

LEG. FINANCE - BILLS 1975 - 1976 522

SB 158 thru SB 163

SDA



# 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

2/8/90  
Date

COMMITTEE REPORT

SENATE

2/11/75

Mr. President:

Date \_\_\_\_\_

The Committee on FINANCE has had SB 158 transition to borough or city government - grants and loans 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: 2/11/75  
Referred: Finance

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 158

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to organization grants and loans  
7 to defray the cost of transition to borough or city  
8 government; and providing for an effective date."

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

10 \* Section 1. AS 29.18.180(a) is amended to read:

11 (a) For the purpose of defraying the cost of transition to borough  
12 or city government and in order to provide for development and interim  
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COMMITTEE COPY

1 operations. The commissioner of revenue shall set the terms and condi-  
2 tions of the loan.

3 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
4 070(c).

ALASKA STATE LEGISLATURE

NTH... Legislature FIRST... Session

SENATEBILL..... NO.158.....

By THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

"An Act relating to organization grants and loans to defray the cost of transition to borough or city government; and providing for an effective date."

transition borough to city govt

Introduced in the Senate .....2/11/75

HISTORY IN THE SENATE

1975 Read first time and referred to Committee on

2 11

Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused 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 Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused 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: 2/11/75  
Referred: Finance

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# STATE OF ALASKA

**DEPT. OF COMMUNITY & REGIONAL AFFAIRS**

OFFICE OF THE COMMISSIONER

POUCH B--JUNEAU 99801

JAY S. HAMMOND, Governor

February 13, 1975

Mr. Jay H. Hogan, Director  
Division of Legislative Finance  
Pouch WF  
Juneau, Alaska 99811

Dear Mr. Hogan:

Re: SB 158

Mr. Jim Fennel of your staff has requested preparation of a fiscal note on the cited bill. As section 1 of the bill merely amends current language authorizing payment of an organization grant, we see section 2, an "Organization Loan" authorization, as the operative provision. Terms and conditions of any loans made are the concern of the Commissioner of Revenue; we cannot speak for him as to reasonable terms--including limitations on loans--which he foresees.

Our Fiscal Year 1976 budget submission for organizational grants is predicated on an assumption that one new borough and one first-class city will be established during the period. We have also assumed incorporation of ten second-class cities. As it is likely that only larger municipalities--boroughs and first-class cities--would have need of transitional assistance by way of a loan, you may assume that the number of such loans should be limited to not more than two in a given fiscal year, current conditions and interest in new local government units being constant. I have no estimate of the principal amounts required by way of loans to defray costs of transition.

Mr. Jay H. Hogan

-2-

February 13, 1975

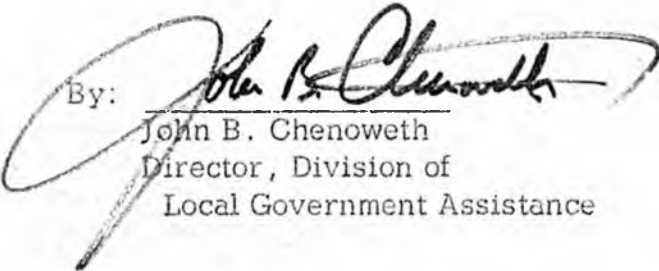
For FY 75 and FY 76, the Committee should be aware of the pending Chugiak - Eagle River assistance request. We have, also, an expression of interest in a division of the Matanuska-Susitna Borough, but no petition as yet seeking incorporation of separate borough governments for that area.

If you require further information please contact us.

Very truly yours,

Lee McAnerney  
Commissioner

By:



John B. Chenoweth  
Director, Division of  
Local Government Assistance

LMcA:JBC:mw

cc: Chairman, Senate Finance Committee

Director, Division of Budget and Management

STATE OF ALASKA  
Inter-Department Route Slip

TO:  
MAIL STATION NUMBER 3100

DEPARTMENT State Senate

ATTENTION Chairman, Finance Committee

- |  |  |
|--|--|
| <input type="checkbox"/> Approval      | <input type="checkbox"/> Note & Return               |
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| <input type="checkbox"/> Comment       | <input type="checkbox"/> Return As Requested         |
| <input type="checkbox"/> Contact Me    | <input type="checkbox"/> Return For Approval         |
| <input type="checkbox"/> Prepare Reply | <input checked="" type="checkbox"/> Necessary Action |
| <input type="checkbox"/> For Your File | <input checked="" type="checkbox"/> Your Information |

Remarks:

*Jim FENNEL*

FROM:  
MAIL STATION NUMBER 3100

DEPARTMENT PA

BY Joe McLaughlin DATE 2/13

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

JAY S. HAMMOND, Governor

OFFICE OF THE COMMISSIONER

POUCH B-JUNEAU 99501

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If you require further information please contact us.

Very truly yours,

Lee McAnerney  
Commissioner

By:

John B. Chenoweth  
Director, Division of  
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LMcA:JBC:mw

cc: Chairman, Senate Finance Committee

Director, Division of Budget and Management

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y. STATE CAPITOL  
UNEAU, ALASKA 99501

LEGISLATIVE AFFAIRS AGENCY

February 19, 1975 (II)

MEMORANDUM

TO: Senator John Sackett

FROM: Stuart C. ~~Kail~~ <sup>SPAD</sup>, Legislative Counsel

SUBJECT: Eagle River-Chugiak Borough  
Loan: Addenda

This morning, subsequent to dispatching my memorandum of this same date, I have had further discussions with the Commissioner of Revenue and, at my suggestion, with Mr. Eric Wohlforth, former Commissioner of Revenue, Anchorage attorney and expert on municipal law and finance. Together we reviewed both the Attorney General's Opinion of February 18, and the bills I drafted for you.

While I continue to concede the usefulness of the Attorney General's Opinion by Mr. LeBlond, I believe that he artfully papers over the key issues which are: (1) Can the state make a loan to the borough and (2) can the borough accept the loan, i.e., borrow the money?

(1) As to the state's (commissioner of revenue's) power to make a loan: Commissioner Gallagher cites AS 37.10.070(6) which empowers him to invest in securities, "including corporate securities." He insists this is sufficiently broad to include a note issued by a municipality. I believe that the quoted phrase, above, is language of limitation, and not illustrative or expansionary in concept. Commissioner Gallagher also cites AS 37.10.079 which authorizes purchase of bonds of political subdivisions, and insists that expert bond counsel would hold that the suit challenging the existence of the borough was not designed or contrived to affect the validity of the bonds (and for "bonds," Gallagher substitutes the word "note," arguing that in the lexicon of the bankers one word is "fungible" for the other). I am no expert in municipal finance, but I think our able Commissioner's reliance on and analysis of these

# CORRECTION

THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99801

LEGISLATIVE AFFAIRS AGENCY

February 19, 1975 (II)

MEMORANDUM

TO: Senator John Sackett

FROM: Stuart C. ~~Kell~~<sup>SPAD</sup>, Legislative Counsel

SUBJECT: Eagle River-Chugiak Borough  
Loan: Addenda

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(1) As to the state's (commissioner of revenue's) power to make a loan: Commissioner Gallagher cites AS 37.10.070(6) which empowers him to invest in securities, "including corporate securities." He insists this is sufficiently broad to include a note issued by a municipality. I believe that the quoted phrase, above, is language of limitation, and not illustrative or expansionary in concept. Commissioner Gallagher also cites AS 37.10.079 which authorizes purchase of bonds of political subdivisions, and insists that expert bond counsel would hold that the suit challenging the existence of the borough was not designed or contrived to affect the validity of the bonds (and for "bonds," Gallagher substitutes the word "note," arguing that in the lexicon of the bankers one word is "fungible" for the other). I am no expert in municipal finance, but I think our able Commissioner's reliance on and analysis of these

February 19, 1975

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(2) Even if the state has the power to make the loan, does the borough have the power to accept it by issuing its note? It is very doubtful. Mr. Wohlforth is in agreement. The Assistant Attorney General's reliance on art. II, sec. 19, is inapposite. That section was designed to prevent the legislature from imposing a costly duty, by statute, on a municipality which would necessitate the latter's appropriating, or raising from taxation, a substantial sum to fund the new duty or obligation. It was not designed, as Assistant Attorney General LeBlond suggests, to get around the prohibition against a municipality borrowing funds for a term in excess of the constitutional limit prescribed in art. IX, sec. 10, namely that the debt created by borrowing in anticipation of revenues must be paid back by the end of the fiscal year following that in which the debt was contracted. In short, the point quite properly raised by Rep. Cowper at the House Finance Committee meeting last Friday (16 February) still is before us: the proposed loan probably cannot be made for a period of five years. It may, IF it can be made now, be made for a period not beyond June 30, 1976. However, the stipulation entered into by the attorneys for the parties to the suit involving the legal status of the Eagle River-Chugiak Borough precludes that entity from borrowing in anticipation of revenue because it cannot exercise its assessing and taxing powers (one of the three powers that may be exercised by a second class borough). Moreover, while the Municipal Code, in AS 29.48.010(12), authorizes municipalities to "borrow money and issue evidences of indebtedness," those two powers must be read in conjunction with one another and not separately. The ONLY evidences of indebtedness that can be issued by municipalities under AS 29.58 are: revenue anticipation notes, bond anticipation notes, general obligation bonds and revenue bonds. While it is true both the Alaska Constitution (art. X, sec. 1) and the Municipal Code (AS 29.48.310) indicate that a liberal construction is to be given all powers and functions of boroughs conferred by the Code, nevertheless the majority rule in the law of Municipal Corporations is that the powers of municipalities are to be construed strictly against them. Thus, despite the legal largesse of AS 29.48.310, I do not believe the ER-C Borough can issue its note to obtain this loan -- UNLESS the parties to the suit are willing to modify the stipulation to allow it to exercise its power of assessment and taxation -- at least for this purpose, subject to whatever conditions concerning repayment the commissioner of revenue may wish to impose. Mr. Wohlforth and I are in agreement on the foregoing points.

February 19, 1975

It is, therefore, my final recommendation to you and your colleagues that the legislature take NO action whatsoever until the State Supreme Court has rendered its judgment as to the legal status of the borough. That decision is expected momentarily. In the interest of keeping my clients, the members of the legislature, out of court, I urgently recommend a "hands off" policy until the Court rules.

There can be no doubt that the state can make an additional grant to the ER-C Borough by (1) appropriating the money to the Department of Community and Regional Affairs and (2) modifying AS 29.18.180 to permit a second or additional grant and changing the dates mentioned in that section to prevent boroughs or cities formed during the five-year period between 1968 and 1973 from taking advantage of the subsequent grant. I have drafted legislation to that effect as well: SB 158, as introduced.

cc: Sen. Pat Rodey  
Rep. Steve Cowper  
Rep. Hugh Malone

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99801

LEGISLATIVE AFFAIRS AGENCY

February 19, 1975 (II)

MEMORANDUM

TO: Senator John Sackett

FROM: Stuart C. ~~Mail~~<sup>SEND</sup>, Legislative Counsel

SUBJECT: Eagle River--Chugiak Borough  
Loan: Addenda

This morning, subsequent to dispatching my memorandum of this same date, I have had further discussions with the Commissioner of Revenue and, at my suggestion, with Mr. Eric Wohlforth, former Commissioner of Revenue, Anchorage attorney and expert on municipal law and finance. Together we reviewed both the Attorney General's Opinion of February 18, and the bills I drafted for you.

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# RECORDS CERTIFICATION



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

James O. Smith  
Signature of Camera Operator

2/8/90  
Date

COMMITTEE REPORT

SENATE

2/11/75

Mr. President:

Date \_\_\_\_\_

The Committee on FINANCE has had SB 159  
sepc. approp. Eagle River-Chugiak Borough  
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: 2/11/75  
Referred: Finance

1 IN THE SENATE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2 SENATE BILL NO. 159

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Revenue for the Eagle River-Chugiak Borough;  
8 and providing for an effective date."

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

10 \* Section 1. The sum of \$250,000 is appropriated from the general fund  
11 to the Department of Revenue to make a loan to the Eagle River-Chugiak Borough  
12 under AS 29.18.105 to defray the cost of transition to borough government and  
13 to provide for development and interim governmental operations with interest  
14 at a rate of 5.5 per cent a year and a date of maturity five years from the  
15 date the loan is made and subject to those other terms and conditions pre-  
16 scribed by the commissioner of revenue.

17 \* Sec. 2. This Act takes effect on the effective date of "An Act relating  
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COMMITTEE COPY

ALASKA STATE LEGISLATURE

NINTH... Legislature FIRST.. Session

SENATE BILL, ..... NO. 159.....

By THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

"An Act making a special appropriation to the Department of Revenue for the Easel River-Chugiak Borough, and providing for an effective date."

spec. approp. Eagle River Chugak Borough

Introduced in the Senate 2/11...., 1975.

HISTORY IN THE SENATE

1975		Read first time and referred to Committee on Finance										
2	11	Reported back with recommendation that										
		Read second time and										
		Read third time and										
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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		Reconsideration										
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PASS	Effective Date											
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Excused	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										
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		Read second time and										
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		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: 2/11/75  
Referred: Finance

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BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

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4 NINTH LEGISLATURE - FIRST SESSION

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STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99801

LEGISLATIVE AFFAIRS AGENCY

February 19, 1975 (II)

MEMORANDUM

TO: Senator John Sackett

FROM: Stuart C. <sup>SPAD</sup>Kail, Legislative Counsel

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Loan: Addenda

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(1) As to the state's (commissioner of revenue's) power to make a loan: Commissioner Gallagher cites AS 37.10.070(6) which empowers him to invest in securities, "including corporate securities." He insists this is sufficiently broad to include a note issued by a municipality. I believe that the quoted phrase, above, is language of limitation, and not illustrative or expansionary in concept. Commissioner Gallagher also cites AS 37.10.079 which authorizes purchase of bonds of political subdivisions, and insists that expert bond counsel would hold that the suit challenging the existence of the borough was not designed or contrived to affect the validity of the bonds (and for "bonds," Gallagher substitutes the word "note," arguing that in the lexicon of the bankers one word is "fungible" for the other). I am no expert in municipal finance, but I think our able Commissioner's reliance on and analysis of these

sections smacks of "bootstrapping." I still strongly prefer the language of proposed AS 29.18.185 which I have drafted for you in the form of CS for SB 158; it is clear, direct authority for the loan.

(2) Even if the state has the power to make the loan, does the borough have the power to accept it by issuing its note? It is very doubtful. Mr. Wohlforth is in agreement. The Assistant Attorney General's reliance on art. II, sec. 19, is inapposite. That section was designed to prevent the legislature from imposing a costly duty, by statute, on a municipality which would necessitate the latter's appropriating, or raising from taxation, a substantial sum to fund the new duty or obligation. It was not designed, as Assistant Attorney General LeBlond suggests, to get around the prohibition against a municipality borrowing funds for a term in excess of the constitutional limit prescribed in art. IX, sec. 10, namely that the debt created by borrowing in anticipation of revenues must be paid back by the end of the fiscal year following that in which the debt was contracted. In short, the point quite properly raised by Rep. Cowper at the House Finance Committee meeting last Friday (16 February) still is before us: the proposed loan probably cannot be made for a period of five years. It may, IF it can be made now, be made for a period not beyond June 30, 1976. However, the stipulation entered into by the attorneys for the parties to the suit involving the legal status of the Eagle River-Chugiak Borough precludes that entity from borrowing in anticipation of revenue because it cannot exercise its assessing and taxing powers (one of the three powers that may be exercised by a second class borough). Moreover, while the Municipal Code, in AS 29.48.010(12), authorizes municipalities to "borrow money and issue evidences of indebtedness," those two powers must be read in conjunction with one another and not separately. The ONLY evidences of indebtedness that can be issued by municipalities under AS 29.58 are: revenue anticipation notes, bond anticipation notes, general obligation bonds and revenue bonds. While it is true both the Alaska Constitution (art. X, sec. 1) and the Municipal Code (AS 29.48.310) indicate that a liberal construction is to be given all powers and functions of boroughs conferred by the Code, nevertheless the majority rule in the law of Municipal Corporations is that the powers of municipalities are to be construed strictly against them. Thus, despite the legal largesse of AS 29.48.310, I do not believe the ER-C Borough can issue its note to obtain this loan -- UNLESS the parties to the suit are willing to modify the stipulation to allow it to exercise its power of assessment and taxation -- at least for this purpose, subject to whatever conditions concerning repayment the commissioner of revenue may wish to impose. Mr. Wohlforth and I are in agreement on the foregoing points.

Senator Sackett

-3-

February 19, 1975

It is, therefore, my final recommendation to you and your colleagues that the legislature take NO action whatsoever until the State Supreme Court has rendered its judgment as to the legal status of the borough. That decision is expected momentarily. In the interest of keeping my clients, the members of the legislature, out of court, I urgently recommend a "hands off" policy until the Court rules.

There can be no doubt that the state can make an additional grant to the ER-C Borough by (1) appropriating the money to the Department of Community and Regional Affairs and (2) modifying AS 29.18.180 to permit a second or additional grant and changing the dates mentioned in that section to prevent boroughs or cities formed during the five-year period between 1968 and 1973 from taking advantage of the subsequent grant. I have drafted legislation to that effect as well: SB 158, as introduced.

cc: Sen. Pat Rodey  
Rep. Steve Cowper  
Rep. Hugh Malone

"An Act making a special appropriation to the Department of Health and Social Services, laboratories; and providing for an effective date."

## COMMITTEE REPORT

4/9/75

HOUSE

Mr. Speaker:

Date

5/29/75

The Committee on FINANCE has had SR 163 am

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 SR 207 AND THAT

H CS FOR ~~SR 163 am~~ 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>No Motion</u>
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

[Signature] Chairman

Introduced: 2/11/75  
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 163 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH 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, laboratories; and  
8 providing for an effective date."

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

10 \* Section 1. The sum of \$70,000 is appropriated from the general fund  
11 to the Department of Health and Social Services for the fiscal year ending  
12 June 30, 1975, for the expenses which will be incurred in moving the  
13 northern regional laboratory from the Fairbanks Court and Office Building  
14 to the Arctic Research Laboratory at the University of Alaska.

15 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.  
16 10.070(c).  
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STATE  
ALASKA

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

REF: *Journal* SB165  
NOV 1974  
FUNDING INFORMATION

TO: | The Honorable Richard Freer  
Commissioner of Administration

DATE November 18, 1974

FROM: Frederick McGinnis, Commissioner  
Department of Health and Social Services

*J. McGinnis*

SUBJECT: FY 1975 Supplemental  
Appropriation - Northern  
Regional Laboratory Moving  
Costs

As you requested, we are attaching the Revised Program Summary requesting the appropriation of funds necessary to move the Northern Regional Laboratory from its present location in the Fairbanks Court and Office Building to the Arctic Health Research Building. Appropriating these funds as a FY 1975 Supplemental should permit the move and necessary renovations to take place in the spring before labor costs increase or become critically short due to North Slope activities.

FM: FEF: bal  
Attachment  
cc: Division of Administrative Services  
Division of Public Health

To: |  
Fredrick, Higgins  
Commissioner

Thru: Donald R. Freedman, M.D. MPH  
Director, Division of Public Health

DATE: November 15, 1974

FROM: Frank P. Pauls, Dr. PH *F.P. Pauls*  
Chief, Section of Laboratories

SUBJECT: Move - Northern Regional  
Laboratory

At the Budget Review Committee meeting on November 13 the item for the moving of the Northern Regional Laboratory in FY 76 and requested increase from \$80,700 to \$92,000 was discussed during the Laboratories BRU presentation. We were questioned about the increased cost and reasons for the move.

I did state that an earlier move could be made at a savings of \$11,300 but funds were not available in FY 75 and that costs would increase after July 1. This was the reason for the requested revision from \$80,700 to \$92,000 if the move had to be made after July 1.

On November 14, Budget & Management advised our office that the Budget Review Committee had recommended that we submit a FY 75 Revised Program Request for a supplemental appropriation to cover the \$11,300 requested in contractual services for moving the laboratory.

Attached is the completed FY 75 Revised Program Request for your consideration and action.

# 7 Analysis of Governor's Decisions

ITEM	AMOUNT	FUNDING SOURCE	EXPLANATION
Request	80.7	GF	Recommended

BRU Public Health Laboratories FY 75 Supplemental BUJ CODE 06-31-1-06-00-00 REVISED \_\_\_\_\_



REVISED PROGRAM  
COST ANALYSIS SUMMARY  
by BUDGET COMPONENT

AGENCY	CATEGORY	03	SMITH
Health & Soc. Svcs.	PROGRAM	31	Public Health
DIVISION	SUB PROGRAM	04	Laboratories
Public Health	ELEMENT		
	SUB ELEMENT		

FY 75

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES	462.7		462.7
200	TRAVEL	8.8		8.8
300	CONTRACTUAL SERVICES	160.1	80.7	240.8
400	COMMODITIES	72.4		72.4
500	EQUIPMENT	8.7		8.7
600	LAND BUILDINGS NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, PLANS, SHARED REVENUE			
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>712.7</b>	<b>80.7</b>	<b>793.4</b>
	FEDERAL RECEIPTS	118.1		118.1
	REQUIRED GENERAL FUND MATCHING	49.8		49.8
	OTHER GENERAL FUND	520.6	80.7	609.3
	INTER-AGENCY TRANSFERS	9.2		9.2
	OTHER	7.0		7.0
	<b>TOTAL</b>	<b>712.7</b>	<b>80.7</b>	<b>793.4</b>
	PERMANENT FULL-TIME POSITIONS	29.0		29.0
	PERMANENT PART-TIME POSITIONS	4.0		4.0
	TEMPORARY (FTE LEVY/EQUIVALENTS)			
	TEMPORARY MANAGEMENT	372		372

(CURRENT FY)

	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
EXPENDITURES - TOTAL	793.4	787.9	827.3	869.7	912.1	957.7
SOURCE OF FUNDS						
FEDERAL	118.1	75.8	69.8	18.4	19.2	20.8
REQ. G.F. MATCH	49.8	30.0	0	0	0	0
OTHER G.F.	609.3	665.9	741.3	834.1	876.7	920.7
OTHER (SPECIFY)	7.0	7.0	7.0	7.0	7.0	7.0
Inter-Agency	9.2	9.2	9.2	9.2	9.2	9.2

EXPLANATION

AGENCY	CATEGORY		
Health & Soc. Svcs.	03		
Public Health	04		

300 - CONTRACTUAL SERVICES

01 - Regional Laboratories

60,700

Mandatory move of Northern Regional Laboratory from State Court Office Building in Fairbanks. Space required by State Court System. New Regional Office Building available in latter part of FY 75 does not include space for the laboratory. The University of Alaska has agreed to lease space for the Northern Regional Laboratory in the Arctic Health Research Center Building on the Fairbanks campus. Move in FY 75 will save the state approximately \$12,000 due to escalating construction costs after July 1, 1975 and premium demands for support services by the pipeline construction projects. Funds not available in current FY 75 budget.

Move Requires:

- (1) Dismantling of 4 rooms of fixed laboratory cabinetry, disconnection of all electrical and plumbing fixtures, removal of doors and door jambs for moving out of equipment too wide for doorways ; repair of doorways;
- (2) Packing and moving of laboratory in two stages to prevent disruption of emergency services (approximate distance 5 miles);
- (3) Alteration of new space to conform with laboratory requirements, reinstallation of cabinetry, installation and connection of electrical circuits and utilities, modification of mechanical facilities (air exhaust).



# 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

2/8/90  
Date

# COMMITTEE REPORT

SENATE

2/11/75

Mr. President:

Date APRIL 3, 1975

The Committee on FINANCE has had SB 163

~~Special Appropriation to Dept. Health & Social Services, Laboratories~~  
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>	_____
_____	_____	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:

[Signature] Chairman

A M E N D M E N T

Offered in the SENATE

By \_\_\_\_\_

To: \_\_\_\_\_ SENATE BILL NO. \_\_\_\_\_

\_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_

AMENDMENT: Page \_\_\_\_\_ Line \_\_\_\_\_

Introduced: 2/11/75  
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 163

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH 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, laboratories; and  
8 providing for an effective date."

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

10 \* Section 1. The sum of \$80,700 is appropriated from the general fund  
11 to the Department of Health and Social Services for the fiscal year ending  
12 June 30, 1975, for the expenses which will be incurred in moving the  
13 northern regional laboratory from the Fairbanks Court and Office Building  
14 to the Arctic Research Laboratory at the University of Alaska.

15 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.  
16 10.070(c).

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Introduced: 2/11/75  
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Referred: Finance

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Referred: Finance

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Introduced: 2/11/75  
Referred: Finance

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2 SENATE BILL NO. 163

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Introduced: 2/11/75  
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 163

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4 NINTH LEGISLATURE - FIRST SESSION

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# STATE OF ALASKA

## DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF ADMINISTRATIVE SERVICES  
Financial Management Office

Jay S. Hammond, Governor

Pouch H 02 E  
Juneau, Alaska 99811

~~POUCH H 02 E~~

May 1, 1975

Document# HFC  
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The Honorable Hugh Malone  
Chairman, House Finance Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

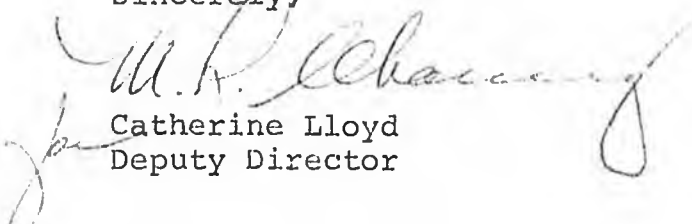
Dear Mr. Malone:

SB 163, an act appropriating funds for relocating the Northern Regional Laboratory was submitted by the Governor in the amount of \$80,700. The senate in passing the bill amended it down to \$70,000.

Enclosed is support data dated April 29, 1975 from Dr. Pauls outlining the need for the original amount and the urgency of passage this session.

We would certainly appreciate the opportunity to appear before your Committee at your convenience to further explain this bill.

Sincerely,

  
Catherine Lloyd  
Deputy Director

Enclosures

cc: Dr. Freedman  
Dr. Pauls  
Budget & Management

STATE  
of ALASKA

## MEMORANDUM

TO: Francis S.L. Williamson  
Commissioner  
Dept. of Health & Social Services

Thru: Donald K. Freedman, M.D. MPH  
Director, Division of Public Health

From: Frank P. Pauls, Dr. PH *F.P. Pauls*  
Chief, Section of Laboratories

DATE : April 29, 1975

SUBJECT: Senate Bill 163 am

Senate Bill 163 am reduced the original supplemental request from \$80,700 to \$70,000 for the moving of the Northern Regional Laboratory. The reduction is not realistic in the face of rapidly escalating construction costs and premium prices we will have to pay in competition with the pipeline contractors.

Attached is the estimate of remodeling costs presented by the architect, which we just received. The remodeling costs of \$70,000 will utilize the entire proposed appropriation, leaving nothing for moving or dismantling. The moving costs alone will be \$6,550 and dismantling estimated at \$9,000.

We do not have the additional funds to make up the difference. Request restoration of the \$10,700 on the basis of the increased costs of remodeling as confirmed by the architect.

Attached is our original position paper on SB 163.

architects.  
G.D.M. & Associates

Suite 45A Alaska National Bank Building Fairbanks, Alaska 99701 907/452-7213

Gerald D. Myers  
Larry H. Lander

RECEIVED  
APR 21 1975

4-21-75

BRANCH OF PUBLIC  
HEALTH LABORATORIES

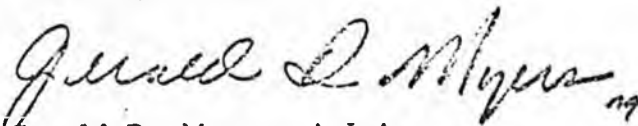
Dr. Frank Pauls  
Director of Laboratories  
Dept. of Health & Social Services  
Division of Public Health  
Pouch H  
Juneau, AK 99811

Dear Dr. Pauls:

As per your instructions we have attached a preliminary plan of the proposed laboratory layout for your review. We anticipate a cost of \$70,000.00 to remodel approximately 1650 square feet for the laboratory use. There is an additional 2000 square feet of space in which we anticipate no remodel work.

Moving costs, contingency fund and architectural/engineering costs are not included in the estimate. One explanation for the high construction cost is the addition of a self contained air handling unit. The buildings existing mechanical system is presently overloaded thereby requiring the new units.

Sincerely yours,



Gerald D. Myers, A.I.A.

ARCHITECTS: G.D.M. & ASSOCIATES

GDM/ng

encl:

Laboratories

POSITION PAPER  
OR  
SENATE BILL 165

An act relating to making a special appropriation to the Department of Health and Social Services, Laboratories; and providing for an effective date.

The bill provides for a supplemental appropriation for \$80,700 from the general fund for FY 75. The requested funds are to pay for the expenses incurred in moving the Northern Regional Laboratory from the Fairbanks Court and Office Building to the Arctic Health Research Building at the University of Alaska.

The move is mandatory due to the need for the present laboratory space by the State Court System by July 1, 1975. Though other state offices are to be moved into the new state regional office building, there is no provision for the laboratory. Due to the special requirements for utilities and mechanical services (separate air handling system due to pathogenic organisms) and lack of storage and expansion space, the laboratory was eliminated in the final design stage. The space in the Arctic Health Research Building will be adequate as the building has all of the basic utilities and services and was specifically designed for laboratory use. Available space will require modification.

Moving of the Northern Regional Laboratory requires:

- 1). Dismantling of a four room laboratory with complex equipment (autoclaves, stills, dishwasher, biological safety cabinets) and special interconnected laboratory cabinetry, with electrical and plumbing connections.
- 2). Removal and reinstallation of fire door walls on Court Building's second floor to permit moving equipment down the stairs.
- 3). Packing and moving of laboratory in two stages to prevent disruption of work. Approximate distance 5 miles.
- 4). Remodelling of new premises with modification of air exhaust system and rewiring and plumbing to accommodate laboratory benchwork and equipment.
- 5). Reinstallation of benchwork and equipment.

Total cost of \$80,700 based on architect's estimates. Breakdown is as follows:

Dismantling of laboratory	\$9,000
Moving and packing	6,550
Remodeling (wall changes - mechanical services to connect exhaust system).	20,000
Reinstallation (wiring, plumbing, gas from utilidor through wall to bench sites. Connection of benchwork).	45,150



Position Paper  
Senate Bill No. 163

-2-

Supplemental requested to accomplish move in FY 75 at a savings of \$12,000. If move made in FY 76 labor costs will escalate due to the new wage scales effective July 1, 1975 and premium prices due to pipeline construction.

The Department supports the Bill without change.

Recommended By: *P. J. [unclear]* Date: *2/24/75*  
Division Director

Approved By: *Francis E. Williams* Date: *3/24/75*  
Commissioner

Comments by Governor's Office:

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

STATE  
of ALASKA

# MEMORANDUM

TO:  Mr. Milton Barker  
Budget Analyst  
Senate Finance Committee

DATE : May 2, 1975

FROM: Frank P. Pauls, Dr. PH *F.P.P.*  
Chief, Section of Laboratories

SUBJECT: Senate Bill 163 am

Attached is the architect's estimate for remodeling costs for the new facility for the Northern Regional Laboratory in the Arctic Health Research Center Building in Fairbanks. This information was not available when we submitted our planning data to you in March.

Our original estimate for the total moving costs was \$80,700 of which \$65,150 was for remodeling. The architect's estimate of \$70,000 for this work reflects the added labor costs and an air handling system. The cost of the latter is being shared by the University.

The reduction of our original request from \$80,700 to \$70,000 leaves no funds available for the dismantling of the laboratory in the Court Building or the physical move. It also places our entire move in jeopardy as we can not move until the funds are authorized nor can we move if we know the costs will exceed the appropriation.

We sincerely hope that in light of the architect's information it will be possible to restore the special appropriation to \$80,700.

Architects:

G.D.M. & Associates

Suite 45A Alaska National Bank Building Fairbanks, Alaska 99701 907/452-7213

Gerald D. Myers

Larry H. Lander

RECEIVED  
APR 22 1975

4-21-75

BRANCH OF PUBLIC  
HEALTH LABORATORIES

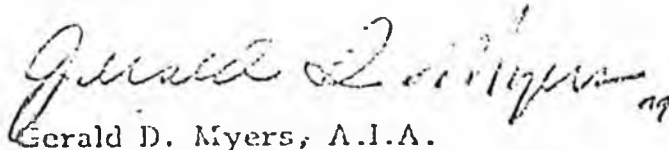
Dr. Frank Pauls  
Director of Laboratories  
Dept. of Health & Social Services  
Division of Public Health  
Pouch II  
Juneau, AK 99811

Dear Dr. Pauls:

As per your instructions we have attached a preliminary plan of the proposed laboratory layout for your review. We anticipate a cost of \$70,000.00 to remodel approximately 1650 square feet for the laboratory use. There is an additional 2000 square feet of space in which we anticipate no remodel work.

Moving costs, contingency fund and architectural/engineering costs are not included in the estimate. One explanation for the high construction cost is the addition of a self contained air handling unit. The building's existing mechanical system is presently overloaded thereby requiring the new units.

Sincerely yours,



Gerald D. Myers, A.I.A.

ARCHITECTS: G.D.M. & ASSOCIATES

GDM/ng

encl:

STATE  
OF ALASKA

*Faint handwritten notes at the top of the page.*

return to  
*Jennell* SB163  
NOV 19 1974  
FEDERAL BUREAU OF INVESTIGATION

TO: The Honorable Richard Freer  
Commissioner of Administration

DATE: November 18, 1974

FROM: Frederick McGinnis, Commissioner  
Department of Health and Social Services

*F. McGinnis*  
SUBJECT:

FY 1975 Supplemental  
Appropriation - Northern  
Regional Laboratory Moving  
Costs

As you requested, we are attaching the Revised Program Summary requesting the appropriation of funds necessary to move the Northern Regional Laboratory from its present location in the Fairbanks Court and Office Building to the Arctic Health Research Building. Appropriating these funds as a FY 1975 Supplemental should permit the move and necessary renovations to take place in the spring before labor costs increase or become critically short due to North Slope activities.

FM: FEF: bal

Attachment

cc: Division of Administrative Services  
Division of Public Health

Enclosed  
Enclosure

Thru: Donald K. Friedman, D.D. MPH  
Director, Division of Public Health

DATE: November 13, 1974

FROM: Frank P. Paola, Dr. PH *F.P.*  
Chief, Section of Laboratories

SUBJECT: Move - Northern Regional  
Laboratory

At the Budget Review Committee meeting on November 13 the item for the moving of the Northern Regional Laboratory in FY 76 and requested increase from \$80,700 to \$92,000 was discussed during the Laboratories BRU presentation. We were questioned about the increased cost and reasons for the move.

I did state that an earlier move could be made at a savings of \$11,300 but funds were not available in FY 75 and that costs would increase after July 1. This was the reason for the requested revision from \$80,700 to \$92,000 if the move had to be made after July 1.

On November 14, Budget & Management advised my office that the Budget Review Committee had recommended that we submit a FY 75 Revised Program Request for \$92,000 for the requested increase in FY 75 requested contractual services for moving the Laboratory.

Attached is the completed FY 75 Revised Program Request for your consideration and action.

# 7 Analysis of Governor's Decisions

ITEM	AMOUNT	FUNDING SOURCE	EXPLANATION
Request	80.7	GF	Recommended

BRU Public Health Laboratories FY 75 Supplemental BIJ CODE 06-31-1-06-00-00 REVISED \_\_\_\_\_





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

REVISED PROGRAM  
 COST ANALYSIS SUMMARY  
 by BUDGET COMPONENT

AGENCY	CATEGORY	03	HEALTH
Health & Soc. Svcs.	PROGRAM	31	Public Health Laboratories
DIVISION	SUBPROGRAM	04	
Public Health	ELEMENT		
	SUB-ELEMENT		

FY 75

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES	462.7		462.7
200	TRAVEL	8.8		8.8
300	CONTRACTUAL SERVICES	160.1	80.7	240.8
400	COMMODITIES	72.4		72.4
500	EQUIPMENT	8.7		8.7
600	LANDS BUILDINGS NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS CLAIMS SHARED REVENUE			
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>712.7</b>	<b>80.7</b>	<b>793.4</b>
	FEDERAL RECEIPTS	118.1		118.1
	REQUIRED GENERAL FUND MATCHING	49.8		49.8
	OTHER GENERAL FUND	521.6	80.7	609.3
	INTER-AGENCY TRANSFERS	9.2		9.2
	OTHER	7.0		7.0
	<b>TOTAL</b>	<b>712.7</b>	<b>80.7</b>	<b>793.4</b>
	PERMANENT FULL-TIME POSITIONS	29.0		29.0
	PERMANENT PART-TIME POSITIONS	4.0		4.0
	TEMPORARY FULL-TIME EQUIVALENT			
	NUMBER OF FULL-TIME EMPLOYEES	372		372

(CURRENT FY)

	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
EXPENDITURES - TOTAL	793.4	767.9	827.3	865.7	912.1	937.7
SOURCE OF FUNDS						
FEDERAL	118.1	75.8	69.8	18.4	19.2	20.8
REQ. G.F. MATCH	49.8	30.0	0	0	0	0
OTHER G.F.	609.3	665.9	741.3	824.1	876.7	920.7
OTHER (SPECIFY)	7.0	7.0	7.0	7.0	7.0	7.0
Inter-Agency	9.2	9.2	9.2	9.2	9.2	9.2

EXPLANATION

AGENCY	CATEGORY	01	02
Health & Soc. Svcs.	0200	31	Public Health
Public Health	0200	04	Laboratories
	(SUB-AGENCY)		

300 - CONTRACTUAL SERVICES

01 - Regional Laboratories

89,700

Mandatory move of Northern Regional Laboratory from State Court Office Building in Fairbanks. Space required by State Court System. New Regional Office Building available in latter part of FY 75 does not include space for the laboratory. The University of Alaska has agreed to lease space for the Northern Regional Laboratory in the Arctic Health Research Center Building on the Fairbanks campus. Move in FY 75 will save the state approximately \$12,000 due to escalating construction costs after July 1, 1975 and premium demands for support services by the pipeline construction projects. Funds not available in current FY 75 budget.

Move Requires:

- (1) Dismantling of 4 rooms of fixed laboratory cabinetry, disconnection of all electrical and plumbing fixtures, removal of doors and door jambs for moving out of equipment too wide for doorways ; repair of doorways;
- (2) Packing and moving of laboratory in two stages to prevent disruption of emergency services (approximate distance 5 miles);
- (3) Alteration of new space to conform with laboratory requirements, reinstallation of cabinetry, installation and connection of electrical circuits and utilities, modification of mechanical facilities (air exhaust).