

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

HB 515 cont., 516, 517, 518 1012

1 424 3rd Avenue West, Seattle, Washington, (hereinafter
2 "Rosemurgy") is a nonresident insurance adjuster licensed
3 under AS Title 21, Chapter 27 to transact insurance in the
4 State of Alaska, and has appointed the Director of the Division
5 of Insurance, Alaska Department of Commerce, pursuant to
6 AS 21.27.280 as his attorney to receive service of legal
7 process issued against him in this state upon causes of action
8 arising in this state.

9
10 V

11 Defendants Charles F. Willis, Jr., Ronald Peterson,
12 and Robert Giersdorf, (hereinafter "Willis", "Peterson", and
13 "Giersdorf", respectively), are officers and employees of
14 Alaska Airlines and residents of the State of Washington.

15 VI

16 The plaintiff State of Alaska (hereinafter "State")
17 shall be deemed herein to include its principal Departments
18 and political subdivisions.

19 GENERAL ALLEGATIONS

20 VII

21 Alaska Airlines was at all times relevant hereto, and
22 is now, a common carrier of passengers by airplane and is
23 certified as such by the Alaska Transportation Commission and
24 the Civil Aeronautics Board, and has a duty to exercise the
25 highest degree of care for its passengers and cargo.

26 VIII

27 On or about September 4, 1971, employees under the
28 command and control of Alaska Airlines operated a Boeing
29 727-193 jet aircraft subleased by Hughes Air West Airlines,
30 Inc., on a flight designated as Flight Number 1866 between
31 Anchorage, Alaska, and Seattle, Washington.

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IX

While in flight en route to Juneau, Alaska, said aircraft crashed at a location approximately twenty miles west of Juneau, Alaska, on lands owned by the United States and administered by the Department of Agriculture, National Forest Service.

X

Under the aegis of the National Transportation Safety Board, Alaska Airlines, Lloyds, Rosemurgy, Willis, Peterson, and Giersdorf, at their direction, and with their control and supervision, the State performed necessary services and supplied necessary goods in connection with the search, evacuative, and investigatory operations.

XI

The State incurred reasonable expenses in excess of \$108,769.28 in the rendition of such goods and services.

XII

The State was under no statutory or common law duty to incur these expenses for necessary goods and services.

XIII

The State has made timely requests of Alaska Airlines and Lloyds for reimbursement of these expenses and neither Alaska Airlines nor Lloyds has reimbursed the State or indicated its intention to do so.

COUNT ONE

XIV

The allegations of Paragraphs VII through XIII hereinabove are hereby incorporated by reference for the purposes of Count One.

XV

On or about September 6, 1971, Alaska Airlines and

1 State officials made a verbal contract whereby the State
2 promised to render necessary goods and services incident to
3 evacuative and investigatory operations in exchange for
4 reimbursement of the State for such goods and services by
5 Alaska Airlines.

6 XVI

7 The State rendered the promised goods and services
8 in the constant presence of Alaska Airlines, Willis, Peterson,
9 and Giersdorf and with their tacit approval, at a total expense
10 of \$108,769.28.

11 XVII

12 Despite timely demands for payment, Alaska Airlines
13 has refused to reimburse the State as promised for the goods
14 and services so provided.

15 COUNT TWO

16 XVIII

17 The allegations of Paragraphs VII through XIII
18 hereinabove are hereby incorporated by reference for the
19 purposes of Count Two.

20 XIX

21 Alaska Airlines as common carrier in control of the
22 subject aircraft had and has the legal responsibility for the
23 disaster expenses and costs associated with the National
24 Transportation Safety Board aircraft disaster investigation to
25 the extent that such costs were not borne by the National
26 Transportation Safety Board. Moreover, Alaska Airlines, as a
27 common carrier, had and has a duty to secure and preserve the
28 remains of its human and chattel cargo after the crash.

29 XX

30 The State and Alaska Airlines were at all relevant
31 times aware of the aforesaid responsibilities and recognized
32

1 that such costs were the responsibility of Alaska Airlines.

2 XXI

3 As a result of the immediacy of the need, the
4 inability of the defendants to render necessary goods and
5 services with the requisite expedition, and the agreement that
6 the defendants would reimburse, the State incurred expenses in
7 the amount of \$108,769.28 for goods and services necessary for
8 the securing and preservation of the crash site, the evacuation
9 of human and chattel debris, and other incidents of the
10 National Transportation Safety Board's investigation.

11 XXII

12 Alaska Airlines, Willis, Peterson, and Giersdorf
13 are and were at all times relevant hereto aware of the State's
14 participation in the operations incident to the aircraft
15 disaster, aware that the State recognized that its partici-
16 pation in such operations was for the benefit of Alaska
17 Airlines in discharge of the latter's legal obligation, and
18 aware that the State would later seek reimbursement for the
19 expenses of its participation from Alaska Airlines. Said
20 defendants witnessed the provision or utilization of such
21 goods and services by the State and at no time indicated that
22 the costs of such goods and services were not Alaska Airlines'
23 ultimate legal obligation or that it would fail to reimburse
24 the State accordingly upon request.

25 COUNT THREE

26 XXIII

27 The allegations of Paragraphs VII through XIII
28 hereinabove are hereby incorporated by reference for the
29 purposes of Count Three.

30 XXIV

31 Lloyds had and has contractual liabilities to
32

1 indemnify Alaska Airlines for certain charges and expenses
2 incurred by the latter incident to its operations as a common
3 carrier.

4 XXV

5 The State, Lloyds, and Rosemurgy were at all relevant
6 times aware of the aforesaid liabilities and recognized that
7 all costs incident to the air disaster were or could be the
8 responsibility of Lloyds.

9 XXVI

10 As a result of the immediacy of the need, the
11 inability of the defendants to render necessary goods and
12 services with the requisite expedition, and the agreement that
13 the defendants would reimburse, the State incurred expenses in
14 the amount of \$108,769.28 for goods and services necessary for
15 the securing and preservation of the crash site, the evacuation
16 of human and chattel debris, and other incidents of the
17 National Transportation Safety Board's investigation.

18 XXVII

19 Lloyds and Rosemurgy are and were at all times
20 relevant hereto aware of the State's participation in the
21 operations incident to the aircraft disaster, aware that the
22 State recognized that its participation in such operations
23 was for the benefit of Lloyds in discharge of the latter's
24 legal obligation, and aware that the State would later seek
25 reimbursement for the expenses of its participation from
26 Lloyds. Said defendants witnessed the provision or utilization
27 of such goods and services by the State and at no time
28 indicated that the costs of such goods and services were not
29 Lloyds ultimate legal obligation or that it would fail to
30 reimburse the State accordingly upon request.
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WHEREFORE, plaintiff demands judgment against the defendants in the amount of \$108,769.28, together with interest thereon from January 1, 1972, until paid, and for plaintiffs' costs and disbursements herein including reasonable attorneys' fees.

Dated at Juneau, Alaska, this 8th day of February, 1972.

JOHN E. HAVELOCK
ATTORNEY GENERAL
STATE OF ALASKA

JURY DEMANDED

By
James N. Reeves
Assistant Attorney General

ATTORNEY GENERAL, STATE OF ALASKA
STATE CAPITOL
POUCH K, JUNEAU, ALASKA
PHONE 586-5291

MEMORANDUM

72-148

H.B. 515

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

DATE: December 22, 1971

FROM: William C. Mullin, Director *WCM*
Division of Finance
Department of Administration

SUBJECT: Supplemental Appropriation for
Department of Public Safety

Attached are drafts of two bills for supplemental appropriations totaling \$68,900. This money is needed to cover extraordinary expenses incurred by the State in connection with the crash of an Alaska Airlines plane on September 4, 1971.

The Department of Public Safety and the Department of Military Affairs have been directed to pay all outstanding bills that are related to the crash. We will assist the two agencies in the inter-agency aspects of this supplemental request.

Attachment

cc: Wes Coyner
Executive Assistant
Office of the Governor

John E. Havelock
Attorney General
Department of Law

IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act appropriating to the Department of the Public
Safety; and providing for an effective date."

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

- * Section 1. The sum of ^{39,300} \$44,600 is appropriated from the general fund to the Department of Public Safety for reimbursement of cost incurred by the State as a result of the Alaska Airlines crash on September 4, 1971.
- * Section 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act appropriating to the Department of Military
Affairs; and providing for an effective date."

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

- ^{29,000}
- * Section 1. The sum of \$~~24,300~~^{29,000} is appropriated from the general fund to the Department of Military Affairs for reimbursement of cost incurred by the State as a result of the Alaska Airlines crash on September 4, 1971.
 - * Section 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

SECRET
27-10-1971

TO: Honorable Emery W. Chapple, Jr.
Commissioner
Department of Public Safety

DATE: December 22, 1971

FROM: William C. Mullin, Director *WCM*
Division of Finance
Department of Administration

SUBJECT: Alaska Airlines Crash

Please take necessary action to pay all vendors and to reimburse various state agencies for extraordinary costs incurred in connection with the recovery operation following the Alaska Airlines crash of September 4, 1971. These costs will be charged to your appropriation and the account coding to be used is 12-14-05-00 and object code 390.

A supplemental appropriation in the amount of \$44,600 is being requested to reimburse the Department of Public Safety. In addition, a supplemental appropriation in the amount of \$24,300 is being requested for the Department of Military Affairs.

Please ask your accounting officer to consult with Mr. James Sofoulis before processing any vouchers transferring charges that have been paid to account 12-14-05-00.

This memorandum rescinds the memorandum sent to Colonel Nelson on October 22, 1971.

~~cc:~~ Myrton R. Charney, Director
Division of Budget & Management
Department of Administration

John E. Havelock
Attorney General
Department of Law

Wes Coyner
Executive Assistant
Office of the Governor

MEMORANDUM

TO: Colonel Glenn Byington, Director
Facilities and Fiscal Division
Office of the Adjutant General
Department of Military Affairs

DATE: December 22, 1971

FROM: William C. Mullin, Director *WCM*
Division of Finance
Department of Administration

SUBJECT: Alaska Airlines Crash

Please take necessary action to pay all vendors for extraordinary costs incurred in connection with the recovery operation following the Alaska Airlines crash of September 4, 1971. These costs will be charged to your appropriation and the account coding to be used is 09-12-03-00 and object code 391.

A supplemental appropriation in the amount of \$24,300 is being requested to reimburse the Department of Military Affairs. In addition, a supplemental appropriation in the amount of \$44,600 is being requested to reimburse the Department of Public Safety.

If you intend to transfer some amounts that have already been paid to account 09-12-03-00, please consult with Mr. Sofoulis.

cc: Myrton R. Charney, Director
Division of Budget & Management
Department of Administration

John E. Havelock
Attorney General
Department of Law

Wes Coyner
Executive Assistant
Office of the Governor

The Honorable John E. Havelock
Attorney General
Department of Law

December 22, 1971

William C. Mullia, Director
Division of Finance
Department of Administration

Alaska Airlines Crash

As a result of the crash of the Alaska Airlines jet on September 4, costs in the amount of \$68,900 were incurred by the State over and above normal operating expenses. These costs pertain to the retrieval of bodies of crash victims and the operation of a temporary morgue at the Armory.

We have advised the Department of Public Safety and the Department of Military Affairs to pay all vendors to whom money is owed as a result of the crash. We have also advised these two agencies that the State will ask for a supplemental appropriation of \$68,900 to reimburse them for these expenditures.

Please take necessary action to recover at least \$68,900 from Alaska Airlines or from its insurance carrier for extraordinary costs incurred by the State as a result of the crash. In addition, it is my understanding that the Department of Public Safety has advised you of other costs incurred by that agency that are related to the crash.

cc: Myrton E. Charney, Director
Division of Budget & Management
Department of Administration

Nes Coyner
Executive Assistant
Office of the Governor



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



Alaska State Legislature
Senate

JUNEAU ALASKA

TO: Mr. George Hohman, Chairman
House Finance Committee

FROM: Rich Guthrie *RG*
Senate Fiscal Analyst

SUBJECT: Fiscal Note Request

DATE: *2/24/72*

The following House bills are now in the Senate Finance Committee for consideration:

<u>Bill No.</u>	<u>Title</u>
<i>CSHB 516</i>	<i>Appropriating \$559,000 to Office of Governor under Alaska Native Claims Settlement</i>

The Senate Finance Committee would appreciate receiving eight copies of the fiscal note and other pertinent materials that will assist them as they consider these bills.

Original sponsor: Rules Committee
by Request of the Governor

Offered: 2/16/72
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 516

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Office of the Governor
7 for payments under the Alaska Native Claims Settlement
8 Act; and providing for an effective date."

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

10 * Section 1. The sum of \$559,000 is appropriated from the general fund
11 to the Office of the Governor for payments required under sec. 9, Alaska
12 Native Claims Settlement Act, P.L. 92-203, for the fiscal year ending
13 June 30, 1972.

14 * Sec. 2. \$458,000 of the amount appropriated in sec. 1 of this Act
15 represents the estimated loss of revenues to the state from federal mineral
16 receipts. The amount will in fact be paid by the federal government to the
17 Alaska Native fund and shall be considered a nonwarrant expenditure of the
18 state.

19 * Sec. 3. If the amount required to be paid under sec. 9, Alaska Native
20 Claims Settlement Act, P.L. 92-203, exceeds the amount appropriated for the
21 fiscal year ending June 30, 1972, the required excess is appropriated subject
22 to approval by the governor and the Legislative Budget and Audit Committee.

23 * Sec. 4. This Act takes effect on the day after its passage and
24 approval or on the day it becomes law without approval.
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Original sponsor: Rules Committee
by Request of the Governor

Offered: 2/16/72
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 516

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Office of the Governor
7 for payments under the Alaska Native Claims Settlement
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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$559,000 is appropriated from the general fund
11 to the Office of the Governor for payments required under sec. 9, Alaska
12 Native Claims Settlement Act, P.L. 92-203, for the fiscal year ending
13 June 30, 1972.

14 * Sec. 2. \$458,000 of the amount appropriated in sec. 1 of this Act
15 represents the estimated loss of revenues to the state from federal mineral
16 receipts. The amount will in fact be paid by the federal government to the
17 Alaska Native fund and shall be considered a nonwarrant expenditure of the
18 state.

19 * Sec. 3. If the amount required to be paid under sec. 9, Alaska Native
20 Claims Settlement Act, P.L. 92-203, exceeds the amount appropriated for the
21 fiscal year ending June 30, 1972, the required excess is appropriated subject
22 to approval by the governor and the Legislative Budget and Audit Committee.

23 * Sec. 4. This Act takes effect on the day after its passage and
24 approval or on the day it becomes law without approval.
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STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / DECEMBER 5 -- JANUARY 9 1972

February 9, 1972

The Honorable George Hohman,
Chairman, House Finance Committee
Capitol Building
Juneau, Alaska 99801

Re: House Bill No. 516, "An Act
Appropriating to the Office of the
Governor for Payments Pursuant to
the Alaska Native Land Claims
Settlement Act and Providing for
an Effective Date."

Dear Mr. Hohman:

In reviewing the language included in House Bill No. 516, it would be our suggestion that reference be made only to Section 9 of the Alaska Native Land Claims Settlement Act, P.L. 92-203. Inasmuch as the intent of this bill is to appropriate sufficient funds to make payments to the Alaska Native Fund as required under all the revenue sharing provisions, it appears unnecessary to make specific reference to the various subsections.

We draw your attention to the attached memorandum directed to Commissioner Eric E. Wohlforth dated January 6, 1972. Included in this memorandum you will note the various assumptions used in calculating the estimated payments which will be required under Section 9 of the Alaska Native Land Claims Settlement Act, P.L. 92-203. The purpose of this memorandum was to display what the total estimated payments will be in fiscal years 1972 through 1979 and not only the State's liability under the Native Claims Settlement Act.

Revenue sharing subsections (b), (c), and (d) of Section 9 of the Alaska Native Land Claims Settlement Act detail the revenues to be shared. (See attached copy of the revenue sharing provisions, Sec. 9.)

Subsection (b) specifies the mineral revenues to be shared as those received from land selected under subsection 6(g)(h) of the Alaska Statehood Act.

Subsection (c) extends the revenue sharing formula of subsection (b) to those additional mineral revenues when received by the State from lands patented to the State after the effective date of the Act.

Subsection (d) specifies revenue sharing from federally owned land in Alaska. The largest payments to the Native Fund will be under this subsection (d)

February 9, 1972

until North Slope production commences. The State presently receives 90% of the revenue paid to the Federal government.


In the revenue sharing subsections, the amount to be shared is determined by using two formulae. Under subsections (b) and (c) a payment of 2% of the gross value of minerals produced or removed from specified lands is to be paid into the Fund. Under subsection (d) the formula for calculating the Native Fund contribution is to calculate the Natives' share prior to calculating the 90% State share and the 10% Federal share of revenues.

The second provision requires a payment of 2% of the revenues received from rentals and bonuses (excluding North Slope bonus sale of 1969).

Below you will find a breakdown of the amounts payable under the Native Land Claims Settlement Act. The most probable amount payable is estimated to be the amount reflected in column 3; however, column 5 is the total estimated payment into the Native Fund.

Fiscal Year	Column 1	Column 2	Column 3	Column 4	Column 5
	State of Alaska Direct Payments	State of Alaska Loss of Revenues	Sub-Total Estimated Appropriation	Federal Loss of Revenue	Total
1972	\$ 100,938	\$457,945	\$ 558,933	\$ 50,883	\$ 609,816
1973	166,608	906,104	1,072,712	100,678	1,173,390
1974	166,608	841,404	1,008,012	93,489	1,101,501
1975	166,608	792,504	959,112	88,056	1,047,168
1976	166,608	750,504	917,112	83,389	1,000,501
1977	15,532,888	709,392	16,242,280	78,821	16,321,101
1978	34,558,798	670,747	35,229,545	74,527	35,304,072
1979	37,225,464	634,420	37,859,884	70,491	37,930,375

Very truly yours,


Robert S. Gates
State Investment Officer

RSG:ge

Enclosures

cc: Governor William A. Egan

Joseph Henri, Commissioner of Administration

Attorney General John Havelock

Alex Miller, Legislative Assistant

Wes Coyner, Executive Assistant

Donna D. Spragg, Assistant Attorney General

Myrton M. Charney, Director, Division of Budget & Management

Homer L. Burrell, Director, Division of Oil and Gas

Pedro Denton, Chief Minerals Section, Division of Lands

advise Native villages in the preparation of articles of incorporation and other documents necessary to meet the requirements of this subsection.

(c) The provisions concerning stock alienation, annual audit, and transfer of stock ownership on death or by court decree provided for Regional Corporations in section 7 shall apply to Village Corporations except that audits need not be transmitted to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives.

REVENUE SHARING

Sec. 9. (a) The provisions of this section shall apply to all minerals that are subject to disposition under the Mineral Leasing Act of 1920, as amended and supplemented.

(b) With respect to conditional leases and sales of minerals heretofore or hereafter made pursuant to section 6(g) of the Alaska Statehood Act, and with respect to mineral leases of the United States that are or may be subsumed by the State under section 6(h) of the Alaska Statehood Act, until such time as the provisions of subsection (c) become operative the State shall pay into the Alaska Native Fund from the royalties, rentals, and bonuses hereafter received by the State (1) a royalty of 2 per centum upon the gross value (as such gross value is determined for royalty purposes under such leases or sales) of such minerals produced or removed from such lands, and (2) 2 per centum of all rentals and bonuses under such leases or sales, excluding bonuses received by the State at the September 1969 sale of minerals from tentatively approved lands and excluding rentals received pursuant to such sale before the date of enactment of this Act. Such payment shall be made within sixty days from the date the revenues are received by the State.

(c) Each patent hereafter issued to the State under the Alaska Statehood Act, including a patent of lands heretofore selected and tentatively approved, shall reserve for the benefit of the Natives, and for payment into the Alaska Native Fund, (1) a royalty of 2 per centum upon the gross value (as such gross value is determined for royalty purposes under any disposition by the State) of the minerals thereafter produced or removed from such lands, and (2) 2 per centum of all revenues thereafter derived by the State from rentals and bonuses from the disposition of such minerals.

(d) All bonuses, rentals, and royalties received by the United States after the date of enactment of this Act from the disposition by it of such minerals in public lands in Alaska shall be distributed as provided in the Alaska Statehood Act, except that prior to calculating the shares of the State and the United States as set forth in such Act, (1) a royalty of 2 per centum upon the gross value of such minerals produced (as such gross value is determined for royalty purposes under the sale or lease), and (2) 2 per centum of all rentals and bonuses shall be deducted and paid into the Alaska Native Fund. The respective shares of

the State and the United States shall be calculated on the remaining balance.

(c) The provisions of this section shall be enforceable by the United States for the benefit of the Natives, and in the event of default by the State in making the payments required, in addition to any other remedies provided by law, there shall be deducted annually by the Secretary of the Treasury from any grant-in-aid or from any other sums payable to the State under any provision of Federal law an amount equal to any such und. payment, which amount shall be deposited in the Fund.

(f) Revenues received by the United States or the State as compensation for estimated acreage of oil or gas shall, for the purposes of this section, be regarded as revenues from the disposition of oil and gas. In the event the United States or the State elects to take royalties in kind, there shall be paid into the Fund on account thereof an amount equal to the royalties that would have been paid into the Fund under the provisions of this section had the royalty been taken in cash.

(g) The payments required by this section shall continue only until \$500,000,000 have been paid into the Alaska Native Fund. Thereafter the provisions of this section shall not apply, and the reservation required in patents under this section shall be of no further force and effect.

(i) When computing the final payment into the Fund the respective shares of the United States and the State with respect to payments to the Fund required by this section shall be determined pursuant to this subsection and in the following order:

(1) first, from sources identified under subsections (b) and (c) hereof; and

(2) then, from sources identified under subsection (d) hereof.

(i) The provisions of this section do not apply to mineral revenues received from the Outer Continental Shelf.

STATUTE OF LIMITATIONS

Sec. 10 (a) Notwithstanding any other provision of law, any civil action to contest the authority of the United States to legislate on the subject matter or the legality of this Act shall be barred unless the complaint is filed within one year of the date of enactment of this Act, and no such action shall be entertained unless it is commenced by a duly authorized official of the State. Exclusive jurisdiction over such action is hereby vested in the United States District Court for the District of Alaska. The purpose of this limitation on suits is to insure that, after the expiration of a reasonable period of time, the right, title, and interest of the United States, the Natives, and the State of Alaska will vest with certainty and finality and may be relied upon by all other persons in their relations with the State, the Natives, and the United States.

(b) In the event that the State initiates litigation or voluntarily becomes a party to litigation to contest the authority of the United States to legislate on the subject matter or the legality of this Act, all rights of land selection granted to the State by the Alaska Statehood

MEMORANDUM

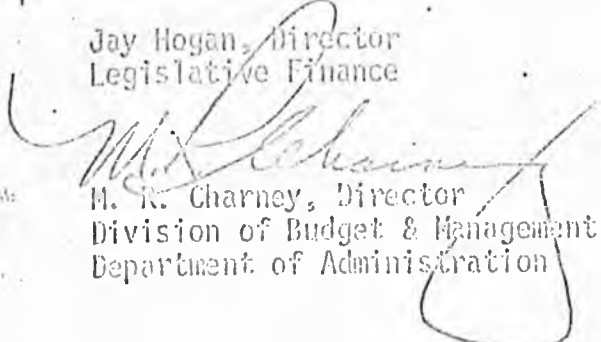
State of Alaska

C-18

TO: F

Jay Hogan, Director
Legislative Finance

FROM:


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

DATE : February 4, 1972

SUBJECT: HB-516, "An Act appropriating to the
Office of the Governor for payment to
the Alaska Native Claims Settlement
Act; and providing for an effective
date."

An error has been made in the P.L. 92-203 citations in HB-516 as relates to payment requirements under the Alaska Native Claims Settlement Act.

Sections 1 and 2 must be amended to read "... Sec. 9, b, c, and d..." instead of Sec. 9, a, b, and c as presently written.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 28, 1972

The Honorable Rogers C. B. Morton
Secretary, Department of
Interior
C Street Between 18th and 19th
Street, N.W.
Washington, D. C. 20240

Dear Secretary Morton:

The revenue sharing provisions of the Alaska Native Claims Settlement Act, Public Law 92-203, require the State of Alaska to make a deposit into the Alaska Native Fund of the State's share of the claims settlement within sixty days after they are received by the State.

In compliance with that provision, I have introduced into the Alaska State legislature a supplemental appropriation bill for the current fiscal year, appropriating the funds which we estimate will come due during the remainder of the year. This amounts to some \$610,000. Moreover, we estimate that \$2,348,000 will come from the State's revenue in the next two fiscal years.

We have recognized that the President has also noted the need for funds in his request for the appropriation of the \$62,500,000; this constitutes the Federal share for the remainder of this fiscal year and for Fiscal Year 1973.

Unless some administrative action is taken, these Alaskan funds which are rightfully for the use of the Alaska natives will sit in the Federal treasury for approximately two years, with the Federal Government the beneficiary of the accumulated interest.

We have reviewed Public Law 92-203 and it appears, surprisingly, that there is no specific recognition of the need of the regional corporations for funding prior to the end of the two year enrollment period. [Sec. 6(c)]

Also, surprisingly, the Settlement Act appears to require that our funds, once deposited into the Alaska Native Fund, there sit awaiting the distant disbursement day.

January 28, 1972

Once in the Treasury fund, our payments do not appear to accrue any interest to the benefit of the native people, nor is it available to the regional corporations for their use. If administered literally, it is the equivalent of a Federal tax on the State's contribution to the native beneficiaries.

Since the need of the regional corporations for their organizational and planning funds is very real, and since the State will shortly have appropriated these monies for their use, it strikes me that a practical solution could be found in allowing the State to disburse these funds in the interim situation, as an advance, directly to the regional and possibly village corporations.

It would appear that the authority of the Secretary of the Treasury to make deductions under section 9(e) from grants-in-aid to the State for underpayments does not at all oblige him to make a deduction if the proper recipients receive the funds.

It is my recommendation that under appropriate safeguards devised by you, these State funds be distributed directly to the appropriate native groups as they are organized and treated as advances against the ultimate contribution.

I would assume that appropriate credit in the Alaska Native Fund could be given to the State for these advances at the time the funds actually become payable.

In view of the pending appropriation request presently before the Alaska State legislature, your early attention to this matter would be appreciated.

Sincerely,

William A. Egan
Governor

cc: The Hon. Gene Guess

TO: Eric E. Wohlforth, Commissioner
Department of Revenue

DATE: January 6, 1972

FROM: Robert S. Gates *RS*
State Investment Officer

SUBJECT: Schedules of Estimated Liabilities
Incurred by the State of Alaska
Under the Alaska Native Claims
Settlement Act

Attached are three schedules of the estimated payments which will accrue for the benefit of the Natives according to the various types of applicable revenue receipts by both the State and Federal government. On Schedules A and B you will find the monthly breakdown of incurred liabilities for the seven months affected in fiscal year 1972 and for the entire year of fiscal 1973. Schedule C displays the estimated incurred liabilities by both the State and Federal government for fiscal years 1972 through 1979.

The amounts shown for the months of May and June on both Schedules A and B reflect the liabilities incurred during that month, however, since payment is not required for 60 days subsequent to receipt by the State, these amounts will become an obligation of the State in the following fiscal year.

The following is a list of assumptions used in preparing the schedules of estimated liabilities:

1. The Natives will participate fully in the amounts as shown for December 1971.
2. The Native Claims Act specifically states that the Native shall be entitled to receive 2% of royalties, rentals, and bonuses received after the date of enactment. It is assumed that even though most of the December 1971 receipts shown by various revenue sources were earned during the month of November 1971, the fact that the State received such monies after December 19, 1971, it is held liable for payment.
3. The liabilities incurred under the various revenue sources are assumed to be spread out evenly through the year except for coal royalties (Code 620) and royalties from gas production (Code 621). There will undoubtedly be some minor variations from month to month, however, it will be a rather insignificant dollar amount of liability.
4. The liabilities incurred under Federal Oil, Gas, Coal, Rental Royalties (Code 709) are received during the months of August and February of each fiscal year.
5. It is assumed that revenues received under coal royalties (Code 620) will be significantly larger in the winter than during the summer months and we have scheduled this accordingly.

6. No estimates of the State of Alaska's liability under Revenue Code 636 (bonuses from Mineral Leases) are given in this report. I was unable to learn of any mineral lease sales to be held in the foreseeable future which will produce bonuses for which the State will be held liable for payment under this Act.

7. All estimates given on the various schedules are based on present known and developed reserves only.

8. The question of the State's liability relating to payments under Coal Royalties revenues (Code 620) has been referred to the Attorney General's office for an opinion. Sections 9(b) and (c) states that 2% of royalties based on gross values are to be paid to the Native Fund. The State currently receives coal royalties based on a fixed amount, currently averaging 10¢ a ton, and has no relationship to gross values. It is conceivable that our liability extends beyond the amount of revenues actually collected, if interpretation is made that the State is liable for 2% of gross value. For the purposes of this report I have used 2% of estimated gross value which would be the most liberal payment.

It is most difficult to project estimates on a monthly basis inasmuch as there are instances where disputes arise regarding the amount of payment, therefore the actual receipt of funds by the State in a given category may be delayed by a month or more. The various estimates included in the attached schedules were received from Mr. Homer Burrell, Director, Division of Oil and Gas and Mr. Pedro Denton, Division of Lands. Both of these men agreed that the estimates given for both fiscal years 1972 and 1973 should be reasonably accurate in total, however, the estimates on a month-to-month basis are subject to some variation.

It would appear that the liabilities incurred by the State of Alaska over the next 19 months should not exceed \$20,000 in any given month. However, if there are disputed payments in the future causing delays, the total for any one month may well exceed the \$20,000 by lumping several large receipts into one reporting period. Therefore, payment would be made to the Natives in one sum which would actually cover several months of accruals.

In conclusion, it would appear that the average monthly liabilities incurred by the State should remain relatively constant over the foreseeable future and will likely only show a significant change once production starts on the North Slope. In this memorandum we have also assumed that North Slope production would begin on or about July 1, 1976.

RSG:go

Enclosures

cc: Homer Burrell
Pedro Denton

Estimated Liabilities Incurred by the State and U. S. Government
Under the Native Claims Settlement Act
Fiscal Years 1972 through 1979
(00 omitted)

Code	Revenue Source Description State of Alaska	F.Y. 1972	F.Y. 1973	F.Y. 1974	F.Y. 1975	F.Y. 1976	F.Y. 1977	F.Y. 1978	F.Y. 1979
618	Coal Lease Rentals	\$ 91	\$ 156	\$ 156	\$ 156	\$ 156	\$ 156	\$ 156	\$ 156
620	Coal Royalties	34,100	52,800	52,800	52,800	52,800	52,800	52,800	52,800
631	Mineral Lease Rentals	17,297	29,652	29,652	29,652	29,652	29,652	29,652	29,652
636	Bonuses from Mineral Leases	---	---	---	---	---	---	---	---
637	Royalties from Oil Production	6,300	10,800	10,800	10,800	10,800	15,033,328	33,904,762	36,571,428
641	Royalties from Gas Production	<u>43,200</u>	<u>73,200</u>	<u>73,200</u>	<u>73,200</u>	<u>73,200</u>	<u>416,952</u>	<u>571,428</u>	<u>571,428</u>
	Total State Liabilities	<u>\$100,983</u>	<u>\$ 166,603</u>	<u>\$ 166,603</u>	<u>\$ 166,603</u>	<u>\$ 166,603</u>	<u>\$15,532,583</u>	<u>\$34,558,798</u>	<u>\$37,245,164</u>
709	Oil and Gas Royalties (Fed.)	\$463,555	\$ 930,222	\$ 861,333	\$ 803,000	\$ 761,333	\$ 715,652	\$ 672,714	\$ 632,332
	Oil and Gas Rentals (Fed.)	29,873	50,160	47,160	46,160	46,160	46,160	46,160	46,160
	Coal Royalties (Fed.)	<u>15,400</u>	<u>26,400</u>	<u>26,400</u>	<u>26,400</u>	<u>26,400</u>	<u>26,400</u>	<u>26,400</u>	<u>26,400</u>
	Total U.S. Government Liabilities	<u>\$508,828</u>	<u>\$1,006,782</u>	<u>\$ 934,893</u>	<u>\$ 875,560</u>	<u>\$ 833,893</u>	<u>\$ 788,213</u>	<u>\$ 745,274</u>	<u>\$ 704,911</u>
	Total U. S. Government and State Liabilities	<u>\$609,811</u>	<u>\$1,173,385</u>	<u>\$1,101,501</u>	<u>\$1,047,163</u>	<u>\$1,000,501</u>	<u>\$16,321,101</u>	<u>\$35,304,072</u>	<u>\$37,950,075</u>

All of the above estimates shown reflect the liabilities incurred during the fiscal year under the Alaska Native Claim Settlement Act and not the year in which some of the payments will be made.

Estimated Liabilities Incurred by the State
Under the Native Claims Settlement Act
Fiscal Year 1972
(00 omitted)

Code	Revenue Source Description State of Alaska	Dec. 1971	Jan. 1972	Feb. 1972	Mar. 1972	Apr. 1972	*May 1972	*June 1972
618	Coal Lease Rental	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13
620	Coal Royalties	6,600	7,700	6,600	6,600	2,200	2,200	2,200
633	Mineral Lease Rentals	2,471	2,471	2,471	2,471	2,471	2,471	2,471
636	Bonuses from Mineral Leases	--	--	--	--	--	--	--
637	Royalties from Oil Production	900	900	900	900	900	900	900
641	Royalties from Gas Production	<u>6,600</u>	<u>7,100</u>	<u>7,100</u>	<u>6,100</u>	<u>6,100</u>	<u>5,100</u>	<u>5,100</u>
	Sub-Total	\$16,584	\$18,184	\$ 17,084	\$16,084	\$11,684	\$10,684	\$10,684
	<u>U. S. Government Revenue</u>							
709	Oil, Coal, Gas Rental Royalties			<u>508,828</u>				
	Total	<u>\$16,584</u>	<u>\$18,184</u>	<u>\$525,912</u>	<u>\$16,084</u>	<u>\$11,684</u>	<u>\$10,684</u>	<u>\$10,684</u>

Total estimated accrued liabilities incurred by the State during FY 1972 -- \$100,968

Total estimated accrued liabilities incurred by the U. S. Government during FY 1972 -- \$508,828

Total combined accrued liabilities incurred during FY 1972 -- \$609,816

* The amounts in these columns reflects the estimated liabilities incurred during the month, however, obligation for payment to the Native Fund will be in July and August of 1972.

Estimated Liabilities Incurred by the State
Under the Native Claims Settlement Act
Fiscal Year 1973
(00 omitted)

Code	Revenue Source Description State of Alaska	July 1972	Aug. 1972	Sept. 1972	Oct. 1972	Nov. 1972	Dec. 1972	Jan. 1973	Feb. 1973	Mar. 1973	Apr. 1973	May 1973	June 1973
610	Coal Lease Rentals	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13
620	Coal Royalties	1,100	2,200	2,200	6,600	6,600	6,600	7,700	6,600	6,600	2,200	2,200	2,200
613	Mineral Lease Rentals	2,471	2,471	2,471	2,471	2,471	2,471	2,471	2,471	2,471	2,471	2,471	2,471
636	Bonuses from Mineral Leases	--	--	--	--	--	--	--	--	--	--	--	--
637	Royalties from Oil Production	900	900	900	900	900	900	900	900	900	900	900	900
641	Royalties from Gas Production	6,100	5,100	5,100	5,100	7,100	7,100	7,100	7,100	6,100	6,100	6,100	5,100
	Sub-Total	\$10,584	\$ 10,634	\$10,684	\$15,084	\$17,084	\$17,084	\$18,184	\$ 17,084	\$16,084	\$11,684	\$11,684	\$10,684
	<u>U. S. Government Revenue</u>												
709	Oil, Coal, Gas Rental Royalties		503,391						503,391				
	Total	\$10,584	\$514,075	\$10,684	\$15,084	\$17,084	\$17,084	\$18,184	\$520,475	\$16,084	\$11,684	\$11,684	\$10,684

Total estimated accrued liabilities incurred by the State during FY 1973

-- \$ 166,608

Total estimated accrued liabilities incurred by the U. S. Government during FY 1973

-- \$1,906,782

Total combined accrued liabilities incurred during FY 1973

-- \$2,073,390

The amounts in these columns reflect the estimated liabilities incurred during the month, however, obligation for payment to the Native Fund will be in July and August, 1973.

Introduced: 1/14/72
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 516

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Office of the Governor
7 for payments pursuant to the Alaska Native Claims
8 Settlement Act; and providing for an effective date."

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

10 * Section 1. The sum of \$610,000 is appropriated from the general fund
11 to the Office of the Governor for payments required under Sec. 9. ^{b, c} and
12 c, Alaska Native Claims Settlement Act, P.L. 92-203 for the fiscal year
13 ending June 30, 1972.

14 * Sec. 2. If the amount required to be paid under Sec. 9, a, b, c,
15 Alaska Native Claims Settlement Act, P.L. 92-203 exceeds the amount approp-
16 riated for the fiscal year ending June 30, 1972, the excess is appropriated.

17 * Sec. 3. This Act takes effect on the day after its passage and
18 approval or on the day it becomes law without approval.

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HB 516

Estimated Liabilities Incurred by the State and U. S. Government
Under the Native Claims Settlement Act
Fiscal Years 1972 through 1978
(00 omitted)

Revenue Source Description State of Alaska	F.Y. 1972	F.Y. 1973	F.Y. 1974	F.Y. 1975	F.Y. 1976	F.Y. 1977	F.Y. 1978	F.Y. 1979
Total Lease Rentals	\$ 91	\$ 156	\$ 156	\$ 156	\$ 156	\$ 156	\$ 156	\$ 156
Royalties	34,100	52,800	52,800	52,800	52,800	52,800	52,800	52,800
Oil Lease Rentals	17,297	29,652	29,652	29,652	29,652	29,652	29,652	29,652
Leases from Mineral Leases	---	---	---	---	---	---	---	---
Royalties from Oil Production	1,300	10,800	10,800	10,800	10,800	10,800,920	33,934,702	23,572,457
Royalties from Gas Production	43,200	73,200	73,200	73,200	73,200	416,952	571,130	571,130
Total State Liabilities	\$100,923	\$ 165,652	\$ 166,602	\$ 166,602	\$ 166,602	\$15,512,324	\$24,536,784	\$27,227,169
Total Gas Royalties (Fed.)	\$462,355	\$ 930,222	\$ 861,333	\$ 803,000	\$ 761,333	\$ 715,650	\$ 672,714	\$ 632,351
Oil and Gas Rentals (Fed.)	29,673	50,160	47,160	46,160	46,160	46,160	46,160	46,160
Total Royalties (Fed.)	492,028	980,382	908,493	849,160	807,493	761,810	718,874	678,511
Total U.S. Government Liabilities	\$492,028	\$1,000,764	\$ 908,493	\$ 849,160	\$ 807,493	\$ 761,810	\$ 718,874	\$ 678,511
<i>GRS</i>	457,915	906,101	841,694	782,604	750,104	704,380	670,712	634,407
Total U. S. Government and State Liabilities	\$890,951	\$1,173,416	\$1,163,601	\$1,047,162	\$1,000,601	\$1,574,134	\$25,255,658	\$27,905,680

The above statements show liabilities incurred during the fiscal year under the Alaska Native Claims Settlement Act and not the year in which some of the payments will be made.

R/O

Original sponsor: Rules Committee
by Request of the Governor

Offered: 2/16/72
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 516

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act appropriating to the Office of the Governor

7

for payments under the Alaska Native Claims Settlement

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Act; and providing for an effective date."

9

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

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* Section 1. The sum of \$559,000 is appropriated from the general fund

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to the Office of the Governor for payments required under sec. 9, Alaska

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Native Claims Settlement Act, P.L. 92-203, for the fiscal year ending

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June 30, 1972.

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* Sec. 2. \$458,000 of the amount appropriated in sec. 1 of this Act

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represents the estimated loss of revenues to the state from federal mineral

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receipts. The amount will in fact be paid by the federal government to the

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Alaska Native fund and shall be considered a nonwarrant expenditure of the

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state.

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* Sec. 3. If the amount required to be paid under sec. 9, Alaska Native

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Claims Settlement Act, P.L. 92-203, exceeds the amount appropriated for the

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fiscal year ending June 30, 1972, the required excess is appropriated subject

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to approval by the governor and the Legislative Budget and Audit Committee.

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* Sec. 4. This Act takes effect on the day after its passage and

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approval or on the day it becomes law without approval.

"HOUSE COMMITTEE REPORT

ON

COMMITTEE SUBSTITUTE FOR HOUSE BILL 516

2. \$458,000 is "appropriated" as a non-warrant expenditure of funds due the state from mineral receipts on federally owned lands. The funds will not be placed in the general fund; they will be paid directly from the federal treasury. However, they will be accounted for as if they had passed through the state general fund.

Under the terms of the Alaska Native Claims Settlement Act, the Alaska Native Fund receives a 2% royalty on the gross value of all mineral production, rentals and bonuses. The Committee Substitute appropriates the full state share of money (\$559,000) due the Alaska Native Fund for FY 1972. The appropriation is actually divided into two parts:

In brief, the state is accounting for all required state payments under the Alaska Native Claim Settlement Act as though the payments had actually passed through the state general fund.

1. \$101,000 is appropriated from the general fund to cover payments due on receipts from state-owned lands; and

George Hohman, Jr.
George Hohman, Jr.



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

Committee Report

S E N A T E

2/29/72 Date

Mr. President:

The Committee on Finance has had CSHB 516
(Re approp. to Office of Governor for pyms under Alaska Native Claims
under consideration. A majority of the members of the Committee Settl)

- 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>	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature]
CHAIRMAN



STATE OF ALASKA
OFFICE OF THE GOVERNOR
BUREAU

HB 516

January 28, 1972

The Honorable Rogers C. B. Morton
Secretary, Department of
Interior
C Street Between 18th and 19th
Street, N.W.
Washington, D. C. 20240

Dear Secretary Morton:

The revenue sharing provisions of the Alaska Native Claims Settlement Act, Public Law 92-203, require the State of Alaska to make a deposit into the Alaska Native Fund of the State's share of the claims settlement within sixty days after they are received by the State.

To comply with that provision, I have introduced into the Alaska State Legislature a supplemental appropriation bill for the current fiscal year, appropriating the funds which we estimate will come due during the remainder of the year. This amounts to some \$610,000. Moreover, we estimate that \$2,348,000 will come from the State's revenue in the next two fiscal years.

We have recognized that the President has also noted the need for funds in his request for the appropriation of the \$62,500,000; this constitutes the Federal share for the remainder of this fiscal year and for Fiscal Year 1973.

Unless some administrative action is taken, these Alaskan funds which are rightfully for the use of the Alaska natives will sit in the Federal treasury for approximately two years, with the Federal Government the beneficiary of the accumulated interest.

We have reviewed Public Law 92-203 and it appears, surprisingly, that there is no specific recognition of the need of the regional corporations for funding prior to the end of the two year enrollment period. [Sec. 6(c)]

Also, surprisingly, the Settlement Act appears to require that our funds, once deposited into the Alaska Native Fund, there sit awaiting the distant disbursement day.

January 28, 1972

Once in the Treasury fund, our payments do not appear to accrue any interest to the benefit of the native people, nor is it available to the regional corporations for their use. If administered literally, it is the equivalent of a Federal tax on the State's contribution to the native beneficiaries.

Since the need of the regional corporations for their organizational and planning funds is very real, and since the State will shortly have appropriated these monies for their use, it strikes me that a practical solution could be found in allowing the State to disburse these funds in the interim situation, as an advance, directly to the regional and possibly village corporations.

It would appear that the authority of the Secretary of the Treasury to make deductions under section 9(c) from grants-in-aid to the State for underpayments does not at all oblige him to make a deduction if the proper recipients receive the funds.

It is my recommendation that under appropriate safeguards devised by you, these State funds be distributed directly to the appropriate native groups as they are organized and treated as advances against the ultimate contribution.

I would assume that appropriate credit in the Alaska Native Fund could be given to the State for these advances at the time the funds actually become payable.

In view of the pending appropriation request presently before the Alaska State Legislature, your early attention to this matter would be appreciated.

Sincerely,

William A. Egan
Governor

cc: The Hon. Gene Guess

STATE OF ALASKA

WILLIAM A. IGAR, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - BUREAU 59601

February 9, 1972

The Honorable George Hohman
Chairman, House Finance Committee
Capitol Building
Juneau, Alaska 99801

Re: House Bill No. 516, "An Act
Appropriating to the Office of the
Governor for Payments Pursuant to
the Alaska Native Land Claims
Settlement Act and Providing for
an Effective Date."

Dear Mr. Hohman:

In reviewing the language included in House Bill No. 516, it would be our suggestion that reference be made only to Section 9 of the Alaska Native Land Claims Settlement Act, P.L. 92-203. Inasmuch as the intent of this bill is to appropriate sufficient funds to make payments to the Alaska Native Fund as required under all the revenue sharing provisions, it appears unnecessary to make specific reference to the various subsections.

We draw your attention to the attached memorandum directed to Commissioner Eric E. Wohlforth dated January 6, 1972. Included in this memorandum you will note the various assumptions used in calculating the estimated payments which will be required under Section 9 of the Alaska Native Land Claims Settlement Act, P.L. 92-203. The purpose of this memorandum was to display what the total estimated payments will be in fiscal years 1972 through 1979 and not only the State's liability under the Native Claims Settlement Act.

Revenue sharing subsections (b), (c), and (d) of Section 9 of the Alaska Native Land Claims Settlement Act detail the revenues to be shared. (See attached copy of the revenue sharing provisions, Sec. 9.)

Subsection (b) specifies the mineral revenues to be shared as those received from land selected under subsection 6(g)(h) of the Alaska Statehood Act.

Subsection (c) extends the revenue sharing formula of subsection (b) to those additional mineral revenues when received by the State from lands patented to the State after the effective date of the Act.

Subsection (d) specifies revenue sharing from federally owned land in Alaska. The largest payments to the Native Fund will be under this subsection (d)

February 9, 1972

until North Slope production commences. The State presently receives 90% of the revenue paid to the Federal government.

In the revenue sharing subsections, the amount to be shared is determined by using two formulae. Under subsections (b) and (c) a payment of 2% of the gross value of minerals produced or removed from specified lands is to be paid into the Fund. Under subsection (d) the formula for calculating the Native Fund contribution is to calculate the Natives' share prior to calculating the 90% State share and the 10% Federal share of revenues.

The second provision requires a payment of 2% of the revenues received from rentals and bonuses (excluding North Slope bonus sale of 1969).

Below you will find a breakdown of the amounts payable under the Native Land Claims Settlement Act. The most probable amount payable is estimated to be the amount reflected in column 3, however, column 5 is the total estimated payment into the Native Fund.

Fiscal Year	Column 1	Column 2	Column 3	Column 4	Column 5
	State of Alaska Direct Payments	State of Alaska Loss of Revenues	Sub-Total Estimated Appropriation	Federal Loss of Revenue	Total
1972	\$ 100,588	\$457,945	\$ 558,933	\$ 50,883	\$ 609,816
1973	166,603	906,104	1,072,712	100,678	1,173,390
1974	166,603	841,404	1,008,012	93,489	1,101,501
1975	166,603	792,504	959,112	88,056	1,047,168
1976	166,603	750,504	917,112	83,389	1,000,501
1977	15,532,888	709,392	16,242,280	78,821	16,321,101
1978	34,558,798	670,747	35,229,545	74,527	35,304,072
1979	37,225,464	634,420	37,859,884	70,491	37,930,375

Very truly yours,


Robert S. Gates
State Investment Officer

RJG:ge

Enclosures

cc: Governor William A. Egan
Joseph Henri, Commissioner of Administration
Attorney General John Havelock
Alex Miller, Legislative Assistant
Wes Coyner, Executive Assistant
Donna D. Spragg, Assistant Attorney General
Myrton M. Chaney, Director, Division of Budget & Management
Homer L. Burrell, Director, Division of Oil and Gas
Pedro Denton, Chief Minerals Section, Division of Lands

the State and the United States shall be calculated on the remaining balance.

(e) The provisions of this section shall be enforceable by the United States for the benefit of the Natives, and in the event of default by the State in making the payments required, in addition to any other remedies provided by law, there shall be deducted annually by the Secretary of the Treasury from any grant-in-aid or from any other sums payable to the State under any provision of Federal law an amount equal to any such underpayment, which amount shall be deposited in the Fund.

(f) Revenues received by the United States or the State as compensation for estimated drainage of oil or gas shall, for the purposes of this section, be regarded as revenues from the disposition of oil and gas. In the event the United States or the State elects to take royalties in kind, there shall be paid into the Fund on account thereof an amount equal to the royalties that would have been paid into the Fund under the provisions of this section had the royalty been taken in cash.

(g) The payments required by this section shall continue only until \$500,000,000 have been paid into the Alaska Native Fund. Thereafter the provisions of this section shall not apply, and the reservation required in patents under this section shall be of no further force and effect.

(h) When computing the final payment into the Fund the respective shares of the United States and the State with respect to payments to the Fund required by this section shall be determined pursuant to this subsection and in the following order:

(1) first, from sources identified under subsections (b) and (c) hereof; and

(2) then, from sources identified under subsection (d) hereof.

(i) The provisions of this section do not apply to mineral revenues received from the Outer Continental Shelf.

STATUTE OF LIMITATIONS

Sec. 10 (a) Notwithstanding any other provision of law, any civil action to contest the authority of the United States to legislate on the subject matter or the legality of this Act shall be barred unless the complaint is filed within one year of the date of enactment of this Act, and no such action shall be entertained unless it is commenced by a duly authorized official of the State. Exclusive jurisdiction over such action is hereby vested in the United States District Court for the District of Alaska. The purpose of this limitation on suits is to insure that, after the expiration of a reasonable period of time, the right, title, and interest of the United States, the Natives, and the State of Alaska will vest with certainty and finality and may be relied upon by all other persons in their relations with the State, the Natives, and the United States.

(b) In the event that the State initiates litigation or voluntarily becomes a party to litigation to contest the authority of the United States to legislate on the subject matter or the legality of this Act, all rights of land selection granted to the State by the Alaska Statehood

CONFIDENTIAL

TO: Eric P. Wohlforth, Commissioner
Department of Revenue

DATE: January 6, 1972

FROM: Robert S. Gates
State Investment Officer

SUBJECT: Schedules of Estimated Liabilities
Incurred by the State of Alaska
Under the Alaska Native Claims
Settlement Act

Attached are three schedules of the estimated payments which will accrue for the benefit of the Natives according to the various types of applicable revenue receipts by both the State and Federal government. On Schedules A and B you will find the monthly breakdown of incurred liabilities for the seven months affected in fiscal year 1972 and for the entire year of fiscal 1973. Schedule C displays the estimated incurred liabilities by both the State and Federal government for fiscal years 1972 through 1979.

The amounts shown for the months of May and June on both Schedules A and B reflect the liabilities incurred during that month, however, since payment is not required for 60 days subsequent to receipt by the State, these amounts will become an obligation of the State in the following fiscal year.

The following is a list of assumptions used in preparing the schedules of estimated liabilities:

1. The Natives will participate fully in the amounts as shown for December 1971.
2. The Native Claims Act specifically states that the Native shall be entitled to receive 2% of royalties, rentals, and bonuses received after the date of enactment. It is assumed that even though most of the December 1971 receipts shown by various revenue sources were earned during the month of November 1971, the fact that the State received such monies after December 19, 1971, it is held liable for payment.
3. The liabilities incurred under the various revenue sources are assumed to be spread out evenly through the year except for coal royalties (Code 620) and royalties from gas production (Code 621). There will undoubtedly be some minor variations from month to month, however, it will be a rather insignificant dollar amount of liability.
4. The liabilities incurred under Federal Oil, Gas, Coal, Rental Royalties (Code 709) are received during the months of August and February of each fiscal year.
5. It is assumed that revenue received under coal royalties (Code 620) will be significantly larger in the winter than during the summer months and we have scheduled this accordingly.

6. No estimates of the State of Alaska's liability under Revenue Code 636 (Bonuses from Mineral Leases) are given in this report. I was unable to learn of any mineral lease sales to be held in the foreseeable future which will produce bonuses for which the State will be held liable for payment under this Act.

7. All estimates given on the various schedules are based on present known and developed reserves only.

8. The question of the State's liability relating to payments under Coal Royalties revenues (Code 620) has been referred to the Attorney General's office for an opinion. Sections 9(b) and (c) states that 2% of royalties based on gross values are to be paid to the Native Fund. The State currently receives coal royalties based on a fixed amount, currently averaging 10¢ a ton and has no relationship to gross values. It is conceivable that our liability extends beyond the amount of revenues actually collected, if interpretation is made that the State is liable for 2% of gross value. For the purposes of this report I have used 2% of estimated gross value which would be the most liberal payment.

It is most difficult to project estimates on a monthly basis inasmuch as there are instances where disputes arise regarding the amount of payment, therefore the actual receipt of funds by the State in a given category may be delayed by a month or more. The various estimates included in the attached schedules were received from Mr. Homer Burrell, Director, Division of Oil and Gas and Mr. Pedro Denton, Division of Lands. Both of these men agreed that the estimates given for both fiscal years 1972 and 1973 should be reasonably accurate in total, however, the estimates on a month-to-month basis are subject to some variation.

It would appear that the liabilities incurred by the State of Alaska over the next 19 months should not exceed \$20,000 in any given month. However, if there are disputed payments in the future causing delays, the total for any one month may well exceed the \$20,000 by lumping several large receipts into one reporting period. Therefore, payment would be made to the Natives in one sum which would actually cover several months of accruals.

In conclusion, it would appear that the average monthly liabilities incurred by the State should remain relatively constant over the foreseeable future and will likely only show a significant change once production starts on the North Slope. In this memorandum we have also assumed that North Slope production would begin on or about July 1, 1976.

BSC:ge

Enclosures

cc: Homer Burrell

Pedro Denton

Estimated Liabilities Incurred by the State and U. S. Government
Under the Native Claims Settlement Act
Fiscal Years 1972 through 1979
(00 omitted)

Code	Revenue Source Description State of Alaska	F.Y. 1972	F.Y. 1973	F.Y. 1974	F.Y. 1975	F.Y. 1976	F.Y. 1977	F.Y. 1978	F.Y. 1979
618	Coal Lease Rentals	\$ 91	\$ 156	\$ 156	\$ 156	\$ 156	\$ 156	\$ 156	\$ 156
620	Coal Royalties	34,100	52,800	52,800	52,800	52,800	52,800	52,800	52,800
631	Mineral Lease Rentals	17,297	29,652	29,652	29,652	29,652	29,652	29,652	29,652
636	Bonuses from Mineral Leases	---	---	---	---	---	---	---	---
637	Royalties from Oil Production	6,300	10,800	10,800	10,800	10,300	15,033,328	33,904,762	36,371,423
641	Royalties from Gas Production	43,200	73,200	73,200	73,200	73,200	416,952	371,423	371,423
	Total State Liabilities	\$100,983	\$ 166,608	\$ 166,608	\$ 166,608	\$ 166,608	\$15,532,880	\$34,538,798	\$37,233,496
709	Oil and Gas Royalties (Fed.)	\$463,555	\$ 930,222	\$ 861,333	\$ 803,000	\$ 761,333	\$ 715,653	\$ 672,714	\$ 632,351
	Oil and Gas Rentals (Fed.)	29,873	50,160	47,160	46,160	46,160	46,160	46,160	46,160
	Coal Royalties (Fed.)	15,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400
	Total U.S. Government Liabilities	\$508,828	\$1,006,782	\$ 934,893	\$ 880,560	\$ 833,893	\$ 788,213	\$ 745,274	\$ 704,911
	Total U. S. Government and State Liabilities	\$609,811	\$1,173,390	\$1,101,501	\$1,047,168	\$1,000,501	\$16,321,101	\$35,284,072	\$37,938,407

All of the above estimates shown reflect the liabilities incurred during the fiscal year under the Alaska Native Claims Settlement Act and not the year in which some of the payments will be made.

Estimated Liabilities Incurred by the State
Under the Native Claims Settlement Act
Fiscal Year 1972
(00 omitted)

Code	Revenue Source Description State of Alaska	Dec. 1971	Jan. 1972	Feb. 1972	Mar. 1972	Apr. 1972	*May 1972	*June 1972
618	Coal Lease Rental	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13
620	Coal Royalties	6,600	7,700	6,600	6,600	2,200	2,200	2,200
633	Mineral Lease Rentals	2,471	2,471	2,471	2,471	2,471	2,471	2,471
636	Educases from Mineral Leases	--	--	--	--	--	--	--
637	Royalties from Oil Production	900	900	900	900	900	900	900
641	Royalties from Gas Production	6,600	7,100	7,100	6,100	6,100	5,100	5,100
	Sub-Total	\$16,584	\$18,184	\$ 17,084	\$16,084	\$11,684	\$10,684	\$10,684
	<u>U. S. Government Revenue</u>							
709	Oil, Coal, Gas Rental Royalties			508,828				
	Total	<u>\$16,584</u>	<u>\$18,184</u>	<u>\$525,912</u>	<u>\$16,084</u>	<u>\$11,684</u>	<u>\$10,684</u>	<u>\$10,684</u>

Total estimated accrued liabilities incurred by the State during FY 1972 -- \$100,938

Total estimated accrued liabilities incurred by the U. S. Government during FY 1972 -- \$508,828

Total combined accrued liabilities incurred during FY 1972 -- \$609,816

* The amounts in these columns reflects the estimated liabilities incurred during the month, however, obligation for payment to the Native Fund will be in July and August of 1972.

Estimated Liabilities Incurred by the State
Under the Native Claims Settlement Act
Fiscal Year 1973
(00 omitted)

Code	Revenue Source Description State of Alaska	July 1972	Aug. 1972	Sept. 1972	Oct. 1972	Nov. 1972	Dec. 1972	Jan. 1973	Feb. 1973	Mar. 1973	Apr. 1973	May 1973	June 1973
618	Coal Lease Rentals	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13
620	Coal Royalties	1,100	2,200	2,200	6,600	6,600	6,600	7,700	6,600	6,600	2,200	2,200	2,200
613	Mineral Lease Rentals	2,471	2,471	2,471	2,471	2,471	2,471	2,471	2,471	2,471	2,471	2,471	2,471
636	Bonuses from Mineral Leases	--	--	--	--	--	--	--	--	--	--	--	--
637	Royalties from Oil Production	900	900	900	900	900	900	900	900	900	900	900	900
641	Royalties from Gas Production	6,100	5,100	5,100	5,100	7,100	7,100	7,100	7,100	6,100	6,100	6,100	5,100
	Sub-Total	\$10,584	\$ 10,684	\$10,684	\$15,084	\$17,084	\$17,084	\$18,184	\$ 17,084	\$16,084	\$11,684	\$11,684	\$10,684
	<u>U. S. Government Revenue</u>												
709	Oil, Coal, Gas Rental Royalties		503,391						503,391				
	Total	\$10,584	\$514,075	\$10,684	\$15,084	\$17,084	\$17,084	\$18,184	\$520,475	\$16,084	\$11,684	\$11,684	\$10,684

Total estimated accrued liabilities incurred by the State during FY 1973

-- \$ 166,608

Total estimated accrued liabilities incurred by the U. S. Government during FY 1973

-- \$1,005,762

Total combined accrued liabilities incurred during FY 1973

-- \$1,172,370

*The amounts in these columns reflect the estimated liabilities incurred during the month, however, obligation for payment to the Native Fund will be in July and August, 1973.

MEMORANDUM

State of Alaska

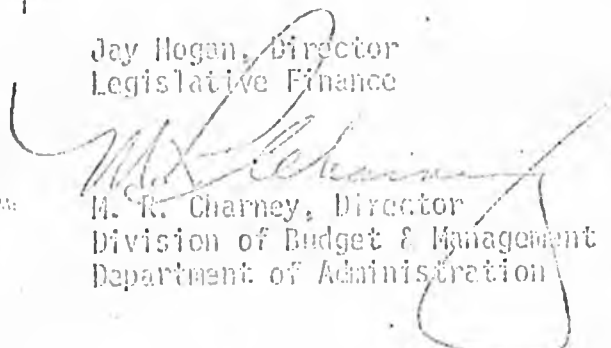
C-13

TO: I

Jay Hogan, Director
Legislative Finance

DATE: February 4, 1972

FROM:


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

SUBJECT: HB-516, "An Act appropriating to the Office of the Governor for payment to the Alaska Native Claims Settlement Act; and providing for an effective date."

An error has been made in the P.L. 92-203 citations in HB-516 as relates to payment requirements under the Alaska Native Claims Settlement Act.

Sections 1 and 2 must be amended to read "... Sec. 9, b, c, and d..." instead of Sec. 9, a, b, and c as presently written.

Original sponsor: Rules Committee
by Request of the Governor

Offered: 2/16/72
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 516

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Office of the Governor
7 for payments under the Alaska Native Claims Settlement
8 Act; and providing for an effective date."

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

10 * Section 1. The sum of \$559,000 is appropriated from the general fund
11 to the Office of the Governor for payments required under sec. 9, Alaska
12 Native Claims Settlement Act, P.L. 92-203, for the fiscal year ending
13 June 30, 1972.

14 * Sec. 2. \$458,000 of the amount appropriated in sec. 1 of this Act
15 represents the estimated loss of revenues to the state from federal mineral
16 receipts. The amount will in fact be paid by the federal government to the
17 Alaska Native fund and shall be considered a nonwarrant expenditure of the
18 state.

19 * Sec. 3. If the amount required to be paid under sec. 9, Alaska Native
20 Claims Settlement Act, P.L. 92-203, exceeds the amount appropriated for the
21 fiscal year ending June 30, 1972, the required excess is appropriated subject
22 to approval by the governor and the Legislative Budget and Audit Committee.

23 * Sec. 4. This Act takes effect on the day after its passage and
24 approval 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

Introduced: 1/14/72
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 517

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating for the operating and capital
7 expenses of the Alaska Court System; and providing for
8 an effective date."

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

10 * Section 1. The sum of \$10,978,200 is appropriated from the general
11 fund to the Alaska Court System for operating expenses for the fiscal year
12 ending June 30, 1973.

13 * Sec. 2. The sum of \$1,514,400 is appropriated from the general fund
14 to the Alaska Court System for capital improvement expenditures.

15 * Sec. 3. This Act takes effect on July 1, 1972.
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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

Terry

A FAST READING OF our
membership is THAT 518
is the Governor's Budget
Bill & THAT IT SHOULD
BE THE ONE WE DEAL WITH.
I THINK AN ATTEMPT FOR
me to reverse this would
COST us more time.

Gene

PS I see no evidence of
malice

Committee Report

Ref: 5/15/72

S E N A T E

*Revised
5/16/72*

5/16/72

Date

Mr. President:

The Committee on Finance has had CSHB 518
(state government expenses approp)
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 ^{Senate} CS for CSHB 518 and that
Senate CS for CSHB 518 do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

<u><i>Bill Ray</i></u>	<u><i>Joe W. Kinlosky</i></u>	<u><i>C. P. Lewis</i></u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:

Jim Antreich
CHAIRMAN

Original sponsor: Rules Committee by
request of the Governor

Offered: 6/18/72

1 IN THE HOUSE BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE CS FOR CS FOR HOUSE BILL NO. 518

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating for the operating and capital
7 expenses of state government; and providing for an
8 effective date."

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

10 * Section 1. The sum of \$341,731,300 is appropriated from the general
11 fund and from the unreserved special accounts in the general fund for the
12 period specified, to be apportioned according to the schedules in secs. 8 and
13 9 of this Act.

14	General Fund	\$329,112,400
15	Highway Fuel Tax Account	9,928,900
16	Aviation Fuel Tax Account	1,840,000
17	Watercraft Fuel Tax Account	850,000

18 * Sec. 2. The sum of \$594,000 is appropriated from special fund reserve
19 accounts in the general fund for the period specified, to be apportioned
20 according to the schedules in sec. 8 of this Act.

21	FICA Administration Fund Reserve Account	\$ 20,400
22	Special Surplus Property Revolving Fund	
23	Reserve Account	150,700
24	Small Business Enterprise Revolving Fund	
25	Reserve Account	1,500
26	Second Injury Fund Reserve Account	202,400
27	Sick and Disabled Fishermen's Fund Reserve Account	219,000

28 * Sec. 3. The sum of \$26,386,600 is appropriated from special funds of
29 the state for the period specified, to be apportioned according to the

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EDUCATION

APPROPRIATION

ALLOCATIONS

ITEMS

Department of Education

Financial Support Programs

Foundation Program

\$ 70,850,000

Transportation

5,600,000

Debt Retirement

3,450,000

Revenue Sharing

2,500,000

Sabbatical Leave

45,000

Teacher Retirement

3,005,800

Federal Programs

5,990,800

Out-of-District Students

394,000

Tobacco Tax Distribution

1,645,000

Operating Programs for Rural Students

Director's Office

274,300

Boarding Home Program

2,697,200

Dormitory Program

1,808,800

Correspondence Study

165,100

Administration and Support

Executive Administration

223,400

Board of Education

\$ 19,400

Office of the Commissioner

147,300

Advisory Commissions

56,700

Research, Planning & Information

249,600

Instructional Services

405,500

Vocational Education

271,300

Educational Standards

71,500

Teacher Certification

56,100

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Original sponsor: Rules Committee by
request of the Governor

Offered: 6/18/72

1 IN THE HOUSE BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE CS FOR CS FOR HOUSE BILL NO. 518

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating for the operating and capital
7 expenses of state government; and providing for an
8 effective date."

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

10 * Section 1. The sum of \$341,731,300 is appropriated from the general
11 fund and from the unreserved special accounts in the general fund for the
12 period specified, to be apportioned according to the schedules in secs. 8 and
13 9 of this Act.

14	General Fund	\$329,112,400
15	Highway Fuel Tax Account	9,928,900
16	Aviation Fuel Tax Account	1,840,000
17	Watercraft Fuel Tax Account	850,000

18 * Sec. 2. The sum of \$594,000 is appropriated from special fund reserve
19 accounts in the general fund for the period specified, to be apportioned
20 according to the schedules in sec. 8 of this Act.

21	FICA Administration Fund Reserve Account	\$ 20,400
22	Special Surplus Property Revolving Fund	
23	Reserve Account	150,700
24	Small Business Enterprise Revolving Fund	
25	Reserve Account	1,500
26	Second Injury Fund Reserve Account	202,400
27	Sick and Disabled Fishermen's Fund Reserve Account	219,000

28 * Sec. 3. The sum of \$26,386,600 is appropriated from special funds of
29 the state for the period specified, to be apportioned according to the

1 schedules in secs. 8 and 9 of this Act.

2	Public Employees' Retirement Fund	\$ 182,300
3	Teachers' Retirement System Fund	270,000
4	Veterans' Revolving Loan Fund	348,600
5	Agricultural Revolving Loan Fund	81,400
6	Fish and Game Fund	3,062,100
7	International Airport Revenue	9,619,900
8	School Fund (cigarette tax)	2,051,000
9	Highway Working Capital Fund	10,771,300

10 * Sec. 4. The sum of \$150,568,000 is appropriated from federal program
11 receipts estimated to be received for general fund, special fund and bond
12 construction fund programs during the period specified, to be apportioned
13 according to the schedules in secs. 8 and 9 of this Act.

14 * Sec. 5. The sum of \$5,652,900 is appropriated from other program
15 receipts estimated to be received for general fund, special fund and bond
16 construction fund programs during the period specified, to be apportioned
17 according to the schedules in sec. 8 of this Act.

18 * Sec. 6. The sum of \$14,237,200 is appropriated from interagency receipts
19 estimated to be received for general fund, special fund and bond construction
20 fund programs during the period specified, to be apportioned according to the
21 schedules in sec. 8 of this Act.

22 * Sec. 7. The sum of \$747,700 is appropriated from capital improvement
23 program funds to be apportioned according to the schedules in sec. 8 of this
24 Act.

25 TOTAL BUDGET \$539,917,700

26 * Sec. 8.(a)The following appropriation items are for operating expenditures
27 for the fiscal year beginning July 1, 1972 and ending June 30, 1973, except
28 as otherwise noted. The allocations are to be considered legislative guide-
29 lines for agency program notifications.

EDUCATION		ALLOCATIONS	APPROPRIATION ITEMS
1			
2			
3			
4	Department of Education		
5	Financial Support Programs		
6	Foundation Program		\$ 70,850,000
7	Transportation		5,600,000
8	Debt Retirement		3,450,000
9	Revenue Sharing		2,500,000
10	Sabbatical Leave		45,000
11	Teacher Retirement		3,005,800
12	Federal Programs		5,990,800
13	Out-of-District Students		394,000
14	Tobacco Tax Distribution		1,645,000
15	Operating Programs for Rural Students		
16	Director's Office		274,300
17	Boarding Home Program		2,697,200
18	Dormitory Program		1,808,800
19	Correspondence Study		165,100
20	Administration and Support		
21	Executive Administration		223,400
22	Board of Education	\$ 19,400	
23	Office of the Commissioner	147,300	
24	Advisory Commissions	56,700	
25	Research, Planning & Information		249,600
26	Instructional Services		405,500
27	Vocational Education		271,300
28	Educational Standards		71,500
29	Teacher Certification	56,100	

1	School Accreditation	6,200	
2	Staff Development	9,200	
3	Administrative Services		638,700
4	Director, Administrative Services	70,600	
5	Budget and Accounting	205,200	
6	Secretarial Services	84,800	
7	Administration of Federal Programs	224,700	
8	School Lunch	53,400	
9	Student Aid		
10	Scholarship Loan Program		3,000,000
11	State Library Network		600,000
12	Educational Broadcasting Commission		433,900
13	Adult Basic & Continuing Education		
14	Adult Basic Education		433,100
15	General Education Development		10,000
16	Community College Support		1,350,000
17	Fire Service Training		91,700
18	Office of the Governor		
19	WICHE		115,700
20	Administration	22,500	
21	Student Aid	93,200	
22	Museums		
23	State Museum		300,000
24	Arts		
25	Council on the Arts		433,700
26	Department of Health & Social Services		
27	Special Education Grants		16,000
28	AMU Nursing Program		137,500
29	State Operated Schools		

1	Personal Services		25,153,700
2	Travel		238,800
3	Contractual Services		4,500,000
4	Commodities		3,302,000
5	Equipment		987,500
6	Land & Structures		25,000
7	Miscellaneous		693,000
8	University of Alaska		
9	Southeastern		650,000
10	Sitka Community College	126,900	
11	Ketchikan Community College	176,600	
12	Juneau-Douglas Community College	210,000	
13	Juneau Senior College	62,500	
14	Southeastern Regional Center	74,000	
15	Southcentral		6,000,000
16	Mat-Su Community College	86,500	
	Kodiak Community College	197,700	
18	Kenai Peninsula Community College	229,000	
19	Kuskokwim Community College	116,000	
20	Anchorage Community College	2,960,900	
21	Anchorage Senior College	2,162,700	
22	Southcentral Regional Center	247,200	
23	College		22,000,000
24	Instruction & Departmental Research	4,588,900	
25	Academic Support	942,000	
26	Student Services and Aid	865,000	
27	Independent Operations	3,479,000	
28	Institutional Support	5,397,500	
29	Organized Research	4,812,300	

1	Public Service	1,915,300	
2	Central Governance		4,300,000
3	Fund Source		
4	General Fund	\$127,812,000	
5	Federal Program Receipts	34,584,400	
6	Program Receipts	4,238,300	
7	School Fund (cigarette tax)	1,645,000	
8	Interagency Receipts	<u>6,777,900</u>	
9	Total Funding	\$175,057,600	

SOCIAL SERVICES

APPROPRIATIONS

12		<u>ALLOCATIONS</u>	<u>ITEMS</u>
13	Department of Administration		
14	Pioneer Homes		\$ 2,266,500
15	Sitka Home	\$ 1,143,700	
16	Fairbanks Home	590,600	
17	Palmer Home	532,200	
18	Donated Commodities		48,000
19	Department of Commerce		
20	Veterans' Service Council		34,000
21	Department of Education		
22	Vocational Rehabilitation		2,613,100
23	Counseling & Placement	1,020,300	
24	General Services to Clients	1,219,400	
25	Specialized Facilities	88,400	
26	Minor Medical	10,000	
27	Administration	275,000	
28	Institutional Manpower Training		
29	MDTA Vocational Education		490,000

1	Skill Center		1,186,100
2	Office of the Governor		
3	Pioneers' Homes		
4	Pioneers' Homes Advisory Board		6,300
5	Neighborhood Youth Corps		1,838,900
6	Manpower Planning		122,400
7	Department of Health & Social Services		
8	Office of Aging		217,600
9	Old Age Assistance		5,420,400
10	Payments	3,300,000	
11	Nursing Home Care	1,586,600	
12	Services	425,000	
13	Administration & Support	108,800	
14	Disabled		
15	Aid to Blind		315,200
16	Payments	189,000	
17	Nursing Home Care	96,200	
18	Services	30,000	
19	Aid to Disabled		3,949,700
20	Payments	2,772,000	
21	Nursing Home Care	1,000,700	
22	Services	177,000	
23	General Relief Medical		3,390,300
24	Nursing Home Care	48,100	
25	Hospitalization	1,952,000	
26	Physician Services	927,600	
27	Dental Care	95,000	
28	Drugs	184,000	
29	Homemaker Services	3,600	

1	Other Services	180,000	
2	Administration and Support		259,200
3	Family Services		14,606,800
4	Payments	9,200,000	
5	Foster Care	1,150,000	
6	Institutional Care	1,700,000	
7	Day Care	353,700	
8	Homemaker Services	102,000	
9	Adoption Services	101,000	
10	Marriage Counseling	100,000	
11	Child Center	500,100	
12	Administration and Support	1,400,000	
13	General Assistance		848,100
14	Food Stamps	528,100	
15	Payments	280,000	
16	Administration and Support	40,000	
17	WIN (AFDC)		1,094,100
18	Family & Children Services Administration		
19	General		1,333,800
20	Staff Development		186,300
21	Administration and Support		1,295,700
22	Office of the Commissioner	182,300	
23	Division of Administrative Services	1,113,400	
24	Department of Labor		
25	Other Employment Services for Disabled		
26	Fishermen's Fund		219,000
27	Second Injury Fund		202,400
28	Employment of Handicapped		4,000
29	Employment Service		1,734,200

1	Unemployment Insurance Program		1,607,800
2	Office of Commissioner		301,300
3	Administration, Employment Security Division		1,654,500
4	Job Training		
5	Jobs, Optional		144,000
6	Jobs, Regular		577,000
7	New Careers		244,000
8	HIRE Program		150,000
9	WIN Program		546,400
10	Program Support (MTD)		132,000
11	Administration (MTD)		174,900
12	MDTA		246,300

13	Fund Source		
14	General Fund	\$ 27,284,000	
15	Federal Program Receipts	20,663,700	
16	Program Receipts	760,900	
17	Second Injury Fund Reserve Account	202,400	
18	Sick & Disabled Fishermen's Fund Reserve	219,000	
19	Small Business Enterprise Revolving Fund	1,500	
20	Interagency Receipts	<u>328,800</u>	
21	Total Funding	\$ 49,460,300	

HEALTH

23			APPROPRIATION
24			<u>ITEMS</u>
25	Department of Health & Social Services		
26	Public Health		
27	Nursing		\$ 1,934,600
28	Alaska Native Health Service	\$ 900,000	
29	General Nursing	670,000	

1	Home Health Service	21,600	
2	Administration and Support	343,000	
3	Tuberculosis Control		513,300
4	Community Health		277,000
5	Environmental Health		664,200
6	Children and Family Health Services		1,202,800
7	Family Planning	128,500	
8	Maternal & Child Care	106,800	
9	Crippled Children	618,000	
10	Communicative Disorders	174,000	
11	Child Study Centers	99,600	
12	Administration & Support	46,800	
13	Registry of Human Impairments	29,100	
14	Laboratories		580,000
15	Regional Laboratories	480,000	
16	Administration & Support	100,000	
17	General Health Education		52,500
18	Grants to Greater Anchorage Area Borough		
19	Health Department		500,000
20	Administration and Support		240,000
21	Medical Social		24,000
22	Mental Health		
23	Alaska Psychiatric Institute		3,624,000
24	Harborview Memorial Hospital		2,530,600
25	Contract Institutions		448,100
26	Haven Acres	258,100	
27	Hope Cottage	150,000	
28	Other Hospitals	40,000	
29	State-Operated Mental Health Centers		462,700

1	Juneau	140,400	
2	Anchorage	155,000	
3	Fairbanks	167,300	
4	Community Operated Mental Health Centers		138,200
5	Office of Developmental Disabilities		42,000
6	Administration and Support		141,000
7	Alcoholism		
8	Grants to Local Programs		1,533,300
9	Administration and Consultation		182,200
10	Drug Abuse		370,000
11	Comprehensive Health Planning		331,400
12	Comprehensive Health Planning		
13	& Facilities Development	139,900	
14	Facilities Development Grants	77,200	
15	Certification of Facilities	114,300	
16	Fund Source		
17	General Fund	\$ 12,517,000	
18	Federal Program Receipts	3,015,100	
19	Program Receipts	106,800	
20	Interagency Receipts	<u>153,000</u>	
21	Total Funding	\$ 15,791,900	

NATURAL RESOURCES MANAGEMENT AND ENVIRONMENTAL CONSERVATION

			APPROPRIATION
		<u>ALLOCATIONS</u>	<u>ITEMS</u>
25	Department of Environmental Conservation		\$ 1,500,000
26	Quality Control		
27	Water Quality	\$ 238,500	
28	Air Quality	167,600	
29	Solid Waste	69,100	

1	Pesticide	28,100	
2	Radiation	29,200	
3	Administration and Support	100,600	
4	Coastal Zone Management	235,500	
5	Land Use and Urban Development	47,100	
6	Permafrost and Soils Engineering	94,900	
7	Ecology and Environmental Engineering	44,200	
8	General Administration and Support		
9	Office of the Commissioner	204,700	
10	Advisory Board	8,800	
11	Regions		
12	Southeast	27,600	
13	Southcentral	65,800	
14	Northern	41,600	
15	Administration	96,700	
16	Department of Fish and Game		
17	Sport Fish		
18	Research		1,197,300
19	Southeast	226,600	
20	Southcentral	431,400	
21	Interior	362,600	
22	Westward	52,300	
23	Headquarters	124,400	
24	Management		446,100
25	Southeast	108,200	
26	Southcentral	200,400	
27	Interior	88,400	
28	Westward	19,600	
29	Headquarters	29,500	
	Sport Fish Restoration		36,200

1	Administration and Support		116,000
2	Commercial Fish		
3	Research		1,671,100
4	Southeastern	405,000	
5	Central	480,000	
6	Northern	61,400	
7	Westward	504,700	
8	Headquarters	220,000	
9	Management		2,014,600
10	Southeastern	530,000	
11	Central	698,600	
12	Northern	211,000	
13	Westward	575,000	
14	Administration and Support		138,000
15	Fish Hatcheries		439,500
16	Kitoi Bay	55,500	
17	Fire Lake	173,000	
18	Crystal Lake	161,000	
19	Administration	50,000	
20	Game		
21	Research		2,177,900
22	Investigations	707,300	
23	Surveys and Inventories	1,190,800	
24	Planning and Coordination	279,800	
25	Management		202,000
26	Utilization	81,400	
27	Education	103,900	
28	Economic Development	16,700	
29	Development and Enhancement		

1	Facilities Maintenance		5,000
2	Administration and Support		220,300
3	Hunter Safety		45,200
4	FRED		690,800
5	Rehabilitation & Enhancement,		
6	Anadromous	550,000	
7	Development, Economic	87,800	
8	Administration & Support	53,000	
9	Administration and Support		
10	Board of Fish and Game		26,500
11	Office of the Commissioner		155,300
12	Information and Education		92,000
13	Administrative Services		921,000
14	Engineering Support		71,800
15	Vessels & Aircraft		746,000
16	Protection Services		936,200
17	Habitat		255,300
18	Land Use Planning	100,000	
19	Water Planning	46,300	
20	Access	50,000	
21	Permits	59,000	
22	Office of the Governor		
23	Fisheries Commission		
24	International North Pacific Fisheries		
25	Commission		9,800
26	International Fisheries Commission		65,000
27	Pacific Marine Fisheries Commission		17,000
28	Athletic Commission		17,200
29	Department of Natural Resources		

1	Land and Water Management		
2	Land Management		811,600
3	Mineral Leasing	141,000	
4	Central Land Management	246,500	
5	Southeast District	141,500	
6	Southcentral District	135,300	
7	Northcentral District	147,300	
8	Water Management		237,000
9	Administration and Support		
10	Cadastral Engineering		407,000
11	Administration		450,000
12	Mineral Resources		
13	Geophysical Program		215,000
14	Oil and Gas		590,100
15	Regulation	481,100	
16	Administration	109,000	
17	Hard Minerals		888,700
18	Geological Investigations	532,200	
19	Mineral Analysis & Research	125,500	
20	Regulation	30,000	
21	Administration	201,000	
22	Forest Management		
23	Fire Protection and Suppression		440,100
24	Other		183,900
25	Research & Technical Assistance	28,000	
26	Management & Timber Sales	103,900	
27	Administration	52,000	
28	Parks and Recreation		935,000
29	Planning	75,000	

1	Maintenance and Operations		
2	Nancy Lake	55,900	
3	Chugach	159,200	
4	Kachemak Bay	41,700	
5	Chilkoot	33,800	
6	Keystone	20,900	
7	Chena River	139,200	
8	Administration & Support	34,300	
9	Design and Construction	127,100	
10	Historic Preservation	45,400	
11	Administration and Support	152,500	
12	Natural Resource Planning		775,000
13	Land Use Planning Unit	200,000	
14	Joint Commission	575,000*	
15	*\$75,000 shall be available for expenditure upon the effective		
16	date of this Act.		
17	Administration and Support		304,000
18	Department of Public Safety		
19	Protection		1,897,100
20	Enforcement		
21	Southeast	395,700	
22	Southcentral	693,600	
23	Interior	466,400	
24	Westward	341,400	
25	Administration and Support		189,400
26	Fund Source		
27	General Fund	\$ 13,753,000	
28	Federal Program Receipts	4,274,900	
29	Program Receipts	14,000	

1	Fish and Game Fund	2,899,400
2	Interagency Receipts	<u>1,595,700</u>
3	Total Funding	\$ 22,537,000

PUBLIC PROTECTION

6	<u>ALLOCATIONS</u>	<u>APPROPRIATION</u>
7		<u>ITEMS</u>
7	Department of Commerce	
8	Weights and Measures	\$ 466,000
9	Corporate and Financial Regulation	520,500
10	Banking and Small Loans	\$ 165,100
11	Securities and Land Sales	86,400
12	Corporations	64,200
13	Insurance Companies	90,000
14	Rates and Policy Forms	54,400
15	Licensing	21,200
16	Investigation	39,200
17	Regulation of Public Service	
18	Alaska Public Utilities Commission	694,200
19	Alaska Transportation Commission	631,700
20	Regulation and Licensing of Professions	309,300
21	Architects and Engineers	31,000
22	Medical, Dental, Others	278,300
23	Administration and Support	209,400
24	Office of the Commissioner	120,100
25	Administrative Services	89,300
26	Department of Health and Social Services	
27	Emergency Medical Service	45,700
28	Department of Labor	
29	Occupational Safety	1,021,300

1	Enforcement and Compliance	594,300	
2	Education	9,700	
3	Research and Analysis	84,400	
4	Pressure Vessel Inspection	176,000	
5	Administration	156,900	
6	Department of Law		
7	Consumer Protection		105,000
8	Department of Military Affairs		
9	Civil Air Patrol		105,000
10	Disaster Planning and Control		493,900
11	Southcentral	24,400	
12	Southeastern	25,300	
13	Northern	25,000	
14	Shelter Program	38,100	
15	Radiological	50,500	
16	Warning Program	20,300	
17	City Participation	77,000	
18	General Administration	139,000	
19	Fiscal Administration	23,600	
20	Planning	32,700	
21	Flood Control	38,000	
22	Military Preparedness		1,353,600
23	Adjutant General	177,900	
24	Administration, Army and Air	113,300	
25	Operations and Training	37,900	
26	Facilities and Fiscal	59,400	
27	State Armories	214,200	
28	Federal Armories	222,100	
29	Training Support Facilities (Army)	82,400	

1	Training Support Facilities (Air)	346,400	
2	Recruiting and Retention	100,000	
3	Department of Natural Resources		
4	Agricultural Inspection		421,000
5	Plant Industry	68,500	
6	Animal Industry	352,500	
7	Department of Public Safety		
8	Individual Protection		
9	Fire Safety		284,000
10	Driver Licensing		381,100
11	Traffic Safety Projects		300,000
12	Administration (Traffic Safety)		57,900
13	Department of Revenue		
14	Alcoholic Beverage Control Board		195,100
15	Fund Source		
16	General Fund	\$ 5,725,700	
17	Federal Program Receipts	1,810,400	
18	Program Receipts	12,900	
19	Interagency Receipts	<u>45,700</u>	
20	Total Funding	\$ 7,594,700	

ADMINISTRATION OF JUSTICE

	<u>ALLOCATIONS</u>	<u>APPROPRIATION</u>
		<u>ITEMS</u>
24	Court System	
25	Supreme Court	\$ 722,100
26	Judicial Districts	6,302,200
27	1st Judicial District	\$ 1,035,200
28	2nd Judicial District	395,500
29	3rd Judicial District	3,421,000

1	4th Judicial District	1,450,500	
2	Administration and Support		1,080,600
3	Legal Library	245,000	
4	Transcript Services	210,400	
5	Legal Recording	175,000	
6	General Administration	442,600	
7	Commission on Judicial Qualifications	7,600	
8	Judicial Council		32,500
9	Governor's Office		
10	Public Defender		808,900
11	1st Judicial District	109,000	
12	2nd Judicial District	72,800	
13	3rd Judicial District	425,000	
14	4th Judicial District	165,100	
15	Administration and Support	37,000	
16	Protection of Individual Rights		
17	Human Rights Commission		145,000
18	Commission on Status of Women		3 700
19	Criminal Justice Planning		1,361,800
20	Planning	245,000	
21	Action Grants	1,116,800	
22	Department of Health and Social Services		
23	Reformation of Offenders		
24	Confinement		6,019,400
25	Adult State-Operated Institu-		
26	tions	3,030,300	
27	Adult Local Facilities	447,000	
28	Adult Out-of-State Contract		
29	Services	266,600	

1	Juvenile State-Operated		
2	Institutions	1,575,000	
3	Juvenile Local Facilities	388,500	
4	Juvenile Out-of-State Contract		
5	Services	312,000	
6	Rehabilitation		1,233,100
7	Adult Educational Programs	90,000	
8	Adult Counseling Programs	210,600	
9	Adult Community Involved Programs	27,100	
10	Adult Vocational Programs	372,000	
11	Juvenile Educational Programs	15,200	
12	Juvenile Counseling Programs	255,700	
13	Juvenile Community Involved		
14	Programs	11,900	
15	Juvenile Vocational Programs	250,600	
16	Probation and Parole		1,205,100
17	1st District	299,600	
18	2nd District	85,500	
19	3rd District	545,000	
20	4th District	275,000	
21	Administration		364,800
22	Administration, Parole Board	41,400	
23	Administration	323,400	
24	Department of Labor		
25	Employee Rights		
26	Administration of Wage and Hour		159,500
27	Administration of Workmen's Compen-		
28	sation		159,000
29	Department of Law		

1	Prosecution		1,281,200
2	1st Judicial District	205,000	
3	2nd Judicial District	76,200	
4	3rd Judicial District	660,000	
5	4th Judicial District	340,000	
6	Department of Public Safety		6,952,300
7	Prevention of Crime	35,000	
8	Patrol Detection and Apprehension		
9	1st Judicial District	724,000	
10	2nd Judicial District	163,000	
11	3rd Judicial District	1,879,000	
12	4th Judicial District	1,708,400	
13	Training	165,000	
14	Commissioner's Office	205,000	
15	Division Headquarters	419,700	
16	Technical Services Division	229,200	
17	Judicial Services	550,000	
18	Supporting Technical Services		
19	Records and Identification	63,200	
20	Central Communications	315,600	
21	Information Systems	430,200	
22	Laboratory Services	65,000	
23	Fund Source		
24	General Fund	\$ 26,130,000	
25	Federal Program Receipts	1,269,000	
26	Program Receipts	101,300	
27	Interagency Receipts	<u>330,900</u>	
28	Total Funding	\$ 27,831,200	

DEVELOPMENT

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	<u>ALLOCATIONS</u>	<u>APPROPRIATION</u> <u>ITEMS</u>
Department of Administration		
Financial Assistance to Communities		
Revenue Sharing		\$ 8,215,000 ^e
*\$415,000 shall be available for expenditure upon the effective date of this Act.		
National Forest Receipts		364,300
Native Land Claims Settlement		1,174,000
Surplus Property		150,700
Department of Commerce		
Small Business Loans		45,300
Veterans Loan Fund		348,600
Department of Economic Development		
Economic Research and Analysis		490,000
Commissioner's Office		177,100
Administrative Services Division		56,100
Promotion of Tourism		1,015,000
Department of Fish and Game		
King Crab Quality Control Board		100,000
Office of the Governor		
International Development		
Tokyo Office		68,000
Yukon-Taiya		5,000
Financial Assistance to Communities		
Rural Development Grants		650,000
Local Assistance Division		
Technical Assistance		860,000

1	Human Resources		369,000
2	Local Boundary Commission		36,900
3	Rural Affairs Commission		17,000
4	Community Development		
5	Planning and Research		409,100
6	Department of Natural Resources		
7	Agricultural Development		
8	Small Grain Incentive Program		80,000
9	Agricultural Loan Fund		106,400
10	State Fairs		55,000
11	Administration and Support		80,000
12	Department of Revenue		
13	Shared Taxes		4,458,600
14	Business License Tax	2,905,700	
15	Amusement and Gaming	29,200	
16	Aviation Fuel Tax	118,200	
17	Electric and Telephone Co-op	445,900	
18	Liquor License Tax	436,200	
19	Fisheries Tax	523,400	
20	Fund Source		
21	General Fund	\$ 17,430,000	
22	Aviation Fuel Tax Account	118,200	
23	Federal Program Receipts	693,100	
24	Program Receipts	100,000	
25	Agricultural Revolving Loan Fund	81,400	
26	Veterans' Revolving Loan Fund	348,600	
27	Special Surplus Property Revolving		
28	Loan Fund	150,700	
29	Interagency Receipts	<u>409,100</u>	