

LEG. FINANCE - BILLS 1977 - 1978 1004

SCR 4 cont., thru SCR 13

A M E N D M E N T

Offered in the SENATE

BY HUBER

TO: SENATE CONCURRENT RESOLUTION NO. 4

Page 1, line 29: After "approved" insert the following:

"on the condition that the contract be modified to provide that in the event that seller elects to terminate the contract in accordance with the provisions set out therein, buyer agrees not to use federal regulatory intervention to continue the contract in force, and that in the event that buyer breaches this provision and the contract is prevented from being terminated in accordance with the provisions through federal regulatory intervention, that buyer agrees to pay to seller as liquidated damages the amount of \$1,000,000,000."

A M E N D M E N T

Offered in the SENATE

BY HUBER

TO: SENATE CONCURRENT RESOLUTION NO. 3

Page 1, line 29: After "approved" insert the following:

"on the condition that the contract be modified to provide that in the event that seller elects to terminate the contract in accordance with the provisions set out therein, buyer agrees not to use federal regulatory intervention to continue the contract in force, and that in the event that buyer breaches this provision and the contract is prevented from being terminated in accordance with the provisions through federal regulatory intervention, that buyer agrees to pay to seller as liquidated damages the amount of \$²~~1~~,000,000,000."

A M E N D M E N T

Offered in the SENATE

BY HUBER

TO: SENATE CONCURRENT RESOLUTION NO. 5

Page 1, line 29: After "approved" insert the following:

"on the condition that the contract be modified to provide that in the event that seller elects to terminate the contract in accordance with the provisions set out therein, buyer agrees not to use federal regulatory intervention to continue the contract in force, and that in the event that buyer breaches this provision and the contract is prevented from being terminated in accordance with the provisions through federal regulatory intervention, that buyer agrees to pay to seller as liquidated damages the amount of \$1,000,000,000."

ALL-ALASKA DEVELOPMENT GAS LINE COMMITTEE

Be it enacted by the People of the State of Alaska that the natural gas from the North Slope of Alaska, which belongs to the people of Alaska, shall be transported entirely upon and within the terrestrial territory of the State of Alaska until such transportation system is terminated at tidewater south of the 62nd Parallel.

Sec. 1. It is hereby declared to be the public policy of Alaska that the North Slope natural gas, which belongs to the people of Alaska, shall be utilized within the State to the maximum degree, which the people may elect.

Sec. 2. The Executive and Legislative branches of the government of the State of Alaska may not sell, convey, assign, set aside or encumber, in any manner, the natural gas which belongs to the citizens of Alaska; unless such sale, conveyance, assignment or encumbrance of natural gas be to an individual corporation, association, partnership or other entity, by a terrestrial transportation system entirely within the State of Alaska until such transportation system is terminated at tidewater south of the 62nd Parallel.

SPONSORS
NAME

MAILING ADDRESS

VOTING PRECINCT
DISTRICT

Signature:

Print Name:

Signature:

Print Name:

Signature:

Print Name:

Signature:

Print Name:

Signature:

Print Name:

Signature:

Print Name:

Signature:

Print Name:

Signature:

Print Name:

Signature:

Print Name:

Signature:

CALENDAR

OF THE

SENATE

FORTY-SEVENTH LEGISLATIVE DAY

February 25, 1977
Friday
10:00 a.m.

SECOND READING OF SENATE BILLS

- SB 45 Radiation protection
- SB 98 Making miscellaneous amendments to the
banking statutes
Commerce offered CS pg. 343

SENATE RESOLUTIONS IN SECOND READING

- SCR 4 Disposal to El Paso Natural Gas Company
of royalty natural gas taken in-kind
- SCR 3 Disposal to Tenneco Alaska, Inc. of royalty
natural gas taken in-kind
- SCR 5 Disposal to Southern Natural Gas Company
of royalty natural gas taken in-kind

Chaplain
Pastor Milton Hunt
Resurrection Lutheran Church

Introduced: 1/11/77
Referral: Special Committee to
Consider The Sale of
Royalty Gas

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE CONCURRENT RESOLUTION NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Approving the disposal to El Paso
6 Natural Gas Company of royalty
7 natural gas taken in-kind

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

9 WHEREAS, under AS 38.06.055(a), each house of the legislature must
10 approve by concurrent resolution all sales of state-owned royalty oil or
11 gas before the sale may be consummated; and

12 WHEREAS, the State of Alaska has the right under AS 38.05.130 and its
13 oil and gas leases to receive royalty oil and gas either in-kind or in-
14 value from the Prudhoe Bay Field; and

15 WHEREAS, the commissioner of natural resources has entered into a
16 contract for the sale of 25 per cent of state-owned royalty gas from the
17 Prudhoe Bay Field to El Paso Natural Gas Company; and

18 WHEREAS, the Alaska Royalty Oil and Gas Development Advisory Board
19 approved the contract for the sale of 25 per cent of the state-owned royalty
20 gas from the Prudhoe Bay Field to El Paso Natural Gas Company; and

21 WHEREAS, the legislature has reviewed this contract in detail and con-
22 ducted hearings and otherwise received public input on this contract; and

23 WHEREAS, the legislature finds this contract to be in the public
24 interest of Alaska and its citizens, and further finds that this contract
25 is in compliance with all requirements of law;

26 BE IT RESOLVED by the Alaska State Legislature that Alaska royalty gas
27 sale No. 76-3 and the contract providing for the sale of royalty gas from
28 the Prudhoe Bay gas field pertaining to it, between the state and El Paso
29 Natural Gas Company, is hereby approved.

Introduced: 1/11/77
Referred: Special Committee to
Consider The Sale of
Royalty Gas

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE CONCURRENT RESOLUTION NO. 3

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Approving the disposal to Tenneco
6 Alaska, Inc., of royalty natural
7 gas taken in-kind

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

9 WHEREAS, under AS 38.06.055(a), each house of the legislature must
10 approve by concurrent resolution all sales of state-owned royalty oil or
11 gas before the sale may be consummated; and

12 WHEREAS, the State of Alaska has the right under AS 38.05.180 and its
13 oil and gas leases to receive royalty oil and gas either in-kind or in-
14 value from the Prudhoe Bay Field; and

15 WHEREAS, the commissioner of natural resources has entered into a
16 contract for the sale of 50 per cent of state-owned royalty gas from the
17 Prudhoe Bay Field to Tenneco Alaska, Inc.; and

18 WHEREAS, the Alaska Royalty Oil and Gas Development Advisory Board
19 approved the contract for the sale of 50 per cent of the state-owned royalty
20 gas from the Prudhoe Bay Field to Tenneco Alaska, Inc.; and

21 WHEREAS, the legislature has reviewed this contract in detail and con-
22 ducted hearings and otherwise received public input on this contract; and

23 WHEREAS, the legislature finds this contract to be in the public
24 interest of Alaska and its citizens, and further finds that this contract
25 is in compliance with all requirements of law;

26 BE IT RESOLVED by the Alaska State Legislature that Alaska royalty gas
27 sale No. 76-2 and the contract providing for the sale of royalty gas from
28 the Prudhoe Bay gas field pertaining to it, between the state and Tenneco
29 Alaska, Inc., is hereby approved.

Introduced: 1/11/77
Referred: Special Committee to
Consider The Sale Of
Royalty Gas

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Approving the disposal to Southern
6 Natural Gas Company of royalty
7 natural gas taken in-kind

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

9 WHEREAS, under AS 38.06.055(a), each house of the legislature must
10 approve by concurrent resolution all sales of state-owned royalty oil or
11 gas before the sale may be consummated; and

12 WHEREAS, the State of Alaska has the right under AS 38.05.180 and its
13 oil and gas leases to receive royalty oil and gas either in-kind or in-
14 value from the Prudhoe Bay Field; and

15 WHEREAS, the commissioner of natural resources has entered into a
16 contract for the sale of 25 per cent of state-owned royalty gas from the
17 Prudhoe Bay Field to Southern Natural Gas Company; and

18 WHEREAS, the Alaska Royalty Oil and Gas Development Advisory Board
19 approved the contract for the sale of 25 per cent of the state-owned royalty
20 gas from the Prudhoe Bay Field to Southern Natural Gas Company; and

21 WHEREAS, the legislature has reviewed this contract in detail and con-
22 ducted hearings and otherwise received public input on this contract; and

23 WHEREAS, the legislature finds this contract to be in the public
24 interest of Alaska and its citizens, and further finds that this contract
25 is in compliance with all requirements of law;

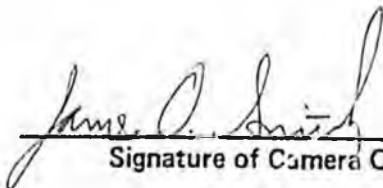
26 BE IT RESOLVED by the Alaska State Legislature that Alaska royalty gas
27 sale No. 76-4 and the contract providing for the sale of royalty gas from
28 the Prudhoe Bay gas field pertaining to it, between the state and Southern
29 Natural Gas Company, is hereby approved.



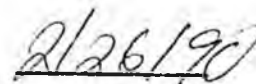
RECORDS CERTIFICATION



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

*Karen: - Copies to Senate Pres. and
House Speaker - L.T.B.
sent 2/7/77 KJW*



STATE OF ALABAMA
HOUSE OF REPRESENTATIVES

To File

MONTGOMERY
36104

JOHN W. PEMBERTON
CLERK

February 1, 1977

Honorable Lieutenant Governor
Honorable Speaker of the House
The Legislature of the State of Alaska
Juneau, Alaska 99801

Gentlemen:

On February 1, 1977, H. J. R. 5, which was introduced in the House of Representatives by the Speaker Pro Tem, the Honorable Bobby Tom Crowe, was passed without any controversy. The resolution was passed by the Senate with no descension and subsequently signed by the Governor of the State of Alabama. When the Governor signed the resolution, the office of the Secretary of State had closed for the day and as a result there was no act number given to the H. J. R. The office of the Secretary of State will be open at 8:00 a.m. on Wednesday, February 2, 1977 at which time H. J. R. 5 will be given an act of number 1 of the 1977 legislature.

The legislature is very much concerned about the events occurring in the State of Alabama and are very hopeful that the resolution passed by them will be of some assistance whereby the legislature of the great State of Alaska will help us in the problem that confronts us with regards to a shortage of natural gas.

Very truly yours,

John W. Pemberton

RECORDED

FEB 2

LEGISLATIVE CLERK

JWP/csf

RECORDED

RECEIVED

FEB 2 1977

Montgomery, Alabama

State of Alabama

House of Representatives



MONTGOMERY, ALABAMA

Resolution

H. J. R. 5

By Mr. Crowe

WHEREAS, the lower 48 United States are experiencing a dire need for natural gas, the impact of which is causing serious economic and citizen hardships; and

WHEREAS, the vast discovery of natural gas in the Prudhoe Bay Field on the North Slope of Alaska will offer a new supply source that could improve the requirements of our residential, commercial and industrial sectors; and

WHEREAS, Southern Natural Gas Company, the major supplier of natural gas to the State of Alabama, has negotiated a contract with the State of Alaska for the purchase of a significant quantity of the royalty natural gas from Alaska; and

WHEREAS, under the terms of the contract between Southern Natural Gas Company and the State of Alaska, approximately 650 billion cubic feet of natural gas would be delivered to our area of the country over a period of twenty years; and

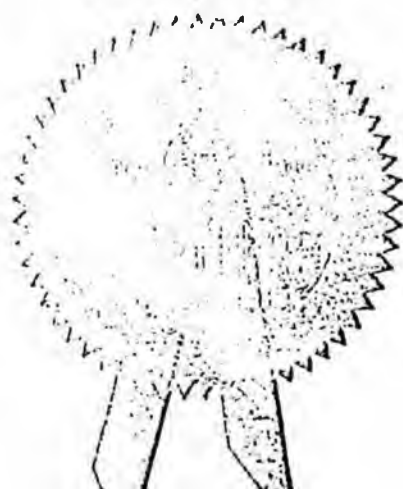
WHEREAS, this contract must be approved by the Legislature of the State of Alaska; now therefore

BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH HOUSES THEREOF CONCURRING, That the State of Alabama urges the Legislature of our sister state, the State of Alaska, to lend its approval to this contract and to take the necessary steps to the end that the contract will be ratified and the natural gas can be expeditiously transported for use by our citizens and industries.

BE IT FURTHER RESOLVED, That copies of this resolution be forwarded by the Clerk of the House to the Governor and Lieutenant Governor of the State of Alaska, to the Congressional Delegation from the State of Alaska and to the Congressional Delegation from the State of Alabama.

I hereby certify that the above resolution was adopted by the Legislature of Alabama on this the 1st day of February, 1977.


John W. Pemberton, Clerk



COMMITTEE REPORT

SENATE

2/21/77

2-22-77

Date

Mr. President:

The Committee on FINANCE has had SCR 3 disposal to Southern Natural Gas Co. of royalty natural gas taken in-kind under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

Chairman

A M E N D M E N T

Offered in the SENATE

By _____

To: _____ SENATE BILL NO. _____

_____ HOUSE BILL NO. _____

AMENDMENT: Page _____ Line _____

Introduced: 1/11/77
Referred: Special Committee to
Consider The Sale Of
Royalty Gas

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE CONCURRENT RESOLUTION NO. 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Approving the disposal to Southern
6 Natural Gas Company of royalty
7 natural gas taken in-kind

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

9 WHEREAS, under AS 38.06.055(a), each house of the legislature must
10 approve by concurrent resolution all sales of state-owned royalty oil or
11 gas before the sale may be consummated; and

12 WHEREAS, the State of Alaska has the right under AS 38.05.180 and its
13 oil and gas leases to receive royalty oil and gas either in-kind or in-
14 value from the Prudhoe Bay Field; and

15 WHEREAS, the commissioner of natural resources has entered into a
16 contract for the sale of 25 per cent of state-owned royalty gas from the
17 Prudhoe Bay Field to Southern Natural Gas Company; and

18 WHEREAS, the Alaska Royalty Oil and Gas Development Advisory Board
19 approved the contract for the sale of 25 per cent of the state-owned royalty
20 gas from the Prudhoe Bay Field to Southern Natural Gas Company; and

21 WHEREAS, the legislature has reviewed this contract in detail and con-
22 ducted hearings and otherwise received public input on this contract; and

23 WHEREAS, the legislature finds this contract to be in the public
24 interest of Alaska and its citizens, and further finds that this contract
25 is in compliance with all requirements of law;

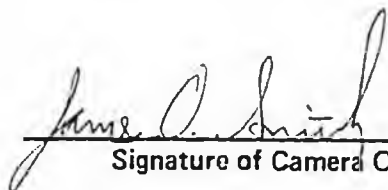
26 BE IT RESOLVED by the Alaska State Legislature that Alaska royalty gas
27 sale No. 76-4 and the contract providing for the sale of royalty gas from
28 the Prudhoe Bay gas field pertaining to it, between the state and Southern
29 Natural Gas Company, is hereby approved.

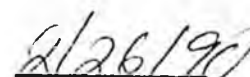


RECORDS CERTIFICATION



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


Signature of Camera Operator


Date

COMMITTEE REPORT

2-28-77

HOUSE

Feb. 28, 1977 Date

Mr. Speaker:

The Committee on FINANCE has had SEN 5
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

_____ Chairman

Introduced: 1/11/77
Referred: Special Committee to
Consider The Sale Of
Royalty Gas

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE CONCURRENT RESOLUTION NO. 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Approving the disposal to Southern
6 Natural Gas Company of royalty
7 natural gas taken in-kind

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

9 WHEREAS, under AS 38.06.055(a), each house of the legislature must
10 approve by concurrent resolution all sales of state-owned royalty oil or
11 gas before the sale may be consummated; and

12 WHEREAS, the State of Alaska has the right under AS 38.05.180 and its
13 oil and gas leases to receive royalty oil and gas either in-kind or in-
14 value from the Prudhoe Bay Field; and

15 WHEREAS, the commissioner of natural resources has entered into a
16 contract for the sale of 25 per cent of state-owned royalty gas from the
17 Prudhoe Bay Field to Southern Natural Gas Company; and

18 WHEREAS, the Alaska Royalty Oil and Gas Development Advisory Board
19 approved the contract for the sale of 25 per cent of the state-owned royalty
20 gas from the Prudhoe Bay Field to Southern Natural Gas Company; and

21 WHEREAS, the legislature has reviewed this contract in detail and con-
22 ducted hearings and otherwise received public input on this contract; and

23 WHEREAS, the legislature finds this contract to be in the public
24 interest of Alaska and its citizens, and further finds that this contract
25 is in compliance with all requirements of law;

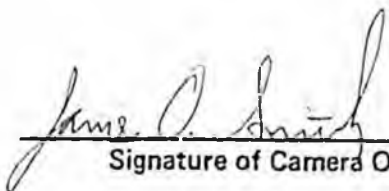
26 BE IT RESOLVED by the Alaska State Legislature that Alaska royalty gas
27 sale No. 76-4 and the contract providing for the sale of royalty gas from
28 the Prudhoe Bay gas field pertaining to it, between the state and Southern
29 Natural Gas Company, is hereby approved.



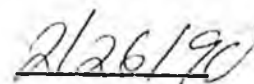
RECORDS CERTIFICATION



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

HOUSE

_____ Date

Mr. Speaker:

The Committee on FINANCE has had SC 6

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that

CS for _____ do pass

(and) recommends it be referred to the _____ committee

reports it back without recommendation

AND ~~attaches a report of its intent~~ *Fiscal Note dated 2/12/77*

(other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

Chairman

Introduced: 1/11/77

BY THE RULES COMMITTEE
BY THE REQUEST OF THE
LEGISLATIVE COUNCIL

1 IN THE SENATE

2

SENATE CONCURRENT RESOLUTION NO. 6

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

Approving the contract for the sculpting of

6

a statue of Senator Ernest Gruening for

7

placement in the National Statuary Hall of

8

the U.S. Capitol.

9

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

10

WHEREAS, by approval of Ch. 186, SLA 1975, the Legislature authorized the

11

Alaska State Council on the Arts to contract for the construction of life-

12

sized statue of Senator Ernest Gruening to be ultimately placed in the National

13

Statuary Hall of the U.S. Capitol; and

14

WHEREAS the contract for the services of a sculptor was subject to the

15

approval of Mrs. Dorothy Gruening and the Legislature; and

16

WHEREAS the contract for a representational statue of Senator Gruening

17

has been approved by Mrs. Gruening and the Alaska State Council on the Arts,

18

and the work of the artist George R. Anthonisen is underway;

19

BE IT RESOLVED that the Alaska State Legislature by the adoption of this

20

resolution approves of the contract signed by the Alaska State Council on the

21

Arts for the construction of the statue authorized by Ch. 186, SLA 1975.

22

23

24

25

26

27

28

29

#

Introduced: 1/11/77

BY THE RULES COMMITTEE
BY THE REQUEST OF THE
LEGISLATIVE COUNCIL

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 6

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Approving the contract for the sculpting of
6 a statue of Senator Ernest Gruening for
7 placement in the National Statuary Hall of
8 the U.S. Capitol.

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

10 WHEREAS, by approval of Ch. 186, SLA 1975, the Legislature authorized the
11 Alaska State Council on the Arts to contract for the construction of life-
12 sized statue of Senator Ernest Gruening to be ultimately placed in the National
13 Statuary Hall of the U.S. Capitol; and

14 WHEREAS the contract for the services of a sculptor was subject to the
15 approval of Mrs. Dorothy Gruening and the Legislature; and

16 WHEREAS the contract for a representational statue of Senator Gruening
17 has been approved by Mrs. Gruening and the Alaska State Council on the Arts,
18 and the work of the artist George R. Anthonisen is underway;

19 BE IT RESOLVED that the Alaska State Legislature by the adoption of this
20 resolution approves of the contract signed by the Alaska State Council on the
21 Arts for the construction of the statue authorized by Ch. 186, SLA 1975.

22

23

24

25

26

27

28

29

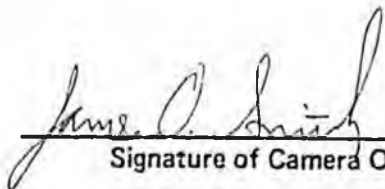
#



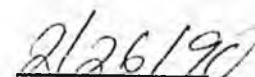
RECORDS CERTIFICATION



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
SENATE

Date _____

Mr. President:

The Committee on Finance has had CS 11
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

Chairman

Introduced: 2/8/77
Referred: Community & Regional
Affairs and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST

2 SENATE CONCURRENT RESOLUTION NO. 13

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Annuling a regulation wh'ch limits those
6 costs which may be included in the "total
7 project cost" in the computation of amounts
8 payable for hospital construction under
9 state revenue sharing.

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

11 WHEREAS under AS 44.62.320 the legislature may annul regulations of a
12 department by concurrent resolution adopted by a vote of both houses; and

13 WHEREAS the legislature, by the enactment of AS 43.18.010, intended that
14 if state matching aid for construction does not total 25 per cent of the
15 total project cost of a hospital, state revenue-sharing money be paid to the
16 sponsor of the hospital until an amount is paid which, when coupled with the
17 amount of state matching aid, equals 25 per cent of the project cost; and

18 WHEREAS the Department of Community and Regional Affairs has frustrated
19 the legislature's intent by adopting a regulation which allows the 25 per
20 cent figure to be applied against only those costs which are eligible to be
21 paid under the federal Hill-Burton Construction Program, thereby excluding
22 many costs which would otherwise be figured into a computation of the total
23 project cost;

24 BE IT RESOLVED by the Alaska State Legislature that administrative
25 regulation 19 AAC 30.020(9)(C) is annulled.

26
27
28
29

#

B. McAtee.

- ①. Contrary to law:
- ②. 1972 Opinion - could be stronger.
- ③. Opinion - Capt.
- ④. SB 474 - law = minimum standards, incl.
Hospital construction.
- ⑤. Minimum standards - (not incl. cond.).

ASK Dept of CRA —

✓

Does fiscal note take into account that increased funds might have to go to other hospitals for costs above allowable Hill-Burton costs?

They will not testify - the AG. has to respond for them due to the court suit

ASK AG.

from the desk of
SENATOR JOHN C. SACKETT
Doyou, Ltd.

July - Info - kcal
for LCR 13 + 14



MIKE BEIRNE
Says He's Delighted

solutions

Win Panel's Approval

By ED HEIN
Times Juneau Bureau

JUNEAU — The Senate Community and Regional Affairs Committee yesterday approved two controversial resolutions which could net Rep. Mike Beirne, R-Anchorage, as much as \$4 million over the next 10 years for construction of his unfinished Lake Otis Hospital.

The resolutions, introduced last month at Beirne's request, would repeal two Community and Regional Affairs Department regulations concerning its municipal revenue sharing program. Under that program, Beirne received \$312,500 in state funds in 1975. But the department changed its regulations last summer, making Beirne ineligible for another estimated \$3.6 million.

The hospital project, located at 42nd Avenue and Lake Otis Parkway, began in July 1973 but has been stalled since 1974, when Beirne could no longer get financing. Beirne today charged that former Anchorage Borough Mayor Jack Roderick pressured the department to change its regulations to cut off further state funding of the hospital.

(See Page 2, Col. 3)

Resolutions Approved

(Continued From Page 1)

"I didn't pressure anybody," Roderick said today. "I did tell (Commissioner) Lee McAnerney that I didn't think the hospital was a good idea. But I don't recall the details."

Roderick agreed with Beirne that the former 33-member borough health planning council advised him to oppose any funding of the hospital. The revenue sharing program was set up to funnel money through local governments to hospital builders.

Roderick said he did tell Beirne that if the department sent funds through the borough he wouldn't transfer them to the hospital project.

Beirne said the health council membership was dominated by representatives of Providence Hospital and the Teamsters-backed Alaska Hospital, whom he said wanted to eliminate him from competing with them.

"I'm almost certain they didn't have control of the council," Roder-

ick said. "Both hospital administrators were on the council but I never got the impression there was anything improper.

"They convinced me that two hospitals in Anchorage (were) enough, that a third would raise costs of health care to consumers," Roderick said. "We acted within the law and we acted intelligently."

By changing its regulations the department acted contrary to the intent of the legislature, which set up the revenue sharing program in 1971, Beirne said. "From now on bureaucrats had better understand they can't write regulations to suit themselves. They have to follow the law."

Beirne was delighted the committee passed his resolutions, he said. "I think this indicates that what I've been saying all along is true."

The resolutions now go to the Senate Finance Committee for further consideration.

7

M E M O R A N D U M

TO: Senator John Sackett
Chairman, Senate Finance Committee

FROM: *JC* Judy Crondahl, Administrative Assistant

DATE: April 20, 1977

RE: SENATE CONCURRENT RESOLUTIONS 13 & 14
(Municipal Services Revenue Sharing - Lake Otis)

This memo is meant to supply some background information on the Fiscal Year 1977 regulations pertaining to Municipal Services Revenue Sharing and Senate Concurrent Resolutions 13 and 14, particularly as they relate to the Lake Otis Project.

SCR 13 would annul the regulation limiting Revenue Sharing allowable costs for hospital and health facility construction to allowable costs authorized under federal Hill-Burton standards.

First of all, the question of how the adoption of this regulation changed past practice needs to be addressed. 19 AAC 30.020(9) lists the following as one of the minimum standards:

(c) project or construction costs shall be those contracted costs that are eligible for financial participation under the Hill-Burton Construction Program for construction of new buildings, including, but not limited to, the expansion, replacement and modernization of existing buildings and initial equipment of any such buildings, including architect and consulting fees, but not including the cost of land acquisition and off-site improvements;

MEMORANDUM
April 20, 1977
SCR 13 & 14
Page 2

The Hill-Burton allowable cost limitation was not a change from past practice. The Department of Health and Social Services had used this method of determining total project costs in the past, and an Attorney General's Opinion dated August 28, 1972,¹ validates that qualification. This Opinion concludes,

. . . it is within the scope of your administrative discretion to utilize the guidelines promulgated by the Department of Health, Education and Welfare in defining the term 'total project cost' of eligible medical facilities under the provisions of AS 43.18.010(j).

According to the Department of Health & Social Services, no municipality or other facility sponsor has received funds in excess of Hill-Burton allowable costs, although at least one municipality, Soldotna, has applied and been rejected.

According to the August 28, 1972, Attorney General's Opinion, "To read the term 'total project costs' as used in AS 43.18.010(j) literally would mean allowing all costs even if lavish, wasteful or illegal." One of the non-allowable costs is finance charges, and according to an audit performed by

¹ For a complete copy of the Opinion, see Attachment No. 1.

MEMORANDUM
April 20, 1977
SCR 13 & 14
Page 3

the State Internal Auditor, the Lake Otis Project has claimed over \$960,000 financing expenses based upon loans of \$900,000.¹ This would seem to call the fiscal viability of the project into question.

Since there also seems to be some question as to whether the project's auditors of record, Peat, Marwick, Mitchell & Co., have truly been involved in auditing the project, I would strongly advise that if SCR 13 and SCR 14 are brought up before the committee that Dr. Beirne be instructed to bring in PMM & Co. to testify under oath, as he has suggested.²

SCR 14 would annul the regulations pertaining to definitions of "other facility sponsor" and "applicant." These definitions limit "other facility sponsor" to public or non-profit corporations located outside the corporate limits of a municipality; and "applicant" to any municipality or other facility sponsor.

This is only a small part of the regulations adopted by the Department in 1976. Prior to that time the total section

¹ State of Alaska, Department of Administration, State Internal Auditor; Report on Examination, Department of Community & Regional Affairs, State Revenue Sharing, Lake Otis Hospital, #2, page 2.

² Reference letter from Dr. Mike Beirne to Senator Joseph Orsini, Attachment No. 2.

MEMORANDUM
April 20, 1977
SCR 13 & 14
Page 4

defining eligibility read as follows:

19 AAC 30.020. ELIGIBILITY. Eligibility for receipt of state aid to local governments provided by AS 43.18.010 - 43.18.050 shall be predicated upon the possession and exercise of a power set out in those statutory provisions by a unit of local government or volunteer fire department located in the unorganized borough. (Eff. 7/8/73, Register 47) Authority: AS 43.18.040; 44.47.050(14); 44.47.160.

This was replaced by a section dealing with each category of Revenue Sharing and establishing criteria for eligibility.¹

Impetus for establishing regulations was given to the Department of Community & Regional Affairs by the passage of SB 474, Chapter 208, SLA 1976. This bill amended Sec. 43.18.040 to read:

Sec. 43.18.040. REGULATIONS. The Department of Community and Regional Affairs shall adopt regulations necessary to carry out the purposes of secs. 10 - 99 of this chapter. The regulations shall include minimum standards required to qualify a municipality for grants for each service and provisions for a performance report adequate to demonstrate to the department that each service for which credit was allowed was actually performed by the municipality, at least at the prescribed minimum level.

¹ For complete details reference Attachment No. 3.

MEMORANDUM
April 20, 1977
SCR 13 & 14
Page 5

The underlined portion was added by SB 474. From this it can be inferred that there was a very strong legislative mandate for regulations establishing minimum standards beyond those already being implemented. The Department followed this mandate and as a result, several communities did not receive Municipal Services Revenue Sharing funds for which they would previously have been eligible. Among these are: Manokotoh, Napakiak, Old Harbor, Kivalina, Kotzebue, Savoonga, Whittier, Hughes, Emmonak, White Mountain, and St. George Island. Clearly, these regulations did not have a singularly negative effect on just one individual.

Perhaps the real question here is whether the Department stepped outside its proper bounds in drawing up these regulations. In addition to the clear mandate provided by Chapter 208, SLA 1976 to establish minimum standards, there was another bill introduced by the Community and Regional Affairs Committee by request of the Interim Committee on Shared Revenues with Municipalities.¹

¹ For a complete report of that Committee and a copy of its proposed legislation, refer to Attachment No. 4.

MEMORANDUM
April 20, 1977
SCR 13 & 14
Page 6

As stated on page 5 of the report to Senator Genie Chance from Representative Mike Miller, Chairman of the Interim Committee,

. . . in the area of health, a paragraph specifies that no hospital or health facility shall be eligible for revenue sharing unless the facility has received a Certificate of Need from a municipality or the State.

Clearly, the intent of this phrase was to give to the municipality over-all planning authority for health facilities and hospitals. This bill was introduced as HB 539 and although this phrase was deleted in the Committee Substitute which was passed out of the House Community and Regional Affairs Committee¹ it was replaced by a definition of "other facility sponsor."

(3) 'other facility sponsor' means a public or nonprofit corporation located outside a municipality which owns or operates, or both, a hospital or health facility.

This bill received a unanimous do pass recommendation from the Community and Regional Affairs Committee. Lacking stated legislative intent to the contrary, it was reasonable for the

¹ Reference Attachment No. 5.

MEMORANDUM
April 20, 1977
SCR 13 & 14
Page 7

Department to assume that the intent of the Legislative Interim Committee on Shared Revenues with Municipalities and the House Community and Regional Affairs Committee should be included in the regulations. The definition adopted by the Department is as follows:

(D) other facility sponsor shall refer to a public or non-profit corporation which owns or operates, or both, a hospital or health facility which is located outside the corporate limits of a municipality.

It is interesting to note that other public or non-profit corporations owning and operating hospitals within the Anchorage and Fairbanks municipalities have always applied for and received Revenue Sharing construction funds through the municipality. The Lake Otis Project is the only exception.

If SCR 13 and 14 are passed and those regulations are rescinded, the fiscal and planning impact could be serious. I have asked the Department of Community and Regional Affairs to prepare a fiscal note estimating the costs of these resolutions. The loss to a municipality of being able to plan and implement a comprehensive program of health services through hospitals and health facilities may be harder to calculate.

STATE OF ALASKA

Attachment # 1

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K — STATE CAPITOL
JUNEAU 99801

August 28, 1972

DATE	INDEX	FILE	✓
	JP		
		FILE	

The Honorable Frederick McGinnis
 Commissioner
 Department of Health and Social
 Services
 Juneau, Alaska 99801

Office of the
Commissioner

SEP 1 1972

RECEIVED

Dear Commissioner McGinnis:

You have asked our opinion of whether your present method of determining "total project costs" of eligible medical construction by relying on promulgations of the Department of Health, Education and Welfare pursuant to Title VI of the Public Health Services Act as amended, meets the requirements of AS 43.18.010(j). It is our opinion that the use of these promulgations is within the scope of your discretion in the administration of this program.

AS 43.18.010(j) states as follows:

If construction of a facility began after January 1, 1968 and state matching aid for construction approved for payment to the local government or other facility sponsor constitutes less than 25 per cent of the total project cost, the state shall pay to the local government or other facility sponsor each fiscal year a sum equal to \$2,500 a bed for the maximum number of beds provided for in the construction design of the facility. State aid provided for in this subsection shall continue until the local government or other facility sponsor has received an amount which, combined with state matching money for construction of the facility, equals 25 per cent of the total project cost. No funds received for construction shall be used for any other purpose. (Emphasis added)

RECEIVED

SEP 1 1972

Comprehensive Health
Planning Office

As AS 43.18.010(j) is the state counterpart of Title VI of the Public Health Services Act, 42 USCA 201 et seq., it is appropriate that you may follow standards promulgated in interpretation of that Act. To read the term "total project costs"

as used in AS 43.18.010(j) literally would mean allowing all costs even if lavish, wasteful or illegal. Since clearly that could not have been what was intended when the legislature enacted this section, your department has the implied duty to allow only those costs which are in line with the statutory purpose of this section. In this case, since no statutory guidelines are set out, you have broad discretion to define the meaning of such terms in accordance with the statutory purpose. Naturally then, these rules of the Department of Health, Education and Welfare, interpreting 42 USCA 201 et seq., may be used to assist you in defining the meaning of these statutory terms. In this case, however even more evidence of the legislature's intention in passing AS 43.18.010(j) can be seen by looking at similar state grants for other purposes.

AS 43.18.100 granting aid for school construction goes into great detail to specifically provide for the meaning of "costs of school construction." AS 43.18.100(f)(2). Since no mention of these items is made in AS 43.18.010(j) it is reasonable to assume that they were not intended to be included in the computation of "total cost" under that section and this is the general effect of following the Federal regulations.


Similarly in AS 43.18.300 providing grants for the construction of Community Facilities, express allowance is made for the cost of "feasibility studies". This term is unnecessary if "cost of construction" were to be read literally. Again, since no similar language is included in AS 43.18.010(j) it can be assumed that these costs were also not to be included.

Finally, in AS 46.03.030(b) providing funds for the cost of water systems, it is provided that the amount received is computed on the basis of those costs "not borne by the federal government". In this case, the regulations you are relying on in effect specifies those costs which will not be borne by the federal government. If it were the legislature's intention in passing AS 43.18.010(j) to pick up those costs not borne by the federal government, it would have added a similar phrase to that in AS 46.03.030(b), particularly as these two sections were before the legislature during the same session and were passed within a few days of one another.

In conclusion, it is within the scope of your administrative discretion to utilize the guidelines promulgated by the Department of Health, Education and Welfare in defining the term "total project cost" of eligible medical facilities under the provisions of AS 43.18.010(j).

Very truly yours,

JOHN E. HAVELOCK
ATTORNEY GENERAL

By: 
Peter A. Michalski
Assistant Attorney General



(P...)

Attachment #2

ALASKA STATE LEGISLATURE - HOUSE OF REPRESENTATIVES

IN SESSION:

POUCH V
JUNEAU, ALASKA 99811
TELEPHONE: (907) 465-4948

SUITE 203
207 EAST NORTHERN LIGHTS BLVD.
ANCHORAGE, ALASKA 99503
TELEPHONE: (907) 277-6219

REP. M. F. "MIKE" DEIRNE
DISTRICT 7, ANCHORAGE

MEMBER OF:
FIFTH STATE LEGISLATURE
NINTH STATE LEGISLATURE :
TENTH STATE LEGISLATURE

COMMITTEES:
HEALTH
EDUCATION AND
SOCIAL SERVICES
FINANCE SUB-COMMITTEE
ON TRANSPORTATION

March 21, 1977

Senator Joseph Orsini, Chairman
Senate Community & Regional Affairs Committee
Room 101, Assembly Building
Juneau, Alaska

Re: Senate Concurrent Resolutions 13 and 14

Dear Senator Orsini:

The purpose of this brief letter is to clarify some issues raised at the committee meeting on Tuesday, March 15. There was much discussion regarding related matters, but the question before the committee only concerns the legality of the regulations. I believe it is obvious that the regulations do change the law. If the Department wishes to change the intent of the law, it should come to the Legislature for that.

1. The Department of Community and Regional Affairs expressed confusion as to whether or not the 1975 application for grant funds was made through the Municipality or directly to the Department. This was the application that resulted in the payment of grant funds in the amount of \$312,000.00.

CLARIFICATION:

A. This application was made directly to the Department under the law and the funds were paid by the Department directly to the Hospital Corporation.

B. At that time, the Borough Mayor was Jack Roderick, and he advised me in his office that if the Department sent the grant funds through the Borough,

Senator Joseph Orsini, Chairman

March 21, 1977

Page 2

that he would not cooperate, and that he would not transfer the funds to the Hospital. Therefore, the application was made directly.

C. This is a good example of local political interference with the orderly process of law, and is precisely why the legislature, in its wisdom, gave the local health facility the right to apply directly. Borough Mayor Jack Roderick acted improperly and contrary to the law.

D. The Department researched the project at that time and determined that by law the Hospital Corporation was indeed entitled to apply and receive grant funds directly from the State. Therefore, their new regulation attempts to frustrate the intent of the law.

2. Mr. McCarter, Departmental Division Director of Revenue Sharing, volunteered the information that there were no funds now being held for the hospital.

There is a letter of encumbrance in the Department files showing that in December of 1976, \$200,000 was encumbered by the Department pending review of the question. To the best of my knowledge, these funds are still encumbered. They rightfully belong to the Hospital Corporation.

3. Mr. McCarter also noted that the audit showed no checks for some expenses claimed. That is only a nasty half-truth and I resent it.

Some expenses claimed include telephone, rent, secretarial services, etc., all routine and ordinary expenses which were paid out of other accounts since the Hospital had very limited funds of its own.

But all the major expenses, much more than sufficient to satisfy the matching fund requirements, were paid from the Hospital checking account, and they were double signature checks with one signature being that of an officer of the California company which was assisting us on the project at that time.

Further, the books and records of the corporation are perfectly clean and clear. The accountants from Peat, Marwick, Mitchell & Co. have always been the accountants and auditors of record for the hospital corporation, since inception, and I am sure under oath would testify to the records.

4. The Department expressed lack of knowledge as regards the Fairbanks and Soldotna hospital projects and their cost accounting records. This is ridiculous.

The administrator of the Soldotna hospital, at the time of receipt of State grant funds in 1972, told me personally of that project history and application. All costs were included and were accepted by the Department. No questions

Senator Joseph Orsini, Chairman

March 21, 1977

Page 3

were asked. The Department knows this, but it is just being coy. If they don't, or won't, produce the records, I think it speaks for itself.

5. Testimony clearly showed, I believe, that the regulations were developed by the Department solely to apply to this hospital project. I believe that they are not only unfair and improper but that they are illegal as well. The Department's efforts to make these regulations apply two years retroactively are further evidence of the personalized character of the attack against me.

Prompt action on the part of the committee would indeed be appreciated.

Very truly yours,

Dr. Mike Beirne
State Representative

MB:js

19 AAC 30.020. STANDARDS FOR PAYMENTS OF ENTITLEMENTS UNDER AS 43.18 AND THIS CHAPTER. Applicants for payments under AS 43.18.010 - 045 will demonstrate to the department that they are qualified for payments in the following categories of service for which they have power and exercise the power with a minimum level of financial support:

(1) POLICE PROTECTION: An applicant is eligible for payment if the following minimum standards are met:

(A) the applicant must provide police protection with one or more police officers on duty or on call at all times;

(B) a police officer must be at least 19 years of age and must not have been convicted by a court of a crime which is classified as a felony in this state within the past 10 years;

(C) an applicant will not be eligible to receive revenue sharing funds unless a police officer within 12 months after his appointment has satisfactorily completed a basic course in police training approved by the Department of Public Safety. The commissioner may grant an extension of time for the completion of the basic program by a police officer upon presentation of evidence by the municipality that a police officer is unable to complete the basic program within 12 months of his appointment due to illness, injury, family emergency, military service or special duty assignment. An extension may also be made when the commissioner determines that it would be in the public interest.

(D) notwithstanding the provisions of (A) and (B) of this section, the commissioner may waive the requirements set forth in paragraph (C) on presentation of evidence by the municipality and acceptance of the evidence by the Police Standards Council that a police officer is otherwise qualified based on work experience, education, or training;

(E) recognition of the applicant by the Police Standards Council as a "participating police department" is evidence of eligibility under this section.

(2) FIRE PROTECTION:

(A) a municipal applicant is eligible for payment if it provides fire protection. Fire protection includes, but is not limited to, fire protection provided by a volunteer fire department which is currently registered with the state fire marshal and which has official recognition and financial support from the municipality in which it is located;

(B) a volunteer fire department located outside a municipality is eligible if it meets the following criteria:

(i) it is currently registered with the state fire marshal;
and

(ii) minimum financial support as defined in 19 AAC 30.-020(10) is provided; and

(iii) unexpended funds are dedicated irrevocably for the operation and maintenance of fire protection services;

(C) organizational grants shall be made on the same basis to facilitate the organization of a volunteer fire department in an area not in a municipality upon application of the proposed fire protection group to the state fire

marshal and approval of an application according to standards of organization and service prescribed by regulations promulgated by the state fire marshal, and upon submitting an application for state aid to the department.

(3) AIR OR WATER POLLUTION CONTROL. An applicant is eligible for payment under this category if it meets either of the following minimum standards:

(A) the municipality is engaged in a comprehensive study of an air pollution control program or implementing an air pollution control program, or

(B) the municipality has a sanitary sewage treatment facility and sewage disposal system which is in compliance with state law or the sewage treatment facility is under construction and will meet state requirements;

(4) LAND USE PLANNING: An applicant is eligible for payment if the following minimum standards are met:

(A) the municipality shall be in the process of preparing or updating a comprehensive land use plan or be implementing a comprehensive land use plan through exercise of platting or zoning powers; and

(B) if a municipality has a population over 12,000 persons, the municipality, to qualify for aid under this paragraph, shall employ a staff planner charged with the primary responsibility for land use planning and plan implementation; or

(C) if the municipality has a population fewer than 12,000 persons, the municipality shall qualify for aid under this paragraph by availing itself of planning assistance through one of the following:

(i) a staff planner charged with the primary responsibility of land use planning and plan implementation or a planning commission engaged in the preparation or implementation of a comprehensive land use plan; or

(ii) an annual contract with a recognized planning firm to provide land use planning and plan implementation on a consulting basis with a work program outline approved by the Department of Community and Regional Affairs; or

(iii) participation in the state's continuing planning advisory service program of the Department of Community and Regional Affairs through assistance in the preparation or implementation of a comprehensive planning program.

(5) PARKS AND RECREATION: An applicant is eligible for payment if one or more of the following minimum standards are met:

(A) a municipality must provide a park or recreational facility available to the public; or

(B) the municipality provides a recreational program on a regular and continuing basis available to the public; ,

(6) TRANSPORTATION FACILITIES: an applicant is eligible for payment under this category if it operates one or more of the following facilities:

(A) a small boat harbor which provides deep water shelter, either natural or artificial, on the coast of a sea, lake, river or other body of water; or

(B) a port or dock which has the capability of receiving cargo from and discharging cargo to commercial vessels; or

(C) an airport for the convenience of private and commercial aircraft. Excluded are: airports exclusively operated and maintained by a federal or state agency or by a private party, airports maintained on a seasonal basis, and natural landing strips; or

(D) a transit system for the transportation of people in accordance with established tariffs by rail and monorail, or buses specifically designed and constructed to accommodate the general public; ,

(7) ROAD MAINTENANCE: An applicant is eligible for payment under these categories if one or both of the following minimum standards are met:

(A) a public road, street or highway maintained by an applicant must be dedicated to public use by licensed automotive equipment; specifically excluded are roads, streets or highways maintained by a federal or state agency or maintained by the applicant pursuant to an agreement with a federal or state agency;

(B) an ice road maintained by an applicant must connect two or more inhabited areas and be used by licensed automotive equipment. ,

(8) HEALTH FACILITIES AND HOSPITALS: An applicant is eligible for payment under these categories if one or more of the following minimum standards are met:

(A) Municipal Health Services: an applicant shall have and exercise the health power and have within its boundaries a qualifying hospital under (B) or (C) of this section;

(B) Municipal Hospitals: an applicant must have and exercise the power to provide hospital facilities and services. Payment shall be based on the number of beds actually set up for patient care limited to the number of beds licensed as of July 1 of the entitlement year by the Department of Health

and Social Services and provided for in the current construction design of the hospital. Funds received under this subparagraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the applicant determines;

(C) Non-profit Hospitals: an applicant shall certify to the department before June 30 of the entitlement year that the hospital is in compliance with all standards for hospitals which have been adopted by the applicant. Payments to the applicant shall be transferred immediately to the hospital in accord with the basis by which the entitlement was generated by the hospital and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(D) to be eligible under (B) or (C) of this section, the hospital must be licensed as a general hospital by the Department of Health and Social Services; hospitals wholly operated or wholly supported by a federal or state agency are ineligible under (B) and (C) of this section;

(E) Health Facilities: an applicant must have and exercise the power of health service. Payment shall be based on the number of beds set up for patient care, or payment shall be made per health facility as the applicant determines;

(F) to be eligible under (E) of this section, a health facility shall be a public health center, maternity home, community mental health center, facility for the mentally or physically handicapped, nursing home, or convalescent center which is licensed, when required, by the state under AS 18.20.010 - 18.20.130 or if licensing is not required, approved by the department, and is owned or operated by an applicant or by a non-profit corporation or other non-profit sponsor. Facilities wholly operated or wholly supported by a federal or state agency are ineligible;

(G) financial eligibility for hospitals and health facilities and health services shall be based on the financial support provided by the applicant and excludes those services that are actually provided or wholly funded by a federal or state agency. Any unexpended entitlement received shall be dedicated irrevocably for the service, operation, or maintenance of the health facility or health service;

(H) funds received by a municipality under (A) or (E) of this section shall be used for expenses of health services or operation and maintenance of facilities as the applicant determines;

(9) CONSTRUCTION AID: an applicant is eligible for payment if the following minimum standards are met:



(A) if construction of a hospital or health facility began after January 1, 1968 and state matching aid for construction approved for payment to the municipality or other facility sponsor constitutes less than 25 percent of the total project cost, the state shall pay to the municipality or other facility sponsor each fiscal year a sum equal to \$2,500 a bed for the maximum number of beds provided for in the construction design of the hospital or health facility. State aid provided for in this section shall continue until the municipality or other facility sponsor has received an amount which, combined with state matching money for construction of the hospital or health facility, equals 25 percent of the total project cost. No funds received for construction shall be used for any other purpose;

(B) state matching aid for construction means any construction aid program administered by the Department of Health and Social Services;

(C) project or construction costs shall be those contracted costs that are eligible for financial participation under the Hill-Burton Construction Program for construction of new buildings, including, but not limited to, the expansion, replacement and modernization of existing buildings and initial equipment of any such buildings, including architect and consultant fees, but not including the cost of land acquisition and off-site improvements;

(D) other facility sponsor shall refer to a public or non-profit corporation which owns or operates, or both, a hospital or health facility which is located outside the corporate limits of a municipality;

(10) FINANCIAL BASIS FOR ELIGIBILITY: (a) A determination that a service was provided or a power was exercised shall be based on the financial support provided during an applicant's fiscal year containing July 1, 1976. Subsequently, the financial support shall be determined from the applicant's previous fiscal year containing July 1 of the previous entitlement period.

(b) Financial support is defined as a minimum cash disbursement of not less than 20 percent of the amount received for a category of service funded during the previous fiscal year, or in the case of a newly acquired power, a budget appropriation not less than 20 percent of the amount to be received for the eligible category of service.

Authority: AS 43.18.010
43.18.040
44.47.050 (14)
44.47.160

19 AAC 30.030. DATE OF ELIGIBILITY. Eligibility for receipt of state aid provided by AS 43.18.010 - 43.18.045 is predicated upon the possession and exercise of a power or provision of a service by an applicant as of July 1 of the entitlement period. (Eff. __, Reg. __)

Authority: AS 43.18.040
44.47.050 (14)
44.47.160



Attachment #4

December 8, 1975

Senator Genie Chance
310 "K" Street
Suite 701
Anchorage, Alaska 99501

Dear Senator Chance:

I am pleased to enclose with this letter two pieces of proposed legislation which represent the recommendations of this interim committee in the area of shared revenues with municipalities. The proposed legislation is the product of a number of meetings of the committee in the months since the adjournment of the legislature plus two public hearings. One of these public hearings was held in conjunction with the October convention of the Alaska Federation of Natives, in order to receive bush community viewpoints. The other hearing was held in conjunction with the October conference of the Alaska Municipal League. In addition, suggestions and constructive criticism were requested by mail and received from a wide variety of cities and communities throughout the State of Alaska.

It was considered crucial, since revenue sharing has been created solely for the purpose of assisting municipalities in the funding of needed local services, that the final product of the committee take maximum note of the views and suggestions of the various municipalities across the state. The enclosed bill represents what the committee considers to be the most beneficial and most feasible of those suggestions.

Perhaps some review might be in order concerning the need for revision of the current shared revenue program. Although the program in concept currently enjoys the unanimous and enthusiastic support of every municipality in the state, the following were considered deficiencies which new legislation could correct.

REPRESENTATIVE
MIKE MILLER
ALASKA STATE LEGISLATURE
P.O. Box 1494
JUNEAU, ALASKA 99802
HOME PHONE 586-3057
LEGISLATIVE PHONE 465-3739

HOUSE MAJORITY LEADER
VICE CHAIRMAN, LEGISLATIVE COUNCIL
VICE CHAIRMAN, STATE AFFAIRS COMMITTEE
MEMBER, RULES COMMITTEE
MEMBER, COMMITTEE ON COMMITTEES

First, it was felt that a "foundation" approach might be useful in the field of revenue sharing--"foundation" approach meaning a formula with a foundation amount similar in concept to that utilized in the school foundation statutes. The beauty of such an approach is that whenever a legislature wishes to raise the foundation amount (to recognize increases in the cost of doing business) it is necessary merely to amend one word in the statutes. Absent the foundation approach it is necessary, whenever you wish to recognize the increase in the cost of doing business, to go into the statutes and revise the per capita dollar figure for each of the various categories in which shared revenue assistance is given to municipalities. This is both cumbersome and, in practice, inequitable. Some categories tend to get raised, others do not and the system can easily get out of balance.

It was felt, too, that the amount of shared revenues being designated for small communities was much too small. It was recognized that the present purely per capita approach just did not offer the very small communities enough money to assist in any meaningful way in meeting the obligations of local government. It was recognized that whether a second class city had 25 residents, or 75 residents, or 125 residents there was nonetheless an irreducible minimum cost of doing business, and that that minimum was just as great for very small villages as it was for medium sized second class cities. It was, therefore, considered desirable that a minimum grant base be established for these communities and it was further considered desirable that the base amount agreed upon be as generous as possible in order that the benefits of government on the local level be economically feasible for the communities.

Another deficiency in the current statutes was the lack of the requirement for standards and criteria by which the Department of Community and Regional Affairs could determine whether communities were actually entitled to shared revenues in the various categories under which they were seeking aid. This deficiency has long been recognized by the Department of Community and Regional Affairs and has been recognized additionally by the Legislative Budget and Audit staff. This is not to say that the shared revenue monies allotted to the communities should be required to be spent in the categories designated--far from it. It was and still is the consensus of the committee and of the municipalities that local discretion should continue in the spending of shared revenue receipts. It was felt, however, that in order to receive shared revenue monies in, for example the fire department category it should be demonstrated that the community can meet minimum standards in that category.

Finally, there was a question projected by some communities as to whether the use of categories in sharing state revenues was even appropriate. It was thought perhaps more appropriate simply to allocate available dollars to the municipalities and let each local government establish its own priorities without regard to existing municipal services.

In order to correct these deficiencies the committee drafted three alternate pieces of legislation for consideration by the committee and the municipalities of Alaska. With considerable--and greatly appreciated--assistance from the University of Alaska/Anchorage, we were able to develop extensive data showing the practical results (i.e., the dollars to be received) for each community in the state under the various alternatives. We developed similar data based on proposed legislation already in the house (legislation which, incidentally, had been previously endorsed by the Alaska Municipal League) and also on a simple per capita allocation of funds to municipalities. Four of these five total alternative were specifically noncategorical in approach. All of the alternatives and all of the data were presented to delegates of the Alaska Federation of Natives Convention and delegates to the Alaska Municipal League Conference. In addition, this material was mailed to virtually every municipality, large and small, in the state with requests for evaluations and suggestions.

I think it would be fair to say that prior to the hearings and meetings there was a strong feeling among the larger communities, in particular, that revenue sharing should be based on tax effort. The feeling was that those who tax themselves the most should receive the most additional state aid. This was the principle thrust of the existing proposed legislation which the Alaska Municipal League had previously endorsed. The committee recognized this concept in two of the alternatives they proposed, but built in additional factors including the availability of tax resources plus tax effort in relation to those resources. Interestingly, when all the facts--in the form of state-wide computerized readouts--were laid before the communities a very noticeable modification of opinion became apparent during the hearings and in countless conversations afterward. Committee members noted a discernible reluctance on the part of communities, large and small, to terminate the categorical approach. What was needed, several elected officials indicated, was a bill, which more or less continued the "tried and true" categorical approach, in the present revenue sharing system but which also incorporated the "foundation approach".

Basically, then, this is the bill which the interim subcommittee has proposed:

First, the bill does create a municipal "foundation approach" to revenue sharing. It does so by allocating varying numbers of units to various categories of municipal services and then multiplying those units times population, and then multiplying this product times a "foundation" base figure. For this bill the committee established a foundation base at \$1.00. In future years if the cost of doing business goes up, for instance 11%, the legislature may, if it chooses, raise the foundation amount by simply changing the figure \$1.00 to \$1.11.

In establishing categories and establishing unit values within each category, the committee did indeed stick by the "tried and true" categories of past years. Police protection, for instance, which in previous years earned communities shared revenue at the rate of \$12.00 per capita will earn units within the foundation formula at the rate of 12 units. Fire protection is 7.5 units (as opposed to \$7.50 per capita under the present system). Additional ingredients include air or water pollution control (2 units), land use planning (2 units), parks and recreation (5 units). Two important changes have been made in the categorical designations. Under present law a community can receive \$5.00 per capita for operating either a small boat harbor/ port or for operating mass transit or for operating an airport. In the proposed bill 5 units can be accumulated in each of these categories. The second important difference is the addition of solid waste disposal as a new category, which in the proposed bill will be valued at 2 units.

The proposed legislation establishes a \$25,000 minimum grant for municipalities whose low per capita standing would otherwise earn them only small amounts of revenue. The committee felt the \$25,000 figure was a generous but nonetheless fair amount. It was interesting to note that at neither public hearing was there any criticism of this amount. At one meeting of the committee, a single individual did observe that he thought the figure was pretty high for the very smallest communities. He did not, however, seek to have the committee change the amount.

Additional features of the bill include the following:

Special start-up grants have been established in various categories for municipalities who do not currently offer such services as police protection, fire protection, air

and water pollution control, land use planning, parks and recreation, small boat harbors/ports, air ports or mass transit systems. The Department of Community and Regional Affairs is specifically charged with creating minimum standards of service in the various categories for which municipalities can receive revenue sharing. Revenue sharing for hospitals remains virtually the same as under current law except that responsibility for administering this section is transferred to the Department of Health and Social Services. Additionally, in the area of health, a paragraph specifies that no hospital or health facility shall be eligible for revenue sharing unless the facility has received a Certificate of Need from a municipality or the state. This paragraph anticipates that "Certificate of Need" legislation will be passed in this session of the legislature. Another interim committee is studying the whole broad area of health facilities so this section may undergo substantial modification when that interim committee completes its deliberations. Shared revenues for road maintenance remains virtually the same as current law. A very important feature of the new legislation is that if a new second class city is created in an organized borough after passage of this law, the city would not be eligible for the \$25,000 minimum grant. This feature is designed to preclude small gatherings of 25 people or more from incorporating simply to take advantage of the \$25,000 revenue sharing opportunity. Finally, a very important feature of the proposed legislation is the clause which guarantees each municipality that it will not receive less money than it is receiving under the current statutes.

There, of course, are many additional features to the legislation, but this summary covers most of the major changes.

As noted earlier, the committee is submitting two bills for introduction and for consideration by the legislature. One is quite large and comprehensive and is described in the report above. The other bill consists of only one paragraph and this paragraph constitutes one of the many provisions of the larger bill.

The provision, drafted at the request of the Department of Community and Regional Affairs, simply mandates that the department create minimum standards and criteria to qualify municipalities for grants in each category of shared revenue. If the major bill should run into difficulties and if passage does not seem assured, then it is recommended that the legislature consider and enact the oneparagraph small piece of "clean-up" legislation.

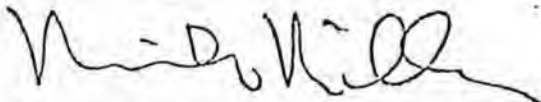
December 8, 1975
Senator Genie Chance
Page #6

The fiscal impact of the legislation will be to raise the state shared revenue allocation from a current level of about \$15 million to a level of approximately \$20 million--if the bill is fully funded. The raise, of course, comes from creating the \$25,000 minimum grants to small cities, from creating a new category (solid waste) and from separating the now-combined port/harbor-airport-mass transit category into three separate categories.

This report would not be complete without making special acknowledgement of the work of the several individuals and agencies. The committee is extremely appreciative of the hours of work, both during committee sessions and out of session, by Dr. Garth Jones and P. J. Hill, both of the University of Alaska/Anchorage. The vast volume of computerized data that both Dr. Jones and Mr. Hill provided was crucial in the final deliberations and directions of the committee.

Similarly, we would like to give a special thanks to Mr. Rich Wilson and Mr. Sam Coxson, both of the City of Anchorage who helped in obtaining and analyzing the data, and who attended most of the sessions and hearings of the committee and contributed greatly to the deliberations. We are indebted as well to the Alaska Federation of Natives who made time available for us during the annual AFN convention in Anchorage, and the Alaska Municipal League who similarly made time available during its annual conference in that same city. The League, as well, was most helpful to the committee in circularizing its membership and alerting municipalities of Alaska to the work of the committee. Finally, I would like to acknowledge the fine work of the staff of the Legislative Affairs Agency, and Bill Berrier in particular, plus the membership of the interim committee. Interest was lively, suggestions were broad and imaginative and attitudes were positive throughout the course of the committee's deliberations. It has been a pleasure to chair this committee and of course all of us on the committee stand ready to answer any questions which you or other members of the legislature might have concerning the recommended legislation. Thank you for your own fine support of the committee.

Sincerely,



Mike Miller, Chairman, Interim
Committee on Shared Revenues
with Municipalities

MM:sah

Enclosures

BY THE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE BY REQUEST OF THE LEGISLA-
TIVE COUNCIL INTERIM COMMITTEE ON
SHARED REVENUE WITH MUNICIPALITIES

1 IN THE HOUSE

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal revenue sharing; and pro-
7 viding for an effective date."

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

9 § Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 17. MUNICIPAL REVENUE SHARING.

11 Sec. 43.17.010. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a)

12 This chapter may not be construed so as to create a debt of the state.

13 (b) The special municipal services account is established. Funds
14 to carry out the provisions of this chapter may be appropriated
15 annually by the legislature to the account. If amounts in the account
16 are insufficient for the purpose of each local government's share
17 authorized under this chapter, such funds as are available shall be
18 distributed pro rata among eligible local governments.

19 (c) Money in the special municipal services account which, at the
20 end of the fiscal year for which the money is appropriated, exceeds
21 the amount required for the allocations authorized in this chapter re-
22 verts to the general fund.

23 Sec. 43.17.020. MINIMUM GRANTS TO MUNICIPALITIES. (a) A
24 municipality may, in lieu of obtaining revenue sharing money as pro-
25 vided in this chapter, obtain instead a minimum grant of \$25,000.

26 (b) In addition to the minimum grant, a municipality which assumes
27 a new service listed below and has elected to receive the minimum
28 grant provided for in (a) of this section shall receive a grant as set
29 out in (1) - (8) of this subsection for the first year it provides the

1 new service and for the next four years receive respectively 80 per
2 cent, 60 per cent, 40 per cent and 20 per cent of that amount. A grant
3 received under this subsection must be expended on the service which gave
4 rise to the grant entitlement. The services and the amount per capita
5 grant are:

- 6 (1) police protection, \$75
- 7 (2) fire protection, \$25
- 8 (3) air or water pollution control, \$10
- 9 (4) land use planning, \$10
- 10 (5) parks and recreation, \$25
- 11 (6) small boat harbor or port, \$25
- 12 (7) airport, \$25
- 13 (8) mass transit system, \$25.

14 (c) For purposes of computing the grant under this section, the
15 population figure for a municipality having less than 250 people shall
16 be 250; the population figure for a municipality having 250 - 500 shall
17 be 500; and the population figure for a municipality having more than
18 500 people shall be the actual population recorded to the next highest
19 even hundred.

20 (d) The department shall issue regulations regarding procedures
21 and time limits for making an election under this section.

22 Sec. 43.17.030. BASIC GRANTS TO MUNICIPALITIES. (a) The amount
23 of revenue sharing for which each municipality which does not elect to
24 receive instead of the grant as provided for under sec. 20 of this
25 chapter shall be calculated: as a result of $B \times P$ where

26 (1) B is the base revenue sharing amount of \$1 times the
27 service units for each service performed by the municipality established
28 as follows:

- | | |
|--------------------------|----------|
| 29 (A) police protection | 12 units |
|--------------------------|----------|

1	(B) fire protection	7.5 units
2	(C) air or water pollution control	2 units
3	(D) land use planning	2 units
4	(E) parks and recreation	5 units
5	(F) small boat harbor or port	5 units
6	(G) mass transit	5 units
7	(H) airport	5 units
8	(I) solid waste disposal	2 units

9 (2) P is the population of the municipality rounded up to the
10 nearest 500.

11 (b) If a municipality contains areas having differential rates of
12 taxation, the entitlement shall be calculated for areawide services and
13 for each area separately and totaled to reach the entitlement of the
14 municipality. Revenue sharing money for which the entitlement is based
15 upon areawide services may be used for areawide purposes only, and
16 revenue sharing money for which the entitlement is based upon service
17 area services may be used for that service area only.

18 Sec. 43.17.040. HEALTH FACILITIES AND HOSPITALS. (a) During
19 each fiscal year the state shall make payments as follows:

20 (1) \$1,000 per hospital bed to organized boroughs having
21 health powers for each hospital bed actually used for patient care,
22 limited to the number of beds provided for in the construction design
23 of the hospital, or \$50,000 per hospital for those hospitals with 10
24 or more beds or \$20,000 per hospital for those hospitals with less
25 than 10 beds as the local government may determine;

26 (2) \$1,000 per hospital bed to each hospital located outside
27 an organized borough having health powers for each hospital bed
28 actually used for patient care, limited to the number of beds provided
29 for in the construction design of the hospital, or \$50,000 for those

1 hospitals with 10 or more beds or \$20,000 per hospital for those
2 hospitals with less than 10 beds, as the hospital may determine;

3 (3) \$1,000 per bed to an organized borough or city outside
4 an organized borough in which a health facility is operated for each
5 bed actually used for patient care, limited to the number of beds
6 provided for in the construction design of the health facility, or
7 \$4,000 per health facility as the local government may determine;

8 (4) funds received by a local government under (1), (2) or
9 (3) of this subsection shall be used for expenses of operation, main-
10 tenance, or health services or facilities, as the local government
11 or hospital outside a municipality determines;

12 (5) before funds may be distributed under this subsection,
13 the commissioner of health and social services shall certify to the
14 distributing agency that any accumulation of assets by nonprofit
15 corporations or other recipients under this subsection are dedicated
16 irrevocably to a public purpose.

17 (b) If construction of a facility began after January 1, 1968,
18 a bond issued by a surety company licensed to do business in the state
19 in a form and amount determined by the department to be adequate to
20 assure completion of the project has been furnished the department,
21 and state matching aid for construction approved for payment to the
22 local government or other facility sponsor constitutes less than 25
23 per cent of the total project cost, the state shall pay to the local
24 government or other facility sponsor each fiscal year a sum equal to
25 \$2,500 a bed for the maximum number of beds provided for in the
26 construction design of the facility. State aid provided for in this
27 subsection shall continue until the local government or other facility
28 sponsor has received an amount which, combined with state matching
29 money for construction of the facility, equals 25 per cent of the

1 total project cost. No funds received for construction shall be used
2 for any other purpose.

3 (c) In this section

4 (1) "hospital" means a licensed hospital determined by the
5 Department of Health and Social Services to be a general hospital;
6 the term excludes facilities operated or wholly supported by the state
7 or the federal government;

8 (2) "health facility" means public health centers, maternity
9 homes and community mental health centers, facilities for the mentally
10 or physically handicapped, nursing homes and convalescent centers which
11 are licensed, when required, by the state under AS 18.20.010 - 18.20.--
12 130 and are owned or operated or both by a local government or by a
13 nonprofit corporation or other nonprofit sponsor; the term excludes
14 facilities operated or wholly supported by the state or the federal
15 government.

16 (d) This section shall be administered by the Department of Health
17 and Social Services.

18 (e) A municipality may expend funds received under this section
19 only for the specific facilities and services which gave rise to the
20 grant entitlement.

21 (f) No hospital or health facility is eligible for revenue
22 sharing under this section unless the hospital or health facility has
23 received a certificate of need from the municipality in which it is
24 located or from a state agency authorized to issue certificates of
25 need.

26 Sec. 43.17.050. VOLUNTEER FIRE DEPARTMENTS OUTSIDE MUNICIPALITIES.
27 The state shall pay to a volunteer fire department registered with the
28 state fire marshal and serving an area not in an organized borough or a
29 city a sum for protection purposes equal to \$7.50 per capita for the popu

1 lation served by the department, as determined by the state fire marshal
2 using the latest figures of the United States Bureau of the Census or
3 other reliable data. Grants shall be made on the same basis to facili-
4 tate the organization of volunteer fire departments in an area not in an
5 organized borough or a city, upon application of the proposed fire pro-
6 tection group to the state fire marshal and approval of applications
7 according to standards of organization and service prescribed by regula-
8 tions promulgated by the state fire marshal.

9 Sec. 43.17.060. AREA COST-OF-LIVING DIFFERENTIAL. (a) State.
10 payments to a city or an organized borough under this chapter shall
11 reflect area cost-of-living differential. Amounts distributed shall be
12 based upon the sum of the grants due each city or organized borough
13 multiplied by the appropriate area cost-of-living differential. The
14 area cost-of-living differential for each city and organized borough
15 shall be determined annually by election district under the provisions
16 of AS 39.27.030; however, the area cost-of-living differential to be
17 applied shall not result in an amount to be distributed less than the
18 base allocation.

19 (b) The election districts used in (a) of this section are those
20 designated by the proclamation of reapportionment and redistricting
21 of December 7, 1961, and retained for the house of representatives by
22 proclamation of the governor September 3, 1955.

23 Sec. 43.17.070. FINANCIAL REPORTS. No money may be distributed
24 to a municipality under this chapter unless the municipality has first
25 submitted a financial report to the department for each of the two fis-
26 cal years immediately preceding the fiscal year in which funds are to be
27 distributed and a budget for the municipality's fiscal year in which funds
28 are to be distributed. The department may, by regulation, prescribe
29 procedures and filing dates for submitting financial reports and for

1 obtaining all information required to determine the municipality's tax
2 effort.

3 Sec. 43.17.080. POPULATION DETERMINATION. For purposes of this
4 chapter, population shall be determined by the latest figures of the
5 United States Bureau of the Census, Department of Labor estimates or
6 other population data which, in the judgment of the department, is
7 reliable.

8 Sec. 43.17.090. ADDITIONAL LIMIT ON EXPENDITURE OF FUND. In
9 addition the limitations on expenditure of funds contained in sec.
10 40 of this chapter:

11 (1) if a borough exercises the powers in sec. 30(a)(1) of
12 this chapter in the borough area outside cities only, or in a service
13 area only, the grants authorized under this section shall be based on
14 the population of the borough area outside cities or the service area
15 respectively;

16 (2) if a city within an organized borough provides police
17 protection services, the borough may not qualify for aid under (a)(1) of
18 this section unless

19 (A) police protection services are provided in the
20 borough area outside cities, or if limited to a service area, in
21 the service area, through borough contract with a city or in the
22 state or

23 (B) the borough assumes and exercises power to provide
24 police protection services on an areawide basis in the manner
25 provided by law.

26 Sec. 43.17.100. ROAD MAINTENANCE. During each fiscal year the
27 state shall pay to a city or organized borough of any class which has
28 power to provide for road maintenance and exercises the power a sum
29 equal to \$1,500 a mile for each mile of road, street or highway main-

1 tained by the local government, excluding the official state highway
2 system, roads, streets, or highways not dedicated to public use, any
3 roads, streets or highways maintained under the local service road pro-
4 gram (AS 19.30.111 - 19.30.251), and alleyways, in accordance with regu-
5 lations adopted by the Department of Highways. No payments may be made
6 for maintenance of roads not used by automotive equipment. Frozen
7 waterways and connections from inhabited areas to the waterways which
8 may be safely used for public transportation by automotive equipment
9 and are so used during a portion of a year are eligible for payments of
10 \$900 per mile if the waterways and connections are maintained during
11 the period of use by a municipality or combination of municipalities.
12 The Department of Community and Regional Affairs, after consultation
13 with the Department of Highways, shall determine which waterways and
14 connections qualify and, where the waterways or connections lie outside
15 the corporate limits of a municipality, which municipality is eligible
16 for the shared revenue unless the municipalities involved have agreed
17 in writing to a particular distribution.

18 Sec. 43.17.110. REGULATIONS. The department shall adopt regula-
19 tions necessary to carry out the purposes of this chapter. The regula-
20 tions shall include minimum standards of service required to qualify
21 a municipality for service unit credit for each service and provisions
22 for a performance audit adequate to demonstrate to the department that
23 each service for which credit was allowed was actually performed by the
24 municipality at least at the prescribed minimum level.

25 Sec. 43.17.120. EXPENDITURE OF FUNDS. Funds received by a munici-
26 pality under this chapter may be expended for any public purpose for
27 which the municipality has power to expend funds except as provided in
28 secs 20(b) and 40 of this chapter.

29 Sec. 49.17.130. DEFINITIONS. In this chapter

1 (1) "department" means the Department of Community and
2 Regional Affairs;

3 (2) "municipality" for revenue sharing purposes means a
4 city, borough or unified municipality incorporated under the laws of the
5 State of Alaska except a second class city incorporated after the effec-
6 tive date of this Act and lying within an organized borough.

7 * Sec. 2. AS 43.18.010 - 43.18.050 are repealed.

8 * Sec. 3. Other provisions of this Act notwithstanding, a municipality
9 which would receive less money under the provisions of this Act than it was
10 entitled to receive in 1975 under the provisions of AS 43.18 repealed by this
11 Act shall continue to receive an amount equal to that authorized for 1975
12 under the former provisions of AS 43.18, in accordance with those provisions.

13 * Sec. 4. AS 29.18.020 is amended to read:

14 Sec. 29.18.020. SECOND CLASS CITIES. A community outside an
15 organized borough having 25 or more permanent residents may incorporate
16 as a second class city. A community located within an organized borough
17 having 125 or more permanent residents may incorporate as a second class
18 city.

19 * Sec. 5. This Act takes effect July 1, 1976.
20
21
22
23
24
25
26
27
28
29 #

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE BY REQUEST OF
THE LEGISLATIVE COUNCIL INTERIM
COMMITTEE ON SHARED REVENUES
WITH MUNICIPALITIES

1 IN THE HOUSE

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal revenue sharing."

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

8 * Section 1. AS 43.18.040 is amended to read:

9 Sec. 43.18.040. REGULATIONS. The Department of Community and
10 Regional Affairs shall adopt regulations necessary to carry out the
11 purposes of secs. 10 - 99 of this chapter. The regulations shall include
12 minimum standards required to qualify a municipality for grants for each
13 service and provisions for a performance audit adequate to demonstrate
14 to the department that each service for which credit was allowed was
15 actually performed by the municipality, at least at the prescribed
16 minimum level.

Original sponsor: Community and Regional
Affairs Committee by request of the
Legislative Council Interim Committee on
Shared Revenue with Municipalities

Offered: 3/3/76
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 539

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipalities and municipal re-
7 venue sharing; and providing for an effective date."

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

9 * Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 17. MUNICIPAL REVENUE SHARING

11 Sec. 43.17.010. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a)

12 This chapter may not be construed so as to create a debt of the state.

13 (b) The special municipal services account is established. Funds
14 to carry out the provisions of this chapter may be appropriated annually
15 by the legislature to the account. If amounts in the account are
16 insufficient for the purpose of each local government's share authorized
17 under this chapter, such funds as are available shall be distributed pro
18 rata among eligible local governments.

19 (c) Money in the special municipal services account which, at the
20 end of the fiscal year for which the money is appropriated, exceeds the
21 amount required for the allocations authorized in this chapter reverts
22 to the general fund.

23 Sec. 43.17.020. MINIMUM GRANTS TO MUNICIPALITIES. (a) A munici-
24 pality proposing to provide administrative services or a service pro-
25 vided for in sec. 30(a)(1) of this chapter may, in lieu of obtaining
26 revenue sharing money as provided in this chapter, obtain instead a
27 minimum grant of \$25,000.

28 (b) The department shall issue regulations regarding procedures
29 and time limits for making an election under this section.

1 Sec. 43.17.030. BASIC GRANTS TO MUNICIPALITIES. (a) If a munici-
2 pality elects not to receive the grant provided for under sec. 20 of
3 this chapter, the amount of revenue sharing for which it is eligible
4 shall be calculated: as a result of $B \times P$ where

5 (1) B is the base revenue sharing amount of \$1 times the
6 service units for each service performed by the municipality established
7 as follows:

8 (A) police protection	12 units
9 (B) fire protection	7.5 units
10 (C) water pollution control	2 units
11 (D) land use planning	2 units
12 (E) parks and recreation	5 units
13 (F) small boat harbor or port	5 units
14 (G) mass transit	5 units
15 (H) airport	5 units
16 (I) solid waste disposal	2 units
17 (J) ambulance	2 units
18 (K) air pollution	2 units

19 (2) P is the population of the municipality rounded up to the
20 nearest 100.

21 (b) If a municipality contains areas having differential rates of
22 taxation, the entitlement shall be calculated for areawide services and
23 for each area separately and totaled to reach the entitlement of the
24 municipality. Revenue sharing money for which the entitlement is based
25 upon areawide services may be used for areawide purposes only, and
26 revenue sharing money for which the entitlement is based upon service
27 area services may be used for that service area only.

28 Sec. 43.17.040. HEALTH FACILITIES AND HOSPITALS. (a) During each
29 fiscal year the state shall make payments as follows:

1 (1) \$1,000 per hospital bed to municipalities having health
2 powers for each hospital bed actually used for patient care, limited to
3 the number of beds provided for in the construction design of the
4 hospital, or \$50,000 per hospital for those hospitals with 10 or more
5 beds or \$20,000 per hospital for those hospitals with less than 10 beds
6 as the local government may determine;

7 (2) \$1,000 per hospital bed to each hospital located outside
8 a municipality having health powers for each hospital bed actually used
9 for patient care, limited to the number of beds provided for in the
10 construction design of the hospital, or \$50,000 for those hospitals with
11 10 or more beds or \$20,000 per hospital for those hospitals with less
12 than 10 beds, as the hospital may determine;

13 (3) \$1,000 per bed to a municipality in which a health
14 facility is operated for each bed actually used for patient care,
15 limited to the number of beds provided for in the construction design of
16 the health facility, or \$4,000 per health facility as the local govern-
17 ment may determine;

18 (4) funds received under this section shall be used for ex-
19 pense of operation or maintenance of health services or health facilities
20 or hospitals as the municipality or hospital outside a municipality de-
21 termines;

22 (5) before funds may be distributed under this subsection,
23 the commissioner of health and social services shall certify to the
24 distributing agency that any accumulation of assets by nonprofit cor-
25 porations or other recipients under this subsection is dedicated irre-
26 vocably to a public health purpose.

27 (b) If construction of a hospital or health facility began before
28 January 1, 1976, and state matching aid for construction approved under
29 AS 18 for payment to a municipality or other facility sponsor

1 constitutes less than 25 per cent of the total project cost, the state
2 shall pay to the municipality or other facility sponsor each fiscal year
3 a sum equal to \$2,500 a bed for the maximum number of beds provided for
4 in the construction design of the facility. State aid provided for in
5 this subsection shall continue until the municipality or other facility
6 sponsor has received an amount which, combined with state matching money
7 for construction of the facility approved under AS 18, equals 25 per
8 cent of the total project cost. No funds received for construction
9 shall be used for any other purpose.

10 (c) In this section

11 (1) "hospital" means a licensed hospital determined by the
12 Department of Health and Social Services to be a general hospital; the
13 term excludes facilities operated or wholly supported by the state or
14 the federal government;

15 (2) "health facility" means public health centers, maternity
16 homes and community mental health centers, facilities for the mentally
17 or physically handicapped, nursing homes and convalescent centers which
18 are licensed, when required, by the state under AS 18.20.010 - 18.20.130
19 and are owned or operated or both by a local government or by a non-
20 profit corporation or other nonprofit sponsor; the term excludes facili-
21 ties operated or wholly supported by the state or the federal government;

22 (3) "other facility sponsor" means a public or nonprofit
23 corporation located outside a municipality which owns or operates, or
24 both, a hospital or health facility.

25 Sec. 43.17.050. VOLUNTEER FIRE DEPARTMENTS OUTSIDE MUNICIPALITIES.
26 The state shall pay to a volunteer fire department registered with the
27 state fire marshal and serving an area not in an organized borough or a
28 city a sum for protection purposes equal to \$7.50 per capita for the
29 population served by the department, as determined by the state fire

1 marshal using the latest figures of the United States Bureau of the
2 Census or other reliable data. Grants shall be made on the same basis
3 to facilitate the organization of volunteer fire departments in an area
4 not in an organized borough or a city, upon application of the proposed
5 fire protection group to the department and approval of applications
6 according to standards of organization and service prescribed by regu-
7 lations promulgated by the department.

8 Sec. 43.17.060. AREA COST-OF-LIVING DIFFERENTIAL. (a) State
9 payments to a municipality or to a hospital or volunteer fire department
10 located outside a municipality under this chapter shall reflect area
11 cost-of-living differential. Amounts distributed shall be based upon
12 the sum of the grants due each municipality or each hospital or volun-
13 teer fire department located outside a municipality multiplied by the
14 appropriate area cost-of-living differential. The area cost-of-living
15 differential for each municipality or each hospital or volunteer fire
16 department located outside a municipality shall be determined annually
17 by election district under the provisions of AS 39.27.030; however, the
18 area cost-of-living differential to be applied shall not result in an
19 amount to be distributed less than the base allocation.

20 (b) The election districts used in (a) of this section are those
21 designated by the proclamation of reapportionment and redistricting of
22 December 7, 1961, and retained for the house of representatives by
23 proclamation of the governor September 3, 1965.

24 Sec. 43.17.070. FINANCIAL REPORTS. No money may be distributed to
25 a municipality under this chapter unless the municipality has first
26 submitted a financial report to the department for each of the two fis-
27 cal years immediately preceding the fiscal year in which funds are to be
28 distributed and a budget for the municipality's fiscal year in which
29 funds are to be distributed. The department may, by regulation, pre-

1 scribe procedures and filing dates for submitting financial reports and
2 for obtaining all information required to determine the municipality's
3 tax effort.

4 Sec. 43.17.080. POPULATION DETERMINATION. For purposes of this
5 chapter, population shall be determined by the latest figures of the
6 United States Bureau of the Census, Department of Labor estimates or
7 other population data which, in the judgment of the department, is
8 reliable. However, a municipality may not receive state shared revenue
9 based on the population residing on that portion of a military reser-
10 vation annexed to a city or borough after January 1, 1973, except as
11 provided in this section. If a military reservation is located within a
12 city or borough, the city or borough is limited in its entitlement to
13 state shared revenue, based on the population residing on the reserva-
14 tion, as follows: 50 per cent of the amount paid per capita for police
15 protection under this chapter; 25 per cent of the amount paid per capita
16 for parks and recreation under this chapter; 50 per cent of the amount
17 paid per capita for mass transit under this chapter; 50 per cent of the
18 amount paid per capita for water pollution under this chapter; and 50
19 per cent of the amount paid per capita for air pollution under this
20 chapter.

21 Sec. 43.17.090. ADDITIONAL LIMIT. In addition to the limitations
22 on expenditure of funds contained in sec. 40 of this chapter:

23 (1) if a borough exercises the powers in sec. 30(a)(1) of
24 this chapter in the borough area outside cities only, or in a service
25 area only, the grants authorized under this section shall be based on
26 the population of the borough area outside cities or the service area
27 respectively;

28 (2) if a city within an organized borough provides police
29 protection services, the borough may not qualify for aid under sec.

1 30(a)(1)(A) of this chapter unless

2 (A) police protection services are provided in the
3 borough area outside cities, or if limited to a service area, in
4 the service area, through borough contract with a city or with the
5 state or

6 (B) the borough assumes and exercises power to provide
7 police protection services on an areawide basis in the manner
8 provided by law.

9 Sec. 43.17.100. ROAD MAINTENANCE. During each fiscal year the
10 state shall pay to a city or organized borough of any class which has
11 power to provide for road maintenance and exercises the power a sum
12 equal to \$1,500 a mile for each mile of road, street or highway main-
13 tained by the local government, excluding the official state highway
14 system, roads, streets, or highways not dedicated to public use, any
15 roads, streets or highways maintained under the local service road pro-
16 gram (AS 19.30.111 - 19.30.251), and alleyways, in accordance with regu-
17 lations adopted by the Department of Highways. No payments may be made
18 for maintenance of roads not used by automotive equipment. Frozen
19 waterways and connections from inhabited areas to the waterways which
20 may be safely used for public transportation by automotive equipment and
21 are so used during a portion of a year are eligible for payments of \$900
22 per mile if the waterways and connections are maintained during the
23 period of use by a municipality or combination of municipalities. The
24 Department of Community and Regional Affairs, after consultation with
25 the Department of Highways, shall determine which waterways and connec-
26 tions qualify and, where the waterways or connections lie outside the
27 corporate limits of a municipality, which municipality is eligible for
28 the shared revenue unless the municipalities involved have agreed in
29 writing to a particular distribution.

1 Sec. 43.17.110. REGULATIONS. The department shall adopt regula-
2 tions necessary to carry out the purposes of this chapter. The regula-
3 tions shall include minimum standards of service required to qualify a
4 municipality for service unit credit for each service and provisions for
5 a performance report adequate to demonstrate to the department that each
6 service for which credit was allowed was actually performed by the
7 municipality at least at the prescribed minimum level.

8 Sec. 43.17.120. EXPENDITURE OF FUNDS. Funds received by a munici-
9 pality under this chapter may be expended for any public purpose for
10 which the municipality has power to expend funds except as provided in
11 sec. 40 of this chapter.

12 Sec. 43.17.130. DEFINITIONS. In this chapter

13 (1) "department" means the Department of Community and
14 Regional Affairs;

15 (2) "municipality" for revenue sharing purposes means a city,
16 borough or unified municipality incorporated under the laws of the State
17 of Alaska except a second class city incorporated after the effective
18 date of this Act and lying within an organized borough.

19 * Sec. 2. AS 43.18.010 - 43.18.050 are repealed.

20 * Sec. 3. Other provisions of this Act notwithstanding, a municipality
21 which would receive less money under the provisions of this Act than it was
22 entitled to receive in 1975 under the provisions of AS 43.18 repealed by this
23 Act shall continue to receive an amount equal to that authorized for 1975
24 under the former provisions of AS 43.18, in accordance with those provisions.

25 * Sec. 4. AS 29.18.020 is amended to read:

26 Sec. 29.18.020. SECOND CLASS CITIES. A community outside an
27 organized borough having 25 or more permanent residents may incorporate
28 as a second class city. A community located within an organized borough
29 having 125 or more permanent residents may incorporate as a second class

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

city.

* Sec. 5. This Act takes effect July 1, 1976.

#

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B - JUNEAU 99811

April 22, 1977

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

RE: SCR 13 and SCR 14

Dear Senator Sackett:

At the April 22, 1977 Senate Finance Committee hearing on SCR 13 and SCR 14, the committee asked what the effect would be on the cost shown in our fiscal note if SCR 13 fails and SCR 14 passes.

If SCR 13 fails and SCR 14 passes, it will have no effect on the costs shown in the fiscal note because it is the intent of the law that the State shall pay to the municipality or other facility sponsor a sum equal to \$2,500 a bed for the maximum number of beds provided for in the construction design of the hospital or health facility. Therefore, the State will continue to pay an annual amount of \$312,500 (125 beds at \$2,500 per bed) until 25 percent of the total project cost has been met regardless of whether the Hill-Burton Construction Program limits the total project cost to a dollar value less than what is now contemplated by the Lake Otis Clinic.

Enclosed are two new fiscal notes separating each resolution and providing for some base assumptions.

Sincerely,

Lee McAnaney
Commissioner

By:  Palmer McCarter
Director

IMA:PMC:sg
Enclosures

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER
OFFICE OF PLANNING AND RESEARCH

JAY S. HAMMOND, GOVERNOR

POUCH H 01A - JUNEAU 99811

April 25, 1977

Ms. Judy Crondahl
Administrative Assistant
Senate Finance

Dear Ms. Crondahl:

A review of our project records indicates a fiscal note on Senate Concurrent Resolution No. 13 cannot be prepared for the following reasons:

Land acquisition costs, legal costs, interim financing costs, and interest on construction loans are not shown on our project records and we have no records on those projects which are constructed with private funds.

When the Revenue Sharing Program was administered by the Department of Health and Social Services, all funds were disbursed to projects in accordance with the Hill Burton allowable and non-allowable cost regulations.

As the program is now administered by the Department of Community and Regional Affairs FY77 and 78 budget figures should be requested from that Department. We will be pleased to assist them in any way possible.

Sincerely,

Lowell W. Swartz
Lowell W. Swartz, Coordinator
Health Facilities Development

LWS:kc

4/26/77

Fiscal Note SCR 13 - assumes passage of SCR 14

1. 302.5 FY 77
2. 0 FY 78 and following years until final years of entitlement under Hill-Burton restrictions -- then additional funds until total project costs funded at 25%
3. Any additional funds needed for other facilities for costs beyond Hill Burton are not included in these estimates.

Fiscal Note SCR 14 - assumes either passage or failure of SCR 13

1. 312.5 FY 78 and beyond.

Judy Crowder

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCR 13
Title Annuling regulations limiting eligible costs
Requested by Senate Finance Date 4-22-77

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
Program Category Affected Municipal Revenue Sharing
Budget Request Unit(s) Affected 07-73-02-01-01

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	302.5	312.5*	312.5*	312.5*	312.5*	312.5*
TOTAL	*To be taken from the FY approved budget appropriation for the municipal revenue sharing account.					

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	302.5	312.5	312.5	312.5	312.5	312.5
FEDERAL FUNDS						
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)

Assumptions:

1. Assume that SC 14 passes and Lake Otis applies directly to the State by-passing the Municipality of Anchorage.
2. Assume the legislature does not establish any alternative minimum standards and that all costs are allowed.
3. Assume that \$10,000 (approx.) is available in FY '77 Municipal Revenue Service account.
4. Assume that all other hospitals, previously funded under Hill-Burton standards, do not apply for other costs previously denied.
5. Assume LOC qualifies as a non-profit facility sponsor under Alaska Laws.

IV. DATE 4/22/77 PREPARED BY Palmer McCarter
AGENCY Local Government Assistance
PHONE 465-4707

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. SCR 14
 Title Annuling regulations defining "other facility sponsor"
 Requested by Senate Finance Date April 22, 1977

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
 Program Category Affected Municipal Revenue Sharing
 Budget Request Unit(s) Affected 07-73-02-01-01

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	-0-	312.5*	312.5*	312.5*	312.5*	312.5*

TOTAL *To come from the approved budget authorization of the municipal revenue sharing account.

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	312.5	312.5	312.5	312.5	312.5
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assumptions:

1. Assume that SCR 13 fails and Lake Otis Clinic must meet Hill-Burton standards.
2. Assume LOC does meet Hill-Burton standards as of July 1, 1978 as relates to eligible costs and allowed expenditures.
3. Assume LOC qualifies as a non-profit facility sponsor under the laws of Alaska and reimburses any previously disallowed costs for ineligible expenditures.

IV. DATE April 22, 1977 PREPARED BY Palmer McCarter

AGENCY Local Government Assistance

Original: Legislative Finance

PHONE 465-4707

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. 13 and 14 Senate document
 Title _____
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Community & Regional Affairs
 Program Category Affected Municipal Revenue Sharing
 Budget Request Unit(s) Affected 07-73-02-01-01

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	312.5	312.5	312.5	312.5	312.5	312.5
TOTAL	312.5	312.5	312.5	312.5	312.5	312.5

FUNDING (Thousands of Dollars)

GENERAL FUND	218.9*	312.5	312.5	312.5	312.5	312.5
FEDERAL FUNDS						
OTHER (Specify)						

*Encumbered -208.385 FY '76
 10.6 FY '77 Balance

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

Based on proposed beds -

Assumption 1 - The State is unsuccessful in its proposed suit against the Lake Otis Clinic.

Assumption 2 - The Lake Otis Clinic makes a timely application to the Department of Community and Regional Affairs and the project meets the standards to be promulgated by the Department.

IV. DATE April 21, 1977 PREPARED BY _____
 AGENCY Community & Regional Affairs-Local Gov't
 Original: Legislative Finance PHONE 465-4707 Assist.
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)