

LEG. FINANCE - BILLS 1977-1978 674  
CSHB 164 cont., thru HB 167

September 10, 1976  
Re: FY '77 Budget Shortage - Local  
Jail Contracts & Requests for  
A.G.'s Opinion

considered by the Legislature. Subsequent requests by some municipalities were made after June, 1976, which was too late for changes to be made in the FY '77 budget.

It appears that a collective, or cooperative effort, was and is being made by the municipalities to "squeeze" the State for funds. Negotiations with the municipalities for jail services are near completion - Seward, Kotzebue, Nome, Bethel, Kodiak and Palmer; contract amounts being finalized on or about August 26th. A supplemental appropriation of \$107,000 is now contemplated to cover this budget deficit.

Several issues have arisen during the deliberations with the municipalities concerning the State's position - legal and budgetary - namely:

1. Can the Alaska courts so order a department, division, or agency to over-expend their approved budget? If so, what budgetary relief is available, and when?

Specific reference is made to Judge Carlson's order to keep the Bethel prisoners housed there at a rate above authorized budget.

In the case of Seward, can a magistrate rule that improvements to facilities are the State's responsibility? This, in turn, causes a liability upon the State for costs above budget.

2. What statewide impact will Judge Carlson's ruling have in allowing prisoners at Bethel to remain there for ease of, and ready access to their attorneys? Is the State then responsible to provide similar arrangements for all locales? What is considered easily accessible - 1 mile? 50 miles? 100 miles? Beyond?
3. Is there a basis for the State to appeal Judge Carlson's ruling of moving prisoners back to Bethel under AS 33.30.110?
4. Is the State responsible for providing presentence facilities at every location, or just where a Superior Court is or will be located?
5. Can the State require municipalities to adopt their own criminal ordinances? Can the State then require municipalities to exercise their own ordinances where a comparable state criminal code, law, or regulation exists?

The above questions need clarification from higher authority, and specific guidance and/or advice for resolving the budgetary problems which exist now, and are most likely destined to exist in the future. Division of Corrections needs answers, guidance and, at this very moment, a form of legal relief for the responsibility of a likely over-expenditure of the FY '77 budget.

# MEMORANDUM

TO: [ Hon. Francis S.L. Williamson  
Commissioner  
Department of Health &  
Social Services

DATE : September 23, 1976

FROM: William H. Huston

SUBJECT: Local Jail Con-  
tracts and Bud-  
get Shortage

FROM: Avrum M. Gross  
Attorney General

By: Wilson L. Condon  
Deputy Attorney General

This responds to your opinion request of September 10 on this subject.

In extraordinary circumstances where executive agencies have consistently and willfully failed to provide the State's citizens with basic, constitutionally guaranteed rights and privileges, the courts may step in and -- by order or otherwise -- literally tax, appropriate, and expend public monies. However, if these constitutionally guaranteed rights and privileges are, in one way or another, being provided, the courts will not take so drastic a step.

Unlike the courts, executive agencies have no inherent authority to levy taxes, make appropriations, and expend funds. They may do only what the legislature has authorized them to do or a court has ordered them to do. With respect to the latter, the order of a lower court may always be appealed to a court of final appellate jurisdiction, in this State, the Supreme Court of Alaska. However, now that we have negotiated a contract with the City of Bethel and also because the prisoner has been returned to Bethel, we do not see any basis for an appeal of this particular order. Finally, the order itself does not expressly require the expenditure of unappropriated funds.

Ordinarily, if a lower court orders an act by an executive agency which requires the expenditure of money, the agency may comply only to the extent that funds have been appropriated to it. If the order would cause an over-expenditure, the court should be so advised. If it chooses to continue the expenditure, the court must then order the State treasurer (in this State, the Commissioner of Revenue) to make the funds available from the treasury. Because the expenditures of funds from the treasury without an appropriation by the legislature is prohibited, Alaska Constitution, art. IX, §13, a court will order such an expenditure

solely to uphold other parts of the constitution, and then only in the most exigent circumstances. It will not, for instance, order payment of a judgment for money where none has been appropriated. United States v. Commonwealth, 288 S.W.2d 664 (Ky. 1956).

The remainder of your questions involve policy more than law. The legislature has plenary authority to establish the State's relationships with its municipalities. It can reimburse them or require their participation without payment. It can undertake to have State facilities constructed, State and local facilities, or purely local facilities. It can require any municipality to perform any function not prohibited by the State or federal constitutions.

As the agency principally charged with the conduct of the function at hand, your department should prepare an appropriate report and recommendation to the legislature. We will be pleased to assist.

WLC:jeh

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF CORRECTIONS

ADULT CONFINEMENT

~~SCHEDULE D~~ - MEDICAL AND GUARD HIRE

FY '76 Expenditure per Authorization Balances - 9/76 prior year.

CORRECTION CENTER	MEDICAL	GUARD HIRE	PERSONAL SERVICES	TOTAL
Palmer	\$ 15,430	\$	\$	\$ 15,430
Anchorage State	44,729			44,729
Juneau	36,227			36,227
Fairbanks	74,846			74,846
Ketchikan	10,914			10,914
Anchorage ANNEX	80,159			80,159
Eagle River	103,441			103,441
Medical Reserve	140,870	141,528	36,652	319,050
Unpaid FY '76	69,789			69,789
(1) TOTALS	\$576,405	\$141,528	\$ 36,652	\$754,585

Extraordinary medical costs included in above:

York Wilson	\$ 26,391	\$ 9,077	\$	\$ 35,468
William Lendholm	17,512	9,282		26,794
David Lake	18,362			18,362
Albert Wright	10,465	11,953		22,418
Richard Fox	10,839	22,653		33,492
TOTALS	\$ 83,569	\$ 52,965		\$136,534

(2) FY '77 approved budget (includes reserves-medical \$263.2)	\$467,600
Request for Supplemental Appropriation	150,000
TOTAL	\$617,600
Difference (1) less (2)	\$136,985

As stated in FY '78 budget barring any extended hospital stays and sophisticated surgery and with the re-establishment of the contract medical model by FY '78 medical costs should stabilize.

4.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF CORRECTIONS

~~SCHEDULE G~~ FY '76 UNPAID INVOICES

Late submissions of FY '76 invoices from the Division of Corrections field locations and vendors resulted in \$137.9 of unpaid FY '76 invoices of which \$73.9 were medical and \$64.0 other.

<u>ADULT CONFINEMENT 06-66-4-01-00-00</u>	<u>MEDICAL</u>	<u>OTHER</u>	<u>TOTAL</u>
Anchorage ANNEX	\$55,301.54	\$ 3,525.99	\$ 58,827.53
Medical Reserve	5,641.22		5,641.22
Palmer	242.16		242.16
Anchorage State	3,415.49	875.37	4,290.86
Juneau	4,849.45		4,849.45
Fairbanks	1,033.90		1,033.90
Ketchikan	760.43	110.80	871.23
Eagle River	152.70	958.55	1,111.25
Nome	93.14	2,770.59	2,863.73
Out-of State Facilities FBP		11,547.71	11,547.71
Municipality of Anchorage (rent 11/1/76 to 6/30/76)		43,993.50	43,993.50
	<u>\$71,490.03</u>	<u>\$63,782.51</u>	<u>\$135,272.54</u>
Anchorage Probation/Parole	<del>2,410.02</del>		<del>2,410.02</del>
Bethel Probation		<del>45.00</del>	<del>45.00</del>
Administration/Support		<del>157.10</del>	<del>157.10</del>
TOTALS	<u>\$73,900.05</u>	<u>\$63,984.61</u>	<u>\$137,884.66</u>



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

REVISED PROGRAM  
 COST ANALYSIS SUMMARY  
 by BUDGET COMPONENT

06-66-4-220

AGENCY	CATEGORY	06	
Health and Social Svcs.	PROGRAM	66	
DIVISION	SUB-PROGRAM	4	
Division of Corrections	ELEMENT	02	Juv. Confinement
	SUB-ELEMENT	00	Local Facilities

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL	50,000		50,000
300	CONTRACTUAL SERVICES	1,342,000	328,900	1,670,900
400	COMMODITIES	17,000		17,000
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE			
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>1,409,000</b>	<b>328,900</b>	<b>1,737,900</b>
NEW CODE				
	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	1,409,000	328,900	1,737,900
	INTER-AGENCY TRANSFERS			
	OTHER:			
	<b>TOTAL</b>	<b>1,409,000</b>	<b>328,900</b>	<b>1,737,900</b>
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REG. G.F. MATCH						
OTHER G.F.						
OTHER (SPECIFY)						

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# **CORRECTION**

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

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

REVISED PROGRAM  
COST ANALYSIS SUMMARY  
by BUDGET COMPONENT

06-66-4-220

AGENCY	CATEGORY	code	
Health and Social Svcs.	PROGRAM	65	
DIVISION	SUB-PROGRAM	4	
Division of Corrections	ELEMENT	02	Juv. Confinement
	SUB-ELEMENT	00	Local Facilities

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE. (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL	50,000		50,000
300	CONTRACTUAL SERVICES	1,342,000	328,900	1,670,900
400	COMMODITIES	17,000		17,000
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE			
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>1,409,000</b>	<b>328,900</b>	<b>1,737,900</b>
NEW CODE				
	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	1,409,000	328,900	1,737,900
	INTER-AGENCY TRANSFERS			
	OTHER:			
	<b>TOTAL</b>	<b>1,409,000</b>	<b>328,900</b>	<b>1,737,900</b>
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY _____	FY _____	FY _____	FY _____	FY _____	FY _____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G.F.						
OTHER (SPECIFY)						

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

REVISED PROGRAM  
 COST ANALYSIS SUMMARY  
 by BUDGET COMPONENT

06-66-4-280

AGENCY	CATEGORY	Code	
Health and Social Svcs.	PROGRAM	06	
DIVISION	SUB-PROGRAM	66	
DIVISION OF CORRECTIONS	ELEMENT	4	
	SUB-ELEMENT	02	Juv. Confinement.
		00	Out of State Care

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL	21,000		21,000
300	CONTRACTUAL SERVICES	213,500	440,000	653,500
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE			
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>234,500</b>	<b>440,000</b>	<b>674,500</b>
VIEW CODE				
	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	234,500	440,000	674,500
	INTER-AGENCY TRANSFERS			
	OTHER:			
	<b>TOTAL</b>	<b>234,500</b>	<b>440,000</b>	<b>674,500</b>
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REG. G.F. MATCH						
OTHER G.F.						
OTHER (SPECIFY)						

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Department of Health & Social Services  
 Division of Corrections  
 Juvenile Confinement  
 Schedule ~~F~~ Out-of-State Contracts

The latest population count was 42 juveniles housed out-of-state as of 9/30/76, a workload expansion of 27 beds over the 15 budgeted in FY 77. We anticipate that at least an average of 46 juveniles will be in out-of-state facilities for the year.

46 x 39.75/day x 365 =	\$667,400	
FY 77 budget	<u>234,500</u>	
FY 77 supplemental	<u>\$432,100</u>	Request: \$440,000

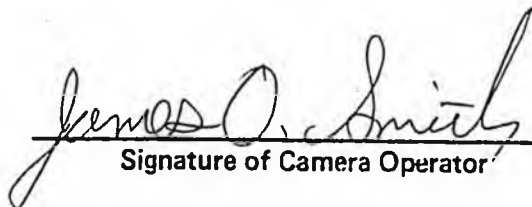
<u>Juvenile Center</u>	<u>9/30/76 Count</u>	<u>Daily Rate</u>	<u>Estimated Cost July-September</u>
Albertina-Kerr Center	1	\$ 40.00	\$ 3,680.00
(Special Treatment)	1	65.00	5,980.00
Secret Harbor	9	50.00	41,400.00
Excelsior	17	38.00	59,432.00
Devereux	3	44.00	12,144.00
Colorado Youth Authority	10	35.50	32,650.00
Sunny Hills	<u>1</u>	52.00	<u>4,784.00</u>
	42		\$160,070.00

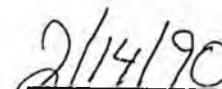


# RECORDS CERTIFICATION



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

# COMMITTEE REPORT

2-3-77

## HOUSE

May 5 1977 Date

Mr. Speaker:

The Committee on FINANCE has had 165

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
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

<u>Rhoads</u>	<u>McKinnon</u>	_____
_____	_____	_____
_____	_____	_____

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

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

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

\_\_\_\_\_  
Chairman

Introduced: 2/3/77  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 165

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplement appropriation to the  
7 Department of Labor; and providing for an effective  
8 date."

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

10 \* Section 1. The sum of \$40,300 is appropriated from the general fund  
11 to the Department of Labor, Workmen's Compensation Division, for Fiscal  
12 Year 1977.

13 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
14 10.070(c).

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Introduced: 2/3/77  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

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TO: Ron Lind, Director  
Division of Budget and Management

DATE December 16, 1976

FROM: Dan Dawson, Budget Analyst  
Division of Budget & Management  
Office of the Governor

SUBJECT: FY 77 Supplemental Appropriation  
Request by Department of Labor  
for \$40,300 to the Administration  
of Workmen's Compensation Approp-  
riation

The Department of Labor has requested a supplemental appropriation in the amount of \$55,300 to the FY 77 Legislative appropriation of \$848,300 to the Administration of Workmen's Compensation.

Subsequent to the request, the Dept. of Labor notified the Division of Budget and Management that \$15,000 could be lapsed in some other appropriation to help offset the supplemental. Therefore, the supplemental request to the Legislature will be \$40,300.

Projections based on current information show that a shortfall in the appropriation would occur if the Dept. of Labor were to fulfill its obligations under SLA 1974, Chapter 51.

This law makes it possible for temporarily and permanently disabled persons, receiving weekly wage compensation payments, to benefit from increases in the allowable payments resulting from new determinations of Alaska's average weekly wage under AS 23.30.220 and percentage of weekly wage allowable under AS 23.30.175. These periodic increases are not covered by the workmen's compensation insurance carrier at the time a person is disabled and becomes eligible for weekly wage compensation payments. Under SLA 1974, Ch 51, the increases are paid by the State from general funds.

The reason for the projected FY 77 shortfall is that during preparation of the FY 77 budget by the Dept. of Labor, in the summer of 1975 it was not anticipated that Alaska's average weekly wage would rise as high as it did due to wages paid to pipeline workers. The projected average weekly wage, on which the 77 budget was prepared, was \$305.80. The average weekly wage is determined on a calendar year, and for 1976 it was found to be \$357.59. An average weekly wage of \$386.00 is projected as of Jan. 1, 1977. The result is an average weekly wage increase over projections of approximately \$66 per week. 29 disabled persons are presently being paid benefits by the State under SLA 1974, Ch 51, and the Dept. of Labor expects 5 new cases to be added during the remainder of FY 77. Not all of these persons will be eligible for the maximum allowance, and some will be just temporarily disabled. The total supplemental required has been estimated by the Dept. of Labor at \$55,300. As stated above, the Dept. of Labor has agreed to lapse \$15,000 from another appropriation to offset the supplemental so that the total supplemental amount required is \$40,300.

Your support of this supplemental request is recommended on the basis of SLA 1974, Ch 51, which states that "Funds needed to carry out the provisions of this section shall be appropriated from the general fund."

# MEMORANDUM

TO: Ron Lind, Director  
Division of Budget & Management  
Office of the Governor  
Attn: DAN DAWSON

File: AKAS (FM 3-2)

DATE: October 11, 1976

FROM: Tom Haas *Tom Haas*  
Finance Officer  
Department of Labor

SUBJECT: Supplemental Budget  
FY 1977, Workmen's  
Compensation  
AS 23.30.172

Please find attached the necessary documents and justification for a Supplemental Appropriation request for the Workmen's Compensation FY 1977 budget. This request is projected on the 86 permanently and totally disabled workers now receiving payments at the rate of \$474.3 annually and the fact that on January 1, 1977, the payments will increase approximately \$5.7 for the balance of the fiscal year. Also, it is estimated that at least 5 new permanent total cases will be added during the fiscal year, costing another \$18.5. Additionally, we can expect some workers to become temporarily disabled at an estimated further cost of \$7.5 for the fiscal year. Thus the estimated direct payments to disabled workers in FY 1977 will total approximately \$506.0. We now have a current appropriation of \$450.7.

We feel that an increased appropriation of \$55.3 is necessary to meet the statutory requirements of AS 23.30.172 for direct payments to workers in FY 1977.

Attachments

cc: Ellen Baxter

TH:EB/bs

TO:  Division of Budget & Management  
Department of Administration

Thru: Tom Haas, Fiscal Section  
Department of Labor

DATE : October 5, 1976

FROM: John Cook, Director *JC*  
Workmen's Compensation Division  
Department of Labor

SUBJECT: \$55,337 Supplemental Appropriation  
for Administration of Workmen's  
Compensation - 07 67-9-03-00-00

Administration of Workmen's Compensation will need a supplemental appropriation of \$55,337 in Object Group 700 of our FY 77 budget to meet statutory obligations.

AS 23.30.172 requires payment of workers' compensation benefits at current rates regardless of the date of injury and provides that funds needed to carry out that requirement be appropriated from the general fund.

Presently direct payment to 86 permanently and totally disabled workers is being made at the rate of \$474,337 a year. On January 1, 1977 these payments will increase about 5.7. We expect at least 5 new permanent total cases to be added during the balance of FY 77 and estimate payments due these workers at 18.5. Additionally, we are obligated to make supplemental payment for workers who become temporarily disabled and estimate these temporary disability costs at 7.5 in FY 77. Estimated direct payments to disabled workers in FY 77 will total 506. FY 77 allocation is only 450.7. A request for a supplemental appropriation is necessary to meet the statutory requirement for direct payment to workers.

JC/eb

# MEMORANDUM

RECEIVED

OCT 21 1976

BUDGET & MANAGEMENT

DATE : October 20, 1976

Ron Lind  
Budget & Management Division  
Department of Administration

FROM: John Cook, Director *JC*  
Workmen's Compensation Division  
Department of Labor

SUBJECT: Supplemental Appropriation for FY 77  
for Administration of Workmen's  
Compensation

This will further explain the supplemental appropriation request for Object Group 700 of the Workmen's Compensation Division's FY 77 budget as requested by Dan Dawson.

AS 23.30.175, a 1975 amendment to the Alaska Workmen's Compensation Act, provides that as soon as possible after June 30, and before December 15 of each year, the Commissioner of the Department of Labor shall determine the Alaska average weekly wage for the three consecutive calendar quarters ending June 30. This determination is the applicable Alaska average weekly wage for the annual period beginning January 1 of the next year and ending December 31.

At the time of preparing the FY 77 budget we were not made aware of the applicable average weekly wage to be used for the annual year 1976, and the predicted weekly wage of \$305.80 supplied by the Research and Analysis Section of the Department of Labor was used. However, it was later determined to be \$357.59. The determination of a higher Alaska average wage means higher payments to 33 percent of the 86 disabled being paid benefits by the State under Sec. 23.30.172 for the period July 1, 1976, through December 31, 1976. It has been predicted that the Alaska average weekly wage will rise to \$386 on January 1, 1977. This again means higher payments than anticipated for the remaining six months of FY 77 because the budget was based on \$305.80 for the entire fiscal year.

As earlier stated in the memo from Tom Haas (File No. AKAS FM 3.2 dated October 11, 1976), direct payment to 86 permanently and totally disabled workers is presently being made at the rate of \$474.337 a year. On January 1, 1977, these payments will increase about \$5.7. We expect at least 5 new permanent total cases to be added during the remainder of FY 77 and estimate payments to these at \$18.5. Additionally, we are obligated to make supplemental payment for workers who become temporarily disabled and estimate these temporary disability costs at \$7.5 in FY 77. Allocations for FY 77 amount to only \$450.7. Estimated direct payments to disabled workers in FY 77 will total \$506. A request for a supplemental appropriation of \$55,337 is necessary to meet the statutory requirements of AS 23.30.172 and 175 for FY 77.

JC/eb



REVISED PROGRAM  
 COST ANALYSIS SUMMARY  
 by BUDGET COMPONENT

07 - 67 - 9 - 820

AGENCY	CATEGORY	06	Justice
Labor	PROGRAM	67	Protect Indiv Rig
DIVISION	SUB-PROGRAM	03	W/Comp
W/ Comp	ELEMENT		
	SUB-ELEMENT		

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES	245.0		245.0
200	TRAVEL	40.1		40.1
300	CONTRACTUAL SERVICES	99.0		99.0
400	COMMODITIES	11.5		11.5
500	EQUIPMENT	2.0		2.0
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	450.7	55.3	506.0
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>848.3</b>	<b>55.3</b>	<b>903.6</b>
NEW CODE				
	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	848.3	55.3	903.6
	INTER-AGENCY TRANSFERS			
	OTHER:			
	<b>TOTAL</b>	<b>848.3</b>	<b>55.3</b>	<b>903.6</b>
	PERMANENT FULL-TIME POSITIONS	11.0		11.0
	PERMANENT PART-TIME POSITIONS	2.0		2.0
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS	141.0		141.0

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

181



# LAWS OF ALASKA

1974

Source

SB 400 am

Chapter No.

51

## AN ACT

Relating to workmen's compensation benefits; and providing for an effective date.

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

▪ Section 1. AS 23.30 is amended by adding a new section to read:

#### ARTICLE 5. COMPUTATION OF COMPENSATION.

Sec. 23.30.172. BENEFIT ADJUSTMENTS. Benefits for temporary and permanent disability shall be calculated under this chapter according to currently existing benefit rates regardless of the benefit rates in existence at the time of the injury, unless this calculation would cause a decrease in the actual benefits receivable.

▪ Sec. 2. The provisions of this Act apply to persons receiving benefits under AS 23.30 before the effective date of this Act. Funds needed to carry out the provisions of this section shall be appropriated from the general fund.

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

Approved by governor: May 3, 1974  
Actual effective date: May 4, 1974

JAY S. HAMMOND  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

HB 162  
through  
168

February 3, 1977

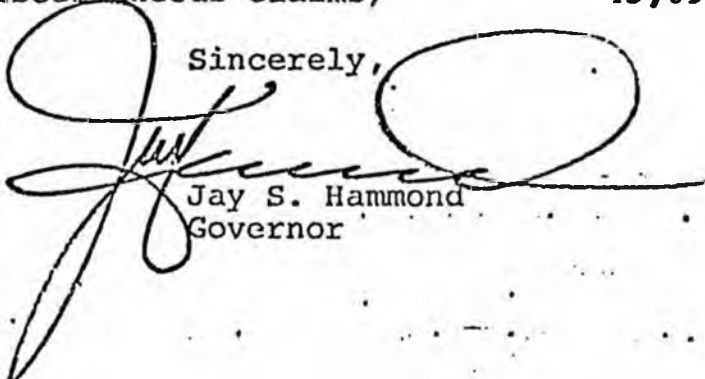
The Honorable Hugh Malone  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting seven supplemental appropriation bills as follows:

Department of Environmental Conservation	\$ 23,500
Department of Military Affairs	21,100
Department of Health and Social Services	1,444,200
Department of Labor	40,300
Department of Community and Regional Affairs	120,000
Department of Law	200,000
Department of Administration (miscellaneous claims)	45,096

Sincerely,

  
Jay S. Hammond  
Governor

# COMMITTEE REPORT

## SENATE

5/10/77

\_\_\_\_\_ Date

Mr. President:

The Committee on FINANCE S has had HB 165  
supplemental appropriation, Dept. of Labor  
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
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

John S. ... \_\_\_\_\_ Tillison \_\_\_\_\_  
... \_\_\_\_\_ ... \_\_\_\_\_  
... \_\_\_\_\_ ... \_\_\_\_\_  
\_\_\_\_\_

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

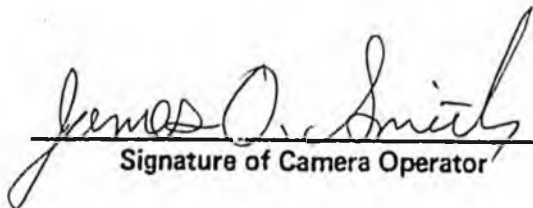
\_\_\_\_\_ recommends: \_\_\_\_\_  
\_\_\_\_\_ recommends: \_\_\_\_\_  
\_\_\_\_\_ recommends: \_\_\_\_\_

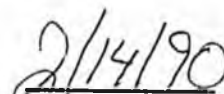
John S. ...  
Chairman



# RECORDS CERTIFICATION

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

  
Signature of Camera Operator

  
Date

# COMMITTEE REPORT

## SENATE

5/10/77

\_\_\_\_\_ Date

Mr. President:

The Committee on FINANCE S has had HB 165  
supplemental appropriation, Dept. of Labor  
under consideration. A majority of the members of the Committee

- recommends it do pass
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- recommends it be replaced with CS for \_\_\_\_\_ and that  
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- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

[Signature] \_\_\_\_\_ [Signature] \_\_\_\_\_  
[Signature] \_\_\_\_\_ [Signature] \_\_\_\_\_  
[Signature] \_\_\_\_\_ [Signature] \_\_\_\_\_  
\_\_\_\_\_

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

[Signature]  
Chairman

In sfc 5/10/77

Introduced: 2/3/77  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 165

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a supplement appropriation to the

7

Department of Labor; and providing for an effective

8

date."

9

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

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\* Section 1. The sum of \$40,300 is appropriated from the general fund

11

to the Department of Labor, Workmen's Compensation Division, for Fiscal

12

Year 1977.

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\* Sec. 2. This Act takes effect immediately in accordance with AS 01.-

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10.070(c).

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TO: Ron Lind, Director  
Division of Budget and Management

DATE December 16, 1976

FROM: Dan Dawson, Budget Analyst  
Division of Budget & Management  
Office of the Governor

SUBJECT: FY 77 Supplemental Appropriation  
Request by Department of Labor  
for \$40,300 to the Administration  
of Workmen's Compensation Approp-  
riation

The Department of Labor has requested a supplemental appropriation in the amount of \$55,300 to the FY 77 Legislative appropriation of \$848,300 to the Administration of Workmen's Compensation.

Subsequent to the request, the Dept. of Labor notified the Division of Budget and Management that \$15,000 could be lapsed in some other appropriation to help offset the supplemental. Therefore, the supplemental request to the Legislature will be \$40,300.

Projections based on current information show that a shortfall in the appropriation would occur if the Dept. of Labor were to fulfill its obligations under SLA 1974, Chapter 51.

This law makes it possible for temporarily and permanently disabled persons, receiving weekly wage compensation payments, to benefit from increases in the allowable payments resulting from new determinations of Alaska's average weekly wage under AS 23.30.220 and percentage of weekly wage allowable under AS 23.30.175. These periodic increases are not covered by the workmen's compensation insurance carrier at the time a person is disabled and becomes eligible for weekly wage compensation payments. Under SLA 1974, Ch 51, the increases are paid by the State from general funds.

The reason for the projected FY 77 shortfall is that during preparation of the FY 77 budget by the Dept. of Labor, in the summer of 1975 it was not anticipated that Alaska's average weekly wage would rise as high as it did due to wages paid to pipeline workers. The projected average weekly wage, on which the 77 budget was prepared, was \$305.80. The average weekly wage is determined on a calendar year, and for 1976 it was found to be \$357.59. An average weekly wage of \$386.00 is projected as of Jan. 1, 1977. The result is an average weekly wage increase over projections of approximately \$66 per week. 29 disabled persons are presently being paid benefits by the State under SLA 1974, Ch 51, and the Dept. of Labor expects 5 new cases to be added during the remainder of FY 77. Not all of these persons will be eligible for the maximum allowance, and some will be just temporarily disabled. The total supplemental required has been estimated by the Dept. of Labor at \$55,300. As stated above, the Dept. of Labor has agreed to lapse \$15,000 from another appropriation to offset the supplemental so that the total supplemental amount required is \$40,300.

Ron Lind

-2-

December 16, 1976

Your support of this supplemental request is recommended on the basis of SLA 1974, Ch 51, which states that "Funds needed to carry out the provisions of this section shall be appropriated from the general fund."

TO: [ Ron Lind, Director  
Division of Budget & Management  
Office of the Governor  
Attn: DAN DAWSON

File: AKAS (FM 3-2)

DATE : October 11, 1976

FROM: Tom Haas *Tom Haas*  
Finance Officer  
Department of Labor

SUBJECT: Supplemental Budget  
FY 1977, Workmen's  
Compensation  
AS 23.30.172

Please find attached the necessary documents and justification for a Supplemental Appropriation request for the Workmen's Compensation FY 1977 budget. This request is projected on the 86 permanently and totally disabled workers now receiving payments at the rate of \$474.3 annually and the fact that on January 1, 1977, the payments will increase approximately \$5.7 for the balance of the fiscal year. Also, it is estimated that at least 5 new permanent total cases will be added during the fiscal year, costing another \$18.5. Additionally, we can expect some workers to become temporarily disabled at an estimated further cost of \$7.5 for the fiscal year. Thus the estimated direct payments to disabled workers in FY 1977 will total approximately \$506.0. We now have a current appropriation of \$450.7.

We feel that an increased appropriation of \$55.3 is necessary to meet the statutory requirements of AS 23.30.172 for direct payments to workers in FY 1977.

Attachments

cc: Ellen Baxter

TH:EB/bs

TO:  Division of Budget & Management  
Department of Administration

Thru: Tom Ilaas, Fiscal Section  
Department of Labor

DATE : October 5, 1976

FROM: John Cook, Director *JC*  
Workmen's Compensation Division  
Department of Labor

SUBJECT: \$55,337 Supplemental Appropriation  
for Administration of Workmen's  
Compensation - 07 67-9-03-00-00

Administration of Workmen's Compensation will need a supplemental appropriation of \$55,337 in Object Group 700 of our FY 77 budget to meet statutory obligations.

AS 23.30.172 requires payment of workers' compensation benefits at current rates regardless of the date of injury and provides that funds needed to carry out that requirement be appropriated from the general fund.

Presently direct payment to 86 permanently and totally disabled workers is being made at the rate of \$474,337 a year. On January 1, 1977 these payments will increase about 5.7. We expect at least 5 new permanent total cases to be added during the balance of FY 77 and estimate payments due these workers at 12.5. Additionally, we are obligated to make supplemental payment for workers who become temporarily disabled and estimate these temporary disability costs at 7.5 in FY 77. Estimated direct payments to disabled workers in FY 77 will total 506. FY 77 allocation is only 450.7. A request for a supplemental appropriation is necessary to meet the statutory requirement for direct payment to workers.

JC/eb

~~MEMORANDUM~~

RECEIVED

OCT 21 1976

BUDGET &amp; MANAGEMENT

DATE : October 20, 1976

\* [ Ron Lind  
Budget & Management Division  
Department of Administration

FROM: John Cook, Director *JC*  
Workmen's Compensation Division  
Department of Labor

SUBJECT: Supplemental Appropriation for FY 77  
for Administration of Workmen's  
Compensation

This will further explain the supplemental appropriation request for Object Group 700 of the Workmen's Compensation Division's FY 77 budget as requested by Dan Dawson.

AS 23.30.175, a 1975 amendment to the Alaska Workmen's Compensation Act, provides that as soon as possible after June 30, and before December 15 of each year, the Commissioner of the Department of Labor shall determine the Alaska average weekly wage for the three consecutive calendar quarters ending June 30. This determination is the applicable Alaska average weekly wage for the annual period beginning January 1 of the next year and ending December 31.

At the time of preparing the FY 77 budget we were not made aware of the applicable average weekly wage to be used for the annual year 1976, and the predicted weekly wage of \$305.80 supplied by the Research and Analysis Section of the Department of Labor was used. However, it was later determined to be \$357.59. The determination of a higher Alaska average wage means higher payments to 33 percent of the 86 disabled being paid benefits by the State under Sec. 23.30.172 for the period July 1, 1976, through December 31, 1976. It has been predicted that the Alaska average weekly wage will rise to \$386 on January 1, 1977. This again means higher payments than anticipated for the remaining six months of FY 77 because the budget was based on \$305.80 for the entire fiscal year.

As earlier stated in the memo from Tom Haas (File No. AKAS FM 3.2 dated October 11, 1976), direct payment to 86 permanently and totally disabled workers is presently being made at the rate of \$474.337 a year. On January 1, 1977, these payments will increase about \$5.7. We expect at least 5 new permanent total cases to be added during the remainder of FY 77 and estimate payments to these at \$18.5. Additionally, we are obligated to make supplemental payment for workers who become temporarily disabled and estimate these temporary disability costs at \$7.5 in FY 77. Allocations for FY 77 amount to only \$450.7. Estimated direct payments to disabled workers in FY 77 will total \$506. A request for a supplemental appropriation of \$55,337 is necessary to meet the statutory requirements of AS 23.30.172 and 175 for FY 77.

JC/cb



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

REVISED PROGRAM  
 COST ANALYSIS SUMMARY  
 by BUDGET COMPONENT

07 - 67 - 9 - 820

AGENCY	CATEGORY	06	Justice
Labor	PROGRAM	67	Protect Indiv. Rig
DIVISION	SUB-PROGRAM	03	W/Comp
W/ Comp	ELEMENT		
	SUB-ELEMENT		

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES	245.0		245.0
200	TRAVEL	40.1		40.1
300	CONTRACTUAL SERVICES	99.0		99.0
400	COMMODITIES	11.5		11.5
500	EQUIPMENT	2.0		2.0
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	450.7	55.3	506.0
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>848.3</b>	<b>55.3</b>	<b>903.6</b>
NEW CODE				
	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	848.3	55.3	903.6
	INTER-AGENCY TRANSFERS			
	OTHER:			
	<b>TOTAL</b>	<b>848.3</b>	<b>55.3</b>	<b>903.6</b>
	PERMANENT FULL-TIME POSITIONS	11.0		11.0
	PERMANENT PART-TIME POSITIONS	2.0		2.0
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS	141.0		141.0

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						



# LAWS OF ALASKA

1974

Source

SB 400 am

Chapter No.

51

## AN ACT

Relating to workmen's compensation benefits; and providing for an effective date.

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

▪ Section 1. AS 23.30 is amended by adding a new section to read:

### ARTICLE 5. COMPUTATION OF COMPENSATION.

Sec. 23.30.172. BENEFIT ADJUSTMENTS. Benefits for temporary and permanent disability shall be calculated under this chapter according to currently existing benefit rates regardless of the benefit rates in existence at the time of the injury, unless this calculation would cause a decrease in the actual benefits receivable.

▪ Sec. 2. The provisions of this Act apply to persons receiving benefits under AS 23.30 before the effective date of this Act. Funds needed to carry out the provisions of this section shall be appropriated from the general fund.

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

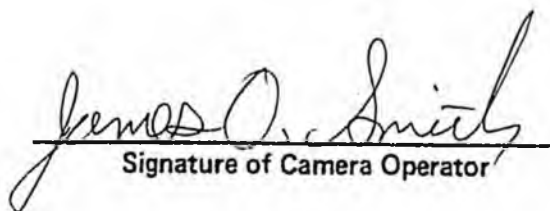
Approved by Governor: May 3, 1974  
Actual effective date: May 4, 1974

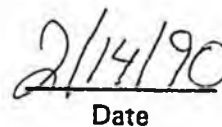


# RECORDS CERTIFICATION



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

2-3-77

# COMMITTEE REPORT

## HOUSE

3-28-77

Date

Mr. Speaker:

The Committee on FINANCE has had HB 166

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
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

[Signature] \_\_\_\_\_

[Signature] \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

[Signature] recommends: do not pass

[Signature] recommends: do not pass

[Signature] recommends: DO NOT PASS NEVER EVER

[Signature]

Chairman

Introduced: 2/3/77  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 166

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Community and Regional Affairs; 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 \$120,000 is appropriated from the general fund  
11 to the Department of Community and Regional Affairs, Community and Rural  
12 Development for Fiscal Year 1977.

13 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
14 10.070(c).

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# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT

POUCH AM — JUNEAU 99811  
PHONE 465-2213

JAY S. HAMMOND, GOVERNOR

March 24, 1977

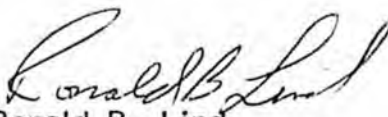
Honorable Steve Cowper  
Chairman, House Finance Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Cowper:

Enclosed is additional information for the FY 77 Supplemental request for the Department of Community & Regional Affairs, Community and Rural Development programs contained in House Bill 166.

This additional information does not change the original request of \$120,000 in House Bill 166.

Sincerely,



Ronald B. Lind  
Director

enclosure

# MEMORANDUM

# State of Alaska

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

TO: Ron Lind, Director  
Division of Budget  
and Management  
Office of the Governor

DATE: March 22, 1977

FILE NO:

March 23 1977

TELEPHONE NO:

BUDGET & MANAGEMENT

FROM: Lynn A. Wegener  
Administrative Director

SUBJECT: FY 77 Supplemental  
Request - HB 166  
Dept. of Community  
& Regional Affairs  
Community Services BRU

In accordance with your instructions, the following is provided as additional justification for a supplemental appropriation of \$120,000 for Alaska Legal Services, Inc.

During the fiscal year 1977 budget preparation process, Alaska Legal Services, Inc. and the State of Alaska reached an agreement for \$100,000 State support to the Alaska Legal Services program. This amount was included by the Governor's Budget Review Committee in the Community Service's Budget Request Unit and submitted as such to the Legislature. On January 5, 1976 the Department received a letter from Ms. Loyette Gooddell, the Executive Director of Alaska Legal Services indicating that the level of support now required from the State would be reduced to \$65,000. The Department notified the Division of Budget and Management which in turn submitted a budget amendment to the Chairman of Senate Finance Committee on March 8, 1976. At that time \$65,000 was the total State support required by Alaska Legal Services for their operation during the State fiscal year 1977. Subsequently, a schedule of required State support totaling \$240,000 was transmitted by Alaska Legal Services to the Legislature which became the basis for the \$240,000 appropriation. The confusion in the veto of \$175,000 of the Alaska Legal Services \$240,000 appropriation was created by this as well as the recommended veto of \$30,000 of Community Legal Assistance Grants.

The appropriation for the Alaska Legal Services grant is recorded in collocation code 21-22-4-120 under object code 700. This code includes \$120,000 for Alaska Legal Services, \$60,000 for the Bethel Prematernal Home and \$30,000 for the Alaska Federation of Natives Bush Justice Conference. The Authorization Balance Report reflects expenditures of \$210,000, however, does not indicate the outstanding contractual obligation of \$120,000 to Alaska Legal Services, Inc.

If additional information is required, please contact us.

LAW:tlh

LAW OFFICES LLP

ALASKA LEGAL SERVICES CORPORATION

524 WEST SIXTH AVENUE, SUITE 204

ANCHORAGE, ALASKA 99501

TELEPHONE 272-9431

January 5, 1976

Lee McAnerney  
Commissioner  
State of Alaska  
Department Community and Regional Affairs  
Pouch B  
Juneau, Alaska 99801

Dear Ms. McAnerney:

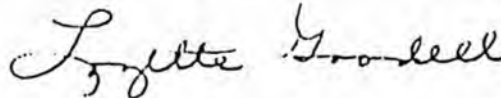
This is to confirm my conversation with you, Av Gross and Mike Harper concerning a decrease in our request for funding. On November 18, 1975 the National Legal Services Corporation granted Alaska Legal Services Corporation an 10% increase in funding. This amounts to \$73,274. This reduces the amount which this program needs to maintain present level of operation to \$65,000. We therefore request that the amount inserted in the State budget to maintain the operation of Alaska Legal Services Corporation for FY 77 be reduced to \$65,000.

If you have any questions regarding this matter, please contact me.

Thank you for your cooperation in our funding problems.

Sincerely,

ALASKA LEGAL SERVICES CORPORATION



Loyette Goodell  
Executive Director

LG:da  
cc: Av Gross

MEMORANDUM IN SUPPORT OF REQUEST FOR FUNDING

Alaska Legal Services Corporation requests funding in the amount of \$240,000 from the State of Alaska for the following:

- \$65,000 To continue operation of the basic program, i.e., offices in Anchorage, Fairbanks, Juneau, Ketchikan, Nome, Bethel, Sitka, and Dillingham.
- \$35,000 To provide for continued operation of offices in Kodiak and Kotzebue (offices which were opened during FY 76 with one year funding made available by the Native organizations in those areas).
- \$60,000 To establish an office in Barrow to provide services to low income persons on the North Slope, an area not now covered by the program.
- \$40,000 To establish an office in Fort Yukon to provide service to the community served by this regional center.
- \$32,000 Additional attorneys and secretaries in Anchorage and Fairbanks to meet the increased demands for service which have resulted from population growth in these communities.
- \$ 8,000 Travel to circuit ride Aleutian Chain from Kodiak office.

The annual cost of operating the basic program (without offices in Kodiak and Kotzebue) is \$871,000. The National Legal Services Corporation annual grant is now \$806,018. Although an increase of \$73,732 over last year's grant, this is \$65,000 short of providing for full maintenance of the program, and does not provide funding toward the continuation of offices in Kodiak and Kotzebue, nor for meeting the unserved population of the state in the North Slope and Fort Yukon areas. Neither does it provide meeting the increased costs of operation in Anchorage and Fairbanks (the rent for the office in Fairbanks tripled in April) nor for hiring sufficient attorneys in those offices to adequately provide legal assistance to the many people who are flocking to the offices requesting assistance. The program does not now nor has it ever provided legal assistance to the Aleutian Chain, and with staff in Kodiak, it is now possible to serve this region if adequate travel funds are available. \$8,000 would allow adequate travel to begin circuit riding the villages in this area.

Introduced: 2/3/77  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 166

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Community and Regional Affairs; and  
8 providing for an effective date."

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

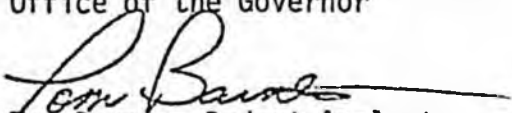
10 \* Section 1. The sum of \$120,000 is appropriated from the general fund  
11 to the Department of Community and Regional Affairs, Community and Rural  
12 Development for Fiscal Year 1977.

13 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
14 10.070(c).

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TO: Ron Lind, Director  
Division of Budget & Management  
Office of the Governor

DATE: December 8, 1976

FROM:   
Tom Barnes, Budget Analyst  
Division of Budget & Management  
Office of the Governor

SUBJECT: Supplemental Appropriation -  
Alaska Legal Services

The Department of Community & Regional Affairs, Division of Community and Rural Development, requests a supplemental appropriation in the amount of \$120,000 for FY 77 for the purpose of funding a contract for legal services with the Alaska Legal Services Corporation.

Alaska Legal Services Corporation provides legal services ranging from divorces, adoption, wills and bankruptcies to cases involving sex discrimination, educational rights, or the Alaska Native Claims Settlement Act to poverty level Alaskans.

The Legislature appropriated \$240,000 as a fiscal year 1977 grant to the Alaska Legal Services Corporation. The grant was designed to assist the Corporation in continuing their offices in Anchorage, Fairbanks, Juneau, Ketchikan, Nome, Bethel, Sitka, Kodiak, Kotzebue and Dillingham and to extend legal services to Barrow, Fort Yukon and the Aleutian chain. The appropriation was subsequently vetoed to \$65,000. Upon further review and evaluation of the impact of the veto, the Governor directed this Department to contract at the level appropriated by the Legislature.

Approval of this request will continue Statewide legal services to poverty level Alaskans and allow the Department to meet it's contractual obligation.

TB/dtp

attachments

# MEMORANDUM

# State of Alaska

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

TO: Ron Lind, Director  
Division of Budget  
and Management

DATE: November 26, 1976

FILE NO:

TELEPHONE NO:

FROM: Lynn A. Wegener *LAW*  
Administrative Officer

SUBJECT: Supplemental appropriation  
Alaska Legal Services

The Department of Community & Regional Affairs requests a supplemental appropriation in the amount \$175,000 for the purpose of funding a contract for legal services with the Alaska Legal Services Corporation.

Alaska Legal Services Corporation provides legal services ranging from divorces, adoption, wills, and bankruptcies to cases involving sex discrimination, educational rights, or the Alaska Native Claims Settlement Act to poverty level Alaskans. The Legislature appropriated \$240,000 as a fiscal year 1977 grant to the Alaska Legal Services Corporation. The grant was designed to assist the Corporation in continuing their offices in Anchorage, Fairbanks, Juneau, Ketchikan, Nome, Bethel, Sitka, Kodiak, Kotzebue and Dillingham and to extend legal services to Barrow, Fort Yukon and the Aluetian chain. Due to some confusion on the level of State support required, the appropriation was vetoed to \$65,000. Upon further review and evaluation of the impact of the veto, the Governor directed this Department to contract at the level appropriated by the Legislature.

Approval of this request will continue Statewide legal services to poverty level Alaskans and allow the Department to meet it's contractual obligation.

LAW:tlh

cc: Mike Harper  
Deputy Commissioner

Department of Community & Regional  
Affairs

Senior Citizens Tax Exemption	1,300,000	1,300,000	
Work Experience	2,693,200	7,000	2,686,200
→ Community Services	<del>1,616,000</del> 815,000	<del>381,000</del>	629,000
Day Care/Head Start	1,632,000	1,632,000	
State Bond Committee			
Debt Service	900,700	900,700	
Category Fund Sources			
	<u>38,916,000</u>		
Federal Receipts	<del>39,241,200</del>		
General Fund	<del>42,466,500</del>	40,456,400	
Interagency Receipts	7,500,700		
Program Receipts	1,123,000		
Second Injury Fund	316,700		
Disabled Fishermens Reserve Account	276,400		
Federal Revenue Sharing Fund	3,586,500		
Title 20	3,975,000		
Training and Building Fund	<u>250,000</u>		
Total Funding - Social Services	<del>97,676,880</del>		
	96,400,700		

HEALTH

Department of Health & Social Services

Nursing	3,970,600	3,159,200	811,400
Field Nursing	3,143,700		
Home Health Service	32,900		
Administration	634,400		
Early Screening	159,600		
Communicable Disease Control	<del>1,245,500</del>	<del>983,400</del>	262,100
	1,215,700	953,600	
Tuberculosis Control	654,800		
Venereal Disease Control	236,400		
Immunization	156,300		
Epidemiology	168,200		
Environmental Health	1,138,800	1,025,200	113,600
General Sanitation	1,024,400		
Seafood Sanitation	114,400		
Child & Family Health	<del>2,282,200</del>	<del>1,590,600</del>	691,600
	2,272,200	1,580,600	
Family Planning	220,600		

*JL*

Alcantra institution will be covered through contractual programs under the auspices of the Department of Health and Social Services. This coverage will ultimately result in considerable savings to the state while properly caring for the young clients.

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS - COMMUNITY SERVICES

Community Services is reduced by \$195,000 representing a reduction of \$175,000 from the funds earmarked for the Alaska Legal Services and \$20,000 of a reduction from a total of \$50,000 for a Third Bush Justice Conference. This reduction will allow \$65,000 to augment federal funds for the maintenance level operations of Alaska Legal Services during fiscal year 1977. I have allowed \$30,000 of state funding to remain for the Third Bush Justice Conference to be held in October in Kodiak.

HEALTH

Department of Health and Social Services - Community Mental Health Centers. This item I have reduced by \$265,700 to a total appropriation of \$1,301,100 which compares to a fiscal year 1976 appropriation of \$630,900. The amount remaining represents an addition of \$267,000 to my original budget as proposed in January. The expansion of this program as allowed for in fiscal year 1977 shows, I feel, a commitment on the part of this administration towards acknowledging the need for improved local mental health care while acknowledging the pressing requirements for fiscal austerity.

ADMINISTRATION OF JUSTICE

Department of Public Safety - Criminal Investigation Bureau. My reduction of \$225,000 in this program is only a partial reduction and will allow a \$350,000 expansion of service in the Department of Public Safety over the level originally included in my budget. This addition I approve in acknowledgement of the tremendous pressures placed upon the state troopers and the Department of Public Safety with the constant side effects of overwhelming economic activity in our state.

DEVELOPMENT

Department of Community and Regional Affairs - Municipal Revenue Sharing. This item I have reduced by \$1,000,000. After my veto today, the funding of this activity will

JAY S. HAMMOND  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

HB 162  
through  
168

February 3, 1977

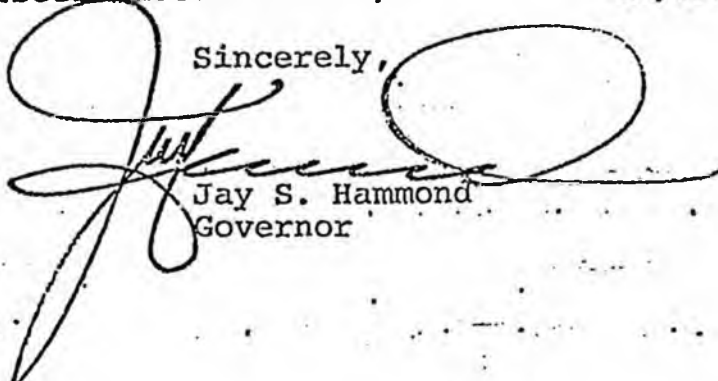
The Honorable Hugh Malone  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting seven supplemental appropriation bills as follows:

Department of Environmental Conservation	\$ 23,500
Department of Military Affairs	21,100
Department of Health and Social Services	1,444,200
Department of Labor	40,300
Department of Community and Regional Affairs	120,000
Department of Law	200,000
Department of Administration (miscellaneous claims)	45,096

Sincerely,



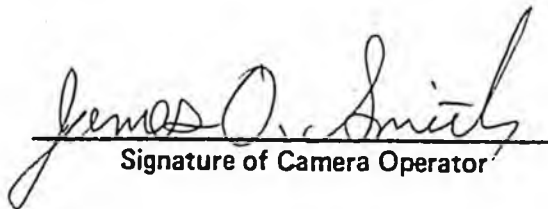
Jay S. Hammond  
Governor

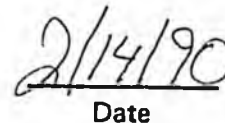


# RECORDS CERTIFICATION



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

  
Signature of Camera Operator

  
Date

# COMMITTEE REPORT

## SENATE

4/6/77

4/23/77 Date

Mr. President:

The Committee on Finance has had HB 166  
supplemental appropriation to C&RA  
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
- AND attaches a report of its intent
- (other) See report of the committee

MEMBERS SIGNING THE MAJORITY REPORT:

Don Scott \_\_\_\_\_  
Tom Miller \_\_\_\_\_  
Bob ... \_\_\_\_\_  
... \_\_\_\_\_

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Million recommends: Do Not Pass  
\_\_\_\_\_ recommends: \_\_\_\_\_  
\_\_\_\_\_ recommends: \_\_\_\_\_

Don Scott  
Chairman

Introduced: 2/3/77  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 166

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Community and Regional Affairs; and  
8 providing for an effective date."

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

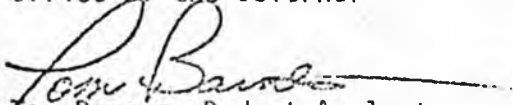
10 \* Section 1. The sum of \$120,000 is appropriated from the general fund  
11 to the Department of Community and Regional Affairs, Community and Rural  
12 Development for Fiscal Year 1977.

13 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
14 10.070(c).

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TO: Ron Lind, Director  
Division of Budget & Management  
Office of the Governor

DATE : December 8, 1976

FROM:   
Tom Barnes, Budget Analyst  
Division of Budget & Management  
Office of the Governor

SUBJECT: Supplemental Appropriation -  
Alaska Legal Services

The Department of Community & Regional Affairs, Division of Community and Rural Development, requests a supplemental appropriation in the amount of \$120,000 for FY 77 for the purpose of funding a contract for legal services with the Alaska Legal Services Corporation.

Alaska Legal Services Corporation provides legal services ranging from divorces, adoption, wills and bankruptcies to cases involving sex discrimination, educational rights, or the Alaska Native Claims Settlement Act to poverty level Alaskans.

The Legislature appropriated \$240,000 as a fiscal year 1977 grant to the Alaska Legal Services Corporation. The grant was designed to assist the Corporation in continuing their offices in Anchorage, Fairbanks, Juneau, Ketchikan, Nome, Bethel, Sitka, Kodiak, Kotzebue and Dillingham and to extend legal services to Barrow, Fort Yukon and the Aleutian chain. The appropriation was subsequently vetoed to \$65,000. Upon further review and evaluation of the impact of the veto, the Governor directed this Department to contract at the level appropriated by the Legislature.

Approval of this request will continue Statewide legal services to poverty level Alaskans and allow the Department to meet it's contractual obligation.

TB/dtp

attachments

# MEMORANDUM

# State of Alaska

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

TO: Ron Lind, Director  
Division of Budget  
and Management

DATE: November 26, 1976

FILE NO:

TELEPHONE NO:

FROM: Lynn A. Wegener *LAW*  
Administrative Officer

SUBJECT: Supplemental appropriation  
Alaska Legal Services

The Department of Community & Regional Affairs requests a supplemental appropriation in the amount \$175,000 for the purpose of funding a contract for legal services with the Alaska Legal Services Corporation.

Alaska Legal Services Corporation provides legal services ranging from divorces, adoption, wills, and bankruptcies to cases involving sex discrimination, educational rights, or the Alaska Native Claims Settlement Act to poverty level Alaskans. The Legislature appropriated \$240,000 as a fiscal year 1977 grant to the Alaska Legal Services Corporation. The grant was designed to assist the Corporation in continuing their offices in Anchorage, Fairbanks, Juneau, Ketchikan, Nome, Bethel, Sitka, Kodiak, Kotzebue and Dillingham and to extend legal services to Barrow, Fort Yukon and the Aluetian chain. Due to some confusion on the level of State support required, the appropriation was vetoed to \$65,000. Upon further review and evaluation of the impact of the veto, the Governor directed this Department to contract at the level appropriated by the Legislature.

Approval of this request will continue Statewide legal services to poverty level Alaskans and allow the Department to meet it's contractual obligation.

LAW:tlh

cc: Mike Harper  
Deputy Commissioner

Department of Community & Regional  
Affairs

Senior Citizens Tax Exemption	1,300,000	1,300,000	
Work Experience	2,693,200	7,000	2,686,200
Community Services	<del>2,619,000</del> <i>815,000</i>	<del>381,000</del>	629,000
Day Care/Head Start	1,632,000	1,632,000	
State Bond Committee			
Debt Service	900,700	900,700	
Category Fund Sources			
Federal Receipts	<u>38,916,000</u>		
General Fund	<del>42,466,500</del> <i>40,456,400</i>		
Interagency Receipts	7,500,700		
Program Receipts	1,123,000		
Second Injury Fund	316,700		
Disabled Fishermens Reserve Account	276,400		
Federal Revenue Sharing Fund	3,586,500		
Title 20	3,975,000		
Training and Building Fund	<u>250,000</u>		
Total Funding - Social Services	<del>97,676,600</del> <u>96,400,700</u>		

HEALTH

Department of Health & Social Services

Nursing	3,970,600	3,159,200	811,400
Field Nursing	3,143,700		
Home Health Service	32,900		
Administration	634,400		
Early Screening	159,600		
Communicable Disease Control	<del>2,245,500</del> <u>1,215,700</u>	<del>923,400</del> <u>953,600</u>	262,100
Tuberculosis Control	654,800		
Veneral Disease Control	<del>236,400</del> <i>236,400</i>		
Immunization	156,300		
Epidemiology	168,200		
Environmental Health	1,138,800	1,025,200	113,600
General Sanitation	1,024,400		
Seafood Sanitation	114,400		
Child & Family Health	<del>2,282,200</del> <u>2,272,200</u>	<del>1,590,600</del> <u>1,580,600</u>	691,600
Family Planning	220,600		

-14- *JH*

Alcantra institution will be covered through contractual programs under the auspices of the Department of Health and Social Services. This coverage will ultimately result in considerable savings to the state while properly caring for the young clients.

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS - COMMUNITY SERVICES

Community Services is reduced by \$195,000 representing a reduction of \$175,000 from the funds earmarked for the Alaska Legal Services and \$20,000 of a reduction from a total of \$50,000 for a Third Bush Justice Conference. This reduction will allow \$65,000 to augment federal funds for the maintenance level operations of Alaska Legal Services during fiscal year 1977. I have allowed \$30,000 of state funding to remain for the Third Bush Justice Conference to be held in October in Kodiak.

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Department of Health and Social Services - Community Mental Health Centers. This item I have reduced by \$265,700 to a total appropriation of \$1,301,100 which compares to a fiscal year 1976 appropriation of \$630,900. The amount remaining represents an addition of \$267,000 to my original budget as proposed in January. The expansion of this program as allowed for in fiscal year 1977 shows, I feel, a commitment on the part of this administration towards acknowledging the need for improved local mental health care while acknowledging the pressing requirements for fiscal austerity.

ADMINISTRATION OF JUSTICE

Department of Public Safety - Criminal Investigation Bureau. My reduction of \$225,000 in this program is only a partial reduction and will allow a \$350,000 expansion of service in the Department of Public Safety over the level originally included in my budget. This addition I approve in acknowledgement of the tremendous pressures placed upon the state troopers and the Department of Public Safety with the constant side effects of overwhelming economic activity in our state.

DEVELOPMENT

Department of Community and Regional Affairs - Municipal Revenue Sharing. This item I have reduced by \$1,000,000. After my veto today, the funding of this activity will

JAY S. HAMMOND  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

HB 162  
through  
168

February 3, 1977

The Honorable Hugh Malone  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting seven supplemental appropriation bills as follows:

Department of Environmental Conservation	\$ 23,500
Department of Military Affairs	21,100
Department of Health and Social Services	1,444,200
Department of Labor	40,300
Department of Community and Regional Affairs	120,000
Department of Law	200,000
Department of Administration (miscellaneous claims)	45,096

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jay S. Hammond".

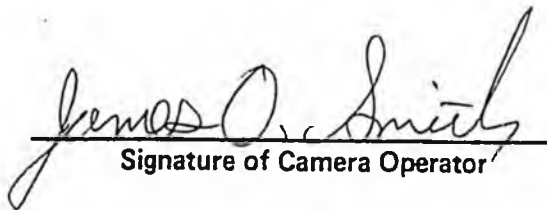
Jay S. Hammond  
Governor

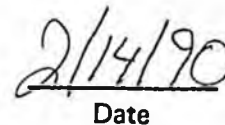


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Signature of Camera Operator

  
Date

2-3-77

# COMMITTEE REPORT

## HOUSE

March 30 1977 Date

Mr. Speaker:

The Committee on FINANCE has had HB 167 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 House Finance with attachments HB 167 and that use Finance with attachments CS for HB 167 do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: no rec.

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

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

\_\_\_\_\_

Chairman

Benny

Original sponsor: Rules Committee by request  
of the Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 167

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Law; and providing for an effective  
8 date."

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

10 \* Section 1. The sum of \$498,992 is appropriated from the general fund to  
11 the Department of Law, legal services, for the fiscal year ending June 30,  
12 1977, to be allocated as follows:

13	ICC Representation . . . . .	\$165,000
14	Gas Pipeline. . . . .	60,000
15	Judgments against the State . . . . .	273,992

16 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

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STATE  
of ALASKA

## MEMORANDUM

HB 167

TO: [ Ron Lind, Director  
Division of Budget and Management  
Office of the Governor

DATE November 26, 1976

FROM: Janet Green, Budget Analyst  
Division of Budget and Management  
Office of the Governor

SUBJECT: FY 77 Supplemental Request  
Department of Law

The Department of Law requests a supplemental general fund appropriation of \$165.0 for FY 77 to fund the cost of legal representation of the State of Alaska before the Interstate Commerce Commission on matters relating to the Trans-Alaska Pipeline tariffs. The attached memo from Attorney General Gross clearly describes the necessity for this representation and the urgency of the request.

The 1976 legislature transferred responsibility for legal representation in this matter from the Alaska Pipeline Commission to the Department of Law (Chapter 20T, SLA 1976) but the companion bill appropriating funds, HB 706, was not passed; thus neither the Pipeline Commission nor the Department of Law has sufficient funds to accomplish this.

The requested funds will be used as follows:

Travel	\$ 5.0	(for State Attorneys to Washington D.C.)
Contractual	\$160.0	(services of Donelan and Cleary and sub-contractors)
Total	\$165.0	

JG/lid

# MEMORANDUM

TO: V. Kent Dawson  
Chairman  
Budget Review Committee

DATE : November 10, 1976

FROM: Avrum M. Gross  
Attorney General

SUBJECT: Supplemental Approp-  
riation - I.C.C.  
Representation

This is a request for a supplemental appropriation for the Department of Law to fund the cost of legal representation of the State of Alaska before the Interstate Commerce Commission on matters relating to the fixing of tariffs for the transportation of oil on the Trans-Alaska Pipeline System. Such representation is required to insure that the tariffs established for the shipment of North Slope oil by the I.C.C. fully respect the interests of the State of Alaska, by protecting the public interest in assuring that TAPS provides safe, adequate, economical and efficient service at the lowest cost consistent with the furnishing of such service under honest, economical, and efficient management. The State of Alaska, as an owner of royalty oil, lessor of lands, and taxpayer of property, has great interest in the outcome of the tariff issue. The level of the tariffs finally set will have an impact on the State and its citizens of a magnitude never before experienced. The legislature has previously acknowledged the importance of this matter through passage of legislation mandating I.C.C. representation as provided for in ch 201, SLA 1976.

The Department of Law has selected the Washington, D.C. law firm of Donelan and Cleary to represent the State before the I.C.C. This law firm specializes in representing transportation users, as opposed to transportation providers, and is unique in this respect. We therefore believe we will be well served by Donelan and Cleary.

Of the \$165,000 requested by this supplemental appropriation, \$5,000 will be used by Department of Law staff for transportation to and from Washington, D.C. The remaining \$160,000 will be used for contracting the services of Donelan and Cleary. Of this latter amount, \$110,000 is needed for Donelan and Cleary's direct costs and \$50,000 is to be used to pay a Donelan and Cleary sub-contractor for accounting and financial services for the purpose of examining rate proposals and cost audits presented by the Pipeline Commission, TAPS, and federal agencies.

Funds have been requested to continue the I.C.C. representation effort through FY 1978 and are included in the Department of Law's Legal Services FY 78 Budget Request in the additional amount of \$200,000.

Time is of the essence in implementing the State's I.C.C. representation so that our position is completely researched and prepared no later than the end of April, 1977, or approximately two months before the presently estimated starting date of the transportation of North Slope oil by TAPS. Priority consideration of this request is therefore asked.

AMG:jeh

Attachment to HFC  
8. 1:15 3/30/77

Dept Law

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT

POUCH AM — JUNEAU 99811  
PHONE 465-2213

March 2, 1977

Honorable Steve Cowper  
Chairman, House Finance Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Cowper:

Please amend House Bill 167 to include the following additional items for which current year funds are not available.

Gas Pipeline Representation -- \$25,000

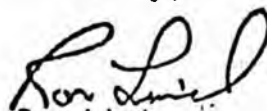
The amount of \$35,000 previously requested will not be sufficient to meet newly projected case costs. Our updated projections indicate that a supplemental appropriation of \$60,000 will be required to provide adequate representation through June 30, 1977. Since the State has committed itself to this hearing process it becomes necessary to now commit the resources necessary to meet the hearing schedule.

Court Judgments -- \$55,000

Judgements against the State during FY 77 have totaled \$56,344 through February 17, 1977. The original appropriation of \$15,000 for this purpose has thus been overrun by \$41,344. Judgment costs are difficult to predict due to the many variables which enter into the determinations. Interest at 8% accrues on these claims from the day the judgement is entered. The requested appropriation includes approximately \$13,600 over the currently known needs listed below:

<u>Case or Claim</u>	<u>Amount</u>
<u>M.B. Development v. State of Alaska</u>	\$7,233.42
<u>Channel Bowl</u>	2,427.00
<u>Issakson v. Rickey</u>	20,000.00
<u>McGill v. Thomas and Anderson</u>	3,762.65
<u>McGill v. Thomas and Anderson</u>	8,401.75
<u>TOTAL</u>	<u>\$41,824.82</u>

Sincerely,

  
Ron Lind  
Director

attachments

10. [ Ron Lind, Director  
Division of Budget and Management  
Office of the Governor

DATE: February 18, 1977

FILE NO:

TELEPHONE NO:

FROM: Avrum M. Gross  
Attorney General

SUBJECT:

FY77 Supplemental  
Request Updated  
Projections - HB  
167 -- Department  
of Law -- Gen Gov't  
Legal Services

By: *Richard I. Pegues*  
Richard I. Pegues  
Administrative Officer

The Department of Law regrets to advise that our request of November 26, 1976, for \$35,000 in supplemental funds for the Gas Pipeline Case will not be sufficient to meet newly projected case costs. Our updated projections indicate that a supplemental appropriation of \$60,000 will now be required to fund case costs through June 30, 1977.

Our original request for supplemental funds was caused by expanded case hearings ordered in mid-1976 by the Federal Power Commission as a result of the unexpected application for a third pipeline route which was filed by the Northwest Pipeline Co. The expanded and extended hearings, at which more than 50 additional witnesses testified, necessarily increased our Gas Pipeline Case costs. This expanded hearing schedule was not anticipated when Pipeline case budget planning took place in the fall and winter of 1975-76. Indeed, even our November projections were short \$12,000 of the actual attorney services we utilized through December 31, 1976, in preparing and submitting numerous briefs to the FPC to present the State of Alaska's input on the additional testimony heard at the expanded hearings.

The additional costs caused by the expanded case have been further compounded by FPC Administrative Law Judge Litt's recent recommendation to the FPC Commissioners favoring the Arctic Gas Co.'s proposal for a MacKenzie River gasline route. Judge Litt's recommendation is lengthy and complex. We are now in the process of preparing and submitting new briefs for the FPC Commissioners' consideration dealing with those areas of the hearing record that needs to be reiterated to voice the State's concerns in the final selection of a gas pipeline route and which we feel Judge Litt overlooked in his recommendation to the Commission. Funding and spending levels for this case are as follows:

Ron Lind  
Director

February 18, 1977

Current Authorization 1/31/77	\$50,000.00
Expenditures through 1/31/77	24,950.14
Obligations through 1/31/77	51,579.98
Balance Available 2/1/77	(27,629.84)

Additional Funds Required through 6/30/77:

Anticipated Billings 1/1/77 - 2/15/77	8,370.16
Anticipated Billings 2/16 - 3/31	18,000.00
Anticipated Billings 4/1 - 6/30	<u>6,000.00</u>

Anticipated Balance at 6/30/77 (\$60,000.00)

Anticipated costs through 2/15/77 are based upon estimates from our contract law firm in Washington, D.C., although a billing for this period has not been received.

The costs for the remaining periods, 2/16 - 3/31 and 4/1 - 6/30, are based upon projections arrived at by our attorney supervising this case and our contract law firm. These projections include completion of preparing briefs and the presentation of verbal arguments before the FPC in the event the Federal Power Commission should schedule such arguments. These costs will conclude the FPC phase of the Gas Pipeline Case.

It is difficult to anticipate the total costs required for a case of the scope and complexity involved in the current proceedings. For not only must we prepare and present the State's position we must also respond to the presentations and positions of others. In this case, our responsive activities include participating in a hearing schedule which was expanded by two and one-half months and answering the Administrative Law Judge's recommendation which we feel did not fully weigh evidence which is favorable to our position. Once we had committed ourselves to the hearing process it became necessary to commit the resources needed to meet the hearing schedule and thus we are now requesting an updated supplemental appropriation of \$60,000.00

AMG:jch:RIP

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT

POUCH AM — JUNEAU 99811  
PHONE 465-2213

JAY S. HAMMOND, GOVERNOR

March 17, 1977

Honorable Steve Cowper  
Chairman, House Finance Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Cowper:

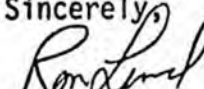
Please amend HB 167 to include an additional \$232,200 to satisfy a judgment in the matter of Morrison v. State, a highways tort case in which a 13-year old girl suffered permanent brain damage when the vehicle in which she was a passenger collided with a National Guard convoy. The road was icy and the State was held negligent in its failure to spread sand on the highway. Art Peterson, from the Department of Law, has discussed this matter with you during the last two weeks.

Damages awarded in this case total \$403,071, plus interest from January 22, 1967, the date of injury, of which the insurance company is liable for \$300,000. This case has been in litigation for many years and the State's insurance coverage, which was considered adequate at that time, has since been increased to \$100 million per occurrence in recognition of the increasingly high court awards.

Claims against the State, such as this award, are not included in the operating budget for the Dept. of Law, and may not be paid without a special legislative appropriation. The amount requested has been computed as follows:

State's portion of damages	\$153,146.85
Interest from date of injury to date of Superior Court judgment (1/22/67 to 1/6/71)	44,404.53
State's share of interest accrued during appeal process, per agreement with insurance company	34,615.78
Total	<u>\$232,167.16</u>

Sincerely,

  
Ron Lind  
Director

cc: Art Peterson

# **CORRECTION**

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

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT

POUCH AM — JUNEAU 99811  
PHONE 465-2213

JAY S. HAMMOND, GOVERNOR

March 17, 1977

Honorable Steve Cowper  
Chairman, House Finance Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Cowper:

Please amend HB 167 to include an additional \$232,200 to satisfy a judgment in the matter of Morrison v. State, a highways tort case in which a 13-year old girl suffered permanent brain damage when the vehicle in which she was a passenger collided with a National Guard convoy. The road was icy and the State was held negligent in its failure to spread sand on the highway. Art Peterson, from the Department of Law, has discussed this matter with you during the last two weeks.

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Sincerely,  
  
Ron Lind  
Director

cc: Art Peterson

# MEMORANDUM

TO: [ Ron Lind, Director  
Division of Budget & Management  
Governor's Office

DATE: March 14, 1977

FILE NO:

TELEPHONE NO:

FROM: Avrum M. Gross  
Attorney General

SUBJECT: Special appropriation bill  
for \$232,167.56 to pay court  
award in Morrison v. State  
Our file no. J-77-212-77

By: Arthur H. Peterson  
Assistant Attorney General  
Department of Law

We need Budget Review Committee approval of a special appropriation bill to pay the state's share of the court award in Morrison v. State. The Alaska Supreme Court ordered the superior court to enter judgment for damages in the amount of \$403,071. Of that amount, \$216,000 were paid in 1972, leaving a balance of \$187,071. Interest must be added to that. We recently reached agreement with the attorney for the insurance company, who represented the state in this action, as to what portion would be borne by the insurance company and what amount must be paid by the state. (At the time of the injury in this case, the insurance policy limit was \$300,000.) The attorney for the plaintiff has not yet agreed to the final figure, but the insurance company's attorney will be handling any further negotiation or litigation as to any additional amounts sought by the plaintiff's attorney.

Copies of the following items are attached for your reference:

- Nov. 10, 1972 superior court order;
- Nov. 8, 1976 supreme court order;
- my March 11, 1977 letter to Attorney Charles Hagans.

If you have any questions, please let me know. Because it is so late in the legislative session, we would, needless to say, appreciate immediate action by the BRC. Thanks.

AHP:md

HA

March 11, 1977

Charles Hagans, Esq.  
Hagans, Smith & Brown  
310 K Street  
Suite 704  
Anchorage, Alaska 99501

Re: Morrison v. State, No. 2533  
Our file no. J-30-054-76

Dear Mr. Hagans:

This will confirm our phone conversation of March 7th concerning payment of the plaintiff in this case. You stated that the insurance company which you represent is committed to paying whatever additional attorney fees may be due the plaintiff, and you indicated that you would be negotiating directly with Bernie Kelly on that matter without further involvement of this office.

You also stated that your company is committed to paying at least \$68,539.53, plus whatever additional amount you and Bernie agree upon, for damages and interest. That \$68,539.53 figure was arrived at by dividing in half the difference between the amounts which would be owed by the state calculated under two methods, adding that quotient to the lower of those two amounts, and then subtracting that sum from the higher of those two amounts plus the amount remaining under the policy limit. Here are my figures:

NEW-JUDGMENT APPROACH

\$403,071.00	-- total damages, under 11/8/76 Supreme Court Order
-216,000.00	-- damages paid 11/10/72
<u>187,071.00</u>	-- damages remaining to be paid
103,133.09	-- interest on \$187,071 from 1/22/67 (date of injury) to 9/11/76 (day before amendment of AS 45.45.010(a)) -- 9 years, 233 days -- at 6%, under AS 45.45.010(a)(1), before amendment

5,453.00 -- interest on \$187,071 from 9/11/76 to 1/22/77  
(10th anniversary of injury, arbitrarily  
selected because no superior court judgment  
for the new amount of damages has been  
issued) -- 133 days -- at 8%, under AS  
45.45.010(a), after amendment

\$300,707.09 -- total remaining damages plus pre-judgment  
interest to 1/22/77  
- 33,924.15 -- amount remaining under policy limit  
\$266,782.94

RELATION-BACK APPROACH

\$403,071.00 -- total damages  
-216,000.00 -- damages paid 11/10/72  
\$187,071.00 -- damages remaining to be paid  
44,404.53 -- interest on \$187,071 from 1/22/67 (date of  
injury) to 1/6/71 (date of original superior  
court judgment) -- 3 years, 349 days -- at  
6%, under AS 45.45.010(a)(1)

\$231,475.53 -- total remaining damages plus pre-judgment  
interest to 1/6/71  
- 33,924.15 -- amount remaining under policy limit  
\$197,551.38

DIFFERENCE BETWEEN THE TWO APPROACHES

\$266,782.94  
-197,551.38  
\$69,231.56

One-half of that difference is \$34,615.78. Adding that to the  
\$197,551.38 gives a total of \$232,167.56, which the state is  
willing to pay. Subtracting the state's share from the \$300,707.09  
leaves a balance of \$68,539.53 for the insurance company to pay.  
Stated another way, adding the \$34,615.78 quotient to \$33,924.15  
(the amount remaining under the policy limit) gives a total of

Charles Hagens, Esq.  
Hagens, Smith & Brown

March 11, 1977

- 3 -

\$68,539.93, but I am not sure at the moment how that 40-cent discrepancy (53 cents versus 93 cents) crept in. (If the company wishes to pay more than that amount to reach a settlement with Bernie Kelly [Is his figure something like \$321,925.61?], the state does not object.) We assume that, if Bernie wishes to continue the litigation on this issue, you will continue to defend the state.

The Administration will seek introduction into the Legislature a special appropriation bill for the \$232,167.56. As we have discussed, it is late in the session for this sort of thing, but we will do what we can to support the bill's passage. If you believe that any of my figures or statements above do not accurately reflect our conversation, please let me know at once.

Yours truly,

AVRUM M. GROSS  
ATTORNEY GENERAL

By:

Arthur H. Peterson  
Assistant Attorney General

AHP:md

Benny

Original sponsor: Rules Committee by request  
of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 167

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a supplemental appropriation to the  
Department of Law; and providing for an effective  
date."

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9

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

10

\* Section 1. The sum of \$498,992 is appropriated from the general fund to  
the Department of Law, legal services, for the fiscal year ending June 30,  
1977, to be allocated as follows:

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ICC Representation . . . . . \$165,000

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Gas Pipeline. . . . . 60,000

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Judgments against the State . . . . . 273,992

16

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

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# STATE OF ALASKA

OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT

JAY S. HAMMOND, GOVERNOR

POUCH AM — JUNEAU 99811  
PHONE 465-2213

March 17, 1977

Honorable Steve Cowper  
Chairman, House Finance Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

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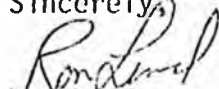
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Total	<u>\$232,167.16</u>

Sincerely,

  
Ron Lind  
Director

cc: Art Peterson



3.) That this sum shall be deposited for the benefit of May Morrison, as Guardian of the Estate of Brenda Vogt Tuthill, plaintiff, in the above-captioned action.

4.) That the clerk shall <sup>upon specific order of the Court E.V.D.</sup> pay the amount deposited to Brenda Vogt Tuthill through her guardian, May Morrison, when and on condition that said guardian as representative of Brenda Vogt Tuthill executes a satisfaction of judgment approved by this court releasing the State of Alaska from any and all future liability.

DATED at Anchorage, Alaska, this 10<sup>th</sup> day of November, 1972.

*Edward V. Davis*

Edward V. Davis  
Superior Court Judge

IN THE SUPREME COURT OF THE STATE OF ALASKA

MAY MORRISON, Guardian of the )  
Estate of Brenda Vogt Tuthill, )  
an incompetent, )  
 )  
Appellant, ) File No. 2588  
 )  
v. )  
 )  
STATE OF ALASKA, )  
 )  
Appellee. )  
\_\_\_\_\_ )

ORDER

The court having considered the petitions for rehearing filed by both parties, IT IS HEREBY ORDERED as follows:

1. The petition of appellant May Morrison is denied.
2. The petition of appellee State of Alaska is granted.
3. The award of damages in paragraph 3 of our order entered September 15, 1976, is modified to read as follows:

"3. We have decided not to remand this case for a new determination of damages. The superior court's award of damages is modified as follows:

LOSS OF EARNING CAPACITY	\$176,571.00 <u>1/</u>
PAIN AND SUFFERING AND LOSS OF ENJOYMENT OF LIFE, PAST AND FUTURE	171,450.00 <u>2/</u>

1/ This is the amount found by the superior court which is supported by the record.

2/ In its Supplemental Opinion of August 8, 1972, the superior court awarded the indefinite sum of \$120,000.00-\$150,000.00 for this item of damages, in the belief that plaintiff's life expectancy at the time of the accident was 50 years. The correct life expectancy was 63.5 years. We have taken the figure of \$135,000.00, the average of \$120,000.00-\$150,000.00, and have divided that by 50, which yields a figure of \$2,700.00 per year, which is then multiplied by 63.5 years to obtain this award of \$171,450.00.

CUSTODIAL CARE, COMPANION, OR FOSTER HOME	89,250.00 <u>3/</u>
MEDICAL EXPENSES	<u>15,800.00</u> <u>4/</u>
GROSS DAMAGES	\$453,071.00
Deduction for amount already paid to plaintiff/appellant by defendant Dalorise Vogt	<u>50,000.00</u>
<u>NET DAMAGES IN FAVOR OF PLAINTIFF/ APPELLANT AND AGAINST DEFENDANT/ APPELLEE</u>	<u>\$403,071.00</u>

Pursuant to Appellate Rule 44(b), we direct that the Superior Court enter judgment in accordance with this paragraph."

4. We hold that the proper period for which to compute damages for custodial care, companion, or foster home, is 59.5 years, Brenda Vogt Tuthill's life expectancy at the time of trial, rather than 63.5 years, her life expectancy at the time of injury.

By direction of the court.

DATED this 8 day of November, 1976.

NOV 8 1976  
Filed and entered.....  
SUPREME COURT of the State of Alaska  
DONNA SPRAGG PEGUES Clerk

*Donna Spragg Pegues*  
Clerk of the Supreme Court

By *Erwin* Deputy *circ.*

[Erwin, Justice, not participating.]

Distribution:

Justices  
Counsel  
Clerk of Superior Court

3/ This amount has been arrived at in a manner similar to that immediately above. The superior court in its Supplemental Opinion of August 8, 1972, awarded the indefinite sum of \$60,000.00-\$90,000.00. The average of \$75,000.00 has been divided by 50 to produce an amount of \$1,500.00 per year. This multiplied by 59.5 years the life expectancy at the time of trial -- yields an award of \$89,250.00.

4/ It was conceded at oral argument that this is the correct amount for this item of damages.