

LEG. FINANCE - BILLS 1975 - 1976 600

SB 694 cont., thru SB 700 600

880 H Street, Suite 209
Anchorage, Alaska 99501
907-278-1585

Executive Director:
Leonard D. Lane

CAPITAL SITE SELECTION COMMITTEE

March 4, 1976

The Honorable Bill Ray
Alaska State Senate
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator Ray:

Initiative No. 1, approved August 27, 1974, provided for the appointment of a Capital Site Selection Committee to select up to three capital sites by December 11, 1975, and further instructed this Committee to "hold public hearings in each judicial district within 18 months of December 11, 1974". The purpose of the hearings are to "invite questions and present facts to the citizens concerning each of the sites". The initiative goes on to state that Alaska's voters will "vote for any one of the alternate capital sites selected by the Capital Site Selection Committee at the next general election after conclusion of the public hearings".

The wording of the initiative leaves an information gap between June 30, 1976, and the November 1976 general election.

While the initiative does not abolish the Site Selection Committee, its current funding lapses on June 30, 1976. Therefore, the Committee requests an appropriation of \$123,500.00 to cover operating expenses and conduct workshops throughout the State to provide timely and objective information through the election process rather than complete the workshops by June 30.

However, if this extension is granted, the Committee plans to lapse between \$50,000.00 to \$70,000.00 from its FY 76 budget. This is the amount of money needed to conduct the workshops which we would postpone until closer to the election date.

The Honorable
Bill Ray

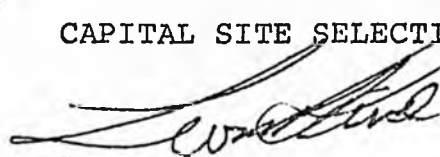
-2-

March 4, 1976

The overriding concern of the Committee and the reason for this request is the need to provide the Alaskan voter objective data on the three sites from which they can make a voting decision.

Respectfully submitted,

CAPITAL SITE SELECTION COMMITTEE



Leonard D. Lane
Executive Director

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
 Second Session - Ninth Legislature

I. REQUEST

Bill No. SB 694
 Title: An Act relating to continuation - Capitol Site
 Requested by: Capitol Site Sel. Comm. Date: March 8, 1976
 Return Date Requested:
 Agency: Office of the Governor Program: Cap. Site Sel. Comm

II. FISCAL DETAIL

Budget Request Unit(s) Affected: 01.91.01.06

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		41.5				
200 TRAVEL		51.9				
300 CONTRACTUAL		28.6				
400 COMMODITIES		1.2				
500 EQUIPMENT		.3				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		123.5	- 0 -	- 0 -	- 0 -	- 0 -

B. FUNDING: (Thousands of dollars)

GENERAL FUND	- 0 -	123.5	- 0 -	- 0 -	- 0 -	- 0 -
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3 /	/	/	/	/
MAN MONTHS (P./T.)	/	15 /	/	/	/	/

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

A. Executive Director - \$3546 + 21% + 1.5%
 Admin. Asst. I - 1142 + 21% + 1.5%
 Admin. Asst. III - 1522 + 21% + 1.5% \$41.5

B. 15 Meetings and Workshops \$51.9
 Per Diem \$21.0 28.6
 Trans. 30.9

C. Office Maintenance and Workshop Media \$28.6

D. Office Supplies and File Cabinet 1.5

IV. ATTACHMENTS

V. DATE: March 8, 1976 PREPARED BY: Leonard Lane

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

10 Personal Services Summary

(5/12)

ITEM	PRIOR YEAR (PY) ACTUAL	CURRENT YEAR (CY) AUTHORIZED	BUDGET YEAR (BY)			
			AGENCY			GOVERNOR'S BUDGET
			Maintenance	Change	Request	
CURRENT PERSONAL SERVICES						
SALARIES						
OVERTIME						
BENEFITS						
VACANCY			%	%	%	%
SUB-TOTAL						
NEW PERSONAL SERVICES						
SALARIES					31.5	
OVERTIME					2.8	
BENEFITS					7.2	
VACANCY			%	%	--	%
SUB-TOTAL					41.5	
TOTAL Pers. Svcs.						
FUNDING SOURCE						
FEDERAL RECEIPTS						
REQUIRED G. F. MATCHING						
OTHER GENERAL FUND						
INTER-AGENCY TRANSFERS						
OTHER:						
POSITIONS						
PFT: POSITIONS & (MONTHS)	()	()	()	()	()	()
PFT/SEAS: POS. & (MONTHS)	()	()	()	()	()	()
TEMP./FTE: POS. & (MONTHS)	()	()	()	()	()	()
TOTAL MONTHS						

BRU Capital Site Selection Committee BRU CODE _____ REVISED _____

15 New Position Summary

CLASSIFICATION TITLE (1)	P R I O R I T Y (2)	P C N (3)	P A Y R G E. (4)	M T H L Y. S A L A R Y (5)	R E V I S E D P R O G R A M N O. (6)	T O T A L P O S I T I O N C O S T (7)	BUDGET YEAR (BY)				
							A N N U A L A M O U N T				
							A G E N C Y				G O V E R N O R (12)
							M A I N T E N A N C E (10)	C H A N G E (11)			
1 Executive Director	1			3,546		22,150	1	5	17,730		
2 Administrative Assistant III	2		16	1,522		12,058	1	5	9,541		
3 Administrative Assistant I	3		12B	1,142		8,349	1	5	6,579		
4									33,850		
5											
6 1-1/2% merit increase									466		
7									34,316		
8											
9 21% benefits									7,206		
10									41,522		
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
						23 SALARIES			31,516		
						24 OVERTIME			2,800		
						25 BENEFITS			7,206		
						26 SUB-TOTAL			41,522		
						27 VACANCY					
						TOTAL ANNUAL AMOUNT			41,522		
						PERMANENT FULL TIME: POSITIONS & (months)			3 (15)		
						PERMANENT PART TIME/SEASONAL: POSITIONS and (months)					
						TEMPORARY, FULL TIME EQUIVALENT: POSITIONS & (months)					
						TOTAL MONTHS			15		

BRU Capital Site Selection Committee

BRU CODE

REVISED

Request for New Positions

POSITION TITLE Executive Director		RANGE		LOCATION Anchorage		GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS) <u>PFT</u>		NEW XX	MAINT.	PRIORITY <u>1</u> PAGE/LINE <u>1-1</u>		APPROVED <input type="checkbox"/>	
		RPA	CHANGE			DISAPPROVED <input type="checkbox"/>	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES		
		GF	OTHER	RECEIPT CODE			
PERSONAL SERVICES	21,775	22,150					
TRAVEL	375						
CONTRACTUAL							
COMMODITIES							
EQUIPMENT							
OTHER							
TOTAL	22,150	22,150			BRU COMPONENT		

JUSTIFICATION:	<u>Salary</u>	<u>1-1/2% Merit</u>	<u>21% Benefits</u>	<u>Total</u>
	\$42,552	\$638	\$9,070	\$52,260
	x 5/12	x 5/12	x 5/12	x 5/12
	\$17,730	\$266	\$3,779	\$21,775

BRU Capital Site Selection Committee BRU CODE _____ REVISED _____

13 PERSONAL SERVICES
 REQUEST FOR NEW POSITION

Request for New Positions

POSITION TITLE Administrative Assistant III		RANGE 16 B		LOCATION Anchorage		GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS) <u>PFT</u>		NEW XXX		MAINT.		APPROVED <input type="checkbox"/> DISAPPROVED <input type="checkbox"/>	
		R/P/A		CHANGE			
				PRIORITY <u>2</u>		PAGE/LINE <u>1-1</u>	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES		
		GF	OTHER	RECEIPT CODE			
PERSONAL SERVICES	11,683.	12,058					
TRAVEL	375.				Field Travel		
CONTRACTUAL							
COMMODITIES							
EQUIPMENT							
OTHER							
TOTAL	12,058.	12,058.			BRU COMPONENT		

JUSTIFICATION:	<u>Salary</u>	<u>1-1/2% merit</u>	<u>25% overtime</u>	<u>21% Benefits</u>	<u>Total</u>
	\$18,264	\$ 274	\$4,634	\$4,866	\$28,038
	x 5/12	x 5/12	x 5/12	x 5/12	x 5/12
	<u>\$ 7,610</u>	<u>\$ 114</u>	<u>\$1,931</u>	<u>\$2,028</u>	<u>\$11,683</u>

BRU Capital Site Selection Committee

BRU CODE _____

REVISED _____

13 PERSONAL SERVICES
 REQUEST FOR NEW POSITION

Request for New Positions

POSITION TITLE Administrative Assistant I		RANGE 12 B		LOCATION Anchorage		GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS) <u>PFT</u>		NEW XXX	MAINT.	PRIORITY 3 PAGE/LINE 1-3		APPROVED <input type="checkbox"/> DISAPPROVED <input type="checkbox"/>	
		RP/A	CHANGE				
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES		
		GF	OTHER	RECEIPT CODE			
PERSONAL SERVICES	8,064	8,349					
TRAVEL							
CONTRACTUAL							
COMMODITIES							
EQUIPMENT	285				File cabinet		
OTHER							
TOTAL	8,349	8,349			BRU COMPONENT		

JUSTIFICATION:

<u>Salary</u>	<u>1-1/2% merit</u>	<u>15% overtime</u>	<u>21% Benefits</u>	<u>Total</u>
\$ 13,704	\$ 206	\$ 2,086	\$ 3,359	\$ 19,355
x 5/12	x 5/12	x 5/12	x 5/12	x 5/12
\$ 5,710	\$ 86	\$ 869	\$ 1,399	\$ 8,064

BRU Capital Site Selection Committee

BRU CODE _____

REVISED _____

13

PERSONAL SERVICES
REQUEST FOR NEW POSITION

15 Contractual Services

CODE	CONTRACTUAL SERVICES CLASSIFICATION	PRIOR YEAR (PY) ACTUAL	CURRENT YEAR (CY) AUTHORIZED	BUDGET YEAR (BY)			GOVERNOR'S BUDGET
				AGENCY			
				Maintenance	Change	Request	
200	TOTAL CONTRACTUAL					28.6	
210	COMMUNICATION SERVICES					9.4	
220	PRINTING AND ADVERTISING					4.5	
230	RENTS AND UTILITIES					7.5	
240	REPAIRS, SERVICES AND ALTERATIONS						
250	TRANSPORTATION OF THINGS					.5	
260A	EQUIPMENT RENTAL-HIGHWAY WORKING CAPITAL FUND						
260B	EQUIPMENT RENTAL-WORD PROCESSING					2.6	
260C	EQUIPMENT RENTAL-OTHER					4.1	
270	INSURANCE AND BONDING						
280	PROFESSIONAL FEES AND SERVICES						
290	OTHER						
930	INTER-AGENCY TRANSFERS (Non-Add)						

EXPLANATION:

Telephone and workshops	\$1,700		
Postage	150		
Xerox copy charges	25		
	<u>\$1,875</u>	per month x 5	\$ 9,375
Advertising of 15 meetings and workshops @ \$300 each			\$ 4,500
Rental of office space @ \$1,497 per month x 5			\$ 7,485
Transportation of things - miscellaneous \$100 per month x 5			\$ 500
IBM Mag Card II typewriter	\$350		
IBM Memory typewriter	170		
	<u>\$520</u>	per month x 5	\$ 2,600
Postage meter and sorter rental	\$135		
Xerox copy machine rental	675		
	<u>\$810</u>	per month x 5	\$ 4,050

BRU Capital Site Selection Committee BRU CODE REVISED

16 Commodities

CODE	COMMODITIES CLASSIFICATION	PRIOR YEAR (PY) ACTUAL	CURRENT YEAR (CY) AUTHORIZED	BUDGET YEAR (BY)			GOVERNOR'S BUDGET
				AGENCY			
				Maintenance	Change	Request	
400	TOTAL COMMODITIES					1.2	
410	CLOTHING						
430	FOOD FOR HUMAN CONSUMPTION						
440	FUEL (OTHER THAN FOR MOTOR VEHICLES)						
450	MAINTENANCE & CONSTRUCTION MATERIALS						
460	MOTOR VEHICLE, PARTS, SUPPLIES & ACCESSORIES						
470	PROFESSIONAL & SCIENTIFIC SUPPLIES						
480	STATIONERY AND OFFICE SUPPLIES					.6	
490	OTHER SUPPLIES, MATERIALS AND PARTS					.6	
540	INTER-AGENCY TRANSFERS (Non-F. J)						

EXPLANATION: Stationery and office supplies \$125 per month x 5 = \$600.
 Miscellaneous supplies \$125 per month x 5 = \$600.

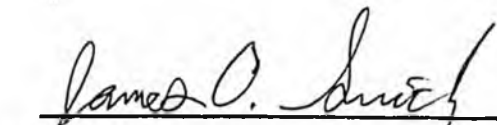
BRU Capital Site Selection Committee _____ BRU CODE _____ REVISED _____



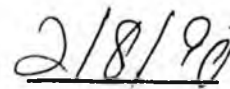
RECORDS CERTIFICATION



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.



Signature of Camera Operator



Date

"An Act making a special appropriation to the Office of the Governor, Office of Telecommunications; and providing for an effective date."

COMMITTEE REPORT

HOUSE

4/23/76

Mr. Speaker:

Date May 11 1976

The Committee on FINANCE has had SB 696

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)
- (x) 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: <u>no rec</u>
_____	recommends: <u>no rec</u>
_____	recommends: _____
_____	recommends: _____
_____	recommends: _____

H. Malcoe Chairman

HOUSE JOURNAL

LETTER OF INTENT

HCS SB 696

It is the intent of the House Finance Committee in offering HCS SB 696 to provide a pilot satellite television project for the State of Alaska.

The \$1.5 million appropriation is designed to provide a full-time satellite transponder leased for one year. This will provide one channel of television for selected villages, and bring live satellite coverage to the urban areas. The transponder may also be used to implement Health and Education video services to Alaska.

The priority use for a state-leased transponder is to provide television coverage for public and commercial facilities in urban and rural areas. To the extent that time is available beyond this basic intent, the GOT shall utilize the satellite time for any use in the public interest. The GOT shall include in the report to the legislature a plan for comprehensive satellite use, not limited to television broadcasting.

The appropriation goes to the Governor's Office of Telecommunications (GOT). The GOT is responsible for the completion of the project, however they have the authority to contract with any other state agency or private contractor for assistance with the project.

The village site selections shall be made by the Alaska Federation of Natives telecommunications committee, with the concurrence of the GOT. The AFN committee will work with the GOT and the AEBC in determining programming.

Commercial and Public broadcast stations with access to a large earth station will have the opportunity to receive network programs via the state-leased transponder. This will offer same-day viewing for many network programs, and allow live satellite broadcast for public affairs and special events state-wide.

This pilot program will offer the opportunity to determine the best technical and administrative procedure for a state-wide program. The GOT shall report to the next legislative session their recommendations for the implementation of a state-wide satellite television system.

Section 2 of this bill appropriates \$150,000 from the general fund to the GOT studio for the purpose of establishing a state-wide public radio network. The radio network shall interconnect existing public radio stations to share existing programs and provide an economic method of distributing state-wide radio programs.

The public radio network shall program certain legislative hearings and include in the format calls from constituents who wish to present testimony on selected committee hearings.

HOUSE JOURNAL

Section 3 provides \$100,000 for the purpose of providing a video legislative information service to all broadcast stations, public and commercial, throughout the state, and moving the GOT studio to the capitol building, if space becomes available.

If the production facility is transferred from the GOT, the funding for section 2 and 3 is automatically transferred with the facility.

A handwritten signature in cursive script, appearing to read "H. Malone", is written over a horizontal line.

Hugh Malone, Chairman
House Finance Committee

Original sponsor: Health, Education and
Social Services Committee

Offered: 4/23/76
Referred: Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2

HOUSE CS FOR SENATE BILL NO. 696

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Office
7 of the Governor, office of telecommunications; 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 \$1,500,000 is appropriated from the general fund
11 to the Office of the Governor, office of telecommunications for a satellite
12 transponder lease project to demonstrate the feasibility of satellite communi-
13 cations in Alaska, priority being given to satellite television.

14

* Sec. 2. The sum of \$150,000 is appropriated from the general fund to
15 the Office of the Governor, office of telecommunications for the purpose of
16 establishing a public radio network.

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* Sec. 3. This Act takes effect July 1, 1976.

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Introduced: 3/9/76
Referred: Health, Education
and Social Services and
Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE BILL NO. 696

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Office
7 of the Governor, office of telecommunications; 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 \$1,500,000 is appropriated from the general fund
11 to the Office of the Governor, office of telecommunications for a satellite
12 television project to demonstrate the viability of satellite television in
13 the state.

14 * Sec. 2. This Act takes effect July 1, 1976.
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ALASKA RADIO NETWORK

PURPOSES:

- 1) To interconnect existing radio stations throughout Alaska to supplement local programming.

Currently, local bush stations have difficulty affording continual programming and even more difficulty producing news shows on the events of the day in Alaska.

- 2) To make it possible on a moments notice to cover an event of importance anywhere in the state for all Alaskans to hear simultaneously.
- 3) To bring bush happenings to the attention of urban Alaska as well as Urban Alaska to the bush.
- 4) To afford a vehicle for the opinion leaders of the state to use as a forum on the issues of the day and to transmit these thoughts instantaneously to all Alaskans: Rural and Urban.
- 5) To bring the capital closer to the people and the people closer to the capital.

METHOD:

- 1) Interconnect via satellite, existing stations so that regular programs as well as the occasional special event can be transmitted simultaneously:

Anchorage*	Kenai*
Barrow KBRW	Ketchikan*
Bethel KYUK	Kodiak*
Dillingham KDLG	Kotzebue KOTZ
Fairbanks KUAC	Petersburg*
Juneau KT00	Wrangell*

- 2) Establish a radio central in existing space at the AEBC in Anchorage which would gather material from all of the stations, edit and re-transmit.

COST:

Studio Equipment:	\$15,000
Transmission Lines,	
RCA via satellite	5,000 per yr.
Staff, Administration,	
materials	75,000 per yr.
	<u>\$150,000</u>

*stations initiated by leg. intent

SIGNON!

... an irregular newsletter whose frequency is on the state of public broadcasting

EDUCATIONAL
BROADCASTING
COMMISSION
ALASKA 

Feb. '76 Volume 1 Issue 5

AN ALASKAN RADIO NETWORK:

WHO? Produced and/or contracted for by the AEBC which was enabled by legislators to be and which is politically insulated. AEBC a part of Department of Education.

WHAT? A radio central studio capable of receiving, editing, and distributing the best of National Public Radio, Radio Canada International, and existing Alaska Public Funded Radio Stations costing not more than \$150,000 per year.

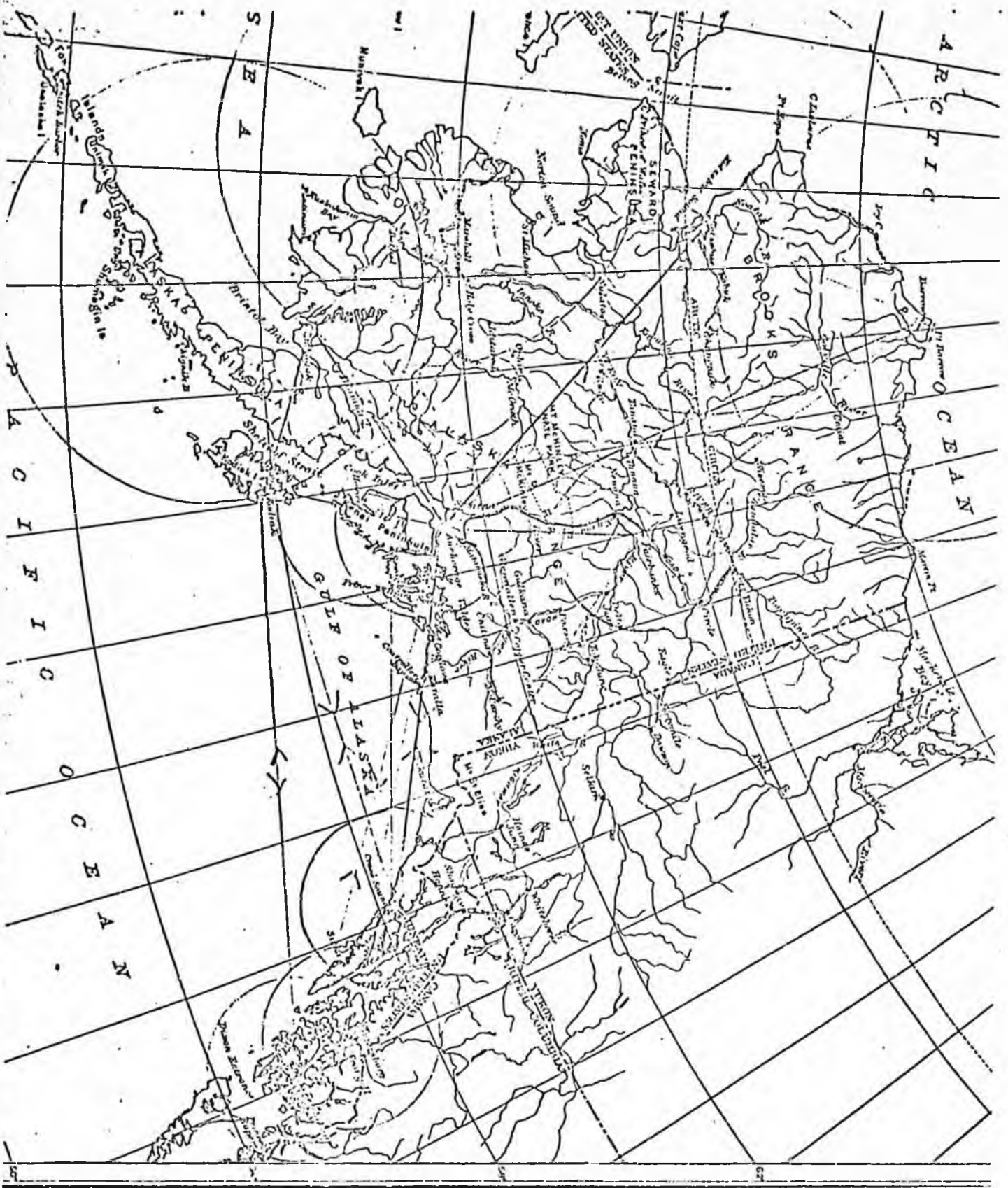
WHERE? The product is as near as the nearest radio set with Radio Central located in the existing office space leased by the AEBC in Anchorage.

WHEN? To start September 1, 1976, with service consisting of not less than 4, nor more than 12 hours a day, 7 days a week.

- WHY?
- 1) To interconnect Alaskans with other Alaskans with an instantaneous and intimate sound.
 - 2) To make the Capital City as close as the nearest radio set and to let rural Alaska hear a portion of the information made available now to urban Alaska.
 - 3) To bring sound reports of the happenings of the nation and world, relevant to Alaska, to all Alaskans.
 - 4) To bolster and assist all distant Alaska stations with a skeletal news, educational and informational format.
 - 5) To have an Alaskan voice available to transmit to other state and national networks and stations.

"... Were it left for me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter . . ." Thomas Jefferson

"... Bethel receives no DAILY NEWS, no FAIRBANKS MINERS, no SOUTHEAST EMPIRES, and only 26 DAILY TIMES on an average day when any papers at all get there. The Bethel service area purchases 235 TUNDRA DRUMS (local paper) every two weeks. It takes up to 10 days for a TUNDRA DRUMS to get from Bethel to Kwethluk (17 miles away) through the mail. KYUK broadcasts three expanded and 5 capsule news shows per day and there are over 5,000 radio sets in the coverage area . . ." Jim Croll, former KYUK Mgr.



FIRST DRAFT: ALASKA PUBLIC RADIO NETWORK 2/3/76-JGC

NEED:TO INTERCONNECT ALASKANS.....

RADIO CENTRAL:A STUDIO TO PRODUCE RADIO ALASKA.....

NPR - RCI:NATIONAL AND WORLD NEWS FROM THE
BEST OF AMERICA AND CANADIAN PUBLIC RADIO...

ALASKAN
PRODUCTION:TO LET ALASKANS KNOW WHAT ALASKA IS

PROGRAMS:SUGGESTED CONTENT AND FORMAT.....

COSTS: STUDIO CAPITALIZATION \$15,000

ANNUAL OPERATIONS:

PRODUCTION 88,000

INTERCONNECTION PER MONTH
TARIFF TO RCA:

RADIO CENTRAL TO BASE STATIONS-

4 HRS. PER DAY	1175.79
8 HRS. PER DAY	2149.60
12 HRS. PER DAY	3123.81

→ TOTAL COST BETWEEN \$120,000 TO \$150,000 PER YEAR.

REGIONAL NETWORK:TO PROVIDE HOMOGENITY OF PROGRAMMING
TO DISTINCT REGIONS VIA NETWORK AND MINI
RADIO TRANSMITTERS.....

SIGNOON!

... an irregular newsletter whose frequency is on the state of public broadcasting

EDUCATIONAL
BROADCASTING
COMMISSION
ALASKA

February 3, 1976

FIRST DRAFT: PROPOSAL FOR ALASKA PUBLIC RADIO NETWORK

A FORMAT WITH PROJECTED COSTS.

/JGC

Even before the satellite was realized as an eventuality, there had been talk of interconnecting the state by way of a radio network. What radio lacked in terms of impact and glamour, it made up in efficiency. Educators, politicians, and agencies regularly come to the AEBC offices to find out what we can do to carry their message to the people. Since I have been here, (September 2, 1975) I have been approached by Alaska Legal Services, Rural Cap, Alaska Humanities Forum, Capital Site Selection, Consumer Research and the Marine Life Group from U. of A. to tell how their particular message can be most efficiently carried to rural and urban Alaska..

During and following the appropriation of the \$5,000,000 for Earth Stations, the AEBC has received inquiries from villagers regarding what will be carried and when it can be expected at the village level.

There are many who still think that with the construction of an earth station they will at once have radio and television.

Historically there has been no continuing tie of urban and rural Alaska with any mass media.

Urban newspapers have very little if any circulation at the village level.

Commercial stations (Midnight Sun and Northern Television) have joint ownership and yet they do not find it economically viable to produce their news programs in a manner to give live coverage on a regular basis between their commonly owned facilities in Fairbanks, Anchorage and Juneau. For example, Juneau does not regularly hear voices from Anchorage and Fairbanks, etc. Further, because of the lack of an economic base there is no commercial radio service in a large portion of Alaska.

Two notable exceptions are Nome and Kodiak. Nome has had excellent commercial service for some time and the two stations (KNOH and KICY) compete healthfully in their news programming and they also feed news to stations, both urban and rural and both commercial and public, whenever a major event occurs in that area. KVOK in Kodiak has not been on the air very long, but it offers a lot of network material to its audience. The basic network in rural Alaska is the Armed Forces

N
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D

Radio Network.

The AFRN has de-commissioned its transmitter at Bethel and is phasing out in Barrow because the public stations carry portions of the network and render the service which the military formerly achieved. The military is pleased because KYUK and KBRW operate at a higher power and it saves them the cost of an engineer. The greatest benefit AFRN affords to the public stations is commercial network coverage of sporting events and national and world news. The AFRN makes no effort to originate broadcasts from rural Alaska. They merely feed a network from their studios in Anchorage.

Those who have communicated with this office regarding a need for an Alaska Public Radio Network sum it up this way:

- 1) There is no facility which can interconnect both rural and urban Alaska and it is important for the state to tie its various sovereignties together.
- 2) A conduit is needed through which information, news and educational material can be dispersed throughout the state instantaneously.
- 3) Too much of the happenings reported and the opinions expressed originate in urban Alaska and rural Alaska can not offer reports to the cities.

The A.E.B.C. asked me on December 16th to come forward with a proposal that had originally been informally discussed with Bob Walp and Marvin Weatherly.

The original concept was a 'pilot radio network' and it is in two phases; Interconnection of existing services and implementation of mini radio transmitters at the sites of the earth stations.

Using space available at 308 G street (this space is already being paid for) a studio would be built. \$10,000 worth of capital expenses would be necessary. This facility would be capable of receiving, recording, editing and replaying programs for all of the receiving base stations. Also, this facility would receive from the base stations program material via phone lines. If the program is well received, regular feed lines would be ordered from base stations to radio central. One of the first would be a line from Juneau to Anchorage for legislative sessions. Radio central would pick up signals from the lower 48 for NPR programs.

R E F U C O N C L U S I O N

RADIO
CENTRAL

The programming content will be from a combination of three sources:

- 1) NPR - RCI (Canada Radio International)
- 2) Public Radio Network
- 3) Regional Base Stations

Attached is the NPR program schedule. Most important on this list is the 90 minute daily (Mon-Fri) "ALL THINGS CONSIDERED". This is fed EST at 5:00 pm and will be carried live at noon Anchorage time. This is a comprehensive program combining hard spot with features in a manner attractive enough to have won the Peabody award. Other shows of relevance would be "Options", "National Town Meeting", "American Issues Forum" and BBC "Science Magazine". A satellite feed on these programs is necessary because of the timeliness of them and it is no more expensive to get radio live than it is to get it via tape. However, many of the NPR programs are available only on tape because their engineering department feels certain music shows have better fidelity on tape than via satellite. Taped programs would include "Folk Festival U.S.A.", "NPR Recital Hall" and "Folk Music and Bernstein".

There is no reason that Alaska Public Radio Network would have to be limited only to NPR. Radio Canada has many features that would have great relevance to Alaskans which include their native series. They have already agreed to permit our using their programs at no cost. These could be edited in at Radio Central and dispersed throughout the network.

Alaskan's would benefit by importing events from national and international sources, but the major thrust and energy would be through originations by, from and for Alaskans. This would be done by professional coverage of those things Alaskans are currently involved in accomplishing. Though this portion of the program schedule would be fed from Radio Central in Anchorage, it would be created, conceived and produced every where in the state. The reasons radio central are in Anchorage is due to geography and every effort must be made to involve radio talent at all of the public stations to make them a part of it.

The staff necessary to program 12 hours per day 7 days per week would be 4 reporters and 1 traffic director.

Following would be programs this 5 person staff would produce.

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Programs produced:

- 1) Two thirty minute comprehensive Alaska News programs per day - Mon thru Fri - 7:00 AM and 6:00 PM.
- 2) "Talk-Talk" - once per week a thirty minute discussion alternating with Station Managers and News Directors from base stations. A question and discussion of the weeks events.
- 3) Headlines on the half hour highlighting the significant happenings of the day to be covered fully on Alaska News Pgms.
- 4) "Scope" - an opinion program to be at the discretion of a wide range of public minded speakers representing every diverse point of view with opportunity for any who disagree to also be aired.
- 5) SPECIALS: Major legislative hearings and agency hearings that have state wide appeal. (Capitol Move - OCS development - DOT: yes? no? - Oil Reserve Taxation - Why One Air Carrier for Juneau, Kotzebue, Barrow? - Malpractice - Wolf Kill - Sin and Corruption in Alaska? - ETC.) These specials would be produced from actual taped interviews of a broad spectrum of people who have diverse opinions and no conclusions would be reached by the producer; merely a representation of many opinion makers arguments.

In all of these undertakings, staff at the base stations would get interviews, read copy and file it to Radio Central in order to put the whole thing together.

In addition to programs produced by the Public Radio Network, time would be made available for other groups (Alaska Legal Services - Humanities Forum - Itinerant Nurses - etc.) who would produce informational pieces to be scheduled on a format similar to commercials on a privately owned network. Research has shown that people learn better from short announcements, particularly if they are one voice and without production techniques involving music and special effects, that are repeated many times at different times over a period of time, than by one long lecture.

The projected cost to set up and operate would be as follows:

Studio Equipment (one time capitalization)	\$15,000
News Director	16,000
3 reporters @ \$14,000	42,000
1 traffic director	12,000
Stringer fees to base stations	<u>18,000</u>

one time cost: \$15,000

annual cost 88,000

Interconnection : _____

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For national and world information the network would draw from NPR and Radio Canada International and for Alaska News the network would get 'raw interviews' and some 'self contained' material from the Base Stations. This material would be used to produce programs at radio central to feed the network.

REGIONAL

In addition, the network would be so structured that the base stations could servie mini radio stations at the location of satellite ground stations.

SUB

NETWORK

The current operative and funded stations in the state are as follows:

A
N
D

- KBRW - Barrow
- KDLG - Dillingham
- KOTZ - Kotzebue
- KTOO - Juneau
- KUAC - Fairbanks
- KYUK - Bethel

MINI RADIO

Stations which have the initial appropriation and are being developed are as follows:

- KMXT - Kodiak
- KRBD - Ketchikan
- Soldotna - Kenai
- Anchorage

Each of these would be Base Stations and would be capable of feeding mini radio stations which have no studios. The mini radio stations would be 'slave stations'.

One such network has been informally discussed as the ideal one to use as a pilot network.

The base station would be KDLG in Dillingham to serve the Aleutian chain mini radio stations. KDLG would program material uniquely relevant to that area which would not necessarily be relevant to the entire state. Detailed coverage of fishing problems, regulations etc. could be fed to the mini radio stations that would have no interest in Barrow. We have asked RCA for interconnect figures to feed that system.

The following villages will have ground stations in operation in FY 1977. These villages have no radio service and are all on the Aleutian Chain:

- ' Pilot Point
- Meshik
- Chignik Lagoon
- Chignik Lake
- Ivanof
- Perryville
- Nelson Lagoon
- Belkofski
- False Pass
- Nikolski

The monthly charge (an 'asking price' which some consider not a final price and as quoted by RCA) would be \$1,322.64 per month to feed this mini radio network from Anchorage.

There would be an additional charge to set up the switching capability to permit Dillingham and/or Kodiak to feed this group. The \$1,322.64 would feed the Alaska Radio Network from Radio Central in Anchorage to all of these villages.

A capitalization for radio transmitters at this ^{type} areas would have to be considered. The following quotes were made 2/2/76 by Bennett Consulting Engineering for transmitters and antennas for unattended facilities:

10 watt am	\$750.00	up to 10 miles
10 watt fm	3000.00	up to 15 miles
50 watt am	2500.00	up to 20 miles
250 watt fm	7500.00	up to 30 miles

These costs are for equipment only and there should be an estimated \$500.00 per location for legal and engineering fees in order to get FCC clearance.

Any site in the state could be served by one of the above and the considerations as to which facility would be indicated are topography, size of the village, distance the ground station is from the village and sky wave interference unique to each area.

The first purpose of a mini radio capability is to afford remote areas at least one way connection with the rest of the state. (West of Unalaska, Radio Moscow is the best received! - There are those who feel Alaskan Radio would make people feel more Alaskan.)

The purpose of a Regional Radio Network is to afford all in a given political, ethnic and economic region, homogeneity in programming.

MINI
RADIO
&
REGIONAL
SUB
NETWORK

May 11, 1976

SB 696

TELEGRAM

ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

#CJUNEAU, ALASKA 99801

3353 NL ANCHORAGE ALASKA 159 05-36 3530P ADT

PMS REP AL OSTERBACK . 0727

JUN

THIS IS TO INFORM YOU THAT WE ARE IN SUPPORT OF HCS SENATE BILL NO. 690 CREATING REGIONAL RESOURCE CENTER AREAS AND BOARDS; AND PROVIDING FOR AN EFFECTIVE DATE. HOWEVER THERE IS ONE DISCREPANCY RELATING TO THE REGIONAL RESOURCE CENTER BOUNDARIES. THE ALEUTIAN ISLANDS SHOULD BE WITH THE SOUTHCENTRAL AREA AND NOT KODIAK. WE HAVE ABSOLUTELY NO TIES IN COMMUNICATIONS, TRANSPORTATION OR DIRECT MAIL SERVICE. SERVICES IN THE PAST WHICH WERE SUPPOSE TO HAVE BEEN SERVICED OUT OF KODIAK NEVER GOT TO THE ALEUTIANS BUT STAYED IN THE KODIAK AREA.

1976 MAY 7 AM 2 30

ONLY WITH THE RECOMMENDED CHANGE WILL WE THE FOLLOWING SUPPORT HCS SENATE BILL NO. 690.

LARRY SHAIHNIKOFF
JOHN H. SHELLIKOFF
SEWARD BRANDELL
CLAUDE KUZAKIN, SR
TERENTY BUTEKEN
SARAH MERCULIEF
NICK BERESKIN
ANNA SHAIHNIKOFF
ALEX N. DUSKIN SR
DARIEN HOFF
MARYANN HANAK
SARAH VIRG-IN
FRANCIS MARION HARRIS
MARIE SIPARY
MAXIUM BUTERIN
MARINA GUNDERSEN
GILDA SHELLIKOFF
ZENIA BENDIXEN
DELLA A BEAK
IRENE A MOLLER
SANDRA F KUDRIN
BERTHA KUZAKIN
ANGIE GROMOFF
DAVID OSTERBACK
ARLENE NELSON
SHERRY SPITLER

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. SB 696

Title: Act making a special appropriation to the Governor's Office of Telecommunications

Requested by: Legislative Finance

Date: 3-10-76

Return Date Requested: ASAP

Agency: Office of Telecommunications

Program: Satellite Television Project

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Office of Telecommunications

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		1,020.0				
400 COMMODITIES		0				
500 EQUIPMENT		480.0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		1,500.0				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		1,500.0				
FEDERAL FUNDS		0				
OTHER		0				

C. POSITIONS:

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

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

- A. Assumptions:
- 1) that the Office of Telecommunications has the authority to contract with any other State agency or private contractor for assistance with the project.
 - 2) that RCA Alascom provides transponder services for \$500,000 per year and for that amount delivers the video signals to the toll centers in Anchorage, Fairbanks and Juneau.
 - 3) that the commercial networks and PBS make programming available at the stateside delay center.

IV. ATTACHMENTS

- A. Satellite Television Project Summary

V. DATE: 11 March 1976

PREPARED BY: George Yonow

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

SATELLITE TELEVISION PROJECT

This project will enable us to satisfy immediate demands at a minimum cost and to obtain the experience necessary to establish policies that would encourage the development of a stable, self-supporting television system which will meet the needs of the rural areas, be of value to the commercial operators, and be available for education and social service.

Bush

1. Purchase TV receive equipment for 24 small earth stations.
\$10,000 each = \$240,000.
2. Purchase TV distribution equipment for 24 rural villages.
\$10,000 each = \$240,000
3. Provide 5 hours/day of TV transmission to bush stations plus educational programming.
 - a. live
 - b. from lower 48 delay center
 - c. from Alaska programming center

Urban

1. Make transponder available to broadcasters when not transmitting to the bush. Two TV channels can be transmitted simultaneously into large earth stations. If this mode of operation were used 16 hours per day, 32 hours of programming could be imported for urban broadcasters, i.e., 8 hours per network each day.
 - a. urban broadcasters make delay arrangements
 - b. urban broadcasters work out schedule arrangements among themselves

Urban/Bush

1. Programs could be broadcast real time to both urban and bush locations on single channel per transponder operation.

Most origination for bush would come from stateside delay center, with supplemental or occasional broadcasts originated from Alaskan stations.

Preliminary Budget Estimate

full-time non backed up transponder	\$500,000
24 earth station receivers, 10k each	240,000
24 mini transmitters, 10k each	240,000
delay center and miscellaneous charges	520,000
	<u>\$1.5 million</u>

Notes

For part-time transponder for bush transmission

1 year at 5 hours/day = 1825 hours

hourly rate: \$800 hr x 1825 = \$1.46 million

conclusion--cheaper to lease full-time transponder at 500k per year

Earth station receivers are budgeted at 10k each installed

Mini TV transmitters are budgeted at 10k each installed.

This includes applications and license fees.

\$520,000 for delay center and miscellaneous charges allows for operating expenses of \$60 per hour on the basis of 24 hours per day.

Return to S.F.C.

SENATE JOURNAL

March 9, 1976

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

SB 696

Dear Mr. President:

It is the intent of the Senate Health, Education, and Social Service Committee in introducing and passing Senate Bill 696 to provide a pilot satellite television project for the State of Alaska.

The \$1.5 million appropriation is designed to provide a full-time satellite transponder leased for one year. This will provide one channel of television for selected villages, and bring live satellite coverage to the urban areas. The transponder may also be used to implement Health and Education video services to Alaska.

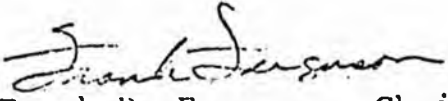
The appropriation goes to the Governor's Office of Telecommunications (GOT). The GOT is responsible for the completion of the project, however they have the authority to contract with any other state agency or private contractor for assistance with the project.

The village site selections shall be made by the Alaska Federation of Natives telecommunications committee, with the concurrence of the GOT. The AFN committee will work with the GOT and the AEBC in determining programming.

Commercial and Public broadcast stations with access to a large earth station will have the opportunity to receive network programs via the state-leased transponder. This will offer same-day viewing for many network programs, and allow live satellite broadcast for public affairs and special events state-wide.

This pilot program will offer the opportunity to determine the best technical and administrative procedure for a state-wide program. The GOT shall report to the next legislative session their recommendations for the implementation of a state-wide satellite television system.

Sincerely,


Frank R. Ferguson, Chairman
Senate Health, Education, and
Social Services Committee

SATELLITE TELEVISION PROJECT

This project will enable us to satisfy immediate demands at a minimum cost and to obtain the experience necessary to establish policies that would encourage the development of a stable, self-supporting television system which will meet the needs of the rural areas, be of value to the commercial operators, and be available for education and social service.

Bush

1. Purchase TV receive equipment for 24 small earth stations.
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2. Purchase TV distribution equipment for 24 rural villages.
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 - b. from lower 48 delay center
 - c. from Alaska programming center

Urban

1. Make transponder available to broadcasters when not transmitting to the bush. Two TV channels can be transmitted simultaneously into large earth stations. If this mode of operation were used 16 hours per day, 32 hours of programming could be imported for urban broadcasters, i.e., 8 hours per network each day.
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For part-time transponder for bush transmission

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hourly rate: \$800 hr x 1825 = \$1.46 million

conclusion--cheaper to lease full-time transponder at
500k per year

Earth station receivers are budgeted at 10k each installed

Mini TV transmitters are budgeted at 10k each installed.

This includes applications and license fees.

\$520,000 for delay center and miscellaneous charges allows
for operating expenses of \$60 per hour on the basis of 24
hours per day.



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

Introduced: 3/9/76
Referred: Health, Education
and Social Services and
Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE BILL NO. 696

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Office
7 of the Governor, office of telecommunications; 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 \$1,500,000 is appropriated from the general fund
11 to the Office of the Governor, office of telecommunications for a satellite
12 television project to demonstrate the viability of satellite television in
13 the state.

14 * Sec. 2. This Act takes effect July 1, 1976.
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COMMITTEE REPORT

SENATE

m 3/10/76

Mr. President:

Date 3/15/76

The Committee on Finance has had SB 696
spec. approp. - office of telecommunications
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>Carl Kay</u>	<u>NO REC</u>	_____
<u>John R. Smith</u>	<u>NO REC</u>	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

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

Carl Kay Chairman

Introduced: 3/9/76
Referred: Health, Education
and Social Services and
Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE BILL NO. 696

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

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THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. SB 696

Title: Act making a special appropriation to the Governor's Office of Telecommunications

Requested by: Legislative Finance Date: 3-10-76

Return Date Requested: ASAP

Agency: Office of Telecommunications Program: Satellite Television Project

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Office of Telecommunications

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
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200 TRAVEL		0				
300 CONTRACTUAL		1,020.0				
400 COMMODITIES		0				
500 EQUIPMENT		480.0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		1,500.0				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		1,500.0				
FEDERAL FUNDS		0				
OTHER		0				

C. POSITIONS:

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

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

- A. Assumptions:
- 1) that the Office of Telecommunications has the authority to contract with any other State agency or private contractor for assistance with the project.
 - 2) that RCA Alascom provides transponder services for \$500,000 per year and for that amount delivers the video signals to the toll centers in Anchorage, Fairbanks and Juneau.
 - 3) that the commercial networks and PBS make programming available at the stateside delay center.

IV. ATTACHMENTS

- A. Satellite Television Project Summary

V. DATE: 11 March 1976

PREPARED BY:

George Y...

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

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9

SENATE JOURNAL

Return to S.F.C.

March 9, 1976

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President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

SB 696

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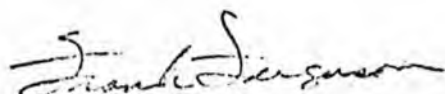
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Sincerely,



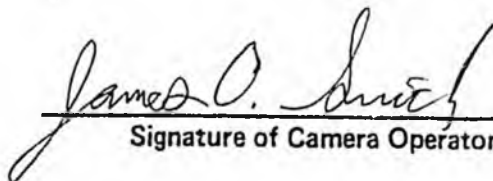
Frank R. Ferguson, Chairman
Senate Health, Education, and
Social Services Committee

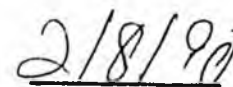


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Signature of Camera Operator


Date

COMMITTEE REPORT

SENATE

3/23/76

Mr. President:

Date _____

The Committee on Finance has had SB 700
spec. appropriation to the Office of the Governor
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

3/12/76

**Finance

Mr. President:

Date 3-19-76

The Committee on Health, Education and Social Services has had SB 700 spec. appropriation to the Office of the Governor 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 SB 700 AND THAT CS FOR SB 700 DO PASS *same title*

() "and" recommends it BE REFERRED TO THE _____ COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

<u>Ferguson</u>	<u>DO PASS</u>	_____
<u>Galletta</u>	<u>DO Pass</u>	_____
<u>Bradley</u>	<u>DO Pass</u>	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Ferguson Chairman

Original Sponsor: Health, Education and
Social Services Committee

Offered: 3/23/76
Referred: Finance

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IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

CS FOR SENATE BILL NO. 700

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Office of
the Governor; and providing for an effective date."

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

* Section 1. The sum of \$3,500,000 is appropriated from the general fund
to the Office of the Governor to fund the exercise of an option to purchase
the property and facilities of the Alaska Methodist University.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
070(c).

Introduced: 3/12/76
Referred: Health, Education and
Social Services and Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE BILL NO. 700

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Office of
7 the Governor; and providing for an effective date."

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

9 * Section 1. The sum of \$3,100,000 is appropriated from the general fund
10 to the Office of the Governor to fund contractual agreements for educational
11 services or options with the Board of Trustees of Alaska Methodist University.

12 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
13 070(c).

ALASKA STATE LEGISLATURE

NINTH Legislature SECOND Session

SENATE BILL NO. 700

By THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

"An Act making a special appropriation to the Office of the Governor; and providing for an effective date."

spec. approp./Office of Gov.

Introduced in the Senate .. 3/12/, 1976.

HISTORY IN THE SENATE

19 76	Read first time and referred to Committee on
3 12	Health, Education and Social Services and Finance
3 23	Reported back with recommendation that <i>HESS!</i> <i>replace w/OS & be sent to Finance</i>
	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
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	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.

ALASKA METHODIST UNIVERSITY

BY

GOVERNOR JAY S. HAMMOND

MARCH 19, 1976

JUNEAU

LAST YEAR THE STATE SIGNED AN OPTION TO PURCHASE ALASKA METHODIST UNIVERSITY. THE AGREEMENT PROVIDED THAT FOR FISCAL '76 THE STATE WOULD PAY 2.3 MILLION DOLLARS TO RETAIN THE OPTION TO PURCHASE. THIS MONTH, ACCORDING TO THE AGREEMENT, THE STATE MUST NOTIFY AMU OF ITS INTENT. IT MAY EITHER EXTEND THE OPTION ONE MORE YEAR OR EXERCISE THE OPTION AND PROCEED TO PURCHASE THE UNIVERSITY. NUMEROUS GROUPS AND INDIVIDUALS HAVE REVIEWED THE AMU PURCHASE ISSUE AND HAVE SUGGESTED SEVERAL ALTERNATIVES. ALL AGREE THAT THE PLIGHT OF AMU IS LIKELY TO REFLECT THE PLIGHT OF INDEPENDENT HIGHER EDUCATION IN ALASKA, AND EFFORTS TO FIND A WAY TO PREVENT THE DEMISE OF PRIVATE HIGHER EDUCATION HAVE BEEN EXTENSIVE.

RECENTLY THE POST-SECONDARY EDUCATION COMMISSION SUGGESTED THAT FOR FY '77 THE STATE CONTRACT, ON A STUDENT ENROLLMENT BASIS, WITH AMU FOR THE PROVISION OF EDUCATIONAL SERVICES, AND THE STATE SERIOUSLY CONSIDER PURCHASING AMU AS SOON AS POSSIBLE.

A THOROUGH REVIEW BY THE ATTORNEY GENERAL AND HIS STAFF HAS LED TO A DECISION THAT SUCH A CONTRACTUAL APPROACH WOULD BE UNCONSTITUTIONAL. THE ALASKA CONSTITUTION PRESENTLY PROHIBITS SUCH A DIRECT BENEFIT TO PRIVATE INSTITUTIONS.

THEREFORE, WE NEED TO PURSUE A NEW APPROACH. THERE ARE THREE BASIC CRITERIA UNDERLYING THE RECOMMENDATIONS: 1) PROVIDING A VIABLE AND CONSTITUTIONALLY VALID PROGRAM OF POST-SECONDARY EDUCATION FOR ALASKA'S CURRENT AND FUTURE STUDENTS; 2) PROTECTING THE FINANCIAL INTEREST OF THE STATE WHILE PRESERVING THE STATE'S OPTION FOR THE AMU PROPERTY; AND 3) ASSURING THAT A POLICY DECISION WITH SUCH IMPACT ON THE FUTURE OF HIGHER EDUCATION IN ALASKA REFLECTS ALASKANS' CURRENT ATTITUDES AND THE BEST INTEREST OF HIGHER EDUCATION.

ON THE BASIS OF THOSE CONSIDERATIONS, I RECOMMEND THE STATE EXERCISE ITS OPTION AND PURCHASE AMU FOR THE PRICE TO BE ESTABLISHED UNDER THE TERMS AND CONDITIONS OF THE JUNE 5, 1975, AGREEMENT BETWEEN AMU AND THE STATE. SUCH A MOVE WILL REQUIRE THE APPOINTMENT OF APPRAISERS BY EACH PARTY, THEIR MUTUAL SELECTION OF A THIRD, AND THEN AN APPRAISAL BEING MADE.

UNDER THE TERMS OF THE 1975 AGREEMENT, THE STATE HAD AGREED TO PAY \$1.5 MILLION UPON THE EXERCISE OF THE OPTION. THIS AMOUNT SHOULD BE INCREASED TO \$3.5 MILLION. IN EXCHANGE FOR THE INCREASE, AMU MUST AGREE TO OPERATE THE UNIVERSITY FOR THE STATE DURING THE 1976-1977 SCHOOL YEAR.

THE PAYMENT OF THESE OPTION MONIES SHOULD BE CONTINGENT ON (A) PASSAGE OF AN APPROPRIATION FOR THAT AMOUNT BY THE LEGISLATURE; AND (B) APPROVAL OF GENERAL OBLIGATION BONDS BY THE LEGISLATURE FOR THE 1976 BALLOT IN AN AMOUNT SUFFICIENT

TO COMPLETE THE PURCHASE OF THE UNIVERSITY. THE ADMINISTRATION WOULD ALTER ITS LEGISLATIVE BOND PROPOSAL ONCE THE APPRAISERS SET A PURCHASE PRICE. IN THE EVENT THAT EITHER ONE OF THESE CONTINGENCIES DOES NOT OCCUR, AMU WOULD NOT BE ENTITLED TO RECEIVE ANY MONIES FOR THE OPTION AND IN TURN WOULD NOT BE BOUND TO CONVEY PROPERTY TO THE STATE.

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OF ALL THE ALTERNATIVES PROPOSED, THIS RECOMMENDATION APPEARS TO BE THE WISEST BECAUSE IT MEETS THE CRITERIA OF STATE-WIDE EDUCATIONAL INTERESTS, FINANCIAL PROTECTION FOR THE STATE, AND A VOICE FOR VOTERS IN THE PURCHASE QUESTION THROUGH THE BOND ISSUE. MOREOVER, THE PROPOSED CONSTITUTIONAL AMENDMENT ALSO PROVIDES AN OPPORTUNITY FOR DETERMINING -- ONCE AND FOR ALL -- THE STATE'S FUTURE POLICY ON THE COEXISTENCE OF PUBLIC AND PRIVATE HIGHER EDUCATION AND THE LIMITS OF STATE AID TO PRIVATE, POST-SECONDARY EDUCATION.

BECAUSE THERE IS A GROWING MOVEMENT ACROSS THE NATION FOR STATES WITHOUT PROHIBITIVE CLAUSES IN CONSTITUTIONS TO CONTRACT FOR EDUCATIONAL SERVICES IN EXISTING INSTITUTIONS RATHER THAN TO EXPAND THE STATE-RUN UNIVERSITIES, IT SEEMS IMPERATIVE THAT ALASKAN CITIZENS HAVE AN OPPORTUNITY TO SPEAK OUT ON THAT ISSUE. BY NOT ALLOWING VOTERS TO DO SO, THE STATE IS BASICALLY WRITING OFF CONCLUSIVELY PRIVATE HIGHER EDUCATION IN ALASKA. I CANNOT RECOMMEND SUCH A DRASTIC ACTION WITHOUT AN OPPORTUNITY TO INVOLVE THE ELECTORATE.

MY FINAL RECOMMENDATION RELATED TO BUT EXTENDING BEYOND THE AMU QUESTION IS THAT THE POST-SECONDARY EDUCATION COMMISSION BE INVOLVED IN REVIEWING AND MAKING RECOMMENDATIONS ON TWO MAJOR HIGHER EDUCATION ISSUES BEING DISCUSSED IN MANY CORNERS OF THE STATE. 1) ESTABLISHING TWO SEPARATE RESIDENTIAL FOUR-YEAR INSTITUTIONS IN FAIRBANKS AND ANCHORAGE AND REVIEWING THE RELATED QUESTIONS OF THEIR AUTONOMY AND GOVERNANCE; AND 2) ESTABLISHING A SEPARATE SYSTEM FOR COMMUNITY COLLEGES.

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2. Under the terms of the 1975 agreement, the State had agreed to pay \$1.5 million upon the exercise of the option. This amount will be increased to \$3.5 million by mutual agreement of the parties. In exchange for the increase, AMU will agree to operate the university during the 1976-77 school year.

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BECAUSE THERE IS A GROWING MOVEMENT ACROSS THE NATION FOR STATES WITHOUT PROHIBITIVE CLAUSES IN CONSTITUTIONS TO CONTRACT FOR EDUCATIONAL SERVICES IN EXISTING INSTITUTIONS RATHER THAN TO EXPAND THE STATE-RUN UNIVERSITIES, IT SEEMS IMPERATIVE THAT ALASKAN CITIZENS HAVE AN OPPORTUNITY TO SPEAK OUT ON THAT ISSUE. BY NOT ALLOWING VOTERS TO DO SO, THE STATE IS BASICALLY WRITING OFF CONCLUSIVELY PRIVATE HIGHER EDUCATION IN ALASKA. I CANNOT RECOMMEND SUCH A DRASTIC ACTION WITHOUT AN OPPORTUNITY TO INVOLVE THE ELECTORATE.

MY FINAL RECOMMENDATION RELATED TO BUT EXTENDING BEYOND THE AMU QUESTION IS THAT THE POST-SECONDARY EDUCATION COMMISSION BE INVOLVED IN REVIEWING AND MAKING RECOMMENDATIONS ON TWO MAJOR HIGHER EDUCATION ISSUES BEING DISCUSSED IN MANY CORNERS OF THE STATE. 1) ESTABLISHING TWO SEPARATE RESIDENTIAL FOUR-YEAR INSTITUTIONS IN FAIRBANKS AND ANCHORAGE AND REVIEWING THE RELATED QUESTIONS OF THEIR AUTONOMY AND GOVERNANCE; AND 2) ESTABLISHING A SEPARATE SYSTEM FOR COMMUNITY COLLEGES.

IT IS MY JUDGMENT THAT SOME OF THE RECENT POLICY AND FISCAL DECISIONS BEING SUGGESTED OR ALREADY HAVING BEEN MADE REGARDING HIGHER EDUCATION ARE GREATLY INFLUENCED BY GENERAL SENTIMENT OF DOUBT AND MISTRUST OF THE GROWING, COMPLEX UNIVERSITY OF ALASKA AS WELL AS CONFUSION ABOUT WHAT CAN BE DONE TO IMPROVE THE UNIVERSITY OF ALASKA'S RESPONSIVENESS AND RESPONSIBILITY TO THE PUBLIC.

I BELIEVE THAT THE TIME HAS COME TO ADDRESS THOSE DOUBTS OPENLY, COOPERATIVELY, AND RESPONSIBLY. I WOULD ENCOURAGE THE

BOARD OF REGENTS OF THE UNIVERSITY OF ALASKA TO DIRECT AN
INTERNAL MANAGEMENT AND EFFICIENCY REVIEW IMMEDIATELY, AND
I WOULD PLEDGE THE ADMINISTRATION'S SUPPORT TO THAT PROJECT
TO THE EXTENT NECESSARY TO ASSIST IN MAKING CHANGES THAT WILL
BRING HIGHER EDUCATION IN ALASKA TO A LEVEL OF TRUST APPROPRIATE
TO THE ROLE IT PLAYS IN THE FUTURE OF THIS STATE. WE CAN
NO LONGER BASE HIGHER EDUCATION DECISIONS ON PRIMARILY
POLITICAL AND PERSONAL ATTITUDES.

WE ARE FORTUNATE IN HAVING A POST-SECONDARY EDUCATION
COMMISSION AND A BOARD OF REGENTS COMPRISED OF CITIZENS
OF VARIED BACKGROUNDS AND PHILOSOPHIES. HOPEFULLY, THEY
CAN COMBINE THEIR MANY TALENTS AND RESOURCES TO PUT THE
HIGHER EDUCATION PICTURE IN ALASKA INTO CLEARER FOCUS.

PROPOSED AGREEMENT ON AMU

The committee reviewing the situation at AMU has come up with the following proposal for action. It has the unanimous recommendation of the committee and has been reviewed by representatives of AMU.

1. The State will extend its option in order to exercise it to purchase AMU for a price to be established under the terms and conditions of the June 5, 1975 agreement between AMU and the State. That will require the appointment of appraisers by each party, their mutual selection of a third, and then an appraisal being made.

2. Under the terms of the 1975 agreement, the State had agreed to pay \$1.5 million upon the exercise of the option. This amount will be increased to \$3.5 million by mutual agreement of the parties. In exchange for the increase, AMU will agree to operate the university during the 1976-77 school year.

3. The payment of the option monies will be contingent upon

(a) passage of an appropriation for that amount by the legislature,

(b) passage of general obligation bonds by the legislature in an amount sufficient to complete the purchase of the university.

In the event either one of these contingencies does not occur, AMU shall not be entitled to receive any monies for the option and shall not be bound to convey property to the State.

4. In the event a bond issue adopted by the legislature fails to win approval of the electorate, the State will not be obliged to purchase the university, but it will forfeit the option monies.

5. In the event the legislature adopts a proposed constitutional amendment permitting aid to private institutions and the amendment is subsequently passed by the people, the State may, at its option, void the contract, forfeit the option price and elect to enter into agreements to provide direct financial aid to AMU.

Original Sponsor: Health, Education and
Social Services Committee

Offered: 3/23/76
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 700

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Office of
7 the Governor; and providing for an effective date."

8

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

9

* Section 1. The sum of \$3,500,000 is appropriated from the general fund
10 to the Office of the Governor to fund the exercise of an option to purchase
11 the property and facilities of the Alaska Methodist University.

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* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
13 070(c).

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Original Sponsor: Health, Education and
Social Services Committee

Offered: 3/23/76
Referred: Finance

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BY THE HEALTH, EDUCATION AND
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Introduced: 3/12/76
Referred: Health, Education and
Social Services and Finance

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7 the Governor; and providing for an effective date."

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

9 * Section 1. The sum of \$3,100,000 is appropriated from the general fund
10 to the Office of the Governor to fund contractual agreements for educational
11 services or options with the Board of Trustees of Alaska Methodist University

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13 070(c).

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Introduced: 3/12/76
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LAWS OF ALASKA

1975

Source

Chapter No.

CSHB 441

109

AN ACT

Making a special appropriation to the office of the governor; and providing for an effective date.

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

* Section 1. The sum of \$2,300,000 is appropriated from the general fund to the office of the governor to implement an option agreement for the purchase by the State of Alaska from the Board of Trustees of Alaska Methodist University of real property, improvements, furniture and fixtures comprising the campus of Alaska Methodist University in Anchorage.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.070(c).

Approved by governor: June 4, 1975
Actual effective date: June 5, 1975