

LEG. FINANCE - BILLS 1977 - 1978 755

HB 610 cont., thru HB 611 753

FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 76 ACTUAL	FY 77 FINAL AUTH.	FY 77 ACTUAL	FY 78 GOV. BUDGET	FY 78 INITIAL AUTH.	FY 78 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1 - 10/31	OTHER OBLIGATIONS 7/1 - 10/31	PROJECTED EXPENDITURES + ENCUMBRANCES 11/1 - 6/29	FY 78 (DEFICIT) OR EXCESS	FY 78 MAINTENANCE REQ.
PERSONAL SERVICES											
TRAVEL	35.2	33.8	42.5	50.3	50.3	50.3	29.5		20.8		52.5
CONTRACTUAL SERVICES	1,376.2	1,734.0	51.3	1,977.8	1,965.1	214.1	217.6		21.6	(25.1)	114.2
COMMODITIES	18.7	31.1	21.9	37.1	37.1	37.1	12.3		24.8		34.0
EQUIPMENT	1								
LANDS, BLDGS. ...											
GRANTS, CLAIMS, ...			1,341.8			1,751.0	708.9	137.6	904.5		2,224.8
MISCELLANEOUS											
TOTAL	1,430.1	1,798.9	1,457.6 ^{1/}	2,065.2	2,052.5	2,052.5	968.3	137.6	971.7	(25.1)	2,425.8
FEDERAL RECEIPTS	437.1	404.9	3.	468.7	437.4	437.4	135.0	17.2	225.2		420.1
REQUIRED GF MATCHING	291.4	334.7	234.4	398.9	372.3	372.3	121.0	17.2	234.1		291.3
OTHER GENERAL FUND	505.9	724.8	616.1	1,001.9	1,060.2	1,060.2	660.5	92.8	332.0	(25.1)	1,453.9
INTER-AGENCY RECEIPTS											
Title XX		141.3	141.3								
Receipts	195.7	193.2	128.4	195.7	182.6	182.6	51.8	10.4	120.4		182.6

^{1/} Additional expenditures of \$309.3 in Protective Services, Adoptions and Other Services were incurred in FY77.

AGENCY Health & Social Services BRU Program Services COMPONENT Foster Care REVISED _____

INSTITUTIONAL CARE

The FY78 budget request was based on an estimated full-time equivalent of 206 children at a possible average rate of \$49.70 a day, times 365 days, for a total of \$3,737,200. Currently we anticipate there will be 206 FTE (75,233 days) costing \$3,915,546 for an average daily rate of approximately \$52.05. The required additional appropriation is \$173,300 of which \$20,800 is federal funds and \$152,500 is state general funds.

The federal reimbursement level has fallen considerably below the 37.5% estimated in the FY78 budget. The cases which meet AFDC eligibility requirements have dropped to approximately 24%. Since the Division receives 50% reimbursement of those expenditures related only to AFDC eligibles under Title IV A of the Social Security Act, a shortfall of federal funds is anticipated. Furthermore, federal reimbursement has been deferred for the two most recent quarters and is currently being reviewed by federal auditors. It has been assumed for this request that this review will be favorable to the state and that federal reimbursement will continue at the current level (24%). This required additional appropriation is \$242,500 state general funds to replace \$242,500 federal funds with no change in the expenditure level.

ATTACHMENT # 3 (continued)

RECAP

	<u>TOTAL</u>	<u>FED</u>	<u>RGF</u>	<u>GF</u>	<u>P.R.</u>
Current authoriza- tion	3,799,800	698,500	698,500	2,375,000	27,800
Revision based on revised estimates of federal reimburse- ment	-	(242,500)	(242,500)	485,000	
Increased program expenditures	<u>173,300</u>	<u>20,800</u>	<u>20,800</u>	<u>131,700</u>	<u> </u>
Revised Authorization	3,973,100	476,800	476,800	2,991,700	27,800

The Division is required to provide for 24-hour care of children under AS 47.10.230 and AS 47.40.040. The Division of Social Services has no control over the number of persons for whom care must be provided.

Additional backup information from the department is attached.

STATE
of ALASKA

MEMORANDUM

RECEIVED

APR 7 1978

BUDGET & MANAGEMENT

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

DATE: April 4, 1978

FILE NO:

TELEPHONE NO:

FRC: *HDB/SMJ*
Helen D. Beirne
Commissioner
Department of Health and Social ServicesSUBJECT: FY78 Supplemental Budget
Request Program Services,
Institutional Care

An Other General Fund (OGF) supplemental appropriation of \$616,700 is requested for the Institution Care Component of the Program Services BRU. Of this amount \$485,000 is to fund a lower estimated federal reimbursement level as indicated below. The remaining \$131,700 is to partially fund an increase in the total expenditure level which totals \$173,300. An additional \$20,800 in Required General Fund Match (RGF) is needed to match a like amount in Federal funds expected as a result of the requested increase in total expenditures. In conjunction with the appropriation of \$485,000 in OGF, the RGF should be reduced by \$242,500 and the Federal Fund appropriation reduced by \$242,500.

This results in a net general fund increase as follows:

OGF	\$616,700
RGF	20,800
RGF	(242,500)
Total Additional General Fund	\$395,000

Projection of Total Expenditures

The Authorization for Benefits to Individuals is \$3,742,200 of which \$3,737,200 is for provider payments. The FY78 budget request was based on an estimated full-time equivalent of 206 children at a possible average rate of \$49.70 a day, times 365 days, for a total of \$3,737,200.00. Currently we anticipate there will be 206 FTE (75,233 days) costing \$3,915,546 for an average daily rate of approximately \$52.05. This estimate is derived from the attached tables which show projected institutional costs for in-state and out-of-state institutions for FY78. The required additional appropriation is \$173,300.

Federal Reimbursement Level

The federal reimbursement level has fallen considerably below the 37.5% estimated in the FY78 budget. The cases which meet AFDC eligibility requirements have dropped to approximately 24%. Since the Division receives 50% reimbursement of those expenditures related only to AFDC eligibles under Title IV A of the Social Security Act, a shortfall of federal funds is anticipated. Furthermore, federal reimbursement has been deferred for the two most recent quarters and is currently being reviewed by federal auditors. It has been assumed for this request that this review will be favorable to the state and that federal reimbursement will continue at the current level (24%).

The Division is required to provide for 24-hour care of children under AS 47.10.230 and AS 47.40.040. As has been repeatedly pointed out the Division has no control over the number of persons for whom care must be provided, or over full-cost-of-care rates. The number of children returned to their own homes cannot increase until additional Social Worker positions are established. Additional positions are essential to provide counseling with families to resolve the problems which prevent returning the child to his own home

Attachments (3)

RV:11

PROJECTED INSTITUTIONAL COSTS-FY78

Division of Social Services

	Rate	Units of Service 7/1/77-12/31/77	Projected Units of Service (a) 1/1/77-6/30/78	Projected Total Units FY78	Projected Expenditures FY78
Alaska Childrens Services					
Aquarius	\$45.79	364	373	737	\$ 33,747
Bunel	69.57	556	570	1126	78,336
Colletti	48.70	480	492	972	47,336
Jessee Lee	75.43	4974	5098	10072	759,731
North Star	64.52	488	500	988	63,746
Youth Services	69.57	2062	2114	4176	290,524
Alaskan Youth Village	44.06	5210	5340	10550	464,833
Bethel Jesuit Group Home	36.04	196	201	397	14,308
Booth Memorial Home	75.63	1541	1580	3121	236,041
Covenaut High School	18.42	186	191	377	6,944
Hilltop Home	46.30	-0-	-0-	-0-	-0-
Juneau Receiving Home	48.50	978	1003	1981	101,427
Juneau Teen Homes	40.88	1111	1139	2250	91,930
Kenai Community Care Center	51.54	1202	1232	2434	125,448
Ketchikan Children's Home	48.50	1907	1955	3862	187,307
Kodiak Baptist Mission	20.72	4158	4262	8420	174,462
Nome Receiving Home	62.25	610	625	1235	76,879
North Star Children's Home	42.45	1464	1501	2965	125,864
Presbyterian Hospitality House	64.83	2854	2925	5779	374,653
Turning Point Boys Ranch	46.81	1154	1183	2337	109,395
Youth Advocates of Sitka	42.26				21,300 ^(b)
Subtotal		31495	32284	63779	3,384,261
Adjustment for Alaska Youth Village ^(c)					36,739
Total					3,421,000

(a) Project increase of 2.5% for second 6 months of FY78

(b) Youth Advocates of Sitka opened during FY78. No experience available during first six months of FY78. Amount based on contract currently in effect.

(c) Alaska Youth Village is moving in part to new facilities where historic costs will not apply. Increased costs are calculated as follows: Days for April through June = 2670. Increase in daily rate of \$13.76 to total of \$57.82 2670 X \$13.76 = \$36,739.

OUT-OF-STATE PROJECTED INSTITUTIONAL COSTS-FY78
DIVISION OF SOCIAL SERVICES

Facility	FY78 Daily Rate	FTE 7/1/77-12/31/77	Total Days FY78	FY78* Amount
Albertna Kerr Center	48.00	1	365	17520
The Brown Schools	66.74	1	365	24360
De Porres Manor (Maternity)	13.73	1	365	5011
De Porres Manor (Infant Home)	4.68	1	365	1708
Deverenx Fcundation	45.86	7	2555	117172
Excelsion Youth Center	48.82	12	4380	213832
Luthern Service Society	20.64	1	365	7534
Secret Harbor Farms	54.25	3	1095	59404
St. Mary's Home For Boys	54.25	2	730	39603
Therapeutic Living For Children	23.02	1	365	8402
			<u>10950</u>	<u>494546</u>

*Assumes utilization will remain constant for second 6 months of fiscal year.

FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 76 ACTUAL	FY 77 FIRMAL AUTH.	FY 77 ACTUAL	FY 78 Gov. BUDGET	FY 78 INITIAL AUTH.	FY 78 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1-12/31	OTHER OBLIGATIONS 7/1-12/31	PROJECTED EXPENDITURES + ENCUMBRANCES 1/1-6/30	FY 78 (DEFICIT) OR EXCESS	FY 79 FAMILY REQUEST
PERSONAL SERVICES											
TRAVEL	28.8	26.5	41.5	47.2	47.2	47.2	13.0		28.2	4.0	50.0
CONTRACTUAL SERVICES	2,231.5	2,432.9	17.7	2,459.9	3,742.2						
COMMODITIES	4.5	4.0	5.3	10.4	10.4	5.4	5.2		6.2	(6.0)	5.7
EQUIPMENT											
LANDS, BLDGS. ...											
GRANTS, CLAIMS, ...			2,891.4			3747.2	1,652.5	238.2	2,029.8	(173.3)	4,282.0
MISCELLANEOUS				615.0							
TOTAL	2,264.8	2,463.4	2,955.9	3,132.5	3,799.8	3,799.8	1,670.7	238.2	2,064.2	(173.3) ^{1/}	4,337.7
FEDERAL RECEIPTS	464.1	594.8	421.9	575.5	698.5	698.5	200.5	28.5	247.8	221.7	542.2
REQUIRED GF MATCHING	464.1	398.3	464.6	575.9	698.5	698.5	200.5	28.5	247.3	221.7	542.2
OTHER GENERAL FUND	1,315.6	1,424.9	1,902.2	1,958.0	2,375.0	2,375.0	1260.6	179.6	1551.5	(616.7)	3,225.5
INTER-AGENCY RECEIPTS											
Program Receipts	21.0	45.4	26.1	23.1	27.8	27.8	9.1	1.6	17.1		27.8
Federal Title XX		141.1									

^{1/} Requires net additional general fund of \$395.0.

AGENCY Social Services

BRU Program Services

COMPONENT Institutional Care

REVI

Introduced: 1/11/78
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 610

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations to the
7 Department of Health and Social Services, miscella-
8 neous; and providing for an effective date."

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

10 * Section 1. The sum of \$1,154,700 is appropriated to the Department of
11 Health and Social Services, for the FY 78 Aid to Families With Dependent
12 Children program. Sources of this appropriation are as follows:

13	Federal Funds	\$577,300
14	General Fund	577,400

15 * Sec. 2. The sum of \$275,000 is appropriated from the general fund to
16 the Department of Health and Social Services for the FY 78 Homemakers
17 Services program.

18 * Sec. 3. The sum of \$151,000 is appropriated to the Department of
19 Health and Social Services, for foster care payments. Sources of this
20 appropriation are as follows:

21	Federal Funds	\$ 16,600
22	General Fund	134,400

23 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
24 10.070(c).

COMMITTEE REPORT

HOUSE

FURTHER: _____

1/11/78

Date: 5/2/78

Mr. Speaker:

The Committee on FINANCE has had HB 610
"An Act making supplemental appropriations to the Department of Health
and Social Services, miscellaneous; eff. date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for HB 610
- and HB 610 new title same title
- AND attaches a Letter of Intent New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]

Chairman

Introduced: 1/11/78
Referred: Finance

Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 *CS* HOUSE BILL NO. 610

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations to the
7 Department of Health and Social Services, miscella-
8 neous; and providing for an effective date."

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

10 * Section 1. The sum of ^{*753,600*} ~~\$1,154,700~~ is appropriated to the Department of
11 Health and Social Services, for the FY 78 Aid to Families With Dependent
12 Children program. Sources of this appropriation are as follows:

13	Federal Funds	\$577,300 <i>376,800</i>
14	General Fund	577,400 <i>376,800</i>

15 * ~~Sec. 2. The sum of \$275,000 is appropriated from the general fund to~~
16 ~~the Department of Health and Social Services for the FY 78 Homemakers~~
17 ~~Services program.~~

18 * Sec. ~~2~~ ^{*25,100*}. The sum of ~~\$151,000~~ ^{*from the general fund*} is appropriated to the Department of
19 Health and Social Services, for foster care payments. ~~Sources of this~~
20 ~~appropriation are as follows:~~

21	Federal Funds	\$16,600
22	General Fund	134,400

23 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
24 10.070(c).

25
26 NEW SECTION 3: The sum of \$415,800 is appropriated to the Depart-
27 ment of Health and Social Services, Institutional Care Program.

28 Sources of this appropriation are as follows:

29	Federal Funds	\$ 20,800
	General Fund	395,000

STATE OF ALASKA

OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT

JAY S. HAMMOND, GOVERNOR

POUCH AM — JUNEAU 99811
PHONE 465-2213

January 20, 1978

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

HB 610 Supplemental Appropriation -
Homemaker Services

Dear Representative Cowper:

There was an error in drafting the Governor's transmittal letter accompanying HB 610 which was not corrected prior to submission to the Legislature. The transmittal letter states that the supplemental appropriation requested for the Homemakers program would allow the program to continue operation from April through June. This should be corrected to read . . . "from March through June". The amount contained in the bill is correct as well as the backup recap supplied from Budget and Management staff (attached).

Sincerely,



Ronald B. Lind, Director
Division of Budget and Management

attachment: Homemakers Recap

Ron Lind, Director
 Division of Budget & Management

December 21, 1977

Mike Orelove, Budget Analyst
 Division of Budget & Management
 Office of the Governor

Supplemental Appropriation
 Request - Department of
 Health & Social Services

<u>Agency Request</u>	<u>Analyst Recommendation</u>	<u>B & M Recommendation</u>
\$274.3 TOTAL	\$335.0 TOTAL	\$385.0 TOTAL
\$274.3 GF	\$335.0 GF	\$385.0 GF

Appropriation: : Program Services - Homemaker Services

Agency Position: Homemaker utilization has increased during the first 4 months of FY 78 which, if continued, would exhaust the FY 78 appropriation prior to the end of December. The agency has implemented drastic measures to reduce the level of utilization to stretch their current appropriation through February when they will be out of money and hopefully receive this supplemental at that time.

Recap:	Hours	Amount	Admin. Costs	Total
July	6,847	44.6	30.0	
Aug.	10,533	70.0		
Sept.	13,213	74.9		
Oct.	13,432	63.8		
adjustment for O.T. hours	388	3.3		
Nov.	10,006	63.1		
subtotal		339.7	30.0	369.7
Dec. (estimate)	10,000	65.0		
Jan. (estimate)	10,000	65.0		
Feb. (estimate)	10,000	65.0		
subtotal		534.7	30.0	564.7
				less FY 78 authorized
				464.8
				shortfall by end of February
				99.9
Mar.-June estim.	40,000	250.0		260.0
				Total shortfall
				359.9

← HB 610

HB 610
(FOSTER CARE)

A \$25,100 General Fund supplemental appropriation is requested for the program Services BRU. These funds will provide for foster parent liability insurance. House Bill 610 requests supplemental funds of \$151.0 for liability insurance and increase in foster care payments. The Division now has seven month of current year actual activity upon which to base foster care payment projections. This seven month actual indicates that additional funds will not be necessary for foster care payments.

The FY78 appropriation for Benefits to Individuals is \$1,751.0, of which \$1,746.0 was estimated for foster care payments. From July 1, 1977 to January 31, 1978, the caseload and expenditures have been as follows:

<u>Mo. of Service</u>	<u>Days of Care</u>	<u>÷ Days In Period = FTE</u>	<u>Amount Expended</u>	<u>Exp. ÷ FTE ÷ Days in Period = Cost/Day/Person</u>
July 1977	13,099	423	\$125,215.96	\$9.55
August	14,345	463	137,603.23	9.59
September	14,015	467	137,143.06	9.79
October	14,975	483	141,340.16	9.44
November	14,730	491	145,770.50	9.90
December	14,423	465	138,758.15	9.63
January	<u>15,162</u>	489	<u>142,906.02</u>	<u>9.43</u>
Total Actual	100,749		\$968,737.08	\$9.62 Average

The projected month caseloads and expenditures are as follows:

<u>Mo. of Service</u>	<u>Days of Care</u>	<u>÷ Days In Period = FTE</u>	<u>Amount Expended</u>	<u>Exp. ÷ FTE ÷ Days in Period = Cost/Day/Person</u>
February	14,140	505	\$136,026.80	9.62
March	16,151	521	155,372.62	9.62
April	16,110	537	154,978.20	9.62
May	17,143	553	164,915.66	9.62
June	<u>17,070</u>	569	<u>164,213.40</u>	<u>9.62</u>
Total Projected	80,614		\$775,506.68	

Actual Expenditures 7/1/77-1/31/78	\$ 968,737
Projected Expenditures 2/1/78-6/30/78	<u>775,507</u>
Total FY78 Expenditures	\$1,744,244
FY78 Authorized	<u>1,746,000</u>
Projected Lapse	\$ 1,756

CASELOAD INCREASES

Foster care caseload will continue to increase so long as we do not have adequate staff to work with families at an earlier point of intervention and thus prevent separation of the child from its home and do not have adequate staff to reduce the length of stay once a child has entered foster care. Concurrently the transfer of children, where appropriate, from more costly institutional care to foster care will also increase the foster care caseload.

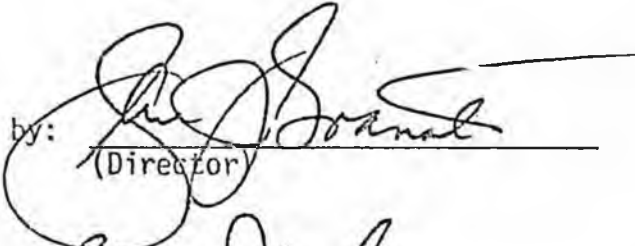
FEDERAL REIMBURSEMENT

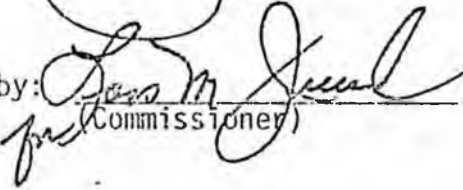
Federal reimbursement under Title IV A is 50% of expenditures made in behalf of eligible AFDC cases. Currently we are projecting that 24% of cases (and expenditures) will be AFCD eligible. However federal reimbursement has been deferred for the two most recent quarters and is currently being reviewed by federal auditors. It is assumed that this review will be favorable to the state and that federal reimbursement will continue at the current level.

LIABILITY INSURANCE

The Department of Administration has been successful in securing foster parent liability insurance coverage at an annual premium of \$50.18 for 500 foster homes = \$25,090. Costs for securing such coverage was removed from the FY78 budget due to prior year's unsuccessful attempts by Risk Management.

As the projected lapse for foster care payments is relatively small, no adjustment is being requested in this area. The liability insurance is being requested in full.

Recommended by:  4/2/78
 (Director) (Date)

Approved by:  4/3/78
 (Commissioner) (Date)

Attachments (1)

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COMMODITIES	18.7	31.1	21.9	37.1	37.1	37.1	2.3		24.8		34.0
EQUIPMENT			.1								
LANDS, BLDGS. ...											
GRANTS, CLAIMS, ...			1,341.8			1,751.0	708.9	137.6	904.5		2,224.8
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TOTAL	1,430.1	1,798.9	1,457.6 ^{1/}	2,065.2	2,052.5	2,052.5	968.3	137.6	971.7	(25.1)	2,425.3
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Title XX		141.3	141.3								
Receipts	195.7	193.2	128.4	195.7	182.6	182.6	51.8	10.4	120.4		182.6

^{1/} Additional expenditures of \$309.3 in Protective Services, Adoptions and Other Services were incurred in FY77.

AGENCY Health & Social Services

BRU Program Services

COMPONENT Foster Care

REVISED _____



RECORDS CERTIFICATION



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

James A. Smith
Signature of Camera Operator

2/14/90
Date

HB The question being: "Shall FREE CONFERENCE COMMITTEE SUB-
 611 STITUTE FOR HOUSE BILL NO. 611 (supplemental appropriations
 am to the Office of the Governor, telecommunications; the
 S legislative finance division; the Department of Commerce
 and Economic Development, division of business loans; the
 Legislative Affairs Agency; and the Alaska State Council
 on the Arts) pass the Senate?" The roll was taken with
 the following result:

Yeas:	14	Bradley, Butrovich, Ferguson, Hackney, Hohman, Huber, Meland, Orsini, Poland, Rader, Ray, Sumner, Tillion, Ziegler
Nays:	0	
Absent:	2	Croft, Sackett
Excused:	4	Colletta, Kerttula, Rodey, Willis

FCCS and so, FREE CONFERENCE COMMITTEE SUBSTITUTE FOR HOUSE
 HB BILL NO. 611 passed the Senate.
 611

Senator Ray moved and asked unanimous consent that the roll call on the passage of FREE CONFERENCE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 611 be considered the roll call on the effective date clause. Without objection, it was so ordered.

Senator Ray moved and asked unanimous consent that the Senate adopt the letter of intent accompanying FREE CONFERENCE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 611. Without objection, the letter of intent was adopted.

Letter of intent on FREE CONFERENCE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 611 follows:



ALASKA

Alaska State Legislature
 House

LETTER OF INTENT FOR FCCS FOR HOUSE BILL NO. 611

It is the intent of the Free Conference Committee that the House and Senate Special Committees on Royalty Oil and Gas utilize Legislative Affairs staff, whenever possible, instead of hiring outside staff.

It is also our intention that the activity of the Special Committee on the Revision of Title IV be guided by the intent embodied in SCR 88 and further that the funds for that committee be allocated according to the following budget:

The Rules Committee has had the following resolution and bill under consideration and the committee recommends they be placed on the April 7 calendar:

COMMITTEE SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 60 amended Senate (requesting federal government to remove solid waste on land in Alaska)

CS
HJR
60
am
S

HOUSE BILL NO. 849 amended (group disability insurance)

HB
849
am

The reports were signed by Senator Ziegler, Chairman, and concurred in by Senators Hohman and Tillion.

The above resolution and bill appears on today's calendar.

SPECIAL COMMITTEE REPORTS

HB
611
am
S

FREE CONFERENCE COMMITTEE REPORT

April 6, 1978

Mr. President:
Mr. Speaker:

The Free Conference Committee which has had HOUSE BILL NO. 611 (supplemental appropriation to the Office of the Governor, Telecommunications) and HOUSE BILL NO. 611 amended Senate (supplemental appropriations to the Legislative Affairs Agency, legislative finance division, Municipality of Anchorage, and Office of the Governor, Telecommunications) under consideration recommends that FREE CONFERENCE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 611 (supplemental appropriations to the Office of the Governor, telecommunications; the legislative finance division; the Department of Commerce and Economic Development, division of business loans; the Legislative Affairs Agency; and the Alaska State Council on the Arts; and providing for an effective date) with a letter of intent, be adopted.

The report was signed by Senator Hohman, Chairman, and Senators Orsini and Kerdtula. House members signing, Representative Duncan, Chairman and Representatives Meekins and Kelly.

Senator Hohman moved for the adoption of the Free Conference Committee report.

PROPOSED BUDGET
SPECIAL COMMITTEE - REVISION OF TITLE IV
SECTION OF THE ALASKA STATUTES ON ALCOHOLIC BEVERAGES

April 1 - June 30, 1978

<u>Personal Services</u>			
Staff	\$2,000/mo. (3 mos.)	\$6,000	
Secretary	Part-time	2,500	
		<u>8,500</u>	8,500
<u>Travel</u>			
Hearings, field travel		1,500	1,500
<u>Miscellaneous</u>			
Postage, equipment rental, supplies		1,000	<u>1,000</u>
			<u>\$11,000</u>

July 1 - December 31, 1978

<u>Personal Services</u>			
Staff	\$2,000/mo. (6 mos.)	12,000	
Secretary	Part-time	<u>5,000</u>	
		17,000	17,000
<u>Travel</u>			
Committee meetings		3,500	
Hearings, field travel		<u>2,000</u>	
		5,500	5,500
<u>Contractual</u>			
Consultants' fees		5,000	5,000
<u>Miscellaneous</u>			
Postage, equipment rental, supplies		3,500	<u>3,500</u>
			<u>\$42,000</u>


Representative Jim Duncan, Chairman


Senator George Hohman, Chairman

The Secretary was requested to notify the House.

INTRODUCTION AND REFERENCE OF SENATE RESOLUTIONS

SENATE CONCURRENT RESOLUTION NO. 98 by the State Affairs Committee,

SCR
96

Relating to the underutilization of hospital beds in light of the need for detoxification facilities.

was read the first time and referred to the Health, Education and Social Services Committee.

INTRODUCTION AND REFERENCE OF SENATE BILLS

SB SENATE BILL NO. 581 by the Rules Committee by request (for
581 the Special Committee on Employment Resources and Oppor-
tunities), entitled:

"An Act making a special appropriation to
the University of Alaska, Kenai Community
College; and providing for an effective
date."

was read the first time and referred to the Health,
Education and Social Services Committee and the Finance
Committee.

SB SENATE BILL NO. 582 by the State Affairs Committee,
582 entitled:

"An Act providing for the issuance of
general obligation bonds in the amount
of \$8,000,000 for the purpose of paying
the cost of sewerage systems construction;
and providing for an effective date."

was read the first time and referred to the State Affairs
Committee and the Finance Committee.

CONSIDERATION OF THE CALENDARSECOND READING OF HOUSE BILLS

HB HOUSE BILL NO. 849 amended (group disability insurance)
849 was read the second time.
an

Senator Bradley requested that the underlined comma on
page 2, line 6 be deleted. The President stated it was a
typographical error and would be corrected in enrollment.

Senator Ray moved and asked unanimous consent that the
Rules be suspended and HOUSE BILL NO. 849 amended be
advanced to third reading and placed on final passage.
Without objection, it was so ordered.

HB 611 amended Senate (supplemental appropriations to Legislative Affairs Agency, legislative finance division, Municipality of Anchorage, and Office of the Governor, Telecommunications; effective date) under consideration, and recommends that

FREE CONFERENCE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 611 (supplemental appropriations to the Office of the Governor, telecommunications; the legislative finance division; the Department of Commerce and Economic Development, division of business loans; the Legislative Affairs Agency; and the Alaska State Council on the Arts) with a letter of intent

be adopted.

Senate Members

House Members

- | | |
|------------------------------|-------------------------------------|
| /s/ Senator Hohman, Chairman | /s/ Representative Duncan, Chairman |
| /s/ Senator Orsini | /s/ Representative Meekins |
| /s/ Senator Kerttula | /s/ Representative Kelly |

The Free Conference Committee's letter of intent appears as follows:

" LETTER OF INTENT FOR FCCS HB 611

It is the intent of the Free Conference Committee that the House and Senate Special Committees on Royalty Oil and Gas utilize Legislative Affairs Agency staff, whenever possible, instead of hiring outside staff.

It is also our intention that the activity of the Special Committee on the Revision of Title IV be guided by the intent embodied in SCR 88 and further that the funds for that committee be allocated according to the following budget:

PROPOSED BUDGET

SPECIAL COMMITTEE - REVISION OF TITLE IV

SECTION OF THE ALASKA STATUTES ON ALCOHOLIC BEVERAGES

April 1 - June 30, 1978

Personal Services				
Staff	\$2,000/mo.	(? mos.)	\$6,000	
Secretary	Part-time		2,500	
			8,500	8,500
Travel				
Hearings, field travel			1,500	1,500
Miscellaneous				
Postage, equipment rental, supplies			1,000	1,000
				<u>\$11,000</u>

July 1 - December 31, 1978

Personal Services				
Staff	\$2,000/mo.	(6 mos.)	12,000	
Secretary	Part-time		<u>5,000</u>	
			17,000	17,000

REPORTS OF STANDING COMMITTEES

The Health, Education and Social Services Committee has had SENATE CONCURRENT RESOLUTION NO. 87 (annulling a regulation of the Department of Environmental Conservation relating to drinking water) under consideration and the committee reports it back with individual recommendations. Ose, Chatterton and Nakak recommend do pass. Parr (Chairman), Phillips, Cotten and Bennett have no recommendation. SCR
87

SCR 87 was referred to the Rules Committee for placement on the calendar.

The Health, Education and Social Services Committee has had SENATE BILL NO. 441 (special appropriation to the Office of the Governor; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Parr (Chairman), Phillips, Cotten, Chatterton, Nakak and Bennett. SB
441

SB 441 was referred to the Finance Committee

The Judiciary Committee has had HOUSE BILL NO. 97 (termination of financing statements under the Uniform Commercial Code; effective date) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE 97 FOR HOUSE BILL NO. 97. HB

"An Act relating to security interests under the Uniform Commercial Code; and providing for an effective date."

and that it do pass. Concurring: Gardiner (Chairman), Rudd, Eliason and Miles. Not concurring: Carpenter has no recommendation.

HB 97 was referred to the Rules Committee for placement on the calendar.

The Finance Committee has had HOUSE BILL NO. 609 (supplemental appropriation to the Alaska Court System, Barrow; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Cowper (Chairman), Freeman, Rhode, Haugen, Swanson, Meekins, Buchholdt and Schaeffer. HB
609

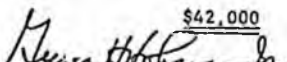
HB 609 was referred to the Rules Committee for placement on the calendar.

REPORTS OF SPECIAL COMMITTEES

The Free Conference Committee has had HOUSE BILL NO. 611 (supplemental appropriation to the Office of the Governor, Telecommunications; effective date) and HOUSE BILL NO. 611 HB
611

Travel			
Committee meetings		3,500	
Hearings, field travel		<u>2,000</u>	
		5,500	5,500
Contractual			
Consultants' fees		5,000	5,000
Miscellaneous			
Postage, equipment rental, supplies		3,500	<u>3,500</u>
			<u>31,000</u>
			<u>\$42,000</u>


Representative Jim Duncan, Chairman


Senator George Hohman, Chairman

CITATIONS

Legislative Citation Commending - The Sitka High School Wolves, by Representative Eliason, was read and referred to the Rules Committee for placement on the calendar.

INTRODUCTION, FIRST READING AND REFERENCE
OF HOUSE RESOLUTIONS

HOUSE JOINT RESOLUTION NO. 68 by The Rules Committee by Request (for the Special Committee on the Sale of Royalty Oil and Gas):

HJR
68

Relating to North Slope natural gas pipeline financing.

was introduced, read the first time and referred to the Special Committee on Sale of Royalty Oil and Gas.

HOUSE JOINT RESOLUTION NO. 69 by The Rules Committee by Request (for the Special Committee on the Sale of Royalty Oil and Gas):

HJR
69

Relating to national energy needs.

was introduced, read the first time and referred to the Special Committee on Sale of Royalty Oil and Gas.

INTRODUCTION, FIRST READING AND REFERENCE
OF HOUSE BILLS

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 843 by Gardiner, Bradley, Freeman, Malone, Miller, Nakak, Osterback and Parr, entitled:

SSHB
843

SSHB 843 "An Act providing for equalization of the tax resources of municipalities, continuing a portion of the program of state aid for municipal purposes, and providing for minimum entitlements; and providing for an effective date."

was introduced, read the first time and referred to the Committees on Community and Regional Affairs and Finance.

HB 918 HOUSE BILL NO. 918 by the Community and Regional Affairs Committee, entitled:

"An Act making a special appropriation to the Department of Community and Regional Affairs; and providing for an effective date."

was introduced, read the first time and referred to the Committees on Community and Regional Affairs and Finance.

HB 919 HOUSE BILL NO. 919 by the Health, Education and Social Services Committee, entitled:

"An Act relating to grants-in-aid to municipalities and associations maintaining public libraries; and providing for an effective date."

was introduced, read the first time and referred to the Committees on Health, Education and Social Services and Finance.

HB 920 HOUSE BILL NO. 920 by the Rules Committee by request of the Governor, entitled:

"An Act making FY 78 appropriation adjustments for the Department of Labor, OSHA; and providing for an effective date."

was introduced, read the first time and referred to the Finance Committee.

The Governor's transmittal letter appears following HB 920:

"April 6, 1978

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

Dear Mr. Speaker:

COMMITTEE REPORT

HOUSE

FURTHER: _____

Date: January 16, 1978

Mr. Speaker:

The Committee on Finance has had HB 611

"An Act making a supplemental appropriation to the Office of the Governor; Telecommunications; effective date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

recommends it do pass () recommends it do not pass

() recommends it do pass with attached amendment(s)

() recommends it be replaced with CS for _____

and _____ () new title () same title

() AND attaches a Letter of Intent () New Fiscal Note

() reports it back without recommendation

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Handwritten signatures]

[Handwritten notes and signature]

Chairman

Introduced: 1/11/78
Referred: The Select Committee on
Telecommunications and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 611

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Office of the Governor, Telecommunications; and pro-
8 viding for an effective date."

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

10 * Section 1. The sum of \$235,000 is appropriated from the general fund
11 to the Office of the Governor, Telecommunications, for participation in
12 intra-state tariff hearings and rate separation hearings.

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



JUNEAU ALASKA

Alaska State Legislature

House

CHAIRMAN'S REPORT TO ACCOMPANY HOUSE BILL 611

January 13, 1978

The Honorable Hugh Malone
Speaker
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

This letter is to accompany House Bill 611, reported from the Select Committee on Telecommunications with a "Do Pass" recommendation on a vote of four to one.

The bill provides for a special appropriation to the Office of the Governor (Telecommunications) in part because of errors by the Legislature in the First Session of the Tenth Legislature.

You will remember that the Legislature passed Committee Substitute for House Joint Resolution 32, relating to various utility and telecommunications rate cases pending before the APUC (or proposed or anticipated) and before the Federal Communications Commission.

In the House, HJR 32 was accompanied by a fiscal note for two departments; one was the Alaska Public Utilities Commission and the other was the Office of Telecommunications.

Because of a misunderstanding between House and Senate leadership as to the treatment of fiscal notes, the funds were not included in the Free Conference Committee version of the final budget (in the way usually anticipated). The amount for the Office of Telecommunications was \$100,000. The amount requested in House Bill 611 is more than that, but is based upon the actual experience of some rather drawn out and very important administrative proceedings.

The Honorable Hugh Malone

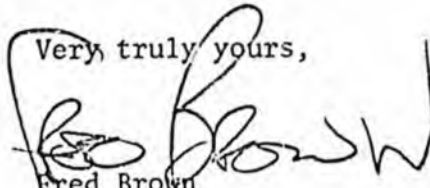
-2-

January 13, 1977

I understand that the Alaska Public Utilities Commission has taken care of the shortfall resulting from their loss of the funds from the fiscal note through other actions with the Legislative Budget & Audit Committee.

I strongly urge the passage of this legislation as soon as possible.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Fred Brown". The signature is written in a cursive, somewhat stylized font.

Fred Brown
Chairman, House Select Committee
on Telecommunications

FB:kfm

cc: Representative Steve Cowper
Chairman, House Finance Committee

Senator John Sackett
Chairman, Senate Finance Committee

January 11, 1978

1-5611

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 a bill making a supplemental appropriation to the Office of the Governor, for Telecommunications' participation in RCA-Alascom intra-state tariff hearings, and the Joint Board hearings on rate separations. These two subjects are interrelated and their outcome will substantially affect the use of telecommunications in Alaska and, in turn, could significantly affect the development of the state.

Sincerely,

S/SSH

Jay S. Hammond
Governor

MEMORANDUM

State of Alaska

TO: Mike Harper

DATE: November 7, 1977

FILE NO:

TELEPHONE NO:

FROM: Bob Walp

SUBJECT: Revised program for
Office of Telecommunications

RECEIVED

NOV 14 1977

BUDGET & MANAGEMENT

The Office of Telecommunications is requesting a supplemental appropriation of \$235,000 for the remainder of FY 78. This is because of two proceedings which were not scheduled at the time the Budget was prepared. One is the application by RCA Alascom for an intrastate rate increase, the other is the Joint Board proceeding to develop improved separations methods. These two subjects are interrelated and their outcome will substantially affect the use of telecommunications in Alaska and, in turn, could significantly impact the development of the state.

RCA Alascom has so far applied only for an interim rate increase and says it will apply for a permanent increase after the APUC decides on the former. We and several other parties opposed the interim increase and are now awaiting release of the decision, which will most likely be within a week.

The interim increase would raise phone rates to Alaskans by \$18 million per year (\$50,000 per day). The state government's share, according to Bob Gates' estimates, is \$1.6 million (over \$4,000 per day). I am reasonably sure that an interim increase would have already been granted if OT had not intervened; a one-month delay saves the government approximately \$140,000, which equals our expenditures in the rate case to date. (RCAA expended \$927,000). Even if the increase is ultimately granted, the delay alone makes our effort to date cost effective. Further, our average rate of expenditure will be less for the rest of the fiscal year than it was during the peak of the interim rate case activity.

The Joint Board* activity is intended to provide a basis for maintaining an adequate level of settlements (payments for supplying long distance service) from the Lower 48 to Alaska (in the form of transfers from AT&T to RCAA). We are currently living on borrowed time, as AT&T has agreed to make payments on an interim basis until Phase III of rate integration - the time our interstate rates are lowered to meet those of the rest of the country - is put into effect on 1 January 1979. While current settlements are adequate, they will not continue after Phase III is implemented unless fully documented

* The Joint Board comprises a member from the Public Utility Commissions of Alaska, California, Colorado and Hawaii, plus three Commissioners from the FCC. It will make recommendations on separations to the FCC.

studies are presented to establish the need for the appropriate payments. This is a matter that has become unduly complex and beyond the capability of the Alaskan companies to handle by themselves.

The two proceedings, intrastate rates and Joint Board, are interrelated and, unfortunately, going on at the same time. We need to stabilize intrastate matters before we can properly approach the intrastate/interstate separations problem, i.e. the Joint Board task. We have a fairly well developed strategy to bring this about: if successful, we will have a stable situation that can be maintained for many years without expensive cases of the type we are now involved in.

It is not possible to make accurate predictions for professional service expenditures as much of the effort depends upon action to be taken by others. The estimates submitted at this time represent our current view of the situation; actual requirements may differ. Fortunately, we have established a firm foundation to build upon and have the best available legal and economic consultants. As the total impact of the combined proceedings could easily be as high as \$50 million per year, we are obligated to do as well as we possibly can. It would be irresponsible for us to do otherwise.

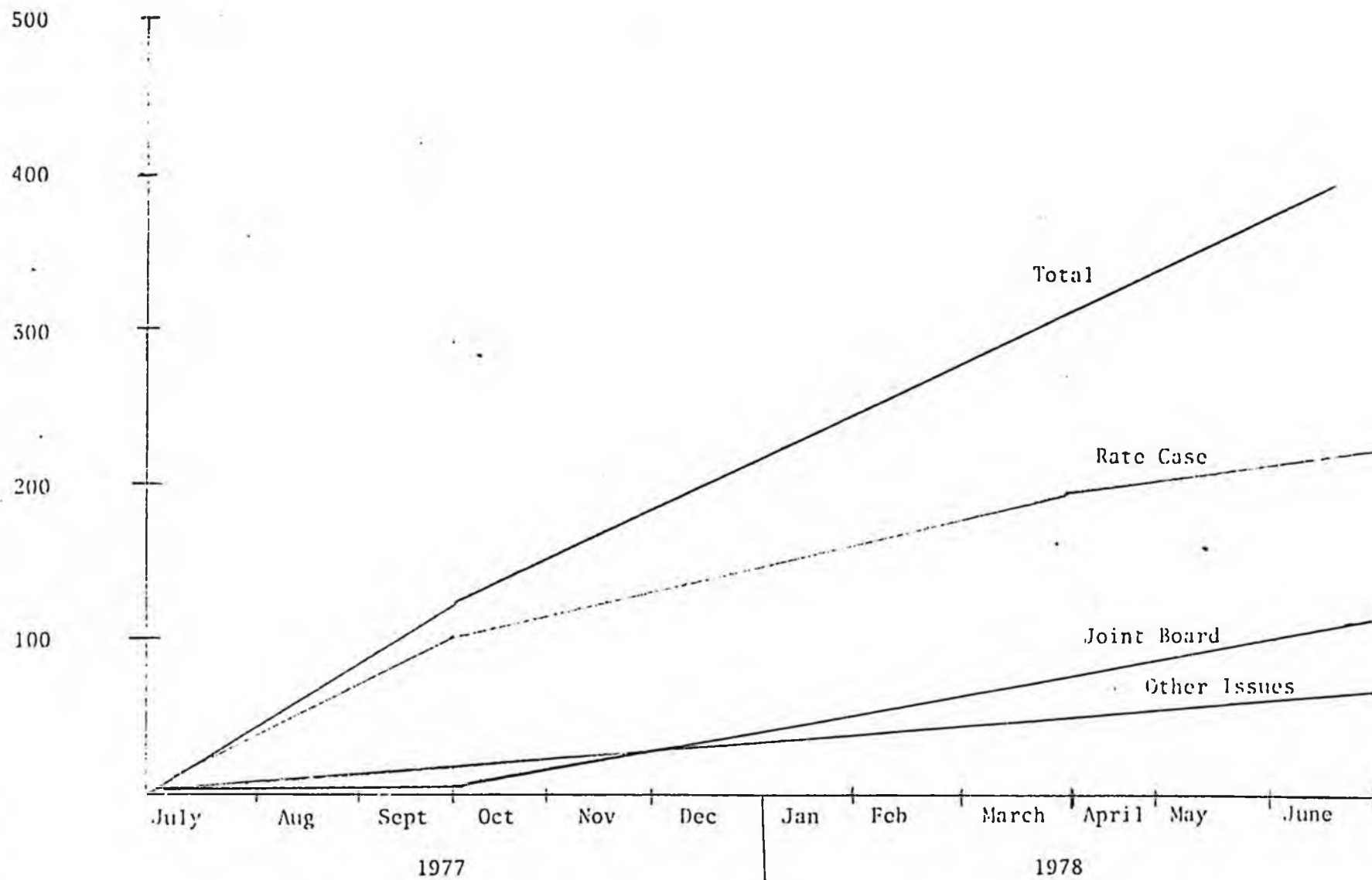
F. S. QUARTER

	1				2				3				4			
	O	J	R	T	O	J	R	T	O	J	R	T	O	J	R	T
Hamel, Park, McCabe & Saunders																
Quarter	17	2	59	78	10	6	20	36	12	10	20	52	10	10	15	35
Cumulative	17	2	59	78	27	8	79	114	39	18	99	146	49	28	114	181
Gracper-Van Noy-Wagner, Inc.																
Quarter	0	0	17	17	0	20	15	35	0	15	15	30	0	15	5	20
Cumulative	0	0	17	17	0	20	32	52	0	35	47	82	0	50	52	102
Edwards, Richard																
Quarter	1	1	22	24	5	5	10	20	5	5	10	20	5	5	5	15
Cumulative	1	1	22	24	6	6	32	44	11	11	42	64	16	16	47	79
Melody, William																
Quarter	0	1	3	4	1	3	1	5	1	5	2	8	2	5	2	9
Cumulative	0	1	3	4	1	4	4	9	2	9	6	17	4	14	8	26
Gable, Richard																
Quarter	0	0	1	1	0	2	0	2	0	3	0	3	0	3	0	3
Cumulative	0	0	1	1	0	2	1	3	0	5	1	6	0	8	1	9
Total Quarter	18	4	102	124	16	36	46	98	18	38	47	93	17	38	27	82
Total Cumulative	18	4	102	124	34	40	148	222	52	78	195	315	69	116	222	397

ISSUE EXPENDITURE BY QUARTER

Quarter	Other Issues				Joint Board				Rate Case				Total			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Hamel, Park, McCabe & Saunders																
Quarter	17	15	12	10	2	6	10	10	59	20	20	15	78	36	52	35
Cumulative	17	27	39	49	2	8	18	28	59	79	99	114	78	114	146	181
Graeper-Van Noy-Wagner, Inc.																
Quarter	0	0	0	0	0	20	15	15	17	15	15	5	17	35	30	20
Cumulative	0	0	0	0	0	20	35	50	17	32	47	52	17	52	82	102
Edwards, Richard																
Quarter	1	5	5	5	1	5	5	5	22	10	10	5	24	20	20	15
Cumulative	1	6	11	16	1	6	11	16	22	32	42	47	24	44	64	79
Melody, William																
Quarter	0	1	1	2	1	3	5	5	3	1	2	2	4	5	8	9
Cumulative	0	1	2	4	1	4	9	14	3	4	6	8	4	9	17	26
Gable, Richard																
Quarter	0	0	0	0	0	2	3	3	1	0	0	0	1	2	3	3
Cumulative	0	0	0	0	0	2	5	8	1	1	1	1	1	3	6	9
Total Quarter																
Total Quarter	18	16	18	17	4	36	38	38	102	46	47	27	174	98	93	82
Total Cumulative	18	34	52	69	4	40	78	116	102	148	195	222	124	222	315	397

OT FY 78 Anticipated Professional Service Expenditures by Category



FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 76 ACTUAL	FY 77 FINAL AUTH.	FY 77 ACTUAL	FY 78 Gov. BUDGET	FY 78 INITIAL AUTH.	FY 78 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1 - 10/31	OTHER OBLIGATION 7/1 - 10/31	DEFICIT REQ. 7/1 - 10/31	FY 78 (DEFICIT) OR EXCESS	FY 79 MAINTENANCE REQUEST
PERSONAL SERVICES	259.1	316.8	291.4		287.9	302.3	85.8	-0-	222.1	-0-	381.2
TRAVEL	53.6	50.0	44.0		45.0	45.0	11.0	-0-	33.9	-0-	77.7
CONTRACTUAL SERVICES	400.0	174.6	179.3		245.7	245.7	168.8	311.9	311.9	235.0	268.3
COMMODITIES	9.5	4.7	2.1		4.0	4.0	.5	-0-	3.2	-0-	5.3
EQUIPMENT	2,279.2	.7	2.3		2.0	2.0	1.5	-0-	.5	-0-	1.0
LANDS, BLDGS. ...		7.4	4.7								
GRANTS, CLAIMS, ...											
MISCELLANEOUS											
TOTAL		554.2	523.8		584.7	597.2	267.6	311.9	551.8	(235.0)	733.5
FEDERAL RECEIPTS REQUIRED GF MATCHING											
OTHER GENERAL FUND INTER-AGENCY RECEIPTS		554.2	523.8		584.7	597.2	267.6	311.9	551.8	(235.0)	733.5

Introduced: 3/18/77
Referred: Commerce

BY THE STATE AFFAIRS COMMITTEE
BY REQUEST

1 IN THE HOUSE

2 HOUSE JOINT RESOLUTION NO. 32

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to review of interstate and
6 intrastate telephone service and rates.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS Alaska is a land of vast distances, rugged terrain, widely
9 scattered population, and limited transportation facilities; and

10 WHEREAS the people of Alaska must rely in large measure upon telephone,
11 telegraph and other telecommunications services as a substitute for trans-
12 portation; and

13 WHEREAS the people of Alaska have been required to pay far higher rates
14 for interstate telephone service than have citizens in other states; and

15 WHEREAS the advent of satellite communications has largely eliminated
16 distance as a factor in setting long distance telephone rates, thus making
17 possible the lowering of charges for interstate long distance telephone
18 service; and

19 WHEREAS the Federal Communications Commission determined in 1973 that
20 this historic discrimination against the people of Alaska should be eliminated
21 through the integration of rates for Alaska telecommunications service into
22 the rate patterns existing in the contiguous forty-eight states, and that
23 the rate integration should take place with the beginning of domestic
24 satellite service to Alaska; and

25 WHEREAS RCA Alascom and the American Telephone and Telegraph Company
26 have stated their intention to the Federal Communications Commission to
27 implement a rate integration plan; and

28 WHEREAS rate integration, as proposed, will eliminate the disparity in
29 interstate telephone rates to Alaska in three approximately equal steps, the

1 first of which began in March, 1976; and

2 WHEREAS phase II of rate integration, scheduled to be implemented on
3 July 1, 1977, will provide a 50 per cent reduction in the existing disparity
4 between the rates paid by Alaska consumers for interstate telephone calls
5 and those paid by consumers in the contiguous forty-eight states; and

6 WHEREAS this reduction in interstate telephone rates will provide signi-
7 ficant public benefits by making service more widely affordable and by
8 strengthening the ties of Alaskans to their fellow citizens in other states;
9 and

10 WHEREAS the local long lines carrier, RCA Alascom, has recently sought
11 to delay the introduction of phase II of rate integration and its attendant
12 benefits to the people of Alaska by claiming, without any relevant justifica-
13 tion, that rate integration could lead to a 300 per cent increase in Alaska
14 intrastate telephone rates; and

15 WHEREAS RCA Alascom has failed to provide a rate integration proposal
16 for phases II and III, and the data underlying that proposal, as promised
17 to the Federal Communications Commission and the people of Alaska; and

18 WHEREAS RCA Alascom has provided no relevant, documented justification
19 for any delay in the scheduled implementation of phase II of rate integration
20 on July 1, 1977; and

21 WHEREAS no increase in intrastate telephone rates may be or should be
22 implemented without the submission of complete documentation and justification
23 to the Alaska Public Utilities Commission; and the full consideration of that
24 body; and

25 WHEREAS RCA Alascom has never been subjected to a thorough regulatory
26 audit nor have its interstate or intrastate telephone rates ever been investi-
27 gated as permitted and provided for in the Alaska statutes and the Federal
28 Communications Act of 1934;

29 BE IT RESOLVED that the Alaska State Legislature urges

1 1. the Federal Communications Commission to disapprove any request for
2 a delay in the implementation of phase II of rate integration as planned on
3 July 1, 1977;

4 2. the Federal Communications Commission to institute under its powers
5 granted by the Communications Act of 1934 an investigation, audit and rate
6 proceeding to determine the lawfulness of all RCA Alascom charges, practices,
7 classifications and regulations for or in connection with its interstate
8 telecommunications services;

9 3. the Alaska Public Utilities Commission to institute an investigation,
10 audit and rate proceeding to determine the lawfulness of RCA Alascom's
11 intrastate rates, classifications, rules, regulations, practices, services
12 and facilities under AS 42.05;

13 4. the Governor through his Office of Telecommunications to participate
14 fully in these proceedings before the Federal Communications Commission and
15 the Alaska Public Utilities Commission so that the interests of the citizens
16 of Alaska may be fully protected and advanced.

17 COPIES of this resolution shall be sent to the Honorable Richard E.
18 Wiley, Chairman, Federal Communications Commission; the Honorable Ted Stevens
19 and the Honorable Mike Gravel, U.S. Senators, the Honorable Don Young, U.S.
20 Representative, members of the Alaska delegation in Congress; to the members
21 of the Alaska Public Utilities Commission; and to the Governor's Office of
22 Telecommunications.

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MEMORANDUM

State of Alaska

TO: Mike Harper

DATE: 3 October 1977

FILE NO:

TELEPHONE NO:

FROM: Bob Walp

SUBJECT: Professional Services Expenditures

George Shaginaw and I have had several discussions with you regarding the extraordinary expenses incurred through our activity in the current intra-state telephone rate case and in the Joint Board proceedings. As these matters had not developed at the time OT's FY 78 budget was prepared, we do not have the resources to adequately fund the required effort. HJR 32, instructing us to participate in the above matters passed the last session of the Legislature and was signed by Governor Hammond; the ancillary fiscal note became separated and lost, however. Representative Fred Brown, Chairman of the Select Subcommittee on Telecommunications, has indicated his full support in obtaining a supplemental appropriation once the Legislature reconvenes. We will need more funding before a supplemental can be obtained; can we borrow from the Contingency Fund?

It is not possible to predict our requirements through FY 78 with any certainty. Our best effort at this time is as follows:

FY 78 Expenditures (\$ thousands)

	<u>Jul-Sep</u>	<u>Oct-Dec</u>	<u>Jan-Mar</u>	<u>Apr-Jun</u>	<u>Total</u>
Hamel, Park, McCabe & Saunders	85	45	45	45	220
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B. Richard Edwards	16	35	25	15	91
William Melody	3	5	5	5	18
Richard Gabel	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>7</u>
	129	107	97	87	420

The amount originally budgeted for FY 78 professional services was \$190,000. Of this, approximately \$50,000 is either encumbered or intended for other uses during the fiscal year. This leaves us \$140,000, the amount we would have most likely committed to the above contractors for other purposes (this is included in the above estimates). It therefore looks as if we will need to supplement our budget by \$280,000. Since we cannot forecast the outcome of impending events, this amount could be substantially different; substantially lower or slightly higher. By the time the Legislature reconvenes we should be able to predict the year-end requirements with some accuracy.

If we add the first two quarters we obtain a total of \$236,000, indicating a need for \$96,000 over the available \$140,000. Some of this could come

from unexpended portions of the \$50,000 amount mentioned above, but the remainder is what I would suggest be covered by contingency funds.

Of immediate concern is the status of our contracts with Hamel, Park, McCabe and Saunders; Graeper, VanNoy and Wagner and B. Richard Edwards. Each of them needs to be increased by approximately \$10,000 to cover expenditures to the end of September. We initiated an amendment for Graeper, VanNoy and Wagner and will immediately do so for the others. Doris Chandler will be taking care of this during the week.

cc: Kent Dawson

STATE
of ALASKA

MEMORANDUM

TO: J. H. Hogan, Director
Legislative Finance Division

DATE: 2/17/78

FILE NO:

TELEPHONE NO: Unbudgeted Expenses

FROM: Pat Williams
Administrative Assistant

SUBJECT:

The following is a breakdown of Legislative Finance FY 78 unbudgeted expenses to date:

TRAVEL

Dave Scott travel and per diem, Fairbanks & Anchorage trips re U of A surveillance	\$2,374.35
Dave Scott moving expense (paid to Sourough Express for moving household items)	3,500.00
Zero Base Budgeting Seminar cost (per Legislative Resolve #103, 1977) - send one analyst. (per diem \$137.50; air fare \$197.40; registration \$450.00)	784.00

CONTRACTUAL

Centrex Billing - telephone	760.00
IBM Data Processing Contract	14,383.19

HOUSE FINANCE OFFICE ACCOUNT

Overexpended as of 1/31/78 (allocation is \$10.0)	<u>2,144.56</u>
---	-----------------

TOTAL:	<u>23,916.10</u>
--------	------------------

HFC
+
SFC

10,000.00 - Contr.
23,916.10

EMPLOYMENT RESOURCES
and
OPPORTUNITIES COMMITTEE

ALLOCATIONS

FY 77	\$50,000.00	
FY 78	81,000.00	
Legislative Council supplemental	5,000.00	
	<hr/>	
	\$136,000.00	\$136,000.00

EXPENDITURES

FY 77	\$18,025.06	
FY 78 interim	84,500.00	
	<hr/>	
	\$102,526.06	\$102,526.06

totals of monies lapsed \$ 33,473.94

PROJECTED REQUESTED BUDGET FOR
REMAINDER OF FY 78

Staff		
one administrative assistant	\$12,000	
Developmental services	11,000	
Travel	4,000	
Communications	6,000	
stationary		
postage		
printing		
		<hr/>
		\$ 33,000.00

OK entered
2/8/78

Introduced: 1/11/78
Referred: The Select Committee on
Telecommunications and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 611

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

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

7

Office of the Governor, Telecommunications; and pro-

8

viding for an effective date."

9

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

10

* Section 1. The sum of \$235,000 is appropriated from the general fund

11

to the Office of the Governor, Telecommunications, for participation in

12

intra-state tariff hearings and rate separation hearings.

13

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

14

10.070(c).

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10 01 01 09 00 -- 235,000

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JUNEAU ALASKA

Alaska State Legislature

House

CHAIRMAN'S REPORT TO ACCOMPANY HOUSE BILL 611

January 13, 1978

The Honorable Hugh Malone
Speaker
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

This letter is to accompany House Bill 611, reported from the Select Committee on Telecommunications with a "Do Pass" recommendation on a vote of four to one.

The bill provides for a special appropriation to the Office of the Governor (Telecommunications) in part because of errors by the Legislature in the First Session of the Tenth Legislature.

You will remember that the Legislature passed Committee Substitute for House Joint Resolution 32, relating to various utility and telecommunications rate cases pending before the APUC (or proposed or anticipated) and before the Federal Communications Commission.

In the House, HJR 32 was accompanied by a fiscal note for two departments; one was the Alaska Public Utilities Commission and the other was the Office of Telecommunications.

Because of a misunderstanding between House and Senate leadership as to the treatment of fiscal notes, the funds were not included in the Free Conference Committee version of the final budget (in the way usually anticipated). The amount for the Office of Telecommunications was \$100,000. The amount requested in House Bill 611 is more than that, but is based upon the actual experience of some rather drawn out and very important administrative proceedings.

The Honorable Hugh Malone

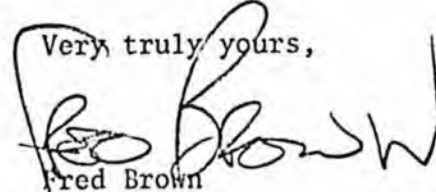
-2-

January 13, 1977

I understand that the Alaska Public Utilities Commission has taken care of the shortfall resulting from their loss of the funds from the fiscal note through other actions with the Legislative Budget & Audit Committee.

I strongly urge the passage of this legislation as soon as possible.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Fred Brown". The signature is written in a cursive style with a large, sweeping initial "F".

Fred Brown
Chairman, House Select Committee
on Telecommunications

FB:kfm

cc: Representative Steve Cowper
Chairman, House Finance Committee

Senator John Sackett
Chairman, Senate Finance Committee

January 11, 1978

125611

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 a bill making a supplemental appropriation to the Office of the Governor, for Telecommunications' participation in RCA-Alascom intra-state tariff hearings, and the Joint Board hearings on rate separations. These two subjects are interrelated and their outcome will substantially affect the use of telecommunications in Alaska and, in turn, could significantly affect the development of the state.

Sincerely,

S/SSH

Jay S. Hammond
Governor

MEMORANDUM

State of Alaska

H351

TO: Mike Harper

DATE: November 7, 1977

RECEIVED
NOV 14 1977

FILE NO:

BUDGET & MANAGEMENT

TELEPHONE NO:

FROM: Bob Walp

SUBJECT: Revised program for
Office of Telecommunications

The Office of Telecommunications is requesting a supplemental appropriation of \$235,000 for the remainder of FY 78. This is because of two proceedings which were not scheduled at the time the Budget was prepared. One is the application by RCA Alascom for an intrastate rate increase, the other is the Joint Board proceeding to develop improved separations methods. These two subjects are interrelated and their outcome will substantially affect the use of telecommunications in Alaska and, in turn, could significantly impact the development of the state.

RCA Alascom has so far applied only for an interim rate increase and says it will apply for a permanent increase after the APUC decides on the former. We and several other parties opposed the interim increase and are now awaiting release of the decision, which will most likely be within a week.

The interim increase would raise phone rates to Alaskans by \$18 million per year (\$50,000 per day). The state government's share, according to Bob Gates' estimates, is \$1.6 million (over \$4,000 per day). I am reasonably sure that an interim increase would have already been granted if OT had not intervened; a one-month delay saves the government approximately \$140,000, which equals our expenditures in the rate case to date. (RCAA expended \$927,000). Even if the increase is ultimately granted, the delay alone makes our effort to date cost effective. Further, our average rate of expenditure will be less for the rest of the fiscal year than it was during the peak of the interim rate case activity.

The Joint Board* activity is intended to provide a basis for maintaining an adequate level of settlements (payments for supplying long distance service) from the Lower 48 to Alaska (in the form of transfers from AT&T to RCAA). We are currently living on borrowed time, as AT&T has agreed to make payments on an interim basis until Phase III of rate integration - the time our interstate rates are lowered to meet those of the rest of the country - is put into effect on 1 January 1979. While current settlements are adequate, they will not continue after Phase III is implemented unless fully documented

* The Joint Board comprises a member from the Public Utility Commissions of Alaska, California, Colorado and Hawaii, plus three Commissioners from the FCC. It will make recommendations on separations to the FCC.

studies are presented to establish the need for the appropriate payments. This is a matter that has become unduly complex and beyond the capability of the Alaskan companies to handle by themselves.

The two proceedings, intrastate rates and Joint Board, are interrelated and, unfortunately, going on at the same time. We need to stabilize intrastate matters before we can properly approach the intrastate/interstate separations problem, i.e. the Joint Board task. We have a fairly well developed strategy to bring this about: if successful, we will have a stable situation that can be maintained for many years without expensive cases of the type we are now involved in.

It is not possible to make accurate predictions for professional service expenditures as much of the effort depends upon action to be taken by others. The estimates submitted at this time represent our current view of the situation; actual requirements may differ. Fortunately, we have established a firm foundation to build upon and have the best available legal and economic consultants. As the total impact of the combined proceedings could easily be as high as \$50 million per year, we are obligated to do as well as we possibly can. It would be irresponsible for us to do otherwise.

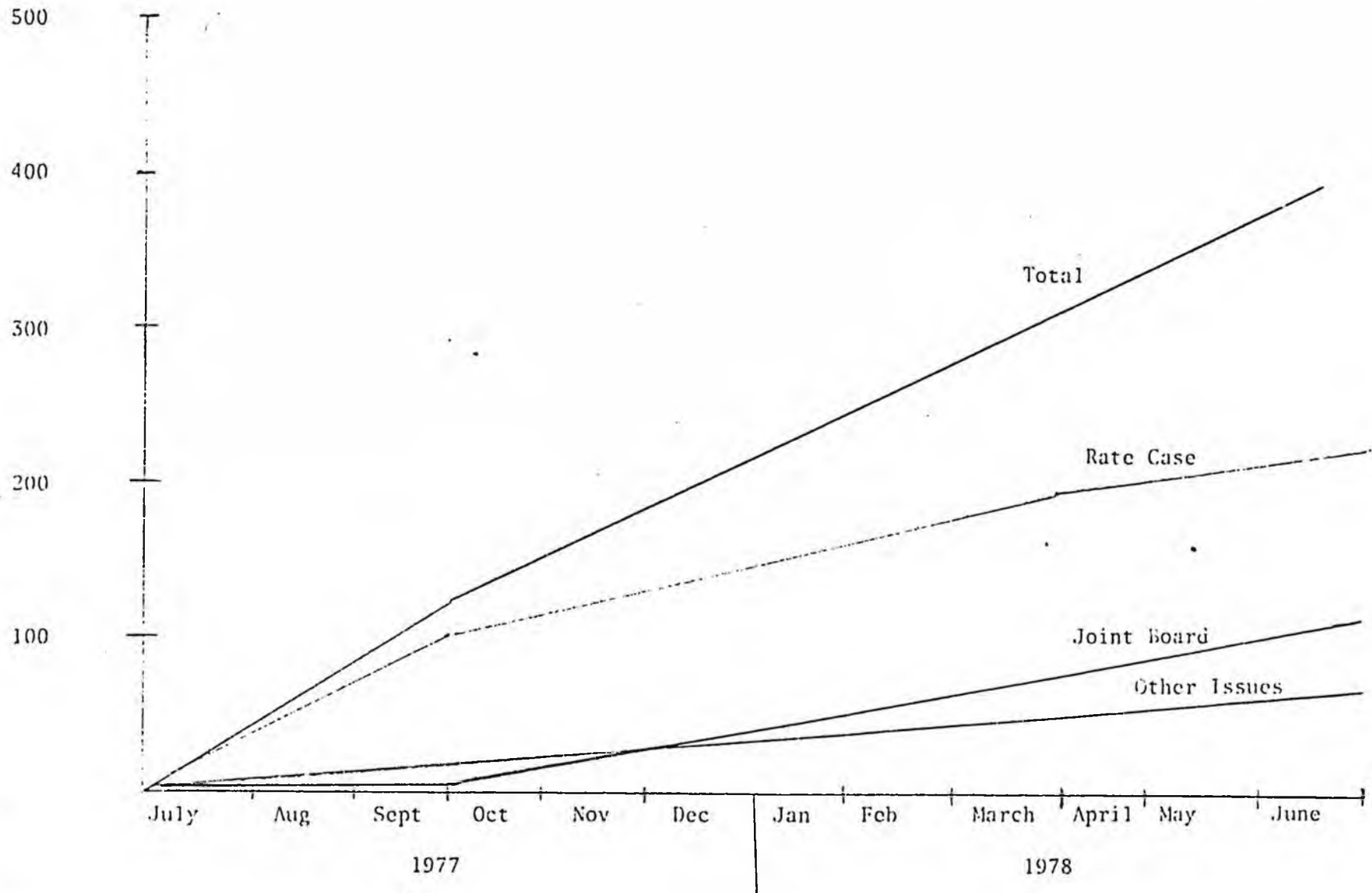
F. S. QUARTER

	1				2				3				4			
	O	J	R	T	O	J	R	T	O	J	R	T	O	J	R	T
Hamel, Park, McCabe & Saunders																
Quarter	17	2	59	78	10	6	20	36	12	10	20	32	10	10	15	35
Cumulative	17	2	59	78	27	8	79	114	39	18	99	146	49	28	114	181
Gracper-Van Noy-Wagner, Inc.																
Quarter	0	0	17	17	0	20	15	35	0	15	15	30	0	15	5	20
Cumulative	0	0	17	17	0	20	32	52	0	35	47	82	0	50	52	102
Edwards, Richard																
Quarter	1	1	22	24	5	5	10	20	5	5	10	20	5	5	5	15
Cumulative	1	1	22	24	6	6	32	44	11	11	42	64	16	16	47	79
Melody, William																
Quarter	0	1	3	4	1	3	1	5	1	5	2	8	2	5	2	9
Cumulative	0	1	3	4	1	4	4	9	2	9	6	17	4	14	8	26
Gable, Richard																
Quarter	0	0	1	1	0	2	0	2	0	3	0	3	0	3	0	3
Cumulative	0	0	1	1	0	2	1	3	0	5	1	6	0	8	1	9
Total Quarter	18	4	102	124	16	36	46	98	18	38	47	93	17	38	27	82
Total Cumulative	18	4	102	124	34	40	148	222	52	78	195	315	69	116	222	397

ISSUE EXPENDITURE BY QUARTER

Quarter	Other Issues				Joint Board				Rate Case				Total			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Hamel, Park, McCabe & Saunders																
Quarter	17	10	12	10	2	6	10	10	59	20	20	15	78	36	52	55
Cumulative	17	27	39	49	2	8	18	28	59	79	99	114	78	114	146	181
Graeper-Van Noy-Wagner, Inc.																
Quarter	0	0	0	0	0	20	15	15	17	15	15	5	17	35	30	20
Cumulative	0	0	0	0	0	20	35	50	17	32	47	52	17	52	82	102
Edwards, Richard																
Quarter	1	5	5	5	1	5	5	5	22	10	10	5	24	20	20	15
Cumulative	1	6	11	16	1	6	11	16	22	32	42	47	24	44	64	79
Melody, William																
Quarter	0	1	1	2	1	3	5	5	3	1	2	2	4	5	8	9
Cumulative	0	1	2	4	1	4	9	14	3	4	6	8	4	9	17	26
Gable, Richard																
Quarter	0	0	0	0	0	2	3	3	1	0	0	0	1	2	3	3
Cumulative	0	0	0	0	0	2	5	8	1	1	1	1	1	3	6	9
Total Quarter																
Total Quarter	18	16	18	17	4	36	38	38	102	46	47	27	174	98	93	82
Total Cumulative	18	34	52	69	4	40	78	116	102	148	195	222	124	222	315	397

OT FY 78 Anticipated Professional Service Expenditures by Category



FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 76 ACTUAL	FY 77 FINAL AUTH.	FY 77 ACTUAL	FY 78 GOV. BUDGET	FY 78 INITIAL AUTH.	FY 78 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1 - 10/31	OTHER OBLIGATIONS 7/1 - 10/31	PROJECTED DEFICIT PER MONTHS 7/1 - 6/31	FY 78 (DEFICIT) OR EXCESS	FY 79 MAINTENANCE REQUEST
PERSONAL SERVICES	259.1	316.8	291.4		287.9	302.3	85.8	-0-	222.1	-0-	381.2
TRAVEL	53.6	50.0	44.0		45.0	45.0	11.0	-0-	33.0	-0-	77.7
CONTRACTUAL SERVICES	400.0	174.6	179.3		245.7	245.7	168.8	311.9	122.1	235.0	268.3
COMMODITIES	9.5	4.7	2.1		4.0	4.0	.5	-0-	3.0	-0-	5.3
EQUIPMENT	2,279.2	.7	2.3		2.0	2.0	1.5	-0-	.5	-0-	1.0
LANDS, BLDGS. ...		7.4	4.7								
GRANTS, CLAIMS, ...											
MISCELLANEOUS											
TOTAL		554.2	523.8		584.7	597.2	267.6	311.9	551.8	(235.0)	733.5
FEDERAL RECEIPTS REQUIRED GF MATCHING											
OTHER GENERAL FUND INTER-AGENCY RECEIPTS		554.2	523.8		584.7	597.2	267.6	311.9	551.8	(235.0)	733.5

Introduced: 3/18/77
Referred: Commerce

BY THE STATE AFFAIRS COMMITTEE
BY REQUEST

1 IN THE HOUSE

2 HOUSE JOINT RESOLUTION NO. 32

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to review of interstate and
6 intrastate telephone service and rates.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS Alaska is a land of vast distances, rugged terrain, widely
9 scattered population, and limited transportation facilities; and

10 WHEREAS the people of Alaska must rely in large measure upon telephone,
11 telegraph and other telecommunications services as a substitute for trans-
12 portation; and

13 WHEREAS the people of Alaska have been required to pay far higher rates
14 for interstate telephone service than have citizens in other states; and

15 WHEREAS the advent of satellite communications has largely eliminated
16 distance as a factor in setting long distance telephone rates, thus making
17 possible the lowering of charges for interstate long distance telephone
18 service; and

19 WHEREAS the Federal Communications Commission determined in 1973 that
20 this historic discrimination against the people of Alaska should be eliminated
21 through the integration of rates for Alaska telecommunications service into
22 the rate patterns existing in the contiguous forty-eight states, and that
23 the rate integration should take place with the beginning of domestic
24 satellite service to Alaska; and

25 WHEREAS RCA Alascom and the American Telephone and Telegraph Company
26 have stated their intention to the Federal Communications Commission to
27 implement a rate integration plan; and

28 WHEREAS rate integration, as proposed, will eliminate the disparity in
29 interstate telephone rates to Alaska in three approximately equal steps, the

1 first of which began in March, 1976; and

2 WHEREAS phase II of rate integration, scheduled to be implemented on
3 July 1, 1977, will provide a 50 per cent reduction in the existing disparity
4 between the rates paid by Alaska consumers for interstate telephone calls
5 and those paid by consumers in the contiguous forty-eight states; and

6 WHEREAS this reduction in interstate telephone rates will provide signi-
7 ficant public benefits by making service more widely affordable and by
8 strengthening the ties of Alaskans to their fellow citizens in other states;
9 and

10 WHEREAS the local long lines carrier, RCA Alascom, has recently sought
11 to delay the introduction of phase II of rate integration and its attendant
12 benefits to the people of Alaska by claiming, without any relevant justifica-
13 tion, that rate integration could lead to a 300 per cent increase in Alaska
14 intrastate telephone rates; and

15 WHEREAS RCA Alascom has failed to provide a rate integration proposal
16 for phases II and III, and the data underlying that proposal, as promised
17 to the Federal Communications Commission and the people of Alaska; and

18 WHEREAS RCA Alascom has provided no relevant, documented justification
19 for any delay in the scheduled implementation of phase II of rate integration
20 on July 1, 1977; and

21 WHEREAS no increase in intrastate telephone rates may be or should be
22 implemented without the submission of complete documentation and justification
23 to the Alaska Public Utilities Commission; and the full consideration of that
24 body; and

25 WHEREAS RCA Alascom has never been subjected to a thorough regulatory
26 audit nor have its interstate or intrastate telephone rates ever been investi-
27 gated as permitted and provided for in the Alaska statutes and the Federal
28 Communications Act of 1934;

29 BE IT RESOLVED that the Alaska State Legislature urges

1 1. the Federal Communications Commission to disapprove any request for
2 a delay in the implementation of phase II of rate integration as planned on
3 July 1, 1977;

4 2. the Federal Communications Commission to institute under its powers
5 granted by the Communications Act of 1934 an investigation, audit and rate
6 proceeding to determine the lawfulness of all RCA Alascom charges, practices,
7 classifications and regulations for or in connection with its interstate
8 telecommunications services;

9 3. the Alaska Public Utilities Commission to institute an investigation,
10 audit and rate proceeding to determine the lawfulness of RCA Alascom's
11 intrastate rates, classifications, rules, regulations, practices, services
12 and facilities under AS 42.05;

13 4. the Governor through his Office of Telecommunications to participate
14 fully in these proceedings before the Federal Communications Commission and
15 the Alaska Public Utilities Commission so that the interests of the citizens
16 of Alaska may be fully protected and advanced.

17 COPIES of this resolution shall be sent to the Honorable Richard E.
18 Wiley, Chairman, Federal Communications Commission; the Honorable Ted Stevens
19 and the Honorable Mike Gravel, U.S. Senators, the Honorable Don Young, U.S.
20 Representative, members of the Alaska delegation in Congress; to the members
21 of the Alaska Public Utilities Commission; and to the Governor's Office of
22 Telecommunications.

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MEMORANDUM

State of Alaska

TO: Mike Harper

DATE: 3 October 1977

FILE NO:

TELEPHONE NO:

FROM: Bob Walp

SUBJECT: Professional Services Expenditures

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Richard Gabel	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>7</u>
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1977
Page 2

from unexpended portions of the \$50,000 amount mentioned above, but the remainder is what I would suggest be covered by contingency funds.

Of immediate concern is the status of our contracts with Hamel, Park, McCabe and Saunders; Graeper, VanNoy and Wagner and B. Richard Edwards. Each of them needs to be increased by approximately \$10,000 to cover expenditures to the end of September. We initiated an amendment for Graeper, VanNoy and Wagner and will immediately do so for the others. Doris Chandler will be taking care of this during the week.

cc: Kent Dawson



RECORDS CERTIFICATION



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

James O. Smith
Signature of Camera Operator

2/14/90
Date

TO: J. H. Hogan, Director
 Legislative Finance Division

DATE: 2/17/78

FILE NO.

TELEPHONE NO. Unbudgeted Expenses

FROM: Pat Williams
 Administrative Assistant

SUBJECT:

The following is a breakdown of Legislative Finance FY 78 unbudgeted expenses to date:

TRAVEL

Dave Scott travel and per diem, Fairbanks & Anchorage trips re U of A surveillance	\$2,374.35
Dave Scott moving expense (paid to Sourough Express for moving household items)	3,500.00
Zero Base Budgeting Seminar cost (per Legislative Resolve #103, 1977) - send one analyst. (per diem \$137.50; air fare \$197.40; registration \$450.00)	784.00

CONTRACTUAL

Centrex Billing - telephone	760.00
IBM Data Processing Contract	14,383.19

HOUSE FINANCE OFFICE ACCOUNT

Overexpended as of 1/31/78 (allocation is \$10.0)	<u>2,144.56</u>
---	-----------------

55.0 2001 for 11/11. 1 5/11/78

TOTAL:	<u>23,916.10</u>
--------	------------------

14,383.19
23,916.10

A M E N D M E N T # 1

Offered in the SENATE

By Sackett

TO: HOUSE BILL NO. 611

Page 1, line 6:

After the word "to" insert the following:

"the Legislative Affairs Agency, the legislative finance division, and"

Page 1, between lines 12 and 13:

Insert the following new material:

* Sec. 2. The sum of \$33,000 is appropriated from the general fund to the Legislative Affairs Agency for the fiscal year ending June 30, 1978 to defray the expenses of the Legislative Council.

* Sec. 3. The sum of \$34,000 is appropriated from the general fund to the legislative finance division for the fiscal year ending June 30, 1978 to defray the expenses of that division.

Page 1, line 13:

change "2" to "4"

SENATE JOURNAL

SENATE FINANCE COMMITTEE

LETTER OF INTENT

FOR HOUSE BILL NO. 611

The sum of \$33,000 appropriated to the Legislative Affairs Agency is for the purpose of paying FY 78 costs of the Employment Resources and Opportunities ~~Sub~~ Committee.


Chairman

HB
611

February 22, 1978

The Honorable John Rader
President
Alaska State Senate
Pouch V
Juneau, Alaska 99811

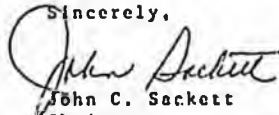
Dear President Rader:

This morning the Senate Finance Committee reported out HB 611, an act making a supplemental appropriation to the Office of the Governor, covering state participation in certain telecommunication rate hearings. The state participated in these rate hearings per instruction of HJR 32, passed by this body last year. Attached to HJR 32 was the enclosed fiscal note showing that the program effort would require the appropriation of \$250,000 of state general fund money.

According to the bill history, also enclosed, this measure, although requiring a substantial general fund commitment, was not referred to either House or Senate Finance Committees. As a result, the measure did not automatically appear on our listing of measures to be funded by the fiscal note process in the General Appropriations Act. Thus, we now have a supplemental appropriation for these program costs.

This problem can be avoided in the future if both presiding officers will refer all measures requiring appropriations to either or both of the standing finance committees.

Sincerely,



John C. Sackett
Chairman
Senate Finance Committee"

HB 643 am The Commerce Committee has had HOUSE BILL NO. 643 amended (junk telephone calls) under consideration and the committee recommends it do pass. The report was signed by Senator Bradley, Chairman, and concurred in by Senators Poland, Sumner and Hackney.

HOUSE BILL NO. 643 amended was referred to the Rules Committee.

The Commerce Committee has had COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 187 (liens for towing and storage of motor vehicles) under consideration and a majority of the committee recommends it do pass. The report was signed by Senator Bradley, Chairman, and concurred in by Senators Sumner and Hackney. Senator Poland signed "no recommendation".

CS
HB
187

Senator Kerttula requested that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 187 be referred to the State Affairs Committee. The President stated that the bill would be referred to the State Affairs Committee then to the Judiciary Committee.

The Finance Committee has had HOUSE BILL NO. 440 (special appropriations to the Alaska Court System, the Legislative Affairs Agency, and the Department of Administration to provide toll-free telephone service for calls made to state offices located in the state capital) under consideration and a majority of the committee recommends it be replaced with SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 440, entitled:

HB
440

"An Act making a supplemental appropriation to the Legislative Affairs Agency and the legislative finance division; and providing for an effective date."

The report was signed by Senator Sackett, Chairman, and concurred in by Senators Hohman, Meland and Orsini. Senator Croft signed "no recommendation".

HOUSE BILL NO. 440 was referred to the Rules Committee.

The Finance Committee has had HOUSE BILL NO. 611 (supplemental appropriation to the Office of the Governor, Telecommunications) under consideration and the committee recommends it do pass. The report was signed by Senator Sackett, Chairman, and concurred in by Senators Hohman, Croft, Meland and Orsini.

HB
611

HOUSE BILL NO. 611 was referred to the Rules Committee.

A letter from Senator Sackett, Chairman, Finance Committee follows:

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HJR 32
 Title Relating to Review of Interstate and Intrastate Telephone Service & Rates
 Requested by House Commerce Committee Date 30 March 1977

II. FISCAL DETAIL

Agency Affected Commerce and Economic Development
 Program Category Affected Protection
 Budget Request Unit(s) Affected Alaska Public Utilities Commission

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		250.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		250.0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

- The APUC does not have staff to accomplish tasks set forth in a full rate proceeding with RCAA. Revenue requirements and rate of return will be contracted to consultants outside the state.
- It is anticipated that a portion of the expenses associated with the investigation and hearing would be allocated back to RCAA under Sec. 42.05.651 of the Alaska Statutes. Monies received from allocated costs return to the General Fund.

IV. DATE March 30, 1977

PREPARED BY Marvin B. Weatherly, Commissioner
 AGENCY Alaska Public Utilities Commission
 PHONE 272-1487

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



POUCH V
JUNEAU, ALASKA 99811

Alaska State Legislature

Senate

February 22, 1978

The Honorable John Rader
President
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear President Rader:

This morning the Senate Finance Committee reported out HB 611, an act making a supplemental appropriation to the Office of the Governor, covering state participation in certain telecommunication rate hearings. The state participated in these rate hearings per instruction of HJR 32, passed by this body last year. Attached to HJR 32 was the enclosed fiscal note showing that the program effort would require the appropriation of \$250,000 of state general fund money.

According to the bill history, also enclosed, this measure, although requiring a substantial general fund commitment, was not referred to either House or Senate Finance Committees. As a result, the measure did not automatically appear on our listing of measures to be funded by the fiscal note process in the General Appropriations Act. Thus, we now have a supplemental appropriation for these program costs.

This problem can be avoided in the future if both presiding officers will refer all measures requiring appropriations to either or both of the standing finance committees.

Sincerely,

John C. Sackett
Chairman
Senate Finance Committee

Enclosures

HJR 32 RELATING TO REVIEW OF INTERSTATE AND INTRASTATE TELEPHONE SERVICE AND RATESAMENDED TITLE: CS *PRIME SPONSORS: STATE AFF.

BY REQUEST

ACTION

COMMITTEE REPORTS.

READING BY UNAN CONSENT

0-02

DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION	DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION
03/18/77	01	0581	FIRST READING -- COMMITTEE REPORTS	04/23/77	11	0943	FIRST READING -- COMMITTEE REPORTS
03/18/77	02	0581	TELE -- DP04, NR01	05/05/77	12	1101	S.A. -- OP03, NR02
03/18/77	03	0582	S.A. -- OTHER01	05/06/77	13	1126	RLS -- OTHER03
04/14/77	04	0859	COM -- OMPO2, CS05	05/26/77	16	1438	RLS -- OTHER03 TAKEN UP IMMEDIATELY
04/22/77	05	0975	SECOND READING	05/07/77	14	1162	SECOND READING
04/22/77	06	0975	COM CS ADOPTED BY UNAN CONSENT	05/07/77	15	1162	RECOMM RLS TIL 05/11/77 BY VOICE VOTE
04/22/77	07	0975	ADVANCED TO 3RD READING BY UNAN CONSENT	05/26/77	17	1462	READ AGAIN SECOND TIME
04/22/77	08	0975	THIRD READING	05/26/77	18	1462	ADVANCED TO 3RD READING BY UNAN CONSENT
04/22/77	09	0975	PASSED BY DIV 30-06-04	05/26/77	19	1462	THIRD READING
04/22/77	10	0975	HSE SUPPL 50 FISCAL NOTES	05/26/77	20	1462	PASSED BY DIV 16-00-04
05/27/77	21	1595	TRANSMITTED TO GOVERNOR				
06/03/77	22	1666	READ BY GOVERNOR -- SENT TC LT GOVERNOR				
** 06/22/77	23	6000	LEGISLATIVE RESOLV NO 101				

HJR 33 PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE STATE OF ALASKA RELATING TO RECESS AND ADJOURNMENT OF LEGISLATIVE SESSIONPRIME SPONSORS: BROWN

ACTION

DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION	DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION
** 03/21/77	01	0599	FIRST READING -- COMMITTEE REPORTS STATE AFF. JUDICIARY RULES				

ON

HJR 34 URGING ENVIRONMENTAL DEFENSE OF THE ARCTIC NATIONAL WILDLIFE RANGEPRIME SPONSORS: MALONECO-SPONSORS: ELIASON MILLER

ACTION

DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION	DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION
03/21/77	01	0599	FIRST READING -- COMMITTEE REPORTS	** 04/19/77	07	0881	FIRST READING -- COMMITTEE REPORTS
04/15/77	02	0872	RES -- DP06, NR03				RESOURCES RULES
04/18/77	03	0893	SECOND READING				
04/18/77	04	0893	ADVANCED TO 3RD READING BY UNAN CONSENT				
04/18/77	05	0893	THIRD READING				
04/18/77	06	0893	PASSED BY DIV 27-09-04				

COMMITTEE REPORT
SENATE

2/3/78

FURTHER: _____

Date: February 2, 1978

Mr. President:

The Committee on FINANCE has had HR 811

~~supplemental appropriation~~ Office of Governor, Telecommunications

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____
- and _____ new title same title
- AND attaches a Letter of Intent New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chairman

Introduced: 1/11/78
Referred: The Select Committee on
Telecommunications and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 611

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Office of the Governor, Telecommunications; and pro-
8 viding for an effective date."

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

10 * Section 1. The sum of \$235,000 is appropriated from the general fund
11 to the Office of the Governor, Telecommunications, for participation in
12 intra-state tariff hearings and rate separation hearings.

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

Introduced: 1/11/78
Referred: The Select Committee on
Telecommunications and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 611

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

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12 intra-state tariff hearings and rate separation hearings.

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

Original sponsor: State Affairs Committee
by request

Offered: 4/14/77
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2

CS FOR HOUSE JOINT RESOLUTION NO. 32

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

Relating to review of interstate and

6

intrastate telephone service and rates.

7

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

8

WHEREAS Alaska is a land of vast distances, rugged terrain, widely
9 scattered population, and limited transportation facilities; and

10

WHEREAS the people of Alaska must rely in large measure upon telephone,
11 telegraph and other telecommunications services as a substitute for trans-
12 portation; and

13

WHEREAS the people of Alaska have been required to pay far higher rates
14 for interstate telephone service than have citizens in other states; and

15

WHEREAS the advent of satellite communications has largely eliminated
16 distance as a factor in setting long distance telephone rates, thus making
17 possible the lowering of charges for interstate long distance telephone
18 service; and

19

WHEREAS the Federal Communications Commission determined in 1973 that
20 this historic discrimination against the people of Alaska should be eliminated
21 through the integration of rates for Alaska telecommunications service into
22 the rate patterns existing in the contiguous forty-eight states, and that the
23 rate integration should take place with the beginning of domestic satellite
24 service to Alaska; and

25

WHEREAS RCA Alascom and the American Telephone and Telegraph Company
26 have stated their intention to the Federal Communications Commission to
27 implement a rate integration plan; and

28

WHEREAS rate integration, as proposed, will eliminate the disparity in
29 interstate telephone rates to Alaska in three approximately equal steps, the

1 first of which began in March, 1976; and

2 WHEREAS phase II of rate integration, scheduled to be implemented on
3 July 1, 1977, will provide a 50 per cent reduction in the existing disparity
4 between the rates paid by Alaska consumers for interstate telephone calls
5 and those paid by consumers in the contiguous forty-eight states; and

6 WHEREAS this reduction in interstate telephone rates will provide signi-
7 ficant public benefits by making service more widely affordable and by
8 strengthening the ties of Alaskans to their fellow citizens in other states;
9 and

10 WHEREAS the local long lines carrier, RCA Alascom, has recently sought
11 to delay the introduction of phase II of rate integration and its attendant
12 benefits to the people of Alaska by claiming, without any relevant justifica-
13 tion, that rate integration could lead to a 300 per cent increase in Alaska
14 intrastate telephone rates; and

15 WHEREAS RCA Alascom has failed to provide a rate integration proposal
16 for phases II and III, and the data underlying that proposal, as promised
17 to the Federal Communications Commission and the people of Alaska; and

18 WHEREAS RCA Alascom has provided no relevant, documented justification
19 for any delay in the scheduled implementation of phase II of rate integration
20 on July 1, 1977; and

21 WHEREAS no increase in intrastate telephone rates may be or should be
22 implemented without the submission of complete documentation and justification
23 to the Alaska Public Utilities Commission; and the full consideration of that
24 body; and

25 WHEREAS RCA Alascom has never been subjected to a thorough regulatory
26 audit nor have its interstate or intrastate telephone rates ever been investi-
27 gated as permitted and provided for in the Alaska statutes and the Federal
28 Communications Act of 1934;

29 BE IT RESOLVED that the Alaska State Legislature urges

1 1. the Federal Communications Commission to disapprove any request for
2 a delay in the implementation of phase II of rate integration as planned on
3 July 1, 1977;

4 2. the Federal Communications Commission to order for the period of
5 phase II an interim division of revenues between RCA Alascom and American
6 Telephone and Telegraph for their provision of interstate telephone service
7 in amounts which will insure the economic viability of all participating
8 carriers and remove the necessity for intrastate rate increases attributable
9 to rate integration;

10 3. the Federal Communications Commission to institute under its powers
11 granted by the Communications Act of 1934 an investigation, audit and rate
12 proceeding to determine the lawfulness of all RCA Alascom charges, practices,
13 classifications and regulations for or in connection with its interstate
14 telecommunications services;

15 4. the Federal Communications Commission to establish, concurrently
16 with the proceedings called for in 3 of this resolution, a Joint Board, under
17 sec. 410(c) of the Communications Act of 1934, including representation of
18 the Alaska Public Utilities Commission, to determine appropriate procedures
19 for separating costs and revenues for telephone carriers in Alaska;

20 5. the Alaska Public Utilities Commission to institute an investigation,
21 audit and rate proceeding to determine the lawfulness of RCA Alascom's
22 intrastate rates, classifications, rules, regulations, practices, services
23 and facilities under AS 42.05;

24 6. the Governor through his Office of Telecommunications to participate
25 fully in these proceedings before the Federal Communications Commission and
26 the Alaska Public Utilities Commission so that the interests of the citizens
27 of Alaska may be fully protected and advanced.

28 COPIES of this resolution shall be sent to the Honorable Richard E.
29 Wiley, Chairman, Federal Communications Commission; the Honorable Ted Stevens

1 and the Honorable Mike Gravel, U.S. Senators, the Honorable Don Young, U.S.
2 Representative, members of the Alaska delegation in Congress; to the members
3 of the Alaska Public Utilities Commission; and to the Governor's Office of
4 Telecommunications.

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Introduced: 3/18/77
Referred: Special Committee on
Telecommunications

BY THE STATE AFFAIRS COMMITTEE
BY REQUEST

1 IN THE HOUSE

2 HOUSE JOINT RESOLUTION NO. 32

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to review of interstate and
6 intrastate telephone service and rates.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS Alaska is a land of vast distances, rugged terrain, widely
9 scattered population, and limited transportation facilities; and

10 WHEREAS the people of Alaska must rely in large measure upon telephone,
11 telegraph and other telecommunications services as a substitute for trans-
12 portation; and

13 WHEREAS the people of Alaska have been required to pay far higher rates
14 for interstate telephone service than have citizens in other states; and

15 WHEREAS the advent of satellite communications has largely eliminated
16 distance as a factor in setting long distance telephone rates, thus making
17 possible the lowering of charges for interstate long distance telephone
18 service; and

19 WHEREAS the Federal Communications Commission determined in 1973 that
20 this historic discrimination against the people of Alaska should be eliminated
21 through the integration of rates for Alaska telecommunications service into
22 the rate patterns existing in the contiguous forty-eight states, and that
23 the rate integration should take place with the beginning of domestic
24 satellite service to Alaska; and

25 WHEREAS RCA Alascom and the American Telephone and Telegraph Company
26 have stated their intention to the Federal Communications Commission to
27 implement a rate integration plan; and

28 WHEREAS rate integration, as proposed, will eliminate the disparity in
29 interstate telephone rates to Alaska in three approximately equal steps, the

1 first of which began in March, 1976; and

2 WHEREAS phase II of rate integration, scheduled to be implemented on
3 July 1, 1977, will provide a 50 per cent reduction in the existing disparity
4 between the rates paid by Alaska consumers for interstate telephone calls
5 and those paid by consumers in the contiguous forty-eight states; and

6 WHEREAS this reduction in interstate telephone rates will provide signi-
7 ficant public benefits by making service more widely affordable and by
8 strengthening the ties of Alaskans to their fellow citizens in other states;
9 and

10 WHEREAS the local long lines carrier, RCA Alascom, has recently sought
11 to delay the introduction of phase II of rate integration and its attendant
12 benefits to the people of Alaska by claiming, without any relevant justifica-
13 tion, that rate integration could lead to a 300 per cent increase in Alaska
14 intrastate telephone rates; and

15 WHEREAS RCA Alascom has failed to provide a rate integration proposal
16 for phases II and III, and the data underlying that proposal, as promised
17 to the Federal Communications Commission and the people of Alaska; and

18 WHEREAS RCA Alascom has provided no relevant, documented justification
19 for any delay in the scheduled implementation of phase II of rate integration
20 on July 1, 1977; and

21 WHEREAS no increase in intrastate telephone rates may be or should be
22 implemented without the submission of complete documentation and justification
23 to the Alaska Public Utilities Commission; and the full consideration of that
24 body; and

25 WHEREAS RCA Alascom has never been subjected to a thorough regulatory
26 audit nor have its interstate or intrastate telephone rates ever been investi-
27 gated as permitted and provided for in the Alaska statutes and the Federal
28 Communications Act of 1934;

29 BE IT RESOLVED that the Alaska State Legislature urges

1 1. the Federal Communications Commission to disapprove any request for
2 a delay in the implementation of phase II of rate integration as planned on
3 July 1, 1977;

4 2. the Federal Communications Commission to institute under its powers
5 granted by the Communications Act of 1934 an investigation, audit and rate
6 proceeding to determine the lawfulness of all RCA Alascom charges, practices,
7 classifications and regulations for or in connection with its interstate
8 telecommunications services;

9 3. the Alaska Public Utilities Commission to institute an investigation,
10 audit and rate proceeding to determine the lawfulness of RCA Alascom's
11 intrastate rates, classifications, rules, regulations, practices, services
12 and facilities under AS 42.05;

✓ 13 4. the Governor through his Office of Telecommunications to participate
14 fully in these proceedings before the Federal Communications Commission and
15 the Alaska Public Utilities Commission so that the interests of the citizens
16 of Alaska may be fully protected and advanced.

17 COPIES of this resolution shall be sent to the Honorable Richard E.
18 Wiley, Chairman, Federal Communications Commission; the Honorable Ted Stevens
19 and the Honorable Mike Gravel, U.S. Senators, the Honorable Don Young, U.S.
20 Representative, members of the Alaska delegation in Congress; to the members
21 of the Alaska Public Utilities Commission; and to the Governor's Office of
22 Telecommunications.

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

I. REQUEST

Bill No. SB 117
 Title: Relating to review of Interstate and Intrastate telephone service and rates.
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Office of The Governor Program: Telecommunications

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL			20.0			
300 CONTRACTUAL			80.0			
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAUSES, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND			100.00			
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

It's assumed that three regulatory proceedings will be initiated in early FY78 involving the Federal Communications Commission, The Alaska Public Utilities Commission and RCA Alaska Communications. The Office of Telecommunications, representing the Office of The Governor has been actively involved in issues pertinent to these proceedings and our continued legal and economic input will be necessary to ensure the development of viable telecommunications policies for the State of Alaska.

IV. ATTACHMENTS

V. DATE: April 7, 1977 PREPARED BY: Raymond S. Johnson

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

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

REQUEST

Bill/Resolution No. CS HJR 32

Title Relating to Review of Interstate and Intrastate Telephone Service & Rates

Requested by House Commerce Committee

Date 30 March 1977

II. FISCAL DETAIL

Agency Affected Commerce and Economic Development

Program Category Affected Protection

Budget Request Unit(s) Affected Alaska Public Utilities Commission

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		250.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS CLAIMS ETC.						

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND		250.0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

1. The APUC does not have staff to accomplish tasks set forth in a full rate proceeding with RCAA. Revenue requirements and rate of return will be contracted to consultants outside the state.
2. It is anticipated that a portion of the expenses associated with the investigation and hearing would be allocated back to RCAA under Sec. 42.05.651 of the Alaska Statutes. Monies received from allocated costs return to the General Fund.

IV. DATE March 30, 1977

PREPARED BY Harvin R. Weatherly, Commissioner

AGENCY Alaska Public Utilities Commission

PHONE 272-1437

Original: Legislative Finance

cc. Budget and Management

Prime Sponsor (First Legislator Named)

Am Jur. references. — 18 Am. Jur., Electricity, § 34; 43 Am. Jur., Public Utilities and Services, §§ 194, 195, 205.

Sec. 42.05.651. Expenses of investigation or hearing. After completion of a hearing or investigation held under this chapter, the commission shall allocate the costs of the hearing or investigation among the parties, including the commission, as is just under the circumstances. In allocating costs, the commission may consider the results, ability to pay, evidence of good faith, other relevant factors and mitigating circumstances. The costs allocated may include the costs of any time devoted to the investigation or hearing by hired consultants, whether or not the consultants appear as witnesses or participants. The costs allocated may also include any out-of-pocket expenses incurred by the commission in the particular proceeding. The commission shall provide an opportunity for any person objecting to an allocation to be heard before the allocation becomes final. (§ 6 ch 113 SLA 1970)

Sec. 42.05.661. Application fees. With each application relating to a certificate the applicant shall pay the commission a fee of \$50 which shall be deposited in the general fund of the state. (§ 6 ch 113 SLA 1970)

Sec. 42.05.671. Public disclosure of information. Facts and information in the possession of the commission are public, and reports, files, books, accounts and papers of every nature in its possession except records which by regulation are designated to be of a nonpublic or privileged nature are open to public inspection at reasonable times. However, a person may make written objections to the public disclosure of information contained in an application, report or document filed under the provisions of this chapter or of information obtained by the commission under the provisions of this chapter, stating the grounds for the objection. When an objection is made, the commission shall order the information withheld from public disclosure if the information would adversely affect the interest of that person and is not required in the interest of the public. (§ 6 ch 113 SLA 1970)

Sec. 42.05.681. Validity of certain certificates. No certificate issued before July 29, 1968, to a public utility for the generation, transmission, or distribution of electric energy and power, or for the furnishing of telecommunications may be considered as terminated, or voided, for the sole reason that the utility did not or would not produce an annual gross income in excess of \$25,000. (§ 6 ch 113 SLA 1970)

Sec. 42.05.691. Utility classes. The commission may by regulation provide for the classification of public utilities based upon differences in annual revenue, assets, nature of ownership and other appropriate distinctions and as between these classifications, by regulation, provide for different reporting, accounting and other regulatory requirements. (§ 6 ch 113 SLA 1970)

Title 39
Public Officers
and Employees

Title 40
Public Records
and Records

Title 41
Public Resources

Title 43
Public Utilities
and Carriers

Title 42
Public Utilities
and Carriers

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY	CATEGORY	code	General Govern
Office of the Governor	PROGRAM	96	Public Service
DIVISION	SUB-PROGRAM	12	
Telecommunications	ELEMENT	01	
	SUB-ELEMENT	02	Social Service

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES	287,900	-0-	287,900
200	TRAVEL	45,000	-0-	45,000
300	CONTRACTUAL SERVICES	245,700	255,000	480,700
400	COMMODITIES	6,100	-0-	6,100
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE			
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	584,700	255,000	819,700
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	584,700	255,000	819,700
	INTER-AGENCY TRANSFERS			
	OTHER:			
	TOTAL	584,700	255,000	819,700
	PERMANENT FULL-TIME POSITIONS	\$	\$	\$
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS	96	96	96

(CURRENT FY)

	FY 75	FY	FY	FY	FY	FY
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

OT FY 78 Anticipated Professional Service Expenditures by Category

