

LEG. FINANCE - BILLS 1457 757
HB 619 cont., thru HB 627 1977 - 1978 757

WORKMAN'S COMPENSATION
YEARLY REPORT

OCT 25 1977

NAME	FY'76 & PRIOR	FY'77	TOTAL	CLOSURE STATUS	Northampton's Compensation Board
					FY CLOSED
1 AHERN, James	-0-	10000	10000		
2 ANDERSON, Robert	268877	169805	438684		
3 BACHMEIR, Dean	162378	-0-	162378	26	07-14-76
4 BELL, Adam	6326	-0-	6326	26	10-27-76
5 BELL, Mary	140380	20000	160380	28	01-05-77
6 BOATRIGHT, Robert	106605	-0-	106605		
7 BOOTH, Wilbur	135389	359825	495214	26	06-14-77
8 BRODIGAN, John	-0-	60000	60000		
9 BROOKS, Karen	64095	130500	194595		
10 BYINGTON, Phillip	435820	64130	499950		
11 CACHET, Michael	-0-	-0-	-0-	26	06-27-77
12 CARLOS, Gary	162020	170400	332420	26	03-09-77
13 CHRISTIE, Russell	218450	143000	361450		
14 CLOUSER, Donald	242289	171400	413689		
15 COBB, O.B.	-0-	88300	88300		
16 CRUM, Marvin	266521	28000	294521		
17 DENNIS, Michael	-0-	47996	47996		
18 EVERETTE, Kelly	4875	-0-	4875		
19 FOSTER, Larry	-0-	-0-	-0-	28	05-25-77
20 GALLOWAY, Warren	6975	312990	319965		
21 GRAY, Robert	-0-	110364	110364	28	04-05-77
22 GREENFIELD, Joan	-0-	239525	239525		
23 HALLIDAY, William	291980	1741	292721	26	04-25-77
24 HAMMOND, Roy	-0-	129547	129547		
25 HARTWELL, Bill	70781	217232	288013		
26 HATFIELD, Christine	118558	-0-	118558	26	11-26-76
27 HOPPER, John	412344	-0-	412344	26	10-06-76
28 KINNEY, Rebecca	-0-	-0-	-0-		
29 KOGLER, Thomas	-0-	-0-	-0-	26	12-01-76
30 LAJOIE, Lawrence	-0-	-0-	-0-	28	04-01-77
31 LESLIE, Anthony	-0-	22700	22700		
32 LOERNIG, Mark	-0-	74238	74238	26	02-05-77
33 McWILLIAMS, Thomas	129351	80751	210102	26	01-13-77
34 MILLER, James	68629	-0-	68629	26	10-04-76
35 MITCHELL, Joseph	483205	-0-	483205		
MITCHELL, Mike	-0-	24144	24144		
MOORE, Gary	14390	75709	90099		
NASH, Susan Kay	-0-	157800	157800		
NORDEN, Cornelius	-0-	478672	478672		
PATTERSON, Dan	-0-	385680	385680	28	06-20-77

WORKMAN'S COMPENSATION
YEARLY REPORT

	NAME	FY'76 & PRIOR	FY'77	TOTAL	CLOSURE STATUS	FY CLOSED
1	PFEFFER, Peter	42347	4100	46457	26	06-16-77
2	PITTS, Donald	89085	159211	248296		
3	POWERS, Wayne	-0-	42135	42135		
4	RODGERS, Evans	-0-	-0-	-0-	30	03-29-77
5	RÖMBERG, David	-0-	55030	55030		
6	ROSS, Donald	-0-	30000	30000		
7	ROSS, Paul	389405	-0-	389405		
8	RYPARSKI, Ron	-0-	33060	33060	28	05-26-77
9	SCHMOOK, Phil	239184	-0-	239184	26	02-02-77
10	SEIMS, Jerry	-0-	498220	498220		
11	SHAFFER, Richard	438504	61496	500000		
12	SMALLEY, Edward	224390	16060	240390	26	03-29-77
13	STARKEY, James	63232	38232	101464	26	01-07-77
14	STEELE, Myrtle	-0-	-0-	-0-	28	10-29-76
15	TILMAN, James	-0-	-0-	-0-	28	10-29-76
16	VEGA, William	-0-	-0-	-0-		
17	VINCINI, Howard	-0-	73984	73984		
18	VINCENT, Albert	163086	-0-	163086	26	01-20-77
19	WALRATH, Alden	-0-	43820	43820		
20	WEST, Harvey	132756	132756	265512		
21	RICKS, Patricia (Adj.)	-0-	(7160)	(7160)		
22		5592256	4954383	10546639		
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

RECEIVED

OCT 25 1977

State Workmen's
Compensation Board

MEMORANDUM

TO:

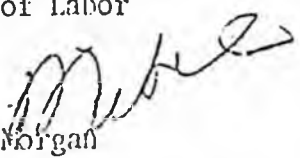
Paul House
Workmen's Compensation
Department of Labor

DATE: November 4, 1977

FILE NO. 208

TELEPHONE NO.

FROM:


Michael C. Morgan
Director
Division of Vocational Rehabilitation
Department of Education

SUBJECT: Workmen's Compensation for FY-78
Second Injury Funds/Vocational
Rehabilitation Costs

As requested, we have projected the costs for Workmen's Compensation for FY-78 as follows:

Estimated number of clients - 55

Estimated cost per client - \$ 1,128.

Estimated cost - FY-78 - \$62,028.

If additional information is required, please contact me.

NCM:gk

OFFICE OF THE COMMISSIONER
DEPARTMENT OF LABOR

William C. Mullin, Director
Division of Finance
Department of Administration

August 22, 1977

AKAS (GA 8-21)

465-2759

Tom Haas *Tom Haas*
Finance Officer
Administrative Services

Second Injury

Second Injury Program reserve balance is as follows:

Reserve Balance 6-30-76	\$ 217,777
Revenue Received	<u>445,414</u>
Balance	\$ 663,191
Expenditures	<u>299,381</u>
Balance as of 6-30-77	<u>\$ 363,810</u>

cc: John Cook, Director, Workmen's Compensation
Paul House, Workmen's Compensation Officer, W/C
Ploy Rogers, Accountant, Administrative Services

TH:PR/11

3
Program Accomplishment Plan

OBJ. NO.	MEASURE	PRIOR YEAR (PY)		CURRENT YEAR PLAN (CY)	BUDGET YEAR (BY)			
		PLAN	ACTUAL		MAINTENANCE	AGENCY REQUEST	GOVERNOR'S BUDGET	LEGISLATIVE INTENT
	It is felt that prior and current year methods measure work load rather than program impact.							
1.	Number of claimants entering training programs.	45	42	55				
2.	Number of claimants in training programs.	40	22	50				
3.	Number of claimants completing training programs.	40	36	50				
	CHANGE TO:							
1.	Percent of injured workers eligible for Second Injury Fund benefits (est.).				5	5		
2.	Percent of injured workers receiving Second Injury Fund services.				2	2		
3.	Number of injured workers employed after completing retraining programs.				50	50		

BRU Emp. Serv. for Disabled - Second Injury Fund

BRU CODE 07-25-1-15-02-00

REVISED

3

PROGRAM ACCOMPLISHMENT PLAN

1130

18 Lands Grants Miscella

CODE	EXPENDITURE CLASSIFICATION	PRIOR YEAR (PY) ACTUAL	CURRENT YEAR (CY) AUTHORIZED	BUDGET YEAR (FY)			GOVERNOR'S BUDGET
				Maintenance	Change	Requis	
600	LAND BUILDING, NON-STRUCTURAL IMPROVEMENTS						
960	INTER-AGENCY TRANSFERS (Non-Add)						
700	TOTAL GRANTS, CLAIMS, SHARED REVENUE	197.1	199.1	215.7		215.7	215.7
970	INTER-AGENCY TRANSFERS (Non-Add)	60.0	90.0	90.0		90.0	
800	MISCELLANEOUS						

EXPLANATION:

700 Judgement Claims: AS 23.30.040 provides for vocational rehabilitation costs for injured workers including training, transportation and maintenance not to exceed \$5,000 per individual. Including 6% inflation for re-training costs, the average cost per individual is estimated at \$2,400 with the objective of 50 claimants completing programs in FY 78 both in Alaska and the lower 48.

\$120,000

AS 23.30.205 provides reimbursement to employers when injuries to workers, combined with pre-existing disabilities, result in disability exceeding 104 weeks. PY costs for reimbursement to employers/carriers amounted to approximately \$87,000. Records indicate that reimbursement costs increase at the rate of approximately 10% per year. Estimates are rough however, since entitlement of the reimbursement is determined by the Workmen's Compensation Board.

\$ 95,700

BRU Emp. Serv. for Disabled - Second Injury Fund BRU CODE 07-25-1-15-02-00 REVISED

18 LANDS
GRANTS
MISCELLANEOUS

1141

Explanation

970 Inter-Agency Transfers: Under a cooperative agreement with the Workmen's Compensation Division, the Vocational Rehabilitation Division, provides rehabilitation and retraining services for injured workers residing in Alaska, Washington and Oregon areas.

\$ 90,000

BRU Emp. Serv. for Disabled - Second Injury Fund

BRU CODE 07-25-1-15-02-00

REVISED

EXPLANATION

1142

MEMORANDUM

RECEIVED
SEP 21 1977
BUDGET & MANAGEMENT

TO [Ron Lind
Division of Budget & Management
Department of Administration

DATE September

FILE NO.

TELEPHONE NO.

Attention: Dan Dawson

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

SUBJECT Supplemental Appropriation for
Administration of Workmen's
Compensation.

After reviewing prior year actual costs and the authorized FY 78 Budget we find that Administration of Workmen's Compensation will need a supplemental appropriation of \$39.3 in Object Group 790 of our FY 78 budget to meet statutory obligations.

A.S. 23.30.172, the 1974 amendment to the Workmen's Compensation Act, requires payment of Worker's Compensation benefits at current rates regardless of the date of injury. It further provides that funds necessary to carry out that requirement be appropriated from the General Fund.

Presently direct payment to 91 permanently and totally disabled workers is being made at the rate of \$532,000 per year. From past experience we anticipate an increase of 5 new claimants with payments amounting to \$6,000 annually per individual. With a budget allocation of only \$522.0 for FY 78 this will generate a short fall of \$39.3.

This request for a supplemental appropriation of \$39.3 is necessary to meet the statutory requirement for direct payment to disabled workers.

JC/re

STATE
of ALASKA

MEMORANDUM

OFFICE OF THE COMMISSIONER
ADMINISTRATIVE SERVICES

RECEIVED
NOV 09 1977

TO: Ron Lind
Director
Division of Budget & Management

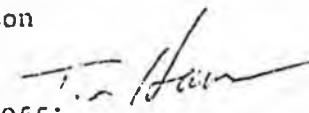
DATE: November 9, 1977

BUDGET & MANAGEMENT

ATTN: Dan Dawson

FILE NO. AKAS (FM 3-2)

TELEPHONE NO. 465-2722

FROM: Tom Haas 
Finance Officer

SUBJECT: FY 78 Supplemental Request
Analysis for Workmen's Comp.

Please find attached the FY 78 Supplemental Request Analysis form as requested by your memo dated October 26, 1977 for the Workmen's Compensation Supplemental Request.

If there are any questions please call Ellen Baxter.

Attachment

cc: John Cook
Ellen Baxter

FY 77 BUDGET REQUEST ANALYSIS

	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 - 6/30	FY 78 (DEFICIT) OR EXCESS	FY 79 MAINTENANCE REQUEST
PERSONAL SERVICES	310.2	308.1	286.7	286.7	312.8	88.8	12.5	211.5	-0-	361.2
TRAVEL	40.3	32.2	42.8	42.8	42.8	11.5		31.3	-0-	43.7
CONTRACTUAL SERVICES	99.0	63.3	97.0	48.3	48.3	40.7		7.6	-0-	70.0
COMMODITIES	11.5	5.2	12.2	12.2	12.2	1.6		10.6	-0-	12.9
EQUIPMENT	2.0	2.3	1.0	1.0	1.0	-0-		1.0	-0-	2.3
LANDS, BLDGS. ...		3.0	4.7	4.7	4.7	3.2		1.5	-0-	3.2
GRANTS, CLAIMS, ...	542.0	577.8	522.7	522.7	522.7	192.9		369.1	<39.3>	580.0
MISCELLANEOUS										
TOTAL	1,005.0	991.9	967.1	918.4	944.5	338.7	12.5	632.6	<39.3>	1,073.3
FEDERAL RECEIPTS REQUIRED OF MATCHING										
OTHER GENERAL FUND	1,005.0	991.9	967.1	918.4	944.5	338.7	12.5	632.6	<39.3>	1,073.3
INTER-AGENCY RECEIPTS										

AGENCY LABOR

ERU WORKMEN'S COMP

COMPONENT WORKMEN'S COMP

REVISED

Jay S. Hammond, Governor
State of Alaska

May 20, 1977

RP 77-412

Ronald B. Lind, Director
Division of Budget and Management
Office of the Governor

Dept. of Labor Request to Transfer
\$45,000 to the Workmen's Compensation
Appropriation

The Department of Labor requests your approval to transfer \$45,000 from the appropriation of the Office of the Commissioner in the Social Services category to the appropriation of Administration of Workmen's Compensation in the Administration of Justice category to help fund Workmen's Compensation payments made from State funds per SLA 1974, Chapter 51, Section 2.

The Department of Labor's request in October 1976 for \$40,300 supplemental funding of these workmen's compensation payments was based on a shortfall estimate made early in the fiscal year with information available at that time. The estimate was based on the projected average weekly wage (determined under AS 23.30.220 on January 1 of each year) for the last half of FY 77 and the number of disabled persons estimated to be eligible for State funded compensation payments during FY 77.

The weekly wage determination on January 1, 1977 was \$28.15 or 7% over the projected amount. The Department's actual monthly payments, made through April 30, 1977, have averaged \$42,813 per month, or \$5,255 per month over the FY 77 appropriation, which generates a shortfall of \$63,060.

In addition, the Department has informed this office that between October 26, 1976, and February 1, 1977, the Workmen's Compensation Board awarded lump sum retroactive payments to five beneficiaries whose cases were in dispute, some for as long as a year, pending board adjudication. The total amount of these lump sum payments qualifying for State general funding under SLA 1975, Chapter 51, is \$41,514.

The total shortfall identified by the Department is \$104,574. Provided HB 165 for \$40,300 is passed by the Senate, the additional funds necessary to fund the shortfall will be \$64,300. Of this amount, \$19,300 has been made available because of savings in the Employment Security Division's support services section resulting in a reduced demand for support payments budgeted as inter-agency transfers in the Workmen's Compensation budget. The remaining \$45,000 is available in the Commissioner's Office from position vacancies of an Assistant Commissioner and a Clerk Typist, forced by the Commissioner in order to realize the full savings projected to result from implementation of the Governor's Efficiency Recommendations. The Free Conference Committee has deleted these two positions from the FY 78 budget.

The Department has asked that decisions on this request be expedited because workmen's compensation payments for May will be \$5,000 short and there is no money for June payments.

Your approval is recommended in accordance with the provisions of SLA 1976, Chapter 279, Section 13(3).

Ronald B. Lind, Director
Division of Budget & Management
Office of the Governor

Approved this 21 day of May, 1977.

Jay S. Hammond, Governor
State of Alaska

Legislative Budget & Audit Committee
Date: 5/28/77

RL/DB/dtp

Introduced: 1/12/78
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 619

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 Department of Labor, vocational rehabilitation and
8 Pump Station #8; and providing for an effective
9 date."

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

11 * Section 1. The sum of \$181,672 is appropriated from the Second Injury
12 Fund to the Department of Labor, allocated as follows:

13	FY 77 payment to Division of Vocational	
14	Rehabilitation	\$49,544
15	FY 78 payment for Pump Station # 8 injury	70,128
16	FY 78 payment to Division of Vocational	
17	Rehabilitation	62,000

18 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
19 10.070(c).

Work Draft

Walker

Original sponsor: Rules Committee
by request of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 619

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 special appropriations to the Department
7 of Labor and to the Office of the Governor; 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 \$181,672 is appropriated from the second injury
11 fund to the Department of Labor, to be allocated as follows:

- | | |
|--|----------|
| 12 (1) fiscal year 1977 payment to division of voca- | |
| 13 tional rehabilitation | \$49,544 |
| 14 (2) fiscal year 1978 payment for Pump Station | |
| 15 #8 injury | 70,128 |
| 16 (3) fiscal year 1978 payment to division of | |
| 17 vocational rehabilitation | 62,000 |

18 * Sec. 2. The sum of \$10,000 is appropriated from the general fund to
19 the Office of the Governor to be paid as a grant to the Kotzebue Sound
20 Fisheries Cooperative.

21 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
22 070(c).

23

24

25

26

27

28

29

#

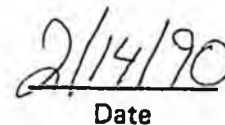


RECORDS CERTIFICATION



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


Signature of Camera Operator


Date

Committee Report

S E N A T E

Mr. President:

_____ Date

The Committee on _____ has had _____

under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

CHAIRMAN

Original sponsors: Rudd, Bradley,
Buchholdt, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 622 (Finance)

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 special appropriation to the Depart-
7 ment of Transportation and Public Facilities to con-
8 tinue the construction of a North-South runway at
9 Anchorage International Airport; and providing for an
10 effective date."

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

12 * Section 1. The sum of \$5,000,000 is appropriated from the Alaska Inter-
13 national Airports Revenue Fund to the Department of Transportation and Public
14 Facilities for the purpose of continuing construction of the North-South
15 runway at the Anchorage International Airport.

16 * Sec. 2. The allocation of funds under sec. 1 of this Act is subject to
17 reimbursement to the Alaska International Airports Revenue Fund by the De-
18 partment of Transportation and Public Facilities upon receipt of funds desig-
19 nated for this project from the Federal Aviation Administration.

20 * Sec. 3. The unexpended and unobligated portion of the appropriation
21 made by sec. 1 of this Act lapses December 31, 1978 into the Alaska Inter-
22 national Airports Revenue Fund.

23 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
24 070(c).

25 Handwritten signature and scribbles, possibly including the name 'BRADLEY' and other illegible marks.

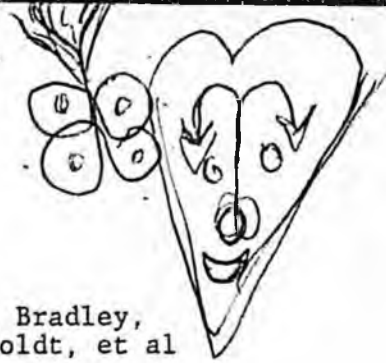
26
27
28
29

#

North-South Runway
1978 Construction

1.	120 acres clearing		\$ 240,000
2.	Excavation and disposal of pavement (service roads)		13,000
3.	Peat Excavation		2,700,000
4.	Storm sewer (culvert pipe)		
	54"	44,400	
	66"	100,725	
	78"	203,400	
	84"	<u>222,200</u>	
			570,725
5.	Man holes		
	First	40,000	
	Second	<u>7,500</u>	
			47,500
6.	Fencing material		
	chain link fence	448,200	
	gates for fence	<u>6,000</u>	
			454,200
7.	Utilities for runway		
	sewer pipe	50,850	
	water pipe	71,400	
	pipe casing	20,000	
	valve boxes	<u>3,200</u>	
			<u>145,450</u>
			\$4,170,875
	Plus 15% for engineering, design, contingencies		<u>625,631</u>
	TOTAL		\$4,796,506

Provided by: Ted Moore
3/28/78



Original sponsors: Rudd, Bradley,
Buchholdt, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 622 (Finance)

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 special appropriation to the Department of Transportation and Public Facilities to continue the construction of a North-South runway at Anchorage International Airport; and providing for an effective date."

7

8

9

10

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

12 * Section 1. The sum of \$5,000,000 is appropriated from the Alaska International Airports Revenue Fund to the Department of Transportation and Public Facilities for the purpose of continuing construction of the North-South runway at the Anchorage International Airport.

16 * Sec. 2. The allocation of funds under sec. 1 of this Act is subject to reimbursement to the Alaska International Airports Revenue Fund by the Department of Transportation and Public Facilities upon receipt of funds designated for this project from the Federal Aviation Administration.

20 * Sec. 3. The unexpended and unobligated portion of the appropriation made by sec. 1 of this Act lapses December 31, 1978 into the Alaska International Airports Revenue Fund.

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

25

26

27

28

29

#

North-South Runway
1978 Construction

1.	120 acres clearing		\$ 240,000
2.	Excavation and disposal of pavement (service roads)		13,000
3.	Peat Excavation		2,700,000
4.	Storm sewer (culvert pipe)		
	54"	44,400	
	66"	100,725	
	78"	203,400	
	84"	<u>222,200</u>	
			570,725
5.	Man holes		
	First	40,000	
	Second	<u>7,500</u>	
			47,500
6.	Fencing material		
	chain link fence	448,200	
	gates for fence	<u>6,000</u>	
			454,200
7.	Utilities for runway		
	sewer pipe	50,850	
	water pipe	71,400	
	pipe casing	20,000	
	valve boxes	<u>3,200</u>	
			<u>145,450</u>
			\$4,170,875
	Plus 15% for engineering, design, contingencies		<u>625,631</u>
	TOTAL		\$4,796,506

Provided by: Ted Moore
3/28/78

North-South Runway
1978 Construction


1.	120 acres clearing		\$ 240,000.
2.	Excavation and disposal of pavement (service roads)		13,000
3.	Peat Excavation		2,700,000
4.	Storm sewer (culvert pipe)		
	54"	44,400	
	66"	100,725	
	78"	203,400	
	84"	<u>222,200</u>	
			570,725
5.	Man holes		
	First	40,000	
	Second	<u>7,500</u>	
			47,500
6.	Fencing material		
	chain link fence	448,200	
	gates for fence	<u>6,000</u>	
			454,200
7.	Utilities for runway		
	sewer pipe	50,850	
	water pipe	71,400	
	pipe casing	20,000	
	valve boxes	<u>3,200</u>	
			<u>145,450</u>
			\$1,170,875
	Plus 15% for engineering, design, contingencies		<u>625,631</u>
	TOTAL		\$4,796,506

Provided by: Ted Moore
3/28/78

Page 2

order to preclude further delays in the project, such new Grant could only authorize payment of costs incurred subsequent to the date it was executed. The ramifications of this procedure pending the outcome of any appeal of an adverse decision in the present litigation was fully explained in our letter of November 25, 1977.

Sincerely,


LYLE K. BROWN
Director

Introduced: 1/12/78
Referred: State Affairs and
Finance

BY RUDD, BRADLEY, BUCHHOLDT,
COTTEN, GRUENING, MCKINNON,
MEEKINS AND MILES

1 IN THE HOUSE

2 HOUSE BILL NO. 622

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 special appropriation to the Depart-
7 ment of Transportation and Public Facilities to con-
8 tinue the construction of a North-South runway at
9 Anchorage International Airport; and providing for an
10 effective date."

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

12 * Sec. 1. The sum of \$15,000,000 is appropriated from the Alaska Interna-
13 tional Airports Revenue Fund to the Department of Transportation and Public
14 Facilities for the purpose of constructing the North-South runway at the
15 Anchorage International Airport.

16 * Sec. 2. The sum of \$5,600,000 is appropriated from the general fund to
17 the Department of Transportation and Public Facilities for the purpose of
18 constructing a North-South runway at the Anchorage International Airport.

19 * Sec. 3. The allocation of funds under secs. 1 and 2 of this Act is
20 subject to reimbursement to the appropriate fund by the Department of Trans-
21 portation and Public Facilities upon receipt of funds designated for this
22 project from the Federal Aviation Administration.

23 * Sec. 4. The unexpended and unobligated portion of this appropriation
24 lapses December 31, 1978 into the respective funds of secs. 1 and 2 of this
25 Act in proportion to their original contribution.

26 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
27 070(c).

28
29

#

HB
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

WASHINGTON, D.C. 20591

DATE: FEB 1, 1978 TO: All Members IWC

IN REPLY
REFER TO: ACC-70

SUBJECT: New Runway at Anchorage;
Funding Question

FROM: Chief, Environmental Law Staff

TO: AAP-600

RECEIVED

Department of Law

MAR 3 1978

Office of the Attorney General
Anchorage Branch
Anchorage, Alaska



In a recent conversation with the Regional Counsel's office in Alaska we were told that your office had advised the Regional Airports Division that FAA could reimburse the State of Alaska for sums advanced and spent by the State of Alaska for work on the proposed runway at Anchorage, specifically including sums spent by the State prior to the execution of a grant agreement between the FAA and the State of Alaska.

As you know the FAA is currently enjoined from spending any additional money for the development of the proposed new north-south runway at Anchorage International. The grant which had been issued last year provided some funds for preliminary site excavation and clearing. There is, of course, substantial additional work required to complete the development and construction of the proposed new runway. This work is expected to require two to three more years.

Representations have been made to the Court by the State of Alaska, working with the Airports Division of the FAA Alaskan Regional Office, with respect to costs/delay factors and timing of future work on this runway project assuming various start up dates following the trial of this case and a removal of the injunction by the Court. In short the Court has been led to believe, as I have been led to believe, that FAA funding would follow the judicial decision in this case.

As you know funding is limited by statutory requirements. Section 20(a)(2) of the Airport and Airway Development Act [49 U.S.C. 1720(a)(2)] provides that a project cost is allowable if it was incurred subsequent to the execution of a grant agreement with respect to a project.

We would appreciate your explaining to us what is going on.


LEONARD A. CERUZ

cc: ACC-10

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

WASHINGTON, D.C. 20501

7 FEB 1978



REPLY
OR TO: AAP-600

SUBJECT: New Runway at Anchorage

FROM: Chief, Development Programs Division, AAP-600

TO: AGC-70

Thank you for your inquiry of February 1 about the ADAP funding for the construction of a new runway at Anchorage. We had apparently been incorrect in our assumption that you were aware of the fact that the project had been approved as a multi-year funding project. Such project commits the sponsor to complete the job with the Federal Government obligating itself to an amount certain for the then current year with a commitment to obligate apportionment funds in future years.

In your memorandum to us of August 9, 1977, you advised that the injunction issued ". . . does not go to: (1) the actual construction of this runway by the State of Alaska. . . ." Under this interpretation, the State can proceed and obtain the benefits of the grant agreement covering the approved project subject to the restraints placed on the Federal Government by the injunction and the decision hereinafter reached by the Federal Court. If the Federal Government is successful in maintaining its position under the attack of the opposition in the pending action before the Court, then the terms of the existing grant will remain unchanged.

Section 20(a)(2) of the authorizing statute does not preclude the sponsor, as suggested, from incurring cost in its effort to construct the runway as the project was approved and the grant agreement thereon was established on June 3, 1977, by the sponsor's acceptance of the grant offer. The only risk that the sponsor could be taking in proceeding with the job would be our possible inability to defend ourselves in the action now pending before the Court. However, for your information we have not yet met our commitments of the grant agreement to obligate in 1978 the sponsor's apportionment funds to assist in paying for the project. We have interpreted the injunction as preventing such obligation under the commitment of the grant agreement until we establish our defense to the satisfaction of the Court and the injunction is terminated.

We recognize that projects requiring more than a year for completion with a structured financial scheme, as now authorized by law, running over a period of years is quite different from the projects most often found in ADAP. The advantages of these projects with multi-year financing

are numerous. In this very instance, we are advised that the sponsor may elect to go ahead with the project in the hope we can defend the grant under the attack made against it. To us, this is a sponsor's risk that it must evaluate and either accept or reject.

We trust that the foregoing brief remarks will assist you in understanding these projects with multi-year type financing and assist you in the defense of the action now pending before the Court.


Lamar E. Guthrie
LAMAR E. GUTHRIE

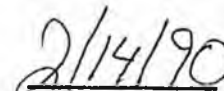


RECORDS CERTIFICATION



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


Signature of Camera Operator


Date

COMMITTEE REPORT
SENATE

4/14/78

FURTHER: NONE

Date: SEP 19 1978

Mr. President:

The Committee on FINANCE has had CS 622 (FIN) making special appropriation to Dept. of Transportation & Public Facilities to continue construction of North-South runway at Anchorage International Airport

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

() recommends it do pass () recommends it do not pass

(X) 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:

John Lockett

James B. ...

... ..

C. Tillian

Al Green

John ...

John Lockett
Chairman

Alaska State Legislature

HOME ADDRESS
P.O. BOX 65
GALENA, ALASKA 99741

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
TELEPHONE 465-3733



Senate

SENATOR
John C. Suckett
CHAIRMAN
SENATE FINANCE COMMITTEE
MEMBER
LABOR & MANAGEMENT COMMITTEE

May 10, 1978

Donald Harris, Commissioner
Department of Transportation
226 Seward Street
Pouch Z
Juneau, Alaska 99811

Dear Commissioner Harris:

The enclosed statement of income for the International Airports prepared by Price Waterhouse & Company was distributed at this morning's Senate Finance Committee meeting during a general discussion of an appropriation required to construct the Anchorage North-South runway.

Reading the statement, I notice that approximately \$1.9 million has been set aside as a "depreciation expense" on "contributed assets" which testimony indicated is in fact depreciation on federally funded improvements.

My question is: The International Airport Revenue Fund is setting aside a depreciation reserve for federally, as well as state constructed facilities. Why, then, is it necessary to fund rehabilitation and miscellaneous improvement projects from federal sources? Why don't you use the cash/investment reserves of the International Airport Revenue Fund to fund these projects, freeing the federal funds to be used for construction/rehabilitation of other state airports?

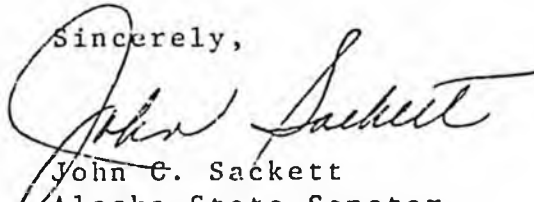
Three projects from the current budget appear to fall within the category of projects that could be funded from depreciation reserves rather than federal funds:

Rehabilitation of runway 6L at Anchorage	\$2,700,000
Miscellaneous remodeling at Anchorage	130,000
Miscellaneous improvements at Fairbanks	<u>70,000</u>
TOTAL:	\$2,900,000

Donald Harris, Commissioner
May 10, 1978
Page 2

I would appreciate receiving as soon as possible your comments on this. As you are well aware Free Conference on the budget has been formed and we will be dealing with these and other questions over the next several weeks.

Sincerely,



John C. Sackett
Alaska State Senator

JCS:jb
cc: Senator George Hohman
Chairman
Transportation Sub-committee

Enclosures



601 WEST FIFTH AVENUE ANCHORAGE, ALASKA 99501 - 907-279 147

April 18, 1978

Mr. Heinz Noonan
Department of Transportation
and Public Facilities
4111 Aviation Avenue
Anchorage, Alaska 99502

Dear Mr. Noonan:

As requested, we have compiled and enclose the unaudited statement of income of the State of Alaska International Airports for the year ended January 31, 1978. This statement was prepared from records supplied to us by the State of Alaska and, in accordance with your instructions, was not audited by us; accordingly, we do not express an opinion on such statement.

Yours very truly,

D. C. Regis

Enclosure-
As stated.

STATE OF ALASKA INTERNATIONAL AIRPORTS

(An Enterprise Fund of the State of Alaska)

STATEMENT OF INCOME
(Unaudited)

YEAR ENDED JANUARY 31, 1978

	<u>Anchorage</u>	<u>Fairbanks</u>	<u>Total</u>
Revenues:			
Operations	\$16,047,054	\$1,971,902	\$18,018,956
Interest	772,418	94,917	867,335
	<u>16,819,472</u>	<u>2,066,819</u>	<u>18,886,291</u>
Operating Expenses:			
Security	1,622,869	1,367,861	2,990,730
Field maintenance	2,219,544	427,802	2,647,346
Administrative	1,747,840	243,365	1,991,205
Other maintenance	869,918	700,300	1,570,218
Custodial	914,038	157,395	1,071,433
Bad debts	152,540	(1,106)	151,434
	<u>7,526,749</u>	<u>2,895,617</u>	<u>10,422,366</u>
Excess of revenues over operating expenses	<u>9,292,723</u>	<u>(828,798)</u>	<u>8,463,925</u>
Non-Operating Expenses:			
Interest expense	1,215,534	149,368	1,364,902
Depreciation expense -			
On assets acquired			
with own funds	859,582	386,189	1,245,771
On contributed assets	1,289,373	579,284	1,868,657
	<u>3,364,489</u>	<u>1,114,841</u>	<u>4,479,330</u>
Net income (loss)	<u>\$ 5,928,234</u>	<u>\$ (1,943,639)</u>	<u>\$ 3,984,595</u>

BASIS OF ALLOCATION

All items above are charged directly to the individual airports except for interest income, interest expense and depreciation expense. These items were allocated on the basis of gross revenues generated by each airport, except for depreciation expense, which was allocated based upon the assets at each airport.

Capital Budget Proposed Project

Form 26 MUST BE COMPLETED AND ATTACHED WITH EACH PROPOSED PROJECT REQUEST

TITLE ANCHORAGE RUNWAY 6L & E-W T/W REHAB		OPERATING BUDGET BRU	
PRIORITY 179.2	STARTING DATE June 1979	COMPLETION DATE Aug 1980	TOTAL PROJECT COST 3,000.0
LOCATION ANCHORAGE INTERNATIONAL		AREA SERVED ANCHORAGE	ELECTION DISTRICT 12-1
SOURCE OF COST ESTIMATE DOT Aviation Design Section		DATE OF ESTIMATE 7/77	

DESCRIPTION

This project consists of resurfacing the easterly 4000' of Runway 6L/24 with a 1-1/2" asphalt overlay and reconstructing the easterly 3500' of the parallel E-W taxiway to a heavy aircraft section. As a part of this program T/W interline W-1, W-3, E-1, E-3 and E-4 are to be widened and rehabilitated.

PROJECT TYPE	
BUILDING CONSTRUCTION	EQUIPMENT
OTHER IMPROVEMENT	LAND

PROJECT PURPOSE	
Major Maintenance (Rehab)	<input checked="" type="checkbox"/>
Improvement of Services	<input checked="" type="checkbox"/>
Accommodation of Increased Demand	<input type="checkbox"/>
New Program or Service Accommodation	<input type="checkbox"/>
Supplement Previously Authorized Funds	<input type="checkbox"/>
Preliminary Feasibility or Cost Studies	<input type="checkbox"/>
Other	<input type="checkbox"/>

PROJECT EXPENDITURES	TOTAL	BUDGET YEAR	BUDGET YEAR PLUS 1	BUDGET YEAR PLUS 2	REMAINING COST
TOTAL ANNUAL EXPENDITURE (Capital Cost)	3,000.0	1,200.0	1,800.0		
PLANNING AND ENGINEERING	300.0	150.0	150.0		
LAND					
CONSTRUCTION	2,600.0	1,000.0	1,600.0		
EQUIPMENT					
ADMINISTRATION AND OTHER	100.0	50.0	50.0		

OPERATIONAL COST AND NO. PERSONNEL INCREASE (DECREASE)	ULTIMATE ANNUAL	BUDGET YEAR	BUDGET YEAR PLUS 1	BUDGET YEAR PLUS 2
OTHER SOURCES				
GENERAL FUND	0	0	0	0
TOTAL ANNUAL OPERATIONAL COST				

APPROPRIATION REQUEST	
Federal Receipts	2,700.0
Required General Fund Matching	
Other General Fund	
G. O. Bonds	
ASIA Bonds	
Inter-Agency Transfers	
Other	TARE 300.0
TOTAL	3,000.0

AGENCY TRANSPORTATION PROGRAM AVIATION PROJECT & PRIORITY NO ANCHORAGE RUNWAY 6L & E-W T/W REHAB

25 CAPITAL BUDGET PROPOSED PROJECT

179.2

Capital Budget Proposed Project

Form 26 MUST BE COMPLETED AND ATTACHED WITH EACH PROPOSED PROJECT REQUEST

TITLE <u>ANCHORAGE - MISC. UPGRADING & REMODEL</u>			OPERATING BUDGET BRU		
PRIORITY <u>179.5</u>	STARTING DATE <u>Jan 1979</u>	COMPLETION DATE <u>Dec 1980</u>	TOTAL PROJECT COST <u>530.0</u>		
LOCATION <u>ANCHORAGE INTERNATIONAL</u>		AREA SERVED <u>ANCHORAGE</u>	ELECTION DISTRICT <u>12-J</u>		
SOURCE OF COST ESTIMATE <u>DOT AVIATION DESIGN SECTION</u>			DATE OF ESTIMATE <u>7/77</u>		
DESCRIPTION This program consists of work required at the airport which cannot be anticipated in long-range improvement programs but which are too major in scope to be taken care of within the operating budget.					
PROJECT TYPE					
BUILDING CONSTRUCTION		EQUIPMENT			
OTHER IMPROVEMENT		LAND			
PROJECT PURPOSE					
Major Maintenance (Rehab) <input type="checkbox"/>					
Improvement of Services <input type="checkbox"/>					
Accommodation of Increased Demand <input type="checkbox"/>					
New Program or Service Accommodation <input type="checkbox"/>					
Supplement Previously Authorized Funds <input type="checkbox"/>					
Preliminary Feasibility or Cost Studies <input type="checkbox"/>					
Other <input type="checkbox"/>					
APPROPRIATION REQUEST					
Federal Receipts					<u>130.0</u>
Required General Fund Matching					
Other General Fund					
S. O. Bonds					
ASIA Bonds					
Inter-Agency Transfers					
Other					<u>IARE 400.0</u>
TOTAL					<u>530.0</u>

PROJECT EXPENDITURES	TOTAL	BUDGET YEAR	BUDGET YEAR PLUS 1	BUDGET YEAR PLUS 2	REMAINING COST
TOTAL ANNUAL EXPENDITURE (Capital Cost)	<u>530.0</u>	<u>265.0</u>	<u>265.0</u>		
PLANNING AND ENGINEERING	<u>40.0</u>	<u>20.0</u>	<u>20.0</u>		
LAND					
CONSTRUCTION	<u>480.0</u>	<u>240.0</u>	<u>240.0</u>		
EQUIPMENT					
ADMINISTRATION AND OTHER	<u>10.0</u>	<u>5.0</u>	<u>5.0</u>		

OPERATIONAL COST AND NO. PERSONNEL INCREASE (DECREASE)	ULTIMATE ANNUAL	BUDGET YEAR	BUDGET YEAR PLUS 1	BUDGET YEAR PLUS 2
FUNDING SOURCE				
OTHER SOURCES				
GENERAL FUND	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ANNUAL OPERATIONAL COST				
POSITIONS FULL-TIME EQUIVALENTS				

AGENCY TRANSPORTATION PROGRAM AVIATION PROJECT & PRIORITY NO ANCHORAGE - MISC. UPGRADING & REMODEL

25 CAPITAL BUDGET
 PROPOSED PROJECT

1 79.5

Capital Budget Proposed Project

Form 26 MUST BE COMPLETED AND ATTACHED WITH EACH PROPOSED PROJECT REQUEST

TITLE		FAIRBANKS - MISC. MODIFICATIONS & IMPR.		OPERATING BUDGET BRU	
PRIORITY	179.4	STARTING DATE	Jan. 1979	COMPLETION DATE	Dec. 1980
TOTAL PROJECT COST			280.0		
LOCATION	FAIRBANKS INTERNATIONAL	AREA SERVED	FAIRBANKS	ELECTION DISTRICT	20.0
SOURCE OF COST ESTIMATE			DOT Aviation Design Section		
DATE OF ESTIMATE			7/77		

DESCRIPTION

This work consists of work required at the airport which cannot be anticipated in long-range improvement programs but which are too major in scope to be taken care of within the operating budge.

PROJECT TYPE	
BUILDING CONSTRUCTION	EQUIPMENT
OTHER IMPROVEMENT	LAND

PROJECT PURPOSE	
Major Maintenance (Rehab)	<input checked="" type="checkbox"/>
Improvement of Services	<input type="checkbox"/>
Accommodation of Increased Demand	<input type="checkbox"/>
New Program or Service Accommodation	<input type="checkbox"/>
Supplement Previously Authorized Funds	<input type="checkbox"/>
Preliminary Feasibility or Cost Studies	<input type="checkbox"/>
Other	<input type="checkbox"/>

PROJECT EXPENDITURES	TOTAL	BUDGET YEAR	BUDGET YEAR PLUS 1	BUDGET YEAR PLUS 2	REMAINING COST
TOTAL ANNUAL EXPENDITURE (Capital Cost)	280.0	140.0	140.0		
PLANNING AND ENGINEERING	30.0	15.0	15.0		
LAND					
CONSTRUCTION	240.0	120.0	120.0		
EQUIPMENT					
ADMINISTRATION AND OTHER	10.0	5.0	5.0		

OPERATIONAL COST AND NO. PERSONNEL INCREASE (DECREASE)		ULTIMATE ANNUAL	BUDGET YEAR	BUDGET YEAR PLUS 1	BUDGET YEAR PLUS 2
FUNDING SOURCE	OTHER SOURCES				
	GENERAL FUND	0	0	0	0
TOTAL ANNUAL OPERATIONAL COST					
POSITIONS FULL-TIME EQUIVALENTS					

APPROPRIATION REQUEST	
Federal Receipts	
Required General Fund Matching	70.0
Other General Fund	
G. O. Bonds	
ASHA Bonds	
Inter-Agency Transfers	
Other	210.0
TOTAL	280.0

AGENCY TRANSPORTATION PROGRAM AVIATION PROJECT & PRIORITY NO FAIRBANKS -MISC. MODIF. & IMPR.

25 CAPITAL BUDGET PROPOSED PROJECT

179.4

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

WASHINGTON, D.C. 20591

DATE: FEB 1, 1978 TO: All Members AEC

IN REPLY
REFER TO: ACC-70

SUBJECT: New Runway at Anchorage;
Funding Question

FROM: Chief, Environmental Law Staff

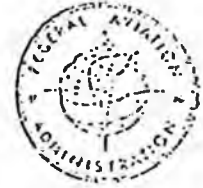
TO: AAP-600

RECEIVED

Department of Law

MAY 3 1978

Office of the Attorney General
Anchorage Branch
Anchorage, Alaska



In a recent conversation with the Regional Counsel's office in Alaska we were told that your office had advised the Regional Airports Division that FAA could reimburse the State of Alaska for sums advanced and spent by the State of Alaska for work on the proposed runway at Anchorage, specifically including sums spent by the State prior to the execution of a grant agreement between the FAA and the State of Alaska.

As you know the FAA is currently enjoined from spending any additional money for the development of the proposed new north-south runway at Anchorage International. The grant which had been issued last year provided some funds for preliminary site excavation and clearing. There is, of course, substantial additional work required to complete the development and construction of the proposed new runway. This work is expected to require two to three more years.

Representations have been made to the Court by the State of Alaska, working with the Airports Division of the FAA Alaskan Regional Office, with respect to costs/delay factors and timing of future work on this runway project assuming various start up dates following the trial of this case and a removal of the injunction by the Court. In short the Court has been led to believe, as I have been led to believe, that FAA funding would follow the judicial decision in this case.

As you know funding is limited by statutory requirements. Section 20(a)(2) of the Airport and Airway Development Act [49 U.S.C. 1720(a)(2)] provides that a project cost is allowable if it was incurred subsequent to the execution of a grant agreement with respect to a project.

We would appreciate your explaining to us what is going on.

LEONARD A. CERUZZI

cc: ACC-10

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

WASHINGTON, D.C. 20551

7 FEB 1978

REPLY
IN TO: AAP-600



SUBJECT: New Runway at Anchorage

FROM: Chief, Development Programs Division, AAP-600

TO: AGC-70

Thank you for your inquiry of February 1 about the ADAP funding for the construction of a new runway at Anchorage. We had apparently been incorrect in our assumption that you were aware of the fact that the project had been approved as a multi-year funding project. Such project commits the sponsor to complete the job with the Federal Government obligating itself to an amount certain for the then current year with a commitment to obligate apportionment funds in future years.

In your memorandum to us of August 9, 1977, you advised that the injunction issued ". . . does not go to: (1) the actual construction of this runway by the State of Alaska. . . ." Under this interpretation, the State can proceed and obtain the benefits of the grant agreement covering the approved project subject to the restraints placed on the Federal Government by the injunction and the decision hereinafter reached by the Federal Court. If the Federal Government is successful in maintaining its position under the attack of the opposition in the pending action before the Court, then the terms of the existing grant will remain unchanged.

Section 20(a)(2) of the authorizing statute does not preclude the sponsor, as suggested, from incurring cost in its effort to construct the runway as the project was approved and the grant agreement thereon was established on June 3, 1977, by the sponsor's acceptance of the grant offer. The only risk that the sponsor could be taking in proceeding with the job would be our possible inability to defend ourselves in the action now pending before the Court. However, for your information we have not yet met our commitments of the grant agreement to obligate in 1978 the sponsor's apportionment funds to assist in paying for the project. We have interpreted the injunction as preventing such obligation under the commitment of the grant agreement until we establish our defense to the satisfaction of the Court and the injunction is terminated.

We recognize that projects requiring more than a year for completion with a structured financial scheme, as now authorized by law, running over a period of years is quite different from the projects most often found in ADAP. The advantages of these projects with multi-year financing

are numerous. In this very instance, we are advised that the sponsor may elect to go ahead with the project in the hope we can defend the grant under the attack made against it. To us, this is a sponsor's risk that it must evaluate and either accept or reject.

We trust that the foregoing brief remarks will assist you in understanding these projects with multi-year type financing and assist you in the defense of the action now pending before the Court.

Lamar E. Guthrie
LAMAR E. GUTHRIE

HHC

HB 622

Uem

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

ALASKAN REGION
632 SIXTH AVENUE
ANCHORAGE, ALASKA 99501



March 21, 1978

Mr. Donald Harris, Commissioner
Alaska Department of Transportation
and Public Facilities
Pouch Z
Juneau, Alaska 99801

Anchorage International Airport
ADAP No. 6-02-0016-08

Dear Mr. Harris:

You have asked whether or not, in the event the present litigation in the case of Overbey v Adams, et al. is resolved in favor of the United States, the State of Alaska may be reimbursed under the Grant Agreement for Project No. ADAP 6-02-0016-08 for costs which might be incurred by the State in carrying out the project during the pendency of that litigation.


After a careful review of all applicable laws, it is the opinion of the Federal Aviation Administration that all project costs incurred by the State of Alaska in connection with Project No. ADAP 6-02-0016-08 subsequent to the execution of the Grant Agreement and which do not exceed the amount of \$32,797,746 (plus any increases therein authorized under Section 19 of the Airport and Airway Development Act), and which otherwise meet the tests of paragraphs 1, 3 and 4 of Subsection (a) of Section 20 of that Act, would constitute an allowable cost under Section 20(a)(2) thereof without regard to whether such costs exceed the amount of \$6,093,750 which has heretofore been obligated under said project for the 1977 fiscal year.

Although we believe this determination should alleviate the State of Alaska's concern relating to the expenditure of funds exceeding \$6,093,750 during such periods as FAA is enjoined from any payment or obligation, under the Grant Agreement, it must be recognized that, should the present preliminary injunction not be vacated and should there be a final determination that FAA is permanently enjoined from such payment or obligation, any costs incurred in connection with the project which have not heretofore been reimbursed could not thereafter be reimbursed. And, while it is not believed that an adverse decision in the present litigation could act as a bar to the issuance by the United States of an entirely new Grant Agreement for a project of the same scope, should that become necessary in

Page 2

order to preclude further delays in the project, such new Grant could only authorize payment of costs incurred subsequent to the date it was executed. The ramifications of this procedure pending the outcome of any appeal of an adverse decision in the present litigation was fully explained in our letter of November 25, 1977.

Sincerely,


LYLE K. BROWN
Director

Introduced: 1/12/78
Referred: State Affairs and
Finance

BY RUDD, BRADLEY, BUCHHOLDT,
COTTEN, GRUENING, MCKINNON,
MEEKINS AND MILES

1 IN THE HOUSE

2 HOUSE BILL NO. 622

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 special appropriation to the Depart-
7 ment of Transportation and Public Facilities to con-
8 tinue the construction of a North-South runway at
9 Anchorage International Airport; and providing for an
10 effective date."

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

12 * Sec. 1. The sum of \$15,000,000 is appropriated from the Alaska Interna-
13 tional Airports Revenue Fund to the Department of Transportation and Public
14 Facilities for the purpose of constructing the North-South runway at the
15 Anchorage International Airport.

16 * Sec. 2. The sum of \$5,600,000 is appropriated from the general fund to
17 the Department of Transportation and Public Facilities for the purpose of
18 constructing a North-South runway at the Anchorage International Airport.

19 * Sec. 3. The allocation of funds under secs. 1 and 2 of this Act is
20 subject to reimbursement to the appropriate fund by the Department of Trans-
21 portation and Public Facilities upon receipt of funds designated for this
22 project from the Federal Aviation Administration.

23 * Sec. 4. The unexpended and unobligated portion of this appropriation
24 lapses December 31, 1978 into the respective funds of secs. 1 and 2 of this
25 Act in proportion to their original contribution.

26 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
27 070(c).

28

29

#

Original sponsors: Rudd, Bradley,
Buchholdt, et al

Offered: 4/3/78
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 622 (Finance)

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 special appropriation to the Depart-
7 ment of Transportation and Public Facilities to con-
8 tinue the construction of a North-South runway at
9 Anchorage International Airport; and providing for an
10 effective date."

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

12 * Section 1. The sum of \$5,000,000 is appropriated from the Alaska Inter-
13 national Airports Revenue Fund to the Department of Transportation and Public
14 Facilities for the purpose of continuing construction of the North-South
15 runway at the Anchorage International Airport.

16 * Sec. 2. The allocation of funds under sec. 1 of this Act is subject to
17 reimbursement to the Alaska International Airports Revenue Fund by the De-
18 partment of Transportation and Public Facilities upon receipt of funds desig-
19 nated for this project from the Federal Aviation Administration.

20 * Sec. 3. The unexpended and unobligated portion of the appropriation
21 made by sec. 1 of this Act lapses December 31, 1978 into the Alaska Inter-
22 national Airports Revenue Fund.

23 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
24 070(c).

25

26

27

28

29

#

Original sponsors: Rudd, Bradley,
Buchholdt, et al

Offered: 2/6/78
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 622

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 special appropriation to the Depart-
7 ment of Transportation and Public Facilities to con-
8 tinue the construction of a North-South runway at
9 Anchorage International Airport and to provide for air-
10 port facilities on Little Diomedé Island and at
11 Aleknagik; and providing for an effective date."

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

13 * Sec. 1. The sum of \$15,000,000 is appropriated from the Alaska Interna-
14 tional Airports Revenue Fund to the Department of Transportation and Public
15 Facilities for the purpose of constructing the North-South runway at the
16 Anchorage International Airport.

17 * Sec. 2. The sum of \$5,600,000 is appropriated from the general fund to
18 the Department of Transportation and Public Facilities for the purpose of
19 constructing a North-South runway at the Anchorage International Airport.

20 * Sec. 3. The sum of \$1,600,000 is appropriated from the general fund to
21 the Department of Transportation and Public Facilities for the purpose of
22 providing airport facilities on Little Diomedé Island.

23 * Sec. 4. The sum of \$1,200,000 is appropriated from the general fund to
24 the Department of Transportation and Public Facilities for the purpose of
25 providing airport facilities at Aleknagik.

26 * Sec. 5. The allocation of funds under secs. 1 and 2 of this Act is
27 subject to reimbursement to the appropriate fund by the Department of Trans-
28 portation and Public Facilities upon receipt of funds designated for this
29 project from the Federal Aviation Administration.

North-South Runway
1978 Construction

1.	120 acres clearing		\$ 240,000
2.	Excavation and disposal of pavement (service roads)		13,000
3.	Peat Excavation		2,700,000
4.	Storm sewer (culvert pipe)		
	54"	44,400	
	66"	100,725	
	78"	203,400	
	84"	<u>222,200</u>	
			570,725
5.	Man holes		
	First	40,000	
	Second	<u>7,500</u>	
			47,500
6.	Fencing material		
	chain link fence	448,200	
	gates for fence	<u>6,000</u>	
			454,200
7.	Utilities for runway		
	sewer pipe	50,850	
	water pipe	71,400	
	pipe casing	20,000	
	valve boxes	<u>3,200</u>	
			<u>145,450</u>
			\$4,170,875
	Plus 15% for engineering, design, contingencies		<u>625,631</u>
	TOTAL		\$4,796,506

Provided by: Ted Moore
3/28/78



601 WEST FIFTH AVENUE ANCHORAGE, ALASKA 99501 - 907-279-1474

April 18, 1978

Mr. Heinz Noonan
Department of Transportation
and Public Facilities
4111 Aviation Avenue
Anchorage, Alaska 99502

Dear Mr. Noonan:

As requested, we have compiled and enclose the unaudited statement of income of the State of Alaska International Airports for the year ended January 31, 1978. This statement was prepared from records supplied to us by the State of Alaska and, in accordance with your instructions, was not audited by us; accordingly, we do not express an opinion on such statement.

Yours very truly,

A handwritten signature in cursive script, appearing to read "D. C. Regis".

D. C. Regis

Enclosure-
As stated.

CORRECTION

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

Original sponsors: Rudd, Bradley,
Buchholdt, et al

Offered: 2/6/78
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 622

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 special appropriation to the Department of Transportation and Public Facilities to continue the construction of a North-South runway at Anchorage International Airport and to provide for airport facilities on Little Diomedes Island and at Aleknagik; and providing for an effective date."

7

8

9

10

11

12

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

13

* Sec. 1. The sum of \$15,000,000 is appropriated from the Alaska International Airports Revenue Fund to the Department of Transportation and Public Facilities for the purpose of constructing the North-South runway at the Anchorage International Airport.

14

15

16

17

* Sec. 2. The sum of \$5,600,000 is appropriated from the general fund to the Department of Transportation and Public Facilities for the purpose of constructing a North-South runway at the Anchorage International Airport.

18

19

20

* Sec. 3. The sum of \$1,600,000 is appropriated from the general fund to the Department of Transportation and Public Facilities for the purpose of providing airport facilities on Little Diomedes Island.

21

22

23

* Sec. 4. The sum of \$1,200,000 is appropriated from the general fund to the Department of Transportation and Public Facilities for the purpose of providing airport facilities at Aleknagik.

24

25

26

* Sec. 5. The allocation of funds under secs. 1 and 2 of this Act is subject to reimbursement to the appropriate fund by the Department of Transportation and Public Facilities upon receipt of funds designated for this project from the Federal Aviation Administration.

27

28

29

1 * Sec. 6. The unexpended and unobligated portion of the appropriation
2 made by secs. 1 and 2 of this Act lapses December 31, 1978 into the respec-
3 tive funds in proportion to their original contribution.

4 * Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-
5 070(c).

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

North-South Runway
1978 Construction

1.	120 acres clearing		\$ 240,000
2.	Excavation and disposal of pavement (service roads)		13,000
3.	Peat Excavation		2,700,000
4.	Storm sewer (culvert pipe)		
	54"	44,400	
	66"	100,725	
	78"	203,400	
	84"	<u>222,200</u>	
			570,725
5.	Man holes		
	First	40,000	
	Second	<u>7,500</u>	
			47,500
6.	Fencing material		
	chain link fence	448,200	
	gates for fence	<u>6,000</u>	
			454,200
7.	Utilities for runway		
	sewer pipe	50,850	
	water pipe	71,400	
	pipe casing	20,000	
	valve boxes	<u>3,200</u>	
			<u>145,450</u>
			\$4,170,875
	Plus 15% for engineering, design, contingencies		<u>625,631</u>
	TOTAL		\$4,796,506

Provided by: Ted Moore
3/28/78



601 WEST FIFTH AVENUE ANCHORAGE, ALASKA 99501 - 907-279 1424

April 18, 1978

Mr. Heinz Noonan
Department of Transportation
and Public Facilities
4111 Aviation Avenue
Anchorage, Alaska 99502

Dear Mr. Noonan:

As requested, we have compiled and enclose the unaudited statement of income of the State of Alaska International Airports for the year ended January 31, 1978. This statement was prepared from records supplied to us by the State of Alaska and, in accordance with your instructions, was not audited by us; accordingly, we do not express an opinion on such statement.

Yours very truly,

D. C. Regis

Enclosure-
As stated.

STATE OF ALASKA INTERNATIONAL AIRPORTS

(An Enterprise Fund of the State of Alaska)

STATEMENT OF INCOME
(Unaudited)

YEAR ENDED JANUARY 31, 1978

	<u>Anchorage</u>	<u>Fairbanks</u>	<u>Total</u>
Revenues:			
Operations	\$16,047,054	\$1,971,902	\$18,018,956
Interest	772,418	94,917	867,335
	<u>16,819,472</u>	<u>2,066,819</u>	<u>18,886,291</u>
Operating Expenses:			
Security	1,622,869	1,367,861	2,990,730
Field maintenance	2,219,544	427,802	2,647,346
Administrative	1,747,840	243,365	1,991,205
Other maintenance	869,918	700,300	1,570,218
Custodial	914,038	157,395	1,071,433
Bad debts	152,540	(1,106)	151,434
	<u>7,526,749</u>	<u>2,895,617</u>	<u>10,422,366</u>
Excess of revenues over operating expenses	<u>9,292,723</u>	<u>(828,798)</u>	<u>8,463,925</u>
Non-Operating Expenses:			
Interest expense	1,215,534	149,368	1,364,902
Depreciation expense -			
On assets acquired with own funds	859,582	386,189	1,245,771
On contributed assets	1,289,373	579,284	1,868,657
	<u>3,364,489</u>	<u>1,114,841</u>	<u>4,479,330</u>
Net income (loss)	<u>\$ 5,928,234</u>	<u>\$ (1,943,639)</u>	<u>\$ 3,984,595</u>

BASIS OF ALLOCATION

All items above are charged directly to the individual airports except for interest income, interest expense and depreciation expense. These items were allocated on the basis of gross revenues generated by each airport, except for depreciation expense, which was allocated based upon the assets at each airport.

Prepared by H. J. ...
10:45 a.m.

May 8, 1978

PRESENT FINANCIAL POSITION

I. TOTAL INVESTMENTS IN INT'L AIRPORT REVENUE FUND \$ 17,900,000 (as of May 4, 1978)

II. CASH IN INT'L AIRPORT REVENUE FUND \$ 1,000,000 (as of May 4, 1979)

III. ANCHORAGE FAIRBANKS TOTAL

Revenues \$ 16,800,000 est. \$ 2,100,000 est. \$ 18,900,000 est.

Operating Expenses \$ 7,500,000 est. \$ 2,900,000 est. \$ 10,400,000 est.

Non-Op. Expenses \$ 3,400,000 est. 1,100,000 est. \$ 4,500,000 est.

Expenses
(incl. expense, Depreciation)
Assets acquired w/own Funds

NET INCOME \$ 5,900,000 est. (\$ 1,900,000) est. \$ 4,000,000 est.

() = Loss

Information above obtained from Price Waterhouse "Unaudited Income Statement" of State of Alaska International Airports. (Jan. 31, 1977 - Jan. 31, 1978) - "Unaudited Income Statement" - April 18, 1978.

VIII. F.Y. 1977 Bond Coverage 4.1 utilizing Maximum Bond Coverage (Bond Coverage Min. 1.3)

IX.

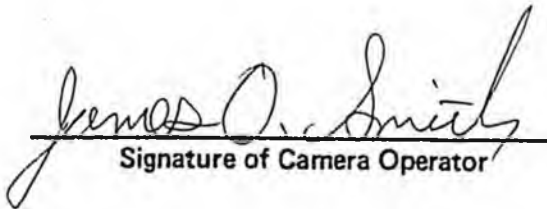
		<u>Total</u>	<u>FAA</u>	<u>IARF</u>
<u>FY 79</u>	N-S Runway	\$15,000,000	\$13,500,000	\$1,500,000
	Auto Parking Exp.	500,000		500,000
	T/W Rehab.	3,000,000	2,700,000	300,000
	Lake Hood S.R.	300,000	270,000	30,000
	S. Airpark	1,100,000	1,000,000	100,000
	Fbks. USPS Rd.	270,000		270,000
	Misc. Projects	400,000	100,000	300,000
		<u>\$20,570,000</u>	<u>\$17,570,000</u>	<u>\$3,000,000</u>
<u>FY 80</u>	N-S Runway	\$18,000,000	\$16,200,000	\$1,800,000
	Seal Coat & Apr.	2,500,000	2,250,000	250,000
	Fbks. Gen. Av. Exp.	1,000,000	900,000	100,000
	Anc. Fire Crash Exp.	1,000,000	900,000	100,000
	Misc. Projects	700,000	200,000	500,000
		<u>\$23,200,000</u>	<u>\$20,450,000</u>	<u>\$2,750,000</u>
<u>FY 81</u>	S.R. Impr.	\$270,000		\$270,000
	Fbks. Term. Apr. Seal	415,000	\$375,000	40,000
	Anc. Term. Apr. Seal	530,000	475,000	55,000
	Misc. Projects	800,000		800,000
		<u>\$2,015,000</u>	<u>\$850,000</u>	<u>\$1,165,000</u>
<u>FY 82</u>	Assumed Major Projects	\$2,475,000	\$2,250,000	\$225,000
	Misc. Projects	800,000		800,000
		<u>\$3,275,000</u>	<u>\$2,250,000</u>	<u>\$1,025,000</u>

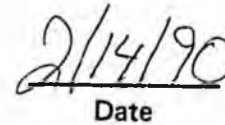


RECORDS CERTIFICATION



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


Signature of Camera Operator


Date

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDINGFINANCE DIVISION
POUCH WF—STATE CAPITOL

BUREAU 55501

June 21, 1978

MEMORANDUM

TO: Sally McIntire, Legal Editor
Division of Legal Services
Legislative Affairs Agency

FROM: *[Signature]*
W. H. Hogan, Director
Legislative Finance Division

SUBJECT: FCCS for SCS for CSHB 627 - General Appropriations Act

Attached are pages 39, 40 and 43 of HB 627 as printed for distribution to the membership of the Legislature and as approved by that body. Due to a program quirk, the words "Council" and "Budget and Audit Committee" had, in several instances, to be added following the word "Legislature" to make clear to which agency of the Legislature the amounts were appropriated. Also, due to an overflow problem, the words "Teachers Retirement System" had to be added to HB 820. (p. 40) All of these changes were made in the bill as printed and passed by the Legislature.

One change is required to correct an error of interpretation. In the bill as written, page 46, line 33, an appropriation item labeled "AFN - Native Positions Program" was included. The use of the word "Positions" was incorrect. The word should read "Physicians". The enclosed letter from the Alaska Federation of Natives, Inc. discusses the particular appropriation and clearly indicates the program title "Rural Alaska Physician Assistant Program."

JHH:pw
Enclosures

Capital - 4A

①

ALASKA FEDERATION OF NATIVES, INC.

Integrity, Pride in Heritage, Progress

Sen. John Sackett
State of Alaska
Juneau, Ak. 99811

Dear Senator Sackett:

In visiting your office after a Human Resources Committee meeting last week, I was suprised to learn that your administrative assistant and staff were not aware of the long history of communications that I have had with you on the Rural Alaska Physician Assistant Program.

The program has been reviewed by both the State and the American Medical Association, as well as the three state MSA's. All have expressed interest in the same and feel that it is essential that a feasibility study be undertaken as soon as possible.

Furthermore, the AMA has told us that it has always been the role of the States that has undertaken to fund a feasibility study before the Federal Government provided long term program funding.

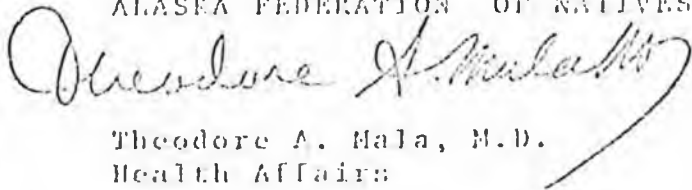
The program is to be administered by the Alaska Federation of Natives and will be conducted by the WAMI Medical Education Program at the U of A campus at Fairbanks.

At this point, all work and progress on the program for Bush Alaska has been suspended pending feasibility funding from the legislature.

I urge you in the name of the Native People to work with us and assist us in this urgent matter.

Sincerely,

ALASKA FEDERATION OF NATIVES, INC.



Theodore A. Mala, M.D.
Health Affairs

cc: Mr. Clifford A. Black, HRC-APN

\$20k at maximum for feasibility study

3 mos. study

* head bill

p.1

Bill No	Gen'l Fund	F.ed Fund	Pr. Rec.	Fisht Game	HUCF	TARF	PERS	TRF	Total
SB 45 Ch 172	51.7								51.7
SB 59 Ch 128	368.1	60.0							428.1
add SB 159 Ch 162	393.9								393.9
add SB 184 Ch 83	139.9								139.9
did not pass SB 286	0	0							0
did not pass SB 305	0	0							0
SB 326 Ch 177	320.0								320.0
did not pass SB 363	0	0							0
SB 389 Ch 124	270.0								270.0
SB 418 Ch 89	2085.0								2085.0
did not pass SB 429	0	0							0
SB 438 Ch 127	1115.9	1145.7							2261.6
SB 444	108.7								108.7
SB 453 Ch 152	265.0								265.0
SB 471 Ch 178	165.0								165.0
did not pass SB 477	0	0							0
did not pass SB 522	0	0							0
SB 534	25.0								25.0
SB 552 Ch 152	475.0								475.0
SB 556 Ch 82	21.9	21.9							43.8
SB 562 Ch 86	15.0								15.0
did not pass SB 592	0	0							0
did not pass SB 609	0	0							0
SB 627 ^{read} _{value}	321.5	12.5	0	1.6	3.5	7.9			350.0
SCR 88 Read	57.3								57.3
SCR 102 Read	100.0								100.0
SCR 105 Read	70.0								70.0
did not pass SCR 109	0								0
STR 50 Read	300.0								300.0
HB 10 Ch 174	194.1	8.3	0	1.1	2.3	5.2	5.0	5.0	201.0
HB 24 Ch 70	44.2								44.2
HB 25 Ch 136	804.4	22.7	0	3.1	6.7	15.0	0	61.7	914.6
did not pass HB 84	0								0
did not pass HB 104	0								0
did not pass HB 114 Ch 10	566.8								566.8
HB 125	0								0
HB 132 Ch 51	84.3	76.0							160.3
HB 133 Ch 180	349.6								349.6
did not pass HB 171	0								0
HB 222 Ch 168	3015.1								3015.1
did not pass HB 250	0								0
did not pass HB 278	104.1								104.1
	11,914.5	1348.1	0	5.8	12.5	28.1	5.0	66.7	13,280.7

GF	Other	Total
5142.6	213.1	5355.7
1215.0	5.0	1220.0
4574.8	15.2	4590.0
11,121.8	2046.4	13168.2
2,252.0	60.0	2,312.0
4509.6	1145.7	5,655.3
888.7	47.4	936.1
<u>29,704.5</u>	<u>+ 3532.8</u>	<u>= 33,237.3</u>

Bill No. & Ch.	Gene Fund	Fed Fund	Pr. Rec.	Fiche Game	HWCF	IARF	PERS	TWS	RRF	Total
HB 302 Ch. 120	157.9									157.9
add HB 322 Ch. 110	679.7									679.7
did not pass HB 351	0									0
did not pass HB 389	0									0
did not pass HB 399	0									0
HB 409 Ch. 107	31.7									31.7
did not pass HB 439	0									0
add HB 472 Ch. 165	190.0	0	5.0							195.0
did not pass HB 512	0									0
did not pass HB 516	0									0
HB 548 Ch. 77	155.7									155.7
did not pass HB 550	0									0
did not pass HB 558	0									0
did not pass HB 560	0									0
did not pass HB 589	0									0
did not pass HB 596	0									0
did not pass HB 665	0									0
HB 667 Ch. 170	31.9	0	15.2							37.1
HB 681 Ch. 147	3997.3									3997.3
HB 682 Ch. 179	555.6									555.6
did not pass HB 692	0									0
did not pass HB 699	0									0
HB 719 Ch. 115	5557.8									5557.8
HB 720 Ch. 181	5328.2									5328.2
HB 722 Ch. 101	50.0	46.4								96.4
did not pass HB 752	0									0
add HB 763 Ch. 159	150.0							2000.0		2150.0
did not pass HB 820	0									0
HB 830 Ch. 158	12.7									12.7
* ✓ HB 832 Ch. 14	23.1									23.1
did not pass HB 838	0									0
did not pass HB 842	0									0
did not pass HB 903	0									0
HB 919 Ch. 173	59.8									59.8
did not pass HB 946	0									0
HB 960 Ch. 151	919.4									919.4
	17,890.0	46.4	20.2					2000.0		19,956.6
	Gene F.	Other	Total							
page 2	17,890.0	2,066.6	19,956.6							
page 1	11,814.5	1,466.2	13,280.7							
	29,704.5	3,532.8	33,237.3							

June 21, 1978

M E M O R A N D U M

TO: Sally McIntire, Legal Editor
Division of Legal Services
Legislative Affairs Agency

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

SUBJECT: FCCS for SCS for CSHB 627 - General Appropriations Act

Attached are pages 39, 40 and 43 of HB 627 as printed for distribution to the membership of the Legislature and as approved by that body. Due to a program quirk, the words "Council" and "Budget and Audit Committee" had, in several instances, to be added following the word "Legislature" to make clear to which agency of the Legislature the amounts were appropriated. Also, due to an overflow problem, the words "Teachers Retirement System" had to be added to HB 820. All of these changes were made in the bill as printed and passed by the Legislature.

One change is required to correct an error of interpretation. In the bill as written, page 46, line 33, an appropriation item labeled "AFN - Native Positions Program" was included. The use of the word "Positions" was incorrect. The word should read "Physicians". The enclosed letter from the Alaska Federation of Natives, Inc. discusses the particular appropriation and clearly indicates the program title "Rural Alaska Physician Assistant Program."

JHH:pw
Enclosures

A
d
O
G

Capital - U A

①

ALASKA FEDERATION OF NATIVES, INC.

Integrity, Pride in Heritage, Progress

Sen. John Sackett
State of Alaska
Juneau, Ak. 99811

Dear Senator Sackett:

In visiting your office after a Human Resources Committee meeting last week, I was suprised to learn that your administrative assistant and staff were not aware of the long history of communications that I have had with you on the Rural Alaska Physician Assistant Program.

The program has been reviewed by both the State and the American Medical Association, as well as the three state HSA's. All have expressed interest in the same and feel that it is essential that a feasibility study be undertaken as soon as possible.

Furthermore, the AMA has told us that it has always been the role of the States that has undertaken to fund a feasibility study before the Federal Government provided long term program funding.

The program is to be administered by the Alaska Federation of Natives and will be conducted by the WAMI Medical Education Program at the U of A campus at Fairbanks.

At this point, all work and progress on the program for Bush Alaska has been suspended pending feasibility funding from the legislature.

I urge you in the name of the Native People to work with us and assist us in this urgent matter.

Sincerely,

ALASKA FEDERATION OF NATIVES, INC.

Theodore A. Mala

Theodore A. Mala, M.D.
Health Affairs

cc: Mr. Clifford A. Black, HRC-APN

\$20 K at maximum for feasibility study

3 mos. study

MEMORANDUM

TO: Honorable John Sackett, Chairman
General Appropriations Act Free
Conference Committee

FROM: Milt Barker, ^{ME} Fiscal Analyst
Legislative Finance Division

DATE: June 18, 1978

SUBJ: FY 79 Appropriations & Revenue

The appropriations contained in the FY 79 General Appropriations Act, FCCS CSC CSHB 627, are as follows:

	<u>GENERAL FUND</u>	<u>ALL FUNDS</u>
Operating Budget	\$877,629,600	\$1,158,639,400
Capital Budget	40,312,700	370,192,400
New Legislation (fiscal notes)	47,655,000	51,614,000
TOTAL	<u>\$965,597,300</u>	<u>\$1,580,445,800</u>

In addition to the General Appropriations Act, there are possible general fund appropriations totaling \$195,502,700 contained in special appropriations acts that have been reported out by either House or Senate Finance.

Not all new legislation or special appropriations will become law. The following schedule gives an indication of the total general fund amounts that are likely to become law:

<u>General Appropriations</u>	<u>\$ Millions</u>
Operating Budget	\$ 877.6
Capital Budget	40.3
Subtotal	<u>\$ 917.9</u>

C
O
P
Y

June 18, 1978

Special Appropriations & Fiscal Notes

Session Laws	\$	11.5
Passed but not yet signed into law		<u>163.0</u>
Subtotal	\$	<u>1,092.4</u>
In conference or awaiting concurrence/ recision		46.3
Subtotal	\$	<u>1,138.7</u>
Passed one house		19.8
Reported out by House or Senate Finance		<u>2.6</u>
Total		<u><u>1,161.1</u></u>

Attached are letters from the Governor and the Commissioner of Revenue which indicate the Governor will consider vetoing any amounts above \$1,044.5 million, this being the latest revenue estimate for FY 79 inclusive of SCS CSHB 322 (Resources), the oil and gas income tax, and HCS CSSB 7, the income tax credit and gross receipts tax repealer.

MB:bf

STATE
of ALASKA

MEMORANDUM

TO: Jay Hogan
Director
Division of Legislative Finance

DATE: June 15, 1978

FILE NO:

TELEPHONE NO:

FROM: Gerald L. Wilkerson, CPA *HLW*
Legislative Auditor
Division of Legislative Audit

SUBJECT: Amendment to Appropriations Bill

We think the General Appropriations Bill needs an amendment requiring Budget and Management to place restrictions on the federal portion of all appropriations until the formal award of the revenue is made by the appropriate federal agency. Our reasons for making this recommendation follow.

Previous appropriation acts have stated: "In the event federal and program receipts fall short of the appropriated federal estimates, the affected appropriation shall be reduced by the amount of shortfall in receipts." No one in the State is enforcing this law nor are agencies voluntarily following it. As a result of past and on going audits, we know that this lack of enforcement results in a serious weakness in the accounting system. Under the current system, agencies can expend up to the appropriation level of any program. If the program is funded at least in part by federal receipts, the agency can still spend the entire appropriation although no federal money is received. Thus, the General Fund could be depleted although the Appropriation Act shows federal receipts as the source of funding.

In some cases, agencies are lapsing their appropriation in an amount at least as large as the shortfall in receipts thus the General Fund is not illegally depleted. This procedure is still unacceptable for several reasons. If the agency does not lapse enough to cover the shortfall, only an audit would reveal this shortfall because of the generally recognized poor revenue accounting system. Secondly we have noted in many audits that revenue estimates, i.e. appropriated receipts, are not accurate and are not adjusted. Thus, the accounting records just don't show the full picture. Lastly, the sheer magnitude of federal dollars flowing into this State underscore the need for managerial control, not discretionary action by the agencies. Although the State takes control measures attempting to prevent expenditures in excess of appropriations, the State has no such measures to control expenditures in excess of unrealized federal receipts even though the result is the same. The necessary control measure would be as outlined in paragraph (b), Section 4 in the General Appropriations Bill.

1 GENERAL APPROPRIATIONS BILL (SCS CSHB 627)

2
3 Amend Sec. 4 to read:4 * Sec. 4. (a) If [~~federal or other~~] program receipts fall short of the estimates
5 appropriated by this Act, the affected appropriation shall be reduced by the amount of
6 the shortfall in receipts and the amount shall lapse at the end of the 1979 fiscal year.7 (b) The Division of Budget and Management shall place restrictions on the
8 federal portion of all appropriations until the formal award of the revenue is made by the
9 appropriate federal agency. If the formal award is for an amount less than the appropriate
10 estimate, the difference shall remain restricted and shall lapse at the end of the 1979
11 fiscal year.

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDINGFINANCE DIVISION
POUCH WF—STATE CAPITOL

JUNEAU 99801

April 27, 1978

SUMMARY OF: A Performance Review of the State Clearinghouse, Division of Policy Development and Planning, Office of the Governor, July 1, 1976-June 30, 1977.

PURPOSE OF THE REVIEW

In accordance with Title 24 of the Alaska Statutes, this report has been prepared on the performance of the Alaska State Clearinghouse and the performance of State agencies in estimating, accounting for and reporting federal revenue.

FINDINGS AND RECOMMENDATIONS

1. The Clearinghouse should perform the functions outlined in its Procedure Manual. The Clearinghouse coordinator should perform the duties outlined in his position description.

After reviewing the activities of the Clearinghouse during FY'77, we conclude it is meeting few, if any, of its objectives.

2. The role of the Clearinghouse should be strengthened and expanded to insure effective control over federal grant-in-aid programs at the State level.

To be effective in controlling the federal monies received by the State through the grant-in-aid process, the Clearinghouse requires expanded authority and responsibility.

3. We recommend that all State agencies be required by the Department of Administration (DOA) to realize earned federal revenue on a timely basis, including the proper accrual of receivables at fiscal year end.

We found several instances where the State has lost interest income due to untimely billing procedures. We also noted that agencies are not properly accounting for federal revenue in the State's Annual Report.

FINAL REPORT

4. The Department of Administration should return the unliquidated portion of fiscal year 1974, \$1,500,000 liability to the General Fund surplus.

In August, 1974 a General Fund liability of \$1,500,000 was established to cover anticipated federal questioned costs in programs managed by the Department of Health and Social Services (H&SS). In April, 1977, H&SS liquidated \$973,744 of the liability to repay the federal government for unallowable costs under the Alcantra program during fiscal years 1972-1976. This payment was processed as a revenue refund and, therefore, was not charged against a valid appropriation.

5. The Division of Budget and Management should place restrictions on the federal portion of appropriations until the formal award of the revenue by the appropriate federal agency. If the formal award is less than the estimate, the difference should remain restricted.

Although the FY'77 and FY'78 Appropriation Acts clearly state that appropriations should be reduced when federal receipts fall short of appropriated federal estimates, we discovered that no one in the State is enforcing this law. We believe that the use of restrictions as noted in our recommendation is necessary to avoid the unauthorized spending of State money when federal revenue estimates are not realized.

6. All State agencies should be required to adopt a project ledger system to account for federal grants-in-aid.

The project ledger system would provide the necessary detail to determine if a shortfall is occurring at the appropriation level. Without the control a well established project ledger system provides, it is difficult to match revenues and expenditures by reporting period.

7. The Department of Administration should establish accounting and reporting procedures for restricted revenue.

A revenue accounting system is necessary to prevent the loss of General Fund monies and to accurately report the financial status of the State.

STATE
of ALASKA

MEMORANDUM

TO: [Jay Hogan
Director
Division of Legislative Finance

DATE: June 26, 1978

FILE NO:

TELEPHONE NO:

FROM: Gerald Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

SUBJECT: Interpretation of Section 4(b)
in FY'79 Appropriations Act.

Section 4(b) of the FY'79 General Appropriations Bill states that:
"The Division of Budget and Management shall place restrictions on the federal portion of all appropriations until the formal award..."

Our purpose in making this suggested addition to the Appropriation Act was to provide some managerial control over the possible illegal expenditure of General Fund monies in lieu of federal receipts. Our intent is not to shut down programs by setting up undue hardships on the receipt of federal funds, but rather to have the control mechanism already in effect when the receipts of federal funds becomes questionable, or when programs are not being adequately managed.

For these reasons, we believe Budget and Management could interpret the "formal award" noted in Section 4(b) as some type of communication, i.e. letter, telegram, etc. from the cognizant federal agency. At this point, Budget and Management could unrestrict reasonable funds, say two months, to start up the program. Upon receipt of the formal grant award, the remainder of funds, as supported by the award, could then be released.

We would hope that this procedure would not hamper the operations of any program only because of slow federal notification. Rather, programs which have been properly managed and properly funded would continue to operate without undue hardships, and programs whose past record reveals funding and management problems would be more tightly controlled.

cc: Ron Lind
Director
Division of Budget and Management

EDUCATION

HOUSE AND SENATE:

Rural School Miscellaneous Upgrades	\$ 250.0
Skill Center - 40 Person Dorm	275.0
Public Broadcasting:	
Homer Radio Station	61.0
Sand Point Radio Station	40.0
Comm. TV Relay Station - Cooper	20.0
Mini-TV: Selawik, Buckland, Deeri	45.0
" " Kogiganek, Dilling, Kyuk	58.0
Public Studio - KDLG - Dillingham	150.0
State Museum:	
Acquisitions	50.0
Juneau Storage Annex	112.4
Carpet/Lighting - Juneau	49.0
Haines - Sheldon Construction	92.1
State Libraries:	
Video Dubbing Bank	33.9
Rare Alaskana	10.0
Printing & Publications - Gruening	35.0
Lower Kuskokwim REAA:	
Bethel-Kilbuck Code Upgrade	40.0
Kongiganak Upgrade	30.0
Bethel-Kobuk Water/Sewer - Port	80.0
Kongiganak - Renovate Old School	50.0
Kuspuk REAA:	
Crooked Creek Electrical Upgrade	12.5
Kalskag Sewer	60.0
Lower Kalskag Sewer	60.0
Red Devil Sewer	60.0
Chuathbaluk Generators	14.0
Southwest REAA:	
Twin Hills School Reconstruction	200.0
Lake and Peninsula REAA:	
Egegik Sewer	10.0
Perryville Elementary Renovation	16.0
Iditarod REAA:	
Holy Cross Oil Storage	60.0
McGrath Roof	60.0
McGrath Elementary School	20.0
Takotna Oil Storage	11.0
Telida Oil Tank	15.0
Lime Village Oil Storage	15.0
Takotna Sewer/Water Improvements	11.0
Yukon Koyukuk REAA:	
Tanana Elementary	100.0
Yukon Flats REAA:	
Birch Creek Water/Sewer	25.0
Circle Water and Sewer	25.0
Gym Improvements - Ft. Yukon	37.5
Rampart Water/Sewer	25.0
Delta Playground Improvements	40.0
Alaska Gateway REAA:	
Tok Roof	25.0

EDUCATION (Continued)

HOUSE AND SENATE: (Continued)

Chatham REAA:	
Angoon Wall	\$ 10.0
Angoon Secondary Playground	20.0
Gustavus Add'l Classroom	15.0
Tenakee Water/Sewer	15.0
Haines Borough Schools-Vocational Education Building	<u>245.0</u>
Sub Total	\$ <u>2688.4</u>

HOUSE:

Centennial Mural - Juneau	\$ 45.0
Public Broadcasting:	
Barrow Studio/Equipment	66.0
Juneau Satellite Payment	25.0
Radio/Comm. Station - Chicken	5.0
Lynn Canal Broadcasting	57.8
Line Charges - Petersburg, Wrangell, Ketchikan	100.0
Museums:	
Kodiak Renovation	8.5
Bering Stra'ts REAA:	
Shismaref Water Desalt Project	140.0
Nenana School Music Room	<u>40.0</u>
Sub Total	\$ <u>487.3</u>

SENATE:

Public Broadcasting:	
McGrath Radio Station	\$ 40.0
State Museums:	
Visual Arts Center Building Relocation	285.0
Transportation Museum - Palmer	85.0
Libraries:	
Film Acquisition	75.0
Institute of Native Art	100.0
Sitka Russian Church	40.0
Galena Schools - Utilidoor	<u>155.0</u>
Sub Total	\$ <u>780.0</u>

TOTAL \$ 3955.7

UNIVERSITY OF ALASKA

HOUSE AND SENATE

Library Books - Fairbanks	\$ 245.0
- Anchorage	500.0
- Juneau	38.4
Parking/Roads:	
UAJ/JDCC - Ray Center Lot Improvements	100.0
Sitka CC Lot and Road	175.0
Equipment:	
Library Circulation - Fairbanks	52.0
Physical Plant - Anchorage	57.0
Instruction Program - ACC	39.9
Petroleum Program - Lab - KPCC	80.7
Media Services - Anchorage	200.0
Mechanical Shop - KPCC	43.3
Sewage Facility - Palmer AG Station	80.0
Store Hazardous Chemicals - Palmer AG	50.0
- Fairbanks AG Exp	30.0
Replace Chapman Building Roof - UAF	45.0
Renovate AG Expr Stn - Fairbanks	70.0
Irving Building Renovation - Fairbanks	39.8
Remodel Rare Book Area Library	100.0
	<hr/>
Sub Total	\$ 1946.1

HOUSE

Boyce Thompson Inst. Coll. - UAF	\$ 175.0
Kotzebue - 20 Teaching Stations	41.0
Fire - Safety Improvements - ACC	100.0
Kotzebue Ext. Center	40.0
	<hr/>
Sub Total	\$ 356.0

SENATE

Architech Barriers Study - Statewide	\$ 75.0
Campus Master Plan/Space Utilization	100.0
WAMI - Rural Medical Program Study	20.0
	<hr/>
Sub Total	\$ 195.0
TOTAL	<u>\$ 2497.1</u>

SOCIAL SERVICES

HOUSE AND SENATE

Sitka Pioneers' Home Greenhouse	\$	35.0
Hope Cottage		620.0
Mt. View Greenhouse, Juneau		<u>10.0</u>
Sub Total	\$	<u>665.0</u>

SENATE

Chevak Youth Center	\$	<u>8.0</u>
Sub Total	\$	<u>8.0</u>

HOUSE

Kodiak Council on Alcoholism	\$	9.0
Kenai Care Center		250.0
Kodiak Women's Resource Center		30.0
Anchorage Women's Resource Center		50.0
Anchorage Spay Clinic		<u>130.0</u>
Sub Total	\$	<u>469.0</u>

TOTAL	\$	<u><u>1142.0</u></u>
-------	----	----------------------

HEALTH

HOUSE AND SENATE

Tok X-ray Machine	\$	25.0
API Carpeting		30.0
API Storage Shed		60.0
API Lighting Fixtures		21.0
API Exterior Painting		37.0
Climate Control		20.0
API Waste Incinerator		18.0
Shishmaref Clinic		65.3
Tok Clinic		100.0
Seldovia Clinic	(House Figure Higher)	100.0
Dillingham Ambulance		32.1
Kipnuk Clinic		<u>100.0</u>

Sub Total \$ 608.4

HOUSE

Fairview Clinic X-ray Unit	\$	89.0
Seldovia Clinic		10.0
Tooksook Bay Clinic		<u>170.0</u>

Sub Total \$ 269.0

SENATE

Mt. Village Clinic	\$	100.0
Ft. Yukon Clinic		100.0
Bethel Nursing Home		12.5
Lake Peninsula Hospital Study		<u>25.0</u>

Sub Total \$ 237.5

TOTAL \$ 1114.9

NATURAL RESOURCE MANAGEMENT

HOUSE AND SENATE

Cadastral Land Surveying	\$ 2027.4
New Wing - DGGs/DOGC Building	25.0
Parks Capital Projects:	
Chena River Recreation Area	275.4
Silver King Wayside	424.6
Izaak Walton Wayside	147.8
King Mountain Wayside	75.0
Parks Restroom Alterations	52.0
Bike Trails & Footpaths	(House Figure Higher) 200.0
Pikas Landing Roadhouse	25.0
Totem Bight	160.3
Highway Roadsides	333.4
Mirror Lake Wayside	245.7
Shelter Cabins-Nome, Kotzebue, Barrow	45.0
Fishery Resources Construction:	
Kodiak Shellfish Pots	36.0
Tutka Lagoon Bunkhouse - Fred	100.0
E CRK Bunkhouse - Fred	150.0
Communications Equipment - Administration	90.7
Kenai Salmon Trap Study - SF	50.0
Fairbanks Off Imp. (A/C) - Admin.	55.0
Igiugig Fld. Station Restoration - CF	27.5
Water Inv. - Central/West - Fred	60.0
Arctic Inv./Catalog - SF	75.0
Deer Mountain Hatchery Equipment - Fred	82.7
Tagging Equipment SE - Fred	17.5
Tagging Equipment Central - Fred	17.5
Hidden Falls Hydro-Power - Fred	650.0
E CRK Hatch Access Road - Fred	92.0
Beaver Falls S-T-R Exp. - Fred	76.0
Fish Transport Unit - Fred	96.0
Walk-In Freezers SC - Fred	41.0
Cannery Creek Hatchery	129.8
Whitefish Study - Kobuk/Selawik	30.0
Funny River Access Acquisition	110.0
Fish Hatchery Study-AVCP	(House Figure Higher) 37.5
Coastal Protection Fund	<u>6000.0</u>
Sub Total	<u>\$ 12070.8</u>

HOUSE

Parks Capital Projects:	
Bikes, Trails and Footpaths	(Senate Figure Lower) 100.0
Rex Railroad Bridge - Healy	10.0
Whiskey Gulch	100.0
Fish OK Rec. Area Grant - Spenard	35.0
Kisaralik River - Shelter Cabins	10.0
Stampede Road Wayside	25.0
Fishery Resources Conservation:	
Blind Slough Br. (Crystal Lake) Fred	200.0
Fish and Game/FWP Warehouses:	
Fish Hatchery Study-AVCP	(Senate Figure Lower) 37.5
Sonar Counters - Lower Kusckwim	100.0

NATURAL RESOURCE MANAGEMENT
(Continued)

HOUSE

Fish and Game/FWP Warehouses:	
Sonar Counters - Noatak River	\$ 100.0
Northern Lake Survey - Healy	51.7
Fishery Study - Kotzebue Sound	90.0
Fish and Wildlife Protection:	
Patrol Vessels	45.0
Water/Sewer Study - Bethel	20.0
	<hr/>
Sub Total	\$ 924.2

SENATE

Parks:	
Castle Hill Landscaping - Sitka	\$ 60.0
Anchorage Park Land Acquisition	200.0
State Parks Cabins	25.0
Anchorage Children's Zoo	35.0
Wayside Master Plan - South Central	100.0
St. James Mission Rehab. - Tanana	50.0
Yukon River Sonar Counters	220.0
Fish Counter - Nushagak	100.0
Rifle Range - Sitka	5.0
City Dump Relocation - Dillingham	250.0
Water System - Bettles Field	8.0
Water/Sewer Facilities - Cantwell	40.0
Water Study - Eagle River	75.0
Solid Waste Disposal - Anderson	20.0
	<hr/>
Sub Total	\$ 1188.0
TOTAL	<u>\$ 14183.0</u>

PUBLIC PROTECTION

HOUSE AND SENATE

Alaska Public Utilities:	
APUC Test Equipment	\$ 25.0
Information System	127.5
Medical Malpractice Liability:	
Revolving Loan Fund	1500.0
Military Preparedness:	
Kotzebue Hangar	2337.9
Nome Hangar	50.0
Minor Construction - Contingency	200.0
Intrusion Detection	76.0
Upgrade Facilities	220.0
Food Freezers	24.0
Civil Air Patrol:	
Headquarters Remodeling - Sitka	<u>15.0</u>
Sub Total	\$ <u>4575.4</u>

SENATE

Civil Air Patrol - Palmer	\$ <u>90.0</u>
Sub Total	\$ <u>90.0</u>
TOTAL	\$ <u><u>4665.4</u></u>