

Leg. Finance - House & Senate Finance Comte Files (1973-74) 8879

SB 168 am, 171, 176, 181, 185, 191, 196, 286 286

their raw materials, they shouldn't own a big piece of the industry?

There is no effective appeal against this kind of thing. Once there were battleships and marines and secret services, but Vietnam is final testimony to the increasing ineffectiveness of military power in today's world.

Not every country is as intransigent as Algeria, but the differences are chiefly of degree.

Says a Royal Dutch/Shell executive: "The moderates are Iran, Saudi Arabia, Kuwait and the smaller provinces in the Persian Gulf. Looking at it from the view of the Saudi Arabians, that is, the moderate will want an initial share on the order of 20%, which would provide them with the means of beginning to acquire expertise and experience in taking part and running the production end of the business. I think they would seek to move progressively in future years in a realistic way toward 51%."

The Shell man characterized Libya and Iraq as "the problem." Said an-

other oilman: "I wouldn't be surprised if they demand 51% for starters."

Are you resigned to being nationalized? Lester J. Norris, who is a director of Texaco, which has concessions in Saudi Arabia, Iran and Libya, recently was asked. "In that respect, I guess we just live day by day," he replied. Says an academic oil expert, Professor M. A. Adelman of the Massachusetts Institute of Technology: "Nationalization won't come overnight; it will take some time but not a helluva lot. Maybe ten years. Once one country does it, the others will follow."

Your Money or Your Life

OPEC's power in negotiations with the companies comes from a simple fact: They have 80% to 85% of the world's known reserves, most of it concentrated in the Middle East, but in Venezuela, Nigeria, Algeria and Indonesia as well. In Japan and Western Europe, without OPEC's oil, there would be permanent power blackouts

and certain total industrial collapse.

There is frantic exploration going on these days—in the North Sea, Indonesia, Nigeria, off the coast of Africa—to find alternative sources of oil. Even if they are discovered, no oil expert believes they can substitute for OPEC's oil. Quite aside from that, OPEC has another gun up its sleeve: Nobody can produce oil as cheaply as the OPEC countries. The average well in the U.S. produces 15 barrels a day; the average well in Kuwait, 5,000 to 10,000 barrels.

How the OPEC countries have used their power can be seen in the following statistics: In 1960 the international oil companies paid the six Persian Gulf members of OPEC—Abu Dhabi, Kuwait, Iran, Qatar, Iraq and Saudi Arabia—which provide about half of OPEC's exports to nonoil producing countries, a total of \$1.4 billion. The figure rose to \$1.6 billion in 1962, to \$2.1 billion in 1964, to \$2.7 billion in 1966. In 1970 the payments amounted to \$4 billion—almost three times the 1960 level.

This was only the beginning. In February 1971 the companies signed a new agreement with the Persian Gulf countries, one that was supposed to last five years. This, it was estimated, would bring the Persian Gulf countries an additional \$1.4 billion by the end of the year. Included was an escalator clause, raising the posted prices and, therefore, the payments year by year.

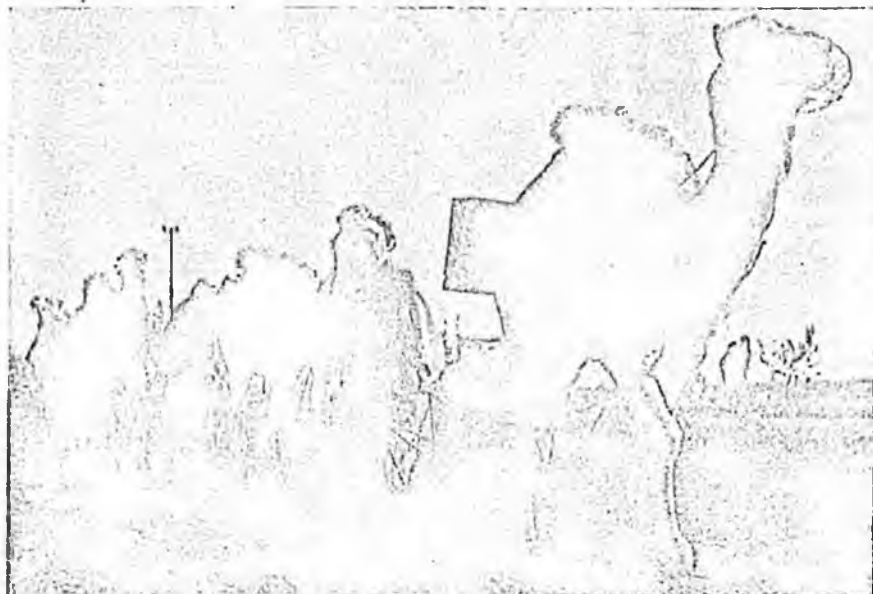
The companies accepted the agreement, first, because they had no alternative, and second, because they believed they were buying "peace in our time." Like the late Neville Chamberlain, they were quickly disillusioned. As soon as the U.S. devalued the dollar, the Persian Gulf countries were back with a new demand: a further rise in posted prices to take devaluation into account. The companies protested, pointing out that the 1971 agreement already made provision for inflation; finally, they offered 3.5%. The settlement: 8.49%, about \$700 million.

This year's take will be about \$6 billion, more than four times the level of 1962. Over this period, physical output has risen less than a third as much. In effect, the Persian Gulf countries will get as much as \$1.40 a barrel this year for the same oil they were paid 75 cents for in 1962.

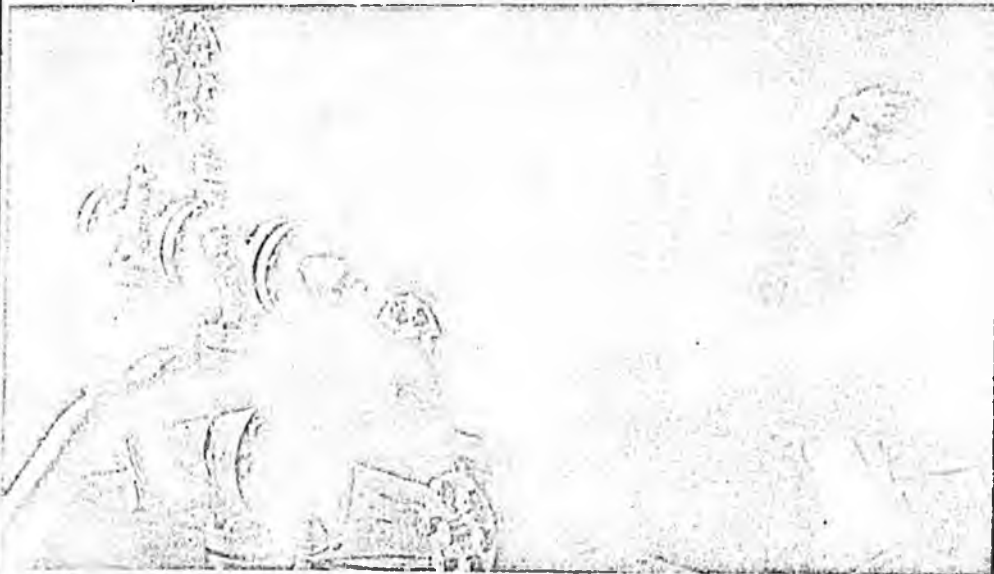
The companies complain about the fact that OPEC countries blithely reopen contracts whenever it suits them. Unfortunately for them, a contract with a government is not really a contract.

This is a fact of life: A sovereign state can override all commercial com-

(Continued on page 36)



into The 20th Century. There was a time when oil revenues went almost entirely toward supporting harems and fleets of Cadillacs. In some of the smaller Mideast states, they still do, and in Iraq perhaps 80% of the oil revenues goes for arms. Elsewhere, notably in Iran, the revenues are being spent on schools, hospitals, land reform and industrialization.



(Continued from page 30)

mitments. And that is why no one doubts that once the OPEC countries get equity participation, however small, they will come back for more whenever they feel like—and get it.

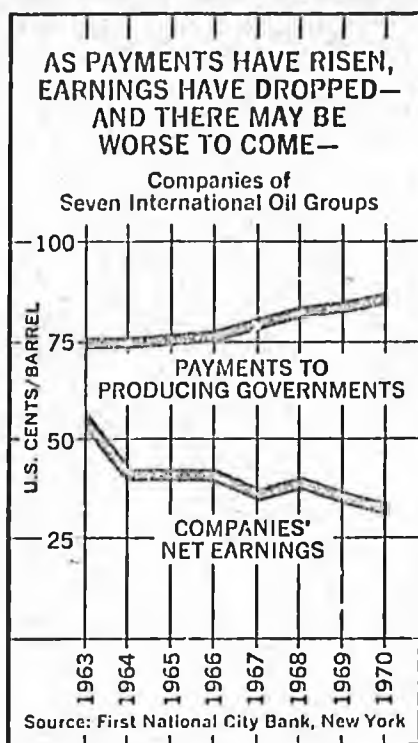
According to reports, the OPEC countries plan to compensate the companies. This will help, but questions remain: How much? Over how long a period? And will they continue to sell the companies the oil they need to run their refineries? At best, all they plan to pay for is the book value of the installations, and these have long since been written down. Says the Shell man: "This leaves a great deal to be desired. There is nothing even beginning to approach the hallowed principle of willing buyer, willing seller." Moreover, the OPEC countries appear to have no intention of paying cash, but will recompense the companies from the income they receive on the equity they get. Oilmen complain: "That's like grabbing a cow and paying for it with the money you get from the milk."

Although they won't admit it publicly—they can't because they would then lose what bargaining position they have—the oil companies appear resigned to some form of equity participation. They know that, in any event, the oil-producing countries will start taking over the fields as soon as the concessions run out, and the last of the concessions expires in 2000, not a very long time from now, only 28 years. What really bothers the companies is the problem of compensation. The book value is only a fraction of the actual value of the fields, and besides, if the OPEC governments pay in oil, they will, in effect, be paying the companies with the companies' own money. Oilmen see no difference between this and outright confiscation.

Hope for Compromise

What the oilmen hope is that OPEC's reported position is merely for bargaining purposes, that in the give and take of negotiations the OPEC countries will agree to pay more than book value and to pay in cash. The nature of bargaining is such that, in all probability, the OPEC countries will pay a bit more than they reportedly are offering now, and the companies will receive a good deal less than what they think their properties are worth.

Nationalization or equity-sharing of the oil-production part of the business may eventually change the character of the oil business. The international oil companies are all refiners and marketers as well as producers, but historically the profits have al-



ways come from producing. Until 1968, profits from refining and marketing amounted to zero or less in Western Europe. Since then, Western European prices have risen, but the profits still don't amount to much, at least on the books.

Now, in part, this is the result of bookkeeping habits. The companies have resorted to a variety of devices—intracompany deals, for example, to keep profits on refining and marketing to a minimum in order to keep taxes to a minimum.

"We're often told that refining pays only 3% on investment," says Professor Adelman. "That's absurd. The companies have to pay 7% to buy the money. The figures they have are determined by accounting rules. They don't correspond to reality."

Bookkeeping legerdemain, however, isn't the only explanation for the low profits in refining and marketing. There is also the problem of competition, which makes itself felt at the gas pump rather than at the well-head. In the U.S., Texaco, the company with the largest share of the market, has only 8%. That is why attempts to raise the price of gasoline, for example, in the U.S. have failed in recent years.

In Western Europe, where Royal Dutch/Shell has 16% of the market, with Jersey Standard not far behind, competition normally is a good deal less intense. It proved possible to raise gasoline prices there last year by 1 cent to 3 cents a gallon and fuel prices generally by somewhat more. However, there are limits to how much prices can be raised even in

Western Europe. Oil prices, like utility rates, are close to becoming a political issue.

Inevitably, if the international oil companies lose control of the well-heads, where their profits now come from, they will have to raise consumer prices—or else sink into marginal profitability. Initially, the American consumer will not be hit too hard—for a paradoxical reason: U.S. consumers already are paying an inflated price for everything except fuel oil. The explanation for this is the quota system that was set up to protect the domestic oil industry. It limits imports of foreign crude oil to about 24% of domestic production. This permits the domestic producers to set the price at a level convenient to them—about \$3.40 a barrel, vs. \$2.20 for imported oil.

Consumers Will Pay

Because of this system, the first effect of higher OPEC prices will simply be to close the gap between the cost of Texas oil and OPEC oil; in fact, the cash value of oil import quotas, which a few years ago could be resold for hefty premiums, has been dropping steadily.

However, consumers in the rest of the world will feel the impact right away, as the companies boost prices in order to recoup at the gas pump the profits they have lost at the well-head. And the U.S. consumer will feel it sooner or later, too. In the preceding interview, OPEC's Nadim Pachachi says that equity participation will not lead to higher prices. But he is talking only about crude prices.

The price of crude may not rise, but the price of finished products most certainly will. The international oil companies will be denied 20% (or 51%, or whatever) of the profits they formerly made on foreign crude. So they will have no choice but to raise finished product prices; either that, or face shrinking profitability. But the onus for higher end-product prices will be shifted from the producing nations to the oil companies.

This is why the Independent Petroleum Association, made up of small U.S. producers, is so pleased by recent developments: They feel that the end result will be higher crude prices, too. "The movement toward production participation by the OPEC countries can't do anything but help us," says IPA's Director of Publications Tony Simmons. "Let's face it, [crude] prices are going up."

Says an oil analyst: "Marketing will become the name of the game, as production is now; and the [international] companies that do best will

be those with the best marketing facilities in Western Europe. Royal Dutch/Shell is first there. Jersey, second. Jersey didn't start building up its marketing facilities until quite late—1962, 1963—but Jersey spent a helluva lot of money and it's now in a good position. Mobil and Texaco are three and four—really, neck-and-neck for three. Gulf and Standard Oil of California are way at the bottom. After Jersey bought up all the refineries and gas stations it could, Germany and France decided: No more. So it's too late for SoCal and Gulf. They'll be in real trouble if they lose the profits from production."

Some countries will find it necessary to use the international oil com-

such national companies. Italy's ENI and France's SNPA are already well established. Additional ones will probably come along. The end result will be the same: a reduction in market share for the majors.

And new middlemen may break into the charmed circle. In the U.S., Commonwealth, a smallish refiner that has always bought its crude from a number of major companies in Venezuela, including Creole, a subsidiary of Jersey Standard, recently made a deal with Société Nationale Sonatrach, which runs Algeria's nationalized oil fields. The deal is for Commonwealth to purchase crude oils and petroleum products amounting to some 380 million tons—more

President Norman C. Keith points out. "This is the future of the oil industry," he adds, implying that all the OPEC countries will follow Algeria's lead.

Is Algeria capable of running its oil industry? Keith thinks so. Other Middle Eastern countries may have fewer experienced technicians, however. Some experts believe the Middle Easterners do not have enough knowhow to run all the oil fields, and this, they say, will enable the international oil companies to remain in the OPEC countries on a contract basis. Says Professor Adelman: "You'll see them doing the same thing as contractors, not proprietors." He adds, "Of course, it will be a big job of adaptation—from proprietor to contractor, and not everyone will be able to make it."

The Seven Sisters: How They Stand

The figures below tell an interesting story. Note that Jersey Standard and Royal Dutch are close in revenues and volume. But Jersey nets more than 7 cents on the sales dollar to Royal Dutch's 5. The reason shows clearly in these figures: Jersey produces more rich low-cost Eastern Hemisphere crude. But crude alone is not enough: Gulf produces nearly as much Eastern Hemisphere crude as does Texaco, yet Texaco's net profit is nearly 50% greater. Reason: Texaco has the market outlets for all its oil, Gulf doesn't. Which is why balance is so important in the oil game: You need both the oil and the markets to achieve maximum profitability. With their higher profit rates and strong marketing, the balanced companies are less vulnerable to pressures from producing countries.

Company	Rank	Daily Sales* (billions)	Rank	Daily Production† (billions)	Rank	Revenues (billions)	Rank	Net Income (millions)
Royal Dutch/Shell	1	5.9	2	4.2	2	\$17.8	3	\$ 901
Jersey Standard	2	5.7	1	5.4	1	19.4	1	1,515
Texaco	3	2.9	4	3.2	4	8.1	2	904
Mobil	4	2.2	7	2.1	3	9.5	5	541
British Petroleum	5	2.1	3	3.7	6	7.3	7	371
SoCal	6	1.9	6	2.6	7	5.9	6	511
Gulf	7	1.5	5	3.1	5	7.4	4	561

*Millions of barrels. †Eastern Hemisphere.

panies as middlemen, because the government oil companies lack tanks and refining capacity (the international oil companies have an estimated 80% of the refining capacity in the non-Communist world)—but not all. Japan, the world's largest oil importer, has both tankers and refining capacity. Will it need middlemen?

Paul H. Frankel, a well-known British petroleum consultant, thinks it may not. He believes that major oil-using nations, especially Germany, Japan, France and Spain, which now buy mostly from the big international companies, should encourage their own oil companies. That way they would not get caught in the middle if the Arabs, say, cut off oil to American and British companies in a fit of political pique over, say, Israel.

As the OPEC companies get a larger share of the crude, they will be in a position to sell more and more to

than twice its current rate of buying—and valued, at today's prices, at \$8 billion over a period of 25 years. This is the equivalent of one-third of the known reserves in the North Slope. Sonatrach has promised to invest approximately \$260 million of its own money for facilities required to produce the products destined for Commonwealth (Corco).

Previously, El Paso Natural Gas had made a deal to buy liquefied natural gas from Sonatrach. And shortly after the Corco deal was completed, Romania also made a deal with Sonatrach and, surprisingly, so did Jersey Standard, which will buy 150 million barrels over the next five years.

For Corco, Algeria's nationalization of its oil industry has opened the way to becoming a major company without tremendous expenditures for exploration and exploitation. "We're not putting up any money," Corco's

Will Crude Prices Fall?

Adelman, an optimist, believes the price of crude may actually fall "as the governments begin taking over." He's counting on OPEC's unity breaking up. At present, he points out, "you have a built-in price floor." There is a price below which the international companies simply cannot sell, given the taxes they must pay. "Once a government itself does the selling, the government won't have this floor," Adelman continues. "Governments are inveterate price-cutters. They compete with each other the way companies do, but they don't have the knowhow; they have never learned to walk the fine line between being a patsy and being a troublemaker."

Perhaps, but the newfound unity has been very profitable for the OPEC countries. Says an oil analyst: "I doubt they'll fall apart after they've nationalized the oil fields. Look how they've been able to raise their take from the companies. Why should they ever compete again when they see the value of cooperation?"

For generations, it was a question of weak and quarreling producing nations dealing with a small, powerful and relatively united group of international oil companies. The real aim of the current OPEC offensive is to reverse the trend: fragment the industry, unite the producing nations.

There's one thing the experts do agree on: In this highly uncertain world, no industry is faced with a less predictable future than oil, once noted for stability and dependable growth. Of course, demand will continue to grow. But some companies will slip. Some will hold their ground. New ones may come to the fore. There may be opportunities for investors who pick the right companies. But there will be grave risks for those who take the status quo for granted. ■



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 O. Smith
Signature of Camera Operator

4/26/89
Date

Introduced: 2/23/73
Referred: Health, Education
and Social Services and
Finance

BY HARRIS, KERTTULA, RADER,
K. MILLER, CROFT AND THOMAS

1 IN THE SENATE

2 SENATE BILL NO. 171

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Health and Social Services, office of drug
8 abuse, for drug treatment and rehabilitation; and
9 providing for an effective date."

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

11 * Section 1. The sum of \$500,000 is appropriated from the general fund to
12 the Department of Health and Social Services, office of drug abuse, to con-
13 tract with treatment facilities for medical methadone maintenance and with-
14 drawal and to provide for other forms of treatment and rehabilitation of drug
15 addiction and dependence.

16 * Sec. 2. In utilizing the funds appropriated under sec. 1 of this Act,
17 the Department of Health and Social Services shall consider and take
18 advantage of any possible funding under governmental and private grants and
19 matching fund programs.

20 * Sec. 3. In contracting for services authorized under sec. 1 of this
21 Act, the Department of Health and Social Services shall provide for third
22 party payments whenever possible.

23 * Sec. 4. The unexpended and unobligated portion of this appropriation
24 lapses into the general fund June 30, 1974.

25 * Sec. 5. This Act takes effect on the day after its passage and approval
26 or on the day it becomes law without approval.

Alaska State Legislature

SENATOR
JESS HARRIS
1018 WEST 11TH AVENUE
ANCHORAGE, ALASKA 99501

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99801



CHAIRMAN
LABOR & MANAGEMENT
VICE CHAIRMAN
STATE AFFAIRS
MEMBER
COMMERCE

Senate

March 14, 1973

Senator Clifford J. Groh:

This testimony was given before the House Finance Committee, March 12, 1973. I trust it will be helpful in your hearings on SB 171.

A handwritten signature in cursive script, appearing to read "Jess Harris", written in dark ink.

Jack Heesch
Director,
Greater Anchorage Area Borough Drug Abuse Management Board
Speaking before the House Finance Committee March 12, 1973:

..."In Anchorage, the police Department give a conservative estimate of 400-500 heroin addicts in the Anchorage area. Of these, 350 of them are known to the police by name and address. Their contact list to bring people in for treatment was 250 when they started but is now at 350 addicts.

Representative Bierne asked me to try to give you some kind of an estimate of what it would take to meet that kind of a crunch. Let me add that Anchorage has been working for the past year and a half on a comprehensive drug treatment program, especially over the past four months since we heard of the addict contact program. That plan included such things as adolescent counselling, we went from that end of the spectrum to the other end of the spectrum which included treatment rehab for long-term hard-core heroin addicts. So what I did was merely pull out the sections that spoke to hard-core addiction and put them all together and came up with the document you all just received. which speaks to \$376,000 worth of State money. This program would meet the needs of the projections by the Police Department in that it would take care of exactly....what we would be able to do is place 85 people in the Methadone program, detoxify a total of 390 people, and maintain, and I mean by maintaining contact with in a prescriptive program, prescriptive program in an on-going program - abstinence program (drug free) not methadone program, an additional 245 people.

This in my estimation is - if in fact the police program, the outreach program, the addict contact program, does push that many people into treatment, and it looks at this point that it will, this would be what I would consider a bare-bones minimum program, to meet that need.

The cost of the total would be \$470,000, and the local share of that would be 20% and the rest would be State money. The cost to the state would be \$376,000.

Dr. Helen Bierne Speaking: "I have a question, I understood, Jack, that this would be the immediate amount, but that a portion of this could become the matching funds which would bring in the Federal funds that you've been working for after January 1, 1973."

Jack Heesch: "Right. What this would do is to meet the need which is present right now, provide enough funds for all of these programs for 1 year. We anticipate that by January, certainly not before, we'll have federal funds. The balance which has not been spent by January 1, which would probably be 50%, of the \$376,000 would then be applied as matching funds for federal money - to capture a total of \$1,100,000.00 in both federal and state money."

Dr. Helen Bierne: "\$376,000 then, would allow you to continue on, and produce as of January 1, in-patient detox, in the hospital; residential care through the therapeutic community, (family house) the methadone maintenance program and then all the abstinence programs."

Jack Heesch: "right."

Dr. Helen Bierne: "Mr. Chairman, I have another question. This sort of addresses itself only to the Anchorage area, so I'd like to hear from Mr. Heesch how this will pertain to the whole state, AND in fact if any methadone is to be done in Fairbanks, or if this Arctic village couldn't be kept going."

Page 2

Jack Heesch: "Not on the \$376,000. That would be strictly for Anchorage. Now, that's not to say that people from Fairbanks or from anywhere else in the state couldn't come to Anchorage and get treatment. However, it would be somewhat difficult to just pickup and move to Anchorage so they could get on methadone program. Certainly, the residential program would accept people from anywhere in the state. On the other hand, I can't think that that would negate the need for program in other communities in the state that do need programs."

Dr. Helen Bierne: "Mr. Heesch, would it be possible for any of the rest of the communities in the state to get matching federal funds?"

Jack Heesch: "The programs I have been working on are for Anchorage, but other communities could apply for federal funds."

Rep Frank Ferguson: "Representative Hartig, in your bill for \$500,000 your plan is to go through the borough also?"

Rep. Hartig: "Its through the HEW, through their Drug Abuse, and of course, if they want to work through the borough that's fine."

Note: the authorization of \$500,000 through HB 263 is the minimum needed to make the contact program effective.

Representative Hartig (later on in the committee meeting) "We need this money for the addict contact program. If it is not there, the people will go to jail."

prepared by paul fuhs & chip thoma

GREATER ANCHORAGE AREA BOROUGH

PO BOX 968 99510
327 EAGLE STREET 99501
ANCHORAGE, ALASKA

HEALTH DEPARTMENT
Special Services Division
1016 East 4th Avenue



MEMORANDUM

TO: Honorable Helen Beirne

FROM: Jack R. Haesch,
Drug Abuse Consultant *J. R. Haesch*

DATE: March 9, 1973

SUBJECT: Anchorage Drug Abuse Treatment Program

Attached is a copy of a proposed treatment program for heroin addiction for the Greater Anchorage Area Borough. The total request for State funds to implement this project is \$376,373. The total cost for the program is \$470,466. The difference would be made up in local funds, third party payments, client fees, etc.

It should be noted that this proposed program is limited to the treatment of heroin addiction only. That is to say that no services will be available for such things as adolescent counseling, adolescent residential programs, etc.

We fully intend to continue the pursuit of Federal funds to support a full range of programs, i.e., the project of which I spoke when I was last in Juneau. The following are the reasons for this proposal for treatment of heroin addiction exclusively: 1) funds for the existant programs run out June 30 and there is no other available source of funding at this time; 2) the Anchorage Police Department addict contact program will result in approximately 250 or more individuals seeking treatment over the next several months, we are not prepared at this time, either fiscally or programatically, to deal with that demand; 3) from a programatic standpoint, it will no doubt be much smoother and effective to begin to implement sections of the total (Federal proposal) program over a period of time as opposed to trying to implement a million dollar program all at once and; 4) to meet the demand for treatment generated by the Anchorage Police Department program, Anchorage must develop a more administratively structured treatment program which provides the client with a better treatment choice while assuring a continuity of care as an addict moves through the treatment system.

Honorable Helen Beirne
March 9, 1973
Page Two

The Federal proposal will not be submitted until August 1 (next review cycle). Funds for this will not be available until January, 1974, at the earliest. The Federal proposal will require \$233,759 match money. If the State grants the Anchorage Borough \$376,373 to implement the total drug program, then the funds may be used to begin the limited program and the balance remaining when the Federal funds are available may be used as match. (To appropriate the funds through any other means would result in a "maintenance of effect" conflict and the funds could not be used for match).

In summation, then, \$376,373 of State funds would provide Anchorage the capability to begin to establish a comprehensive treatment and rehabilitation program for drug abusers.

JRH:dmb

CC: A. B. Colyar, M. D.,
Medical Director

ONLY Working Document
Jack Heins

DRUG ABUSE PROJECT BUDGET

<u>SERVICE AREA</u>	<u>SERVICE ELEMENT</u>	<u>#CLIENT SLOTS</u>	<u>%TOTAL CLIENTS</u>	<u>ELEMENT BUDGET</u>	<u>AVAILABLE MATCH</u>	<u>SERVICE AREA TOTAL</u>
InPatient		2	1%		\$ 48,662.	\$ 60,000.
	Hospital Detox.	2		\$ 60,000.	\$ 48,662.	
Residential		66	13%		\$ 21,000.	\$ 277,200.
	Ther. Comm.	22		\$ 92,400.		
	Short Term T.C.	20		\$ 84,000.		
	Adolescent	12		\$ 50,400.	\$ 12,600.	
	Native	12		\$ 50,400.	\$ 8,400.	
Out-Patient		415	86%		\$ 37,000.	\$ 527,950.
	Methadone Detox.	15		\$ 27,750.	\$ 5,550.	
	Meth. to Abstin.	85		\$157,250.	\$ 31,450.	
	Day Treatmt.	65		\$ 91,700.		
	Adolescent	100		\$ 81,200.		
	Native	25		\$ 15,250.		
	Aftercare	125		\$154,800.		
Ancillary	Project Director			\$ 52,302.	\$ 52,302.	
	Central Intake			\$ 90,600.		
	Outreach			\$ 57,700.		
	Training			\$ 25,000.		
	Program Eval.			\$ 19,600.		
Admini- stration	5%					\$ 58,440.
TOTAL		483	100%		\$158,964.	\$1,163,792.
Additional Required Match					\$ 74,794.	\$233,758.

The Legislature of the State of Alaska
FISCAL NOTE
First Session - Eighth Legislature

I. REQUEST

Bill Identification: HB 263/SB 171
 Title: Appropriation to Office of Drug Abuse
 Requested by: Legislative Finance Date: _____
 Return Date Requested: _____
 Agency: Health and Social Services Program: Office of Drug Abuse

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Drug Abuse

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES						
200 TRAVEL		5,000				
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		495,000				
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		500,000				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- 100 - This fiscal note assumes that administrative funds contained in FY 1974 Budget Request would be available to provide support for the administration of these funds.
- 200 - Travel for Governor's Advisory Board, which must meet to review grants, prioritize them for funding, review evaluations at year's end and recommend successful projects for refunding.
- 700 - Grants to communities and programs for treatment and rehabilitation programs. Grant proposals will be submitted to the Office of Drug Abuse. The Governor's Advisory Board will review recommendations concerning funding level, program effectiveness and priorities, and will help determine grantees.

IV. ATTACHMENTS

V. DATE: _____ PREPARED BY: Mary Beth Hellman

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Committee Report

S E N A T E

Ref: 3/1/73

_____ Date

Mr. President:

The Committee on Finance has had SB 171
(spec. approp. for drug abuse)
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

_____ CHAIRMAN

Committee Report

S E N A T E

Ref: Finance

2/23/73

3/1/73 Date

Mr. President:

The Committee on Health, Ed. & SS. has had SB 171
special approp. Dept. of Health & SS for drug abuse) under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

Thomas D. H.
P. S. S.
W. H. S.

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

Thomas D. H.
CHAIRMAN

171
Introduced: 2/23/73
Referred: Health, Education
and Social Services and
Finance

BY HARRIS, KURTULA, RADER,
K. MILLER, CROFT AND THOMAS

1 IN THE SENATE

2 SENATE BILL NO. 171

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Health and Social Services, office of drug
8 abuse, for drug treatment and rehabilitation; and
9 providing for an effective date."

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

11 * Section 1. The sum of \$500,000 is appropriated from the general fund to
12 the Department of Health and Social Services, office of drug abuse, to con-
13 tract with treatment facilities for medical methadone maintenance and with-
14 drawal and to provide for other forms of treatment and rehabilitation of drug
15 addiction and dependence.

16 * Sec. 2. In utilizing the funds appropriated under sec. 1 of this Act,
17 the Department of Health and Social Services shall consider and take
18 advantage of any possible funding under government and private grants and
19 matching fund programs.

20 * Sec. 3. In contracting for services authorized under sec. 1 of this
21 Act, the Department of Health and Social Services shall provide for third
22 party payments whenever possible.

23 * Sec. 4. The unexpended and unobligated portion of this appropriation
24 lapses into the general fund June 30, 1974.

25 * Sec. 5. This Act takes effect on the day after its passage and approval
26 or on the day it becomes law without approval.
27
28
29

ALASKA STATE LEGISLATURE

EIGHTH Legislature FIRST Session

SENATE BILL NO. 171...

By HARRIS, KERTTULA, RADER,
K. MILLER, CROFT AND
THOMAS

"An Act making a special appropriation to the Department of Health and Social Services, office of drug abuse, for drug treatment and rehabilitation; and providing for an effective date."

(appropri. Dept. Health & SS. drug abuse)

Introduced in the Senate , 19 ..

HISTORY IN THE SENATE

19 73

2 23

31

Read first time and referred to Committee on Health, Education and Social Services and Finance

Reported back with recommendation that *HCSS: do pass to Finance*

Read second time and

Read third time and

PASS : Yeas
Nays
Absent
Excused

Effective Date

PASS : Yeas
Nays
Absent
Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
Nays
Absent
Excused

Effective Date

PASS : Yeas
Nays
Absent
Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Lt. Governor

Chapter No.



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 O. Smith
Signature of Camera Operator

4/26/89
Date

Introduced: 2/28/73
Referred: Commerce and
Finance

1 IN THE SENATE

BY LEWIS

2 SENATE BILL NO. 176

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska State Housing Author-
7 ity."

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

9 * Section 1. AS 18.55.010 is amended to read:

10 Sec. 18.55.010. PURPOSE OF SECS. 10 - 290 OF THIS CHAPTER. The
11 purpose of secs. 10 - 290 of this chapter is to remedy the acute hous-
12 ing shortage that exists in certain localities of the state by under-
13 taking slum clearance, low-cost housing projects, housing for persons
14 and their families engaged in national defense activities in the state,
15 and housing projects and housing for veterans of World War II and other
16 citizens of the state [AND TO REMEDY THE SHORT SUPPLY OF NECESSARY
17 PUBLIC BUILDINGS BY PROVIDING FOR THE FINANCING, CONSTRUCTION AND
18 ACQUISITION OF PUBLIC BUILDINGS FOR LEASE TO THE STATE].

19 * Sec. 2. AS 18.55.080 is amended to read:

20 Sec. 18.55.080. MEMBERS OR EMPLOYEES PROHIBITED FROM ACQUIRING
21 INTEREST IN PROJECTS. No member or employee of the authority shall
22 acquire an interest, direct or indirect, in a housing [OR PUBLIC BUILD-
23 ING] project, or in property or a contract for materials or services
24 included or planned to be included in a project. If a member or
25 employee owns or controls an interest, he shall immediately disclose
26 the interest in writing to the authority. Failure to make disclosure
27 constitutes misconduct in office.

28 * Sec. 3. AS 18.55.100(7) is amended to read:

29 (7) to provide, subject to the applicable planning, zoning,

COMMITTEE COPY

1 sanitary and building laws, ordinances, and regulations for the con-
2 struction, improvement, alteration, or repair of a housing [OR PUBLIC
3 BUILDING] project or any part of a housing [OR PUBLIC BUILDING] project
4 and also, subject to the same restrictions, to provide for the con-
5 struction, improvement, alteration, repair, planning, financing, and
6 interim operation of a sewer or water system, or part of such system,
7 to foster, encourage, and permit the development of housing projects
8 by private and public developers and builders;

9 * Sec. 4. AS 18.55.100(15) is repealed.

10 * Sec. 5. AS 18.55.150 is amended to read:

11 Sec. 18.55.150. SECURITY FOR BONDS. The authority may issue
12 bonds including but not limited to bonds on which the principal and
13 interest are payable (1) exclusively from the income and revenue of the
14 housing project financed with the proceeds of the bonds, (2) exclu-
15 sively from the income and revenue of designated housing projects
16 whether or not they are financed in whole or in part with the proceeds of
17 the bonds, or (3) from its revenue generally [, OR (4) EXCLUSIVELY
18 FROM RENTS COLLECTED ON PUBLIC BUILDINGS]. Bonds may be additionally
19 secured by a pledge of a grant or contribution from the federal govern-
20 ment or from another source, or by a pledge of income or revenue of the
21 authority, or by a mortgage of a housing project or other property of
22 the authority.

23 * Sec. 6. AS 18.55.180 is amended to read:

24 Sec. 18.55.180. ISSUANCE AND SALE OF BONDS. Bonds of the
25 authority are authorized by adoption of a resolution prescribing the
26 date of issuance and maturity, interest rate, denomination, form, con-
27 version privilege, rank or priority, execution, terms of redemption,
28 medium and place of payment. Bonds may be sold at public or private
29 sale at not less than par. Each bond is negotiable. The signature of

1 a member or an officer upon a bond or coupon is not invalidated by his
2 ceasing to hold office before the delivery of the bond. The recitation
3 of a bond that it has been issued in the financing of a housing [OR
4 PUBLIC BUILDING] project under secs. 10 - 290 of this chapter is con-
5 clusive as to the issuance of the bond and the character of the project
6 in a challenge of the validity of the bond or the security for it.

7 * Sec. 7. AS 18.55.200(4) is amended to read:

8 (4) covenant with respect to limitations on its right to
9 sell, lease or otherwise dispose of a housing [OR PUBLIC BUILDING]
10 project or a part of a housing [OR PUBLIC BUILDING] project;

11 * Sec. 8. AS 18.55.200(10) is amended to read:

12 (10) covenant subject to the limitations contained in secs.
13 10 - 290 of this chapter as to the rents and fees to be charged in the
14 operation of a housing [OR PUBLIC BUILDING] project, the amount to be
15 raised each year or other period of time by rents, fees and other
16 revenues, and as to the use and disposition of these revenues;

17 * Sec. 9. AS 18.55.200(15) is amended to read:

18 (15) vest in one or more trustees the right, in the event of
19 a default by the authority, to take possession of a housing [OR PUBLIC
20 BUILDING] project or a part of the project, and so long as the author-
21 ity continues in default to retain possession and to use, operate and
22 manage the project, and to collect the rents and revenues from the pro-
23 ject, and to dispose of the money according to the agreement between
24 the authority and the trustees;

25 * Sec. 10. AS 18.55.220(1) is amended to read:

26 (1) to have possession of a housing [OR PUBLIC BUILDING]
27 project or part of one surrendered to the obligee, with possession re-
28 tained by the obligee as long as the authority continues in default;

29 * Sec. 11. AS 18.55.220(2) is amended to read:

1 (2) to obtain the appointment of a receiver of a housing [OR
2 PUBLIC BUILDING] project or part of one and its rents and profits, who
3 may enter, take possession and for the duration of the default operate
4 and maintain it, collect and receive all fees, rents, revenues or other
5 charges thereafter arising, and keep the money in a separate account or
6 accounts to be applied in accordance with the obligations of the
7 authority as the court directs;

8 * Sec. 12. AS 18.55.240 is amended to read:

9 Sec. 18.55.240. POWER OF AUTHORITY TO OBTAIN FEDERAL AID AND CO-
10 OPERATION. The authority may borrow, accept contributions, grants or
11 other financial assistance from the federal government in aid of any
12 housing [OR PUBLIC BUILDING] project and for this purpose may comply
13 with conditions and enter into the mortgages, trust indentures, leases
14 or agreements that are necessary, convenient or desirable in order to
15 obtain financial aid or cooperation from the federal government in the
16 undertaking, construction, maintenance, or operation of a housing [OR
17 PUBLIC BUILDING] project.

18 * Sec. 13. AS 18.55.250 is amended to read:

19 Sec. 18.55.250. EXEMPTION FROM TAXES AND ASSESSMENTS. The
20 property of the authority is public property used for essential public
21 and governmental purposes and this property and the authority are exempt
22 from all taxes and special assessments of a municipality, the state or
23 a political subdivision of the state. However, instead of taxes, the
24 authority may make payments to the municipality or political subdivi-
25 sion for improvements, services and facilities furnished by it for
26 the benefit of a housing [OR PUBLIC BUILDING] project.

27 * Sec. 14. AS 18.55.288(2) is repealed.

28 * Sec. 15. The obligations on bonds issued for public building projects
29 before the effective date of this Act are not affected by this Act.

ALASKA STATE LEGISLATURE

EIGHTH Legislature FIRST Session

SENATE BILL NO. 176

By LEWIS

12/28
12/28

"An Act relating to the Alaska State Housing Authority."

(Alaska State Housing Authority)

Introduced in the Senate 2/28, 1973

HISTORY IN THE SENATE

1973

2 28

Read first time and referred to Committee on

Commerce and Finance

Reported back with recommendation that *Commerce*
2 1/2 pages
to be prepared this time
2 pages
Commerce

Read second time and

Read third time and

PASS : Yeas
Nays
Absent
Excused

Effective Date

PASS : Yeas
Nays
Absent
Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
Nays
Absent
Excused

Effective Date

PASS : Yeas
Nays
Absent
Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Lt. Governor

Chapter No.

Introduced: 2/28/73
Referred: Commerce and
Finance

1 IN THE SENATE

BY LEWIS

2 SENATE BILL NO. 175

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska State Housing Author-
7 ity."

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

9 * Section 1. AS 18.55.010 is amended to read:

10 Sec. 18.55.010. PURPOSE OF SECS. 10 - 290 OF THIS CHAPTER. The
11 purpose of secs. 10 - 290 of this chapter is to remedy the acute hous-
12 ing shortage that exists in certain localities of the state by under-
13 taking slum clearance, low-cost housing projects, housing for persons
14 and their families engaged in national defense activities in the state,
15 and housing projects and housing for veterans of World War II and other
16 citizens of the state [AND TO REMEDY THE SHORT SUPPLY OF NECESSARY
17 PUBLIC BUILDINGS BY PROVIDING FOR THE FINANCING, CONSTRUCTION AND
18 ACQUISITION OF PUBLIC BUILDINGS FOR LEASE TO THE STATE].

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24 included or planned to be included in a project. If a member or
25 employee owns or controls an interest, he shall immediately disclose
26 the interest in writing to the authority. Failure to make disclosure
27 constitutes misconduct in office.

28 * Sec. 3. AS 18.55.100(7) is amended to read:

29 (7) to provide, subject to the applicable planning, zoning,

1 sanitary and building laws, ordinances, and regulations for the con-
2 struction, improvement, alteration, or repair of a housing [OR PUBLIC
3 BUILDING] project or any part of a housing [OR PUBLIC BUILDING] project,
4 and also, subject to the same restrictions, to provide for the con-
5 struction, improvement, alteration, repair, planning, financing, and
6 interim operation of a sewer or water system, or part of such system,
7 to foster, encourage, and permit the development of housing projects
8 by private and public developers and builders;

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15 sively from the income and revenue of designated housing projects
16 whether or not they are financed in whole or in part with the proceeds of
17 the bonds, or (3) from its revenue generally [, OR (4) EXCLUSIVELY
18 FROM RENTS COLLECTED ON PUBLIC BUILDINGS]. Bonds may be additionally
19 secured by a pledge of a grant or contribution from the federal govern-
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21 authority, or by a mortgage of a housing project or other property of
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27 version privilege, rank or priority, execution, terms of redemption,
28 medium and place of payment. Bonds may be sold at public or private
29 sale at not less than par. Each bond is negotiable. The signature of

1 a member or an officer upon a bond or coupon is not invalidated by his
2 ceasing to hold office before the delivery of the bond. The recitation
3 of a bond that it has been issued in the financing of a housing [OR
4 PUBLIC BUILDING] project under secs. 10 - 290 of this chapter is con-
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16 revenues, and as to the use and disposition of these revenues;

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18 (15) vest in one or more trustees the right, in the event of
19 a default by the authority, to take possession of a housing [OR PUBLIC
20 BUILDING] project or a part of the project, and so long as the author-
21 ity continues in default to retain possession and to use, operate and
22 manage the project, and to collect the rents and revenues from the pro-
23 ject, and to dispose of the money according to the agreement between
24 the authority and the trustees;

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28 tained by the obligee as long as the authority continues in default;

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2 PUBLIC BUILDING] project or part of one and its rents and profits, who
3 may enter, take possession and for the duration of the default operate
4 and maintain it, collect and receive all fees, rents, revenues or other
5 charges thereafter arising, and keep the money in a separate account or
6 accounts to be applied in accordance with the obligations of the
7 authority as the court directs;

8 * Sec. 12. AS 18.55.240 is amended to read:

9 Sec. 18.55.240. POWER OF AUTHORITY TO OBTAIN FEDERAL AID AND CO-
10 OPERATION. The authority may borrow, accept contributions, grants or
11 other financial assistance from the federal government in aid of any
12 housing [OR PUBLIC BUILDING] project and for this purpose may comply
13 with conditions and enter into the mortgages, trust indentures, leases
14 or agreements that are necessary, convenient or desirable in order to
15 obtain financial aid or cooperation from the federal government in the
16 undertaking, construction, maintenance, or operation of a housing [OR
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19 Sec. 18.55.250. EXEMPTION FROM TAXES AND ASSESSMENTS. The
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21 and governmental purposes and this property and the authority are exempt
22 from all taxes and special assessments of a municipality, the state or
23 a political subdivision of the state. However, instead of taxes, the
24 authority may make payments to the municipality or political subdivi-
25 sion for improvements, services and facilities furnished by it for
26 the benefit of a housing [OR PUBLIC BUILDING] project.

27 * Sec. 14. AS 18.55.288(2) is repealed.

28 * Sec. 15. The obligations on bonds issued for public building projects
29 before the effective date of this Act are not affected by this Act.

COMMITTEE REPORT

SENATE

4/2/73

Mr. President:

Date _____

The Committee on FINANCE has had SB 176

relating to Alaska State Housing Authority
under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:
 _____ recommends:
 _____ recommends:
 _____ recommends:
 _____ recommends:

_____ Chairman

Committee Report

SENATE

Ref: Finance

2/28/73

4-2-73

Date

Mr. President:

The Committee on COMMERCE has had SB 176
(relating to Alaska State Housing Authority),
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

<u>R Lewis</u>	<u>DO PASS</u>	_____
<u>3 w/h</u>	<u>w/o rec</u>	_____
<u>Jess Harris</u>	<u>DO PASS</u>	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Keith A. Miller recommends: Do Not Pass at this time
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

R Lewis
CHAIRMAN



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 O. Smith
Signature of Camera Operator

4/26/89
Date

Introduced: 3/1/73
Referred: State Affairs and
Finance

1 IN THE SENATE

BY K. MILLER, RADER, CROFT,
HARRIS, KERTTULA AND THOMAS

2 SENATE BILL NO. 181

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Public Works for a feasibility study of ferry
8 service across Knik Arm as an alternative to a bridge
9 crossing of the waterway; and providing for an effec-
10 tive date."

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

12 * Section 1. The sum of \$300,000 is appropriated from the general fund
13 to the Department of Public Works for the purpose of conducting a feasibility
14 study of ferry service across Knik Arm as an alternative to a bridge crossing
15 of the waterway.

16 * Sec. 2. The unexpended and unobligated portion of this appropriation
17 lapses into the general fund June 30, 1974.

18 * Sec. 3. This Act takes effect July 1, 1973.
19
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ALASKA STATE LEGISLATURE

EIGHTH Legislature FIRST Session

SENATE BILL..... NO. 181...

By K. MILLER, RADER, CROFT,
HARRIS, KERTTULA AND
THOMAS

"An Act making a special appropriation to the Department of Public Works for a feasibility study of ferry service across Knik Arm as an alternative to a bridge crossing of the waterway; and providing for an effective date."

(approp. Dept. Public Works study ferry across Knik Arm)

Introduced in the Senate 3/1, 19 73

HISTORY IN THE SENATE

1973

3 1

Read first time and referred to Committee on

State Affairs and Finance

36

Reported back with recommendation that *2 - do pass*
3 - no rec - To Finance

Read second time and

Read third time and

PASS : Yeas
: Nays
: Absent
: Excused

Effective Date

PASS : Yeas
: Nays
: Absent
: Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
: Nays
: Absent
: Excused

Effective Date

PASS : Yeas
: Nays
: Absent
: Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Lt. Governor

Chapter No.

Introduced: 3/1/73
Referred: State Affairs and
Finance

1 IN THE SENATE

BY K. MILLER, RADER, CROFT,
HARRIS, KERTTULA AND THOMAS

2 SENATE BILL NO. 181

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Public Works for a feasibility study of ferry
8 service across Knik Arm as an alternative to a bridge
9 crossing of the waterway; and providing for an effec-
10 tive date."

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

12 * Section 1. The sum of \$300,000 is appropriated from the general fund
13 to the Department of Public Works for the purpose of conducting a feasibility
14 study of ferry service across Knik Arm as an alternative to a bridge crossing
15 of the waterway.

16 * Sec. 2. The unexpended and unobligated portion of this appropriation
17 lapses into the general fund June 30, 1974.

18 * Sec. 3. This Act takes effect July 1, 1973.

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The Legislature of the State of Alaska
 FISCAL NOTE
 First Session - Eighth Legislature

I. REQUEST

Bill Identification: HR 283 - SB 181
 Title: Knick, Arm Study appropriation
 Requested by: Legislative Finance Date: 3/8/73
 Return Date Requested: 3/15/73
 Agency: 1/1 Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		300.0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
		0				
TOTAL		300.0				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		300.0				
FEDERAL FUNDS		0				
OTHER		0				

C. POSITIONS:

PERMANENT/TEMPORARY	/	0/0	/	/	/	/
MAN MONTHS (P./T.)	/	0/0	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Funds to be utilized to engage the services of a consulting engineering firm to conduct studies in accordance with the outlines as set forth in the attached letter and documents.

IV. ATTACHMENTS

V. DATE: March 9, 1973 PREPARED BY: _____

Bert A. Esmond
 Deputy Director

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

February 27, 1973

Representative Richard McVeigh
Chairman Pro Tem
Anchorage Legislative Delegation
State Capitol Building
Juneau, Alaska

Dear Representative McVeigh:

This is pursuant to your request for a scope of work and a cost estimate for a feasibility study of a ferry crossing of the Knik Arm connecting the Anchorage area to the Matanuska Susitna area.

The total cost of the study is estimated at \$300,000 and will require approximately one year to complete all phases of the work. Each phase, however, is dependent upon the preceding phase, so that if it is determined after Phase I, that the project is not feasible, there is no obligation to proceed to the next phase.

The attached data provides additional information regarding the nature of the study.

Sincerely,

George W. Easley
Commissioner

Attachment

GWE/lr

SCOPE OF WORK FOR A FEASIBILITY STUDY OF A
KNICK ARM CROSSING UTILIZING A FERRY SYSTEM

1. Project Description

The study will provide an in-depth analyses to determine the feasibility of a possible ferry system to provide vehicular and passenger service across Knick Arm which would connect the Greater Anchorage area and the Matanuska-Susitna area to the north. The study would be divided into two phases.

2. Phase I Report

The Phase I report would provide for a gathering of all pertinent data including preliminary engineering studies of the following aspects of the project:

- a. Traffic demand.
- b. Ferry(s), size and physical description.
- c. Highway access.
- d. Ferry terminals.
- e. State land value and potential uses in the Matanuska-Susitna area.

Additional investigations will include the following:

Information related to wind and tides, currents, ice and preliminary subsurface investigations. Based on material gathered, alternative ferry route locations and preliminary designs will be presented and related to alternative State land use plans in the Matanuska-Susitna area.

The conclusion of the Phase I report will provide for a preliminary recommendation for a proposed route and will include preliminary designs and estimates for the project which will include

a preliminary benefit-cost ratio for all routes and a recommendation for the most favorable location.

3. Phase II Report

The Phase II report will be commenced after a thorough review of the Phase I report and after the feasibility of the project has been established on a preliminary basis. The Phase II report will provide the results of topographical and hydrographic investigations, subsurface drilling and material testing, and sufficient preliminary engineering on the vessel(s), terminals and connecting road lengths to provide a detailed cost estimate for the construction of the system.

A final benefit-cost ratio determination will be made predicted on a recommended method of financing and will include tangible benefits to users as well as to the State through a recommended disposition of State-owned lands on the Matanuska-Susitna side of the crossing.

It is estimated that Phase I of the report will require five months to complete and the Phase II report will require six months to complete. The total cost of the study is estimated at \$300,000 as follows:

Phase I-----	\$100,000
Phase II-----	\$150,000
Offshore Drill Soil Testing -	\$50,000

The conclusion of the study will provide for a firm recommendation regarding the cost and benefits which could be derived by the State through the construction of the facility.

INSTRUCTIONS TO A CONSULTING ENGINEERING FIRM FOR THE
CONDUCT OF A FEASIBILITY STUDY. REFERENCE: SCOPE
OF WORK FOR A FEASIBILITY STUDY OF A KNICK ARM
CROSSING UTILIZING A FERRY SYSTEM.

The following instructions are intended to be used as a guideline and a basis for a proposed contract:

1. Traffic Demand. Traffic demand is to be derived which will provide the following information:

- a. Vehicular and pedestrian requirements by size and type of vehicle on an annual basis commencing in 1975 through 1995.
- b. Traffic fluctuations by hour, day and month for the period 1975 through 1980.
- c. Traffic projections should be based upon existing origin and destination information provided in the FMATS and AMATS study conducted by Wilbur Smith and Associates in 1968, supplemented by appropriate data contained in permanent traffic counters maintained by the Alaska Department of Highways.
- d. Additional information to supplement existing traffic data shall be obtained through the use of standard origin and destination interviews conducted in a manner which would be approved by the Federal Highway Administration.
- e. Fees for ferry services shall be established during the analysis of the Phase I report.

2. The consultant shall retain the services of a marine architectural firm which will be approved by the State who will provide a

complete description of the vessel(s) required to satisfy the traffic demand. Preliminary sketches of the vessels including vessel descriptions shall be approved by the United States Coast Guard and the American Bureau of Shipping prior to inclusion in the report. Special attention shall be given to maintaining a minimum crew size. A special hull design and power plant requirement based on the nature of the Knick Arm during all seasons of the year. Cost estimates will be provided based on 1975 construction.

3. Highway access routes on both sides of the crossing shall be analyzed utilizing data previously derived by the feasibility study for a bridge crossing conducted by the Alaska Department of Highways. The area involved shall extend from the City of Anchorage arterial network to a potential connection to the Fairbanks-Anchorage Highway north of Palmer. Additional access routes will be reviewed as they relate to the development of State-owned lands as well as privately-owned lands on the Matanuska-Susitna side of the crossing. Cost estimates shall be comparable to those used by the Alaska Department of Highways.

4. Ferry terminal preliminary design shall be furnished with particular attention to the problem of severe icing conditions, poor foundation soils and extreme tides. Subsurface investigations previously provided by consultant services for the City of Anchorage by the United States Corps of Engineers and TAMS will be thoroughly reviewed prior to additional studies being conducted. Alternate locations of terminals will be provided with particular reference to the conditions previously described and in keeping with the AMATS arterial route corridor studies.

5. State lands on the Matanuska-Susitna side of the crossing will be evaluated and the highest and best use determined as they relate to the crossing. Particular attention will be given to the potential development of a future International airport which may be sited there. The State of Alaska, Division of Aviation has considerable material available regarding land requirements and runway orientation. The determination of compatible land uses in the vicinity of the proposed airport is important, particularly as they relate to corridors of approach and departure of aircraft. The total value of state lands shall be estimated on a preliminary basis including development cost for the highest and best use and the revenue which could be derived through the disposal of the land.

6. All related data collection relating to environmental conditions of the Knick Arm and effected tide lands will be made as required but will be reviewed and approved by the United States Corps of Engineers prior to submittal.

7. All details of subsurface investigations will be made by actual bore testing after the selection of the terminal sites.

8. The Phase I report shall be provided in 25 copies and 200 copies of the Phase II report will be provided.

9. The State will retain ownership of all data developed.

10. This contract will be conducted under all applicable State and Federal laws and local ordinances including applicable building and zoning requirements.

Committee Report

S E N A T E

3/6/73

_____ Date

Mr. President:

The Committee on FINANCE has had SB 181
(special approp. Public Works study of ferry service across Knik Arm)
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends :
_____ recommends :
_____ recommends :
_____ recommends :
_____ recommends :

_____ CHAIRMAN

Committee Report

Ref: Finance

SENATE

3/1/73

March 5, 1973 Date

Mr. President:

The Committee on STATE AFFAIRS has had SB 181 (approp. feasibility study of ferry service across Knik Arm) under consideration. A majority of the members of the Committee

The committee rec. as follows

- 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) more, out with individual recommendations

MEMBERS SIGNING THE MAJORITY REPORT:

Keith H. Miller Do Pass
[Signature] " "

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Bill Ray recommends: NO REC
R. L. Kettig recommends: ✓ ✓
Jess Harris recommends: ✓ ✓

Keith H. Miller CHAIRMAN



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 O. Smith
Signature of Camera Operator

4/26/89
Date

"An Act relating to earlier service credit under the public employees' retirement system; and providing for an effective date."

COMMITTEE REPORT

3-29-73

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had SB 185

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

Introduced: 3/2/73
Referred: Judiciary and
Finance

1 IN THE SENATE

BY BUTROVICH, ZIEGLER,
GROH AND T. MILLER

2 SENATE BILL NO. 185

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to earlier service credit under the
7 public employees' retirement system; and providing
8 for an effective date."

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

10 * Section 1. AS 39.35.360(a) is amended to read:

11 (a) An employee who completes three years of service with the
12 state after January 1, 1961, for which he makes contributions required
13 by this chapter is entitled to service credit for employment rendered
14 to the State [STATE] and former Territory [TERRITORY] of Alaska before
15 January 1, 1961, regardless of the office, department, division, or
16 agency of the state or territory in which he was employed including
17 the United States District Court, and the United States Commissioner's
18 Court serving the Territory and State of Alaska succeeded to by the
19 Alaska court system.

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

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JUNEAU ALASKA

Alaska State Legislature
House

February 20, 1973

Anna May Vokacek, Clerk
Superior Court, State of Alaska
Third Judicial District
941 Fourth Avenue
Anchorage, Alaska 99501

Dear Anna May:

This will acknowledge receipt of your letter of February 14, relative to SB 96 and related legislation. The matter has been referred to Representative Ferguson who is charged with chairing the subcommittee on the Administration of Justice and who hopefully will present the full committee with his recommendations at an early date.

Real good to hear from someone back home. Thank you.

Sincerely,

Earl D. Hillstrand
Chairman



Superior Court

State of Alaska

THIRD JUDICIAL DISTRICT

941 FOURTH AVENUE

ANCHORAGE, ALASKA

99501

ANNA MAY VOKACEK, CLERK

February 14, 1973

The Honorable Earl Hillstrand
House of Representatives
State Capitol
Juneau, Alaska 99801

Dear Representative Hillstrand:

Enclosed is a copy of Senate Bill No. 96 which was introduced by Senator Ziegler January 31, 1973 and which has been referred to the State Affairs and Finance Committees.

This Bill is identical to Senate Bill No. 81 offered by Senators Ziegler, Croft and Merdes on January 28, 1971 during the Seventh Legislature, First Session, copy of which is enclosed. Senate Bill No. 225 introduced by Senator Josephson on April 15, 1971 during the Seventh Legislature, First Session, is similar and I enclose you a copy thereof.

Passage of Senate Bill No. 96 would affect the following persons with service credit as below stated:

Arthur V. Simonsen - now Clerk of the Superior Court, First Judicial District, Ketchikan

June 1, 1936 to April 30, 1942
January 2, 1946 to date

Grace E. Herman - now Clerk of the Superior Court, Second Judicial District, Nome

October, 1957 to date

Representative Hillstrand--3

February 14, 1973

Ona B. Rude - now Acting Clerk of the District Court, Third
Judicial District, Anchorage

May, 1959 to January 19, 1960 (Commissioner's Court)
January 20, 1960 to date

There is also one employee, Doris Wilken, now Secretary to Chief Justice Rabinowitz, who was employed as secretary to Judge Forbes of the former U. S. District Court from May 1957 through February 19, 1960. I do not know if she received her salary from Fund "C" which was administered under the Clerk of the Court or if it came through the Marshal's Office which administered the Federal funds.

Fund "C", referred to in the foregoing paragraph, constituted those monies received as filing fees, fines and forfeitures and miscellaneous earnings for services performed by employees of the Clerk's office. These monies were deposited in local banks and the Clerk drew against them for salaries of his personnel, for court expenses and/or as ordered by the Court.

The former courts handled not only cases brought under Federal laws but all those under Territorial Statutes. Also, at one time, these courts issued business licenses throughout their respective Divisions, receiving the applications, preparing the licenses, depositing the license monies in local banks and thereafter disbursing such funds pursuant to Territorial Statute. Following passage of the Act permitting the sale of intoxicating liquor in the Territory the Clerks' offices handled the issuance of these licenses. Fish and Game violations, under Territorial laws, were handled in the former District Court. The Clerks' offices were charged with the responsibility of handling all elections within their respective Division for Territorial Offices, receiving the filings, ordering the ballots, appointing the election officials, distributing the election materials and certifying the returns.

The foregoing matters are brought to your attention to emphasize the fact that our courts were not strictly handling Federal cases.

The persons who would benefit through the passage of an Act to give them credit for past service with the then court system were mostly in deputy clerk positions and not in the positions they presently hold. These people were selected, because of their past experience in court work, to assist in the setting up of the present clerical offices. We feel that for this reason, as well as the fact that we were not paid directly from the Treasury of the United States that we should receive credit for this past service, the same as was given other present State employees.

Representative Hillstrand--2

February 14, 1973

Olga T. Steger - now Clerk of the Superior Court, Fourth Judicial District, Fairbanks

March 30, 1946 to date

Joyce L. Haugan - now Supervisor of In-Court Deputies, Third Judicial District, Anchorage

August 30 or 31, 1955 to date

Anna May Vokacek - now Clerk of the Superior Court, Third Judicial District, Anchorage

September 3, 1929 to November 28, 1940

April 26, 1941 to December 4, 1941

August 1, 1942 to September 14, 1946

May 17, 1948 to July 22, 1954

January 20, 1960 to date

Last May Judge Victor D. Carlson, in an effort to assist us in obtaining passage of a Bill to give us credit for earlier service, wrote a letter to members of the Free Conference Committee, a copy of which is enclosed. The Judge sought to have Sec. 39.35.360, Alaska Statutes, amended as follows:

"* #including the United States District and Commissioners' courts serving the Territory and State of Alaska succeeded to by the Alaska State Court System."

This amendment, had it passed, would have included not only those persons who had been employed in the Clerks' offices during Territorial days but those employed in Commissioners' offices and who would have been paid from the earnings of those offices. As I understand it, none of their salaries came directly from Washington, D.C. If the amendment to AS 39.35.360 is passed in lieu of Senate Bill 96 the following additional persons would be included:

Nettie Titus - now Clerk of the District Court, Fourth Judicial District, Fairbanks

September, 1959 through February 19, 1960 (Com'r. Court)
February 20, 1960 to date

Mary Brennan - now employed by Dept. of Public Safety, Fairbanks

1955 through 1959, approx. 4-1/2 years (Commissioner's Court)

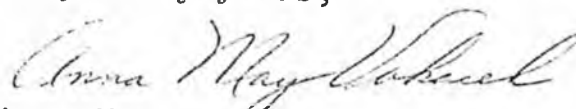
Representative Hillstrand--4

February 14, 1973

I have taken a great deal of your time in my effort to give you some basis for urging your support of Senate Bill 96, or the amendment to AS 39.35.360, and realize it may have been an imposition on my part. I apologize if this is so.

Any consideration and support you give to this matter will be appreciated.

Very truly yours,


Anna May Vokacek

enc.

Introduced: 1/31/73
Referred: State Affairs
and Finance

1 IN THE SENATE

BY ZIEGLER

2 SENATE BILL NO. 96

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to service credit of certain
7 employees under the Public Employees' Retirement Act;
8 and providing for an effective date."

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

10 * Section 1. AS 39.35.360 is amended by adding a new subsection to read:

11 (e) Notwithstanding other provisions of this section an employee
12 who is in the employment of the state on the effective date of this
13 Act who, before January 3, 1959, served in the court system in Alaska
14 and was paid by the clerk of the court under sec. 10 of the Act of
15 June 6, 1900, as amended (48 USC 107), from the fund designated "C"
16 is entitled to service credit for this service, in addition to the
17 other service credit to which he may be entitled under this chapter.
18 Retroactive contributions are not required to be made to obtain this
19 service credit.

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

1 IN THE SENATE

BY ZIEGLER, CROFT AND MERDES

2 SENATE BILL NO. 81

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to service credit of certain
7 employees under the Public Employees' Retirement Act;
8 and providing for an effective date."

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

10 * Section 1. AS 39.35.360 is amended by adding a new subsection to read:

11 (e) Notwithstanding other provisions of this section an employee
12 who is in the employment of the state on the effective date of this
13 Act who, before January 3, 1959, served in the court system in Alaska
14 and was paid by the clerk of the court under sec. 10 of the Act of
15 June 6, 1900, as amended (48 USC 107), from the fund designated "C"
16 is entitled to service credit for this service, in addition to the
17 other service credit to which he may be entitled under this chapter.
18 Retroactive contributions are not required to be made to obtain this
19 service credit.

20 * Sec. 2. This Act takes effect on the day after its passage and approval
21 or on the day it becomes law without approval.
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1 IN THE SENATE

BY JOSEPHSON

2 SENATE BILL NO. 225

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to service credit of certain employees
7 under the public employees retirement system of Alaska.

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

9 * Section 1. AS 39.35.360 is amended by adding a new subsection to read:

10 (e) An employee who is in the employment of the state on
11 January 1, 1961 who, before January 3, 1959, served in the court system
12 in Alaska and was paid by the clerk of the court under sec. 10 of the
13 Act of June 6, 1900, as amended (48 USC 107), from the fund designated
14 "C", is entitled to service credit for that service, in addition to
15 the other service credit to which he may be entitled under this chapter.
16 Retroactive contributions are not required to be made for this service.
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Superior Court

State of Alaska

FIRST JUDICIAL DISTRICT
STATE CAPITOL BUILDING
POUCH U
JUNEAU, ALASKA

CHAMBERS OF
VICTOR O. CARLSON, JUDGE

55301

May 23, 1972

The Honorable Terry Miller, Chairman
The Honorable Clifford J. Groh
The Honorable Bill Ray
The Honorable Robert I. Pitman, Chairman
The Honorable Michael Miller
The Honorable Jess Harris

Re: House CS for CS for Senate Bill No. 264
An Act relating to retirement benefits for
public employees

Dear Gentlemen:

This letter is written on behalf of several court system employees in my capacity as chairman of the legislative committee of the Conference of Alaska Judges. There are several individuals who have rendered many years of valuable service to the State and Territory of Alaska who have not been given credit for their service prior to statehood for benefits under the Public Employees' Retirement Act.

These individuals served as various capacities in the court system and are:

Anna Mae Vokacek, Clerk, Superior Court, Anchorage;
Olga T. Steger, Clerk, Superior Court, Fairbanks;
Grace Herman, Clerk, Superior Court, Nome;
Joyce Maugan, Deputy Clerk, Superior Court, Anchorage;
Lois Bradley, Clerk, District Court, Anchorage;
Gna Rude, Deputy Clerk, District Court, Anchorage; and
Arthur V. Simonsen, Clerk, Superior Court, Ketchikan.

Each of these persons has continued to serve the State in the Court System.

May 23, 1972
Page 2

An amendment to AS 39.35.350 to read:

"Sec. 39.35.350. Prior service. (A) An employee who completes three years of service with the state prior January 1, 1961, for which he makes contributions provided by this chapter is entitled to service credit for employment rendered to the state and former territory of Alaska before January 1, 1972, regardless of the office, department, division, or agency of the state or territory in which he was employed [.] including the United States District and Commissioner's Courts serving the Territory and State of Alaska succeeded to by the Alaska State Court System."

would correct the oversight made when former Territorial employees were given credit for service under the Public Employees' Retirement Act.

Efforts to accomplish the above have most recently been made by the introduction of Senate Bills No. 81 and 225 in the Seventh Legislature.

It is suggested that as members of the Proc Conference Committee on House CS for CS for Senate Bill No. 284, in fact relating to retirement benefits for Public employees you might be able to correct the deficiency affecting these court system employees together with the other amendments to the Public Employees' Retirement Act.

The fiscal impact would be small compared with the original enactment of credit for prior service. The affected individuals range in age from 62 to 45 and have prior service of one to twenty-five years with more having only two to six years of prior service.

If you have any questions, please do not hesitate to contact me at 586-5236. Thanking you for your consideration of this request, I am,

Very truly yours,


VICTOR D. CARLSON
Judge

The Legislature of the State of Alaska
 FISCAL NOTE
 First Session - Eighth Legislature

SB 185
 Ch 55

I. REQUEST

Bill Identification: Senate Bill 185 and House Bill 289
 Title: Retirement for Territorial Court System Employees
 Requested by: Legislative Finance Date: 3/15/73
 Return Date Requested: 3/22/73
 Agency: Retirement Section Program: Public Employees Retirement System

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Alaska Court System

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
100 BENEFITS COST	-0-	5.0	5.3	5.6	5.9	6.2
TOTAL	-0-	5.0	5.3	5.6	5.9	6.2

B. FUNDING: (Thousands of dollars)

GENERAL FUND 86%	-0-	4.5	4.5	4.7	4.9	5.2
FEDERAL FUNDS 14%	-0-	.7	.8	.9	1.0	1.0
OTHER	-0-	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	/0	0	/0	/0	/0	0
MAN MONTHS (P./T.)	/0	0	/0	/0	/0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The cost of benefits in this Fiscal Note is based on the premise that only the ten people listed below are covered, and is based upon the limited service information provided to us on these people.

This group of people has previously been classified as ineligible in the same way as have some employees of the old Alaska Road Commission, and Bureau of Public roads plus employees of other pre-statehood agencies.

Inclusion of this Court System group would seem to open the way for the inclusion of the latter groups with the resultant high administrative and benefits costs.

IV. ATTACHMENTS Those covered by this note:

Olga T. Steger	Grace Herman
Doris Wilken	Arthur V. Simonsen
Mary Brennan	Joyce Haugan
Nettie Titus	Lois Bradley
Anna May Vokacek	Ona Rude

V. DATE: March 15, 1973

PREPARED BY: 

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



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 O. Smith
Signature of Camera Operator

4/26/89
Date

COMMITTEE REPORT

3/15/73

SENATE

Mr. President:

Date 3/26/73

The Committee on FINANCE has had SB 185 earlier service credit under public employee's retirement system under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____ COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

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

Members NOT concurring in the Majority report:

<u>[Signature]</u>	recommends: <u>[Signature]</u>
<u>[Signature]</u>	recommends: <u>[Signature]</u>
_____	recommends:
_____	recommends:
_____	recommends:

[Signature] Chairman

Introduced: 3/2/73
Referred: Judiciary and
Finance

1 IN THE SENATE

BY BUTROVICH, ZIEGLER,
GROH AND T. MILLER

2 SENATE BILL NO. 185

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to earlier service credit under the
7 public employees' retirement system; and providing
8 for an effective date."

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

10 * Section 1. AS 39.35.360(a) is amended to read:

11 (a) An employee who completes three years of service with the
12 state after January 1, 1961, for which he makes contributions required
13 by this chapter is entitled to service credit for employment rendered
14 to the State [STATE] and former Territory [TERRITORY] of Alaska before
15 January 1, 1961, regardless of the office, department, division, or
16 agency of the state or territory in which he was employed including
17 the United States District Court, and the United States Commissioner's
18 Court serving the Territory and State of Alaska succeeded to by the
19 Alaska court system.

20 * Sec. 2. This Act takes effect on the day after its passage and approval
21 or on the day it becomes law without approval.
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FISCAL NOTE

First Session - Eighth Legislature

I. REQUEST

Bill Identification: SB 96, 185 and HB 289
 Title: Retirement for Territorial Court System Employees
 Requested by: Legislative Finance Date: 3/15/73
 Return Date Requested: 3/22/73
 Agency: Retirement Section Program: Public Employees Retirement System

SB 96, 185 + HB 289

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Alaska Court System

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
100 BENEFITS COST	-0-	5.0	5.3	5.6	5.9	6.2
TOTAL	-0-	5.0	5.3	5.6	5.9	6.2

B. FUNDING: (Thousands of dollars)

GENERAL FUND 86%	-0-	4.5	4.5	4.7	4.9	5.2
FEDERAL FUNDS 14%	-0-	.7	.8	.9	1.0	1.0
OTHER	-0-	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	/0	0	/0	/0	/0	0
MAN MONTHS (P./T.)	/0	0	/0	/0	/0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The cost of benefits in this Fiscal Note is based on the premise that only the ten people listed below are covered, and is based upon the limited service information provided to us on these people.

This group of people has previously been classified as ineligible in the same way as have some employees of the old Alaska Road Commission, and Bureau of Public roads plus employees of other pre-statehood agencies.

Inclusion of this Court System group would seem to open the way for the inclusion of the latter groups with the resultant high administrative and benefits costs.

IV. ATTACHMENTS* Those covered by this note:

Olga T. Steger	Grace Herman
Doris Wilken	Arthur V. Simonsen
Mary Brennan	Joyce Haugan
Nettie Titus	Lois Bradley
Anna N. Vokacek	Ona Rude

V. DATE: March 15, 1973

PREPARED BY: *Robert A. Gates*

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

*Note: In presenting the fiscal note for SB96, it is our understanding after reviewing the statutes cited, that the intent of this bill is to provide coverage to the same group described in SB 185 and HB 289. The codes cited in the bill make it quite clear these employees were paid from Federal, not Territorial funds.



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 O. Smith
Signature of Camera Operator

4/26/89
Date

Introduced: 3/6/73
Referred: Commerce

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 SENATE BILL NO. 191

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to mutual savings banks investing in
7 first mortgages."

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

9 * Section 1. AS 06.15.250(2) is amended to read:

10 (2) No investment in any one mortgage may exceed two per
11 cent of the assets of the mutual bank at the time the investment is
12 made, or as specified in (1) of this section, whichever is greater,
13 or more than 80 per cent of the appraised value of a one-to-four family
14 residence securing a conventional loan; however, a mutual bank may
15 make 95 [90] per cent of appraised value loans if the term of the loan
16 does not exceed 30 years, and the loan is secured by an amortized
17 mortgage, deed of trust, or other instrument under the terms of which
18 the installment payments are sufficient to amortize the entire princi-
19 pal of the loan within the period ending on the date of its maturity
20 and, in addition, the loan is either (A) insured by mortgage insurance
21 in an amount equal to 20 per cent of the loan issued by a mortgage
22 insurer authorized to do business in Alaska; or (B) the loan is secured
23 in addition to the amortized mortgage by a savings account held by the
24 lending institution in an amount equal to 10 per cent of the loan or
25 other collateral acceptable to the department.
26
27
28
29



JUNEAU, ALASKA

Alaska State Legislature

Senate

March 29, 1973

MEMORANDUM TO: THE HONORABLE EARL HILLSTRAND
CHAIRMAN
HOUSE FINANCE COMMITTEE

FROM: SENATOR RON L. RETTIG

SUBJECT: SB 191, An Act relating to Mutual Savings Banks
Investing in First Mortgages

As you will note, the bill suggests only a single change in the present statute. On line 15 of the bill "90" is changed to "95". This change would permit mutual savings banks to make 95% loans to finance one to four family dwellings. With the development of a market for these 95% loans through the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Corporation, these low down payment loans have become especially useful in permitting more and more people to upgrade their homes with much, much lower down payment requirements, that is, reducing the down payment requirements from 10% to 5%.

Investments in these low down payment loans would be only temporary so far as mutual banks are concerned. They would be immediately resold to one of the agencies referred to above on a precommitment basis. Accordingly, there would be no risk of exposure so far as the banks' depositors are concerned.

State commercial banks, national banks and savings and loan associations are already permitted to make these 95% loans. Passage of this bill would permit mutual savings to make them on a parity with other institutions.

Your favorable consideration of this legislation will be appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Ron".

Ron L. Rettig



JUNEAU ALASKA

Alaska State Legislature
House

FINANCE COMMITTEE BILL ASSIGNMENT

TO: Representative Barber DATE: March 30, 1973

FROM: Earl D. Hillstrand
Chairman
House Finance Committee

BILL NO.: SENATE BILL 191

TITLE: "An Act relating to mutual savings banks investing in first mortgages."

COMMENTS: This bill has been referred to you for your review and research and eventual presentation to the committee for their consideration.

The Legislature of the State of Alaska
 FISCAL NOTE
 First Session - Eighth Legislature

I. REQUEST

Bill Identification: Senate Bill 191
 Title: "An Act relating to mutual savings banks investing in first mortgages."
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Commerce Program: Public Protection

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The inactment of Senate Bill 191 would not alter the expense presently incurred in the regulation of mutual savings banks by the Division of Banking.

IV. ATTACHMENTS

V. DATE: March 27, 1973

PREPARED BY: Willis F. Kirkpatrick

Willis F. Kirkpatrick
 Securities Examiner

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



RECORDS CERTIFICATION



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James O. Smith
Signature of Camera Operator

4/26/89
Date

Introduced: 3/7/73
Referred: Health, Education
and Social Services

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE BILL NO. 196

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to medical assistance for needy
7 persons; and providing for an effective date."

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

9 * Section 1. AS 47.07.030 is amended to read:

10 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical services
11 to be offered to eligible persons include inpatient hospital, outpatient
12 hospital, laboratory and X-ray, skilled and intermediate nursing home,
13 physicians and home health care services. If required by federal law
14 or valid federal regulation, then the medical services of a diagnostic
15 medical screening services to include dental services for children
16 under 21 years of age, and reasonable transportation to and from the
17 point of medical care, shall be provided. No additional services may
18 be provided unless approved by the legislature.

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



JUNEAU ALASKA

Alaska State Legislature House

FINANCE COMMITTEE BILL ASSIGNMENT

TO: Representative Ferguson DATE: March 30, 1973

FROM: Earl D. Hillstrand
Chairman
House Finance Committee

BILL NO.: SENATE BILL 196

TITLE: "An Act relating to medical assistance for needy persons; and providing for an effective date."

COMMENTS: This bill has been referred to you for your review and research and eventual presentation to the committee for their consideration.

SB196

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

POUCH H — JUNEAU 99801

March 14, 1973

The Honorable Clifford Groh
Chairman, Senate Finance Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99801

*310 people total
75 intermediate*

Dear Senator Groh:

The Department of Health and Social Services recognizes the concern that some Senators have expressed about adopting the Intermediate Care Facility option in the Medicaid Program.

It is our understanding that some concern was expressed about possible over expansion of such facilities and possible pressures brought to bear to fill the institutions.

You will be pleased to know that the Department, too, is aware that such a problem could exist; however, I would point out the following facts which we feel will preclude such expansion.

1. Federal regulations require that the ICF meet the same construction licensing standards as are required for skilled nursing facilities. These regulations are extensive and strict.

2. The facility would have to be certified for the Medicaid Program again extensive and strict regulations.

3. Admission to any nursing facility requires pre authorization for the Division of Medical Assistance. This authorization requires the physician requesting placement to document the need.

4. We have a very limited population eligible for such services. As witness the fact that in the following Nursing Homes we have vacant beds:

- a. Wesleyan - Seward, 64 bed capacity - total census 25.
- b. Ridgeview Manor - Anchorage, 75 bed capacity - census 55.
- c. Carage North - Fairbanks, total capacity 100 beds - census 50.

We are not asking that this option be adopted to provide services to move

130

March 14, 1973

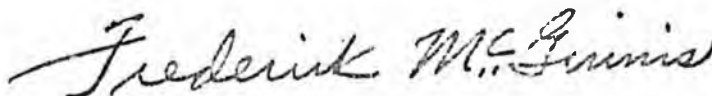
recipients but rather to provide for increased Federal financial participation as shown by the following table; for example:

<u>Without Intermediate Care</u>	<u>100% State General Fund</u>
42 patients @ \$32.00 per day	\$490,600
33 patients @ \$16.80 per day	<u>202,300</u>
Total State General Fund	<u>\$692,900</u>
<u>With Intermediate Care</u>	<u>50% State General Fund</u>
75 patients @ \$23.00 per day	<u>\$629,600</u>
State General Funds	\$314,800
Federal Funds	\$314,800

In conclusion let me summarize by saying that we have people in Nursing Homes who will not fall into the category of skilled care whose care will be borne by 100% State money. If you pass the option, the cost to the State will be reduced by 50%.

.

Sincerely,



Frederick McGinnis
Commissioner

FM: LJS: smb

cc: Division of Medical Assistance

Chapter 8

RECOMMENDATIONS FOR LEGISLATIVE ACTION

The Department recommends a change in the enabling Medicaid legislation, AS 47.07.030. The addition of the words "and intermediate" in describing the level of nursing home care would enable the State to claim 50% Federal participation for those persons now residing in a nursing home setting who do not meet the Medicaid criteria for need of skilled nursing home services.

At the time Department projections were made for utilization of services under Medicaid, it was assumed that all of the categorical recipients in a nursing home setting were eligible for skilled nursing home care. After the program was implemented, it was discovered that an estimated 75 of total 310 nursing home patients did not medically qualify for skilled nursing home care.

The effect of the proposed change in AS 47.07.030 would be to generate Federal receipts for 50% of these expenditures rather than bearing the total costs for these services from unrestricted State General Funds. It is estimated the Federal participation during FY 1974 would be \$378,100. The savings of State General Funds during the current fiscal year would be approximately \$78,900 if the amended legislation were enacted into law sufficiently before March 31, 1973 for the Department to submit a revision to the State Plan to the Federal agency by that date.

The proposed change in the legislation would not result in the provision of services to a greater number of people, but rather, would allow the State to claim Federal financial participation for those persons in a nursing home setting who do not meet the current Medicaid eligibility criteria for skilled nursing home care.

Supporting fiscal data and the recommended amendment to AS 47.07.030 follow.

Appendices B, C, and D contain additional information on nursing homes and intermediate care facilities.

Fiscal Detail

<u>Without Intermediate Care</u>	<u>100% State General Fund</u>
42 patients @ \$32.00 per day ⁽¹⁾	\$490,600
33 patients @ \$16.80 per day ⁽²⁾	<u>202,300</u>
Total State General Fund	<u>\$692,900</u>
<u>With Intermediate Care</u>	<u>50% State General Fund</u>
75 patients @ \$23.00 per day ⁽³⁾	<u>\$629,600</u>
State General Funds	\$314,800
Federal Funds	\$314,800
* Estimated State General Fund Savings FY 74 With Intermediate Care	<u>\$378,100</u>
<u>FY 73</u>	
Amended prior to 3/31/73 - 3rd Quarter 33 @ 16	\$ 23,800
Amended prior to 6/30/73 - 4th Quarter 55 @ 22	<u>55,000</u>
Total Estimated Cost Reduction Possible FY 73	<u>\$ 78,800</u>

* Without the ICF Option it will cost the State this amount out of General Fund to provide the same level of care to the same group of recipients.

Notes:

1. Estimated 15% of patients in facilities other than Ridgeview Manor.
2. Ridgeview Manor level one patients.
3. Nursing Home operators estimate of reimbursement rate. Actual costs would be determined at close of this fiscal year through cost settlement procedures. All costs are estimated in 1974 dollars.

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to medical assistance for needy persons."

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

*Section 30. AS 47.07.030 is amended to read:

Sec. 47.07.030. Medical services to be provided. Medical services to be offered to eligible persons include inpatient hospital, outpatient hospital, laboratory and X-ray, skilled and intermediate nursing home, physicians and home health care services. If required by federal or valid federal regulation, then the medical services of diagnostic medical screening services to include dental services for children under 21 years of age, and reasonable transportation to and from the point of medical care, shall be provided. No additional services may be provided unless approved by the legislature.



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James O. Smith
Signature of Camera Operator

4/26/89
Date

