

LEG. FINANCE - BILLS 1979 - 1980 1196

HB 943 cont. thru HB 948 1196

<u>NAME/SUBJECT</u>	<u>ACTIVITY</u>	<u>TRAVEL</u>	<u>PER DIEM</u>	<u>OTHER</u>	<u>SUB-TOTALS</u>
5. Special issues, continued					
c. Medical, Sitka:					
	(1) Inv Travel, 2 trips, 7 days, hearing related	500.00	469.00		
	(2) Consultant, travel & per diem, hearing, 5 days, in state	<u>500.00</u>	<u>340.00</u>		1809.00
	(3) Consultant, fees, 150.00 per hour, 20 hours			3000.00	3000.00
	(4) Transcripts, estimate 5 days @945 per day			4725.00	4725.00
	(5) Evidentiary, documentation, transcripts of court testimony related to case in criminal proceeding separate			500.00	500.00
Hearing officer has been appointed in this matter. Hearing preconference and hearing should commence soon, FY 80.					
	SUB TOTALS, PAGE TWO	1000.00	809.00	825.00	10034.00
	Prev subtotals	<u>6246.00</u>	<u>4137.00</u>	<u>9725.00</u>	<u>20108.00</u>
	New sub totals	<u>7246.00</u>	<u>4946.00</u>	<u>17950.00</u>	<u>30142.00</u>

<u>NAME/SUBJECT</u>	<u>ACTIVITY</u>	<u>TRAVEL</u>	<u>PER DIEM</u>	<u>OTHER</u>	<u>SUB-TOTALS</u>
5. Special Issues, continued:					
d. Medical, Anchorage:					
	(1) Inv travel, out of state, 4 days, initial contact w/consulting expert for case analysis prior to filing,debrief inv.	500.00	200.00		700.00
	(2) Consultant, fees, initial total review, analysis and report of case developed, basis for charges. 150.00 per hour, 67 hours est.			10000.00	10000.00
	(3) Consultant, travel and per diem, 2 days to and from and 6 days in hearing, 8 days, in state,(Anchorage).	500.00	480.00		980.00
	(4) Consultant, fees, testimony during hearing, 6 days, 6 hour days estimate, with 30 plus hours estimated, at 150.00 per hour...			5000.00	5000.00
	(5) Other witnesses, travel and per diem, for two, 3 days each, in state.	1000.00	360.00		1360.00
	(6) Other witnesses, two, fees, estimated, 200.00 per day			400.00	400.00
	(7) Transcripts, estimate, 5 days @945.00			4725.00	4725.00

Charges in this matter are anticipated to be entered by March 1980. Due to the impact of this filing, this hearing may commence this FY.

PAGE 3 -- SUB TOTALS	2000.00	1040.00	20125.00	23155.00
Prev page	7246.00	4946.00	17950.00	30142.00
New sub totals	9246.00	5986.00	38075.00	53307.00

<u>NAME/SUBJECT</u>	<u>ACTIVITY</u>	<u>TRAVEL</u>	<u>PER DIEM</u>	<u>OTHER</u>	<u>SUB-TOTALS</u>
5. Special Issues, continued:					
e. Dental, Southeastern					
	(1) Inv travel 1 trip, 5 days	350.00	335.00		685.00
f. Evidentiary, all case areas, all staff					
				100.00	100.00
SUB TOTALS, THIS PAGE		350.00	335.00	100.00	785.00
Previous subtotals		<u>9246.00</u>	<u>5986.00</u>	<u>38075.00</u>	<u>53307.00</u>
New sub totals		<u>9596.00</u>	<u>6321.00</u>	<u>38175.00</u>	<u>54092.00</u>

Item 1, 2, 3, 4, 5a and 5b(1), 5c(1),5d(1) and 5e are costs that now should come from our own budget, this totals, 11735.00. THEN:

we discount 11735.00 from 54092.00 =

54092.00	total estimated costs remaining FY 80
<u>-11735.00</u>	from division budget
42357.00	amount left to charge to Lt Governor under present system.

11735.00 from division budget is \_\_\_\_\_ more than we have.

42357.00 from Lt Governors budget is 32357.00 more than they have.

We are definately short funded this FY 80 remaining

Re Item 5b(3) 1954.00; Item 5 c(3) 3000.00; and Item 5d(2)10000.00; these items are urgent musts for this unit. Yet it seems noone has any funds to cover, thus we are endangering the hearings and case process in these matters.

Ann Griggs, Director  
Div of Occupational Licensing

2/7/80

R H LONG  
Chief Investigator  
Div of Occupational Licensing

COST ESTIMATES FY 80 remaining  
Hearings, direct costs  
with limited projection into FY 81

You have asked for estimate on FY 80 remaining for costs directly or resulting from actions in litigation, that is, under payment by funds from the Lt Governor termed hearing costs. Hereafter is that estimate, which, you understand, includes not costs already addressed in previous estimates for staff work, some witness fees, and the like. Previous estimates included staff and hearing related costs, such as that which occurs prior to appointment of the hearing officer, some costs paid or have been paid by this division and costs which the Lt Governor has been paying right alone. During this process some obvious costs directly resulting from original costs developed FY 81 estimates and they are reflected here only as pertinent for discussion, not for estimates.

This estimate includes 7 hearings regarding guides. Although we do not develop the case, I do keep the hearing officer related files and forward such billings for payment. Thus, because these payments do and appear will still come from the same fund source regardless, then these estimates are appropriate as well.

This estimate includes on a gnaestimate re marine pilot Tarrif Hearings. A real unknown. I am estimating that some 3-5000 dollars in costs here will surface but due to my overall scheme here, cannot pin that down.

	<u>FY 80</u>	<u>FY 81</u>
Guides	17739.00	unk
Marine Pilot tarrif hearings	3000.00	unk
All others	64835.00	30590.00
Estimate Totals:.....	\$ 85574.00	30590.00

*85574.00*

The estimate totals, no matter how we go, could very well be far short of our needs, or be much more than our needs. One can never speculate with accuracy whether a hearing will last 10 minutes or 10 weeks. Anything can and usually does happen.

Being more realistic, admittedly if all goes right on schedule we could spend the above. But, because attorneys and hearing officers' witnesses and a multitude of other complications could set in, that not all (that we now believe should) may happen. Delays etc may cause much of the above to slide into the next FY. FY 80 realistic = \$50,000.00 & up.

I can provide my notes as backup for the above if requested.

RE advised that all estimates, including this estimate, are being put together mostly by a speculation process. This estimate has to be considered in that light. All of the estimates should be subjected to closer scrutiny and study before utilizing as gospel.

RHL

# MEMORANDUM

# State of Alaska

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

DATE: February 20, 1980

RECEIVED

FILE NO:

FEB 21 1980

THRU: Ann Griggs, Director  
Division of Occupational Licensing

TELEPHONE NO:

Budget and Management

FROM:

SUBJECT:

Addendum FY '80 Supplemental  
Requests

Bertram L. Wagon  
Deputy Commissioner  
Department of Commerce and  
Economic Development

This division historically has had all costs for hearings charged out to the Office of the Governor. Charges for expert witnesses have been approved by the Office of the Lieutenant Governor and paid by the Lieutenant Governor. It had been misunderstood by this office that this practice would continue for the remainder of FY '80, and funds would properly be requested only for FY '81. We have been advised this was in error.

The request for these funds is in response to legislative audit review of the Department of Commerce and Economic Development, Division of Occupational Licensing's investigative unit. It was noted that transfers between appropriations should not be made to fund the costs of the investigative unit. Records are not available to determine past costs; therefore, the estimate is purely speculative.

We are basing our request upon the following:

Costs of hearings for typical day of six hours:

Hearing officer at \$55.00 per hour	\$ 330.00
Court reporter service at \$20.00 per hour	120.00
Ten exhibits at .45 each	4.50
Transcript, 200 pages at \$4.50 page	900.00
Two witnesses at \$7.50 each	15.00
One witness at \$15.00 each	15.00
One expert witness at \$150.00 hour	300.00
Total average day cost	<u>\$1,684.50</u>

Known hearings pending or on-going at this time and estimated costs are:

Board of Marine Pilots tariff hearing with hearing officer charge of \$90.00 per hour.	\$ 3,000.00
Guide Control Board license hearing has not yet been billed, lasted five days. There are nine cases pending hearing.	
Estimated cost	17,000.00

Medical Board has two cases filed, several Real Estate, those and all other esti- mated costs	<u>60,000.00</u>
Bringing total request for hearing costs	<u>\$80,000.00</u>
Expert witness fees at \$150.00 per hour	\$23,000.00
Expert witness travel and per diem	4,700.00
Expert witness reports - \$25.00 per page, 25 pages	<u>1,250.00</u>
Total Request expert witness fees	<u>\$28,950.00</u>
Total request for expert witness fees and hearing charges	\$108,950.00

AG/jar3/19

80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/-11/30	FY 80 OTHER OBLIGATIONS 7/1/-11/30	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTINUA
AL SERVICES	447.3	544.5	541.4	558.7	647.3	647.3	217.4	-0-	429.9	-0-	643.9
	128.3	141.6	141.3	166.0	144.5	144.5	38.5	-0-	110.7	(4.7)	154.6
ACTUAL SERVICES	158.6	170.3	169.9	255.2	249.9	249.9	67.6	-0-	286.6	(104.3)	284.9
ILITIES	10.7	13.4	13.0	14.2	14.2	14.2	3.0	-0-	11.2	-0-	15.2
MENT	8.2	5.6	4.2	1.1	3.3	3.3	-0-	-0-	3.3	-0-	-0-
, BLDG. ...	26.4	32.1	32.1	32.8	32.8	32.8	32.8	-0-	-0-	-0-	32.8
TS. CLAIMS. ....											
ELLANEOUS											
TOTAL	779.5	907.5	901.9	1028.0	1092.0	1092.0	359.3	-0-	841.7	(109.0)	1131.3
RAL RECEIPTS											
TRED GF MATCHING											
R GENERAL FUND	779.5	907.5	901.9	953.0	1017.0	1017.0	359.3	-0-	766.7	(109.0)	1056.3
R-AGENCY RECEIPTS											
PROGRAM RECEIPTS				75.0	75.0	75.0			75.0		75.0

AGENCY: Commerce & Econ. Development BRU: Regulation and Licensing of Professions COMPONENT: \_\_\_\_\_ REVISED: Addendum Book



# 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

March 7, 1980

HB 944

The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making appropriation adjustments for the Department of Transportation and Public Facilities, as follows:

Page 40, line 21:

Current:	\$16,657,450	\$16,335,555	\$ 321,895
As amended:	16,411,250	16,089,355	321,895

Page 40, line 22:

Current:	\$ 3,443,690
As amended:	3,443,690

Page 40, line 23:

Current:	\$12,452,755
As amended:	12,206,555

Page 40, line 24:

Current:	\$ 761,005
As amended:	761,005

Page 40, line 38:

Current:	\$ 2,585,870	\$ 2,560,795	\$ 25,075
As amended:	2,832,070	2,806,995	25,075

Page 41, line 4:

Current:	\$ 1,122,425
As amended:	1,334,925

Page 41, line 5:

Current:	\$ 1,214,565
As amended:	1,214,565

Page 41, line 6:

Current:	\$ 248,8
As amended:	282,5

This request is necessary to fund a supervisory employee position, equipment rental, and the associated costs for parts and maintenance of those vehicles in the western region highway and airport operations and maintenance BRU for Fiscal Year 1980.

Sincerely,

s/ JSH -

Jay S. Hammond  
Governor

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

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

25-86-4-200

CATEGORY	Transportation
COVER PROGRAM	Highway & Aviation Maint & Opns
AGENCY	Transportation & Public Facilities
DIVISION	Maintenance & Operations
BUDGET REQUEST UNIT	Western Region M & O
BUDGET COMPONENT	Airport Maintenance
APPROPRIATION	Western Region M & O
ALLOCATION	Airport Maintenance

		INITIAL AUTHORIZATION	This RP Request	RP	RP	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	467.2								467.2
02	TRAVEL	35.0								35.0
03	CONTRACTUAL	537.2	197.1							734.3
04	COMMODITIES	198.7	15.4							214.1
05	EQUIPMENT									
06	LANDS, BUILDINGS									
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
09	Unappropriated	(115.6)								(115.6)
	TOTAL	1,122.5	212.5							1,335.0
1002	FEDERAL RECEIPTS									
1003	G/F MATCH									
1004	GENERAL FUND	1,111.0	212.5							1,323.5
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS	11.5								11.5
15	FULL TIME	14.0								14.0
16	PART TIME	1.0								1.0
17	TEMPORARY									
18	MAN-MONTHS	186.8								186.8

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

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

25-86-4-000

CATEGORY	Transportation
COVER PROGRAM	Highway & Aviation Maint & Opns
AGENCY	Transportation & Public Facilities
DIVISION	Maintenance & Operations
BUDGET REQUEST UNIT	Western Region M & O
BUDGET COMPONENT	Administration
APPROPRIATION	Western Region M & O
ALLOCATION	Administration

		INITIAL AUTHORIZATION	This RP Request	RP	RP	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	200.9	33.7							234.6
02	TRAVEL	16.5								16.5
03	CONTRACTUAL	30.0								30.0
04	COMMODITIES	10.0								10.0
05	EQUIPMENT									
06	LANDS, BUILDINGS									
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
09	Unappropriated	(8.5)								(8.5)
	TOTAL	248.9	33.7							282.6
1002	FEDERAL RECEIPTS									
1003	G/F MATCH									
1004	GENERAL FUND	248.9	33.7							282.6
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS									
15	FULL TIME	4.0								4.0
16	PART TIME									
17	TEMPORARY									
18	MAN-MONTHS	48.0								48.0

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

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

25-86-1-100

CATEGORY	Transportation
COVER PROGRAM	Highway & Aviation Maint & Opns
AGENCY	Transportation & Public Facilities
DIVISION	Maintenance & Operations
BUDGET REQUEST UNIT	Central Region M & O
BUDGET COMPONENT	Highway Maintenance
APPROPRIATION	Central Region M & O
ALLOCATION	Highway Maintenance

	INITIAL AUTHORIZATION	RP 80-75X	RP 80-332X	RP 80-337X	This RP Request	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	3,818.4		84.0					3,902.4
02	TRAVEL	28.2							28.2
03	CONTRACTUAL	7,185.2	15.0	(84.0)	(246.2)				6,870.0
04	COMMODITIES	2,860.6							2,860.6
05	EQUIPMENT	10.0							10.0
06	LANDS, BUILDINGS	74.1							74.1
07	GRANTS, CLAIMS								
08	MISCELLANEOUS								
09	Unappropriated	(1,523.7)							(1,523.7)
	TOTAL	12,452.8	15.0	-0-	-0-	(246.2)			12,221.6
1002	FEDERAL RECEIPTS								
1003	G/F MATCH								
1004	GENERAL FUND	12,410.3			(246.2)				12,164.1
1005	I/A RECEIPTS								
1028	PROGRAM RECEIPTS	42.5	15.0						57.5
15	FULL TIME	109.0							109.0
16	PART TIME	35.0		10.0	9.0				54.0
17	TEMPORARY	3.0			(3.0)				
18	MAN-MONTHS	1,670.0		60.0					1,730.0

TO: [ Ronald D. Lehr, Director  
Division of Budget and Management  
Office of the Governor

DATE: February 20, 1980

FILE NO: 000H-001

TELEPHONE NO:

NB 944

FROM: Robert W. Ward, Commissioner  
Department of Transportation  
and Public Facilities *RWW*

SUBJECT: FY 80 Delete/Add Supplemental  
Appropriation Request

The Department of Transportation and Public Facilities requests a delete/add supplemental appropriation of \$246,200 to fully fund the Western Region Highway and Airport Maintenance & Operations BRU for fiscal year 1980. This amount is to be deleted from the FY 80 authorization of the Central Region Highway & Airport Maintenance & Operations BRU. The effects of this action would be as follows:

Central Region Highway Component	300 account	(\$246,200)
Western Region Administration Component	100 account	33,700
Western Region Airport Component	300 account	197,100
Western Region Airport Component	400 account	15,400
TOTAL		-0-

The additional funds required in the Western Region Administration component are the result of the retirement of a long time employee and the requirement to hire another supervisory employee to perform those functions. The additional funds required in the Western Region Airport Maintenance component are for equipment rental from the State Equipment Fleet and the associated costs for parts and maintenance of these vehicles. The shortfall is partially due to increased aircraft traffic and the associated maintenance requirements at the airports in the region. The 1981 budget for Western Region Aviation Component was increased to account for these needs. The deletion of funds from the Central Region Highway component should not have a significant impact on that regions highway maintenance program. Additional information and justification for this request is contained in the attached memorandums from the Western Region Director and Deputy Commissioner Ryan.

Revised Program forms 1040 and 1041 and FY 80 Supplemental Request Analysis forms are also attached.

Your favorable consideration of this request and assistance in the preparation of the necessary legislation for introduction to the second session of the 11th Legislature will be appreciated. If I can be of further assistance in this matter, please contact me.

#### Attachments

cc: Pat Ryan, Deputy Commissioner  
Heinrick Springer, Western Regional Director  
Larry Michou, Administrative Officer  
Ton Gallagher, Director, Financial Management

TO: [ Ron Lind  
Deputy Commissioner, Administration  
Juneau

DATE: February 8, 1980

FILE NO:

TELEPHONE NO:

FROM: Patrick P. Ryan  
Deputy Commissioner, M & O  
Anchorage

SUBJECT: Add and Delete Supplemental -  
Western Region

I believe it necessary to request an Add and Delete Supplemental for the Western Region Maintenance and Operations. Information prepared by Heinrich Springer, M & O Director for the Western Region, indicates a need for \$246,200 in additional funds to fully fund the Region for the remainder of Fiscal Year 1980. The primary need is in the Aviation Component. There is not a need for additional funds for the Highway Component.

During FY 79 it was necessary to process several revised programs to transfer funds from the Administration and Highway Components to the Aviation Component. The funds were available in 1979 for these transfers for two reasons, first the Director's position was not filled and a decision was made to not do early spring work on the seasonal roads. During FY 80 the Director's position has been filled thus that money is not available and we do not believe it advisable to delay spring road work. Any attempt to delay opening of the seasonal roads will simply compound the road deterioration caused by last year's delayed opening.

The spring work on the roads primarily involves removing the snow cover and the thawing of culverts to allow for run-off. The delay last year resulted in about 80 washouts of the roadway and the loss of 30 to 40 culverts. When this happens maintenance crews must rebuild the roads and replace the culverts. The washout problem would be compounded this spring by the extremely wet fall of 1979 which will result in excessive spring run-off.

It is projected that the Administration Component will need an additional \$34,300 in the 100 account. This amount is needed to cover the dual filling of PCN 258703, Transportation Maintenance Superintendent. The dual filling is the result of the retirement of a long time employee that had 5.5 months of terminal leave due. The decision to dual fill the position was based on the need to have a Superintendent on site to continue the supervision of maintenance crews. There appears to be the possibility that \$600.00 will be available for transfer from the Highways Component Personal Services. If the transfer is made from Highways to Administration, a supplemental of \$33,700 will be needed.

The Aviation component will need an additional \$212,500 to complete FY 80. The problem with the Aviation Component is primarily in three areas, contract maintenance, equipment parts and supplies and equipment fees. The Aviation Component has a great deal of responsibility in Western Alaska as the primary means of travel is the airplane. It is of absolute necessity to maintain not only the principle airports at Nome, Kotzebue, Unalakleet and St. Mary's at operational level but it is also necessary to maintain 41 village airstrips. The yearly fixed usage charges for dry rental equipment from the State Equipment Fleet is \$299,300. Since the equipment is dry rental the component must fund all repairs, parts, and petroleum products necessary to operate

the equipment. The fixed usage fees have been underbudgeted for at least the last two fiscal years as has the supporting commodities account. There is an additional equipment charge whenever equipment assigned to the Highways Component is used for airport maintenance as happens at the Nome Airport. While the fixed usage is budgeted for in Highways Component, the rental rate is not. The impact is an additional \$74,200 to the Aviation 300 account for a total estimated equipment rental of \$363,500. Additionally, there has been an increase in the cost of contractual services associated with local airport maintenance. The increases are the result of the demand for more maintenance of the airports which results in more work time for the contractor and the demand for higher hourly payments from interested contractors. The higher maintenance demands have developed because of increased aircraft traffic, a trend by aircraft operators away from the smaller single engine ski equipped aircraft to twin engine wheel aircraft. The year around use of wheel aircraft requires that we keep the airports cleared of snow for its entire width and length.

The \$212,500 needed should be allocated as follows:

- a. \$197,100 in the 300 account to make up the difference between the budget amount (166.4) for equipment rental and the amount (363.5) actually needed. The result of fully funding the equipment rental is that the actual amount requested for repair and maintenance contracts will be available.
- b. \$15,400 should be added to the 400 account to cover cost increases in equipment parts necessary to maintain dry rental equipment.

The deletion equalling \$246,200 should be made from the Central Region Maintenance and Operations Highway Component's 300 account. The impact on that component will not be significant as adjustments can be made in the summer maintenance program.

I have attached a memorandum from Heinrich Springer that give some additional detail.

PPR/dh

Attachment/as

TO: Patrick P. Ryan  
Deputy Commissioner, M & O  
Anchorage

DATE: January 10, 1980

RECEIVED

FILE NO:

TELEPHONE NO: 443-5266 ext. 23

JAN 18 1980

FROM: Heinrich Springer *HS*  
Regional Director, M & O  
Western Region/Nome

SUBJECT: SUPPLEMENTAL FY 80  
WESTERN REGION

In reply to your memo dated December 14, 1979 attached the following is our reply:

A) General Statement:

- 1) Attached is a financial analysis based on the IBM report for period ending November 30, 1979.
- 2) Although we have kept expenditures to a minimum by limiting overtime, seasonal work, turning in equipment, and purchases, the projected deficit has remained about the same as the one in August and September.
- 3) Projected deficit is \$246,200 for Administration, Highways and Aviation components with a 100% FCC funding level.

B) Answers to Your Questions in Listed Sequence:

- 1) A deficit of \$107,300 was projected with our workplan in August of 1979 due to under funding in the Aviation 300 account for WCF equipment rental. This was based on elimination of Director's position and elimination of Winter maintenance at Teller.

Since these two (2) items were retained by Headquarters decision, the projected deficit would have been near the \$275,000 level.

A detailed analysis of all accounts for the components is shown on attached sheets 1 through 3.

A simple, direct time-percentage check is misleading since the heavy expenditure months are not included in the shown period on the A & B report.

- 2) The deficit projected in an analysis dated September 26, 1979, memo Springer to Michou shows \$241,600, our present analysis shows \$246,200.

On sheets 1 through 3, the excess and deficit is shown by Object Number.

ADMINISTRATION: deficit due to double funding for superintendent position in 100 account.

HIGHWAYS: no problem.

AVIATION: 368 account showed under funding of \$154,600 (see workplan August 1979), 340 account showed under funding of \$154,600.

This operation is also hardest hit by price escalations in parts, gasoline and oils, freight, utilities and contracts and by the increase in CAB approved airlines operators with poor schedules, especially at Nome and Kotzebue. Since the Aviation equipment is bare bones, we were unable to reduce it like we were able to do in Highways.

- 3) Assuming a present deficit projection of \$246,000, I see no good way to reduce services.

The Aviation operations react directly to airlines, safety demands, etc. and our expenditures are the direct result of demands by carriers, the public and weather.

The only possible cost reducing alternative, besides reducing personnel in the Administration component, is the reduction of Highway operations. We could open the roads late again, that is let nature open them, and save about 12 MM about \$53,200 in wages and about \$20,000 in other accounts. These are no true savings, however, since repairs, etc. demand the amount and more after July 1 and takes this from other services and work. I strongly advise against this solution, because we have used this poor remedy for two (2) years now and 1979 was one of the wettest Summers on record with the consequences coming in the Spring. However, about \$70,000 savings are possible in this Fiscal Year.

We could also hold back on commodity purchases, especially 450 and 460 Object groups, but with exception of culverts and asphalt, all our stock-piles are darn close to zero. We could hold back about \$25,000, but at the possibility of not being able to react to an emergency due to lack of parts, lumber, hardware, etc.

In summary, about \$95,000 could be saved, but only as "deferred expenditures" and I do not recommend these savings because it will cost more to fix the damage caused by these delays with resulting neglect of other scheduled work.

- 4) Attached is a complete list of all airport equipment. It is self-explanatory.

If you have any questions, I will be glad to discuss the details with you any time. I am holding back with purchases, etc. until about the end of March and need to know then which direction to follow.

HS/cmb

ATTACHMENTS: as stated.

cc: L. Michou, Admin. Officer - Financial Management, Anchorage  
R. Davena, Transportation Maintenance Manager, Western Region

Funding Information:  
 General Fund: \$ -0-  
 Other Funds: -0-  
 \$ -0-

Introduced: 3/7/80  
 Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
 REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 944

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making appropriation adjustments for the De-  
 7 partment of Transportation and Public Facilities,  
 8 western region operations and maintenance; and pro-  
 9 viding for an effective date."

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

11 \* Section 1. Section 23, ch. 80 SLA 1979, page 40, lines 21--24 (Trans-  
 12 portation), are repealed and re-enacted to read:

13 FUND SOURCES				
14	ALLOCATION	APPROPRIATION	GENERAL	OTHER
15	Central Region Operations			
16	and Maintenance	\$16,411,250	\$16,089,355	\$ 321,895
17	Airports (45			
18	positions)	\$ 3,443,690		
19	Highways (144			
20	positions)	12,206,555		
21	Administration (25			
22	positions)	761,005		

23 \* Sec. 2. Section 23, ch. 80 SLA 1979, page 40, line 38 (Transportation),  
 24 is repealed and re-enacted to read:

25 FUND SOURCES				
26	APPROPRIATION	GENERAL	OTHER	
27	Western Region Operations			
28	and Maintenance	\$2,832,070	\$2,806,995	\$ 25,075

29 \* Sec. 3. Section 23, ch. 80 SLA 1979, page 41, lines 4--6 (Transporta-

(11)

# COMMITTEE REPORT

## HOUSE

3/7/80

FURTHER:

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

Mr. Speaker:

The Committee on FINANCE has had HB 944

"An Act making appropriation adjustments for the Department of Transportation and Public Facilities, western region operations and maintenance; 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

# **CORRECTION**

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

Funding Information:  
 General Fund: \$ -0-  
 Other Funds: \$ -0-  
 \$ -0-

Introduced: 3/7/80  
 Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
 REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 944

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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					FUND SOURCES			
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27	Western Region Operations							
28	and Maintenance				\$2,832,070	\$2,806,995	\$	25,075
29	* Sec. 3. Section 23, ch. 80 SLA 1979, page 41, lines 4--6 (Transporta-							

1 tion), are repealed and re-enacted to read:

2 ALLOCATION

3 Airport (15  
4 positions) \$ 1,334,925  
5 Highways (22  
6 positions) 1,214,565  
7 Administration (4  
8 positions) 282,580

9 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
10 10.070(c).

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Letter + Memo

Funding Information:

General Fund:	\$	-0-
Other Funds:		--0-
	\$	--0-

Introduced: 3/7/80  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 944

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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13 FUND SOURCES

	14 ALLOCATION	14 APPROPRIATION	14 GENERAL	14 OTHER
15 Central Region Operations				
16 and Maintenance		\$16,411,250	\$16,089,355	\$ 321,895
17 Airports (45				
18 positions)	\$ 3,443,690			
19 Highways (144				
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25 FUND SOURCES

	26 APPROPRIATION	26 GENERAL	26 OTHER
27 Western Region Operations			
28 and Maintenance	\$2,832,070	\$2,806,995	\$ 25,075

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6 positions) 1,214,565  
7 Administration (4  
8 positions) 282,580

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10 10.070(c).

March 7, 1980

HB 944

The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making appropriation adjustments for the Department of Transportation and Public Facilities, as follows:

Page 40, line 21:

Current:	\$16,057,450	\$16,335,555	\$ 321,895
As amended:	16,411,250	16,089,355	321,895

Page 40, line 22:

Current:	\$ 3,443,690
As amended:	3,443,690

Page 40, line 23:

Current:	\$12,452,755
As amended:	12,206,555

Page 40, line 24:

Current:	\$ 761,005
As amended:	761,005

Page 40, line 38:

Current:	\$ 2,585,870	\$ 2,560,795	\$ 25,075
As amended:	2,832,070	2,806,995	25,075

Page 41, line 4:

Current:	\$ 1,122,425
As amended:	1,334,925

Page 41, line 5:

Current: \$ 1,214,565  
As amended: 1,214,565

Page 41, line 6:

Current: \$ 248,880  
As amended: 282,580

This request is necessary to fund a supervisory employee position, equipment rental, and the associated costs for parts and maintenance of those vehicles in the western region highway and airport operations and maintenance BRU for Fiscal Year 1980.

Sincerely,

s/ JSH

Jay S. Hammond  
Governor

# MEMORANDUM

TO:  Ronald D. Lehr, Director  
Division of Budget and Management  
Office of the Governor

DATE: February 20, 1980

FILE NO: 000H-001

TELEPHONE NO:

NB 944

FROM: Robert W. Ward, Commissioner  
Department of Transportation  
and Public Facilities *RWW*

SUBJECT: FY 80 Delete/Add Supplemental  
Appropriation Request

The Department of Transportation and Public Facilities requests a delete/add supplemental appropriation of \$246,200 to fully fund the Western Region Highway and Airport Maintenance & Operations BRU for fiscal year 1980. This amount is to be deleted from the FY 80 authorization of the Central Region Highway & Airport Maintenance & Operations BRU. The effects of this action would be as follows:

Central Region Highway Component	300 account	(\$246,200)
Western Region Administration Component	100 account	33,700
Western Region Airport Component	300 account	197,100
Western Region Airport Component	400 account	15,400
TOTAL		-0-

The additional funds required in the Western Region Administration component are the result of the retirement of a long time employee and the requirement to hire another supervisory employee to perform those functions. The additional funds required in the Western Region Airport Maintenance component are for equipment rental from the State Equipment Fleet and the associated costs for parts and maintenance of these vehicles. The shortfall is partially due to increased aircraft traffic and the associated maintenance requirements at the airports in the region. The 1981 budget for Western Region Aviation Component was increased to account for these needs. The deletion of funds from the Central Region Highway component should not have a significant impact on that regions highway maintenance program. Additional information and justification for this request is contained in the attached memorandums from the Western Region Director and Deputy Commissioner Ryan.

Revised Program forms 1040 and 1041 and FY 80 Supplemental Request Analysis forms are also attached.

Your favorable consideration of this request and assistance in the preparation of the necessary legislation for introduction to the second session of the 11th Legislature will be appreciated. If I can be of further assistance in this matter, please contact me.

#### Attachments

cc: Pat Ryan, Deputy Commissioner  
Heinrich Springer, Western Regional Director  
Larry Michou, Administrative Officer  
Ton Gallagher, Director, Financial Management



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

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

25-86-1-100

CATEGORY	Transportation
COVER PROGRAM	Highway & Aviation Maint & Opns
AGENCY	Transportation & Public Facilities
DIVISION	Maintenance & Operations
BUDGET REQUEST UNIT	Central Region M & O
BUDGET COMPONENT	Highway Maintenance
APPROPRIATION	Central Region M & O
ALLOCATION	Highway Maintenance

	INITIAL AUTHORIZATION	RP 80-75X	RP 80-332X	RP 80-337X	This RP Request	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	3,818.4		84.0					3,902.4
02	TRAVEL	28.2							28.2
03	CONTRACTUAL	7,185.2	15.0	(84.0)	(246.2)				6,870.0
04	COMMODITIES	2,860.6							2,860.6
05	EQUIPMENT	10.0							10.0
06	LANDS, BUILDINGS	74.1							74.1
07	GRANTS, CLAIMS								
08	MISCELLANEOUS								
09	Unappropriated	(1,523.7)							(1,523.7)
	TOTAL	12,452.8	15.0	-0-	-0-	(246.2)			12,221.6
1002	FEDERAL RECEIPTS								
1003	G/F MATCH								
1004	GENERAL FUND	12,410.3			(246.2)				12,164.1
1005	I/A RECEIPTS								
1028	PROGRAM RECEIPTS	42.5	15.0						57.5
15	FULL TIME	109.0							109.0
16	PART TIME	35.0		10.0	9.0				54.0
17	TEMPORARY	3.0			(3.0)				
18	MAN-MONTHS	1,670.0		60.0					1,730.0

## 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.  **	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/- 1/31	FY 80 OTHER OBLIGATIONS 7/1/- 1/31	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 2/1-6/30	FY 80. (DEFICIT) OR EXCESS	FY-81 CONTINU
L SERVICES	4,967.2	4,716.7	4,779.4	4,550.6	3,818.4	4,576.2	2,425.7		2,150.5		4,550.8
	32.8	26.6	25.5	28.2	28.2	28.2	10.4		17.8		30.2
TUAL SERVICES	7,169.3	6,825.7	6,582.0	7,185.2	7,185.2	7,116.2	3,393.2		3,476.8	246.2	6,819.0
TIES	2,139.4	2,671.2	2,060.6	2,860.6	2,860.6	2,860.6	1,526.0		1,334.6		2,510.3
NT	71.7	28.8	32.3	15.0	10.0	-10.0	8.0		2.0		30.9
BLDG. ...	440.5	101.5	272.9	74.1	74.1	74.1	74.1				101.3
CLAIMS											
ANEQUS					(1,523.7)						
TAL	14,820.9	14,370.5	13,752.7	14,713.7	12,452.8	14,665.3	7,437.4		6,981.7	246.2	14,042.5
RECEIPTS											
D GF MATCHING											
GENERAL FUND	14,773.1	14,370.5	13,752.7	14,663.7	12,410.3	14,600.3	7,422.9		6,931.2	246.2	13,950.0
AGENCY RECEIPTS											50.0
PGM RECEIPTS	47.8			50.0	42.5	65.0	14.5		50.5		50.0

\*\* Presumes passage of HB 577 Supplemental Appropriation

DOTPF

BRU: Central Region M &amp; O

COMPONENT: Highway Maintenance

REVISED: \_\_\_\_\_



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

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT  
25-86-4-000

CATEGORY	Transportation
COVER PROGRAM	Highway & Aviation Maint & Opns
AGENCY	Transportation & Public Facilities
DIVISION	Maintenance & Operations
BUDGET REQUEST UNIT	Western Region M & O
BUDGET COMPONENT	Administration
APPROPRIATION	Western Region M & O
ALLOCATION	Administration

		INITIAL AUTHORIZATION	This RP Request	RP	RP	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	200.9	33.7							234.6
02	TRAVEL	16.5								16.5
03	CONTRACTUAL	30.0								30.0
04	COMMODITIES	10.0								10.0
05	EQUIPMENT									
06	LANDS, BUILDINGS									
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
09	Unappropriated	(8.5)								(8.5)
	TOTAL	248.9	33.7							282.6
1002	FEDERAL RECEIPTS									
1003	G/F MATCH									
1004	GENERAL FUND	248.9	33.7							282.6
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS									
15	FULL TIME	4.0								4.0
16	PART TIME									
17	TEMPORARY									
18	MAN-MONTHS	48.0								48.0

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

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

25-86-4-200

CATEGORY	Transportation
COVER PROGRAM	Highway & Aviation Maint & Opns
AGENCY	Transportation & Public Facilities
DIVISION	Maintenance & Operations
BUDGET REQUEST UNIT	Western Region M & O
BUDGET COMPONENT	Airport Maintenance
APPROPRIATION	Western Region M & O
ALLOCATION	Airport Maintenance

		INITIAL AUTHORIZATION	This RP Request	RP	RP	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	467.2								467.2
02	TRAVEL	35.0								35.0
03	CONTRACTUAL	537.2	197.1							734.3
04	COMMODITIES	198.7	15.4							214.1
05	EQUIPMENT									
06	LANDS, BUILDINGS									
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
09	Unappropriated	(115.6)								(115.6)
	TOTAL	1,122.5	212.5							1,335.0
1002	FEDERAL RECEIPTS									
1003	G/F MATCH									
1004	GENERAL FUND	1,111.0	212.5							1,323.5
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS	11.5								11.5
15	FULL TIME	14.0								14.0
16	PART TIME	1.0								1.0
17	TEMPORARY									
18	MAN-MONTHS	186.8								186.8

80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH. **	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/- 1/31	FY 80 OTHER OBLIGATIONS 7/1/- 1/31	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 2/1-6/30	FY 80. (DEFICIT) OR EXCESS	FY 81 CONTINU
AL SERVICES		198.0	197.8	241.7	200.9	236.3	137.5		132.5	(33.7)	251.4
		5.2	1.7	22.0	16.5	16.5	2.6		13.9		16.9
CTUAL SERVICES		52.7	54.8	74.7	30.0	30.0	3.9		26.1		43.1
ITIES				11.0	10.0	10.0			10.0		10.2
ENT				1.1							.9
BLDG. ...											
CLAIMS. ....											
LANEOUS					(8.5)						
TOTAL		255.9	254.3	350.5	248.9	292.8	144.0		132.5	(33.7)	322.5
L RECEIPTS											
ED GF MATCHING											
GENERAL FUND		255.9	254.3	350.5	248.9	292.8	144.0		132.5	(33.7)	322.5
AGENCY RECEIPTS											

\*\* Presumes Passage of HB577 Supplemental Appropriation

DOT/PF BRU: WESTERN REGION M&O COMPONENT: ADMINISTRATION REVISED:

## 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH. **	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/- 1/31	FY 80 OTHER OBLIGATIONS 7/1/- 1/31	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 2/1-6/30	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTINU
L SERVICES	687.5	561.9	560.2	555.2	467.2	549.6	287.5		262.1		580.6
	41.7	48.0	44.6	35.0	35.0	35.0	12.5		22.5		35.0
TUAL SERVICES	464.2	578.8	570.8	550.7	537.2	537.2	359.1		363.3	(135.2)	542.2
TIES	203.5	261.6	255.8	198.7	198.7	198.7	149.8		64.3	(15.4)	201.8
NT	19.6	3.5	3.5	3.2			11.9			(11.9)	
BLDG. ...	.3		3.5								
CLAIMS											
ANEOUS					(115.6)						
TAL	1,416.8	1,453.8	1,438.4	1,342.8	1,122.5	1,320.5	820.8		712.2	(212.5)	1,359.6
RECEIPTS											
D GF MATCHING											
GENERAL FUND	1,416.8	1,453.8	1,438.4	1,329.3	1,111.0	1,307.0	811.0		708.5	(212.5)	1,346.1
AGENCY RECEIPTS											
PGI RECEIPTS				13.5	11.5	13.5	9.8		3.7		13.5

Presumes Passage of IB577 Supplemental Appropriation

DOI/PI

BRU: WESTERN REGION M&amp;O

COMPONENT: AIRPORT MAINTENANCE

REVISED:


# MEMORANDUM

TO:  Ron Lind  
Deputy Commissioner, Administration  
Juneau

DATE: February 8, 1980

FILE NO:

TELEPHONE NO:

FROM:   
Patrick P. Ryan  
Deputy Commissioner, M & O  
Anchorage

SUBJECT: Add and Delete Supplemental -  
Western Region

I believe it necessary to request an Add and Delete Supplemental for the Western Region Maintenance and Operations. Information prepared by Heinrich Springer, M & O Director for the Western Region, indicates a need for \$246,200 in additional funds to fully fund the Region for the remainder of Fiscal Year 1980. The primary need is in the Aviation Component. There is not a need for additional funds for the Highway Component.

During FY 79 it was necessary to process several revised programs to transfer funds from the Administration and Highway Components to the Aviation Component. The funds were available in 1979 for these transfers for two reasons, first the Director's position was not filled and a decision was made to not do early spring work on the seasonal roads. During FY 80 the Director's position has been filled thus that money is not available and we do not believe it advisable to delay spring road work. Any attempt to delay opening of the seasonal roads will simply compound the road deterioration caused by last year's delayed opening.

The spring work on the roads primarily involves removing the snow cover and the thawing of culverts to allow for run-off. The delay last year resulted in about 80 washouts of the roadway and the loss of 30 to 40 culverts. When this happens maintenance crews must rebuild the roads and replace the culverts. The washout problem would be compounded this spring by the extremely wet fall of 1979 which will result in excessive spring run-off.

It is projected that the Administration Component will need an additional \$34,300 in the 100 account. This amount is needed to cover the dual filling of PCN 258703, Transportation Maintenance Superintendent. The dual filling is the result of the retirement of a long time employee that had 5.5 months of terminal leave due. The decision to dual fill the position was based on the need to have a Superintendent on site to continue the supervision of maintenance crews. There appears to be the possibility that \$600.00 will be available for transfer from the Highways Component Personal Services. If the transfer is made from Highways to Administration, a supplemental of \$33,700 will be needed.

The Aviation component will need an additional \$212,500 to complete FY 80. The problem with the Aviation Component is primarily in three areas, contract maintenance, equipment parts and supplies and equipment fees. The Aviation Component has a great deal of responsibility in Western Alaska as the primary means of travel is the airplane. It is of absolute necessity to maintain not only the principle airports at Nome, Kotzebue, Unalakleet and St. Mary's at operational level but it is also necessary to maintain 41 village airstrips. The yearly fixed usage charges for dry rental equipment from the State Equipment Fleet is \$299,300. Since the equipment is dry rental the component must fund all repairs, parts, and petroleum products necessary to operate

the equipment. The fixed usage fees have been underbudgeted for at least the last two fiscal years as has the supporting commodities account. There is an additional equipment charge whenever equipment assigned to the Highways Component is used for airport maintenance as happens at the Nome Airport. While the fixed usage is budgeted for in Highways Component, the rental rate is not. The impact is an additional \$74,200 to the Aviation 300 account for a total estimated equipment rental of \$363,500. Additionally, there has been an increase in the cost of contractual services associated with local airport maintenance. The increases are the result of the demand for more maintenance of the airports which results in more work time for the contractor and the demand for higher hourly payments from interested contractors. The higher maintenance demands have developed because of increased aircraft traffic, a trend by aircraft operators away from the smaller single engine ski equipped aircraft to twin engine wheel aircraft. The year around use of wheel aircraft requires that we keep the airports cleared of snow for its entire width and length.

The \$212,500 needed should be allocated as follows:

- a. \$197,100 in the 300 account to make up the difference between the budget amount (166.4) for equipment rental and the amount (363.5) actually needed. The result of fully funding the equipment rental is that the actual amount requested for repair and maintenance contracts will be available.
- b. \$15,400 should be added to the 400 account to cover cost increases in equipment parts necessary to maintain dry rental equipment.

The deletion equalling \$246,200 should be made from the Central Region Maintenance and Operations Highway Component's 300 account. The impact on that component will not be significant as adjustments can be made in the summer maintenance program.

I have attached a memorandum from Heinrich Springer that give some additional detail.

PPR/dh

Attachment/as

P. O. BOX 1048  
NOME, ALASKA 99762TO: Patrick P. Ryan  
Deputy Commissioner, M & O  
Anchorage

DATE: January 10, 1980

RECEIVED

FILE NO:

TELEPHONE NO: 443-5266 ext. 23

JAN 18 1980

FROM: Heinrich Springer  
Regional Director, M & O  
Western Region/NomeSUBJECT: SUPPLEMENTAL FY 80  
WESTERN REGION

In reply to your memo dated December 14, 1979 attached the following is our reply:

A) General Statement:

- 1) Attached is a financial analysis based on the IBM report for period ending November 30, 1979.
- 2) Although we have kept expenditures to a minimum by limiting overtime, seasonal work, turning in equipment, and purchases, the projected deficit has remained about the same as the one in August and September.
- 3) Projected deficit is \$246,200 for Administration, Highways and Aviation components with a 100% FCC funding level.

B) Answers to Your Questions in Listed Sequence:

- 1) A deficit of \$107,300 was projected with our workplan in August of 1979 due to under funding in the Aviation 300 account for WCF equipment rental. This was based on elimination of Director's position and elimination of Winter maintenance at Teller.

Since these two (2) items were retained by Headquarters decision, the projected deficit would have been near the \$275,000 level.

A detailed analysis of all accounts for the components is shown on attached sheets 1 through 3.

A simple, direct time-percentage check is misleading since the heavy expenditure months are not included in the shown period on the A & B report.

- 2) The deficit projected in an analysis dated September 26, 1979, memo Springer to Michou shows \$241,600, our present analysis shows \$246,200.

On sheets 1 through 3, the excess and deficit is shown by Object Number.

ADMINISTRATION: deficit due to double funding for superintendent position in 100 account.

HIGHWAYS: no problem.

AVIATION: 368 account showed under funding of \$154,600 (see workplan August 1979), 340 account showed under funding of \$154,600.

This operation is also hardest hit by price escalations in parts, gasoline and oils, freight, utilities and contracts and by the increase in CAB approved airlines operators with poor schedules, especially at Nome and Kotzebue. Since the Aviation equipment is bare bones, we were unable to reduce it like we were able to do in Highways.

- 3) Assuming a present deficit projection of \$246,000, I see no good way to reduce services.

The Aviation operations react directly to airlines, safety demands, etc. and our expenditures are the direct result of demands by carriers, the public and weather.

The only possible cost reducing alternative, besides reducing personnel in the Administration component, is the reduction of Highway operations. We could open the roads late again, that is let nature open them, and save about 12 MM about \$53,200 in wages and about \$20,000 in other accounts. These are no true savings, however, since repairs, etc. demand the amount and more after July 1 and takes this from other services and work. I strongly advise against this solution, because we have used this poor remedy for two (2) years now and 1979 was one of the wettest Summers on record with the consequences coming in the Spring. However, about \$70,000 savings are possible in this Fiscal Year.

We could also hold back on commodity purchases, especially 450 and 460 Object groups, but with exception of culverts and asphalt, all our stockpiles are darn close to zero. We could hold back about \$25,000, but at the possibility of not being able to react to an emergency due to lack of parts, lumber, hardware, etc.

In summary, about \$95,000 could be saved, but only as "deferred expenditures" and I do not recommend these savings because it will cost more to fix the damage caused by these delays with resulting neglect of other scheduled work.

- 4) Attached is a complete list of all airport equipment. It is self-explanatory.

If you have any questions, I will be glad to discuss the details with you any time. I am holding back with purchases, etc. until about the end of March and need to know then which direction to follow.

HS/cmb

ATTACHMENTS: as stated.

cc: L. Michou, Admin. Officer - Financial Management, Anchorage  
R. Davena, Transportation Maintenance Manager, Western Region

SUMMARY  
MAINTENANCE & OPERATIONS

Western Region

<u>COMPONENT</u>	<u>100% FCC FUNDING</u>	<u>11/30/79 A&amp;B EXPENDITURES</u>	<u>RESTRICTIONS</u>	<u>BALANCE</u>	<u>REQUIRED 11/01/79 TO 06/30/80</u>	<u>PROJECTED BALANCE</u>
Administration - salaries	236.3	91.8		144.5	180.5	(-36.0)
other	56.5	3.8		52.7	51.0	1.7
Highways - salaries	502.4	248.1		334.3	333.7	0.6
other	846.5	278.3	25.5	542.7	542.7	0.0
Aviation - salaries	549.6	199.6		350.0	349.9	0.1
other	770.9	265.0	61.0	444.9	657.5	(-212.6)

*Net. - 246.2*

MAINTENANCE & OPERATIONS

Western Region

COMPONENT: ADMINISTRATION

100 Acct projected 11/15/79 - 06/30/80	\$153,000	+5.5 months double
	+ 27,500	fill for Doyle,
projected	<u>180,500</u>	terminal retirement
expended	91,800	
FY 80 total	<u>272,300</u>	
FCC 100% funding	236,300	
proj. deficit	<u>-\$36,000</u>	

OTHER

200 Acct projected 11/01/79 - 06/30/80	\$16.5	
300 Acct proj. 11/01/79-06/30/80	310	10.0
	320	1.0
	330	7.0
	360	1.0
	364	0.5
	368	8.0
	380	1.5
	382	3.5
400 Acct projected 11/01/79 - 06/30/80	<u>2.0</u>	
	51.0	=
		\$51,000 proj.
		<u>3,800 exp.</u>
		\$54,800
FCC 100% funding		<u>56,500</u>
proj. excess		<u>+\$1,700</u>

MAINTENANCE & OPERATIONS

Western Region

COMPONENT: HIGHWAYS

Salaries

100 Acct projected 11/15/79 - 06/30/80

\$333,740

7 Perm 11/15 to 06/30  
12 PPT 04/01 to 06/30  
10% OT

expended

248,100

FY 80 total

581,840

FCC 100% funding

582,400

projected excess

\$600

OTHER

200 Acct projected 11/01/79 - 06/30/80

\$ 4.7

300 Acct proj. 11/01/79-06/30/80

310 3.0

340 42.0

361 195.0

368 217.5

380 2.0

400 Acct proj. 11/01/79-06/30/80

420 1.5

450 30.0

460 42.0

470 1.0

480 0.9

490 1.3

500 Acct projected 11/01/79 - 06/30/80

1.8

542.7

=

\$542,700 proj.

303,800 exp.

846,500

FCC 100% funding

846,500

projected balance

-0-

MAINTENANCE & OPERATIONS

Western Region

COMPONENT: AVIATION

<u>Salaries</u>			
<u>100 Acct</u> projected 11/15/79 - 06/30/80	\$349,900	} 12 Perm 11/15 - 06/30 10% OT	
expended to 11/15/79	199,700		
FY 80 total	<u>549,600</u>		
FCC 100% funding	549,600		
projected balance	-0-		

OTHER

200 Acct projected 11/01/79 - 06/30/80	\$ 27.2	
300 Acct proj. 11/01/79-06/30/80	310	2.0
	340	152.1
	350	43.0
	368	277.4
	380	0.5
400 Acct proj. 11/01/79-06/30/80	420	0.3
	450	25.0
	460	130.0
500 Acct projected 11/01/79 - 06/30/80	<u>0.0</u>	
	657.5	= \$657,500 proj.
		326,000 exp.
		<u>\$983,500</u>
	FCC 100% funding	770,900
	projected deficit	<u>\$212,600</u>

Western Region

AIRPORT EQUIPMENT LIST

Equipment located at major airports is as follows:

NOME:	V02586	64 Case Backhoe
KOTZEBUE:	V02577	Oshkosh Blower
	V02569	Oshkosh Blowerhead
	V05809	72 HiWay Sander
	V09283	78 Champ Grader Plow Attachment
	V20052	71 IHC 8 Yd. Dump Truck
	V20572	73 Scout
	V21369	74 Case 2 1/2 Yd. Loader
	V21207	74 Sicard Blower
	V21425	75 Champ Grader
	V21780	75 Dodge 3/4 Ton Pickup
UNALAKLEET:	V03832	75 Dodge 3/4 Ton Pickup
	V04431	71 Champ Grader
	V20034	71 Reo 8 Yd. Dump Truck
	V21099	74 Case 2 1/2 Yd. Loader
	V21125	74 JD Backhoe
	V21161	74 FWD Snowplow
	V21332	75 IHC Scout
ST. MARY'S:	V00510	68 Cleaver Brooks Boiler
	V04047	70 Ford 5 Yd. Dump
	V05992	75 HiWay 5 Yd. Sander
	V20622	75 Oshkosh Blower
	V20864	74 Chev 3/4 Ton Pickup
	V20982	74 Champ Grader
	V21776	75 JD 2 1/2 Yd. Loader
	V22392	76 Dodge Scout

All village airports have one (1), or at most, two (2) pieces equipment as show on attached list. As shown from above, we are operating with minimum equipment on all airfields, with no backup unit.

05705779  
11-141-9232

ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
VEHICLE RENTAL CHARGES-HIGHWAYS & WCF USFRS

PK

APPROX DIST	STAT	CLASS	VEHICLE	Location ↓ VEHICLE COUNT	DESCRIPTION	RENT TYPE	UN	FIXED CHARGES PER MONTH	FUR	OPER RATE	RENT RATE	
75864	23	376H	V02566	Name	64CASE WL-TAGD-HP	530	24256R	D	H	209	23.00	23.00
25864	23	374J	V05690	Savoonga	70CAT CR-TK	D-5	J-1975	D	H	392	23.00	23.00
25864	23	373H	V05746	Wales	71CASE CR-TR51-HP	D-45004	7070	D	H	348	29.93	29.93
25864	23	373H	V05748	Elim	71CASE CR-TR51-HP	D-45004	7205	D	H	348	29.93	29.93
25864	23	373H	V05749	Mt. Mountain	71CASE CR-TR51-HP	D-45004	7272	D	H	348	29.93	29.93
25864	23	373H	V05750	Galvin	71CASE CR-TR51-HP	D-45004	7207	D	H	348	29.93	29.93
25864	23	373H	V05767	Kotzebue	71CASE CR-TR51-HP	D-45004	7224	D	H	348	29.93	29.93
25864	23	373H	V05777	Shaldouk	71CASE CR-TR51-HP	D-45004	7231	D	H	348	29.93	29.93
25864	23	312J	V09704	Savoonga	69CAT MED RIPPER ATT	D		D	A	108	5.00	5.00
25864	23	735J	V02577	Kots	640SHKOSHR5-TM8L-D	M4817	8225	D	H	1,305	70.01	173.01
25864	23	735J	V02589	Kots	640SHKOSHR5-TM8L-D	M4817	8225	D	H	1,305	70.01	173.01
25864	23	715H	V04040	Naiwit	70IHC 5-YU 6V-53	20504	415114	D	H	580	22.14	44.14
25864	23	715H	V04042	Amblek	70IHC 5-YU 6V-53	20504	415121	D	H	580	22.14	44.14
25864	23	715H	V05754	Selwuk	71CASE CR-TR51-HP	D-45004	7204	D	H	348	29.93	29.93
25864	23	70H	V05755	Slungnak	71CASE CR-TR51-HP	D-45004	7199	D	H	348	29.93	29.93
25864	23	70H	V05756	Ducklan D	71CASE CR-TR51-HP	D-45004	7203	D	H	348	29.93	29.93
25864	23	70H	V05757	Nantak	71CASE CR-TR51-HP	D-45004	7191	D	H	348	29.93	29.93
25864	23	70H	V05758	Amblek	71CASE CR-TR51-HP	D-45004	7195	D	H	348	29.93	29.93
25864	23	70H	V05759	Nearvik	71CASE CR-TR51-HP	D-45004	7194	D	H	348	29.93	29.93
25864	23	563F	V05809	Kots	72HI-WAY SU-SF5-YD	E-8	47212	D	A	110	241.00	241.00
25864	23	842H	V09755	Kots	78CHAMP PUSH PLOW ATTACH			D	A	70	12.00	12.00
25864	23	842H	V09756	Nearvik	78CAUSAU 1/WAYFE RIGID			D	A	70	118.00	118.00
25864	23	217H	V20052	Amblek	70CAUSAU 1/WAYFE RIGID			D	A	70	118.00	118.00
25864	23	152E	V20572	Kots	71IHC 8-YU 6V-230	F2030	457074	D	H	794	13.69	35.69
25864	23	344H	V21360	Kots	73IHC 2U/SWR-258	SCOUT	040583	D	H	154	2.36	3.75
25864	23	3547G	V21207	Kots	74CASE WL-LD2-1/2YD	H248	115933	D	H	600	30.00	30.00
25864	23	353H	V21425	Kots	74SICARD RW-3TL-12J8	SH314	020144	D	H	547	198.71	273.71
25864	23	154E	V21780	Kots	75CHAMP MC-GHUV-7IN	L605T	928145	D	H	694	10.24	33.24
25864	23	352H	V23434	Noatak	75CHAMP 3-T V8-318	H-200	114551	D	H	156	8.45	9.07
25864	23	154E	V03832	Unal	70CHAMP MC-GHUV-7IN	H-200	163484	D	H	156	18	3.07
25864	23	352H	V04431	Unal	71CHAMP MC-GR10H-HP	D5658	8484703	D	H	931	19.56	40.56
25864	23	373H	V05745	Koyuk	71CASE CR-TR51-HP	D-45004	7047	D	H	348	29.93	29.93
25864	23	370H	V05776	Stebbins	71CASE CR-TR51-HP	D-45004	7219	D	H	348	29.93	29.93
25864	23	317H	V20054	Unal	71U-REG 8-YU 6V-71	L64-059	0045	D	H	794	13.69	35.69
25864	23	314H	V21509	Unal	74CASE WL-LD2-1/2YD	H248	115931	D	H	600	30.00	30.00
25864	23	310H	V21125	Unal	74J-D WL-TAGD-HP	301-A	211505	D	H	151	3.10	3.10
25864	23	735J	V21101	Unal	74FWO RS-TR1U-ML	L60J	520504	D	H	1,305	70.01	173.01
25864	23	152X	V21332	Unal	75IHC 2U-SWR-79SEF-38	DL6917		D	H	144	0.37	0.37
25864	23	572X	V00510	St Mary's	68CLV-BKTR MT50 HP	P5	50644068	D	A	121	141.00	141.00
25864	23	715H	V04347	St Mary's	70FURD 5-YU V5-475	F-939	26298	D	H	580	22.14	44.14
25864	23	370H	V05661	Emmank	70CASE CR-TR51-HP	D-45004	44474	D	H	348	29.93	29.93
25864	23	370H	V05760	Marshall	71CASE CR-TR51-HP	D-45004	7209	D	H	348	29.93	29.93
25864	23	370H	V05763	MT Village	71CASE CR-TR51-HP	D-45004	7215	D	H	348	29.93	29.93
25864	23	370H	V05768	Anvik	71CASE CR-TR51-HP	D-45004	7227	D	H	348	29.93	29.93
25864	23	370H	V05771	Shalyuk	71CASE CR-TR51-HP	D-45004	7233	D	H	348	29.93	29.93

7

21

Unal

St. Mary's

APPROX	DIST	STAT	CLASS	VEHICLE	VEHICLE COUNT	DESCRIPTION	RENT TYPE	UN	FIXED CHARGES PER MONTH	FUN	UPER RATE	RENT RATE
25864	2	33	372J	V05955 Russian Mission	15	75J-D CR-TR85-HP	D	H	301	37.34	9.00	46.34
25864	2	33	563E	V05992 St Mary's	1	75HI-WAY SD-SP5-YD	D	A	110		241.00	241.00
25864	2	33	735J	V20622 St Mary's	1	73CSHKOSHRS-IMTU-3	D	H	1,305	70.51	103.00	173.51
25864	2	33	154E	V20864 St Mary's	1	74CHEV S-4T. 6-292	D	M	156	10.10	6.49	16.59
25864	2	33	357H	V20982 St Mary's	1	74CHAMP MC-Gkov-7 LN	D	H	694	10.24	23.00	33.24
25864	2	33	351H	V21496 Holy Cross	1	75J-D MC-GR85-HP	D	H	828	14.25	17.00	31.25
25864	2	33	324H	V21776 St Mary's	1	75J-D WL-LU2-1/2YD	D	H	600	30.00	28.00	58.00
25864	2	33	152E	V22392 St Mary's	1	76DODGE 20-STR-V0-315	D	M	154	34	38.00	52.44
STATION					15							
25864	2	36	370H	V05722 Deering	1	71CASE CR-TR51-HP	D	H	348	29.93	31.00	60.93
STATION					1							
DISTRICT TOTAL					54							
APPROX					129							

24,107 x 12. = ~~289,284~~ 289,284

Total cost = \$24,107/mo. to W.C.F.





# 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

(11)

## HOUSE

3/7/80

FURTHER:

Date:

5/13/80

Mr. Speaker:

The Committee on FINANCE has had HB 945

"An Act relating to interest rates on general obligation bonds; 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 <sup>individual</sup> recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Walt

McKinnon

Smith

Rogers

Stebbins

Freeman

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

of - no rec

Freeman  
CHAIRMAN

Introduced: 3/7/80  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 945

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 interest rates on general obliga-  
7 tion bonds; and providing for an effective date."

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

9 \* Section 1. AS 37.15.030 is amended to read:

10 Sec. 37.15.030. INTEREST RATE AND MATURITY. Each issue or  
11 series of bonds shall bear interest at an effective rate over the life  
12 of the bonds not to exceed ten [EIGHT] percent a year. The bonds  
13 shall mature in not more than 30 years from date of issue, unless a  
14 longer period is specifically authorized by statute.

15 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
16 10.070(c).

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO: 945  
 Title An Act relating to interest rates on general obligation bonds; e.d.  
 Requested by Governor Date 3/7/80

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected \_\_\_\_\_  
 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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

As long as the interest rates stay below 8.4%, the debt service as certified by the State Bond Committee will cover any additional costs.

IV. DATE 3/7/80 PREPARED BY Thomas K. Williams  
 AGENCY Department of Revenue  
 PHONE 465-2300

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

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

G46 614

FISCAL NOTE

I. REQUEST

Bill/Resolution No. \_\_\_\_\_ HOUSE BILL NO: 945  
Title An Act relating to interest rates on general obligation bonds; e.d  
Requested by Governor Date 3/7/80

II. FISCAL DETAIL

Agency Affected Department of Revenue  
Program Category Affected \_\_\_\_\_  
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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

As long as the interest rates stay below 8.4%, the debt service as certified by the State Bond Committee will cover any additional costs.

IV. DATE 3/7/80 PREPARED BY Thomas K. Williams *ky TE*  
AGENCY Department of Revenue  
PHONE 465-2300  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

HB 945

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO: 945  
 Title An Act relating to interest rates on general obligation bonds; e.d  
 Requested by Governor Date 3/7/80

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected \_\_\_\_\_  
 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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

As long as the interest rates stay below 8.4%, the debt service as certified by the State Bond Committee will cover any additional costs.

IV. DATE 3/7/80 PREPARED BY Thomas K. Williams  
 AGENCY Department of Revenue  
 PHONE 465-2300

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

HB 945

March 7, 1980

The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill changing the maximum allowable interest rate on general obligation bonds from eight percent to ten percent.

The State Bond Committee has planned a \$115 million bond sale for mid-June 1980. This sale will offer bonds covering a broad spectrum of authorized capital projects including highways, ferries, fisheries development and management facilities, health and vocational education facilities, airports, water supply, and corrections and public safety facilities.

The financial markets have become chaotic and the state financial advisor envisions that the interest rate on this new offering may have to exceed the current eight percent interest limitation. If this occurs, the bonds would go unsold, as happened to a recent issue attempted by the Municipality of Anchorage and others. Consequently, the projects would be further delayed.

This suggested revision allows the state to reassess its position and to maintain some flexibility.

Sincerely,

s/ JSH

Jay S. Hammond  
Governor

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

HB 945

FISCAL NOTE

I. REQUEST

Bill/Resolution No. \_\_\_\_\_ HOUSE BILL NO: 945  
Title An Act relating to interest rates on general obligation bonds; e.d.  
Requested by Governor Date 3/7/80

II. FISCAL DETAIL

Agency Affected Department of Revenue  
Program Category Affected \_\_\_\_\_  
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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

As long as the interest rates stay below 8.4%, the debt service as certified by the State Bond Committee will cover any additional costs.

IV. DATE 3/7/80 PREPARED BY Thomas K. Williams  
AGENCY Department of Revenue  
PHONE 465-2300  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

HB 945

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO: 945  
Title An Act relating to interest rates on general obligation bonds; e.d  
Requested by Governor Date 3/7/80

II. FISCAL DETAIL

Agency Affected Department of Revenue  
Program Category Affected \_\_\_\_\_  
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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND						
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)

As long as the interest rates stay below 8.4%, the debt service as certified by the State Bond Committee will cover any additional costs.

IV. DATE 3/7/80 PREPARED BY Thomas K. Williams  
AGENCY Department of Revenue  
PHONE 465-2300  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

Introduced: 3/7/80  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 945

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 interest rates on general obliga-  
7 tion bonds; and providing for an effective date."

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

9 \* Section 1. AS 37.15.030 is amended to read:

10 Sec. 37.15.030. INTEREST RATE AND MATURITY. Each issue or  
11 series of bonds shall bear interest at an effective rate over the life  
12 of the bonds not to exceed ten [EIGHT] percent a year. The bonds  
13 shall mature in not more than 30 years from date of issue, unless a  
14 longer period is specifically authorized by statute.

15 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
16 10.070(c).

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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  
SENATE

FURTHER: None

5/16/80

Date: 5-24-80

Mr. President:

The Committee or FINANCE has had HB 945  
interest rates on general obligation bonds

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 <sup>without</sup> without recommendation
- [ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]

[Signature]

\_\_\_\_\_

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\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature] - no rec

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]

CHAIRMAN

HB 945

March 7, 1980

The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill changing the maximum allowable interest rate on general obligation bonds from eight percent to ten percent.

The State Bond Committee has planned a \$115 million bond sale for mid-June 1980. This sale will offer bonds covering a broad spectrum of authorized capital projects including highways, ferries, fisheries development and management facilities, health and vocational education facilities, airports, water supply, and corrections and public safety facilities.

The financial markets have become chaotic and the state financial advisor envisions that the interest rate on this new offering may have to exceed the current eight percent interest limitation. If this occurs, the bonds would go unsold, as happened to a recent issue attempted by the Municipality of Anchorage and others. Consequently, the projects would be further delayed.

This suggested revision allows the state to reassess its position and to maintain some flexibility.

Sincerely,

s/ JSH

Jay S. Hammond  
Governor

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO: 945  
 Title An Act relating to interest rates on general obligation bonds; e d  
 Requested by Governor Date 3/7/80

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected \_\_\_\_\_  
 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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

As long as the interest rates stay below 8.4%, the debt service as certified by the State Bond Committee will cover any additional costs.

IV. DATE 3/7/80 PREPARED BY Thomas K. Williams *by FE*

AGENCY Department of Revenue

PHONE 465-2300

Original: Legislative Finance  
 cc: Budget and Management

Introduced: 3/7/80  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 945

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 interest rates on general obliga-  
7 tion bonds; and providing for an effective date."

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

9 \* Section 1. AS 37.15.030 is amended to read:

10 Sec. 37.15.030. INTEREST RATE AND MATURITY. Each issue or  
11 series of bonds shall bear interest at an effective rate over the life  
12 of the bonds not to exceed ten [EIGHT] percent a year. The bonds  
13 shall mature in not more than 30 years from date of issue, unless a  
14 longer period is specifically authorized by statute.

15 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
16 10.070(c).



# 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

To be introduced in House 3/10/80  
By Finance Committee  
(Duncan request)

# COMMITTEE REPORT

## HOUSE

FURTHER:

Date: 3-7-80

Mr. Speaker:

The Committee on FINANCE has had HB 948  
"An Act making an appropriation to the Department of Transportation and Public Facilities for completion of the Snettisham hatchery; 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

Murphy

Freeman

Rogers

Duncan

Montgomery

H. H. H.

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Murphy

CHAIRMAN

Funding Information

General Fund	\$900,000
Other Funds	-0-
	<u>\$900,000</u>

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 948

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making an appropriation to the Department of  
7 Transportation and Public Facilities for completion of  
8 the Snettisham hatchery; and providing for an effective  
9 date."

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

1 \* Section 1. The sum of \$900,000 is appropriated from the general fund to  
2 the Department of Transportation and Public Facilities to complete the con-  
3 struction of the Snettisham hatchery. The appropriation made by this Act is  
4 a supplement to the general obligation bonds allocated for the Snettisham  
5 hatchery from the general obligation bonds authorized in ch. 140, SLA 1978,  
6 and approved by the voters in 1978.

7 \* Sec. 2. The appropriation made by this Act is for a capital project and  
8 is subject to AS 37.25.020.

9 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
0 070(c).

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*Aurora*

TO: Ronald Lehr, Director  
Division of Budget & Management  
Office of the Governor

DATE: February 14, 1980

FILE NO: RECEIVED

TELEPHONE NO: MAR 7 1980

FROM: John Bates  
Acting Deputy Commissioner  
Planning & Research  
Department of Transportation  
and Public Facilities

SUBJECT: ~~Revised Budget Request for~~  
~~Snettisham Hatchery, Chp. 140/78~~

→ Info for Amend. to HB 558.  
900,000 for Snettisham Hatchery

The Department of Transportation and Public Facilities requests authorization to reallocate \$900,000 from the Kotzebue Hatchery project to the Snettisham Hatchery project.

The bids were opened on January 30, 1980 for the construction of the salmon hatchery at Snettisham. There were seven bidders with the four lowest bids being close together. This indicates that the bids are reasonable and valid. The lowest bid is approximately \$900,000 over the funds presently available for construction. The latest construction cost estimate anticipated correctly the discrepancy between available funding and prices. The request for reallocation of funding was delayed until bid opening to verify the amount required.

The required funding is requested from Kotzebue Hatchery since the project is anticipated to cost less than funds allocated. The Kotzebue project fund request was based on the assumption of poor access to a difficult to develop water supply. Because a spring water supply has been found adjacent to the Noatak River both access and water supply development will be less expensive than anticipated. In addition, development on the basis of using prefabricated modular units for hatchery construction will significantly reduce costs. For these reasons the reallocation from Kotzebue to Snettisham will not adversely effect the Kotzebue project.

The proposed revised budget for the Snettisham Hatchery is as follows:

Site Investigation Design & Other Preliminaries	\$ 626,273
Site Preparation Contract	766,136
Restricted for Equipment (RSA'd to ADF&G)	500,000
Low Bid - Hatchery Construction	4,717,000
Change Order Contingency	<u>215,991</u>
TOTAL	\$6,825,400

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 948  
 Title An Act making an appropriation to DOI/PF for completion of Snettisham Hatchery  
 Requested by Legislative Division of Finance Date March 21, 1980

II. FISCAL DETAIL

Agency Affected Departments of Fish and Game and Transportation and Public Facilities  
 Program Category Affected Natural Resource Management  
 BRU, Program, or Subprogram(s) Affected F.R.E.D. Division and Division of Construction & Design  
 (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	900.00					
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>900.00</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	900.00	-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	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

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

The 900.0 is the amount of funds estimate to allow the award of the Snettisham Hatchery construction contract, originally funded by Chapter 140, SLA 1973. Inflation at better than 10% per year has forced the project to be reduced in scope and even then there are not enough funds to award the current bid.

original project estimate 1977	6,002.0
current project estimate 1980	<u>6,902.0</u>
variance	900.0

IV. DATE 3/24/80 PREPARED BY Russell H. Clark  
 AGENCY Department of Fish and Game  
 PHONE 465-4120

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 Office of the Governor - Keith Specking  
 33-001 (Rev. 12/79)