would provide \$1,182,600 to fund the difference between FY 1972 appropriation and revised agency caseload projection. The latest projections available indicate that this request may be high, and that it might be able to be reduced by as much as \$172,600 and still meet payment needs at current payment levels. (See Attachment "B")

The remaining \$29,500 is to increase the number of nursing home beds to 250 at \$28,00 per day. The 250 bed level is the limit set in the Governor's FY 73 budget. (p. 76 Budget Document Supplement)

C. Aid to Families with Dependent Children: \$1,521,600

*91*  
*10500*

House Bill 504 provides \$239,300 to fund Operation Upgrade and non-WIN day care. \$1,282,300 is requested to fund payments to AFDC recipients.

Operation Upgrade, according to the department, was authorized but not funded by the 1971 Legislature. (See p. 422 of Budget Workbook) The Free Conference Committee, however, specified that \$200,000 of its FY 72 AFDC allowance was for Operation Upgrade. (See p. 15 of Free Conference Committee Report)

According to the department, the \$239,300 for Operation Upgrade and non-WIN day care represents all federal dollars. This federal funding is evidently made available by utilizing child care funds which will not be needed because of a lower caseload growth in that area than was originally anticipated. Question: Would it be wiser to use the surplus funding in an area of projected deficit rather than matching for federal funds in a "new" area and then requesting a supplemental appropriation to cover deficit areas? If the philosophy of purchasing federal funding at the expense of established programs is adopted, it is doubtful the state can ever avoid having annual supplemental requests.

The \$1,282,300 request to meet projected deficits in AFDC payments was based upon rising AFDC caseloads. AFDC caseloads appear to be returning to their normal growth line at this time. If the trend continued along the normal growth line, a supplemental of \$1,110,000 should be adequate to fund AFDC cases during the remainder of FY 72. (See Attachment "C")

D. Food Stamps: \$206,400 (\$500,000 in CSHB # 504)

FY 72 \$624,700  
FY 73 \$428,100

418,300  
206,400  
624,700

The \$206,400 (\$500,000 in CSHB # 504) supplemental request for food stamps would provide temporary staff, fee agents, and security needs during the remainder of FY 72. The supplemental request would bring the total FY 72 authorization for food stamps to \$624,700. The Governor recommends \$428,100 for food stamps in FY 73. Some question might be raised as to how the department will be able to return to the lower level of spending in FY 73. (See Attachment "D" for information relating to CSHB # 504)

918,300

E. General Relief: \$140,000

House Bill # 504 would furnish an additional \$140,000 for emergency relief payments. This amount is based upon projections and is used primarily to provide utilities, oil, clothing, etc., for recipients. It should be recognized that General Relief is essentially a state funded program. The Legislature is free to fund this program at whatever level it feels is necessary or to not fund it at all.

F. General Relief - Medical: \$2,342,700

more than 1/2 to hospitals  
rest physicians

Medical  
Report by  
Expert  
available

Special Report  
to Governor  
being prepared

The request for \$2,342,700 for payment of medical services is like the above request for General Relief in the sense that the state has no obligation to fund the program in order to meet any federally imposed rules. Recognizing the "growth potential" this program has, the Governor, in his FY 73 Budget, has assumed certain restrictions and guidelines to limit expenditures in this area.

G. Child Welfare Services/Juvenile Code:

House Bill 504 would provide \$168,300 for "unfunded needs of the Voluntary Placement program for the balance of FY 72." Request is also made to provide full cost-of-care for children in institutions. <sup>of</sup> 130,000

Earlier, reference was made to the fact that the department was planning to match \$239,300 of federal funds with state funding not needed in child care because of lower caseload growth than originally anticipated. It would appear that requests for a supplemental in

February 18, 1972

Child Welfare Services/Juvenile Code need to be reconciled with the earlier statement. (See Attachment "B")

II. HEALTH

A. Mental Health: \$83,500

The supplemental request would provide \$83,500 to cover overtime and shift differentials at API and Harborview.

B. Public Health: \$147,700

The request of \$147,700 is to provide a level of funding for medical services to crippled children equal to the FY 71 authorized level. (See Attachment "F")

III. CORRECTIONS: \$300,000

A. This supplemental request is to cover overtime and shift differential requirements at correctional institutions throughout the state. { O.T.O.

GV/ds

I. Social Service

|                         | Agency Request<br>as of Nov. 9, 1971 | Governor's<br>Request | Difference         |
|-------------------------|--------------------------------------|-----------------------|--------------------|
| Administration          | \$ 412,700                           | \$ 384,400            | (28,300)           |
| Adult Public Asst.      | 2,260,500                            | 1,212,100             | (1,048,400)        |
| AFDC                    | 1,521,600                            | 1,521,600             | -0-                |
| Food Stamps             | 254,000                              | 206,400               | (47,600)           |
| General Relief          | 334,500                              | 140,000               | (194,500)          |
| G.R. - Medical          | 2,612,500                            | 2,342,700             | (269,800)          |
| Child/Welfare/Juv. Code | 445,200                              | 298,300               | (146,900)          |
|                         | <u>7,841,000</u>                     | <u>6,105,500</u>      | <u>(1,735,500)</u> |
| Funding:                |                                      |                       |                    |
| Federal                 | 1,813,500                            | 1,767,900             |                    |
| General Fund            | <u>6,027,500</u>                     | <u>4,338,000</u>      |                    |
|                         | <u>7,841,000</u>                     | <u>6,105,500</u>      |                    |

II. Health:

|                      | Agency Request<br>as of Nov. 9, 1971 | Governor's<br>Request | Difference        |
|----------------------|--------------------------------------|-----------------------|-------------------|
| Contractual Services | \$147,700                            | \$147,700             | -0-               |
| Travel               | <u>41,000</u>                        | <u>-0-</u>            | <u>(41,000)</u>   |
|                      | <u>\$188,700</u>                     | <u>\$147,700</u>      | <u>\$(41,000)</u> |

III. Mental Health:

|                    |                  |                  |            |
|--------------------|------------------|------------------|------------|
| Personal Services* | <u>\$ 83,500</u> | <u>\$ 83,500</u> | <u>-0-</u> |
|--------------------|------------------|------------------|------------|

\* Overtime and shift differential at API and Harborview

IV. Corrections:

|                        |                  |                  |                   |
|------------------------|------------------|------------------|-------------------|
| Personal Services*     | \$332,200        | \$300,000        | \$(32,200)        |
| Contractual Services** | <u>55,000</u>    | <u>-0-</u>       | <u>(55,000)</u>   |
|                        | <u>\$387,200</u> | <u>\$300,000</u> | <u>\$(87,200)</u> |

\*Overtime and shift differential at institutions.

\*\*Contract for care of prisoners overrun.

A

## MEMORANDUM

State of NebraskaTO: Jay Hogan, Director  
Legislative Finance

DATE: February 4, 1972

FROM:

M. R. Charney, Director  
Division of Budget & ManagementSUBJECT: Supplemental Appropriation  
Department of Health & Social Services

The purpose of this memorandum is to explain the differences in dollar amounts between HB-504 and the Department of Health and Social Services' request for a supplemental appropriation.

I. Division of Family & Children ServiceA. Program Administration

Two requested new positions were not recommended as they are not included in the Governor's FY 73 budget. Total reduction of \$28,300 is broken down as follows:

|       |                   |                 |               |
|-------|-------------------|-----------------|---------------|
| 100 - | \$19,800          | General Funds - | \$11,300      |
| 200 - | 2,500             | Federal -       | <u>17,000</u> |
| 300   | 3,000             |                 |               |
| 400 - | 300               |                 |               |
| 500 - | 2,700             |                 |               |
|       | <u>\$28,300</u> ✓ |                 |               |

B. Adult Public Assistance

The requested increase for Nursing Home Care was reduced by \$1,048,400. To be consistent with the Governor's FY 73 budget, no more than 250 nursing beds should be filled during this fiscal year. Also, our calculations indicate that the average cost per bed per day during FY 72 will be no more than \$27. Using these figures, a generous allowance for FY 72 would be:

250 beds @ \$28/bed/day for 365 days = \$2,555,000

The current authorization is \$2,525,500, requiring an increase of only \$29,500. ✓

The \$1,048,400 reduction is all General Funds and comes out of line item 300.

C. Food Stamps

Several new positions totalling \$27,600 were not recommended as they were not included in the Governor's FY 73 budget. \$20,000 worth of security safes were deleted because similar items are included in the Governor's budget for next year. These reductions break down as follows:

|       |                   |                 |                 |
|-------|-------------------|-----------------|-----------------|
| 100 - | \$27,600          | General Funds - | \$19,000        |
| 500 - | 20,000            | Federal -       | <u>28,600</u>   |
|       | <u>\$47,600</u> ✓ |                 | <u>\$47,600</u> |

E. General Relief - Medical

To avoid conflicts with the policy embodied in the Governor's FY 73 budget, the supplemental request for this program was reduced to an amount that would just allow them to reduce expenditures by June 1972 to the level recommended for FY 73. This amount was computed as follows:

|                       |             |             |
|-----------------------|-------------|-------------|
| Amended FY 72 request | \$4,991,300 | \$2,495,600 |
| FY 73 Allowance       | 3,911,800   | 1,955,900   |
| Difference            | 1,079,500   | 539,700     |

The reduction in the supplemental request is half of the six months' difference, or \$269,800. This would allow a tapering off of expenditure over the next six months, thereby avoiding dramatic disruption of service at the end of the fiscal year. All of the reduction is General Fund, from Contractual Services.

F. CMS/JC

The recommended supplemental includes only:

- 1) Voluntary Placement Program - \$168,300
  - 2) Full Cost-of-Care - 130,000
- \$298,300

The excess over this amount, \$146,900, was deleted from the request in the absence of sufficient justification. All of the \$146,900 reduction is General Funds, from Contractual Services.

II. Corrections

This request was reduced in two places:

- 1) Nome Jail - \$55,000. Cost savings in other areas have removed the need for these additional funds.
- 2) Personal Services - \$32,200. These additional funds are no longer needed due to receipt of Title IV funds during FY 72.

The total reduction of \$87,200 breaks down as follows:

|       |                 |                 |          |
|-------|-----------------|-----------------|----------|
| 100 - | \$32,200 ✓      | General Funds - | \$87,200 |
| 300 - | 55,000 ✓        |                 |          |
|       | <u>\$87,200</u> |                 |          |

III. Public Health

This supplemental request was reduced by \$41,000 as a result of the receipt of Title IV funds in this program area. All of the reduction is General Funds, from Travel.

IV. Data Summary

|                            | <u>Agency Request</u> | <u>Reduction</u> | <u>Recommended Increase</u> |
|----------------------------|-----------------------|------------------|-----------------------------|
| General Funds              | \$6,686,900           | \$1,817,700      | \$4,869,200                 |
| Federal Funds              | 1,813,500             | 45,600           | 1,767,900                   |
| Family & Children Services | 7,841,000             | 1,735,100        | 6,105,900                   |
| Corrections                | 387,200               | 87,200           | 300,000                     |
| Public Health              | 188,700               | 41,000           | 147,700                     |
| Mental Health              | 83,500                | -0-              | 83,500                      |
| Personal Services          | 895,800               | 79,600           | 816,200                     |
| Travel                     | 92,500                | 43,500           | 49,000                      |
| Contractual Services       | 4,667,300             | 1,620,200        | 3,047,100                   |
| Commodities                | 355,800               | 97,300           | 258,500                     |
| Equipment                  | 24,100                | 22,700           | 1,400                       |
| Grants                     | 2,464,900             | -0-              | 2,464,900                   |
| Total                      | \$8,500,400           | \$1,863,300      | \$6,637,100                 |

## MEMORANDUM

State of Alaska

TO: Joseph Henri, Commissioner  
Department of Administration

DATE : November 15, 1971

FROM: *Frederick P. McGinnis*  
Frederick P. McGinnis, Commissioner  
Department of Health & Social Services

SUBJECT: Request for Supplemental  
Appropriation for FY 1972

Based on an analysis of expenditures through October 31, 1971 and program expenditure patterns in previous fiscal years, the Department of Health and Social Services will require a supplemental appropriation of \$8,500,400 for FY 1972 in order to continue Federal grant-in-aid and State financed programs at the current level of service. The requests, by Program Division are as follows:

|  |              |
|--|--------------|
| Division of Family & Children Services | \$ 7,841,000 |
| Division of Public Health              | 188,700      |
| Division of Mental Health              | 83,500       |
| Division of Corrections                | 387,200      |

The Source of funds are:

|                            |              |
|----------------------------|--------------|
| Federal Receipts           | \$ 1,813,500 |
| Unrestricted General Funds | 6,686,900    |

The above request takes into consideration the funding of 60% of the unbudgeted salary increase by the Department of Administration which this Department's budget staff have been told will be available. In the event funds are not forthcoming for the unbudgeted salary increase this request must be revised upward by \$491,900 or 3% of the personnel services authorization. This would be spread as follows:

|                            |            |
|----------------------------|------------|
| General Administration     | \$ 39,500  |
| Mental Health              | 137,000    |
| Public Health              | 92,200     |
| Corrections                | 144,000    |
| Family & Children Services | 79,200     |
|                            | <hr/>      |
|                            | \$ 491,900 |

I cannot overemphasize the fact that the requested amount is based on four months experience only, and is therefore subject to revision prior to final consideration by the Legislature. If you recall, the Department's estimate was substantially higher only a few weeks ago, but a change in pattern of caseload increases occurred, permitting a reduction of estimated program requirements. The Department will closely monitor the November 30 and December 31, 1971 report of Current Year Authorization Balances, and request appropriate adjustments, if any, be applied to this request by the Department of Administration prior to submission to the Legislature for action.

Joseph R. Henri

- 2 -

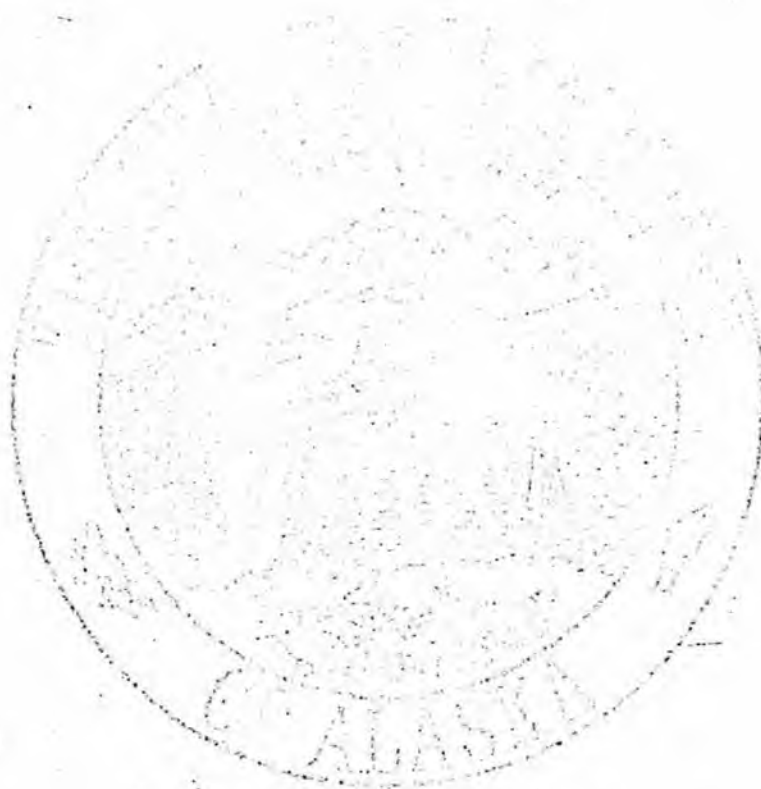
November 15, 1971

Attached are Budget Amendment documents as prepared by the Program Divisions with a Department Summary.

The Division of Family and Children Services recorded Present Authorization including increases as authorized by the Legislative Budget and Audit Committee. Since the authorization level appears to be very fluid at this time due to additional Federal receipts being earned for purchase of services, the Department Summary lists authorizations as shown on the Program Notification. If this is in error, please advise Roger Lange, Comptroller.

FMcG:RCL:as

Attachments



2,300 U.S.A. PAYMENT PROJECTIONS

FY 72 SUPPLEMENTAL ASSUMPTIONS

A Assume Continued Growth @  
FY 72 Rate of 185 Cases/yr.  
 $1990 \times \$130 \times 12 =$   
\$3,104,400.

B Assume Growth @ Pre-FY. 72  
Rate of 110 Cases/yr.  
 $1955 \times \$130 \times 12 =$   
\$3,049,800.

2,100 C Assume Stabilization @  
1950 Case @ Mid-Year:  
 $11,496 \div (6 \times 1950) \times$   
 $\$130 = \$130 =$  \$3,015,480.

2,000 (FY 72 Authorized =  
\$2,943,400)

1,900 CASES

1,800 ACTUAL CASES

1,700

1,600

SLOPE - 110 CASES PER YEAR (Prior to FY 71)

SLOPE - 185 CASES/YR.

SLOPE - NO INCREASE

FY 73 REQUEST ASSUMPTIONS

D Assume Growth @ FY 72 Rate of  
185 Cases per year.  
 $2175 \times \$130 \times 12 =$  \$3,393,000.

E Assume Growth @ Pre-FY 72 Rate  
of 110 Cases per year.  
 $2065 \times \$130 \times 12 =$  \$3,221,400.

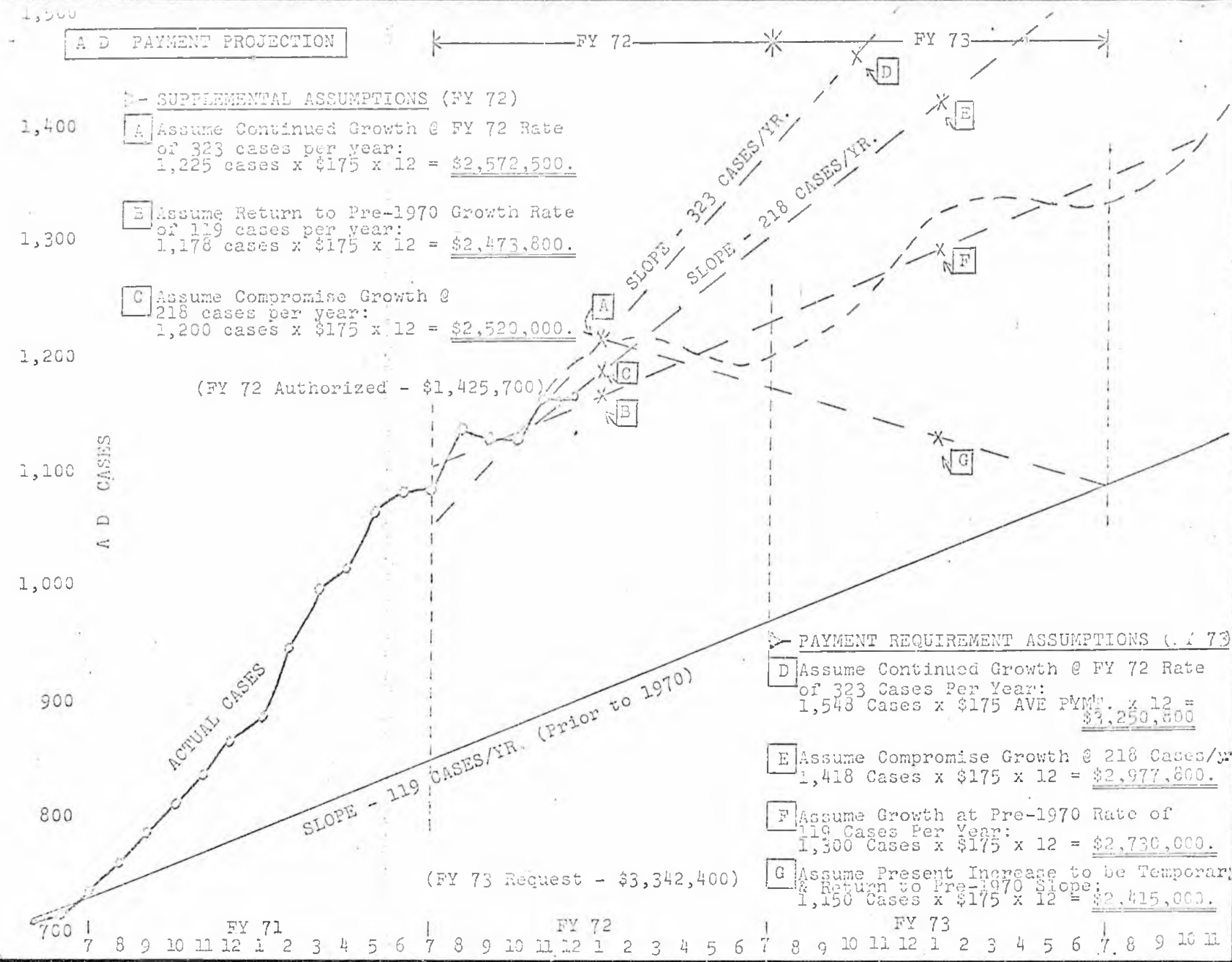
F Assume Stabilization @ 1950 cases  
During FY 73:  
 $1950 \times \$130 \times 12 =$  \$3,042,000.

(FY 73 REQUEST = \$3,790,800)

FY 72

FY 73

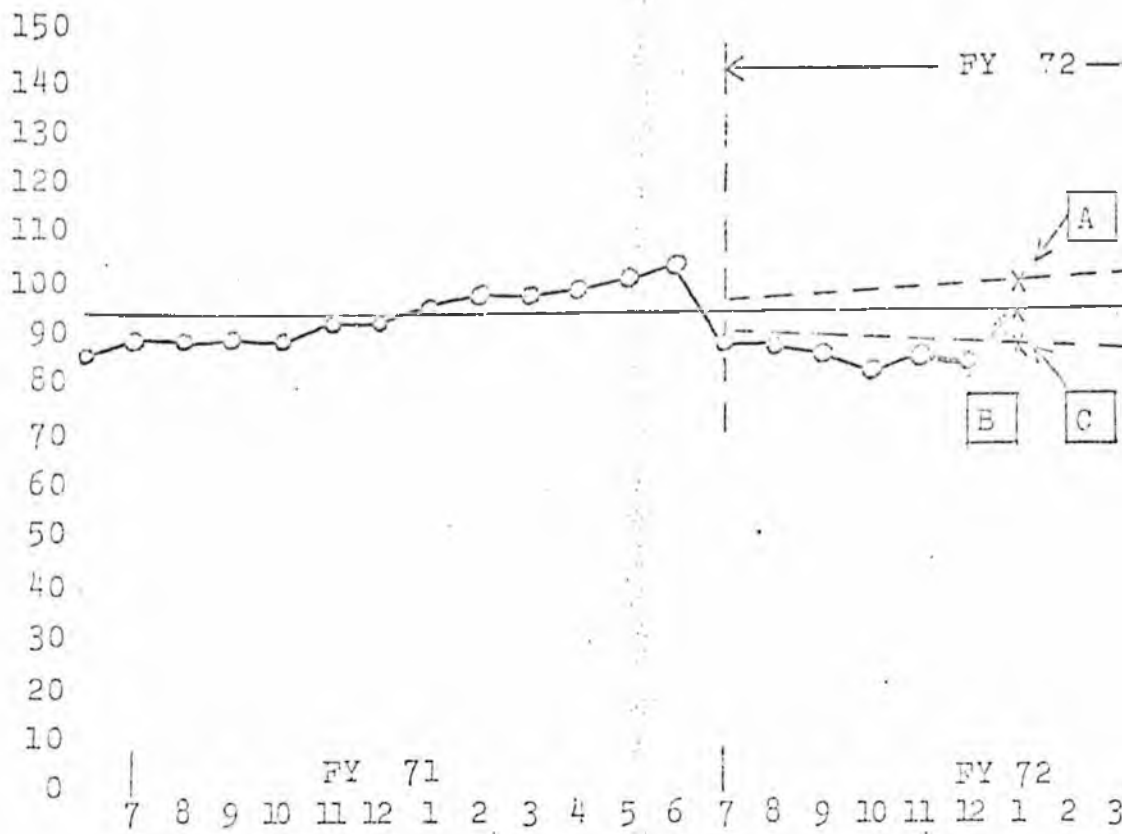
1,500 | 7 8 9 10 11 12 | FY 71 | 1 2 3 4 5 6 7 8 9 10 11 12 | FY 72 | 1 2 3 4 5 6 7 8 9 10 11 12 | FY 73 | 1 2 3 4 5 6 7 8 9 10 11



FY 72 SUPPLEMENTAL ASSUMPTIONS:

- A Assume Growth Toward Agency's FY 73 Request @ 8 cases/year:  
@ 102 cases x \$175 x 12 = \$214,200.
- B Assume No Growth Based Upon Pre-FY 71:  
@ 94 cases x \$175 x 12 = \$197,400.
- C Assume Negative Growth of 5 cases/yr.  
@ 89 cases x \$175 x 12 = \$186,300.

(FY 72 AUTHORIZED: \$230,000)



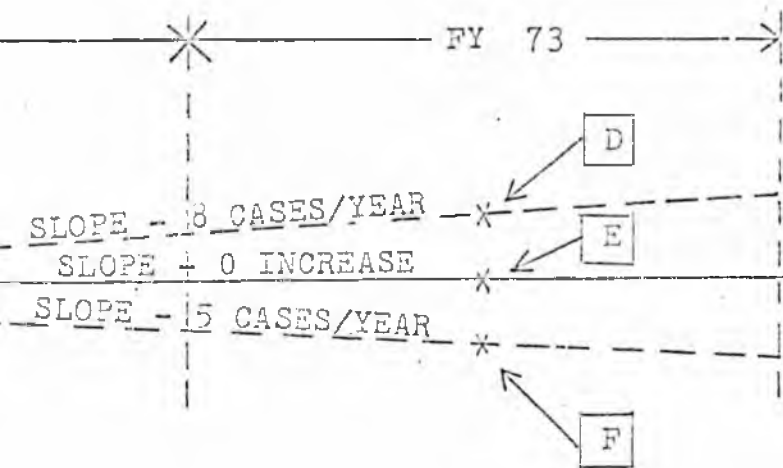
FY 73 PAYMENT REQUIREMENT ASSUMPTIONS:

**D** Assume Growth of 8 cases/year as per Agency Request:  
 @ 110 cases x \$175 x 12 = \$231,000.

**E** Assume No Growth Based Upon Pre-Fy 71:  
 @ 94 cases x \$175 x 12 = \$197,400.

**F** Assume Negative Growth Based Upon Current Figures:  
 @ 84 cases x \$175 x 12 = \$176,400.

(FY 73 REQUEST: \$231,000)



16,000

APDC PAYMENT PROJECTIONS

FY 72 \* FY 73

FY 72 SUPPLEMENTAL ASSUMPTIONS

A Assume FY 71 Slope of 2836 Recip./Year.  
12,250 x \$67 x 12 = \$9,849,000.

B Assume FY 71 Slope of 2836 per year  
From Latest Actual Origin:  
10,750 x \$67 x 12 = \$8,643,000. (adj.to: \$8,693,652.)

C Assume Compromise Slope Between FY 71 and Pre-FY 71  
of 2140 Recip./year.  
10,550 x \$67 x 12 = \$8,482,200. (adj.to: \$8,545,448.)

D Assume Growth @ Pre-FY 71 Slope of 1445 Recip./Yr.  
10,380 x \$67 x 12 = \$8,345,520.  
(adj.to: \$8,411,314.)

(FY 72 AUTHORIZED - \$7,335,700.)

15,000

14,000

13,000

12,000

11,000

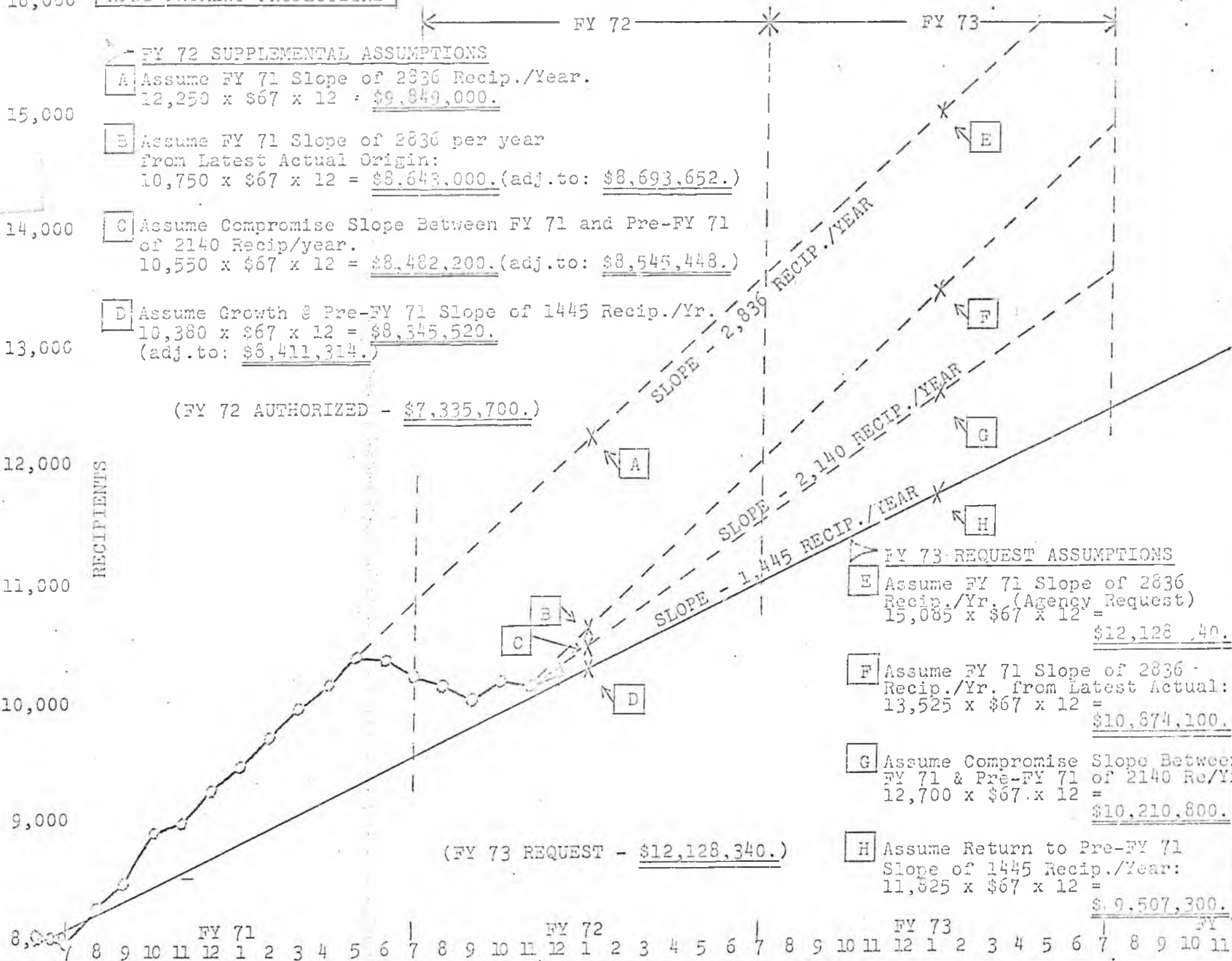
10,000

9,000

8,000

RECIPIENTS

FY 71 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10 11 12 FY 72 1 2 3 4 5 6 7 8 9 10 11 12 FY 73 1 2 3 4 5 6 7 8 9 10 11 12



FY 73 REQUEST ASSUMPTIONS

E Assume FY 71 Slope of 2836 Recip./Yr. (Agency Request)  
15,085 x \$67 x 12 = \$12,128,340.

F Assume FY 71 Slope of 2836 Recip./Yr. from Latest Actual:  
13,525 x \$67 x 12 = \$10,874,100.

G Assume Compromise Slope Between FY 71 & Pre-FY 71 of 2140 Re/Yr  
12,700 x \$67 x 12 = \$10,210,800.

H Assume Return to Pre-FY 71 Slope of 1445 Recip./Year:  
11,525 x \$67 x 12 = \$9,507,300.

(FY 73 REQUEST - \$12,128,340.)

## MEMORANDUM

State of Alaska

TO:  Division of Legislative Finance  
Room 407  
State Capitol Building

Attention: Mr. Glen Vernon

DATE : February 7, 1972

FROM: Stanley P. Harris *Stanley P. Harris*  
Director  
Division of Family and Children Services

SUBJECT: Food Stamp Program Supplemental  
Request - Division of Family  
and Children Services

In reply to your verbal request of February 7, 1972, regarding the breakdown of the \$206,400, we submit the following:

- 1) The \$206,400 is the Governor's recommendation to the Legislature.
- 2) We submit the attached budget sheets to support the request. As you will note \$27,600 has been deleted from Code 100 and \$20,000 deleted from Code 500.

The justification for the request is based upon need for positions to control and monitor the program such as electronic data processing staff. Perhaps the word security is misleading on line 2.

Although it is felt the program will survive with the deletion of the personnel nevertheless, inadequate monitoring and controls will be seriously hampered and will subject the program to additional criticism by the U S. Department of Agriculture.

SPH/jrt

Attachments

D

STATE OF ALASKA  
 Dept. of Administration  
 Budget & Management Div.  
 Amendment to Revision #2  
 12/21/71

STATEMENT OF PROGRAM

For the Fiscal Year Ending June 30, 1972

|                   |                            |    |
|-------------------|----------------------------|----|
| AGENCY            | HEALTH & SOCIAL SERVICES   | 06 |
| OPERATING PROGRAM | FAMILY & CHILDREN SERVICES | 3  |
| ACTIVITY          | FOOD STAMPS                | 5  |
| FUNCTION          |                            |    |

|  | <u>71 Actual</u> | <u>72 Authorized</u> | <u>Supplemental Request</u> |
|--|------------------|----------------------|-----------------------------|
|  | \$491,825        | \$418,300            | \$254,000                   |

| CODE | SUPPLEMENTAL REQUEST FOR FOOD STAMPS |                  |
|------|--------------------------------------|------------------|
| 100  | Cost of Currently Authorized Staff   | \$421,100        |
|      | Added staff - 3 months (see below)   | 27,600           |
|      | Temporary Hires                      | 80,000           |
|      | Subtotal                             | \$528,700        |
|      | Current Authorization                | 333,700          |
|      | Needed Supplemental                  | \$195,000        |
| 300  | Payment for Fee Agents               | \$15,000         |
|      | Armored Car Service & Coupon Storage | 24,000           |
| 500  | Safe - 20 @ 1,000                    | \$20,000         |
|      | <b>TOTAL REQUEST</b>                 | <b>\$254,000</b> |

*The Governor has deleted those items which are circled.*

The Food Stamp Program supplemental request consists primarily of additional needed staff and other items necessary to provide security for food coupons in the State's possession, and to facilitate the application process in rural areas. The added staff for three months is necessitated by the implementation of a data processing system designed to simplify food stamp sales and provide additional controls. This system was designed based on a staff being available. The system was implemented, but the staff later deleted. In addition, it is necessary for most offices to intermittently or consistently use temporary hires to meet the demands of the program. For example, in the Anchorage District there are only five authorized personnel. To meet the demands of the program, it is necessary to have five coupon outlets and to process between 750 and 1,000 applications per month. For this reason the Anchorage office has had to utilize temporary help consistently.

*How does this relate to the possible P.O. contract for distribution? When will the P.O. contract begin?*

STATE OF ALASKA  
Dept. of Administration  
Budget & Management Div.

STATEMENT OF PROGRAM

PAGE 2

Amendment to Revision #2  
12/21/71

For the Fiscal Year Ending June 30, 1972

|                   |                            | CODE |
|-------------------|----------------------------|------|
| AGENCY            | HEALTH & SOCIAL SERVICES   | 06   |
| OPERATING PROGRAM | FAMILY & CHILDREN SERVICES | 3    |
| ACTIVITY          | FOOD STAMP                 | 5    |
| FUNCTION          |                            |      |

Food Stamps Supplemental - continued

Fee agents have been an important part of the program. They enable us to meet Federal requirements for face-to-face contact with applicants at a minimum expense. Payment for fee agents had never been funded.

The equipment is necessary because no provision has been made for equipment to provide safekeeping of the coupon inventories kept in the district offices. The State is responsible for the full face value of any coupons lost while in its possession including those stored in district offices. The potential for loss is very high and will be considerably reduced by the provision of adequate equipment.

*Handwritten notes and signatures at the top of the page.*

TO: Frederick McGinnis, Commissioner

DATE: November 10, 1971.

FROM: Stanley P. Harris, Director  
Division of Family and Children Services

SUBJECT: Explanation on the 1972  
Supplemental for Division of  
Family and Children Services

The supplemental request totals \$7,841,000. This is approximately 3.1 million less than was anticipated in September 1971. The reasons for the change are as follows:

Administration Program

Code 100 - A request for \$285,100 is included in Personal Services to cover the new salary schedule effective July 16, 1971, and to fund two new positions for a total of \$19,800.

If the Department of Administration can transfer a possible \$64,000 to cover partial cost of Personal Services deficit, the request could be lowered to the following:

|                  |                               |
|------------------|-------------------------------|
| \$176,800        | Federal                       |
| 44,300           | Additional State General Fund |
| <u>\$221,100</u> | Total Personal Services       |

However, if \$64,000 is not transferred, it will be necessary to request \$285,100 with Federal money remaining at \$176,800 and State General Fund \$108,300 for Personal Services.

Code 200 - By the time the supplemental request is approved, there will be less need for travel money as the fiscal year will be substantially completed. The Division is asking for \$25,000 for staff travel (which is a portion of the \$50,000 deleted from the budget request) and \$2,500 for necessary travel for the new position for a total of \$27,500.

Code 300 - A total of \$97,100 is seen as the deficit to cover present contractual obligations ie, leases for office space. Of the above figure \$30,000 is needed to cover costs for Operation Intercept.

Adult Public Assistance

The supplemental is increased considerably from the September 1970 projection for two reasons. (1) The case load as of 11-9-71 is now at the predicted average not including the November supplemental warrants. In order to meet the responsibilities the case load for the fiscal year is projected at 3,300 persons. The actual payments to individuals is \$146 per person per month. (2) Contracts have been negotiated with nursing homes. These contracts, plus increased rates for full cost of care, will require \$1,077,900. A contract for intermediate care will provide \$219,600 in Federal matching funds which was not available September.

2

November 10, 1971

Aid to Families with Dependent Children Program

Code 300 - \$239,300 is required to fund Operation Upgrade and Non-WIR day care. The \$239,300 represents all Federal dollars. We are able to do this by utilizing child care funds because we are not experiencing the case load growth originally anticipated.

Code 700 - The case load is contrary to our predicted growth trend for the last five months. The next seven months case load growth is unpredictable. The average case load for the first five months has been 10,220 persons. We are projecting 10,500 cases average for the year. The projection for the dollar payment is \$68 per person per month rather than \$67.

Food Stamp Program

The Food Stamp Program request consists primarily of additional staff, security safes, food stamp security, and fee agents all of which were not authorized in the fiscal year 1972 request.

The Department of Agriculture has threatened us with gross negligence unless we provide minimum staff essential to adequate program administration. The State may have serious audit problems if staff is not provided. We have negotiated with the USDA to postpone a required Quality Control program until July 1, 1973. We are omitting quality control staff from this supplemental request.

General Relief

The GR program request of \$334,500 is primarily to provide utilities, oil and clothing for recipients. The estimate for the GR program is based on dollars expended last year plus anticipated case load and cost increase.

General Relief-Medical

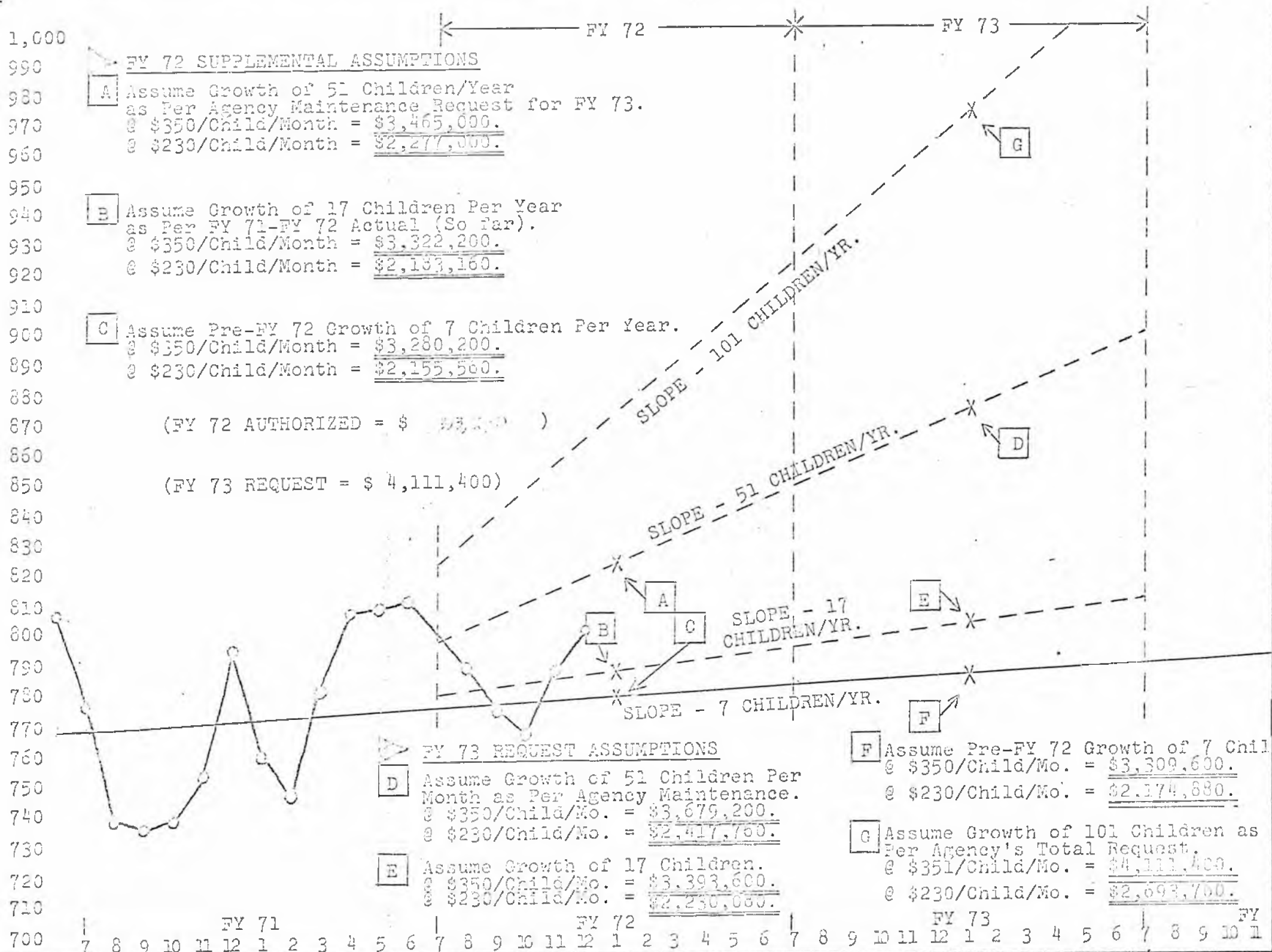
The GR-Medical program request is increased primarily for contractual services. The utilization, number of patients and costs for hospitalization, physicians services necessitates this increase.

Child Welfare Services/Juvenile Code

The increase in Child Welfare Services/Juvenile Code is due primarily to: 1) The Voluntary Placement program, SLA Chapter 100, will cost the State \$166,300 for the balance of the fiscal year; 2) The full cost of care for children in institutions is now estimated at \$130,000 for the balance of fiscal year 1972. This figure is reduced from the initial projection because of the "freeze" and the continued "semi-freeze" on wages and prices.

SPH:RCP:FMB WTH:cr

FOSTER CARE/INSTITUTIONS COST PROJECTIONS



**FY 72 SUPPLEMENTAL ASSUMPTIONS**

**A** Assume Growth of 51 Children/Year as Per Agency Maintenance Request for FY 73.  
 @ \$350/Child/Month = \$3,465,000.  
 @ \$230/Child/Month = \$2,277,000.

**B** Assume Growth of 17 Children Per Year as Per FY 71-FY 72 Actual (So Far).  
 @ \$350/Child/Month = \$3,322,200.  
 @ \$230/Child/Month = \$2,133,160.

**C** Assume Pre-FY 72 Growth of 7 Children Per Year.  
 @ \$350/Child/Month = \$3,280,200.  
 @ \$230/Child/Month = \$2,155,560.

(FY 72 AUTHORIZED = \$ 732,000 )

(FY 73 REQUEST = \$ 4,111,400)

**FY 73 REQUEST ASSUMPTIONS**

**D** Assume Growth of 51 Children Per Month as Per Agency Maintenance.  
 @ \$350/Child/Mo. = \$3,679,200.  
 @ \$230/Child/Mo. = \$2,417,760.

**E** Assume Growth of 17 Children.  
 @ \$350/Child/Mo. = \$3,393,600.  
 @ \$230/Child/Mo. = \$2,250,080.

**F** Assume Pre-FY 72 Growth of 7 Child  
 @ \$350/Child/Mo. = \$3,309,600.  
 @ \$230/Child/Mo. = \$2,174,880.

**G** Assume Growth of 101 Children as Per Agency's Total Request.  
 @ \$351/Child/Mo. = \$4,111,400.  
 @ \$230/Child/Mo. = \$2,693,760.

1,000  
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710  
700

← FY 72 → \* → FY 73 →

7 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10 11

FY 71 FY 72 FY 73 FY

STATE OF ALASKA  
Dept. of Administration  
Budget & Management Div.

STATEMENT OF PROGRAM

|                   |                              |
|-------------------|------------------------------|
| AGENCY            | Health & Social Services     |
| OPERATING PROGRAM | Public Health                |
| ACTIVITY          | Child Health Section         |
| FUNCTION          | Crippled Children's Services |

For the Fiscal Year Ending June 30, 1972

The Crippled Children's Services program is partially Federally funded and in Fiscal Year 1972 has Federal funding of \$143.2. The purpose of the program is to provide case finding and treatment of those conditions in children which are crippling and which can be corrected by treatment. The overall goal is to prevent or correct those handicaps which lead to dependency in adulthood.

While performing this important Public Health function, this program also has an important secondary benefit. Since there is no Title XIX (Medicaid) program in this State, the Crippled Children's program is the only medical care program providing services to those families which are in need who do not qualify for Welfare coverage and yet do not have sufficient income or insurance coverage to pay for extensive medical care for their children for conditions covered under the Crippled Children's Services program. This represents a group of hardworking State citizens who frequently are omitted from categorical service programs.

The type of crippling conditions covered under the Crippled Children's Services program include, but is not limited to, congenital heart disease requiring heart surgery, cleft lip and palate, birth defects, deformities of the arms and legs requiring bracing and surgery, hearing and vision handicaps leading to educational difficulties for the child, diseases of the nervous system causing disability, and handicapping disabilities secondary to accident and injury. Conditions not covered include short-term acute illnesses such as pneumonia or appendicitis.

Services provided for children with these conditions include case finding through Public Health Nurses, physicians, parents, teachers, audiologists, and birth certificate surveillance operations. Medical diagnosis is provided to determine whether a child has an eligible crippling condition, and treatment services are provided for those children who have these conditions. No charge is made for case finding and diagnostic services since it is not permitted Federal regulation.

Medical and other treatment services are made available to children with conditions covered by this program. The parents are expected to pay for a portion of the treatment when they are able and this decision is made on an individual basis by the Chief of the Section of Child Health or his delegated representative. Although services are not limited to families who are poor, those who do have some income are expected to contribute toward some portion of the care of their child.

This is a request for supplemental funding of the Alaska State Crippled Children's Services program in Fiscal Year 1972 in order that the program may remain active for the full fiscal year. Funding for this program for Fiscal Year 1972 is currently authorized at \$495.5. The authorized amount for the program in Fiscal Year 1971 was originally \$400.0 and was increased to \$550.0 by a supplemental appropriation during that year. The total of expenditures in the

For the Fiscal Year Ending June 30, 1972

|                   |                              |   |
|-------------------|------------------------------|---|
| AGENCY            | Health & Social Services     | 0 |
| OPERATING PROGRAM | Public Health                |   |
| ACTIVITY          | Child Health Section         | 8 |
| FUNCTION          | Crippled Children's Services | 4 |

Crippled Children's program in Fiscal Year 1970 was \$563.5 and in Fiscal Year 1971, as of September 30, 1971, was \$689.1 thousand. This increase is in spite of a reduction in the total number of patients served (because proportionately more patients are being cared for who have serious extensive illnesses with large resultant medical costs). It is also in spite of the fact that procedures were instituted last year whereby full advantage was taken of any medical insurance coverage for the patient:

Insurance Payments for Hospital Care of CCS Cases  
(shown as % of total hospital charges)

|         |     |
|---------|-----|
| FY 1968 | 10% |
| FY 1969 | 11% |
| FY 1970 | 30% |
| FY 1971 | 43% |

Without this requested supplemental appropriation, the next step to reduce costs in this program will be reduction in actual services to patients-by exclusion of certain crippling conditions from the program and exclusion of certain forms of medical care from coverage.

Introduced: 1/14/72  
Referred: Health, Welfare  
Education and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 504

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations to the  
7 Department of Health and Social Services; and  
8 providing for an effective date."

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

10 \* Section 1. The sum of \$6,637,100 is appropriated to the Department  
11 of Health and Social Services for estimated unfunded operating costs for the  
12 fiscal year ending June 30, 1972, to be allocated according to the following  
13 schedule:

|    |                          |            |
|----|--------------------------|------------|
| 14 | Public Health            | \$ 147,700 |
| 15 | Mental Health            | 83,500     |
| 16 | Corrections              | 300,000    |
| 17 | Family Services          | 6,105,900  |
| 18 | Administration           | \$ 384,400 |
| 19 | Adult Public Assistance  | 1,212,100  |
| 20 | Aid to Families with     |            |
| 21 | Dependent Children       | 1,521,600  |
| 22 | Food Stamps              | 206,400    |
| 23 | General Relief           | 140,400    |
| 24 | General Relief - Medical | 2,342,700  |
| 25 | Child Welfare Services - |            |
| 26 | Juvenile Code            | 298,300    |
| 27 | Funding                  |            |
| 28 | General Fund             | 4,869,200  |
| 29 | Federal Program Receipts | 1,767,900  |

1 \* Sec. 2. This Act takes effect on the day after its passage and  
2 approval or on the day it becomes law without approval.  
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Original sponsor: Rules Committee by  
request of the Governor

Offered: 4/12/72  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 504

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations to the  
7 Department of Health and Social Services; and providing  
8 for an effective date."

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

10 \* Section 1. The sum of \$4,864,700 is appropriated to the Department of  
11 Health and Social Services for estimated unfunded operating costs for the  
12 fiscal year ending June 30, 1972, to be allocated according to the following  
13 schedule:

|    |                          |                    |
|----|--------------------------|--------------------|
| 14 | Public Health            | \$ 147,700         |
| 15 | Mental Health            | 83,500             |
| 16 | Corrections              | 300,000            |
| 17 | Family Services          | 4,333,500          |
| 18 | Adult Public Assistance  | \$1,101,600        |
| 19 | Food Stamps              | 306,400            |
| 20 | General Relief           | 385,300            |
| 21 | General Relief - Medical | 2,241,900          |
| 22 | Child Welfare Services - |                    |
| 23 | Juvenile Code            | 298,300            |
| 24 | Funding                  |                    |
| 25 | General Fund             | 4,083,900          |
| 26 | Federal Program Receipts | 780,800            |
| 27 |                          | <u>\$4,864,700</u> |

28 \* Sec. 2. This Act takes effect on the day after its passage and approval  
29 or on the day it becomes law without approval.

Original sponsor: Rules Committee by  
request of the Governor

Offered: 2/14/72  
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, WELFARE AND  
EDUCATION COMMITTEE

2 CS FOR HOUSE BILL NO. 504

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations to the  
7 Department of Health and Social Services; and pro-  
8 viding for an effective date."

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

10 \* Section 1. The sum of \$6,930,700 is appropriated to the Department of  
11 Health and Social Services for estimated unfunded operating costs for the  
12 fiscal year ending June 30, 1972, to be allocated according to the following  
13 schedule:

|    |                          |                  |
|----|--------------------------|------------------|
| 14 | Public Health            | \$ 147,700       |
| 15 | Mental Health            | 83,500           |
| 16 | Corrections              | 300,000          |
| 17 | Family Services          | 6,399,500        |
| 18 | Administration           | \$ 384,400       |
| 19 | Adult Public Assistance  | 1,212,100        |
| 20 | Aid to Families with     |                  |
| 21 | Dependent Children       | 1,521,600        |
| 22 | Food Stamps              | 500,000          |
| 23 | General Relief           | 140,400          |
| 24 | General Relief - Medical | 2,342,700        |
| 25 | Child Welfare Services - |                  |
| 26 | Juvenile Code            | 298,300          |
| 27 | Funding                  |                  |
| 28 | General Fund             | \$5,162,800      |
| 29 | Federal Program Receipts | <u>1,767,900</u> |

6,930,700

1  
2 \* Sec. 2. This Act takes effect on the day after its passage and approval  
3 or on the day it becomes law without approval.  
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# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith  
Signature of Camera Operator

4/4/89  
Date

# STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

## DEPARTMENT OF PUBLIC WORKS

OFFICE OF THE COMMISSIONER / POUCH Z — JUNEAU 99801

February 9, 1972

Re: House Bill 505

The Honorable George Hohman  
Chairman, House Finance Committee  
Alaska State Legislature  
State Capitol Building  
Pouch V  
Juneau, Alaska 99801

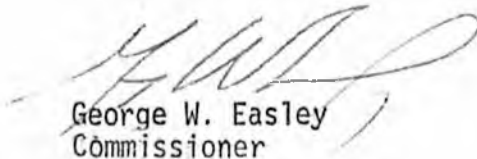
Dear Mr. Chairman:

The enclosed documents described in the memorandum from the Public Works Planner to the Division of Marine Transportation Director are forwarded in response to your memorandum of February 2, 1972 and verbal request at the meeting described.

The exhibits 1 through 7 will hopefully be in excess of the material required in items 1, 2 & 3 of your memorandum. Item 4, the TAMS report, is in preliminary form at this writing and under review by the Department for correction and comments. The final version should be available approximately March 1, 1972 and will also be furnished you upon its receipt.

I trust this material reaches your hands in ample time before tomorrow's hearings on the matter.

Sincerely,

  
George W. Easley  
Commissioner

Enclosure

Captain H. J. Lockert

-2-

February 7, 1972

The six graphs which follow have been labeled Exhibit 6, and illustrate 1970-71 comparisons of traffic and revenue for those two years.

The final three pages, Exhibit 7, present the number of embarking and disembarking passengers and vehicles, by port, for 1971.

Enclosures

## MEMORANDUM

State of Alaska

TO:  Captain H. J. Lockert *2-8-72*  
 Director *HOL*  
 Division of Marine Transportation

DATE : February 7, 1972

FROM: Doug Burton *DB*  
 Public Works Planner  
 Division of Marine Transportation

SUBJECT: Marine Transportation  
 Operating Expense - Debt Service  
 Traffic and Revenue

The data which accompanies this memo was collected in response to the request of Mr. George Hohman, Chairman of the House Finance Committee.

The following comments will assist the user to identify and interpret the information.

The first page, Exhibit 1, is a graphic presentation of the revenue expense comparisons. These comparisons have been projected to 1976. Occurrences which have affected revenue and expenses are noted. Depreciation and debt service are not included in this exhibit.

Page two, Exhibit 2, is the base data from which the graph was developed. The breakdown in expenses between Southeastern and Southwestern systems are estimates since many of our expenses are systemwide; such as administrative costs. Such expenses have been assigned proportionally to each system.

Pages 3 and 4, Exhibit 3, is a brief narrative of events affecting revenue and expense over the last eight years.

Pages 5 and 6, Exhibit 4, an accounting of the debt service for the Marine Highway since its beginning. To date, there have been three issues authorized. The 1960-61 issue of \$18,000,000, the 1966 issue of \$15,500,000 and the most recent 1970 issue of \$21,000,000.

The information has been divided into principal, interest and total. The amount paid through 1970 has been sub-totaled as well as the most current year. For example, through 1970, \$8,801,560 had been paid for principal and interest on the system's first issue in 1960-61. Last year \$954,561 was paid on this issue, for a total to date of \$9,756,121.

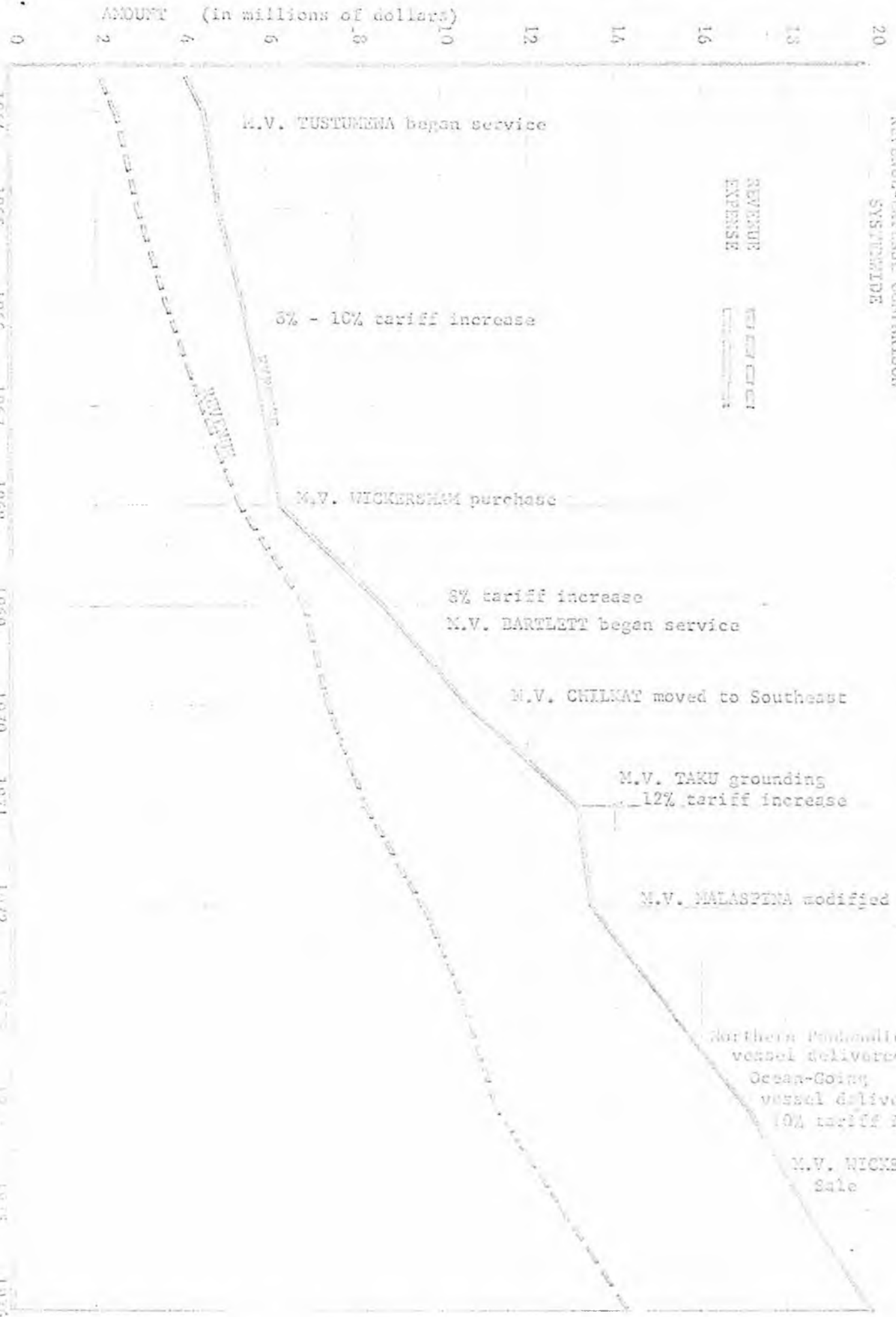
The last two issues have been composite issues, and it is necessary to estimate the Marine Highway's portion of the principal and interest based upon the ratio between the original authorizations.

In any event, the total debt service to date has been roughly \$13.1 million, with \$2.2 million of this being paid the last year.

The next two pages, Exhibit 5, have been taken from the Phase 1, traffic and usage study and present the traffic data on the system since 1963. I have added the most current traffic (1971) to this.

ALASKA MARINE HIGHWAY  
REVENUE-EXPENSE COMPARISON  
SYSTEMWIDE

AMOUNT (in millions of dollars)



FISCAL YEAR

ALASKA MARINE HIGHWAY  
REVENUE-EXPENSE COMPARISON 1/

| FISCAL YEAR       | COMMENTS   | SOUTHEAST SEGMENT   |                     | SOUTHWEST SEGMENT   |                     | TOTAL SYSTEM        |                     |                     |
|-------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                   |  | Revenue (Thousands) | Expense (Thousands) | Revenue (Thousands) | Expense (Thousands) | Revenue (Thousands) | Expense (Thousands) | Subsidy (Thousands) |
| 1964              | S.E.-MALASPIHA, TAKU, MATANUSKA<br>S.W.-CHILKAT AND NENANA FERRY | 2,350               | 3,950               | 50                  | 300                 | 2,400               | 4,250               | 1,850               |
| 1965              | TUSTUMENA delivered July   | 2,700               | 4,000               | 250                 | 900                 | 2,950               | 4,900               | 1,950               |
| 1966              |  | 3,400               | 4,400               | 350                 | 1,150               | 3,750               | 5,550               | 1,800               |
| 1967              |  | 4,150               | 4,750               | 350                 | 1,200               | 4,500               | 5,950               | 1,450               |
| 1968              | Seattle route began-December<br>WICKERSHAM purchase-April        | 4,900               | 5,000               | 400                 | 1,300               | 5,300               | 6,300               | 1,000               |
| 1969              | Tariff increase-8 $\frac{1}{2}$ -April                           | 6,450               | 7,400               | 400                 | 1,250               | 6,850               | 8,650               | 1,800               |
| 1970              | BARTLETT began in July<br>CHILKAT moved to S.E. in spring        | 6,900               | 8,250               | 550                 | 2,300               | 7,450               | 10,550              | 3,100               |
| 1971              | TAKU grounding-July<br>Tariff increase-12 $\frac{1}{2}$ -April   | 7,450               | 10,800              | 700                 | 2,500               | 8,150               | 13,300              | 5,150               |
| 1972 <sup>e</sup> | 1 MAL. class vessel modified                                     | 8,700               | 10,850              | 800                 | 2,550               | 9,600               | 13,400              | 3,800               |
| 1973 <sup>e</sup> | 1 Panhandle Vessel Complete                                      | 9,500               | 12,300              | 1,000               | 2,900               | 10,500              | 15,200              | 4,700               |
| 1974 <sup>e</sup> | Ocean-going vessel RATE INC 10%                                  | 10,300              | 14,100              | 1,100               | 3,200               | 11,400              | 17,300              | 5,900               |

1/ As per Annual Financial Reports. Expenses include operating and administrative costs. Not included are expenses associated with depreciation or debt service.

e Estimated

ALASKA MARINE HIGHWAY  
REVENUE EXPENSE COMPARISON

A  
NARRATIVE SYNOPSIS

- 1963 System beginning with delivery of three vessels plus existing CHILKAT.
- 1964 The three MALASPINA Class vessels were operating in Southeastern Alaska and the CHILKAT in Southwestern, between Cordova and Valdez. The Nenana ferry was operating, crossing the Tanana River to Nenana.
- 1965 The M/V TUSTUMENA began operation during this fiscal year, the net effect being to increase the system subsidy.
- 1966 During the two year period 1965 and 1967, operations remained fairly  
1967 static. Traffic was increasing quite rapidly and tariffs were increased approximately 8%. The effect was to reduce the annual subsidy by approximately \$500,000.
- 1968 The Marine Highway was extended to Seattle, traffic continued to increase and prices for food and beverages were increased. The WICKERSHAM did not begin service until June of 1968 and had very little effect upon either expenses or revenue for the 1968 fiscal year. The net effect was that the Marine Highway boasted the lowest subsidy in its history. The System also experienced extreme congestion during July and August, with a corresponding number of unhappy travelers.
- 1969 With the Jones Act penalizing the WICKERSHAM and the other three vessels of Southeastern Alaska at capacity during the summer the subsidy for Southeastern Alaska began to increase once again. The Southwestern subsidy has never decreased year to year. The result was a substantial increase in subsidy. The 8% tariff increase was put into effect in April, but had little effect in the 1969 Fiscal year. One bright spot was the Seattle routing, where revenue exceeded expenses. In an attempt to improve vessel utilization and decrease congestion a reservation system was begun during the spring of 1969.
- 1970 In spite of the 8% tariff increase the gap between revenue and expense continued to widen. The Southeastern System continued to be hampered by a lack of summer capacity, the Seattle vessel was also running at capacity much of the time and the Jones Act continued to have an adverse effect upon the WICKERSHAM. The M/V BARTLETT was delivered to Southwestern Alaska and took over for the CHILKAT on the Cordova-Matsumar-Cordova route. Typical with nearly all vessels in their first year, the BARTLETT added to the subsidy.
- 1971 This year was one of many unfortunate circumstances. Near the end of July the TUSTUMENA system was out of service for three weeks.

The effect was a loss of revenue to the system of more than \$250,000 as well as increased operating costs for repair. The White Pass Railroad Strike also had an adverse effect on the Marine Highway, as did relatively cool, damp weather throughout Alaska and Canada during the late summer. The slowdown in the U. S. economy also had its effect upon the System as evidenced by the unusually high number of cancellations by large tour groups. In Southwestern Alaska the TUSTUMENA also had a slight mishap near Kodiak, although it was not serious and little revenue was lost. This combination of events is responsible for a subsidy in excess of \$5 million.

- 1972 The 12% tariff increase, along with normal traffic growth will trim the subsidy. One MALASPINA Class will be lengthened during the winter, but will have only a minor effect upon FY 1972 earnings.
- 1973 The newly lengthened MALASPINA will be in operation and provide additional revenue due to her increased capacity. This revenue has been estimated at slightly over 1/2 million dollars. There will be an increase in expenses also, however. The other vessels are virtually full during the summer season, therefore a slight increase in total subsidy is forecast.
- 1974 This will be the first year of operation for the new NORTHERN PANHANDLE VESSEL. This vessel will increase the subsidy during its first year of operation. The ocean-going vessel will be in service during the latter portion of this year, but will have little effect upon the subsidy due to the short time involved. A tariff increase is proposed, to be effective April 1974.

TOTAL ESTIMATED DEBT SERVICE  
FERRIES

Period Ending 1-1-72

I SLA-1960, Chap - 170  
SLA-1961, Chap - 50  
State 6.0 Ferry & Roads  
Total = 23M Ferry- 1st 18M

| Est. D.S. Paid as of 1-1-71      | ISSUED     | INTEREST  | PRINCIPAL | TOTAL     |
|----------------------------------|------------|-----------|-----------|-----------|
| All of 7-1-61 A's                | 12,500,000 | 4,364,885 | 1,590,000 | 5,954,885 |
| All of 7-1-62 D's                | 5,500,000  | 1,411,675 | 1,435,000 | 2,846,675 |
| Sub (A)                          | 18,000,000 | 5,776,560 | 3,025,000 | 8,801,560 |
| Est. D.S Paid 1-1-71 thru 1-1-72 |            |           |           |           |
| All of 7-1-61 A's                |            | 401,186   | 215,000   | 616,786   |
| All of 7-1-62 D's                |            | 133,375   | 205,000   | 338,375   |
| Sub                              |            | 534,561   | 420,000   | 954,561   |
| Sub. Chap 170, SLA 60            | 18,000,000 | 6,311,121 | 3,445,000 | 9,756,721 |

II SLA-66, Chap 134  
Ferry & Facilities Construction

|                               |            |           |           |           |
|-------------------------------|------------|-----------|-----------|-----------|
| .9% X (5-1-67) 1st            | 150,000    | 23,416    | 10,575    | 33,991    |
| 52.3% (9-1-67) 2nd            | 5,490,000  | 855,535   | 156,900   | 1,012,435 |
| 24% (4-1-68) A's              | 3,750,000  | 48,212    | 234,000   | 282,212   |
| 24.7% (10-1-68) B's           | 2,600,000  | 263,253   | 160,550   | 423,803   |
| 21.9% (5-1-69) A's            | 1,865,000  | 160,074   | 49,275    | 209,349   |
| 10.5% (7-1-69) B's            | 1,100,000  | 63,847    | 84,000    | 147,847   |
| 4.7% (3-1-70) A's             | 545,000    | 15,122    | -0-       | 15,122    |
| Sub Est. D.S. as of 1-1-71(B) | 15,500,000 | 1,429,459 | 695,300   | 2,124,759 |
| .9% (5-1-67) 1st              |            | 6,234     | 3,015     | 9,249     |
| 52.3% (9-1-67) 2nd            |            | 263,644   | 52,300    | 315,944   |
| 24% (4-1-68) A's              |            | 180,570   | 126,000   | 306,570   |
| 24.7% (10-1-68) B's           |            | 124,402   | 86,450    | 210,852   |
| 21.9% (5-1-69) A's            |            | 103,103   | 54,750    | 157,853   |
| 10.5% (7-1-69) B's            |            | 58,267    | 85,625    | 145,492   |
| 4.7% (3-1-70) A's             |            | 29,016    | 43,475    | 72,485    |
|                               |            | 765,830   | 452,615   | 1,218,445 |
| Sub Chap 134, SLA-66          | 15,500,000 | 2,195,289 | 1,147,915 | 3,343,264 |

III SLA 1970, Chap 223  
1970 Ferry Construction, 21M

|                                 |           |        |        |        |
|---------------------------------|-----------|--------|--------|--------|
| .82% (2-1-71) A's               | 175,000   | -0-    | -0-    | -0-    |
| 4.6% (6-1-71) B's               | 875,000   | -0-    | -0-    | -0-    |
| Sub Est.D.S. to 1-1-71          | 1,050,000 | -0-    | -0-    | -0-    |
| .82% (2-1-71) A's               |           | 4,552  | 4,223  | 8,775  |
| 4.6% (6-1-71) B's               |           | 26,654 | 10,810 | 37,464 |
| Sub Est.D.S. 1-1-71 thru 1-1-71 | 1,050,000 | 31,206 | 15,033 | 46,239 |

|   |                             |                  |                  |                   |
|---|-----------------------------|------------------|------------------|-------------------|
| Total Est. Debt Service<br>Cost to 1-1-72 | 34,550,000                  | 8,537,616        | 4,607,948        | 13,145,564        |
| Est. Total D.S. 1-1-71-1-1-72             |                             | <u>1,331,597</u> | <u>887,648</u>   | <u>2,219,245</u>  |
| Est. Total D.S. to 1-1-71                 | <u>                    </u> | <u>7,206,019</u> | <u>3,720,300</u> | <u>10,926,319</u> |

Annual System Usage 1963-1970

Table 3 was prepared which summarizes usage of the marine highway system by passengers and vehicles for the years 1963 through 1970 for the southeast and southwest portions of the system. Annual passengers on the southeast system have grown from 83,975 persons in 1963 to 141,835 persons in 1970. This represents an average annual growth rate of 6.8 percent (compounded). The reduction in total passengers carried between 1967 and 1968 in southeast Alaska was due to the fact that service was extended to Seattle, thus lowering the number of trips made for the portion of the system north of Prince Rupert. Since the M/V Wickersham was delivered in 1968, the average annual growth rate in passengers for the southeast system has been 7.8 percent. Passage of vehicles on that portion of the system has grown from 16,289 to 36,096 during that eight year period. The growth in number of vehicles carried in southeast Alaska for the eight year period averaged an increase of 10.5 percent per year. This annual growth rate has lessened in recent years, averaging only 2.7 percent since 1968.

Usage of the Alaska Marine Highway System in the southwest area commenced service in July, 1963, when the M/V Chilkat began service between Cordova and Valdez. Regular service for the M/V Tustumena commenced in August, 1964. Due to damage caused by the 1964 earthquake to port facilities, usage and level of service during these early years was low. Starting in 1965, growth has been at a higher rate than that found in the southeast system. Between 1965 and 1970, passengers carried have increased from 8,209 to 25,875, an average annual compounded growth rate of 25.8 percent. Similarly the number of vehicles carried has grown from 3,184 in 1965 to 7,838 in 1970, an average rate of 19.8 percent per year.

Figure 3 shows the growth of passenger and vehicle traffic for each of the two portions of the system for the period 1963 to 1970; Figure 4 shows the 1970 volumes on each interport link of the system.

Seasonal Usage Variation

As may be noted in Table 3, the percentage of passenger traffic carried during the peak period (June through September inclusive) represents a very high proportion of the annual passenger volume. This has not changed significantly over the past eight years although there was a slight lessening of the peak between 1969 and 1970 indicating higher usage during the off-peak period. The percentage of passengers carried during the peak four months has ranged from 65 to 73 percent of the annual total volume for the entire system. As might be expected, this high volume represents significant tourist travel on the system during these four summer months as well as recreational travel by Alaska residents.

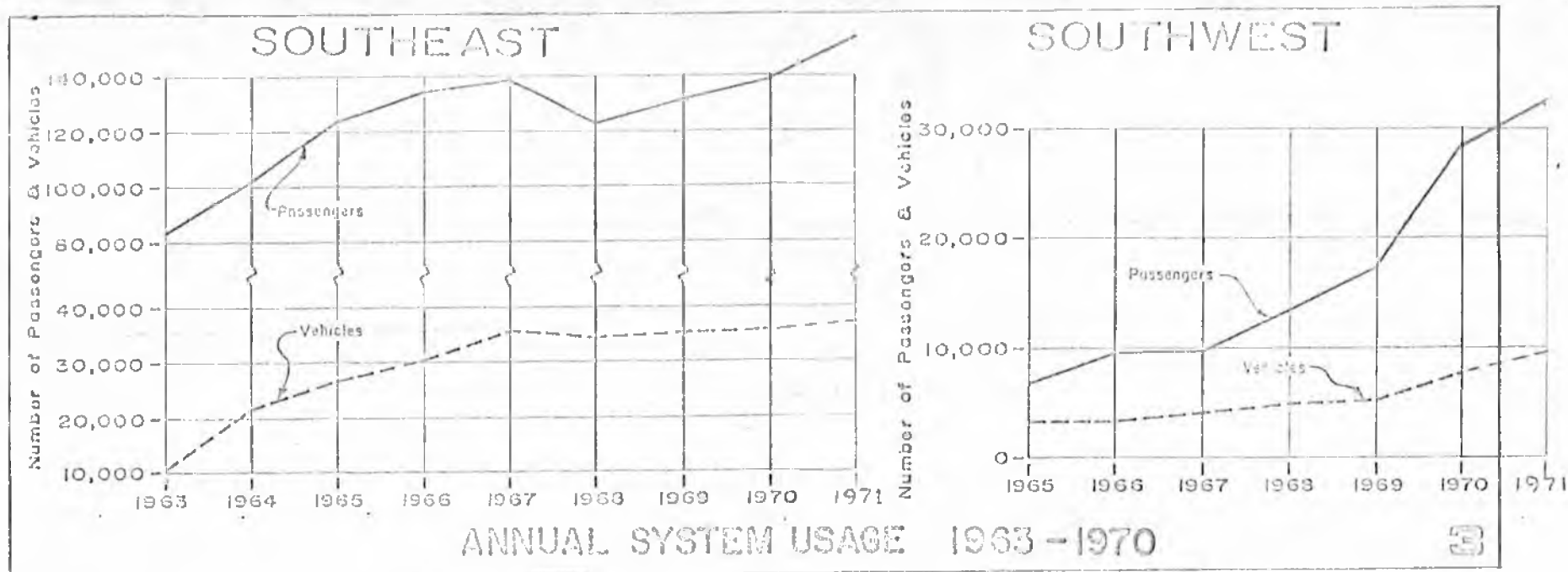


Table 3  
ANNUAL SYSTEM USAGE 1963-1970  
Alaska Marine Highway System Study

| YEAR | SOUTHEAST  |          |                          | SOUTHWEST  |          |                      | TOTAL SYSTEM |          |                      |
|------|------------|----------|--------------------------|------------|----------|----------------------|--------------|----------|----------------------|
|      | Passengers | Vehicles | % During (a) Peak Period | Passengers | Vehicles | % During Peak Period | Passengers   | Vehicles | % During Peak Period |
| 1963 | 83,975     | 16,259   | 72.9%                    | n/a        | n/a      | -                    | 83,975       | 16,259   | 72.9%                |
| 1964 | 101,488    | 21,378   | 66.5                     | 1,630      | 547      | 73.4%                | 103,118      | 21,925   | 66.7                 |
| 1965 | 123,722    | 26,619   | 66.9                     | 8,209      | 3,184    | 46.0                 | 131,931      | 30,003   | 65.6                 |
| 1966 | 134,560    | 30,249   | 71.3                     | 9,784      | 3,289    | 61.3                 | 144,344      | 33,538   | 70.6                 |
| 1967 | 138,063    | 33,586   | 69.2                     | 9,997      | 4,176    | 61.7                 | 148,060      | 37,762   | 68.7                 |
| 1968 | 122,285    | 34,219   | 70.9                     | 13,679     | 5,238    | 73.0                 | 135,964      | 39,557   | 71.1                 |
| 1969 | 131,298    | 35,003   | 70.5                     | 17,371     | 5,017    | 82.7                 | 148,669      | 40,020   | 71.9                 |
| 1970 | 141,885    | 26,096   | 65.0                     | 25,875     | 7,338    | 80.2                 | 167,760      | 43,934   | 67.3                 |
| 1971 | 154,369    | 37,346   | -                        | 31,809     | 9,310    | -                    | 186,178      | 46,676   | -                    |

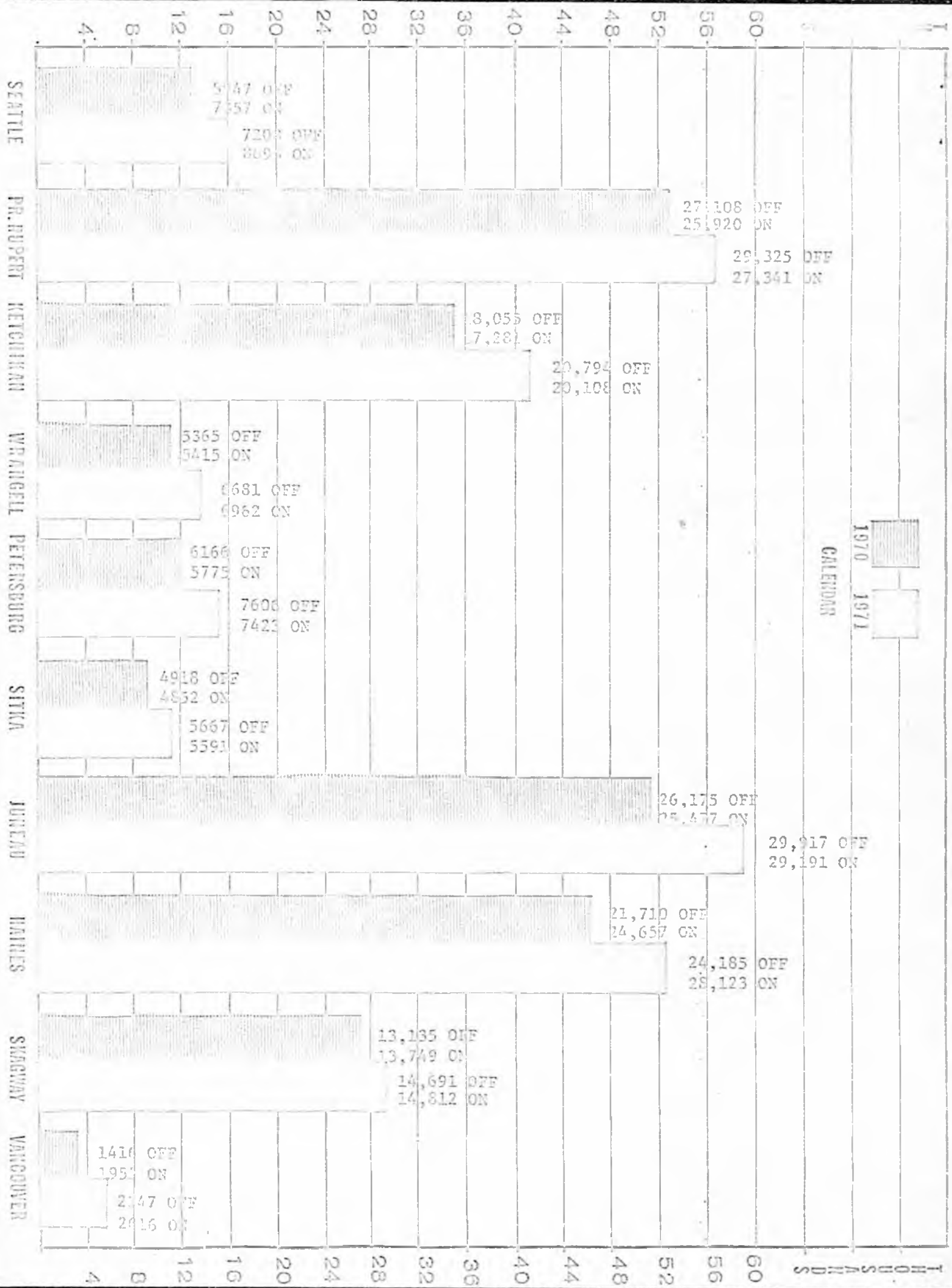
SOURCE: Monthly embarking-disembarking summaries (1963-68)  
Monthly revenue summaries (1969-70)

(a) Peak period is June through September. Percentage shown is for passenger traffic.

n/a = Not Available

SOUTHEAST SYSTEM passenger units by ports

calendar 1970-1971 comparison

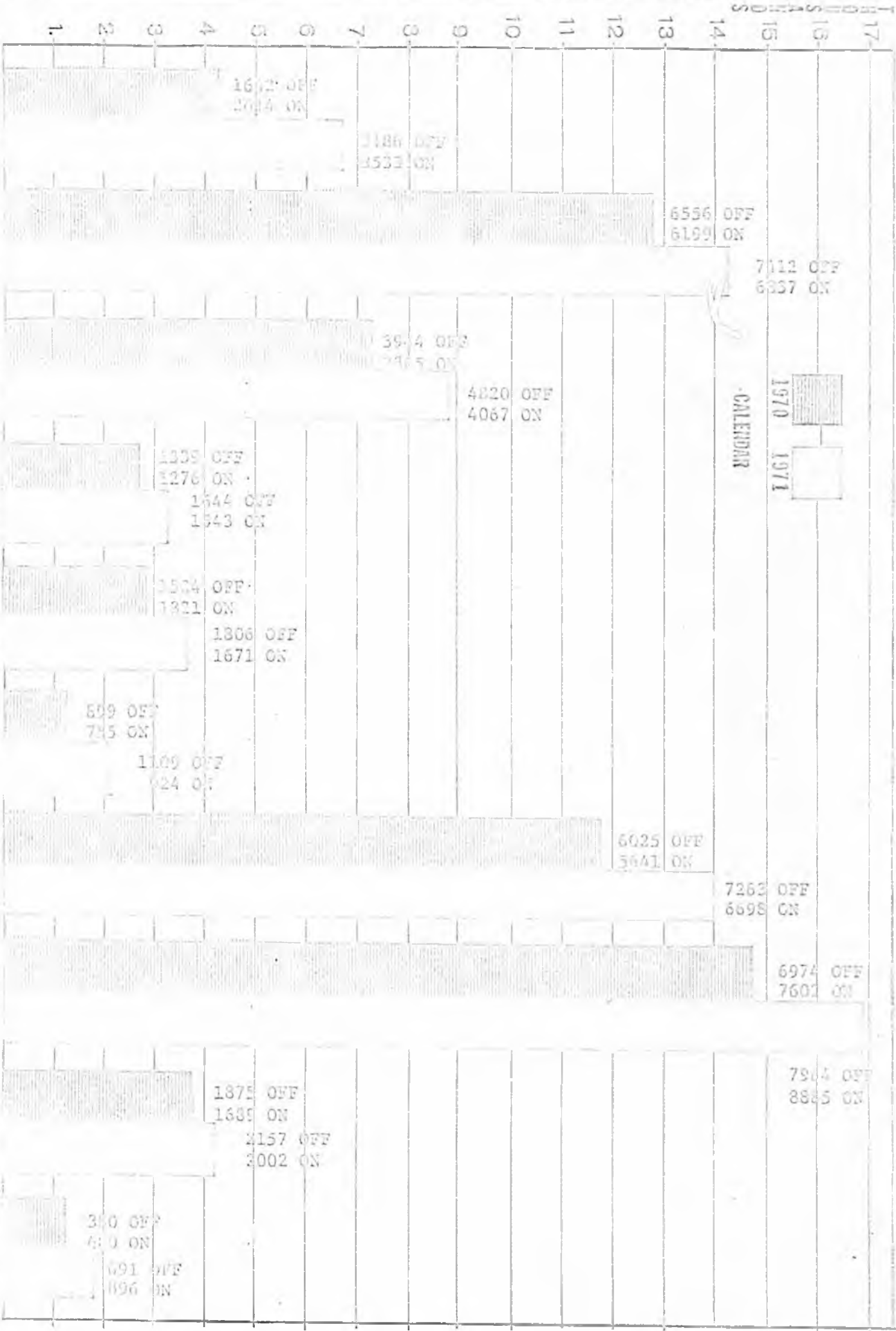


ALASKA MARINE HIGHWAY

SOUTHEAST SYSTEM vehicle units by ports

calendar 1970-1971 comparison

SEATTLE PRUPERT KETCHIKAN WRANGELL PETERSBURG SITKA JUNEAU HAINES SKEWAY VANCOUVER



CALENDAR



# ALASKA MARINE HIGHWAY

## SOUTHWEST SYSTEM

passenger units - comparison by ports

calendar years 1970 - 1971

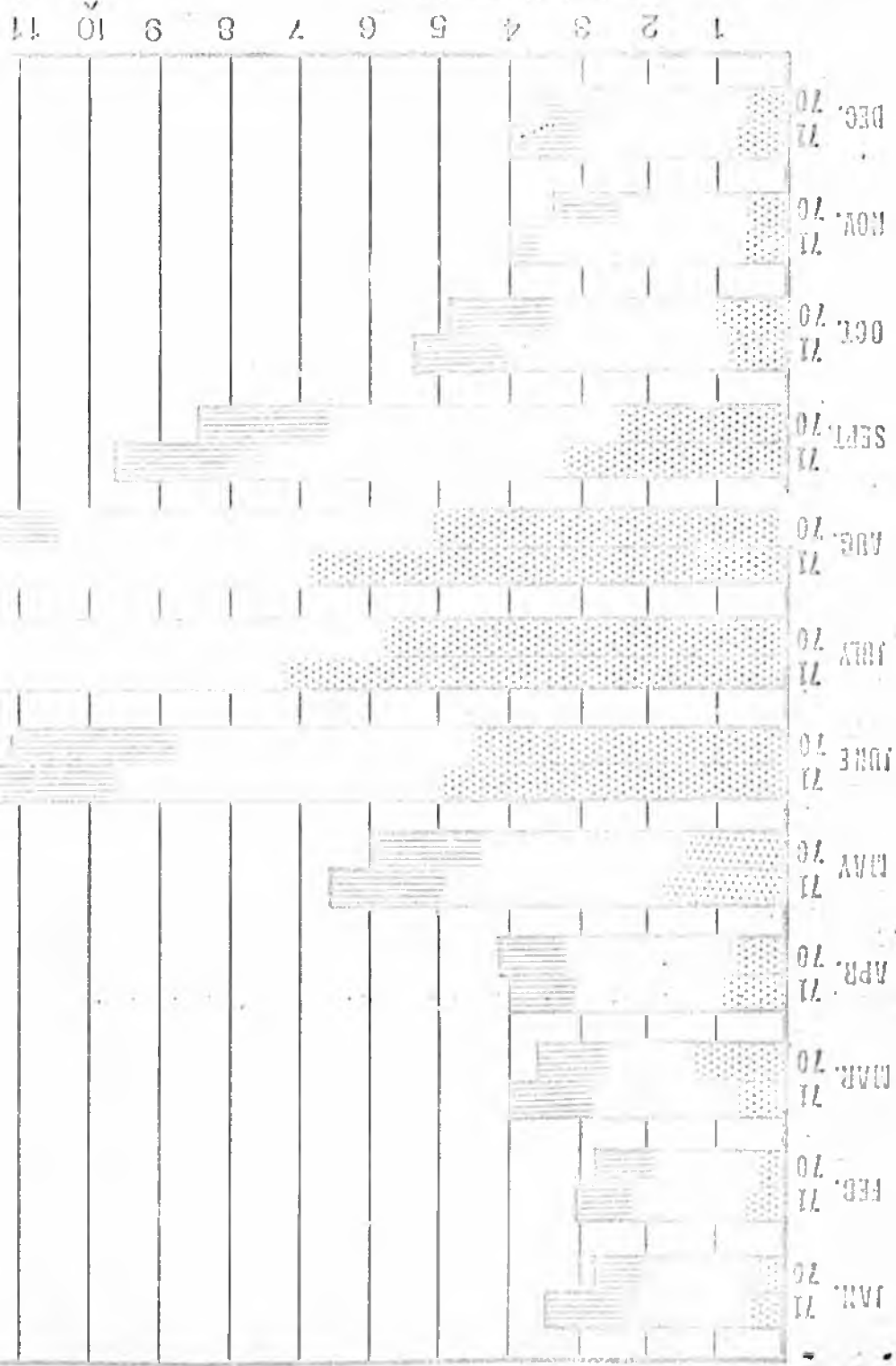


ALASKA MARINE HIGHWAY  
 SOUTHWEST SYSTEM  
 vehicle units - comparison by ports  
 calendar years 1970 - 1971

|            | 1                 | 2                 | 3                   | 4                   | 5                   | 6                     |   |
|------------|-------------------|-------------------|---------------------|---------------------|---------------------|-----------------------|---|
| GONDWA     |                   | 809 OFF<br>654 ON | 988 OFF<br>879 ON   |                     |                     |                       | M.V. BARILETT<br>• Whittier service may - sept. only  |
| VALDEZ     |                   |                   |                     |                     | 2096 OFF<br>2297 ON | CALENDAR<br>1970 1971 |   |
| WHITTIER   |                   |                   |                     | 1582 OFF<br>1536 ON |                     | 2479 OFF<br>2792 ON   |   |
| SEWARD     | 266 OFF<br>319 ON | 338 OFF<br>574 ON |                     |                     |                     |                       | M.V. YOSTUMENNA<br>• no winter service into anchorage |
| KODIAK     |                   |                   | 1148 OFF<br>1178 ON | 1450 OFF<br>1267 ON |                     |                       |   |
| HOLIER     |                   | 985 OFF<br>260 ON |                     | 1100 OFF<br>1168 ON |                     |                       |   |
| ANCHORAGE  | 159 OFF<br>144 ON |                   |                     |                     |                     |                       |   |
| SELBOWIA   | 195 OFF<br>219 ON |                   |                     |                     |                     | CALENDAR<br>1970 1971 |   |
| PORT LIONS | 13 OFF<br>32 ON   |                   |                     |                     |                     |                       |   |
|            | 483 OFF<br>464 ON |                   |                     |                     |                     |                       |   |
|            | 73 OFF<br>63 ON   |                   |                     |                     |                     |                       |   |
|            | 73 OFF<br>65 ON   |                   |                     |                     |                     |                       |   |

(one million)

dollars in hundred thousands



(one million)

dollars in hundred thousands

dollars in hundred thousands (two million)

12 13 14 15 16 17 18 19 20

ALASKA MARINE HIGHWAY

TOTAL REVENUE - all sources

CALENDAR 1970 - 1971 BY MONTHS

passenger revenue  
 vehicle revenue  
 berth, food, bar revenue

\$ 1,801,000

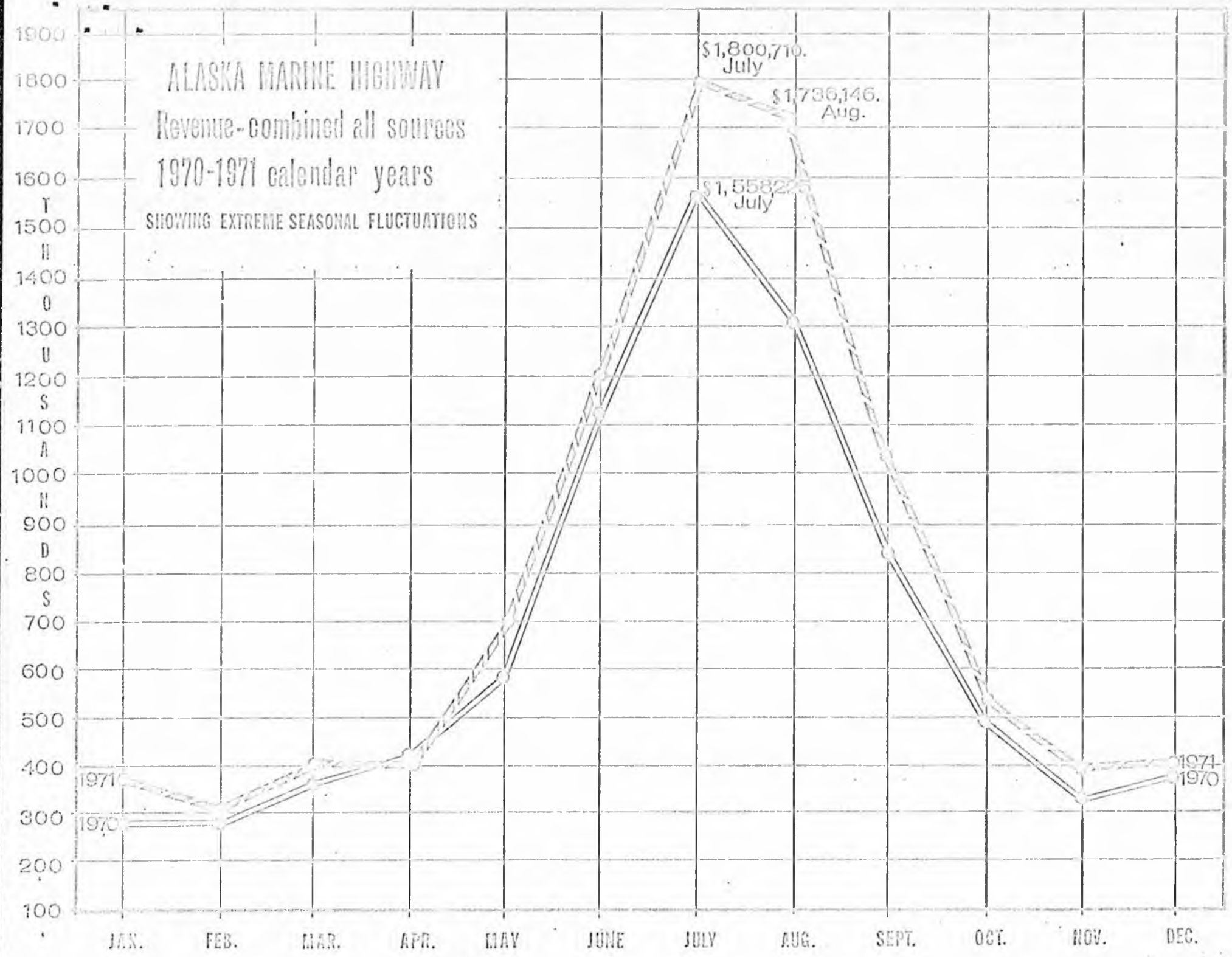
\$ 1,558,000

\$ 1,730,000

12 13 14 15 16 17 18 19 20

dollars in hundred thousands (two million)

ALASKA MARINE HIGHWAY  
Revenue-combined all sources  
1970-1971 calendar years  
SHOWING EXTREME SEASONAL FLUCTUATIONS



STATE OF ALASKA  
 DEPARTMENT OF PUBLIC WORKS  
 DIVISION OF MARINE TRANSPORTATION  
 POUCH "R" JUNEAU, ALASKA 99801

EMBARKING PASSENGERS & VEHICLES - 1971

METLAKATLA P V  
 Feb. 126 0

|       | Seattle |      | Pt. Rupert |      | Ketchikan |      | Wrangell |      | Petersburg |      | Sitka |     | Juneau |      | Haines |      | Skagway |      | Vancouver |     |
|-------|---------|------|------------|------|-----------|------|----------|------|------------|------|-------|-----|--------|------|--------|------|---------|------|-----------|-----|
|       | P       | V    | P          | V    | P         | V    | P        | V    | P          | V    | P     | V   | P      | V    | P      | V    | P       | V    | P         | V   |
| JAN   | 712     | 364  | 334        | 129  | 863       | 202  | 518      | 74   | 479        | 77   | 236   | 31  | 1029   | 234  | 716    | 225  | 680     | 80   | 306       | 120 |
| FEB   | 383     | 236  | 359        | 127  | 867       | 154  | 342      | 94   | 383        | 73   | 226   | 31  | 847    | 228  | 659    | 206  | 355     | 64   | 265       | 107 |
| MAR   | 532     | 340  | 551        | 178  | 1023      | 180  | 457      | 86   | 438        | 78   | 775   | 48  | 1507   | 287  | 952    | 286  | 505     | 102  | 374       | 141 |
| APR   | 453     | 275  | 933        | 302  | 1127      | 196  | 314      | 89   | 373        | 97   | 445   | 48  | 1056   | 325  | 862    | 276  | 594     | 96   | 443       | 164 |
| MAY   | 1349    | 300  | 1446       | 503  | 1320      | 292  | 460      | 118  | 553        | 129  | 488   | 86  | 1751   | 536  | 1562   | 601  | 720     | 119  | 438       | 119 |
| JUN   | 922     | 258  | 5467       | 1407 | 2492      | 516  | 743      | 195  | 792        | 159  | 703   | 142 | 3903   | 911  | 3658   | 1103 | 1932    | 226  | 127       | 31  |
| JUL   | 1233    | 326  | 7958       | 1615 | 3860      | 680  | 1087     | 256  | 1151       | 248  | 954   | 152 | 6035   | 1212 | 6910   | 1914 | 3852    | 398  |           |     |
| AUG   | 1060    | 299  | 6351       | 1333 | 3315      | 596  | 949      | 200  | 992        | 283  | 726   | 128 | 5498   | 1149 | 6208   | 1892 | 3608    | 381  |           |     |
| SEP   | 503     | 236  | 1891       | 550  | 2463      | 489  | 525      | 164  | 606        | 177  | 301   | 89  | 3351   | 759  | 3130   | 1099 | 1453    | 229  |           |     |
| OCT   | 546     | 371  | 769        | 327  | 921       | 261  | 402      | 102  | 641        | 139  | 257   | 58  | 1363   | 484  | 1641   | 668  | 464     | 136  | 76        | 31  |
| NOV   | 351     | 255  | 460        | 196  | 695       | 246  | 501      | 89   | 426        | 119  | 207   | 73  | 932    | 317  | 925    | 361  | 379     | 109  | 281       | 107 |
| DEC   | 439     | 293  | 252        | 115  | 1211      | 195  | 646      | 75   | 581        | 92   | 275   | 38  | 1419   | 256  | 900    | 254  | 220     | 68   | 306       | 83  |
| TOTAL | 1692    | 3683 | 17341      | 6837 | 20103     | 4007 | 6962     | 1547 | 7423       | 1672 | 5592  | 924 | 29191  | 6692 | 23123  | 8885 | 14812   | 2002 | 2616      | 891 |

DISSEMBARKING PASSENGERS & VEHICLES - 1971

|       | Seattle |      | Pt. Rupert |      | Ketchikan |      | Wrangell |      | Petersburg |      | Sitka |      | Juneau |      | Haines |      | Skagway |      | Vancouver |     |
|-------|---------|------|------------|------|-----------|------|----------|------|------------|------|-------|------|--------|------|--------|------|---------|------|-----------|-----|
|       | P       | V    | P          | V    | P         | V    | P        | V    | P          | V    | P     | V    | P      | V    | P      | V    | P       | V    | P         | V   |
| JAN   | 329     | 172  | 276        | 86   | 1078      | 250  | 356      | 98   | 645        | 94   | 351   | 47   | 1503   | 344  | 352    | 277  | 313     | 80   | 266       | 60  |
| FEB   | 264     | 145  | 327        | 77   | 892       | 212  | 485      | 75   | 376        | 88   | 227   | 47   | 1059   | 283  | 562    | 205  | 303     | 68   | 233       | 72  |
| MAR   | 331     | 202  | 339        | 71   | 1167      | 224  | 480      | 98   | 551        | 119  | 880   | 83   | 1373   | 343  | 951    | 329  | 475     | 104  | 290       | 86  |
| APR   | 283     | 167  | 672        | 175  | 1147      | 303  | 467      | 123  | 307        | 113  | 559   | 68   | 1132   | 374  | 1106   | 431  | 598     | 115  | 245       | 63  |
| MAY   | 1353    | 325  | 1323       | 376  | 1314      | 322  | 402      | 132  | 558        | 158  | 291   | 81   | 1891   | 607  | 1673   | 673  | 966     | 171  | 382       | 90  |
| JUN   | 637     | 181  | 4259       | 1036 | 2692      | 593  | 346      | 316  | 882        | 213  | 621   | 138  | 3748   | 918  | 3292   | 1244 | 2446    | 346  |           |     |
| JUL   | 390     | 194  | 8342       | 1809 | 3950      | 667  | 1000     | 231  | 1187       | 253  | 347   | 177  | 6259   | 1289 | 6272   | 1672 | 4332    | 481  |           |     |
| AUG   | 1197    | 266  | 3117       | 1865 | 3601      | 911  | 920      | 201  | 1081       | 284  | 860   | 184  | 5360   | 1142 | 4815   | 1402 | 2438    | 307  |           |     |
| SEP   | 638     | 238  | 3483       | 1037 | 2204      | 398  | 408      | 160  | 579        | 182  | 282   | 83   | 3550   | 725  | 2067   | 741  | 1264    | 261  |           |     |
| OCT   | 431     | 183  | 1236       | 518  | 973       | 357  | 338      | 115  | 477        | 134  | 260   | 83   | 1668   | 588  | 1086   | 454  | 413     | 117  | 88        | 29  |
| NOV   | 383     | 205  | 533        | 206  | 742       | 291  | 406      | 112  | 426        | 87   | 211   | 77   | 988    | 366  | 752    | 318  | 359     | 78   | 354       | 130 |
| DEC   | 447     | 356  | 445        | 137  | 1024      | 228  | 522      | 75   | 537        | 81   | 273   | 56   | 1086   | 286  | 637    | 226  | 784     | 87   | 489       | 152 |
| TOTAL | 7208    | 2186 | 19325      | 7412 | 20794     | 4823 | 6681     | 1644 | 7606       | 1806 | 5667  | 1108 | 29917  | 7263 | 24185  | 7964 | 14691   | 2157 | 2347      | 691 |

## M/V CHELKAT

|       | PASSENGERS AND VEHICLES ON |     |        |     |        |    |      |   |        |   | PASSENGERS AND VEHICLES OFF |   |        |     |        |     |        |   |      |   |        |   |            |   |
|-------|----------------------------|-----|--------|-----|--------|----|------|---|--------|---|-----------------------------|---|--------|-----|--------|-----|--------|---|------|---|--------|---|------------|---|
|       | Juneau                     |     | Hoonah |     | Haines |    | Kake |   | Angoon |   | Petersburg                  |   | Juneau |     | Hoonah |     | Haines |   | Kake |   | Angoon |   | Petersburg |   |
|       | P                          | V   | P      | V   | P      | V  | P    | V | P      | V | P                           | V | P      | V   | P      | V   | P      | V | P    | V | P      | V | P          | V |
| JAN   | 53                         | 10  | 60     | 7   |        |    |      |   |        |   |                             |   | 60     | 7   | 53     | 10  |        |   |      |   |        |   |            |   |
| FEB   | 57                         | 11  | 74     | 9   |        |    |      |   |        |   |                             |   | 74     | 9   | 7      | 11  |        |   |      |   |        |   |            |   |
| MAR   | 3                          | 3   | 8      | 0   |        |    |      |   |        |   |                             |   | 8      | 0   | 3      | 3   |        |   |      |   |        |   |            |   |
| APR   | 45                         | 11  | 79     | 10  |        |    |      |   |        |   |                             |   | 79     | 10  | 45     | 11  |        |   |      |   |        |   |            |   |
| MAY   | 110                        | 19  | 132    | 19  |        |    |      |   |        |   |                             |   | 132    | 19  | 110    | 19  |        |   |      |   |        |   |            |   |
| JUN   | 304                        | 18  | 308    | 14  |        |    |      |   |        |   |                             |   | 308    | 14  | 304    | 18  |        |   |      |   |        |   |            |   |
| JUL   | 256                        | 10  | 216    | 7   |        |    |      |   |        |   |                             |   | 216    | 7   | 256    | 10  |        |   |      |   |        |   |            |   |
| AUG   | 195                        | 16  | 179    | 22  | 23     | 14 |      |   |        |   |                             |   | 202    | 36  | 194    | 15  | 1      | 1 |      |   |        |   |            |   |
| SEP   | 95                         | 24  | 75     | 20  |        |    |      |   | 15     | 0 | 170                         | 0 | 74     | 20  | 95     | 24  |        |   |      |   | 126    | 0 |            |   |
| OCT   | 171                        | 26  | 157    | 20  |        |    |      |   | 68     | 0 | 144                         | 0 | 156    | 20  | 171    | 26  |        |   |      |   | 160    | 0 | 68         | 0 |
| NOV   | 65                         | 14  | 82     | 9   |        |    |      |   |        |   |                             |   | 82     | 9   | 65     | 14  |        |   |      |   |        |   |            |   |
| DEC   | 100                        | 21  | 139    | 16  |        |    |      |   |        |   |                             |   | 139    | 16  | 100    | 21  |        |   |      |   |        |   |            |   |
| TOTAL | 1434                       | 183 | 1509   | 153 | 23     | 14 | 68   | 0 | 15     | 0 | 314                         | 0 | 1530   | 167 | 1453   | 182 | 1      | 1 | 286  | 0 | 0      | 0 | 68         | 0 |

## M/V E. L. BARTLETT

|       | PASSENGERS AND VEHICLES ON |     |          |   |        |      |          |      |          |   | PASSENGERS AND VEHICLES OFF |     |          |   |        |      |          |      |          |   |
|-------|----------------------------|-----|----------|---|--------|------|----------|------|----------|---|-----------------------------|-----|----------|---|--------|------|----------|------|----------|---|
|       | Cordova                    |     | Tatitlek |   | Valdez |      | Whittier |      | Elleumar |   | Cordova                     |     | Tatitlek |   | Valdez |      | Whittier |      | Elleumar |   |
|       | P                          | V   | P        | V | P      | V    | P        | V    | P        | V | P                           | V   | P        | V | P      | V    | P        | V    | P        | V |
| JAN   | DRY DOCK                   |     |          |   |        |      |          |      |          |   |                             |     |          |   |        |      |          |      |          |   |
| FEB   | 190                        | 26  |          |   | 178    | 34   |          |      | 7        | 0 | 139                         | 34  |          |   | 170    | 26   |          |      | 21       | 0 |
| MAR   | 115                        | 29  |          |   | 99     | 51   |          |      | 13       | 0 | 112                         | 51  |          |   | 98     | 29   |          |      | 17       | 0 |
| APR   | 105                        | 57  |          |   | 186    | 105  |          |      | 28       | 0 | 207                         | 105 |          |   | 84     | 57   |          |      | 28       | 0 |
| MAY   | 139                        | 62  |          |   | 435    | 153  | 403      | 71   | 3        | 0 | 217                         | 108 |          |   | 511    | 123  | 244      | 39   | 8        | 0 |
| JUN   | 235                        | 83  |          |   | 1489   | 409  | 1248     | 283  |          |   | 364                         | 131 |          |   | 1389   | 351  | 1269     | 298  |          |   |
| JUL   | 349                        | 142 |          |   | 3167   | 750  | 2162     | 684  | 4        | 0 | 367                         | 118 |          |   | 3308   | 760  | 3007     | 698  |          |   |
| AUG   | 574                        | 146 |          |   | 3093   | 785  | 2431     | 528  |          |   | 452                         | 150 |          |   | 2603   | 627  | 3043     | 682  |          |   |
| SEP   | 354                        | 126 |          |   | 1064   | 326  | 783      | 206  |          |   | 300                         | 112 |          |   | 942    | 298  | 945      | 248  | 4        | 0 |
| OCT   | 191                        | 100 |          |   | 166    | 74   |          |      |          |   | 144                         | 74  |          |   | 184    | 100  |          |      | 29       | 0 |
| NOV   | 224                        | 67  |          |   | 232    | 64   |          |      | 5        | 0 | 227                         | 64  |          |   | 204    | 67   |          |      | 30       | 0 |
| DEC   | 162                        | 36  |          |   | 156    | 41   |          |      | 54       | 0 | 197                         | 41  |          |   | 137    | 36   |          |      | 38       | 0 |
| TOTAL | 2658                       | 879 | 0        | 0 | 10265  | 2792 | 8027     | 1772 | 114      | 0 | 2756                        | 983 | 0        | 0 | 9630   | 2479 | 8508     | 1965 | 175      | 0 |

M/V TUSTUMENA  
PASSENGERS AND VEHICLES ON

1971

|       | Port Lions |    | Homer |      | Seldovia |     | Kodiak |      | Seward |     | Valdez |    | Cordova |    | Anchorage |     | Seattle |    | Juneau |   |  |
|-------|------------|----|-------|------|----------|-----|--------|------|--------|-----|--------|----|---------|----|-----------|-----|---------|----|--------|---|--|
|       | P          | V  | P     | V    | P        | V   | P      | V    | P      | V   | P      | V  | P       | V  | P         | V   | P       | V  | P      | V |  |
| JAN   | 2          | 1  | 47    | 44   | 15       | 14  | 47     | 57   | 44     | 26  | 56     | 20 | 76      | 27 |           |     |         |    |        |   |  |
| FEB   | 1          | 5  | 25    | 11   | 23       | 19  | 24     | 33   | 111    | 45  |        |    | 57      | 3  |           |     |         |    |        |   |  |
| MAR   | 5          | 0  | 35    | 34   | 14       | 13  | 49     | 34   | 22     | 0   |        |    |         |    |           |     | 42      | 35 | 5      | 4 |  |
| APR   | 10         | 2  | 137   | 76   | 48       | 29  | 67     | 35   | 56     | 22  |        |    |         |    |           |     |         |    |        |   |  |
| MAY   | 26         | 4  | 178   | 92   | 84       | 39  | 247    | 144  | 76     | 78  |        |    |         |    |           |     |         |    |        |   |  |
| JUN   | 17         | 5  | 484   | 182  | 148      | 51  | 515    | 180  | 169    | 73  |        |    |         |    | 183       | 57  |         |    |        |   |  |
| JUL   | 54         | 8  | 746   | 185  | 182      | 70  | 971    | 179  | 260    | 35  |        |    |         |    | 388       | 49  |         |    |        |   |  |
| AUG   | 24         | 6  | 698   | 201  | 185      | 60  | 997    | 189  | 171    | 67  |        |    |         |    | 355       | 65  |         |    |        |   |  |
| SEP   | 24         | 12 | 886   | 169  | 130      | 75  | 604    | 205  | 138    | 53  |        |    |         |    | 182       | 39  |         |    |        |   |  |
| OCT   | 6          | 9  | 139   | 95   | 57       | 41  | 219    | 116  | 69     | 43  |        |    |         |    | 241       | 9   |         |    |        |   |  |
| NOV   | 14         | 13 | 86    | 79   | 63       | 53  | 161    | 95   | 100    | 86  |        |    |         |    |           |     |         |    |        |   |  |
| DEC   |            |    |       |      |          |     |        |      | 25     | 41  |        |    |         |    |           |     | 25      | 41 |        |   |  |
| TOTAL | 183        | 65 | 2961  | 1168 | 949      | 464 | 3901   | 1267 | 1141   | 574 | 56     | 20 | 133     | 30 | 1349      | 219 | 67      | 76 | 5      | 4 |  |

PASSENGERS AND VEHICLES OFF

|       | Port Lions |    | Homer |      | Seldovia |     | Kodiak |      | Seward |     | Valdez |    | Cordova |    | Anchorage |     | Seattle |    | Juneau |   |  |
|-------|------------|----|-------|------|----------|-----|--------|------|--------|-----|--------|----|---------|----|-----------|-----|---------|----|--------|---|--|
|       | P          | V  | P     | V    | P        | V   | P      | V    | P      | V   | P      | V  | P       | V  | P         | V   | P       | V  | P      | V |  |
| JAN   | 2          | 5  | 25    | 35   | 24       | 21  | 52     | 48   | 82     | 35  | 53     | 16 | 49      | 29 |           |     |         |    |        |   |  |
| FEB   | 0          | 2  | 25    | 14   | 15       | 9   | 34     | 28   | 75     | 28  |        |    | 41      | 1  |           |     | 48      | 29 | 3      | 5 |  |
| MAR   |            |    | 56    | 31   | 21       | 14  | 41     | 21   | 54     | 54  |        |    |         |    |           |     |         |    |        |   |  |
| APR   | 4          | 1  | 91    | 51   | 54       | 26  | 152    | 82   | 17     | 4   |        |    |         |    |           |     |         |    |        |   |  |
| MAY   | 18         | 6  | 250   | 114  | 58       | 29  | 228    | 153  | 57     | 55  |        |    |         |    |           |     |         |    |        |   |  |
| JUN   | 38         | 11 | 396   | 133  | 182      | 66  | 633    | 247  | 141    | 43  |        |    |         |    | 126       | 48  |         |    |        |   |  |
| JUL   | 27         | 7  | 628   | 178  | 199      | 76  | 1090   | 194  | 141    | 27  |        |    |         |    | 416       | 44  |         |    |        |   |  |
| AUG   | 35         | 5  | 621   | 164  | 170      | 63  | 991    | 270  | 160    | 38  |        |    |         |    | 453       | 46  |         |    |        |   |  |
| SEP   | 8          | 10 | 426   | 182  | 142      | 75  | 586    | 213  | 106    | 34  |        |    |         |    | 196       | 44  |         |    |        |   |  |
| OCT   | 12         | 13 | 230   | 109  | 42       | 54  | 179    | 101  | 23     | 23  |        |    |         |    | 245       | 13  |         |    |        |   |  |
| NOV   | 43         | 13 | 141   | 89   | 40       | 48  | 98     | 93   | 44     | 47  |        |    |         |    |           |     | 58      | 36 |        |   |  |
| DEC   |            |    |       |      |          |     |        |      |        |     |        |    |         |    |           |     |         |    |        |   |  |
| TOTAL | 187        | 73 | 2889  | 1100 | 947      | 483 | 4084   | 1450 | 900    | 388 | 53     | 16 | 90      | 30 | 1436      | 195 | 106     | 65 | 3      | 5 |  |

"An Act making a supplemental appropriation to the Department of Public Works and providing for an effective date."

### Committee Report

HOUSE OF REPRESENTATIVES

1/10/72

4/29/72

Date

Mr. Speaker

The Committee on FINANCE has had RD 505

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

|                    |                    |       |
|--------------------|--------------------|-------|
| <u>[Signature]</u> | <u>[Signature]</u> | _____ |
| <u>[Signature]</u> | _____              | _____ |
| <u>[Signature]</u> | _____              | _____ |
| <u>[Signature]</u> | _____              | _____ |

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

|                    |             |                    |
|--------------------|-------------|--------------------|
| <u>[Signature]</u> | recommends: | <u>No. 7202</u>    |
| <u>[Signature]</u> | recommends: | <u>[Signature]</u> |
| _____              | recommends: |                    |
| _____              | recommends: |                    |
| _____              | recommends: |                    |

CHAIRMAN

# 72-85

STATE OF ALASKA  
Dept. of Administration  
Budget & Management Div.

STATEMENT OF PROGRAM

SUPPLEMENTAL REQUEST

For the Fiscal Year Ending June 30, 1972

|                   |                       |    |
|-------------------|-----------------------|----|
| AGENCY            | Public Works          | 13 |
| OPERATING PROGRAM | Marine Transportation | 8  |
| ACTIVITY          | Narrative Analysis    |    |
| FUNCTION          |                       |    |

Division of Marine Transportation  
Supplemental Budget Request for FY 72  
Narrative Analysis

The budget for the Division of Marine Transportation is one of the largest in the state government. It involves the management of over 500 people, seven major ships, 12 state owned or operated terminals plus several contract terminals as well as a host of other duties and responsibilities. As such it is nearly impossible to accurately forecast operating expenditures on a line item basis.

An accurate method of forecasting operating cost is to compare prior years expenditures and operations to the current years program. The operation and responsibility of the division remains constant during the fiscal years 71 and 72.

After deducting one time insurance recoveries encountered during fiscal year 71, totaling \$479,100 the accounting records reflect an actual operating expense of \$13,773,243. The Division's General fund appropriation for FY 72 was \$13,395,400 or \$377,843 less than actual expenditures in FY 71. There has been no reduction in the program to account for the reduced funds.

Projecting our actual expenses for FY 71 to probable expenses for FY 72 by adding the known increases and additional expenditures that will be encountered in FY 72 the following picture emerges:

|  |              |
|--|--------------|
| Operating expenditure for FY 71  | \$13,773,243 |
| Classified employees wage increase   | 55,225       |
| Vessel crew wages increase 6%  | 471,068      |
| Prince Rupert Agency contract increase   | 22,700       |
| Increased cost of Maintenance Contract with<br>Standard Oil Co. for fuel facility at Skagway | 17,300       |
| Increased cost of life raft maintenance.   | 11,300       |
| Draw and Inspect 10 tail shafts  | 66,000       |
| Increased contribution to M.E.B.A. welfare   | 82,140       |
| Kodiak line handling cost  | 25,000       |
| Increased cost of vessel fuel oil  | 235,206      |
| Increased hull and P and I insurance premium   | 84,697       |
| Increased cost shore power CHILKAT   | 1,200        |
| Increased cost Sitka Agent contract  | 2,200        |

STATE OF ALASKA  
Dept. of Administration  
Budget & Management Div.

STATEMENT OF PROGRAM

SUPPLEMENTAL REQUEST  
For the Fiscal Year Ending June 30, 1972

|                   |                       | CODE |
|-------------------|-----------------------|------|
| AGENCY            | Public Works          | 13   |
| OPERATING PROGRAM | Marine Transportation | 8    |
| ACTIVITY          | Narrative Analysis    |      |
| FUNCTION          |                       |      |

|   |                     |
|---|---------------------|
| Total FY 71 expenditures plus known increases for FY 72 | \$14,847,279        |
| Less FY 72 appropriation                                | <u>(13,395,400)</u> |
| FY 72 Deficit   | \$ 1,451,879        |

During fiscal year 72 the M/V MALASPINA will be out of service for five months for lengthening. During this period the equivalent of nearly two full crews will be laid off and certain other savings will accrue. Our projection indicates a net savings of \$509,670 for the five month period. This will reduce our operating deficit to \$942,209 for FY 72.

The following pages request a supplemental appropriation for FY 72 totaling \$923,800. It is the opinion of this division that any lesser amount will not enable the division to continue full service throughout the entire fiscal year. However, a lesser amount would reduce the time it would be necessary to withdraw a ship from service and curtail service. If no supplemental is authorized it will be necessary to withdraw at least one vessel from service for approximately seven months or two vessels for approximately five months each.



STATE OF ALASKA  
 Dept. of Administration  
 Budget & Management Div.

EXPENDITURES BY OBJECT  
 and  
 SOURCE OF FUNDS  
 SUPPLEMENTAL REQUEST  
 For the Fiscal Year Ending June 30, 1972

|                   |                       |      |    |
|-------------------|-----------------------|------|----|
| AGENCY            | Public Works          | CODE | 13 |
| OPERATING PROGRAM | Marine Transportation |      | 8  |
| ACTIVITY          | Summary               |      |    |
| FUNCTION          |                       |      |    |

| CODE (1) | EXPENDITURES BY OBJECT (2)        | 1969-1970 Actual (3) | 1970-1971 Authorized (4) | 1971-1972 ESTIMATED    |                         |                          |                           |
|----------|-----------------------------------|----------------------|--------------------------|------------------------|-------------------------|--------------------------|---------------------------|
|          |                                   |                      |                          | Department Request (5) | Increase (Decrease) (6) | Governor's Allowance (7) | Legislative Allowance (8) |
| 100      | PERSONAL SERVICES                 |                      |                          | 464,800                | 464,800                 |                          |                           |
| 200      | TRAVEL                            |                      |                          | 230,600                | 230,600                 |                          |                           |
| 300      | CONTRACTUAL SERVICES              |                      |                          | 228,400                | 228,400                 |                          |                           |
| 400      | COMMODITIES                       |                      |                          |                        |                         |                          |                           |
| 500      | EQUIPMENT                         |                      |                          |                        |                         |                          |                           |
| 600      | LANDS AND STRUCTURES              |                      |                          |                        |                         |                          |                           |
| 700      | GRANTS, CLAIMS AND SHARED REVENUE |                      |                          |                        |                         |                          |                           |
| 800      | MISCELLANEOUS                     |                      |                          |                        |                         |                          |                           |
| 900      | INTER-AGENCY CHARGES              |                      |                          |                        |                         |                          |                           |
|          | TOTAL EXPENSES (Col. 3)           |                      |                          |                        |                         |                          |                           |
|          | AMOUNT LAPSED (Col. 3)            |                      |                          |                        |                         |                          |                           |
|          | TOTAL                             |                      |                          | 923,800                | 923,800                 |                          |                           |
| CODE     | SOURCE OF FUNDS                   |                      |                          |                        |                         |                          |                           |
|          | FEDERAL RECEIPTS (See 02-15)      |                      |                          |                        |                         |                          |                           |
|          |                                   |                      |                          |                        |                         |                          |                           |
|          |                                   |                      |                          |                        |                         |                          |                           |
|          | PROGRAM RECEIPTS (See 02-15)      |                      |                          |                        |                         |                          |                           |
|          |                                   |                      |                          |                        |                         |                          |                           |
|          | INTER-AGENCY RECEIPTS (See 02-15) |                      |                          |                        |                         |                          |                           |
|          |                                   |                      |                          |                        |                         |                          |                           |
|          | SPECIAL FUND                      |                      |                          |                        |                         |                          |                           |
|          | SPECIAL FUND RESERVE ACCOUNT      |                      |                          |                        |                         |                          |                           |
|          | UNRESTRICTED GENERAL FUND         |                      |                          | 923,800                | 923,800                 |                          |                           |
|          | TOTAL                             |                      |                          | 923,800                | 923,800                 |                          |                           |

STATE OF ALASKA  
 Dept. of Administration  
 Budget & Management Div.

EXPENDITURES BY OBJECT  
 and  
 SOURCE OF FUNDS

SUPPLEMENTAL REQUEST  
 For the Fiscal Year Ending June 30, 1972

|                   |                       |      |    |
|-------------------|-----------------------|------|----|
| AGENCY            | Public Works          | CODE | 13 |
| OPERATING PROGRAM | Marine Transportation |      | 8  |
| ACTIVITY          | S. E. Operation       |      | 2  |
| FUNCTION          |                       |      |    |

| CODE (1) | EXPENDITURES BY OBJECT (2)        | 1969-1970 Actual (3) | 1970-1971 Authorized (4) | 1971-1972 ESTIMATED    |                         |                          |                           |
|----------|-----------------------------------|----------------------|--------------------------|------------------------|-------------------------|--------------------------|---------------------------|
|          |                                   |                      |                          | Department Request (5) | Increase (Decrease) (6) | Governor's Allowance (7) | Legislative Allowance (8) |
| 100      | PERSONAL SERVICES                 |                      |                          | 268,500                | 268,500                 |                          |                           |
| 200      | TRAVEL                            |                      |                          | 0                      | 0                       |                          |                           |
| 300      | CONTRACTUAL SERVICES              |                      |                          | 184,100                | 184,100                 |                          |                           |
| 400      | COMMODITIES                       |                      |                          | 210,300                | 210,300                 |                          |                           |
| 500      | EQUIPMENT                         |                      |                          | 0                      | 0                       |                          |                           |
| 600      | LANDS AND STRUCTURES              |                      |                          | 0                      | 0                       |                          |                           |
| 700      | GRANTS, CLAIMS AND SHARED REVENUE |                      |                          |                        |                         |                          |                           |
| 800      | MISCELLANEOUS                     |                      |                          |                        |                         |                          |                           |
| 900      | INTER-AGENCY CHARGES              |                      |                          |                        |                         |                          |                           |
|          | TOTAL EXPENSES (Col. 3)           |                      |                          |                        |                         |                          |                           |
|          | AMOUNT LAPSED (Col. 3)            |                      |                          |                        |                         |                          |                           |
|          | TOTAL                             |                      |                          | 662,900                | 662,900                 |                          |                           |
| CODE     | SOURCE OF FUNDS                   |                      |                          |                        |                         |                          |                           |
|          | FEDERAL RECEIPTS (Sec 02-18)      |                      |                          |                        |                         |                          |                           |
|          |                                   |                      |                          |                        |                         |                          |                           |
|          |                                   |                      |                          |                        |                         |                          |                           |
|          | PROGRAM RECEIPTS (Sec 02-15)      |                      |                          |                        |                         |                          |                           |
|          |                                   |                      |                          |                        |                         |                          |                           |
|          | INTER-AGENCY RECEIPTS (Sec 02-15) |                      |                          |                        |                         |                          |                           |
|          |                                   |                      |                          |                        |                         |                          |                           |
|          | SPECIAL FUND                      |                      |                          |                        |                         |                          |                           |
|          | SPECIAL FUND RESERVE ACCOUNT      |                      |                          |                        |                         |                          |                           |
|          | UNRESTRICTED GENERAL FUND         |                      |                          | 662,900                | 662,900                 |                          |                           |
|          | TOTAL                             |                      |                          | 662,900                | 662,900                 |                          |                           |

STATE OF ALASKA  
 Dept. of Administration  
 Budget & Management Div.

DETAIL OF EXPENDITURES -  
 100, PERSONAL SERVICES - CURRENT

SUPPLEMENTAL REQUEST

For the Fiscal Year Ending June 30, 1972

|                          |                       |    |
|--------------------------|-----------------------|----|
| AGENCY OPERATING PROGRAM | Public Works          | 13 |
| ACTIVITY                 | Marine Transportation | 8  |
| FUNCTION                 | Southeast Operations  | 2  |
|                          |                       |    |

| CLASSIFICATION TITLE<br>(1)        | PCN<br>(2) | PAY<br>RGE.<br>(3) | MO.<br>SAL.<br>(4) | 70-71 Authorized   |                   |                                   | 1971-1972 ESTIMATED |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
|------------------------------------|------------|--------------------|--------------------|--------------------|-------------------|-----------------------------------|---------------------|--------------------|--------------------------|--------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|--|--|
|                                    |            |                    |                    | NO.<br>POS.<br>(6) | NO.<br>MO.<br>(7) | ANNUAL<br>AMOUNT<br>(8)           | DEPT. REQUEST       |                    |                          | GOV. ALLOWANCE                 |                     |                    | LEGIS. ALLOWANCE         |                     |                    |                          |  |  |
|                                    |            |                    |                    |                    |                   |                                   | NO.<br>POS.<br>(9)  | NO.<br>MO.<br>(10) | ANNUAL<br>AMOUNT<br>(11) | INCREASE<br>(DECREASE)<br>(12) | NO.<br>POS.<br>(13) | NO.<br>MO.<br>(14) | ANNUAL<br>AMOUNT<br>(15) | NO.<br>POS.<br>(16) | NO.<br>MO.<br>(17) | ANNUAL<br>AMOUNT<br>(18) |  |  |
| 1                                  |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 2                                  |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 3                                  |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 4                                  |            |                    |                    |                    |                   |                                   |                     |                    |                          | 124,627                        | 124,627             |                    |                          |                     |                    |                          |  |  |
| 5                                  |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 6                                  |            |                    |                    |                    |                   |                                   |                     |                    |                          | 91,337                         | 91,337              |                    |                          |                     |                    |                          |  |  |
| 7                                  |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 8                                  |            |                    |                    |                    |                   |                                   |                     |                    |                          | 52,547                         | 52,547              |                    |                          |                     |                    |                          |  |  |
| 9                                  |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 10                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 11                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          | (11)                           | (11)                |                    |                          |                     |                    |                          |  |  |
| 12                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 13                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 14                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 15                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 16                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 17                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 18                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 19                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 20                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 21                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 22                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 23                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 24                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 25                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| 26                                 |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| SUMMARY                            |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
|                                    |            |                    |                    |                    |                   | 1969-1970<br>ANNUAL AMOUNT<br>(5) |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| PERMANENT - Full-Time Positions    |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| PERMANENT - Part-Time Positions    |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| TEMPORARY - (Full-Time Equivalent) |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| NUMBER OF MAN MONTHS               |            |                    |                    |                    |                   |                                   |                     |                    |                          |                                |                     |                    |                          |                     |                    |                          |  |  |
| TOTAL ANNUAL AMOUNT                |            |                    |                    |                    |                   |                                   |                     |                    |                          | 268,500                        | 268,500             |                    |                          |                     |                    |                          |  |  |

STATE OF ALASKA  
Dept. of Administration  
Budget & Management Div.

STATEMENT OF PROGRAM

SUPPLEMENTAL REQUEST

For the Fiscal Year Ending June 30, 1972

|                   |                       | CODE |
|-------------------|-----------------------|------|
| AGENCY            | Public Works          | 13   |
| OPERATING PROGRAM | Marine Transportation | 8    |
| ACTIVITY          | Southeast Operations  | 2    |
| FUNCTION          |                       |      |

PERSONAL SERVICES

NARRATIVE JUSTIFICATION

Increased Overtime

Overtime for vessel crew members is required by contract and operational necessities for a wide variety of reasons. For Fiscal 72 and prior years overtime was budgeted at 6% of gross crew wages before benefits. An actual survey of a representative crew for an eight month period revealed overtime was running 11.1% of gross wages. Instructions have been issued for more diligent use of overtime where discretion permits and overtime has now leveled off at approximately 10% of gross pay. This supplemental is to provide the difference between the budgeted 6% and actual 10%.

|   |                |
|---|----------------|
| Gross wages for MALASPINA Class vessels, WICKERSHAM and CHILKAT | \$3,044,571    |
| Overtime computed at 10% of gross wages                         | \$304,830      |
| Less Overtime budgeted at 6%                                    | <u>179,830</u> |
| Amount required this supplement                                 | \$124,627      |

Penalty Pay

Union contracts require that penalty pay, generally equivalent to overtime pay, be paid for dirty or hazardous work such as bilge cleaning, garbage handling, blocking vans and a variety of other work which is considered outside the scope of normal watch standing. To date this has amounted to 1.1% of gross pay. Also included in this category is travel time which by contract each employee traveling on orders receives eight hours straight time pay. Travel time amounts to .6% of Gross wages. When a vessel arrives at crew change port more than one hour behind published schedules all crew men receive late arrival pay at either straight time or overtime rates depending if they are on watch or not. Late arrival pay equals 1% of Gross wages. By contract all crewmen are guaranteed a minimum monthly wage. Should the crewman's scheduled work month be less hours than the minimum guarantee computed on an hourly rate basis additional hours must be added to equal the monthly guarantee. This amounts to .7% of gross wages.

The total of these various factors equals 3.4% of Gross wages. For budgeting purposes this has been rounded to 3%.

3% of Gross Wages of \$3,044,571 equals \$91,337