

LEG. FINANCE - BILLS 1979 - 1980 1191

HB 927 thru HB 932 1190



# RECORDS CERTIFICATION



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

James O. Smith  
Signature of Camera Operator

3/20/90  
Date

(11)

# COMMITTEE REPORT

## HOUSE

3/19/80

FURTHER:

Date: 4/25/80

Mr. Speaker:

The Committee on FINANCE has had HB 927

"An Act designating programs and activities for review and termination under AS 44.66; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>State Affairs</sup> CS for HB 927  same title  
 new title
- and recommends do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

Freeman  
McKinnon  
Smith  
Waters  
Waters  
J

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

Waters  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Freeman  
 CHAIRMAN

Original sponsor: Rules/Legislative Budget  
and Audit Committee

Offered: 3/19/80  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 927

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act designating programs and activities for review  
7 and termination under AS 44.66; and providing for an  
8 effective date."

9

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

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\* Section 1. LEGISLATIVE PURPOSE. The purpose of this Act is to identify

11

and designate the agency programs and activities which will be subject to the

12

legislative oversight process, as required under AS 44.66.030. Before the

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termination of an agency program identified in this Act, hearings must be

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held in the same manner and following the same procedures as are followed in

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the termination hearings for boards and commissions under AS 44.66.050. This

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Act causes the legislative oversight procedures established for boards and

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commissions under AS 44.66.050 to be applied to the designated executive

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branch agency programs and activities.

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\* Sec. 2. AS 14.20.380 - 14.20.510 (relating to the Professional Teaching

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Practices Commission) are repealed. The Professional Teaching Practices

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Commission, established under AS 14.20.380, is terminated. The activities

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and programs of the Department of Education funded by the Professional Teach-

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ing Practices Commission appropriation in the fiscal year 1980 general appro-

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priation Act as found in sec. 23, page 9, line 29, ch. 80, SLA 1979, are

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terminated.

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\* Sec. 3. The activities and programs of the Department of Education

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funded by the administration and program support appropriation in the fiscal

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year 1980 general appropriation Act as found in sec. 23, page 8, lines 36-38

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and page 9, line 4, ch. 80, SLA 1979, are terminated.

1 \* Sec. 4. The activities and programs of the Department of Education  
2 funded by the executive administration appropriation in the fiscal year 1980  
3 general appropriation Act, as found in sec. 23, page 9, lines 30-33, ch. 80,  
4 SLA 1979, are terminated.

5 \* Sec. 5. AS 14.40.751 - 14.40.771 (relating to scholarship loans) and  
6 AS 14.40.930 - 14.40.960 (relating to the Alaska state educational incentive  
7 grant program) are repealed. The activities and programs of the Department of  
8 Education funded by the student financial aid appropriation in the fiscal  
9 year 1980 general appropriation Act, as found in sec. 23, page 9, line 37 and  
10 page 10, lines 4-6, ch. 80, SLA 1979, are terminated.

11 \* Sec. 6. AS 14.40.901 - 14.40.919 (relating to the Alaska Commission on  
12 Postsecondary Education) are repealed. The Alaska Commission on Postsecondary  
13 Education, established under AS 14.40.903, is terminated. The activities and  
14 programs funded by the Postsecondary Education Commission appropriation in  
15 the fiscal year 1980 general appropriation Act, as found in sec. 23, page 10,  
16 lines 7-9, ch. 80, SLA 1979, are terminated.

17 \* Sec. 7. The activities and programs of the Department of Commerce and  
18 Economic Development, division of economic enterprise, funded by the economic  
19 enterprise appropriation in the fiscal year 1980 general appropriation Act as  
20 found in sec. 23, page 36, lines 34-39, and page 37, lines 4-5, ch. 80, SLA  
21 1979, are terminated.

22 \* Sec. 8. Sections 2 - 8 of this Act take effect July 1, 1981.  
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Original sponsor: Rules/Legislative Budget  
and Audit Committee

Offered: 3/19/80  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 927

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act designating programs and activities for review  
7 and termination under AS 44.66; and providing for an  
8 effective date."

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

10 \* Section 1. LEGISLATIVE PURPOSE. The purpose of this Act is to identify  
11 and designate the agency programs and activities which will be subject to the  
12 legislative oversight process, as required under AS 44.66.030. Before the  
13 termination of an agency program identified in this Act, hearings must be  
14 held in the same manner and following the same procedures as are followed in  
15 the termination hearings for boards and commissions under AS 44.66.050. This  
16 Act causes the legislative oversight procedures established for boards and  
17 commissions under AS 44.66.050 to be applied to the designated executive  
18 branch agency programs and activities.

19 \* Sec. 2. AS 14.20.380 - 14.20.510 (relating to the Professional Teaching  
20 Practices Commission) are repealed. The Professional Teaching Practices  
21 Commission, established under AS 14.20.380, is terminated. The activities  
22 and programs of the Department of Education funded by the Professional Teach-  
23 ing Practices Commission appropriation in the fiscal year 1980 general appro-  
24 priation Act as found in sec. 23, page 9, line 29, ch. 80, SLA 1979, are  
25 terminated.

26 \* Sec. 3. The activities and programs of the Department of Education  
27 funded by the administration and program support appropriation in the fiscal  
28 year 1980 general appropriation Act as found in sec. 23, page 8, lines 36-38  
29 and page 9, line 4, ch. 80, SLA 1979, are terminated.

1 \* Sec. 4. The activities and programs of the Department of Education  
2 funded by the executive administration appropriation in the fiscal year 1980  
3 general appropriation Act, as found in sec. 23, page 9, lines 30-33, ch. 80,  
4 SLA 1979, are terminated.

5 \* Sec. 5. AS 14.40.751 - 14.40.771 (relating to scholarship loans) and  
6 AS 14.40.930 - 14.40.960 (relating to the Alaska state educational incentive  
7 grant program) are repealed. The activities and programs of the Department of  
8 Education funded by the student financial aid appropriation in the fiscal  
9 year 1980 general appropriation Act, as found in sec. 23, page 9, line 37 and  
10 page 10, lines 4-6, h. 80, SLA 1979, are terminated.

11 \* Sec. 6. AS 14.40.901 - 14.40.919 (relating to the Alaska Commission on  
12 Postsecondary Education) are repealed. The Alaska Commission on Postsecondary  
13 Education, established under AS 14.40.903, is terminated. The activities and  
14 programs funded by the Postsecondary Education Commission appropriation in  
15 the fiscal year 1980 general appropriation Act, as found in sec. 23, page 10,  
16 lines 7-9, ch. 80, SLA 1979, are terminated.

17 \* Sec. 7. The activities and programs of the Department of Commerce and  
18 Economic Development, division of economic enterprise, funded by the economic  
19 enterprise appropriation in the fiscal year 1980 general appropriation Act as  
20 found in sec. 23, page 36, lines 34-39, and page 37, lines 4-5, ch. 80, SLA  
21 1979, are terminated.

22 \* Sec. 8. Sections 2 - 8 of this Act take effect July 1, 1981.  
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COMMITTEE REPORT

March 12, 1980

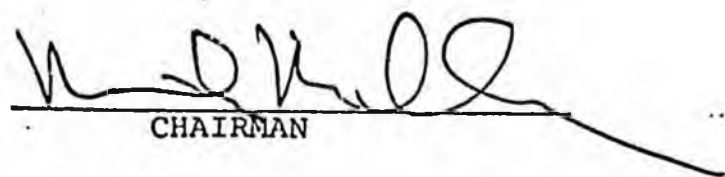
Dear Mr. Speaker:

The Committee on State Affairs has had under consideration HB 927, "An Act designating programs and activities for review and termination under AS 44.66; and providing for an effective date." Following local and teleconferenced hearings on the bill it was the decision of the Committee to amend the bill by deleting sections 2 through 6 and sections 8 through 16. Sections 2 through 6 and sections 8 through 13 were deleted because the various agencies and organizations scheduled for appraisal and "sunset" review had indeed already undergone a performance audit this year by the Legislative Audit Division. Upon consideration of the performance audits and testimony received both locally and from around the state it was decided that these particular agencies and organizations were deserving of continuation and it would not be in the best interests of the state to initiate still another performance audit or to terminate them under the terms of Alaska "sunset" legislation.

In the case of sections 14 through 16 it was recommended that the Board of Fisheries, Board of Game and Alaska Public Broadcasting Commission be amended out of the bill -- thus eliminating them from "sunset" review -- but that the three entities nevertheless be designated for performance audit by the Legislative Budget and Audit Committee.

Section 17, dealing with the Alaska State Council on the Arts, was also removed from the bill in the State Affairs Committee substitute, the feeling of the committee being that at the present time the council is undergoing a change of management and that the review would not show a "typical" operation by the council. It is suggested that with the designation of a new executive director in the very near future, the council should probably undergo a performance audit and "sunset" review next year.

Because sections 18 through 23 of the bill included specific requests for "sunset" review by members of the Budget and Audit Committee -- as authorized by the "sunset" statutes -- the State Affairs Committee made no deletions among these sections.

  
CHAIRMAN

Introduced: 2/29/80  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE LEGISLATIVE  
BUDGET AND AUDIT COMMITTEE

2 HOUSE BILL NO. 927

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act designating programs and activities for review  
7 and termination under AS 44.66; and providing for an  
8 effective date."

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

10 \* Section 1. LEGISLATIVE PURPOSE. The purpose of this Act is to identify  
11 and designate the agency programs and activities which will be subject to the  
12 legislative oversight process, as required under AS 44.66.030. Before the  
13 termination of an agency program identified in this Act, hearings must be  
14 held in the same manner and following the same procedures as are followed in  
15 the termination hearings for boards and commissions. This Act causes the  
16 legislative oversight procedures established for boards and commissions to be  
17 applied to the designated executive branch agency programs and activities.

18 \* Sec. 2. The following laws relating to mechanical inspection functions  
19 of the Department of Labor are repealed:

- 20 (1) AS 18.60.220 - 18.60.395 (boiler and pressure vessel  
21 inspection);
- 22 (2) AS 18.60.600(a)(2), 18.60.600(b), and 18.60.610 - 18.60.-  
23 650 (electrical wiring inspection);
- 24 (3) AS 18.60.715(b), 18.60.720(b), 18.60.725, 18.60.730 and  
25 18.60.740(4) (plumbing code inspection);
- 26 (4) AS 18.60.800(b)(2) and 18.60.820 (elevator safety inspec-  
27 tion).

28 \* Sec. 3. AS 18.80.010 - 18.80.160, 18.80.270 - 18.80.290, and AS 39.50.-  
29 200(?) (N) (State Commission for Human Rights) are repealed.

1 \* Sec. 4. AS 23.35 (Fishermen's Fund) is repealed.

2 \* Sec. 5. AS 44.19.870 - 44.19.881 (division of policy development and  
3 planning, Office of the Governor) are repealed.

4 \* Sec. 6. AS 45.50.491 - 45.50.521 (consumer protection - Department of  
5 Law) are repealed.

6 \* Sec. 7. AS 45.50.531(b) is amended to read:

7 (b) A person entitled to bring an action under this section may,  
8 [AFTER INVESTIGATION BY AND APPROVAL OF THE ATTORNEY GENERAL,] if the  
9 unlawful act or practice has caused similar injury to numerous other  
10 persons similarly situated and if he adequately represents the similarly  
11 situated persons, bring an action on behalf of himself and other simi-  
12 larly injured and situated persons to recover actual damages. [A PERSON  
13 PLANNING TO BRING AN ACTION UNDER THIS SUBSECTION SHALL FIRST SUBMIT TO  
14 THE ATTORNEY GENERAL A COPY OF HIS PROPOSED COMPLAINT, AND HE MAY NOT  
15 FILE THE COMPLAINT IN COURT WITHOUT THE ATTORNEY GENERAL'S APPROVAL.]  
16 In an action brought under this subsection, the court may in its discre-  
17 tion order, in addition to damages, injunctive or other equitable re-  
18 lief.

19 \* Sec. 8. AS 47.10.150, 47.10.160, and 47.10.180 - 47.10.220 (programs of  
20 the Department of Health and Social Services relating to the confinement of  
21 juveniles) are repealed.

22 \* Sec. 9. A claim for an injury compensable under AS 23.35, repealed by  
23 this Act, may be paid by the commissioner of labor if the claim for compen-  
24 sation is made within one year of the effective date of this Act. A claim  
25 shall be paid in accordance with the provisions of AS 23.35 as the provisions  
26 read at the time of repeal. On July 1, 1981, the balance in the fishermen's  
27 fund (AS 23.35.060, repealed, and AS 37.05.155(a)(6)) lapses into the general  
28 fund.

29 \* Sec. 10. The inspection responsibilities of the Department of Natural

1 Resources under AS 03.05 are terminated.

2 \* Sec. 11. The inspection responsibilities of the Department of Health  
3 and Social Services under AS 18.35 are terminated.

4 \* Sec. 12. The water inspection responsibilities of the Department of  
6 Environmental Conservation under AS 46.03 are terminated.

6 \* Sec. 13. The responsibility of the Department of Labor under AS 18.60  
7 for programs related to the Occupational Safety and Health Act (OSHA) is  
8 terminated.

9 \* Sec. 14. The Board of Fisheries, established under AS 16.05 221, is  
10 terminated.

11 \* Sec. 15. The Board of Game, established under AS 16.05.221, is termi-  
12 nated.

13 \* Sec. 16. AS 14.58.010 - 14.58.090 (relating to the Alaska Public Broad-  
14 casting Commission) are repealed. The Alaska Public Broadcasting Commission,  
15 established under AS 14.58.010, is terminated. The activities and programs  
16 of the Department of Education funded by the Alaska Public Broadcasting  
17 Commission appropriation in the fiscal year 1980 general appropriation Act,  
18 as found on page 9, line 23, of ch. 80, SLA 1979, are terminated.

19 \* Sec. 17. AS 44.19.900 - 44.19.950 (relating to the Alaska State Council  
20 on the Arts) are repealed. The Alaska State Council on the Arts, established  
21 under AS 44.19.900, is terminated. The activities and programs of the Office  
22 of the Governor funded by the Alaska Arts Council appropriation in the fiscal  
23 year 1980 general appropriation Act, as found on page 8, lines 15-17 of  
24 ch. 80, SLA 1979, are terminated.

25 \* Sec. 18. AS 14.20.380 - 14.20.510 (relating to the Professional  
26 Teaching Practices Commission) are repealed. The Professional Teaching  
27 Practices Commission, established under AS 14.20.380, is terminated. The  
28 activities and programs of the Department of Education funded by the Pro-  
29 fessional Teaching Practices Commission appropriation in the fiscal year 1980

1 general appropriation Act as found on page 8, line 29, of ch. 80, SLA 1979,  
2 are terminated.

3 \* Sec. 19. The activities and programs of the Department of Education  
4 funded by the administrative and program support appropriation in the fiscal  
5 year 1980 general appropriation Act as found on page 8, lines 36-38 and page  
6 9, line 4, of ch. 80, SLA 1979, are terminated.

7 \* Sec. 20. The activities and programs of the Department of Education  
8 funded by the executive administration appropriation in the fiscal year 1980  
9 general appropriation Act, as found on page 9, lines 30-33, of ch. 80, SLA  
10 1979, are terminated.

11 \* Sec. 21. The activities and programs of the Department of Education  
12 funded by the student financial aid appropriation in the fiscal year 1980  
13 general appropriation Act, as found on page 9, line 37 and page 10, lines  
14 4-6, of ch. 80, SLA 1979, are terminated.

15 \* Sec. 22. AS 14.40.901 - 14.40.919 (relating to the Alaska Commission on  
16 Postsecondary Education) are repealed. The Alaska Commission on Post-  
17 secondary Education, established under AS 14.40.903, is terminated. The  
18 activities and programs funded by the Postsecondary Education Commission  
19 appropriation in the fiscal year 1980 general appropriation Act, as found on  
20 page 10, lines 7-9, of ch. 80, SLA 1979, are terminated.

21 \* Sec. 23. The activities and programs of the Department of Commerce and  
22 Economic Development, division of economic enterprise, funded by the economic  
23 enterprise appropriation in the fiscal year 1980 general appropriation Act as  
24 found on page 36, lines 34-39, of ch. 80, SLA 1979, are terminated.

25 \* Sec. 24. Sections 1 - 13 and sec. 24 of this Act take effect July 1,  
26 1980.

27 \* Sec. 25. Sections 14 - 23 and sec. 25 of this Act take effect July 1,  
28 1981.

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# RECORDS CERTIFICATION



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

James O. Smith  
Signature of Camera Operator

3/20/90  
Date

Introduced: 3/3/80  
Referred: Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE  
BY REQUEST

2 HOUSE BILL NO. 929

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to use of the bond proceeds from the  
7 1972 Water Supply and Sewerage System Construction Fund  
8 established by ch. 202, SLA 1972; and providing for an  
9 effective date."

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

11 \* Section 1. Section 2, ch. 202, SLA 1972 is amended to read:

12 \* Sec. 2. If the issuance of these bonds is authorized by the quali-  
13 fied voters of the state, a special fund of the state to be known as the  
14 "1972 Water Supply and Sewerage System Construction Fund" shall be  
15 established, to which shall be credited the proceeds of the sale of the  
16 bonds described in sec. 1 of this Act except for the accrued interest  
17 and premiums. There is appropriated from the "1972 Water Supply and  
18 Sewerage System Construction Fund" to the Department of Environmental  
19 Conservation the sum of \$33,000,000. The specific uses of the proceeds  
20 of these bonds shall be determined by the governor in accordance with  
21 AS 46.03.030 except that \$6,900,000 [\$1,000,000] of the proceeds of  
22 these bonds shall be used in funding the Village Safe Water Act of 1970  
23 (AS 46.07.010 - 46.07.080) in the following communities:

24 (1) Newtok;

25 (2) Nelson Lagoon;

26 (3) Chefornak;

27 (4) Portage Creek; and

28 (5) Point Lay.

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

C70(c).

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STATE  
of ALASKA

## MEMORANDUM

TO:  Bob Grogan  
Legislature Finance Division  
Legislature Affairs Agency

DATE: March 4, 1980

FILE NO:

TELEPHONE NO:

FROM: C. Deming Cowles *cd*  
Deputy Commissioner  
Department of Environmental  
Conservation

SUBJECT: House Bill 929

You have asked for our comments on House Bill 929. House Bill 929 reappropriates \$6.9 million in unspent bond funds authorized by Chapter 202, SLA 1972. The funds are transferred from the Department's Municipal water and sewerage construction grants program to the Department's Village Safe Water Construction Program.

The Department has several concerns with the proposed transfer of these funds. Our major concern is the question of the legality of such a transfer, based on a recent opinion from the Attorney General's Office. Attached is the AG's opinion stating that the transfer is not permissible, primarily since the will of the voters may be circumvented.

Another serious concern stems from the fact that the \$6.9 million is already committed to specific projects. The attached form 38's itemize the currently active projects funded from the 1972 bond fund. The summary on the last page shows that \$18,773,010 is authorized and has been granted to the specified projects. In addition, the attached list of completed projects funded from the 1972 bond fund itemizes another \$11,433,204. The total of these two authorization lists is \$30,206,214, which is less than the total \$32.0 million approved by the voters for water and sewerage grants. The difference is due to deductions for the cost of bond sales and funds being returned to the bond fund from projects completed for less than the grant award. These funds will be reobligated to new projects as soon as they are set up on the computer. Therefore, with minor exceptions, the entire 1972 bond fund is obligated through grants from the Department to specific projects currently in progress.

The summary on the last form 38 shows an expended balance of nearly \$8.0 million. The \$6.9 million in unspent bonds is required to meet the Department's payment obligations for the itemized projects. All projects have been initiated, although the grantees have not requested any payments on some of them. It is possible that some of the remaining \$8.0 million will not be required if the final costs of some projects are less than the amount granted. However, the entire \$8.0 million must remain available for payments if the Department is to guarantee its grant commitments from the 1972 bond fund. Since the currently active projects all have remaining obligations from the 72 bond fund, all projects have equal demand on the \$8.0 million in unspent bonds. Therefore, there is no way to specifically identify \$6.9 million worth of projects to be affected by the proposed transfer.

Bob Grogan

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March 4, 1980

The 1980 bond proposal (S.B. 131 and H.B. 689) contains \$2.52 million for VSW projects. To fund the first five projects on the Department's VSW priority list, for example, would require \$6.5 million. Therefore, an increase in S.B. 131 and H.B. 689 by \$4.0 million would provide adequate funding for those. If any additional projects were to be funded, of course, further moneys would have to be appropriated, in accordance with the AG's opinion.

In summary, for the reasons stated, the Department has grave concerns with H.B. 929. Please feel free to contact Mr. Keith Kelton, Chief, Facility Construction and Operation Section at 465-2610 if we can be of any further assistance.

cc: Keith Speckling

# MEMORANDUM

State of Alaska

TO: Ernst W. Mueller  
Commissioner  
Department of Environmental  
Conservation

DATE: February 29, 1980

FILE NO: J-66-513-80

TELEPHONE NO: 465-3686

FROM: AVRUM M. GROSS  
ATTORNEY GENERAL

SUBJECT: Use of Sewer Bond  
Funds for Unspecified  
Purposes.

By:

Jonathan K. Tillinghast  
Assistant Attorney General

On February 27, 1980, you asked for our opinion as to whether your department, or the legislature, could provide for the use of more funds from the 1972 water and sewer bond issue for Village Safe Water Act (AS 46.07) purposes than is provided in the enabling legislation. Ch. 202, SLA 1972. Contemporaneously, you also asked whether your department, or the legislature, could provide for the use of monies appropriated for the Village Safe Water Act in the 1978 water and sewer bond issue (ch. 145, SLA 1978) for purposes other than those specified in the Act, and election pamphlet. In our view, neither the legislature, nor the department, may vary the terms of either the 1972 or 1978 bond issue.

The 1972 bond issue provided for the appropriation of \$33,000,000 to the "1972 Water Supply and Sewerage System Construction Fund." Section 2, Chapter 202, SLA 1972. The Act further provided:

The specific uses of the proceeds of these bonds shall be determined by the governor in accordance with AS 46.03.030 except that \$1,000,000 of the proceeds shall be used in funding the Village Safe Water Act of 1970.

AS 46.03.030 is the department's general water and sewer construction grant program, and is a distinct program from the Village Safe Water Act. Thus, the Act provides that \$32,000,000 of the sum will be utilized for general water and sewer purposes, and \$1,000,000 of the proceeds "shall be used in funding the Village Safe Water Act." This limitation, however, did not appear on the ballot. According to a copy of the 1972 general election ballot provided by the Division of Elections, the voter was asked:

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than \$33,000,000 for the purpose of paying the cost of capital improvements for water supply and sewerage systems?

The fact that the division of funds between the section 30 construction grants program and the Village Safe Water Act did not appear in the ballot is, in our view, of no consequence. This department has issued several previous opinions which recited the general rule, developed in other jurisdictions, that specific limitations placed on the expenditure of bond proceeds in either the enabling legislation or the ballot binds both the administering agency, and the legislature, to those specified terms. The most comprehensive opinion in this regard was issued in 1974 (1974 Op. Attorney General No. 11) and is appended hereto. That opinion governs in this case. The section 30 construction grants program is used for more sophisticated projects, generally in larger communities. It is reasonable to suggest that the earmarking of all but \$1,000,000 of the bond funds to this type of system would cause an urban voter to look more favorably on the proposition. The expectation that the bond funds would be invested in these types of projects may have also had an effect on bond purchasers.

Moreover, there is nothing in the legislation that would suggest to a reasonable voter that the amount dedicated to Village Safe Water Act purposes would be subject to revision. The Act clearly provides that, with the exception of \$1,000,000, "the specific uses of the proceeds of these bonds shall be determined by the governor in accordance with AS 46.03.030." Thus, in light of the attached 1974 Opinion, the proposal which gave rise to your opinion request -- to utilize some \$7,000,000 of unspent monies from this bond proposition for Village Safe Water Act purposes -- is not permissible.

We are of the same conclusion with respect to the current proposal to utilize monies from the 1978 water and sewer bond issue to fund village Safe Water projects in communities other than those specified in both the enabling legislation, and the voter pamphlet. The 1972 legislation (ch. 145, SLA 1978) provides, in section 2(c), that \$7,750,000 is appropriated "for the following village safe water projects in accordance with the Village Safe Water Act." Eleven

communities are thereafter specified, with the subsection also containing a catchall category entitled "various statewide projects." Amounts are specified for each community, with \$1,000,000 being specified for the general category. Similarly, the 1978 general election pamphlet informs the voters that "\$7,750,000 will be allocated to the following village safe water projects in accordance with the Alaska Village Safe Water Act." The pamphlet then lists the same items contained in section 2(c) of the Act.

Were it not for the catchall category of "various statewide projects," our view of the current proposal would be rather self-evident. However, on August 16, 1979, we informed your department that, in our view, the listing of specific projects were in the nature of legislative "allocations," rather than "appropriations." Since allocations may be transferred between items by the executive (AS 37.07.080(e)), it has been suggested that, in light of our previous opinion, the funds for a specific project may be deleted in their entirety, and transferred to the "various statewide projects" category -- thereby, in essence, substituting a project for one specified in the Act and pamphlet.

Whether a budget item is viewed as an "allocation" or "appropriation" determines whether transfers between the items may be made by the executive or legislative branches. We continue to believe that the items listed were, in fact, allocations -- a view supported by the rounded figure supplied in the itemization, suggesting that the figures were mere estimates. However, whether an itemization may be adjusted by the executive, or whether legislative action is necessary, does not determine whether the itemization in a bond issue may be changed at all. Certainly, even if the itemization were to be viewed as appropriations, the legislature, as our 1974 Opinion indicates, would be powerless to either substitute projects, or make any material change in the funding proportions. The same, we believe, is true with respect to allocations contained in a bond issue. The voters approved the issuance of \$6,675,000 of water and sewer bonds for specific Village Safe Water Act projects, and \$1,000,000 for miscellaneous unspecified projects. That cannot be changed.

On the other hand, the amounts specified are, rather obviously, estimates. Thus, the reason for allowing changes in "allocations" by the executive -- to adjust the amounts to actual need at the time the project is undertaken -- is equally applicable here. Thus, we believe that minor changes in the amounts reflecting actual increases or decreases

in the amounts necessary for completion of the project may be made. For the reasons above stated, however, the authority to make modest adjustments in the itemization does not permit the department (or the legislature) to utilize significantly more than \$1,000,000 for Village Safe Water projects not specified in the Act. This is true even though a specified project may, at this juncture, be unnecessary. As the 1974 Opinion indicates, administrative agencies, and legislatures, will normally seek to change the specific terms of bonding propositions because expenditure of the funds for the projects specified would be wasteful or even foolish. Unfortunately, case law from other jurisdictions, as the opinion indicates, demonstrates rather clearly that the only available avenue in that event is to simply not expend the funds. Put another way, the Alaska Constitution requires bonding for all capital projects be approved by the voters. Alaska Const., art IV, § 8. The voters approved, in 1978, the expenditure of \$1,000,000 for various unspecified projects under the Village Safe Water Act. They did not approve the expenditure of two or three million dollars for that purpose, and using the "allocation appropriation" distinction to skirt that fact is not, in our opinion, permissible.

If you have any further questions, please feel free to contact me.

JKT:d1m

Attachment

COMPLETED PROJECTS FUNDED FROM 72 BOND FUND

Anchorage Laterals	1,237,832
Anchorage - New Eagle River	29,661
Anchorage - Sewer Treatment	1,300,906
Anchorage - Sewer Interceptor	107,336
Anchorage - Eagle River	69,531
Anchorage - Henshaw Service	5,031
Anchorage - 1977 LID	185,213
Cordova - Water Supply	74,066
Cordova - Industrial Park Water	8,267
Cordova - I/I	2,500
Fairbanks - Eskimo Village W&S	37,947
Fairbanks - South Sewer	1,234,947
Fairbanks - Lemeta Sewer	466,213
Fairbanks - Lemeta Water	741,768
Haines - Cox Street Sewer	15,131
Haines - Small Tract Sewer	650
Haines - Water & Sewer	472,796
Homer - Water Supply	1,033,981
Homer - W&S Svc. Extensions	25,312
Homer - Meadowood	84,716
Juneau - Misc. Water Projects	130,338
Juneau - Hospital Water	16,330
Juneau - Downtown Sewer	1,635,000
Juneau - Auke Bay Sewer	137,873
Juneau - Channel Interceptor	8,130

Kenai - Busch Lanes	17,181
Kenai - Davidson Cone	40,558
Kenai - Mommsen	67,541
Kenai - Water Main	50,054
Kenai - Sewer Interceptor	6,593
Ketchikan - W&S	29,375
Kodiak - Water Distribution	82,227
Kodiak - Reservoir Waterline	167,385
Nome - Utilidor	314,100
Nome - Water/Sewer Trucks	15,777
Palmer - Industrial Park W&S	35,707
Pelican - Wastewater	3,125
Petersburg - Water Supply	750,000
Sand Pt. - Sewer	12,500
Seward - Jesse Lee Heights	203,387
Seward - Sewage Treatment	11,875
Sitka - Halibut Pt.	88,683
Soldotna - 75 W&S Extensions	75,662
Soldotna - 10" Water Well	11,249
Soldotna - Facility Plan	<u>3,500</u>
TOTAL	\$11,433,204

CH.#, SLAN OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH	PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
79-18	Anchorage - Camp Creek Force Main #2	149,310	44,793	104,517		Complete Pending Audit
79-18	Anchorage Camp Creek Pump Station	284,000	-0-	284,000		Complete Pending Audit
*78-21	Anchorage - C Street Trunk Sewer	150,000	148,600	1,400		Construction Complete
77-443	Anchorage - I.I.D 78 Deharr	161,600	145,494	16,166		Complete Pending Audit
79-60	Anchorage - STP Exp.	85,000	-0-	85,000		Design
77-294	Anchorage - 78" W. Interceptor	1,120,000	-0-	1,120,000		Construction
77-102 77-180	Anchorage - Girdwood 77-275	1,792,500	905,192	887,311		EPA Audit Pending
*74-146	Anchorage - Phase I Water	930,530	770,470	160,060		Being Audited
79-18	Anchorage - E. 26th Avenue	32,672	31,186	1,486		Completed Pending Audit
79-18	Anchorage - Telemetry Phase II	49,500	-0-	49,500		Construction
*77-267	Anchorage - Water Well #7	117,699	105,929	11,770		Completed Pending Audit
79-18	Anchorage - Dowling Road - Potter	112,185	89,748	22,437		Construction
77-443	Bethel - University Water & Sewer	247,500	198,000	49,500		Construction
*78-320	Cordova - North Side Interceptor	564	564	-0-		Design
*77-129	Cordova - I/I	2,500	2,500	-0-		EPA Audit Pending

\* Project also funded from additional bond fund(s).

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction and Operation

**38** STATUS OF CURRENTLY  
APPROVED CAPITAL PROJECTS

REVISED  
DATE



CH.#, SLA# OR RPN	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH Feb 1980	Additional PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
75-291	Cordova - Sewer 41	414,407	371,993	42,414		EPA Audit Pending
79-45	Cordova - Industrial Park Water	8,267	8,267	-0-		Design
*76-267	Dillingham C-020066	2,888	-0-	2,888		Step I Awarded
77-180	Fairbanks C-020039	2,475,653	1,874,300	601,353		EPA Audit Pending
79-60	Haines - Harbor Water	16,000	-0-	16,000		Construction
79-45	Homer - Lakeside Village	241,802	193,441	48,361		Completed Pending Audit
77-129	Haines - I/I	1,546	1,546	-0-		EPA Audit Pending
79-60	Anchorage - Inter. Airport Road Sewer	401,635	-0-	401,635		Construction
76-190	Juneau - Express Crossing	9,300	8,370	930		Completed Pending Audit
*76-291	Juneau - AJ Water	130,527	110,550	19,977		Construction
*76-275	Juneau - Lemon Creek	270,000	169,250	100,750		EPA Audit Pending
77-275	Kenai - Anchor Point School	10,000	9,000	1,000		Completed Pending Audit
76-190	Kenai - Water System	223,200	153,620	69,580		EPA Audit Pending
*77-267	King Salmon #81	3,000	-0-	3,000		Step I Awarded
75-291	Kodiak - #74 STP	985,318	742,910	242,408		EPA Audit Pending

\* Project also funded from additional bond fund(s).

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction and Operation

**38** STATUS OF CURRENTLY  
APPROVED CAPITAL PROJECTS

REVISED  
DATE

CH.#, SLA# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH Feb 1980	Additional PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
79-45	Naknek - #82	3,665	-0-	3,665		Step I Awarded
*77-180	Nome - STP	7,579	7,277	302		Design
76-315	North Slope Borough D.H.	2,250,000	918,750	1,331,250		Design - Construction
79-18	NSB - Water Vehicles	135,000	-0-	135,000		Purchased
79-18	NSB - Point Hope	336,935	-0-	336,935		Construction
79-18	NSB - Anaktuvuk Pass	246,200	-0-	246,200		Construction
79-60	Palmer - Water System Improvement	651,275	9,835	641,440		Construction
*75-291	Petersburg - Sewer #47	780,285	778,174	2,111		Collectors Pending Audit
75-45	Seldovia - Water & Sewer	60,000	-0-	60,000		Design
77-180	Seward - Jesse Lee Hts.	180,813	162,732	18,081		Pending Audit
*75-291	Seward - Sewer #51	11,875	11,875	-0-		Design
75-291 79-45	Sitka - Sewer #52	141,473	17,653	123,820		Design
*75-291	Ketchikan - Sewer #53	29,375	29,375	-0-		Phase I - Construction, Phase II - Design
*75-291	Skagway - #46	502,961	417,912	85,049		EPA Audit Pending
*77-275	Soldotna - STP Expan. #76	3,500	3,500	-0-		Construction

\* Project also funded from additional bond fund(s).

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction and Operation

**38** STATUS OF CURRENTLY  
APPROVED CAPITAL PROJECTS

REVISED  
DATE

CH.#, SL# OR RP#	PROJECT TITLE AND LOCATION	AMOUNT AUTHORIZED	TOTAL EXPENDITURES THROUGH Feb 1980	Additional PLANNED EXPENDITURES THROUGH COMPLETION	EST. COMPL. DATE	STATUS
75-291	Valdez - Airport and Sower	210,184	168,147	42,037		EPA Audit Pending
75-291	Valdez - STP #49	973,675	741,925	231,750		EPA Audit Pending
77-267	Valdez - Zook Sub.	100,000	45,745	54,255		Completed Pending Audit
77-378	Wrangell - 12" Trans.	15,800	14,220	1,580		Completed Pending Audit
77-294	Wasilla - #73	6,375	6,278	97		Step I Awarded
77-129	Whittier - Sewer #80	166,599	-0-	166,599		Design Construction
*77-129 75-291--	Wrangell - #45 77-275	751,275	751,275	-0-		EPA Audit Pending
*76-315	Unalaska Water	175,300	126,494	48,806		EPA Audit Pending
	Kodiak STP 130384	312,000	249,600	62,400		EPA Audit Pending
	Skaqway Water	221,200	176,960	44,240		State Audit Pending
	Juneau-Airport Water	70,500	63,450	7,050		State Audit Pending
	TOTAL	18,773,010	10,786,900	7,986,110		

\* Project also funded from additional bond fund(s).

CATEGORY NRMEC AGENCY Environmental Conservation PROGRAM Facility Construction and Operation

**38** STATUS OF CURRENTLY  
APPROVED CAPITAL PROJECTS

REVISED  
DATE

(11)

# COMMITTEE REPORT

## HOUSE

3/3/80

FURTHER:

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HB 929

"An Act relating to use of the bond proceeds from the 1972 Water Supply and Sewerage System Construction Fund established by ch. 202, SLA 1972; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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CHAIRMAN

8187

Bernier

Introduced: 3/3/80  
Referred: Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE  
BY REQUEST

2 HOUSE BILL NO. 929

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to use of the bond proceeds from the  
7 1972 Water Supply and Sewerage System Construction Fund  
8 established by ch. 202, SLA 1972; and providing for an  
9 effective date."

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

11 \* Section 1. Section 2, ch. 202, SLA 1972 is amended to read:

12 \* Sec. 2. If the issuance of these bonds is authorized by the quali-  
13 fied voters of the state, a special fund of the state to be known as the  
14 "1972 Water Supply and Sewerage System Construction Fund" shall be  
15 established, to which shall be credited the proceeds of the sale of the  
16 bonds described in sec. 1 of this Act except for the accrued interest  
17 and premiums. There is appropriated from the "1972 Water Supply and  
18 Sewerage System Construction Fund" to the Department of Environmental  
19 Conservation the sum of \$33,000,000. The specific uses of the proceeds  
20 of these bonds shall be determined by the governor in accordance with  
21 AS 46.03.030 except that \$6,900,000 [\$1,000,000] of the proceeds of  
22 the bonds shall be used in funding the Village Safe Water Act of 1970  
23 (AS 46.07.010 - 46.07.020) in the following communities:

24 (1) Newtok;

25 (2) Nelson Lagoon;

26 (3) Chefornek;

27 (4) Portage Creek; and

28 (5) Point Lay.

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

1 070(c).

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COMMITTEE COPY

-2-

#B929

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSE BILL NO. 929

By THE FINANCE COMMITTEE, BY REQUEST

"An Act relating to use of the bond proceeds from the 1972 Water Supply and Sewerage System Construction Fund established by ch. 202, SLA 1972; and providing for an effective date."

Bond proceeds

Introduced in the House .. 3/3....., 19..80

HISTORY IN THE HOUSE

19 80	Read first time and referred to Committee on Finance												
Mar 3	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	<table border="0"> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by Speaker Sent to Senate												
CHIEF CLERK OF THE HOUSE													

HISTORY IN THE SENATE

19	Read first time and referred to Committee on												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	<table border="0"> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by President Returned to House												
SECRETARY OF THE SENATE													

HISTORY IN THE HOUSE

19	Received from Senate
	Reported correctly enrolled
	Sent to Governor
	..... By Governor
	Filed with Lt. Governor
	Chapter No. ....



# RECORDS CERTIFICATION



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

James O. Smith  
Signature of Camera Operator

3/20/90  
Date

(11)

# COMMITTEE REPORT

## HOUSE

3/18/80

FURTHER:

Date: 4-7-80

Mr. Speaker:

The Committee on FINANCE has had HB 930

"An Act increasing the number of superior court judges; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)  same title
- replace with CS for \_\_\_\_\_  new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note 262.5  
4/7/80
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

Mickus

Duncan

McKinnon

Smith

Rogers

Matheson

GA

Freeman

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

Haugen - no rec

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Mickus

CHAIRMAN

Introduced: 3/3/80  
Referred: Judiciary and  
Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE  
BY REQUEST

2 HOUSE BILL NO. 930

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act increasing the number of superior court judges;  
7 and providing for an effective date."

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

9 \* Section 1. AS 22.10.120 is amended to read:

10 Sec. 22.10.120. NUMBER OF JUDGES. The superior court consists of  
11 23 [21] judges, four of whom shall be judges in the first judicial  
12 district, two of whom shall be judges in the second judicial district,  
13 12 [TEN] of whom shall be judges in the third judicial district, and  
14 five of whom shall be judges in the fourth judicial district. At the  
15 time of submitting the names of nominees to the governor to fill a  
16 vacancy on the superior court bench, the judicial council shall also  
17 designate the district in which the appointee is to reside and serve.

18 \* Sec. 2. This Act takes effect July 1, 1980.  
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THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HB 930  
 Title "An Act increasing the number of superior court judges; and providing  
 Requested by for an effective date." Date

II. FISCAL DETAIL  
 Agency Affected Alaska Court System  
 Program Category Affected Administration of Justice  
 BRU, Program, or Subprogram(s) Affected Alaska Court System  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		245.2	319.7	343.7	369.5	397.2
200 TRAVEL		1.7	2.2	2.4	2.6	2.9
300 CONTRACTUAL						
400 COMMODITIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		14.6				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>262.5</b>	<b>323.0</b>	<b>347.3</b>	<b>373.4</b>	<b>401.5</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		262.5	323.0	347.3	373.4	401.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		8	8	8	8	8
PART TIME						
TEMPORARY						

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



Russ Meekins, Chairman  
 House Finance Committee  
 Dated: April 7, 1980

IV. DATE \_\_\_\_\_ PREPARED BY \_\_\_\_\_  
 AGENCY \_\_\_\_\_  
 PHONE \_\_\_\_\_  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S.B. 366 HB 930  
 Title An Act Relating to the Number of Superior Court Judges  
 Requested by Senate Judiciary Committee Date Feb. 4, 1980

II. FISCAL DETAIL

Agency Affected Alaska Court System  
 Program Category Affected Administration of Justice  
 BRU, Program, or Subprogram(s) Affected Alaska Court System  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	245.0	297.4	319.7	343.7	369.5	397.2
200 TRAVEL	1.7	2.0	2.2	2.4	2.6	2.9
300 CONTRACTUAL						
400 COMMODITIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		14.6				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		315.0	323.0	347.3	373.4	401.5

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		315.0	323.0	347.3	373.4	401.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		8	8	8	8	8
PART TIME						
TEMPORARY						

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

See attached Budget Summary.

IV. DATE February 4, 1980 PREPARED BY Richard P. Barrier  
 AGENCY Alaska Court System  
 PHONE 264-0545  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

BUDGET SUMMARY - S.B. 366

Personnel:

2 judges at \$63,120	\$126,240	
Benefits	<u>7,719</u>	
Total judges	133,959	\$133,959
2 secretaries at \$20,136 (Range 12)	40,272	
2 in-court clerks at \$20,136 (Range 12)	40,272	
2 law clerks at \$23,808 (Range 15)	47,616	
Benefits	<u>35,262</u>	
Total support	163,424	163,424
Total Personnel	\$297,383	

Travel: ..... 2,000

Commodities: ..... 1,000

Equipment: ..... 14,600

Grand Total ..... \$314,983

Introduced: 3/3/80  
Referred: Judiciary and  
Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE  
BY REQUEST

2 HOUSE BILL NO. 930

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act increasing the number of superior court judges;  
7 and providing for an effective date."

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

9 \* Section 1. AS 22.10.120 is amended to read:

10 Sec. 22.10.120. NUMBER OF JUDGES. The superior court consists of  
11 23 [21] judges, four of whom shall be judges in the first judicial  
12 district, two of whom shall be judges in the second judicial district,  
13 12 [TEN] of whom shall be judges in the third judicial district, and  
14 five of whom shall be judges in the fourth judicial district. At the  
15 time of submitting the names of nominees to the governor to fill a  
16 vacancy on the superior court bench, the judicial council shall also  
17 designate the district in which the appointee is to reside and serve.

18 \* Sec. 2. This Act takes effect July 1, 1980.

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# RECORDS



# CERTIFICATION

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

*James O. Smith*  
Signature of Camera Operator

*3/20/90*  
Date

# COMMITTEE REPORT

## HOUSE

4/14/80

FURTHER:

Date: April 16, 1980

Mr. Speaker:

The Committee on FINANCE has had HB 932

"An Act creating the office of rural development, and the Rural Development Council; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 932 (Finance)  same title  new title
- and recommends individual rec.
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING**  
**DC PASS**

Freeman

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**MEMBERS HAVING**  
**OTHER RECOMMENDATIONS:**

Montgomery (Not Rec)

Amlich (Do Not Pass)

McKinnon No rec

\_\_\_\_\_

\_\_\_\_\_

Freeman  
CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HB 932  
 Title An Act creating the Office of Rural Development, etc  
 Requested by Jim Duncan, Chmn., Budget & Audit Committee Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Office of the Governor  
 Program Category Affected Office of Rural Development  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		106.1				
200 TRAVEL		29.5				
300 CONTRACTUAL		15.0				
400 COMMODITIES		2.0				
500 EQUIPMENT		6.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		158.6				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3.0				
PART TIME		36.0				
TEMPORARY						

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

Personal Services:

Executive Director, Range 24	\$48,792
Clerk Typist, Range 7	15,324
Secretary, Range 12	20,772
Total Salaries	\$84,888
Add 25% Benefits	21,222
Total Personal Services	\$106,110

Travel: 13 members x 6 meetings @\$250 =	19,500
Staff travel	10,000
Total travel	\$ 29,500

Contractual: Phone, postage, etc., \$5,000;	
space, \$10,000	\$ 15,000

IV. DATE 4-14-80 PREPARED BY Milt Barker MB  
 AGENCY Legislative Finance  
 PHONE 465-3795  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Original sponsor: Rules/Legislative Budget  
and Audit Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 932 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An act creating the office of rural development, and  
7 the Rural Development Council; and providing for an  
8 effective date."

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

10 \* Section 1. FINDINGS; POLICY, PURPOSE. (a) The legislature finds that  
11 there is a public interest in the development of a healthy private economic  
12 base in rural Alaska, that the rural areas of the state and the many small  
13 communities of the state have been in economic crisis for decades, and that  
14 in many rural communities a private economic base has ceased to exist which  
15 conditions endanger the economic, social, and cultural well-being of the  
16 state's rural citizens and the healthy growth and balance of the state's  
17 entire economy. The legislature further finds that while many opportunities  
18 for economic growth may be available to rural areas, the problems of the  
19 state's rural areas are many and complex, spreading beyond the confines or  
20 authority of any one program, any one government, or any one policymaker and  
21 therefore requiring a special initiative on the part of all concerned par-  
22 ties.

23 (b) It is the policy of the legislature that

24 (1) villages and small communities should have access to economic  
25 development opportunities;

26 (2) there is a special commitment to the development of a private  
27 economic base for villages and small communities;

28 (3) the state should use its resources and financial strength to  
29 encourage the development of a healthy, self-sustaining rural economy;

1 (4) the state has the primary policy responsibility to act and to  
2 catalyze commitment among many interests, including the state, federal govern-  
3 ment, local governments, and the private sector to promote a private economy  
4 in rural areas;

5 (5) the advocacy of a private economy compatible with preservation  
6 of the subsistence economy should be the highest priority of state policy.

7 (c) It is the purpose of this Act to create a governmental structure  
8 that will function as an advocate of rural areas and small communities pre-  
9 senting development issues before state, federal, and local governments, and  
10 in the private sectors, and which will assist rural people and institutions  
11 in laying the foundations of a healthy rural private economic base.

12 \* Sec. 2. AS 44.19 is amended by adding new sections to read:

13 ARTICLE 3C. OFFICE OF RURAL DEVELOPMENT.

14 Sec. 44.19.191. OFFICE OF RURAL DEVELOPMENT. There is established  
15 in the Office of the Governor the office of rural development. The  
16 director of the office is appointed by the governor and serves at his  
17 pleasure. The governor may consult with the council concerning the  
18 appointment or discharge of the director.

19 Sec. 44.19.201. COUNCIL ESTABLISHED. (a) There is established  
20 the Rural Development Council as the policy council for the office of  
21 rural development. The council consists of

22 (1) the lieutenant governor;

23 (2) a member of each house of the legislature appointed by  
24 the presiding officer of that house;

25 (3) the commissioners of the departments of transportation  
26 and public facilities, commerce and economic development, and community  
27 and regional affairs, and the director of the division of policy de-  
28 velopment and planning;

29 (4) six representatives of the private sector appointed by

1 the governor who are residents of the rural area or small communities;

2 (5) the Alaska state director of the Farmers Home Administra-  
3 tion of the United States Department of Agriculture and a designated  
4 representative of the Region X Rural Development Task Force who are ex  
5 officio members of the council and may attend and participate in all  
6 meetings of the council but may not vote.

7 (b) The members of the council appointed by the governor serve at  
8 the pleasure of the governor.

9 (c) The lieutenant governor is chairman of the council and one of  
10 the legislative members shall be elected by the council as legislative  
11 co-chairman.

12 (d) Members of the council serve without compensation but are  
13 entitled to per diem and travel expenses provided by law for members of  
14 boards and commissions.

15 Sec. 44.19.211. PURPOSE OF THE COUNCIL. The purpose of the coun-  
16 cil is to provide policy direction to the office and to assist the  
17 office in the performance of the duties of the office. The council  
18 shall assist in coordinating the economic development activities of all  
19 departments and agencies of government so that the need for those acti-  
20 vities and the impact of those activities on small communities and rural  
21 areas is considered and assist in coordinating the activities of depart-  
22 ments and agencies of government which have field responsibilities in  
23 the rural areas to the extent that those activities relate to economic  
24 development. The council shall also assist the office in its advocacy  
25 function.

26 Sec. 44.19.216. MEETINGS. The council shall meet at the call of  
27 the chairman or legislative co-chairman, at the request of a majority of  
28 the members, and at least four times a year at a regularly scheduled  
29 time as determined by the members. The council may convene meetings of

1 heads of agencies or departments which are concerned with rural matters  
2 or economic development if the council determines a meeting to be use-  
3 ful.

4 Sec. 44.19.221. POWERS AND DUTIES OF THE OFFICE. The office shall

5 (1) act as advocate for the development of an economic base  
6 which is compatible with preservation of the subsistence economy in  
7 rural Alaska, for community development and for public services which  
8 will enhance the opportunity for growth of an economic base in rural  
9 Alaska, and for other matters and programs useful to development of the  
10 private economy in rural Alaska;

11 (2) coordinate projects relating to economic development  
12 among departments and agencies;

13 (3) act as advocate for rural development programs which are  
14 not within the jurisdiction of a specific department or agency;

15 (4) act as advocate for appropriate technology development  
16 and the advancement of entrepreneurial opportunities;

17 (5) encourage and assist in the creation and use of regional  
18 development enterprises.

19 Sec. 44.19.226. STAFF. Within budget and appropriation limits,  
20 the director may hire staff and determine their compensation. Except  
21 for making inquiries, neither the council nor an individual member of  
22 the council may give orders to the staff on administrative matters.

23 Sec. 44.19.231. REPORTS. Before January 15 of each year the  
24 office shall submit to the legislature a comprehensive report describing  
25 the activities of the council and the office for the preceding year.

26 Sec. 44.19.236. DEFINITIONS. In AS 44.19.191 - 44.19.236

27 (1) "council" means the Rural Development Council;

28 (2) "director" means the director of the office of rural de-  
29 velopment; .

1 (3) "office" means the office of rural development.

2 \* Sec. 3. AS 44.66.010(a) is amended by adding a new paragraph to read:

3 (8) office of rural development and Rural Development Council  
4 (AS 44.19.191 - 44.19.236) -- June 30, 1987.

5 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
6 070(c).

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Fifth Report of The Secretary of Agriculture to The Congress

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### Rural Development Goals

Initiatives discussed in the report are in support of the five national rural development goals articulated by the Secretary of Agriculture early in the Administration:

1. Improve rural income levels and increase rural employment opportunities.
2. Improve the access of rural residents to adequate housing and essential community facilities and services.
3. Provide a more equitable distribution of opportunities through targeting efforts on distressed areas, communities, and people.
4. Create and implement a process for involving the private sector and local, State, and Federal agencies in establishing policies and programs that affect rural areas.
5. Strengthen the planning, management, and decisionmaking capacity of public and private institutions concerned with economic opportunity and quality of life in rural America.

# Rural Air Service

No Response  
From Alaska!

THE WHITE HOUSE

WASHINGTON

November 8, 1979

(THIS ANNOUNCEMENT WAS SENT  
TO THE OFFICE OF THE GOV. & DOT/PF)

RECEIVED

MAR 6 1980

BUDGET/AUDIT  
COMMITTEE

MEMORANDUM FOR STATE AVIATION OFFICIALS  
FEDERAL CO-CHAIRMEN, REGIONAL DEVELOPMENT COMMISSIONS

FROM: JACK WATSON *Jach*

SUBJECT: Pilot Program for Small Community Air Service  
Market Development

As part of the White House Rural Development Initiatives, the Civil Aeronautics Board (CAB), Federal Aviation Administration (FAA), Farmers Home Administration (FmHA), Economic Development Administration (EDA), and Small Business Administration (SBA) have entered into a Memorandum for Cooperation for the purpose of supporting small community air service.

Under the Memorandum for Cooperation, these agencies are establishing a pilot program for small community air service market development. Through their state aviation officials or the Regional Development Commission, States are invited to nominate points which may be suitable candidates to participate in this pilot program.

Many cities have suffered a reduction in the quality of air service or have lost air service over the past twenty years for a variety of reasons, such as: the increased use of larger aircraft causing service to small communities to be uneconomic; service offered at inconvenient times and with poor connections; the existing service causing unacceptable circuitry or backtracking because, for example, the routes are predominately east-west while the traveler wishes to fly north-south. This program will test the hypothesis that many small community markets with these types of air travel obstacles can become self-sufficient if some assistance is provided to airports and airlines to remove the impediments. Of course, prospective recipients of assistance must meet the statutory requirements of the grant and/or loan programs available through the pilot program.

Approximately six to nine points or linear routes will be selected to participate in the pilot program. Each state is asked to suggest one or two candidates (points or linear routes) ranked in order of priority. The factors or criteria which support the selection of each candidate should be briefly described and should include at least some combination of the following:

- 1 - The ability of the candidate points, and the carriers serving them, to meet the statutory requirements of the grant-in-aid, loan or other federal assistance programs of the participating agencies. Appendices A-D contain a brief description of the statutory eligibility requirements of the participating assistance programs.

# Alaska State Legislature

REPRESENTATIVE  
NELS A. ANDERSON, JR.  
BOX 234  
DILLINGHAM, ALASKA 99578  
HOME PHONE 842-5302

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811  
PHONE 485-3738 OR 3739  
HOME PHONE 789-7897



REPRESENTING DISTRICT 16  
BRISTOL BAY — LOWER KUSKOKWIM

HOUSE MAJORITY LEADER  
VICE CHAIRMAN JUDICIARY COMMITTEE  
MEMBER, RULES COMMITTEE  
MEMBER, SPECIAL COMMITTEE  
ON SUBSISTENCE

## House of Representatives

### MEMORANDUM

TO: Representative Jim Duncan  
Chairman, Legislative Budget  
and Audit Committee

FROM: Rep. Nels A. Anderson, Jr.  
Chairman, Bush Caucus

SUBJECT: House Bill 932

Date: 4/14/80

We consider House Bill 932 to be a positive measure to begin focusing the efforts of the State and Federal government on a course of action that is committed to building a rural economic base.

Its purpose is to establish a structure capable of marshalling State, Federal and private resources into investment strategies that will serve the public interest of all Alaskans.

With the new Federal emphasis on rural development, Alaska has an opportunity to assume greater responsibility than ever before in the design of a co-operative effort to build a lasting and unsubsidized rural economic base.

It is appropriate to propose an energetic rural development council at this time, when we are facing the fact that Alaska's oil revenues will begin to disappear in eleven short years. In the intervening time we must begin replacing the oil revenue base, find ways to reduce the cost of government, and achieve equity in advancing the benefits of government and economic opportunity to every resident of the State.

In the next few years, it is especially important to recognize that a healthy rural economy will benefit urban economies as well. Likewise, it is imperative that our State investments in capital improvements and programs be coordinated with Federal spending and the investment of private capital, and local community development efforts. They are all part of what we are calling economic development. It is, therefore, our opinion that House Bill 932 addresses each of these concerns.



CORPORATE DEVELOPMENT AND  
TECHNICAL SERVICES FOR  
VILLAGE BUSINESS CORPORATIONS

127½ MINNIE STREET  
FAIRBANKS, ALASKA 99701  
TELEPHONE: (907) 452-1601

March 31, 1980

BUDGET/AUDIT  
COMMITTEE

RECEIVED  
APR 2 1980

Representative Jim Duncan  
Chairman  
Budget and Audit Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99803

Dear Mr. Duncan:

Thank you for the letter advising us of the hearing on House Bill No. 932. Again, we wish to express our support for this bill. I would like to see the proposed changes as requested by Mike Deman when and if they effect the bill.

I did not hear anyone testify against the bill, although there were minor changes suggested. I think this reflects the good work of the committee and sponsors. Thanks again.

Yours truly,

Samuel S. Demientieff  
President

lh

# NANA DEVELOPMENT CORPORATION, INC.

April 3, 1980

4706 HARDING DRIVE, ANCHORAGE, ALASKA 99503  
TELEPHONE (907) 276-6030



Representative Jim Duncan, Chairman  
Budget and Audit Committee  
House of Representatives  
Pouch V  
Juneau, Alaska 99811

RECEIVED  
APR 9 1980

Dear Jim:

BUDGET/AUDIT  
COMMITTEE


Thank you very much for sending me a copy of House Bill 932 relating to the establishment of the Rural Development Council. Several people have discussed the need to reestablish some kind of replacement for the old Rural Affairs Council which gave the Governor direction on activities on rural Alaska. It is obvious that your Rural Development Council could do this and from that perspective it would be an important contribution to the State government.

The bill seems to be well drafted and could certainly assist in developing economic activities in rural Alaska. However, there are a couple of questions that I do have about it. I noticed that you have placed the agency in the Governor's office. It is my understanding the Governor has not been enthusiastic about establishing new sections of his office, but I assume that is something that you, the Governor, and/or his staff will have to work out.

My second comment regards to the scope of the legislation. It seems to me that you have limited the purpose of the agency and the Council to economic development, and perhaps unintentionally overlooked some of the cultural aspects of rural Alaska. Although there is no question there is need for development of jobs in rural Alaska, it is NANA's intention and my personal belief that we cannot do this at the expense of disrupting Native culture. I know that you are sensitive to these issues also.

Again, thank you for sending me a copy of the legislation. I hope my comments have been useful.

Sincerely yours,

  
William L. Hensley  
President

WLH/mt




Member Villages: Ambler, Buckland, Candle, Deering, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Noorvik, Selawik, Shungnak

# Rural Alaska Community Action Program, Inc.

TO: DISTRIBUTION

DATE: April 1, 1980

FROM: Phil Smith, Executive Director 

SUBJECT: Attached (testimony on HB 932)

Attached, for your information and comment, is a copy of the testimony I prepared and delivered last Friday before the Joint House/Senate CRA Committees on HB 932.

In essence, it is a good Bill and sorely needed to meet the problems and issues it identifies. My only problem is that it doesn't seem to go far enough to serve as an instrument to truly force the Administration to develop appropriate rural Development policies for Alaska.

I would be interested in your comments and observations. Clearly, the time has come to push this issue.

Thanks for your help.

cc: Rep. Bill Parker  
Sen. Arliss Sturgelewski  
Rep. Jim Duncan ✓  
Bob Knoll, Mauneluk Assn.  
Bob Peterson, KANA  
Charles Johnson, Kawerak  
Roger Lang, ANF  
Janie Leask, AFN  
Jeff Hiatt, CEDC  
Don Argetsinger, Governor's Office  
Jim Fisher, USDA  
Ms. Lare, DCRA/RDA

RECEIVED  
APR 7 1980

BUDGET/AUDIT  
COMMITTEE

Third Annual

**INTERIOR ECONOMIC DEVELOPMENT CONFERENCE  
MAY 29-31 FAIRBANKS, ALASKA**

RECEIVED  
APR 2 1980

BUDGET/AUDIT  
COMMITTEE

March 25, 1980

The Honorable Jim Duncan  
State of Alaska  
House of Representatives  
Pouch V  
Juneau, Alaska 99811

Dear Representative Duncan:

The options for economic development in Interior Alaska are as varied as the people and the landscape. We'd like to invite you to join us in exploring a few of them.

Plans for our Third Annual Economic Development Conference are shaping up to promise an intensive and exciting three days of discussion, challenge and opportunity. Our list of keynote speakers includes national and international figures in areas like investment and capitalization, satellite and telecommunications technology, energy and revitalization/redevelopment.

Your perspective on the statewide picture, legislative actions and options would be most welcome.

We know you are likely to be busy with the end of the session at the time of the conference, but should your legislative work be wrapped up by then, we would be most happy to have you as our guest.

Sincerely,



R.H. Dempsey, Chairman

RHD:bjs



CENTRAL COUNCIL  
Tlingit and haida Indians of Alaska  
One Sealaska Plaza - Suite 200  
Juneau, Alaska 99801  
(907) 586-1432 or 586-3613

---

TESTIMONY OF ANDREW W. EBONA

on

HOUSE BILL 932, "AN ACT CREATING THE OFFICE  
OF RURAL DEVELOPMENT, AND THE RURAL COUNCIL:  
AND PROVIDING FOR AN EFFECTIVE DATE."

(Presented at the Joint House and  
Senate Community & Regional Affairs  
Committee Teleconference on March  
28, 1980.)

MADAME CHAIRMAN, MR. CHAIRMAN, HONORABLE SENATE AND HOUSE COMMITTEE MEMBERS, LADIES AND GENTLEMEN. I AM ANDREW W. EBONA, EXECUTIVE DIRECTOR OF THE CENTRAL COUNCIL OF THE TLINGIT & HAIDA INDIANS OF ALASKA. FOR THOSE OF YOU WHO ARE NOT AWARE, THE TLINGIT AND HAIDA CENTRAL COUNCIL IS THE CONGRESSIONALLY-RECOGNIZED GENERAL GOVERNING BODY FOR OVER 16,000 TLINGIT AND HAIDA INDIANS IN SOUTHEAST ALASKA. A MAJORITY OF THOSE CONSTITUENTS RESIDE IN RURAL ALASKA, WHICH MAKES HOUSE BILL 932 EXTREMELY IMPORTANT TO US.

ALLOW ME TO FURTHER QUALIFY OUR TESTIMONY. THE CENTRAL COUNCIL HAS TWO BASIC DEPARTMENTS ... THE DEPARTMENT OF COMMUNITY SERVICES AND THE DEPARTMENT OF HUMAN SERVICES. BOTH WORK DIRECTLY WITH OUR NINETEEN (19) COMMUNITIES IN DELIVERING SERVICES. AS A RESULT OF INPUT FROM THOSE COMMUNITIES, WE FEEL THAT WE CAN STATE POSITIVELY THAT WE HAVE EXTENSIVE WORKING KNOWLEDGE OF THE RURAL AREA. AS A MATTER OF INFORMATION, WE HAVE ALSO PARTICIPATED WITH VARIOUS OTHER REGIONAL NATIVE NON-PROFITS AND STATE/FEDERAL AGENCY REPRESENTATIVES ON A TASK FORCE FOR RURAL DEVELOPMENT. THIS TASK FORCE HAS BEEN IN EXISTENCE FOR THREE YEARS AND HAS BEEN ATTEMPT-

Testimony of Andrew W. Ebona

RE: HB932

Page 2

ING TO COORDINATE THEIR EFFORTS IN DELIVERING SERVICES TO THE RURAL COMMUNITIES AS THE RURAL DEVELOPMENT COUNCIL WOULD HOPE TO DO. THE RECOMMENDATIONS AND SUPPORT THAT WE ADVANCE HERE ARE OFFERED IN THE HOPE THAT THE STATE WILL BE ABLE TO UTILIZE AND LEARN FROM OUR EXPERIENCES.

HB 932, "AN ACT CREATING THE OFFICE OF RURAL DEVELOPMENT, AND THE RURAL DEVELOPMENT COUNCIL", PRESENTS A CONCEPT WHICH WE WHOLEHEARTEDLY ENDORSE. WE ARE ALL AWARE THAT ONE OF THE CONDITIONS, WHICH GENERATES OR RELATES DIRECTLY TO MANY OF THE RURAL ALASKA PROBLEMS, IS THE LACK OF AN ECONOMIC BASE IN THE RURAL AREAS. THIS PIECE OF LEGISLATION WAS DEVELOPED IN RECOGNITION OF THIS AND THEREFORE EARNS OUR SUPPORT.

THOSE PROVISIONS WHICH PROVIDE FOR COUNCIL APPOINTMENT ATTEMPT TO SET UP A MECHANISM WHICH WOULD PROVIDE FOR COORDINATION OF EFFORT IN ALL ACTIVITIES DIRECTED TOWARDS THE RURAL COMMUNITIES. THIS IS INDEED LAUDABLE CONSIDERING THE FACT THAT EFFORTS IN THE PAST HAVE BEEN MADE ON AN AGENCY-BY-AGENCY, PIECEMEAL BASIS. WE ARE, HOWEVER, CONCERNED THAT AGENCY REPRESENTATION WOULD OVERWHELM RURAL REPRESENTATION. A WAY TO AVOID THIS WOULD BE TO PLACE THE STATE DEPARTMENT REPRESENTATIVES ON THE RURAL DEVELOPMENT COUNCIL IN AN EX-OFFICIO CAPACITY. WE WOULD ALSO HOPE THAT THE STATE DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT WOULD BE INCLUDED ON THE LIST OF RELATED DEPARTMENTS, SINCE IT IS RURAL DEVELOPMENT THAT IS BEING ADDRESSED.

TO DATE THERE HAS BEEN NO FORMAL STATE POLICY CONCERNING RURAL DEVELOPMENT. THE POLICY OF THE LEGISLATURE AS OUTLINED ON PAGE ONE OF THE BILL WOULD BE ACCEPTABLE AS THE GOALS AND OBJECTIVES OF THE COUNCIL. WE RECOMMEND THAT ONE OF THE RESPONSIBILITIES AND OUTCOMES OF THE COUNCIL

Testimony of Andrew W. Ebona  
RE: HB 932  
Page 3

WOULD BE THE DEVELOPMENT OF SPECIFIC POLICIES THE STATE COULD AND WOULD UTILIZE IN COORDINATING RURAL DEVELOPMENT. THIS MEANS THAT THE COUNCIL MUST HAVE SOME SORT OF AUTHORITY TO RECOMMEND STATE POLICY AND TO ASSURE THAT IT IS FOLLOWED.

OTHER CONSIDERATIONS THAT MUST BE TAKEN ARE THE MAKE-UP OF THE COMMUNITIES THAT COMPRISE RURAL ALASKA. THE BULK OF THOSE COMMUNITIES ARE MADE UP OF ALASKA NATIVES. WE URGE THAT THIS BE TAKEN INTO CONSIDERATION WHEN APPOINTMENTS ARE BEING MADE. THE STATE MUST ALSO RECOGNIZE THE ROLES AND THE RESULTING IMPACT THE REGIONAL AND LOCAL PROFIT AND NON-PROFIT NATIVE CORPORATIONS HAVE IN THE RURAL COMMUNITIES. THEY ALSO SHOULD BE REPRESENTED ON THE RURAL DEVELOPMENT COUNCIL.

WITH THE INCLUSION OF THESE RECOMMENDATIONS IN HOUSE BILL 932 THE CENTRAL COUNCIL GOES ON RECORD IN TOTAL SUPPORT OF AN OFFICE OF RURAL DEVELOPMENT AND A RURAL DEVELOPMENT COUNCIL.

Andrew W. Ebona, Executive Director  
Central Council of the Tlingit &  
Haida Indian Tribes of Alaska  
One Sealaska Plaza, Suite 200  
Juneau, Alaska 99801  
(907) 586-1432

## STATES ENTITLED TO, BUT NOT USING

# Rural Development Funds

According to a new congressional study, some Northeastern and Midwestern states are not using all the funds to which they are entitled under the Rural Development Act.

Rep. Robert W. Edgar (D-Pa.), chairman of the 213-member Northeast-Midwest Congressional Coalition, said that while most states in the region have taken advantage of funds available under the law's major programs, others have consistently under-utilized federal money already allocated to them.

The Rural Development Act of 1972 significantly increased the responsibility and the budget of the U.S. Department of Agriculture. The Department became the Administration's leading federal agency charged with more fully addressing the needs of the nation's rural residents. This added responsibility fell mainly to the Farmers Home Administration, which has become a major source of financing in rural areas.

Rep. James L. Oberstar (D-Minn.), co-chairman of the bi-partisan House coalition, said one of the reasons states may not fully utilize allocated funds is that "local officials might not be aware of the existence of some FmHA programs or the availability of funds."

Major programs under RD cover loans and grants for community facilities, water and waste treatment, and business and industrial development.

**Business Loans**  
Applicants apply for the

guarantee through private lenders. The private lenders are responsible for making and servicing the loans which are at fixed or variable rates consistent with the market rate. FmHA guarantees to pay up to 90 percent of the principal and interest of the outstanding loan to the lender if the borrower defaults.

In addition to equity amounting to at least 10 percent of the loan, all loans must be fully collateralized. Repayment period for loans for land, buildings and fixtures cannot exceed 30 years; machinery or equipment, 15 years or the life of the machinery or equipment; or for working capital, 7 years.

Priorities for funding include:

- saving existing jobs
- enlarging, extending, or otherwise improving existing businesses and industries
- creating the highest number of permanent employment opportunities
- contributing to the overall economic stability of the rural area

Loans may not be used for the production of agricultural commodities. Approximately one-third of all loans and one-half of loan funds have been made to manufacturing firms.

If the proposed financial assistance exceeds \$1 million or employment will be increased by more than 50 employees, the U.S. Department of Labor must certify that the proposed project will not result in the transfer of jobs or

business activity from one area to another or result in an increase of goods, materials, commodities, services, or facilities in an area where there is not sufficient demand.

This program differs from the Small Business Administration's business loan program because no direct loans are available: FmHA need not be the credit of last resort, there is no maximum loan amount, and there are no restrictions regarding the size of the business or industry.

### Unlike SBA or EDA Loans

The FmHA Business and Industrial Loan program differs from the Economic Development Administration's business assistance program because assistance is not restricted to designated economic development districts, there is no limit regarding the maximum investment per job created or saved, and no direct loans are available.

Applicants for the FmHA program must be located in a non-urbanized area with population not exceeding 50,000; localities under 25,000 residents receive preference. Most loans have actually gone to communities of under 5,000. Loans average about \$650,000. The fiscal 1978 loan authorization level was \$1 billion.

Project grants to public entities serving rural areas (less than 50,000 population) are available for the acquisition and development of industrial sites in rural areas. The U.S. Department of Labor's certification requirements for the Business and Industrial Loan

Representative Dale Locker (Ohio)

# Washington Report

## A new approach to federal policy on rural development

Rural America—its “changing face,” its special needs, and the coordination of the hundreds of federal programs that affect its human and natural resources—was the focus of attention in late December as President Carter announced his Small Community and Rural Development Policy.

The policy, as outlined before a gathering of hundreds of state and local officials and representatives of community-based organizations and the small town business and financial community, combines a set of principles to guide the administration of federal programs, a series of organizational and procedural changes to develop the institutional capacity at the federal and state level to deal with rural issues on a continuing basis, and an “action agenda” of over 100 initiatives to help meet pressing rural needs.

In noting the changes in many rural areas—growth in population, expansion in rural employment, diversification of rural economies—the President argued the need for “a forward-looking policy . . . to manage the effects of such change—to enable individuals and communities to solve their problems and to capitalize on their opportunities.”

And yet, he continued, “rural people and communities have proportionately greater unmet basic human needs than do other parts of the nation.” Almost 40 percent of the nation’s poor live in rural areas. Rural areas have 58 percent fewer physicians, 38 percent fewer dentists and 29 percent fewer nurses, on a per capita basis, and yet a higher incidence of chronic disease exists and more work-days are lost due to illness in the rural sector than in urban areas. While 57 percent of the rural poor and 45 percent of the rural elderly do not own an automobile, public transportation carries less than 1 percent of rural residents who work away from home.

To meet these needs and manage the effects of change in rural areas, the President directed his top administrators to manage their programs so as to recognize local priorities and facilitate decision-making, to invest federal funds in ways that complement state-local plans and priorities, to use federal assistance to help leverage private sector investments, to target federal funds to disadvantaged persons and distressed communities in rural areas, to provide local citizens and their leaders with assistance for more effective decision-making and development efforts, and to make federal programs more accessible to rural jurisdictions and better adapted to rural circumstances and needs.

The capacity to implement the policy’s principles and initiatives was enhanced by a request to Congress for creation of an Undersecretary of Agriculture for Small Community and Rural Development, who will aid the Secretary in carrying out his responsibilities under the Rural Development Act of 1972, and who will co-chair, along with the President’s Assistant for Intergovernmental Affairs, a revitalized Working Group on Small Community and Rural Development.

The Working Group will include top officials from the Office of Management and Budget, the Domestic Policy Staff, the departments of Education, Energy, Transportation, Housing and Urban Development, Agriculture, Treasury, Interior, Health and Human Services, Labor, and Commerce, as well as the Environmental Protection Agency, ACTION, the Community Services Administration, the Small Business Administration, and the General Services Administration.

The President also directed the Secretary of Agriculture to appoint an Advisory Council to monitor policy implementation and to advise the Secretary and the Working Group, including participation in an annual review of rural policies, programs and budget levels. Members of the Council will include state and local elected officials, representatives of community-based organizations and

other private interest groups, and representatives of the business and financial community.

A second level of advisory bodies would be created with the positive response of governors to the President’s invitation to establish State Rural Development Councils. Federal Regional Councils will be directed to set up rural development task forces to assist state implementation efforts, and agency heads will direct their field personnel to participate on the state councils as requested by the governors.

The Secretaries of Housing and Urban Development, Health and Human Services, Education, Commerce, Energy, Labor, Transportation, and Interior, and the Administrators of the Environmental Protection Agency, the Community Services Administration, and the Small Business Administration were also directed to review existing policies and programs in relation to the policy principles, and to designate a senior official to be responsible for monitoring implementation of the policy and to serve as a rural advocate within the agency.

## On the Agenda

The “action agenda” announced by the President comprises key actions already taken by the Administration and a series of new proposals which will require executive and/or congressional response to implement. The series of White House Rural Initiatives announced over the past 15 months in the areas of health, sewer and water, rural elderly housing, communications, energy, transportation, and public works forms the core of ongoing agenda items. These actions and new proposals that should be of interest to state legislators include:

### Housing—

- extend current four-year, four-state demonstration in state delivery of federal housing and community assistance to other rural distressed communities in those states;
- fully implement initiative on congregate elderly

housing, with social services provided on site (\$12.5 million, 10-site demonstration); and

- develop standardized loan application and appraisal forms for HUD, FHA, FmHA, and VA.

#### Energy—

- implement initiatives to promote small-scale hydroelectric, community-based unconventional gas and small-scale fuel alcohol development;
- support legislation providing \$750 million in grants and \$1.5 billion in loan guarantees over five years to assist states in meeting the needs of areas experiencing rapid energy resource development ("boom towns");
- support loans financed from windfall profits tax revenue for construction of small-scale alcohol fuel plants; and
- extend the 4 cents per gallon tax exemption on the sale of gasahol.

#### Health—

- continue implementation of four-year initiative to construct or rehabilitate 300 primary care clinics and to train and employ rural residents as support staff;
- promote full implementation by HFW of the Rural Health Clinic Services Act;
- place top legislative priority on Child Health Care Program and other preventive care programming for children;
- promote legislation permitting "swing beds" to simplify Medicare and Medicaid reimbursement in rural hospitals; and
- provide incentives to states and local communities to increase access to alcohol and drug abuse programs in rural areas.

#### Capacity building—

- develop a national program to support locally selected circuit-riding managers to assist rural towns and counties;
- continue to fund FmHA Section III rural planning programs;
- provide technical assistance to rural officials on the use of 1980 census data and improve access to detailed data at the small town level;
- negotiate a single set of application, auditing, and reporting requirements for clusters of federal aid programs; simplify and standardize compliance requirements with cross-cutting federal laws and executive orders.

#### Transportation—

- continue implementation of the components of the June 1979 initiative, including assistance to commuter airlines and small town airports, rehabilitation of railroad branchliners, promotion of rural ridesharing, and coordination and delivery of social service and public transit;
- propose amendments to provide \$100 million per year from 1981-85 for small airport development; and
- support adequate funding of Section 18 (Nonurbanized Public Transportation Program) of Surface Transportation Act of 1978.

#### Other items of interest include:

- funding the planning and construction of alternative wastewater systems;
- supporting special emphasis on program needs of rural areas in reauthorizing legislation for vocational education;
- requiring state governments to provide adequate

access to welfare programs and the Food Stamp program in sparsely populated areas;

- emphasizing rural downtown revitalization through policy to facilitate transfer and lease of federal property, and convening of a national conference on redevelopment of mainstreet;
- fully implementing the Environmental Protection Agency's policy on agricultural land protection;
- adopting as a national goal the elimination of unsafe drinking water during the 1980's;
- fully implementing the Rural Clean Water Program in FY 1980; and
- completing the joint CEQ-USDA study of the effects of conversion of prime agricultural land to other uses and of measures to control such conversion.

The Working Group began its formal deliberations in late January, at which time the process for the appointment of the Advisory Council was initiated. The White House has been in contact with each governor to encourage the designation of a state rural development council. And during the coming weeks, a series of conferences for state and local officials and others interested in rural affairs will be held throughout the country to assist in publicizing and implementing the small community and rural development policy.

*Rep. Dale Locker is Chairman of NCSL's Rural Development Committee.*

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL  
JUNEAU, ALASKA 99811

465-3600

April 15, 1980

The Honorable Russ Meekins  
Chairman, House Finance Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Re: CSHB 932, relating to  
rural development

Dear Mr. Chairman:

We wish to call to your committee's attention some legal problems presented by CSHB 932, a bill establishing the office of rural development and the rural development council.

The bill provides for members of the legislature to serve on the rural development council then vests the council with a veto power over the expenditure of federal money for rural development. As you know, the ruling in Kelley v. Hammond was that the constitution does not permit that arrangement. Moreover, by vesting the council with that power and with the duty of providing policy direction for the office of rural development and assisting it in its activities, the bill necessarily makes membership on the commission a public office. Members of the legislature may not, of course, hold other office. Begich v. Jefferson, 441 P.2d 27 (Alaska 1968). Were they to accept appointment to this commission, they might forfeit their office as legislators, that being the general rule.

Additionally, the bill provides (Sec. 44.19.226) for the director of the office of rural development to hire staff and determine their compensation, within the budget limits. No reason occurs why this office should be different from others and not staff and fund positions in accordance with the same rules and procedures as all other agencies. This provision implies a difference.

We would recommend that lines 7-8 on page 2 of the

The Honorable Russ Meekins, Chairman  
House Finance Committee  
April 15, 1980  
Page #2

bill be deleted, that lines 25 and 26 on page 2 be deleted, that everything after the word "council" on line 11 and all of lines 12 and 13 on page 3 be deleted, that the words "legislative co-chairman," on line 29 on page 3 be deleted, and that the first sentence on lines 19-20 on page 4 be deleted.

We appreciate this opportunity to bring these matters to your attention.

Sincerely yours,

AVRUM M. GROSS  
ATTORNEY GENERAL

By:   
Rodger W. Pegues  
Assistant Attorney General

RWP/pjg

cc: Honorable Bill Parker, Chairman  
House Community & Regional  
Affairs Committee

## Concept Statement - HB 932

There is little question that all states will be facing reductions this year in their share of federal funding support in virtually every category. This statement, unfortunately, is especially true in the case of Alaska by virtue of our less than competitive national political significance in this election year, and by our poorly represented interests at the regional federal administrative level. Therefore, it would be untrue to suggest that this legislation will necessarily result in any great increase in Alaska's level of federal funding this year. There are, however, some very valuable benefits to enjoy by taking thoughtful advantage of the President's invitation to join in the recognition of rural and small community economic development as a major national priority. By most definitions, Alaska is the least developed, and the most rural of all the states. Because we are guaranteed a substantially greater role in representing our own case at the federal policy forum under the provisions of the President's new rural policy, we can reasonably expect to achieve some changes in federal policy toward Alaska that are more representative of Alaska's self-determined interests and priorities.

Furthermore, by creating a focus on the high national priority at the State level, we will be far less likely to

Concept Statement (cont.)

miss important opportunities to obtain federal financial leverage for State spending.

Finally, with our attentions turned to the need for infrastructure and revenue base development in the coming years, it is appropriate that we make certain our State agencies operate in concert toward these common goals.

"RURAL ALASKA IS IN A STATE OF  
PROFOUND ECONOMIC DEPRESSION, - HAS BEEN  
FOR MANY YEARS"

- I. INTENT: Create Rural Development Council to advocate and assist in rural development.

TIMING: Carter has created new Rural Policy - One time opportunity for revising federal relationship; break Region X Policy brokerage.

II. BASIC PROBLEMS:

1. No comprehensive state commitment to rural economy.
2. Village economic institutions have been left to "go it alone."
3. State relates to rural Alaska through narrowly defined agency boundaries.
4. State now has capital resources to leverage private capital in fostering rural development. Existing structure and policy have a history of poor performance.

III. SOME OF THE OBSTACLES:

1. Need for executive commitment to "an active" rural development policy.
2. Failure to recognize private industry role in basic economies (not a strictly government role).
3. Traditional government/private industry adversity precluded partnership approach to development.
4. Failure to recognize rural development is fundamentally urban development.
5. Inadequate direction of public resources to build an economy - needs Executive Commitment.

IV. STATE'S INTEREST:

1. To begin to establish a very fundamental cash economy in rural Alaska - requires special government role.
2. Infrastructure development is an investment; returns are not immediately apparent.

FEDERAL/STATE INTERAGENCY AGREEMENT

1. State agency structure and operational limits are defined in large part by their federal counterpart agencies.
2. Alaska has had virtually no role in Alaska Federal Policy formation.
3. Seattle's Regional Administrators have exercised brokerage of Alaska interests for years - deeply entrenched.
4. Alaska still has an option to exercise the last of the Federal/State Interagency Agreements.
5. We will be the only state with this option under the new White House Rural Development Policy.
6. The structure of the Council is still open. Its membership is the key to taking advantage of the built-in ability to make things happen!

*FN need after bill signed out*

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

#8 932

I. REQUEST

Bill/Resolution No. CS for HB 932 (Finance)  
Title "An act creating the office of rural development, and the Rural Development Council,  
Requested by House C & RA 4/14/80 and providing for an effective date.

II. FISCAL DETAIL

Agency Affected Office of the Governor  
Program Category Affected Office of Rural Development  
BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		151.2	166.3	182.9		
200 TRAVEL		110.1	121.1	133.2		
300 CONTRACTUAL		54.2	59.6	65.6		
400 COMMODITIES		3.5	3.9	4.3		
500 EQUIPMENT		6.2	1.0	1.0		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		325.2	351.9	387.0		

FUNDING (Thousands of Dollars)

GENERAL FUND		325.2	351.9	387.0		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		4.0	4.0	4.0		
PART TIME						
TEMPORARY						

ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

ASSUME:

- 1) Office of Rural Development and staff support based in Juneau;
- 2) Four required meetings per year, plus four special meetings;
- 3) Start-up costs in FY 81
- 4) Need for coordination of the Council's activities will be centered around the appointed Director, with research and clerical support by staff;
- 5) July 1, 1980 effective date
- 6) 10% inflation in FY 82 and FY 83.

Personal services includes salaries and benefits for an appointed Director (Range 26B), a Research Analyst III (Range 18B), a Secretary I (Range 10B), and a Clerk-Typist (Range 8B). Travel included for staff to Anchorage, rural communities, and two trips to Washington, D.C. for meetings and advocacy purposes. Board member (15 persons) travel to Anchorage and various communities for meetings. Contractual for printing and advertising costs as well as for office support (rentals of space, typewriters, copier, telephone, etc.). Commodities and Equipment are basic to start-up and maintenance expenditures for a small office.

IV. DATE 4-18-80 PREPARED BY *Danith D. Anderson*  
AGENCY Office of the Lieutenant Governor  
PHONE 465-3520  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

Original

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
Bill/Resolution No. CSHB 932  
Title An Act creating the office of rural development, and the Rural Development Council  
Requested by Representative Duncan Date 4-11-80

II. FISCAL DETAIL  
Agency Affected Community & Regional Affairs  
Program Category Affected Development  
BRU, Program, or Subprogram(s) Affected Local Government Assistance Division  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 4-11-80 PREPARED BY Palmer McCarter  
AGENCY Community & Regional Affairs  
PHONE 465-4707

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

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

*f.u. prepared  
after bill passed  
from House fin.*

I. REQUEST

Bill/Resolution No. CS for HB 932 (Finance)  
Title "An act creating the office of rural development, and the Rural Development Council"  
Requested by House C & RA 4/14/80 and providing for an effective date.

II. FISCAL DETAIL

Agency Affected Office of the Governor  
Program Category Affected Office of Rural Development  
BRU, Program, or Subprogram(s) Affected \_\_\_\_\_

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
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<b>TOTAL</b>		<b>325.2</b>	<b>351.9</b>	<b>387.0</b>		

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		325.2	351.9	387.0		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		4.0	4.0	4.0		
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TEMPORARY						

ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

ASSUME:

- Office of Rural Development and staff support based in Juneau;
- Four required meetings per year, plus four special meetings;
- Start-up costs in FY 81
- Need for coordination of the Council's activities will be centered around the appointed Director, with research and clerical support by staff;
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Personal services includes salaries and benefits for an appointed Director (Range 26B), a Research Analyst III (Range 18B), a Secretary I (Range 10B), and a Clerk-Typist (Range 8B). Travel included for staff to Anchorage, rural communities, and two trips to Washington, D.C. for meetings and advocacy purposes. Board member (35 persons) travel to Anchorage and various communities for meetings. Contractual for printing and advertising costs as well as for office support (rentals of space, typewriters, copier, telephone, etc.) Commodities and Equipment are basic to start-up and maintenance expenditures for a small office.

*Danith S. Anderson*

DATE 4-18-80 PREPARED BY Danith S. Anderson, Policy & Program Mgr.  
AGENCY Office of the Lieutenant Governor  
PHONE 465-3320  
Original: Legislative Finance  
Budget and Management  
Title Sponsor: First Legislator Named

Original sponsor: Rules/Legislative Budget  
and Audit Committee

Offered: 4/14/80  
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 932

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An act creating the office of rural development, and  
7 the Rural Development Council; and providing for an  
8 effective date."

9

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

10

\* Section 1. FINDINGS; POLICY, PURPOSE. (a) The legislature finds that  
11 there is a public interest in the development of a healthy private economic  
12 base in rural Alaska, that the rural areas of the state and the many small  
13 communities of the state have been in economic crisis for decades, and that  
14 in many rural communities a private economic base has ceased to exist which  
15 conditions endanger the economic, social, and cultural well-being of the  
16 state's rural citizens and the healthy growth and balance of the state's  
17 entire economy. The legislature further finds that while many opportunities  
18 for economic growth may be available to rural areas, the problems of the  
19 state's rural areas are many and complex, spreading beyond the confines or  
20 authority of any one program, any one government, or any one policymaker and  
21 therefore requiring a special initiative on the part of all concerned par-  
22 ties.

23

(b) It is the policy of the legislature that

24

(1) villages and small communities should have access to economic  
25 development opportunities;

26

(2) there is a special commitment to the development of a private  
27 economic base for villages and small communities;

28

(3) the state should use its resources and financial strength to  
29 encourage the development of a healthy, self-sustaining rural economy;

1 (4) the state has the primary policy responsibility to act and to  
2 catalyze commitment among many interests, including the state, federal govern-  
3 ment, local governments, and the private sector to promote a private economy  
4 in rural areas;

5 (5) the advocacy of a private economy compatible with rural life-  
6 style should be of the highest priority of state policy;

7 ~~(6) appropriations for rural development from federal money be~~  
8 ~~expended only with the concurrence of the Rural Development Council.~~

9 (c) It is the purpose of this Act to create a governmental structure  
10 that will function as an advocate of rural areas and small communities pre-  
11 senting development issues before state, federal, and local governments, and  
12 in the private sectors, and which will assist rural people and institutions  
13 in laying the foundations of a healthy rural private economic base.

14 \* Sec. 2. AS 44.19 is amended by adding new sections to read:

15 ARTICLE 3C. OFFICE OF RURAL DEVELOPMENT.

16 Sec. 44.19.191. OFFICE OF RURAL DEVELOPMENT. There is established  
17 in the Office of the Governor the office of rural development. The  
18 director of the office is appointed by the governor and serves at his  
19 pleasure. The governor may consult with the council concerning the  
20 appointment or discharge of the director.

21 Sec. 44.19.201. COUNCIL ESTABLISHED. (a) There is established  
22 the Rural Development Council as the policy council for the office of  
23 rural development. The council consists of

24 (1) the lieutenant governor;

25 ~~(2) a member of each house of the legislature appointed by~~  
26 ~~the presiding officer of that house;~~

27 (3) the commissioners of the departments of transportation  
28 and public facilities, commerce and economic development, and community  
29 and regional affairs, and the director of the division of policy de-

1 velopment and planning;

2 (4) six representatives of the private sector appointed by  
3 the governor who are residents of the rural area or small communities;

4 (5) the Alaska state director of the Farmers Home Administra-  
5 tion of the United States Department of Agriculture and a designated  
6 representative of the Region X Rural Development Task Force who are ex  
7 officio members of the council and may attend and participate in all  
8 meetings of the council but may not vote.

9 (b) The members of the council appointed by the governor serve at  
10 the pleasure of the governor.

11 (c) The lieutenant governor is chairman of the council and one of  
12 the legislative members shall be elected by the council as legislative  
13 co-chairman.

14 (d) Members of the council serve without compensation but are  
15 entitled to per diem and travel expenses provided by law for members of  
16 boards and commissions.

17 Sec. 44.19.211. PURPOSE OF THE COUNCIL. The purpose of the coun-  
18 cil is to provide policy direction to the office and to assist the  
19 office in the performance of the duties of the office. The council  
20 shall assist in coordinating the economic development activities of all  
21 departments and agencies of government so that the need for those acti-  
22 vities and the impact of those activities on small communities and rural  
23 areas is considered and assist in coordinating the activities of depart-  
24 ments and agencies of government which have field responsibilities in  
25 the rural areas to the extent that those activities relate to economic  
26 development. The council shall also assist the office in its advocacy  
27 function.

28 Sec. 44.19.216. MEETINGS. The council shall meet at the call of  
29 the chairman or legislative co-chairman, at the request of a majority of

1 the members, and at least four times a year at a regularly scheduled  
2 time as determined by the members. The council may convene meetings of  
3 heads of agencies or departments which are concerned with rural matters  
4 or economic development if the council determines a meeting to be useful

5 Sec. 44.19.221. POWERS AND DUTIES OF THE OFFICE. The office shall

6 (1) act as advocate for the development of an economic base which is  
7 in rural Alaska, for community development and for public services which  
8 will enhance the opportunity for growth of an economic base in rural  
9 Alaska, and for other matters and programs useful to development of the  
10 private economy in rural Alaska;

11 (2) coordinate projects relating to economic development  
12 among departments and agencies;

13 (3) act as advocate for rural development programs which are  
14 not within the jurisdiction of a specific department or agency;

15 (4) act as advocate for appropriate technology development  
16 and the advancement of entrepreneurial opportunities;

17 (5) encourage and assist in the creation and use of regional  
18 development enterprises.

19 Sec. 44.19.226. STAFF. Within budget and appropriation limits,  
20 the director may hire staff and determine their compensation. Except  
21 for making inquiries, neither the council nor an individual member of  
22 the council may give orders to the staff on administrative matters.

23 Sec. 44.19.231. REPORTS. Before January 15 of each year the  
24 office shall submit to the legislature a comprehensive report describing  
25 the activities of the council and the office for the preceding year.

26 Sec. 44.19.236. DEFINITIONS. In AS 44.19.191 - 44.19.236

- 27 (1) "council" means the Rural Development Council;  
28 (2) "director" means the director of the office of rural de-  
29 velopment;

*which is compatible with the preservation of a subsistence economy*

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(3) "office" means the office of rural development.

\* Sec. 3. AS 44.66.010(a) is amended by adding a new paragraph to read:

(8) office of rural development and Rural Development Council  
(AS 44.19.191 - 44.19.236) -- June 30, 1987.

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

FORM 02-0018C

FOR BRIEF COMMUNICATIONS

MAY BE HANDWRITTEN

# MEMORANDUM

## State of Alaska

TO:

Legal

DEPT. \_\_\_\_\_

DIV. \_\_\_\_\_

SEC. \_\_\_\_\_

DATE : April 16, 1980

FROM: Becky Fritz  
House Finance  
Room 519, Capitol  
Ph: 3795

SUBJECT:

Would you please prepare a Finance CS for HB 932 making the corrections indicated on the attached to pages 2 and 4.

Original sponsor: Rules/Legislative Budget  
and Audit Committee

Offered: 4/14/80  
Referred: Finance

1 IN THE HOUSE

*(Finance CS)*

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 932

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An act creating the office of rural development, and  
7 the Rural Development Council; and providing for an  
8 effective date."

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

10 \* Section 1. FINDINGS; POLICY, PURPOSE. (a) The legislature finds that  
11 there is a public interest in the development of a healthy private economic  
12 base in rural Alaska, that the rural areas of the state and the many small  
13 communities of the state have been in economic crisis for decades, and that  
14 in many rural communities a private economic base has ceased to exist which  
15 conditions endanger the economic, social, and cultural well-being of the  
16 state's rural citizens and the healthy growth and balance of the state's  
17 entire economy. The legislature further finds that while many opportunities  
18 for economic growth may be available to rural areas, the problems of the  
19 state's rural areas are many and complex, spreading beyond the confines or  
20 authority of any one program, any one government, or any one policymaker and  
21 therefore requiring a special initiative on the part of all concerned par-  
22 ties.

23 (b) It is the policy of the legislature that

24 (1) villages and small communities should have access to economic  
25 development opportunities;

26 (2) there is a special commitment to the development of a private  
27 economic base for villages and small communities;

28 (3) the state should use its resources and financial strength to  
29 encourage the development of a healthy, self-sustaining rural economy;

1 (4) the state has the primary policy responsibility to act and to  
2 catalyze commitment among many interests, including the state, federal govern-  
3 ment, local governments, and the private sector to promote a private economy  
4 in rural areas;

5 (5) the advocacy of a private economy compatible with <sup>Preservation</sup> ~~rural life~~  
6 <sup>of the subsistence economy</sup> ~~style~~ should be ~~of~~ the highest priority of state policy;

7 ~~(6) appropriations for rural development from federal money be~~  
8 ~~expended only with the concurrence of the Rural Development Council.~~

9 (c) It is the purpose of this Act to create a governmental structure  
10 that will function as an advocate of rural areas and small communities pre-  
11 senting development issues before state, federal, and local governments, and  
12 in the private sectors, and which will assist rural people and institutions  
13 in laying the foundations of a healthy rural private economic base.

14 \* Sec. 2. AS 44.19 is amended by adding new sections to read:

15 ARTICLE 3C. OFFICE OF RURAL DEVELOPMENT.

16 Sec. 44.19.191. OFFICE OF RURAL DEVELOPMENT. There is established  
17 in the Office of the Governor the office of rural development. The  
18 director of the office is appointed by the governor and serves at his  
19 pleasure. The governor may consult with the council concerning the  
20 appointment or discharge of the director.

21 Sec. 44.19.201. COUNCIL ESTABLISHED. (a) There is established  
22 the Rural Development Council as the policy council for the office of  
23 rural development. The council consists of

24 (1) the lieutenant governor;

25 (2) a member of each house of the legislature appointed by  
26 the presiding officer of that house;

27 (3) the commissioners of the departments of transportation  
28 and public facilities, commerce and economic development, and community  
29 and regional affairs, and the director of the division of policy de-

1           velopment and planning;

2                   (4) six representatives of the private sector appointed by  
3 the governor who are residents of the rural area or small communities;

4                   (5) the Alaska state director of the Farmers Home Administra-  
5 tion of the United States Department of Agriculture and a designated  
6 representative of the Region X Rural Development Task Force who are ex  
7 officio members of the council and may attend and participate in all  
8 meetings of the council but may not vote.

9           (b) The members of the council appointed by the governor serve at  
10 the pleasure of the governor.

11           (c) The lieutenant governor is chairman of the council and one of  
12 the legislative members shall be elected by the council as legislative  
13 co-chairman.

14           (d) Members of the council serve without compensation but are  
15 entitled to per diem and travel expenses provided by law for members of  
16 boards and commissions.

17           Sec. 44.19.211. PURPOSE OF THE COUNCIL. The purpose of the coun-  
18 cil is to provide policy direction to the office and to assist the  
19 office in the performance of the duties of the office. The council  
20 shall assist in coordinating the economic development activities of all  
21 departments and agencies of government so that the need for those acti-  
22 vities and the impact of those activities on small communities and rural  
23 areas is considered and assist in coordinating the activities of depart-  
24 ments and agencies of government which have field responsibilities in  
25 the rural areas to the extent that those activities relate to economic  
26 development. The council shall also assist the office in its advocacy  
27 function.

28           Sec. 44.19.216. MEETINGS. The council shall meet at the call of  
29 the chairman or legislative co-chairman, at the request of a majority of

1 the members, and at least four times a year at a regularly scheduled  
2 time as determined by the members. The council may convene meetings of  
3 heads of agencies or departments which are concerned with rural matters  
4 or economic development if the council determines a meeting to be useful

5 Sec. 44.19.221. POWERS AND DUTIES OF THE OFFICE. The office shall

6 (1) act as advocate for the development of an economic base  
7 *which is compatible with preservation of the subsistence economy,*  
8 in rural Alaska, for community development and for public services which  
9 will enhance the opportunity for growth of an economic base in rural  
10 Alaska, and for other matters and programs useful to development of the  
11 private economy in rural Alaska;

12 (2) coordinate projects relating to economic development  
13 among departments and agencies;

14 (3) act as advocate for rural development programs which are  
15 not within the jurisdiction of a specific department or agency;

16 (4) act as advocate for appropriate technology development  
17 and the advancement of entrepreneurial opportunities;

18 (5) encourage and assist in the creation and use of regional  
19 development enterprises.

20 Sec. 44.19.226. STAFF. Within budget and appropriation limits,  
21 the director may hire staff and determine their compensation. Except  
22 for making inquiries, neither the council nor an individual member of  
23 the council may give orders to the staff on administrative matters.

24 Sec. 44.19.231. REPORTS. Before January 15 of each year the  
25 office shall submit to the legislature a comprehensive report describing  
26 the activities of the council and the office for the preceding year.

27 Sec. 44.19.236. DEFINITIONS. In AS 44.19.191 - 44.19.236

28 (1) "council" means the Rural Development Council;

29 (2) "director" means the director of the office of rural de-  
velopment;