

LEG. FINANCE - BILLS 1977 - 1978 910

SB 122 cont., thru SB 123 910

NORTHERN REGIONAL LABORATORY  
Alaska Div. of Public Health  
Arctic Research Center  
University of Alaska  
Fairbanks, Alaska

CONTRACT DOCUMENTS AND SPECIFICATIONS

September 4, 1975

ARCHITECTS: GDM & ASSOCIATES  
Suite 45-A, Alaska National Bank Building  
Fairbanks, Alaska

Consultants:

LAKE & BOSWELL - Electrical

L.E. BREEDING - Mechanical

Appendix L-1

NORTHERN REGIONAL LABORATORY

TABLE OF CONTENTS

BIDDING FORMS

Invitation for Bids  
Instructions to Bidders  
Bid Form  
Bid Bond  
Performance Bond  
Payment Bond  
Agreement Between Owner & Contractor  
Waiver of Lien Rights & Indemnification  
Certificate of Insurance

GENERAL CONDITIONS

SPECIAL CONDITIONS

SCHEDULE OF DRAWINGS

TECHNICAL SPECIFICATIONS

Advertisement for Bid

BID NO. 76-B-64

NOTICE TO CONTRACTORS  
INVITATION FOR BIDS

Sealed bids will be received from contractors by the University of Alaska in Room #1, Bunnell Building on September 4, 1975 for the Northern Regional Laboratory, Arctic Health Building, at Fairbanks, Alaska until 2PM local time, and then at said office will be publicly opened and read aloud.

The work consists of, but is not limited to: moving laboratory casework & benches from downtown Fairbanks; and installing these in the basement of the Arctic Health Building on the U of A Campus. Work is primarily mechanical, electrical, and plumbing.

For the convenience and review of subcontractors and suppliers, complete sets of Contract Documents are on file at the following locations:

Associated General Contractors  
Alaska Chapter  
3201 Spenard Road  
Anchorage, Alaska 99503

Construction Plan Bureau  
1675 C Street  
Anchorage, Alaska

Associated General Contractors  
Plan Room  
1512 Cushman  
Fairbanks, Alaska

Associated General Contractors  
1200 West Lake Avenue  
Seattle, Washington 98109

Plan Bureau Office  
824 5th N.  
Seattle, Washington 98101

SCAN  
100 W. Harrison Plaza  
Seattle, Washington 99119

Northwest Plan Centers  
1213 Valley  
Seattle, Washington 98101

Associated General Contractors  
Tacoma Chapter  
3820 South Pine Street

Construction Plan Bureau  
801 Barnette Street  
Fairbanks, Alaska 99701

Contract Documents may be obtained upon deposit of plan fee of thirty dollars (\$30.00) per set. Plan fee is non-refundable. Checks to be made payable to the University of Alaska.

Bid security will be required with each bid as set forth in Instructions to Bidders. Performance and payment bonds will be required of the successful bidder.

Bids may be held by the University of Alaska for a period not to exceed thirty (30) days from the date of opening of bids for the purpose of evaluating and reviewing bids prior to award.

All bidders are to have a valid Alaska Contractor's License and current Alaska Business License. Contractor's attention is directed to Alaska State Statute "08 Chapter 18 Construction Contractors" which refers to Business and Contractor's Licenses prior to submitting a bid.

Sealed Envelopes containing bids must be marked in the lower left-hand corner:

SEALED BIDS - DO NOT OPEN

Address Envelopes to:

Dr. Robert W. Hiatt  
University of Alaska  
Room 1, Bunnell Building  
College, Alaska 99701

02-0018

STATE  
of ALASKA

to:  Frank Pauls, Ch  
Section of Lab  
Department of

FROM: Steven E.  
Leasing &  
Division  
Departm

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Appendix M

# **CORRECTION**

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

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Address Envelopes to:

Dr. Robert W. Hiatt  
University of Alaska  
Room 1, Bunnell Building  
College, Alaska 99701

STATE  
of ALASKA

## MEMORANDUM

724  
NRL Lab  
11/18/75TO: [ Frank Pauls, Chief  
Section of Laboratories  
Department of Health & Social Services

DATE : November 18, 1975

FROM: Steven E. Dozier *sd*  
Leasing & Facilities Manager  
Division of General Services & Supply  
Department of AdministrationSUBJECT: Lease No. 1012, State of Alaska for  
the Dept. of Health & Social Services  
and the University of Alaska,  
Northern Regional Laboratory

It now appears that the only chance to relocate the Northern Regional Laboratory with available funds and time is for you to directly coordinate the work with the Division of Buildings and the University of Alaska. Per our discussion continue with necessary remodeling and have the Division of Buildings contract and/or release funds as required.

Frank, you are aware of the problems that can result when the State as Lessee remodels a non-State facility. Although the lease provides for remodeling every phase should be approved by the University in writing prior to commencing the work. This will insure their agreement and prevent possible difficulties in the future.

cc: Division of Buildings  
Dept. of Health & Social Services/Liz Rivers  
University of Alaska  
Richard W. Winchell

RECEIVED  
NOV 19 1975  
FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE

Appendix M



HOLADAY-PARKS  
FABRICATORS, INC.

January 15, 1976

G. D. M. & Associates  
Suite 45 A - Northward Bldg.  
Fairbanks, Alaska 99701

Attention: Gerald Meyers

Subject: Northern Regional Laboratory  
Arctic Health Research

Gentlemen:

We propose to furnish and install the necessary air conditioning and sheet metal work on the following time and material basis:

Our Labor cost plus 22% O. H. and 10% Profit.  
Material furnished from our shop- Regular book price.  
All other costs, such as (but not limited to) sub-  
contracts, purchased equipment, misc. purchases-  
total cost plus 12%.

We suggest the general contractor, the plumbing contractor, and the electrical contractor be retained on the same basis under which they have been working, since our work will entail further labor for all of these. We have contacted an insulation contractor and a control contractor who are willing to work with us. We have not, at this time any further estimates of cost as we have not heard from our suppliers.

cont:



# STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC HEALTH  
LABORATORY SECTION

JAY S. HAMMOND, Governor

Pouch H-06-D  
~~POUCH H-06-D~~  
Juneau 99811

→ Northern Regional Lab.

March 1, 1976

G.D.M. and Associates  
Suite 45A  
Alaska National Bank Building  
Fairbanks, AK 99701

Gentlemen:

This letter confirms Dr. Paul Frith's verbal authorization of February 27 to order the essential mechanical equipment required to complete the installation of the Northern Regional Laboratory in the basement of the Arctic Health Research Center Building on the University of Alaska campus in Fairbanks. The quoted estimated cost of the equipment was \$17,068.80.

Sincerely,

*Frank P. Pauls*

Frank P. Pauls, Dr. PH  
Acting Director  
Division of Public Health

FPP/link

cc: Dr. Paul Frith  
RHO-NRO

MAR 4 1976

Appendix 0

architects:  
G.D.M. & Associates

Gerald D. Myers  
Larry H. Lander

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

3-10-76

MEMORANDUM

TO: Mr. Phil Nelson  
Holaday Parks  
1840 Marika Rd.  
Fairbanks, Alaska 99701

FROM: Bridgette D. Schleicher *BDS*

RE: Northern Regional Laboratory for the Division of  
Public Health.

Please find attached a copy of the letter from Dr. Frank Pauls confirming the decision to purchase the mechanical equipment for the Northern Regional Laboratory. The quoted estimated cost of equipment was as follows:

Heat Exchanger	4950.00
Exhaust Fan	825.00
McGuay Air Conditioning Unit with controls	2800.00
Fisher hoods (4)	5365.00
Grills, louvers & diffusers	800.00
Frieght (allow to Seattle)	<u>500.00</u>
	15420.00
12% Holaday Parks	<u>1828.80</u>
<u>Total</u>	17068.80

Enclosure

cc: Paul Frith, Dr. PH  
Frank P. Pauls, Dr. PH.

Appendix P



HOLADAY-PARKS  
FABRICATORS, INC.

May 27, 1976

*Letter 150  
file in Correspondence  
file*  
MAY 28 1976

G D M Associates  
Suite 45 A  
Alaska National Bank Building  
Fairbanks, Alaska 99701

Subject: Northern Regional Laboratory

Gentlemen:

We estimate the required time to complete the sheet metal, air conditioning and associated controls, piping and insulation at subject job according to the plans and specifications will be 90 days after notice to proceed.

Please refer to our letter of January 15, 1976 for the conditions of our proposal.

We will expect the notice to proceed to include assurance of payments within 45 days of invoice.

We are prepared to begin the job immediately upon proper notice, and all equipment should be in Fairbanks during the month of June '76.

Very Truly Yours,

HOLADAY PARKS FAB., INC.

Phil Nelson  
Resident Manager

PN:tn

cc: Johnson Controls  
Artic Insulation  
Delta Electric  
Roberts P & H

*File in  
correspondence* K.03.

JAY S. HAMMOND, GOVERNOR

**DEPT. OF HEALTH AND SOCIAL SERVICES**

Division of Public Health / Pouch H-06, Juneau 99811

June 8, 1976

G.D.M. & Associates  
Suite 45A  
Alaska National Bank Building  
Fairbanks, Alaska 99701

Gentlemen:

This letter is your authorization to proceed with the installation of the mechanical air handling equipment and the required services, as per the low bid submitted by Holiday Parts.

We have contacted our fiscal services and there should be no problems in assuring payments within 45 days of invoice, providing we are allowed 21 days from date of receipt of the invoice by my office in Juneau. Every effort should be made to avoid delays in your office as well as in Mr. Newbert's office. I do not plan to be away for any length of time, so I can clear the bills for payment within one working day after arrival. The time factor is in the accounting and fiscal units of the Department of Administration.

I plan to be in Fairbanks June 14-16, and will drop by to discuss the project with you.

Sincerely yours,

*Frank P. Pauls*

Frank P. Pauls, Dr. P.H.  
Acting Director  
Division of Public Health

FPP/nev

cc: Paul Frith  
Regional Health Officer  
Northern Regional Office



A MESSAGE FROM OUR STATE TO OUR NATION 1975



Appendix R

architects:  
**G.D.M. & Associates, Inc.**  
 524 Third Avenue Fairbanks, Alaska 99701

Gerald D. Myers  
 Larry H. Lander  
 907/452-7213

Memo To The File  
 September 15, 1976

Re: Northern Regional Laboratory  
 75-03

I. Bid results from Bid Opening 9-18-75

	<u>Bidder</u>	<u>Base Bid</u>	<u>Alt. #1</u>	<u>Total</u>
1.	Modern Construction	274,800	\$10,700	\$285,500
2.	Chandler Plumbing and Heating, Co.	221,365	\$23,340	\$244,705

II. Construction Costs

Bid award made in two phases and negotiated with individual contractors and sub contractors on time and materials basis (see letter of 1-15-76, Holaday Parks to GDM & Assoc.)

<u>Phase I - Construction complete, all billing in.</u>	<u>Status of Billing</u>
Ramar Construction	Paid
John Roberts Plumbing & Heating	Paid
Total	
	\$35,599.22

<u>Phase II - Construction nearing completion; final billing outstanding.</u>	<u>Status of Billing</u>
Holaday Parks	
Equipment Purchase*	Unpaid
Partial Billing 8-11-76	
Holaday Parks	Unpaid
Partial Billing 8-11-76	
Holaday Parks	Unpaid
Partial Billing 5-14-76	
Holaday Parks	
<u>Estimated Final Billing</u>	Not Issued
To Be Issued 10-1-76	
<u>Estimated Total</u>	
As Of 9-15-76	
	\$116,119.03
<u>Estimated Construction</u>	
Total of Phase I & II	\$161,119.03

\* University of Alaska, P.O. No. F-10367 For Air Handling Equipment.

Appendix 5

Memo To The File  
September 15, 1976

Re: Northern Regional Laboratory  
75-03

Page Two -

III. Architectural Fees:

Work included design, construction documents, and construction administration and coordination between contractors.

<u>Billing No.</u>	<u>Total</u>	<u>Status of Billing</u>
75-03-1 & 75-03-02	583.16	Paid
75-03-03	8,883.94	Paid
75-03-4	1,817.94	Paid
75-03-5	1,147.79	Paid
75-03-6	752.58	Unpaid
Estimated 75-03-7	150.00 800.00	Not Issued
To be issued 10-15-76		
	<u>13,985.41</u>	
Estimated Final Total	<del>\$13,335.41</del>	
As of 9-15-76		

IV. Total anticipated cost of entire project: As of 9-15-76.

Est. Final Construction Cost	116,119.03
	<del>161,119.03</del>
	13,985.41
Est. Final Architectural Fees	<u>13,335.41</u>
	130,104.44
	<del>\$174,454.44</del>

V. Explanation of Outstanding Construction Work as of 9-15-76:

The remaining items to be completed are (1) installation of lights in hoods upon receipt in Fairbanks (2) balancing of system (3) final calibration of temperature controls. Upon completion of these items a final inspection will be made by the architect and engineer. It is anticipated that all this will be achieved by October 1, 1976.

VI. Review of original construction cost estimate for Phase II.

The decision to go ahead with the project was based on the estimate submitted by Phil Nelson of Holaday Parks May 14, 1976 to Paul Frith, Wayne Miller (Division of Public Health), Gerald Neubert (University of Alaska) and Bridgette Schleicher and Gerald Myers (GDM and Associates). The authorization to proceed was by letter of June 8, 1976 from Frank Pauls, who had been given the estimate data by Paul Frith.

Memo To The File  
September 15, 1976

Re: Northern Regional Laboratory  
75-03

Page Three -

Holiday Parks Estimate 5-14-76:

General Construction	5,200.00
Controls	12,000.00
Insulation	8,000.00
Piping	5,700.00
Electrical	2,000.00
Air Balance	3,000.00
	<u>\$35,900.00</u>
	+12%
	<u>4,308.00</u>
Est. Total of other sub-contractors	\$40,208.00

Holiday Parks:	\$21,660.00
	+22%
	<u>4,765.00</u>
	26,425.00
	+10%
	<u>2,643.00</u>
Est. of Holiday Parks work	\$29,068.00

Total est. construction cost as of 9-14-76	\$69,276.00
---	-------------

Plus est. equipment cost from est.  
in Memo of 3-10-76 Architects:  
G.D.M. & Assoc. to Phil Nelson. \$17,068.00

Complete cost est. of Phase II II Construction As of 5-14-76	\$86,344.00
---	-------------

VII. Conclusion

If one compares the Phase II estimated total construction cost in II (\$80,519.81) with the original estimate in VI (\$86,344.00), it is apparent that the work is being completed at a cost less than was anticipated in May 1976. This is due to two factors: the equipment orders were placed prior to price increases and the installation and work of the other sub-contractors was achieved in less time than was estimated.

Further, if one compares the lowest bid from I (\$244,705) with the total anticipated cost of the entire project in II (~~\$161,119.03~~) <sup>\$116,119.03</sup>, it is apparent that the project cost as negotiated is substantially less than it would have been had the bid been accepted.

Memo To The File  
September 15, 1976

Re: Northern Regional Laboratory  
75-03

Page Four -

VIII. Appendix

5 letters relating to project Phase II:

1-15-76	Holiday Parks to Architects: GDM
3-1-76	Div. of Public Health to Architects: GDM
3-10-76	Architects: GDM to Holiday Parks
5-27-76	Holiday Parks to Architects: GDM
6-8-76	Div. of Public Health to Architects: GDM

**MEMORANDUM**  
DEPARTMENT OF PUBLIC WORKS

TO: V. L. Iverson, Director  
Division of Administrative Services  
Department of Health & Social Services

DATE : September 15, 1976

FROM: A. Gillespie *AG*  
Cost Accountant  
Division of Buildings

SUBJECT: Northern Regional  
Laboratory  
RSA 065-024  
131-1-14

This Division has no authorization on it's books to pay this bill.  
Therefore it is requested that you pay this invoice against your  
encumbrance document for the Northern Regional Laboratory project.  
Code is 06-31-1-830.



RECEIVED  
SEP 16 1976  
ADMINISTRATIVE SERVICES  
OFFICE OF THE DIRECTOR

RECEIVED  
SEP 17 1976

BRANCH OF PUBLIC  
HEALTH LABORATORIES

# MEMORANDUM

## State of Alaska

TO: Mr. George McCurry  
Chief of Maintenance  
Division of Buildings  
Dept. of Public Works

DATE: September 3, 1976

FILE NO:

TELEPHONE NO:

FROM: Frank P. Pauls, Dr. PH *F.P. Pauls*  
Acting Director  
Division of Public Health  
Department of Health & Social Services

SUBJECT: Northern Regional Laboratory  
RSA 065-024

The attached invoices are for services performed in relation to remodeling the Northern Regional Laboratory as covered under RSA 065-024. The work has been approved by the architect and the University.

8/11/76	Holiday-Parks Fabricators - Job #21621 Partial billing for ventilation work	\$35,000.00
5/14/76	Holiday-Parks Fabricators - Job #21935 TB Hood - Vent Installation	143.81

---

\$35,143.81

Both invoices have certified and approved and are being transmitted to your office for payment. The coding is 06-31-1-830-380.

CC: Bridgette D. Schleicher - GDM & Assoc.  
Mr. Jerry Neubert, University of Alaska

~~7:00 C. Schleicher 455-2287~~



UNIVERSITY OF ALASKA

FAIRBANKS, ALASKA 99701

August 27, 1976

Dr. Frank Pauls  
Director of Laboratories  
Department of Health and Social Services  
Division of Public Health  
Pouch H 06D  
Juneau, Alaska 99801

RECEIVED

SEP 3 1976

BRANCH OF PUBLIC  
HEALTH LABORATORIES

Dear Dr. Pauls:

Enclosed are the invoices and backup from Holiday Parks for their work on the Northern Region Lab on the Fairbanks Campus totalling \$35,143.81.

To date the work has been performed in a satisfactory manner. I have no objections to payment of these invoices.

If I can be of further assistance, please contact me.

Cordially,

Gerald V. Neubert  
Associate Director of Planning

GVN/csk

Enclosure

cc: GDM and Associates

architects:  
G.D.M. & Associates, Inc.  
524 Third Avenue Fairbanks, Alaska 99701

Gerald D. Myers  
Larry H. Lander  
907/452-7213

August 13, 1976

RECEIVED  
OFFICE OF PLANNING &  
INSTITUTIONAL STUDIES

Mr. Jerry Neubert/Project Planner  
Box 95155  
University of Alaska  
Fairbanks, Alaska 99701

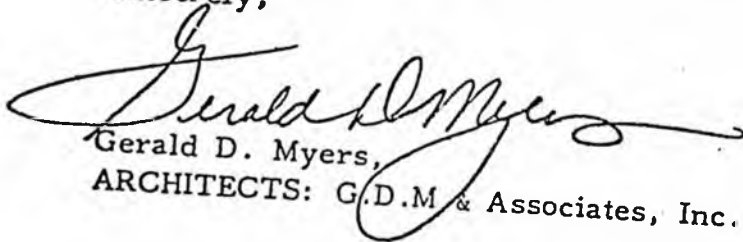
AUG 19 1976 LCG #  
DIST. GN NR LAB FUR

RE: Northern Regional Laboratory  
(75-03) Pay Request

Dear Mr. Neubert,

Attached is the Pay Request from Holaday Parks for their work on the above project. This work is complete as described and we recommend payment.

Sincerely,

  
Gerald D. Myers,  
ARCHITECTS: G.D.M. & Associates, Inc.

Enclosure

GDM/at

cc: Phil Nelson - Holaday Parks  
Dr. Paul Frith  
Dr. Frank Pauls

I certify that this is a just and proper bill  
and hereby authorize the Department Certifying  
Officer to effect payment of same.

Frank P. Pauls 9/3/76  
Signature Date

06-31-1-830  
6-Digit Account Code 3-Digit Object Code

Case or Med. Card No. Remarks

RECEIVED

SEP 3 1976

BRANCH OF PUBLIC  
HEALTH LABORATORIES



100 1 2 1 0

Order No.

Sold to STATE OF ALASKA  
Dept. of Health & Social Services  
% G. D. M. Associates  
Suite 45 A  
Alaska National Bank Building  
Fairbanks, Alaska 99701

Invoice Date 8/11/76

Terms: Net Cash

1% per month interest charged on accounts over 30 days.

Job # 21621

NORTHERN REGIONAL LABORATORY:

Partial Billing for Ventilation Work Completed - \$35,000.00

I certify that this is a just and proper bill and hereby authorize the Department Certifying Officer to effect payment of same.

Frank P. Pauls 9/2/76  
Signature Date

06-31-1-830 380  
8-Digit Account Code 3-Digit Object Code

Case or Med. Card No. Remarks

Sheet Metal / Air Conditioning / Refrigeration

401 SOUTH WEBSTER STREET, SEATTLE, WASHINGTON 98109, PHONE (206) 763-8500 • 1840 MARIKA, FAIRBANKS, ALASKA 99701, PHONE (907) 452-7151

APPROVED

FOR PAYMENT

BY A.C. [Signature]  
DATE SEP 8 - 1976

4 RSA 065-024 **E D**  
~~4~~ RSA ~~067-007~~  
SEP 8 1976

BRANCH OF PUBLIC HEALTH LABORATORIES

T-5



HOLADAY-PARKS  
FABRICATORS, INC.

MAY 17 1976

Order No. By - Bridgette Schleicher

Sold to G. D. M. Associates  
Northward Building - Suite 45 A  
Fairbanks, Alaska 99701

Invoice Date 5/14/76

Terms: Net Cash  
1% per month interest charged on accounts over 30 days.

Job # 21935

INSTALL VENT for T. B. TEST HOOD at NORTHERN REGIONAL  
LABORATORY - ARTIC RESEARCH CENTER:

8' -0 4"Ø Pipe  
3 - " " Ells  
Labor 4 hrs. @32.00

8.16  
7.65  
128.00  
\$143.81

APPROVED  
FOR PAYMENT  
BY G.C. [Signature]  
DATE SEP 8 1976

RSA 065-624  
~~RECEIVED~~  
U

I certify that this is a just and proper bill  
and hereby authorize the Department Certifying  
Officer to effect payment of same.

Frank P. Paul 9/3/76  
Signature Date

06-31-1-830 380  
8-Digit Account Code 3-Digit Object Code

SEP 8 1976

BRANCH OF PUBLIC  
HEALTH LABORATORIES

Case or Med. Card No. Remarks

Sheet Metal / Air Conditioning / Refrigeration  
401 SOUTH WEBSTER STREET, SEATTLE, WASHINGTON 98108, PHONE (206) 763-4500 • 1840 MARINA, FAIRBANKS, ALASKA 99701, PHONE (507) 452-7151

T-6.

STATE  
of ALASKA**MEMORANDUM**

DEPARTMENT OF PUBLIC WORKS

TO:

Frank P. Pauls, Dr. PH  
Chief, Section of Laboratories  
Division of Public Health  
Dept. of Health & Social Services

DATE : October 8, 1976

FROM:

George C. McCurry, P.E.  
Chief of Maintenance  
Division of BuildingsSUBJECT: Northern Regional Laboratory  
Relocation  
DB-6-0420

Following our discussion yesterday, I asked our Fiscal Section to prepare a list of invoices approved for payment against your two RSA's for the subject project:

RSA 065-023 (\$ 6,500.00)		
G.D.M. & Associates (5-15-75)	\$ 583.16	— Separate funding bill
G.D.M. & Associates (9-22-75)-partial	5,916.84	— bills paid. Also filed
	<u>\$ 6,500.00</u>	Transition.
RSA 065-024 (\$80,700.00)		
G.D.M. & Associates (9-22-75)-balance	\$ 2,967.10	—
G.D.M. & Associates (1-15-75)	1,817.94	—
Roberts Plumbing & Heating	13,794.40	
Sourdough Express (11-21-75)	957.94	
Sourdough Express	791.87	*
Sourdough Express (11-30-75)	897.96	*
Ramar Construction (4-15-76)	21,804.82	*
G.D.M. & Associates (5-3-76)	1,147.49	* ---
	<u>\$ 44,179.52</u>	

Interagency billings on RSA 065-023 have been paid as follows:

IB 042 AV011975 (2-26-76)	\$ 5,916.84
IB 024 AV007401 (11-14-76)	583.16
	<u>\$ 6,500.00</u>

Likewise, interagency billings on RSA 065-024 have been paid as follows:

IB 068 AV091229	\$ 16,570.28
IB 043 AV011974 (2-26-76)	2,537.38
	<u>\$ 19,537.38</u>

**RECEIVED**

OCT 8 1976

BRANCH OF PUBLIC  
HEALTH LABORATORIES

D. McCurry 12-1

Memo to: Frank Pauls

Page - 2 -

October 8, 1976

However interagency billing IB 105 (7-13-76), for asterisked invoices totaling \$24,642.14, has not yet been paid by Department of Health and Social Services.

We are holding, per your instructions, two additional invoices from Holaday-Parks Fabricators, Inc., amounting to \$35,143.81.

I hope this will serve to bring you up to date on the financial status of this project. Copies of all relevant invoices are attached for your information.

If you require more information, please let me know.

Attachments

REIMBURSABLE SERVICES AGREEMENT

Department of Health & Social Services, Public Health hereby request the following  
(Agency)

services to be performed by the Division of Buildings, Public Works  
(Agency)

PROJECT OR PROGRAM TITLE: See RSA # 065-024 (#194) attached.

DESCRIPTION AND TERMS OF REIMBURSEMENT: \_\_\_\_\_

Upon receipt of interagency billing.

RSA 067-007

(Attach additional information as required)

DATE COMPLETION REQUIRED: 6-30-76

ACCOUNT CODE TO BE CHARGED: 06-31-1-830 CONTINUING FUNDS  Yes  No

ESTIMATED COST OF PROJECT OR SERVICES REQUESTED

	<u>ESTIMATE</u>	<u>ACTUAL</u>
Planning, engineering, and supervision	\$ _____	\$ _____
Land acquisition and equipment	\$ _____	\$ _____
Construction * Add \$10,000 (FY 76) to this RSA of \$80,700 (FY 75).	\$ <u>10,000.00</u> *	\$ _____
Other (itemize) <u>JV 700151 7/15/75</u>	\$ _____	\$ _____
	\$ _____	\$ _____
	\$ _____	\$ _____
	\$ _____	\$ _____
TOTAL	\$ <u>90,700.00</u>	\$ _____

NOTE: Requesting agency must submit an encumbrance document with this agreement.

I certify, based on the above estimate, that sufficient funds are available to pay this obligation and that the appropriation code to be charged has a sufficient balance to cover this obligation.

APPROVED: Catherine M. Floyd  
REQUESTING AGENCY

APPROVED: George C. McQuay  
SERVICING AGENCY

DATE: 8/25/76

DATE: 1 September 1976

Frank P. Pauls, D.P.H. 4/25/76.  
Acting Director, Division of Public Health

APPROVED: \_\_\_\_\_  
DEPARTMENT OF ADMINISTRATION

DP OTHER

8/11/76

ENCUMBRANCE REFERENCE NUMBER

RS06-0194

DESCRIPTION	TRANS. CODE	DEPT.	DIV. AND PROG	FUNCTION	SUB FUNCTION	OBJECT RECFY	AMOUNT
Division of Buildings, Public Works	250	06	31	1	830	380	*10,000
<p>*Add \$10,000.00 (FY 76) to this            RSA of \$80,700.00 (FY 75)            Relocation of Northern Regional            Laboratory to Arctic Health            Research Center Bldg., University            of Alaska, Fairbanks</p>							
RS060194	250	06	31	1	830	380	* 80,700.00
AV 11974	374						* 2967.10
AV 19229	374						* 16570.20
Balance as of 8/31/76							6116.22

100 - TRAVEL AUTHORIZATION CA - CONTRACT AWARD  
 90 - PURCHASE ORDER DP - DEPARTMENTAL PURCHASE ORDER

DOCUMENT TOTAL

\* 10,000.00

FOR DIVISION OF FINANCE USE ONLY

DATE	LIQUIDATION DOCUMENT NUMBER	AMOUNT	BALANCE

DATE	LIQUIDATION DOCUMENT NUMBER	AMOUNT	BALANCE

CHECKED  
 ENCUMBERED  
 V-2

DEPARTMENT HEALTH & SOC SERVICE

PROGRAM PUBLIC HEALTH

DIVISION PUBLIC HEALTH

REF NO	VENDOR DESCRIPTION	COLLOCATION	OBJ	P	ACT/PROJ	POSTED	DUE DATE	AMT POSTED	LIQ TO DATE	OUTSTANDING
00602120	SCIENTIFIC PRODUCTS	06	31	1	810 470	09-21-76	10-14-76	542.90		542.90
00602123	SCIENTIFIC PRODUCTS	06	31	1	810 470	09-29-76	10-16-76	135.00		135.00
00054685	IBM CORPORATION	06	31	1	810 520	09-14-76	12-01-76	586.00		586.00
CC062435	WIEN AIR ALASKA INC	06	31	1	820 211	08-30-76		73.73		73.73
00505993	VWR SCIENTIFIC	06	31	1	820 470	01-29-76	02-19-76	256.62		256.62
00505996	SCIENTIFIC SUPPLIES	06	31	1	820 470	02-03-76		102.22		102.22
00512783		06	31	1	820 470	07-15-76	08-06-76	1,640.07		1,640.07
00512784		06	31	1	820 470	07-15-76	07-20-76	278.98		278.98
00634217	ARTHUR H THOMAS CO	06	31	1	820 470	09-10-76	09-24-76	203.70		203.70
00554616	FORMA - SCIENTIFIC	06	31	1	820 530	08-25-75	09-19-76	4,970.25		4,970.25
50062207	DUNNA M WOODS	06	31	1	820 380	03-26-76		70.00		70.00
00505818	VAN WATERS & ROGERS	06	31	1	830 470	11-04-75		284.48		284.48
00505824	BIO QUEST	06	31	1	830 470	08-20-76		14.00		14.00
00505836	VAN WATERS & ROGERS	06	31	1	830 470	02-10-76		139.05		139.05
00505842	CURTIS-MATHESON SCIE	06	31	1	830 470	03-09-76		1,851.89		1,851.89
00507972	IBM CORPORATION	06	31	1	830 460	03-23-76	04-05-76	159.20	150.28	8.92
00512621	VAN WATERS & ROGERS	06	31	1	830 470	05-25-76		204.33		204.33
00512623	VAN WATERS & ROGERS	06	31	1	830 470	06-03-76		466.79		466.79
00512637	SCIENTIFIC PRODUCTS	06	31	1	830 470	07-13-76		580.00		580.00
00512643	VAN WATERS & ROGERS	06	31	1	830 470	08-24-76		251.23		251.23
00512644	VAN WATERS & ROGERS	06	31	1	830 470	08-24-76		373.14		373.14
00512645	VAN WATERS & ROGERS	06	31	1	830 470	08-24-76		109.95		109.95
00512643	MILLIPORE CORP	06	31	1	830 470	09-14-76		110.00		110.00
00512650	SCIENTIFIC PRODUCTS	06	31	1	830 470	09-25-76		763.86		763.86
00512651	SCIENTIFIC PRODUCTS	06	31	1	830 470	09-29-76		393.03		393.03
00512653	ORTHO DIAGNOSTICS	06	31	1	830 470	09-29-76		208.04		208.04
00608639	DARRETT OFFICE SPLY	06	31	1	830 450	05-18-76		4,878.97		4,878.97
LS001012	UNIV OF AK	06	31	1	830 332	04-27-76		4,054.00	2,032.00	2,032.00
00504438	MINER PUB	06	31	1	830 360	07-27-76		59.50		59.50
00500194	DIV BLDG DEPT PUBLI	06	31	1	830 380	08-15-76		61,162.62		61,162.62
00513953	SCIENTIFIC PRODUCTS	06	31	1	860 470	09-21-76	10-02-76	350.32		350.32
00513955	MICROBIOLOGICAL ASSO	06	31	1	860 470	09-21-76	10-07-76	1,740.30		1,740.30
00513956	SCIENTIFIC PRODUCTS	06	31	1	860 470	09-29-76	10-14-76	1,085.76		1,085.76
00513957	VWR SCIENTIFIC	06	31	1	860 470	09-29-76	10-17-76	264.30		264.30
00514027	ABROTT LABORATORIES	06	31	1	860 470	07-13-76	07-30-76	287.50		287.50
00514037	CURTIS-MATHESON SCIE	06	31	1	860 470	08-05-76	09-20-76	1,473.12		1,473.12
00514043	CURTIS-MATHESON SCIE	06	31	1	860 470	08-18-76	09-09-76	302.40		302.40
00616448	PHILLIPS BOXANE LABO	06	31	1	860 470	07-09-76	09-02-76	560.00		560.00
00504399	YUKON-KUSKOKWIN HEAL	06	31	1	865 380	02-24-76		51,003.00	25,199.01	25,802.99
CC062363	DEPT OF ADMIN-CENTRE	06	31	1	870 315	08-12-76		14.89		14.89
CC062363	UNIV OF WASH COMPUTE	06	31	1	915 380	10-31-75		999.99	2454	975.00
00608661	CAPITAL OFFICE	06	31	1	915 520	04-29-76	06-15-76	317.00		317.00
CC062363	DEPT OF ADMIN-CENTRE	06	31	1	930 315	08-12-76		22.35		22.35
00608660	CAPITAL OFFICE SUPPL	06	31	1	930 520	04-29-76	06-15-76	316.00	259.91	56.09

Appendix Y

MEMORANDUM

Cathy

Commissioner



TO: Av Gross  
Attorney General  
Department of Law

DATE: November 1, 1976

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

SUBJECT: Transfers Between Prior Year  
Appropriations

The Department of Health & Social Services, on the attached memorandum, has specifically requested approval to transfer funds between FY 76 appropriations to allow payment of vendors in other appropriation areas. This action is necessary because the department in effect has over expended the appropriations for the areas indicated. I am requesting that you review this appropriation transfer request with the following items in mind.

1. Can transfers between appropriations occur after the official closing date for the reappropriation period listed in the statutes, August 31? If August 31 is not the date for final adjustments between appropriations, what would be the final date? Would it be actual preparation and printing of the financial report or would there be no termination to the Governor's authority to approve transfers in prior years?
2. If it is legal to make these transfers, can the administration have a policy stating that transfers after that date will not be made?
3. Can transfers be made after the close of that fiscal year if the funds will not actually be expended but rather are to allow compliance with the statute which states: "prior year bills may be paid from current year appropriations only if sufficient funds lapsed in the prior year to have allowed payment if the bills were received at the proper time"?

It is my general feeling and proposed policy that adjustments should not be made after August 31 between appropriations. In theory at that time all information should have been in the hands of the Department of Administration to allow them to prepare the official annual statement. This Annual Financial Statement is to portray the position of the state financial records in accordance with statute and have a comparison of amount appropriated with those expended and lapsed. It has been our policy, and will continue to be unless you indicate otherwise, to allow transfers between line items in prior year appropriations to allow payments during the current year in the same appropriations. Our rationale is that the annual financial report does not indicate line item lapse and expenditure information and therefore adjustments of this nature do not affect the official report. Also, could you please answer the above questions with respect to transfers between allocations.

Av Gross  
Attorney General

-2-

November 1, 1976

The Department of Health and Social Services is anxious to resolve this matter so that they may either prepare a supplemental request or make these adjustments and pay the vendors involved. Please contact myself or Cathy Lloyd, Department of Health & Social Services for additional information and background on this subject.

RL/ld  
attachment

cc: Michael Orelove, Budget and Management  
Cathy Lloyd, Health & Social Services  
Commissioner Williamson, Health & Social Services

REIMBURSABLE SERVICES AGREEMENT

The Department of Health & Social Services (Public Health) hereby request the following (Agency)

services to be performed by the Division of Buildings, Department of Public Works (Agency)

PROJECT OR PROGRAM TITLE: Relocation of Northern Regional Laboratory, Fairbanks

DESCRIPTION AND TERMS OF REIMBURSEMENT:

Payment upon receipt of interagency billing

(Attach additional information as required)

DATE COMPLETION REQUIRED: December 31, 1976

ACCOUNT CODE TO BE CHARGED: 06-31-1-830-380 CONTINUING FUNDS Yes [ ] No [ ]

ESTIMATED COST OF PROJECT OR SERVICES REQUESTED

Table with 3 columns: Description, ESTIMATE, ACTUAL. Rows include: Planning, engineering, and supervision (\$3,000); Land acquisition and equipment; Construction (\$107,000); Other (itemize); TOTAL (\$110,000)

NOTE: Requesting agency must submit an encumbrance document with this agreement.

I certify, based on the above estimate, that sufficient funds are available to pay this obligation and that the appropriation code to be charged has a sufficient balance to cover this obligation.

APPROVED: Robert I. Fraser, M.D. REQUESTING AGENCY

APPROVED: George C. McCreary SERVICING AGENCY

Director Division of Public Health DATE: October 25, 1976

DATE: 25 October 1976

Commissioner Office Date 10/25/76

APPROVED: DEPARTMENT OF ADMINISTRATION

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

DATE: December 10, 1976

FILE NO:

TELEPHONE NO:

FROM: Avrum M. Gross  
Attorney General

SUBJECT: Transfers between prior  
year appropriations

By: G. Thomas Koester *GTK*  
Assistant Attorney General  
Department of Law

RECEIVED

DEC 13 1976

BUDGET & MANAGEMENT

You asked us to review a request by the Department of Health and Social Services to transfer funds between FY 76 appropriations to allow payment of vendors in other appropriation areas.

This review must begin with the relevant constitutional provisions governing state finance. Art. IX, § 12 of the Alaska Constitution, provides:

The governor shall submit to the legislature, at a time fixed by law, a budget for the next fiscal year setting forth all proposed expenditures and anticipated income of all departments, offices, and agencies of the State. The governor, at the same time, shall submit a general appropriation bill to authorize the proposed expenditures, and a bill or bills covering recommendations in the budget for new or additional revenues.

Art. IX, § 13 provides:

No money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law. Unobligated appropriations outstanding at the end of the period of time specified by law shall be void.

Implementing these provisions is a statutory scheme allocating various powers and responsibilities between the executive and legislative branches of government. The governor is to direct the preparation of a comprehensive program and financial plan and recommend it for consideration by the legislature. AS 37.07.020. The legislature is to adopt legislation

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DEC 14 1976

BRANCH OF PUBLIC  
HEALTH LABORATORIES

Appendix 77-7

to authorize implementation of the governor's proposed comprehensive program and financial plan or appropriate alternatives to it. AS 37.07.030. Once the implementation of the governor's comprehensive program and financial plan (or appropriate alternatives thereto) has been authorized through appropriations, the governor shall direct its administration. AS 37.07.020. (And see Alaska Constitution, Art. III, § 1 which provides: "The executive power of the State is vested in the governor.")

Administration of the comprehensive program and financial plan authorized by the legislature necessarily requires some flexibility. The legislature recognized this when it enacted AS 37.07.080(e) permitting appropriation transfers within an agency upon review by the division of budget and management and approval by the governor. (Section 2 of ch. 26 SLA 1976 amended AS 37.07.080(e) to prohibit transfers between appropriations, but sec. 5 of that same Act provided that "[n]otwithstanding the provisions of sec. 2 of this Act, transfers between appropriations may be made as [was] provided by law between appropriation items contained in sec. 16(a) and (b) of ch. 209 SLA 1975." If the appropriations the Department of Health and Social Services wants to transfer were not contained in sec. 16(a) or (b) of ch. 209 SLA 1975, no transfer is permissible; this review assumes that the appropriations under consideration were contained in sec. 16(a) and/or (b) of ch. 209 SLA 1975. The same analysis will apply to appropriation transfers authorized by sec. 13 of ch. 279 SLA 1976.)

The effect of the close of the fiscal year on appropriations and unsatisfied state obligations is governed by AS 37.25.010, which provides:

(a) The unexpended balance of a one-year appropriation authorized in an appropriation bill lapses on June 30 of the fiscal year for which appropriated. However, a valid obligation (encumbrance) existing on June 30 is automatically reappropriated for the fiscal year beginning on the succeeding July 1 if it is recorded with the Department of Administration by August 31 of the succeeding fiscal year.

(b) An indebtedness arising from a prior year for which the appropriation has lapsed shall be paid from the current year's appropriations, if (1) this expenditure does not exceed the balance lapsed; and (2) the original obligation date is not more than two years from the requested date of disbursement.

This provision has consistently been interpreted as authorizing retroactive appropriation transfers, and properly so.

The fact that this provision has consistently been interpreted to permit retroactive appropriation transfers, standing alone, is strong legal support for the conclusion that it authorizes such transfers. Justice Frankfurter, concurring in Youngstown Sheet & Tube Co. v. Sawyer, 343 U.S. 579, 96 L.Ed. 1153 (1952), referred to such systematic executive practice, pursued to the knowledge of the legislature without having been questioned, as a "gloss" on the executive power vested in the chief executive by the constitution. The exercise of such power becomes a part of the structure of government. It cannot supplant the Constitution or legislation, but it gives meaning to the language being interpreted. We believe retroactive appropriation transfers such as the one sought by the Department of Health and Social Services are permissible under the Constitution and relevant statutes.

Furthermore, the conclusion that retroactive appropriations are permissible becomes obvious upon analysis of what the legislature intended to accomplish when it enacted AS 37.25.010. Subsection (a) is designed to permit automatic reappropriation of lapsed appropriations to cover obligations incurred in a prior fiscal year but not presented to the state for payment until the succeeding fiscal year. The greatest need for the flexibility it gives the executive branch -- the ability to match appropriations which were based on estimated requirements to actual obligations as they become due -- is after the close of the fiscal year. That is when the last of those obligations finally appear and the necessary appropriation transfers authorized by AS 37.07.080(e) may be identified with certainty.

Any other construction would lead to an absurd result. Assume a vendor submits a bill on July 1 for services rendered during the previous fiscal year, services rendered in an appropriation area for which the previous year's appropriation contains no unexpended balance. Since there is no lapsed balance, there is no automatic reappropriation. The result is that there is no appropriation against which a pay warrant may be drawn, and the vendor legally cannot be paid. A foreseeable result would be for the vendor to sue the state, a lawsuit we believe the state would lose. To satisfy the resultant judgment, the affected agency (through the governor) would have to seek a supplemental legislative appropriation to satisfy a timely-filed claim which would have been paid routinely if filed on June 30 or before. This narrow construction would force the state to default on an obligation when due, severely inconvenience an innocent business-

man, probably lead to the assessment of costs, interest, attorney fees and damages against the state (significantly increasing the ultimate cost), and inevitably result in a loss of public confidence in state government regardless of the legislature's action on the supplemental appropriation. All this because the claim was presented one day after the close of the fiscal year. The legislature could not have intended such a result. Retroactive transfers of appropriations provide a solution to this problem; we believe they are an essential part of the legislatively-enacted scheme to enable the state to meet its obligations when due and violate neither the Constitution nor controlling statutes.

When an obligation incurred during a previous fiscal year is not presented to the state for satisfaction or otherwise is not recorded with the Department of Administration by August 31, there can be no automatic reappropriation under AS 37.25.010(a). However, that does not mean the vendor may not be paid. If there was a lapsed balance in the appropriate appropriation area for the year in which the obligation arose, and if the original obligation date is less than two years from the requested date of disbursement, AS 37.25.010(b) clearly authorizes payment of that obligation out of the current year's appropriation. To compensate for the unbudgeted expenditure from the current year's appropriation, the affected agency (through the governor) seeks a supplemental legislative appropriation.

This brings us to the heart of your request for review: What happens when there was no lapsed balance in the appropriate appropriation area? May the agency (with the governor's approval) retroactively transfer lapsed balances from other appropriation areas to the appropriate one, thereby authorizing payment of the claim from the current year's appropriation under AS 37.25.010(b)? We believe the answer is "yes," for the same reasons that we believe retroactive transfers of appropriations are permissible under AS 37.25.010(a). Narrowly construing AS 37.25.010(b) to prohibit such retroactive transfers leads to the same absurd consequences a narrow construction of AS 37.25.010(a) does: nonpayment, suit, judgment, supplemental appropriation, and erosion of public confidence. We do not believe the legislature could have intended such results.

Under a broad construction permitting a retroactive transfer of appropriations (in truth a mere book transaction), the agency would be permitted to pay the claim out of its current year's appropriations. Again, to compensate for the unbudgeted expenditure, it would seek a supplemental legislative appro-

priation. Note that under both narrow and broad constructions, of the affected agency would seek a supplemental appropriation. Under a narrow construction it would be to satisfy a judgment which could significantly exceed the amount of the original claim. Under a broad construction the request would be for the amount the current year's appropriation was diminished by satisfying the obligation. Under either construction, the substantive relationship between the executive and legislative branches of government is the same and the legislative safeguard is identical: the affected agency (through the governor) must seek a supplemental appropriation. The only real differences between the two constructions are that the narrow one penalizes innocent vendors, increases the amount the state must pay, and erodes public confidence in the state's ability to satisfy its obligations. We do not believe the legislature could have intended that such consequences should result from the fact that an appropriation, based on an estimate made more than a year earlier, was insufficient.

If (as we have concluded) August 31 is not the final date for retroactive transfers of appropriations, what would be the final date? Under our interpretation of AS 37.25.010, the final date for appropriation transfers (that is, for transfers which would lead to automatic reappropriations under subsection (a)) would be August 31. The final date for book transactions (that is, for transfers which would permit payment of obligations from the current year's appropriations under subsection (b)) would be the latest date permitted: Two years from the date of the original obligation for which payment is sought. city

Of course, the administration can make a policy stating that transfers after a certain date will not be made, since all such transfers require the governor's approval under AS 37.07.-080(e). A practical approach might be to set the final date for such transfers at a time sufficiently later than August 31 to permit all claims submitted after that date or not recorded with the Department of Administration by that date to be satisfied out of the current year's appropriation, yet sufficiently before the final report to the legislature must be made to permit incorporation of the transfer in the report. This would permit all necessary last minute adjustments discovered by agencies to be made, while also permitting an accurate year-end report to be made to the legislature. While vendors submitting claims after the cutoff date could not be paid until a supplemental appropriation was made, a court would be less sympathetic if they had waited beyond this late cutoff date to submit their claim than if an August 31

date is established (or worse, if an agency had inadvertently failed to record a timely submitted claim with the Department of Administration, apparently the case with the Department of Health and Social Services claim at issue here).

Aside from legal considerations, such a policy will lead to judicial, administrative and legislative efficiency. It is conceivable that several vendors could be affected in any given year. This could lead to several lawsuits, several judgments (possibly including costs, interest, attorney fees and damages), and several supplemental appropriation requests. Payment of the incurred obligations from the current year's appropriations under the rationale advanced above would avoid all judicial proceedings and lead to a single supplemental appropriation request to "fill out" the current year's appropriations.

In our discussions of this issue, you mentioned that you wished to establish an August 31 cutoff date for such transfers. If an August 31 cutoff date is established, we suggest that it be applied prospectively only, and that departments and agencies be warned well in advance that the former practice of permitting retroactive transfers after August 31 will no longer be followed. We believe it is advisable from both legal and practical standpoints to permit the Department of Health and Social Services to make the transfer it requested which gave rise to this question and pay the Fairbanks laboratory in a relatively timely fashion.

As a final practical matter, from a legal standpoint our chances of successfully defending a single lawsuit brought by members of the legislature challenging the executive's authority to make retroactive appropriation transfers are significantly greater than our chances of successfully defending a number of lawsuits by vendors whose claims have been disallowed because there were no appropriations against which pay warrants could be written.

To summarize, we believe the established procedure permitting retroactive appropriation transfers (such as the one requested by the Department of Health and Social Services here) is permissible under the Alaska Constitution and existing statutes. Aside from its legality, its virtues are that it preserves administrative flexibility by not irrevocably fixing state expenditures to estimates made more than a year earlier, permits innocent vendors to receive timely payment for their services, avoids

Ron Lind, Director  
Division of Budget & Management

December 10, 1976

- 7 -

needless costly lawsuits leading almost inevitably to judgments against the state (judgments which could substantially exceed the original obligations), and maintains the state's ability to find businessmen willing to deal with the state in a normal commercial context. The governor has control over such transfers since he must approve them. The legislature retains its ultimate control over the state purse since the affected agency must seek a supplemental appropriation to meet its current obligations. The substantive system of checks and balances mandated by the Constitution and statutorily established by the legislature is fully complied with, and neither innocent businessmen nor the state are penalized unnecessarily.

GTK:md

# MEMORANDUM

# State of Alaska

TO: G. McCurry, P.E.  
Chief of Maintenance  
Division of Buildings

DATE: January 21, 1977

FILE NO:

TELEPHONE NO:

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

SUBJECT: Roberts Plumbing & Heating  
NRL Billing

Attached for payment is an approved bill from Roberts Plumbing and Heating for services performed in the alteration of rooms in the remodeling of space for the Northern Regional Laboratory. Payment is requested as per RSA 067-023.

The vendors total bill was \$15,326.00 of which \$13,794.40 has been paid. Payment of the \$1,5326.00 represents the final payment due the contractor.

FPP/nb

Attachment



# University of Alaska, Fairbanks

Fairbanks, Alaska 99701

January 12, 1977. *sent*  
*1-17-77*

Dr. Frank Pauls  
Director of Laboratories  
Department of Health and Social Services  
Division of Public Health  
Pouch H06D  
Juneau, Alaska 99801

Dear Dr. Pauls:

Once again I am forwarding a bill to you for the Northern Regional Lab renovation from Roberts Plumbing and Heating. To date the work has been performed in a satisfactory manner and we have no objection to payment of this invoice.

If I can be of further assistance please contact me.

Cordially,

Gerald V. Neubert  
Associate Director of Planning

GVN/csk

Enclosures

cc: GDM & Associates  
Dr. Frith  
E. Stich



DEPARTMENT OF TRANSPORTATION

905 AIRPORT BL. S. BIRMINGHAM, ALABAMA 35201

1-800-425-6233

JAN 6 REGD DATE 12/29/76

3M & Associates  
46A Northward Bldg.  
City

AMOUNT REMITTED \_\_\_\_\_

DATE	CHARGES AND CREDITS	BALANCE
12/29/76	Invoice #0309  I certify that this is a just and proper bill and hereby authorize the Department Certifying Officer to effect payment of same.  <u>Frank P. Pauls</u> <u>1/20/77</u> Signature                                      Date  <u>06-31-1-830</u> <u>370</u> 8-Digit Account Code                      3-Digit Object Code  Case or Mod. Card No.                      Remarks	\$1,532.60

Rec. 1/17/77



ROBERTS PLUMBING & HEATING

965 Aurora Dr.  
Fairbanks, Alaska 99701



ROBERTS PLUMBING & HEATING

STATEMENT

NO 1129

BILL TO <i>GMM + ASSOCIATES</i>	PHONE
ADDRESS <i>464 NORTH 4TH BLVD.</i>	CUSTOMER ORDER NO.
CITY	ORDER TAKEN BY
JOB NAME AND LOCATION	DATE ORDERED
DESCRIPTION OF WORK <i>ARCTIC HEALTH LAB</i>	DATE PROMISED <input type="checkbox"/> A.M. <input type="checkbox"/> P.M.
	<input type="checkbox"/> DAY WORK
	<input type="checkbox"/> CONTRACT
	<input type="checkbox"/> EXTRA

QUANT.	DESCRIPTION OF MATERIAL USED	PRICE	AMOUNT
	<i>ALTERATIONS FOR ROOM</i>		
	<i># B15, B14, B13B, B13A</i>		<i>1532.60</i>
	<i># B13</i>		
	<i>RETAINER</i>		<i>1532.60</i>
	<i>Iron Pipe Fittings 2/29/76</i>		<i>13794.40</i>
	<i>OC 31-1 380</i>		
	<i>3-Digit Object Code</i>		
HOURS	Case or Med. Card No.	Rem. Amount	TOTAL MATERIALS
I hereby acknowledge the satisfactory completion of the above described work:		TOTAL LABOR	TOTAL LABOR
SIGNATURE		DATE COMPLETED	TOTAL



STATEMENT

ROBERTS PLUMBING & HEATING

965 AURORA DR. • FAIRBANKS, ALASKA 99701

Tel. 907-452-3923

NO ~~1129~~

JAN 15 RECD DATE 1/10/76

GDN & Associates  
46A Northward Bldg.  
City

AMOUNT REMITTED \_\_\_\_\_

DATE	CHARGES AND CREDITS	BALANCE
1/10/76	Invoice #1443  I certify that this is a just and proper bill and hereby authorize the Department Comptroller to effect payment of same.  _____ Signature Date  _____ 6-Digit Account Code 3-Digit Object Code  _____ Case or Med. Card No. Remarks	\$13,794.40

Judy - What was the exact  
amt that Voc Rehab  
sup. went to ARCA?

---

None directly - fees  
for service could amount  
to ROUGHLY 10.0

JL

In addition based on  
payments made to ARCA  
by Voc Rehab thru 2/28/77  
it appears another 25.0  
may be paid to them from  
3/1 to the end of the year.

# TELEGRAM

ARCA ALASKA COMMUNICATIONS, INC.  
PHONE: 586-3440  
JUNEAU, ALASKA 99801

*File  
ARCA*

*Copy to  
Sen. Sackett  
3-27-77  
2,*

1977 MAR 27 AM 1 13

32336 AL ANCHORAGE ALASKA 35-26 1226P AST

PMS JOHN RADER PRESIDENT SENATE

JUN

2580

DEAR SENATOR RADER

THIS MESSAGE PAID FOR BY VOLUNTEER MEMBERS OF OUR ASSOCIATION

SUBJECT: ARCA FUNDING PROBLEM:

ARCAS CURRENT DEFICIT-- DLR\$172,575.00 (APRIL 30TH)

PROJECTION OF LOSS PER MONTH -- DLR\$54,343.00

AMOUNT NEEDED TO OPERATE TO JULY 1, 1977-- DLR\$252,575.00

CAUSES OF PROBLEM:

53.2 THOUSAND FOR FY 76-77 NOT RECEIVED ALTHOUGH LEGISLATIVE INTENT INDICATED ON PG. 53, HSS BUDGET (76-77). COMMISSIONER WILLIAMSON STATED LEGISLATURE DID NOT APPROPRIATE THE FUNDS.

ARCA'S CONTRACT WITH THE MUNICIPALITY OF ANCHORAGE TELEPHONE UTILITIES FOR REPAIRING TELEPHONES WAS REDUCED TO 500 MONTHLY. ARCA CANNOT REPAIR 2,000 TELEPHONES MONTHLY WITHOUT COMPROMISING HIGH TRAINING STANDARDS AND IMPORTING NON-HANDICAPPED WORKERS FROM THE COMMUNITY (PROPOSED NEW CONTRACT CALLED FOR REPAIR OF 2,000 TELEPHONES). ARCAS OBJECTIVE IS TO EMPLOY, TRAIN AND PLACE HANDICAPPED PEOPLE IN OUR LOCAL LABOR MARKET-- NOT NON-HANDICAPPED PEOPLE.

THE ARCA FY 77-73 BUDGET REQUEST FOR 1.2 MILLION PLANNED /  
COMBINED (INCLUDES PRIVATE CONTRACT INCOME) WAS FORWARDED TO  
ALASKA HSS. IN SEPTEMBER 1976, AND THAT DEPARTMENT ACKNOWLEDGED  
RECEIPT. HOWEVER, ON MARCH 14, 1977. COMMISSIONER WILLIAMSON  
ADVISED ARCA REPRESENTATIVES THAT HE HAD NOT SEEN THE BUDGET  
AND WAS UNAWARE OF ANY ARCA FUNDING PROBLEMS. WHEN A COPY  
OF RECEIPT AND PROPOSED BUDGET WAS PRODUCED, THE COMMISSIONER  
APPEARED TO BECOME BOTH CONCERNED AND EMBARRASSED.

JUSTIFICATION:

ARCA CURRENTLY HAS DLRS 450,000.00 SECURED FOR FY 77-73.  
THIS FIGURE DOES NOT REFLECT THE 53.2 THOUSAND PREVIOUSLY  
PROJECTED TO BE RECEIVED DUE TO LEGISLATIVE COMMITMENT,  
BUT DOES INCORPORATE DLRS 120,000.00 CONTRACTS WITH PRIVATE  
INDUSTRY. THEREFORE, ARCA IS SHORT DLRS 300,000.00  
FOR FY 77-73.

COST OF STATE SERVICES COMPARED TO ARCAS:

PLEASE REFER TO FY 77-73 BUDGET, PG 567 (HSS) FOR HARBORVIEW.

120 CLIENTS ARE CURRENTLY SERVED IN HARBORVIEW.

4100 (COST PER CLIENT PER YEAR)

120 500000.00

ARCA CURRENTLY SERVES 100 CLIENTS FULL TIME -- ARCAS  
BUDGET REQUEST -- 1.2 MILLION

ARCAS COST TO STATE IS DLRS 13,200 (PER CLIENT)

MINUS 120,000 - PRIVATE INCOME

MINUS 153 HANDICAPPED PEOPLE PLACED IN COMMUNITY JOB

MARKET

MINUS 50 ADDITIONAL HANDICAPPED PEOPLE BEING PROVIDED  
LEISURE TIME ACTIVITIES AT NIGHT AND ON WEEKENDS  
SEPARATE ADULT AND YOUTH VOLUNTEERS TO SUPPORT PROGRAMS

IMPORTANT NOTES:

10 SEVERELY HANDICAPPED ARE PROJECTED TO BE GRADUATING FROM  
HIGH SCHOOL THIS YEAR. THESE CHILDREN WILL BE REFERRED TO  
ARCA FOR SERVICE. (FIRST GROUP OUT OF SCHOOL DISTRICT.  
SPECIAL ED STARTED IN ALASKA 1966.) ADDITIONALLY, 300  
MORE WILL BE GRADUATING FROM SCHOOL IN THE NEXT 13 YEARS.  
QUESTION: DOES THIS POPULATION GO TO AN INSTITUTION AT  
41,000 PER YEAR, OR DO THEY REMAIN AT HOME AT 13000, OR  
LESS (ARCA'S OBJECTIVE). THE DLR \$13,000.00 FIGURE COULD  
DECLINE IF ARCA IS AFFORDED THE OPPORTUNITY TO FUNCTION AT  
THE MAXIMUM.

ARCA PROJECTS THE CURRENT POPULATION OF CITIZENS FROM OTHER  
COMMUNITIES NOW SERVED IN ANCHORAGE WILL RETURN AND BE SERVED  
IN THEIR OWN AREA. WHEN THIS OCCURS, ARCA WILL SERVE ONLY  
THE POPULATION OF ANCHORAGE. THIS IS NOT TO SAY THAT INSTITUTIONS  
ARE NOT NECESSARY, BUT THEIR EXISTENCE SHOULD BE MINIMAL AND  
LIMITED TO APPROPRIATE PLACEMENTS. CURRENTLY 100 OF THE  
CLIENTS SERVED AT HARBORVIEW COULD BE PLACED IN COMMUNITIES  
IF ADEQUATE HOUSING AND SUPPORT SERVICES WERE PROVIDED.

OUR CURRENT BUDGET REQUEST IS BASED ON 6 YEARS OF JOINT  
PLANNING WITH CITIZENS AT ALL SOCIAL ECONOMIC LEVELS.

THEREFORE:

ARCA PREVENTS INSTITUTIONALIZATION OF HANDICAPPED PEOPLE  
(CURRENT COST DLR \$41,000-STATE OPERATION).

ARCA SERVICES INCLUDES: VOCATIONAL EVALUATION, JOB TRAINING  
AND PLACEMENT, SHELTERED WORKSHOP, EXTENDED SHELTERED  
WORKSHOP, ACTIVITY CENTER, LEISURE TIME ACTIVITIES,  
CLIENT/PARENT GUARDIAN COUNSELING SERVICE FOR ADULTS,  
ADULT DEVELOPMENT CENTER. MORE-OVER, ARCA PROVIDES INFANT  
STIMULATION AND PRE-SCHOOL PROGRAMS, DAY CARE AND RESPITE  
CARE FOR BOTH HANDICAPPED AND NORMAL CHILDREN.

ARCA IS THE ONLY ACCREDITED REHAB WORKSHOP IN ALASKA.

ARCA EMPLOYES 35 STAFF MEMBERS.

WHY IS ARCA HAVING SUCH DIFFICULTY IN SECURING FUNDS FOR PROGRAM  
OPERATION.

ON BEHALF OF OUR HANDICAPPED CITIZENS AND OUR ASSOCIATION,  
I SOLICIT YOUR SUPPORT -- WE NEED IT AND NEED IT NOW.  
PLEASE RESPOND TO ME AT 1625 COLUMBINE, ANCHORAGE, ALASKA  
99504. PHONE 272-5227.

BOB SWAIN, PRESIDENT ASSOCIATION FOR RETARDED CITIZENS OF  
ANCHORAGE BOARD MEMBER, NATIONAL ASSOCIATION FOR RETARDED  
CITIZENS (NARCO)

THIS MESSAGE PAID FOR BY VOLUNTEER MEMBERS OF OUR ASSOCIATION

ARCA

6.0 /month from Voc Rehab

106.0 deficit Mar 16

66.0 /month expenditures need 200.0 FY77 supplemental

850.0 needed for FY78

1.2 million total budget

.450 already available

.750

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 122  
 Title Supplemental Appropriation to the Department  
 Requested by Senate Finance Date April 4, 1977

II. FISCAL DETAIL

Agency Affected Department of Health & Social Services  
 Program Category Affected Health  
 Budget Request Unit(s) Affected API, Harborview, Public Assistance Admin. Support, Public Health Admin., Contract Institutions, & Gen. Relief Medical

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	533.9					
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>533.9</b>					

FUNDING (Thousands of Dollars)

GENERAL FUND	501.5					
FEDERAL FUNDS	32.4					
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

	TOTAL	GF	FED
Malpractice	138.2	105.8	32.4
Contract Institutions	152.5	152.5	-0-
Medicaid	-0-	-0-	-0-
G. R. Medical	243.2	243.2	-0-
	<u>533.9</u>	<u>501.5</u>	<u>32.4</u>

IV. DATE April 3, 1977

PREPARED BY: [Signature]  
 AGENCY Department of Health & Social Services  
 PHONE 465-3096

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

COMMITTEE REPORT  
SENATE

12/16/77

April 5, 1977 Date

Mr. President:

The Committee on FINANCE has had SR 122  
supplemental approval to Dept. of Health & Social Services  
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for SR 122 and that  
CS for SR 122 do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

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

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

\_\_\_\_\_ Chairman

Original sponsor: Rules Committee  
by request of the Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 122

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

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

7

Department of Health and Social Services; and providing

8

for an effective date."

9

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

10

\* Section 1. The sum of \$914,651 is appropriated to the Department of

11

Health and Social Services for the fiscal year ending June 30, 1977, to be

12

allocated and funded as follows:

13

General Fund      Federal

14

Malpractice Insurance

15

Public Health Administration      \$ 1,980

16

Alaska Psychiatric Institute      70,000      \$ 8,600

17

Harborview Center      32,900      23,800

18

Public Assistance Administration      871

19

Contract Institutions      99,300

20

General Relief Medical      243,200

21

ARCA      200,000

22

Gateway Opportunity Center      25,000

23

Public Health Laboratories      29,900

24

Child Support Enforcement      154,100

25

Adult Protective Services, Demonstration

26

Program      25,000

27

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

28

070(c).

29

#

Blanket Liability - Admission:

Did we pay MICA look up.  
Malpractice Insurance:

Contact Institutions 216,500      99,300  
Atokelano, }  
Hope Cottage }

Intent:  
Area - Inclusion: Arch, \$2.2  
Ketchikan,  
(app. was less so could not.)

Introduced: 2/3/77  
Referred: Health, Education &  
Social Services and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 THE SENATE

2 SENATE BILL NO. 122

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Health and Social Services; 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 \$3,093,894 is appropriated to the Department of  
11 Health and Social Services for Fiscal Year 1977, allocated and funded as  
12 follows:

	General Fund	Federal
13		
14 Malpractice Insurance		
15     Communicable Disease Control	\$ 1,514	
16     Family Health	1,680	
17     Public Health Administration	1,980	
18     Alaska Psychiatric Institute	78,602	
19     Harborview Center	56,680	
20     State Operated Mental Health Centers	2,127	
21     Mental Health Administration	1,140	
22     Public Assistance Administration	871	
23     Contract Institutions	216,500	
24     Medicaid	1,303,900	1,303,900
25     General Relief Medical	125,000	

26 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
27 10.070(c).  
28  
29

Introduced: 2/3/77  
Referred: Health, Education &  
Social Services and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 THE SENATE

2 SENATE BILL NO. 122

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
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	General Fund	Federal
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14 Malpractice Insurance		
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16 Family Health	1,680	
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22 Public Assistance Administration	871	
23 Contract Institutions	216,500	
24 Medicaid	1,303,900	1,303,900
25 General Relief Medical	125,000	

26 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
27 10.070(c).  
28  
29

"An act making a supplemental appropriation to the Department of Health and Social Services; and providing for an effective date."

The Division of Public Assistance is requesting a supplemental appropriation for the Medicaid program for the purpose of "cost settling" Medicaid expenses. The amount of the supplemental request is \$1,000.0 (500.0 FED, 500.0 SGF). Cost settling is a mechanism to make retroactive payments to hospitals and nursing homes (institutions) based on an after the fact analysis of actual costs and revenues to settle prior Medicaid payments which were based on projections of costs and revenues. For FY 77 \$950.0 was budgeted for cost settlements.

Under federal guidelines medical institutions are given wide latitude to increase costs at any time for purposes which are reasonable and necessary to the administration and operation of the institution. Thus, it is extremely difficult to estimate a year or two in advance the dollar amounts that will be involved in the after the fact cost settlements.

To date, the Audit Section has verified cost settlements of \$789.8 in FY 77. Only four institutions remain to be cost settled in FY 77. It is estimated that \$210.2 will be necessary to cost settle these facilities. A breakdown of the facilities and the estimated amount of cost settlement is as follows:

\$100.0	Maynard McDougall Memorial Hospital
65.0	Community and Providence Hospitals
<u>45.2</u>	Careage Corporation
\$210.2	Total

In summary, the cost settlement picture for FY 77 is as follows:

\$789.8	Cost settlements paid out to date
<u>210.2</u>	Estimated remaining FY 77 cost settlement needs
\$1,000.0	Total FY 77 cost settlement needs and amount of supplemental request

The supplemental request assumes that other FY 77 Medicaid expenditures will be met within the current appropriation. Past or potential future Mental Health Medicaid expenditures were not considered in the preparation of this request. Such expenditures will be handled separately through Revised Program requests. This paper assumes Legislative Budget and Audit approval of such requests.

Recommended By: *Don Kemp* Date: 2/11/77  
 Don Kemp, Acting Director  
 Division of Public Assistance

*Francis S. Williamson* Date: 2/11/77  
 Francis S. Williamson, Commissioner  
 Department of Health & Social Services

8/11	Anchorage Community	\$30,000.00
9/15	Central Peninsula	1,413.43
9/28	Seward General	9,427.00
10/15	Kodiak Island	4,249.00
11/15	Wrangell	45,956.10
11/16	Central Peninsula	4,599.00
1/18	Maynard McDougall	33,147.00
11/23	Petersburg Hospital	229.73
12/03	Valdez Hospital	(352.00)*
12/13	Sitka Hospital	905.31
12/13	Homer Hospital	2,610.44
1/6/77	Cordova Community	4,777.60
1/25/77	Petersburg General	3,332.00
1/25/77	Sitka Community Hospital	<u>2,565.80</u>
	Total	\$143,212.41

COST SETTLEMENTS

NURSING HOMES

<u>Date</u>	<u>Name</u>	ICF	<u>XIX</u>	SNF
8/2	Wrangell Nursing	\$22,257.27		\$ 1,474.47
8/2	Careage North	9,582.89		3,539.96
10/15	Hope Cottage	20,000.00		
10/19	Cordova Nursing Home	18,210.00		11,790.00
11/15	Wrangell Nursing	(7,998.55)*		808.00
11/17	Ketchikan	132,406.00		
11/18	Maynard McDougall	1,242.00		
11/18	Glenmore			36,879.00
11/22	Careage House	40,000.00		
11/22	Hope Cottage	20,000.00		
11/23	Careage North	100,000.00		
11/23	Petersburg III	1,438.61		54.25
11/24	Ketchikan NH	1,130.28		23,814.62
12/13	Wesleyan	65,801.38		1,254.00
1/6/77	Cordova Community	15,635.45		10,595.10
1/25/77	Petersburg	<u>23,176.25</u>		<u>3,543.25</u>
	Total	\$552,881.58		\$93,752.65

TOTAL (Hospitals & Nursing Homes)

\$789,846.64

\* Owed to the State in Cost Settlement

Title Supplemental appropriation to the Department of Health and Social Services  
 Requested by Governor Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services  
 Program Category Affected Health  
 Budget Request Unit(s) Affected Medicaid

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	1000.0					
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>1000.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	500.0					
FEDERAL FUNDS	500.0					
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Payments for cost settling to nursing homes and hospitals. See attached cost settlements.

IV. DATE February 11, 1977

PREPARED BY Marsha Hubbard  
 AGENCY Budget Planning Unit - Dept. of Health & Soc. Serv  
 PHONE 465-3096

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

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 122  
 Title Supplemental Appropriation to the Department  
 Requested by Senate Finance Date April 4, 1977

II. FISCAL DETAIL

Agency Affected Department of Health & Social Services  
 Program Category Affected Health  
 Budget Request Unit(s) Affected API, Harborview, Public Assistance Admin. Support. Public Health Admin., Contract Institutions, & Gen. Relief Medical

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	533.9					
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>533.9</b>					

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	501.5					
FEDERAL FUNDS	32.4					
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

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

	TOTAL	GF	FED
Malpractice	138.2	105.8	32.4
Contract Institutions	152.5	152.5	-0-
Medicaid	-0-	-0-	-0-
G. R. Medical	243.2	243.2	-0-
	<u>533.9</u>	<u>501.5</u>	<u>32.4</u>

IV. DATE April 3, 1977

PREPARED BY: Wanda Heuback  
 AGENCY Department of Health & Social Services  
 PHONE 465-3096

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

# MEMORANDUM



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

DATE : February 23, 1977

FROM: *Francis S. L. Williamson*  
Francis S. L. Williamson  
Commissioner  
Department of Health & Social Services

SUBJECT: Updated Projections  
Senate Bill 122  
Department of Health & Social  
Services/Division of Mental  
Health & Developmental Disa-  
bilities Contract Services

1. Original authorization of 2433.9 is reduced by 931.9, this amount being an interagency receipt which will not materialize. This was to support Hope Cottage programs B and F. Payment is being made direct through Public Assistance rather than interagency as budgeted which eliminates the interagency. Result is an actual authorization available to support this B.R.U. of 1502.0.
2. Expenditures recorded on January 31 run date 843.0.
3. Encumbrance recorded on January 31 run date 619.4. This amount should be adjusted as:
  - a) 117.5 reduction as a result of payments already recorded in item 2 expenditure and no offset reduction in encumbrance, i.e., October and November payments to Hope Cottage, Inc. of 58,745 each. Actual encumbrance as corrected should be 501.9.
4. Obligations are as follows with total of 256.4
  - a) 148.0 actual needed to fulfill Hope Cottage contract for remainder of year. Reduction from original 216.5 supplemented because of unit payment per bed in their program "E" which is operating at less than contracted capacity. Saving of 68.5.
  - b) 108.4 for patient care at Atascadero calculated as 11 patients for 7 months (actual count at Atascadero at present). API Psychiatric Security Unit is to be on line in March and should decrease chance of additional patients going to Atascadero this Fiscal Year.
5. No balance available, see item 6 below.
6. 99.3 is additional net supplemental needed. This amount should replace original request of 216.5 in Senate Bill 122.
7. Original request was based on the facts of a contract with Hope Cottage for a total of 216.5 more than was appropriated. By failure of Hope Cottage to totally fulfill this contract, they are projected as collecting 68.5 less than original contract which reduces supplemental of 216.5 - 68.5 = 148.

February 23, 1977

Page Two

Original budget for Atascadero including transportation, emergency medical care, etc., was funded at 273.9. Actual expenditure and projected cost are ~~205.4~~ <sup>225.2</sup>. The saving between budget and actual is 48.7 which is used to offset the original supplemental request.

Summary:	Original request	216.5	per contract
	Less	68.5	contract saving
	Less	<u>48.7</u>	Atascadero saving
	New supplemental request	99.3	to offset contract.

Original sponsor: Rules Committee  
by request of the Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 122

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

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

7

Department of Health and Social Services; and providing

8

for an effective date."

9

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

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\* Section 1. The sum of \$914,651 is appropriated to the Department of

11

Health and Social Services for the fiscal year ending June 30, 1977, to be

12

allocated and funded as follows:

13

General Fund

Federal

14

Malpractice Insurance

15

Public Health Administration

\$ 1,980

16

Alaska Psychiatric Institute

70,000

\$ 8,600

17

Harborview Center

32,900

23,800

18

Public Assistance Administration

871

19

Contract Institutions

99,300

20

General Relief Medical

243,200

21

ARCA

200,000

22

Gateway Opportunity Center

25,000

23

Public Health Laboratories

29,900

24

Child Support Enforcement

154,100

25

Adult Protective Services, Demonstration

26

Program

25,000

27

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

28

070(c).

29

#

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT

POUCH AM — JUNEAU 99811  
PHONE 465-2213

JAY S. HAMMOND, GOVERNOR

*Becky - all files*

March 10, 1977

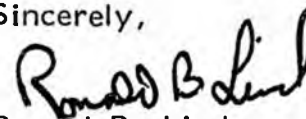
Honorable John Sackett  
Chairman, Senate Finance Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Senator Sackett:

Attached is additional backup information for the FY 77 Supplemental request for the Department of Health and Social Services for Malpractice Insurance contained in Senate Bill 122.

If actual expenditures required for Malpractice Insurance are less than the amount appropriated, the balance will lapse back to the State general fund.

Sincerely,



Ronald B. Lind  
Director

enclosure

cc: Leslie Dumont  
Division of Budget and Management

STATE  
of ALASKA

# MEMORANDUM

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

DATE : February 22, 1977

FROM: *Cecilia M. Lloyd*  
Francis S. L. Williamson, Commissioner  
Department of Health and Social Services

SUBJECT: FY 77 Supplemental Request  
Update Projections. S.B. 122  
(Malpractice Only) Department  
of Health and Social Services  
A.P.I., Harborview, State  
Operated Mental Health Centers,  
Mental Health Admin. and  
Support, Public Assistance  
Admin. and Support, Communicable  
Disease, Family Health, and  
Public Health Admin. and Support

Attached is a sheet outlining the authorization balance and expenditures as of January 31, 1977, encumbrances recorded as of January 31, 1977, and obligations not encumbered as of January 31, 1977. The balance indicates funds available between February 1 and June 30, 1977. The additional funding required through June 30, 1977, represents the total of the requested supplemental for malpractice insurance. (See attached schedule.)

These BRU's are the only ones in the Department of Health and Social Services which will be currently affected by malpractice insurance costs.

The Medical Malpractice Insurance supplemental is a result of legislation passed in the Ninth Legislature, Second Session, wherein all health care providers are required to carry insurance against liability for medical negligence. To ease the strain on health care providers in obtaining malpractice insurance, the Legislature established the Medical Indemnity Corporation of Alaska (MICA). The various rates to be charged for malpractice insurance premiums are to be set by MICA and approved by the Director of Insurance.

There is no written documentation from previous years minutely relating to the supplemental.

There is no research or documentation pertaining to this supplemental as it relates to any previous BRU funding.

There are no capital improvement budget conflicts with this request for supplemental.

At the time the FY 77 budget was prepared, the Medical Indemnity Corporation of Alaska (MICA) had not been established. Therefore, the concerned BRU's were not aware of any impending cost for malpractice insurance premiums for physicians employed by the State of Alaska or for State-owned hospitals and nursing homes. The rates used to calculate the insurance premiums for physicians and hospitals are set by the MICA people and approved by the Director of Insurance. There have been various rates proposed by MICA, none of which have been totally approved by the Director of Insurance. The rates used to prepare this supplemental have now been revised; however, these amounts we feel will be adequate to cover the cost of malpractice insurance which was not budgeted for the FY 77 budget.

Attachment

DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
Malpractice Insurance  
Supplemental

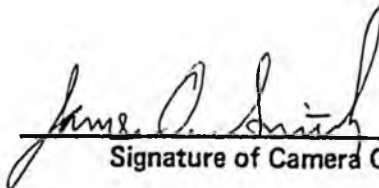
BRU's	Current Authorization Level	Expenditure Through 1/31/77	Encumbrance Through 1/31/77	Obligation Not Encumbered 1/31/77	Balance 2/01 Through 6/30 After Encumb. and Oblig. Taken Out	Additional Funding Needed
Mental Health Admin. and Support	933.7	478.3	42.5	25.3	387.6	1.1 89
A.P.I.	5,545.0	3,110.8	75.7	229.2	2,129.3	78.6 310.5
Harborview	4,246.0	2,082.0	447.7	-0-	1,716.3	56.7 90.0
State Operated Mental Health Centers	565.5	262.9	117.2	-0-	185.4	2.1
Public Assistant Admin. and Support	1,312.1	669.7	206.6	-0-	435.8	0.9
Communicable Disease	1,309.0	507.4	54.0	79.9	667.7	1.5
Family Health	2,981.2	916.9	318.1	303.0	1,443.2	1.7
Public Health Admin. and Support	<u>1,029.0</u>	<u>282.8</u>	<u>5.1</u>	<u>317.4</u>	<u>423.7</u>	<u>2.0</u>
<b>TOTAL</b>	17,921.5	8,310.8	1,266.9	954.8	7,389.0	144.6

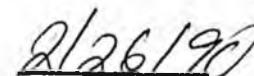


# RECORDS CERTIFICATION



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

4/21/77

## HOUSE

April 23, 1977 Date

Mr. Speaker:

The Committee on FINANCE has had SB 123 under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for House Finance SB 123 and that CS for House Finance SB 123 do pass

(and) recommends it be referred to the \_\_\_\_\_ committee

reports it back without recommendation

AND attaches a report of its intent

(other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

<u>Meekins</u>	<u>Hanson</u>	_____
<u>Deeman</u>	<u>Ferguson</u>	_____
<u>Shots</u>	_____	_____
<u>St. Louis</u>	_____	_____

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

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

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

Ferguson  
Chairman

Original sponsors: Ferguson, Ray,  
Sackett, et al

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 123 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to art work in public buildings and  
7 facilities."

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

9 \* Section 1. AS 35.27.020(e) is amended to read:

10 (e) The artist who executes these works of art shall be selected  
11 by the architect for the department with the approval of the department,  
12 after consultation with the Alaska State Council on the Arts and the  
13 principal user of the public buildings or facilities. Artists selected  
14 shall be residents of this state. The artist selected may contract  
15 with, or be assisted by, any other person, without regard to residence,  
16 in the performance of the work of art.

17 \* Sec. 2. AS 35.27.020(c) is amended to read:

18 (c) At least one per cent or, in the case of a rural school faci-  
19 lity, at least one-half of one per cent of the [OVERALL] construction  
20 cost of a building or facility approved for construction by the legisla-  
21 ture subsequent to the enactment date of this chapter will be reserved  
22 for the following purposes: the design, construction, mounting and  
23 administration of works of art in the public building or public facility.

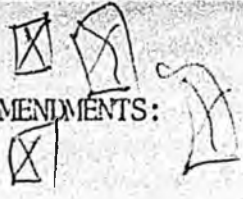
24 \* Sec. 3. AS 35.27.030(2) is amended to read:

25 (2) "public facilities" includes schools, office buildings,  
26 court buildings and other facilities which are designed for substantial  
27 public use; [ , BUT IS NOT LIMITED TO, THE VESSELS OF THE STATE FERRY  
28 SYSTEM.]

29 \* Sec. 4. AS 35.27.030 is amended by adding a new paragraph to read:

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(3) "construction cost" is that cost expended for the actual construction of the facility, exclusive of the costs of land acquisition, site investigation, design services, administrative costs, equipment purchases and any other costs not specifically incurred within the construction contract or contracts awarded for the construction of the facility.

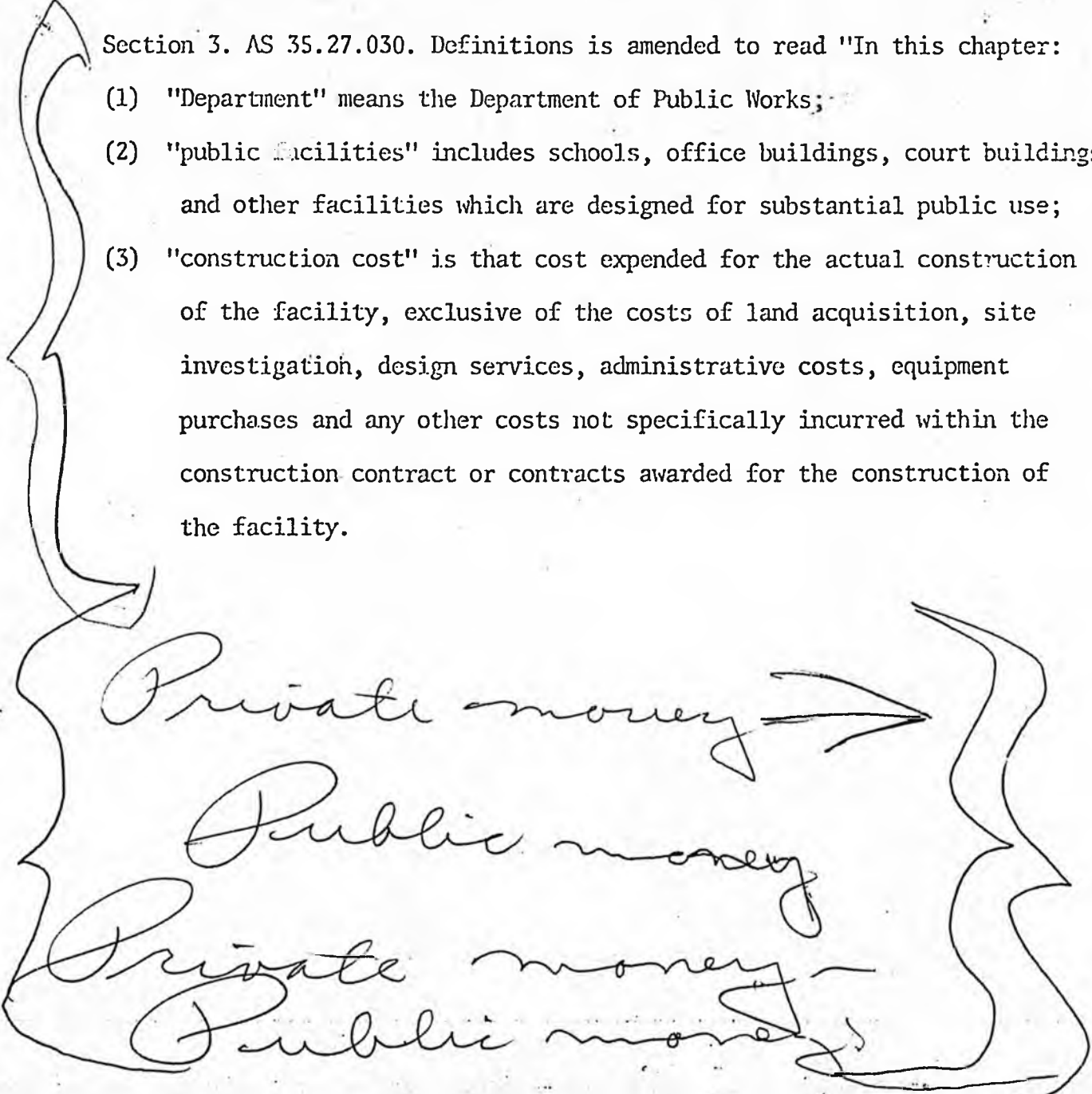


Section 2. AS 35.27.020 (c) is amended to read "At least one per cent of the [overall] construction cost of a building or facility approved for construction by the legislature subsequent to the enactment date of this Chapter,

or in case of a school facility, at least one half of one per cent, will be reserved for the following purposes: the design, construction, mounting [AND ADMINISTRATION] of works of art in the public building or public facility.

Section 3. AS 35.27.030. Definitions is amended to read "In this chapter:

- (1) "Department" means the Department of Public Works;
- (2) "public facilities" includes schools, office buildings, court buildings and other facilities which are designed for substantial public use;
- (3) "construction cost" is that cost expended for the actual construction of the facility, exclusive of the costs of land acquisition, site investigation, design services, administrative costs, equipment purchases and any other costs not specifically incurred within the construction contract or contracts awarded for the construction of the facility.



Introduced: 2/4/77  
Referred: State Affairs

BY FERGUSON, RAY, SACKETT, TILLION,  
RODEY, KERTTULA, HOHMAN, CROFT AND  
POLAND

1 IN THE SENATE

2 SENATE BILL NO. 123

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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13 the Arts and the principal user of the public buildings or facilities.

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