

BILLS 1981 - 1982

CSHB 643 cont.

1541

59

always imposed, and uh, each individual legislator will have to discuss that with the Governor as he has in the past as to whether it'll survive his veto. But he's been very clear on those subjects, and everybody has been notified of that. And, uh, if there are people who have those in here in, uh, in their particular districts, they will discuss that with the Governor I suppose personally, but, uh, it's certainly subject to veto, and I have no arrangement otherwise.

STURGULEWSKI: Oh. Mr. Chairman? And, I am interested in the various hydro allocations, and wonder if, uh . . . Now, I don't know who would be appropriate to have to justify some of those projects. Are those new dollars we're talking, or reallocated dollars . . .

DANKWORTH: Reallocated.

STURGULEWSKI: . . . from projects from last year. Because I think there's some areas of, you know, of particular concern. So, I would be interested in either some of the back-up or some of the testimony on what they have. I'd be very happy to make to you some of the items that I consider a priority. I've not seen what's in here, so I don't know whether that's included or not.

DANKWORTH: Ya, if you'd let me know which ones they are because as you know they're lengthy, but I'd be glad to get that for you and we can have people testify as to the reallocation of those funds. One thing, so that all the members will know, that in the Green Lake project, the City of Sitka has elected not to join the energy plan for Alaska. So, they have money appropriated for that fund which they

instead made an agreement to borrow \$15 million dollars from the state and be out of the project. But the balance of their money went to the Bradley Lake project. \$20 million dollars went back to the Bradley Lake project with some, uh, and then there were some reallocations of the balances of funds throughout the bill. I can break that out for you if you want to know where the money went. At any rate, I don't want to take the committee's time any more other than to lay it here and, uh, and I think . . . . I don't know whether it would be proper at this time for me to move this as a suggested Committee Substitute and just let it lay here as a substitute. Because I'm sure this is what we'd be working off of. If there's no objections, I'd make that motion, that the draft before you today is - SCS CS HB 643 (Finance) amended, and then we'll just leave it here. That's a motion.

BENNETT: O.k. All in favor?

STIMSON: I object.

BENNETT: State your objection.

STIMSON. Well, I'm just not prepared to have the committee adopt this as the Committee Substitute at this time. Especially since we have, uh, hopefully a day or so to take a look at it.

DANKWORTH: The, uh . . . . Mr. Chairman? One thing about this - I don't mind giving everybody a day or two, and I don't care if you move the thing today or not. That's fine if Senator Stimson would

like to do it. But eventually, we're running out of time if we want to move this Legislature along. I do want everybody to know that I would make a motion probably tomorrow or the day after to move this bill. So that we can get it out. It's still in Finance and it's got to go to Rules and then we get it on the floor before perhaps Saturday.

BENNETT: Senator Eliason?

ELIASON: Mr. Chairman, I . . . . Maybe there's a misunderstanding. What you're trying to do is put this work draft before us as a work draft. If there's any changes then of course it would be drafted in the final form. Is that what you're saying?

DANKWORTH: It's still subject to, certainly this committee can amend it any way they want to.

ELIASON: Right.

DANKWORTH: Subject to amendment.

ELIASON: That has to be changed (. . . inaudible . . . )?

DANKWORTH: Sure. That's why I sent everybody copies as late as yesterday. I did - I hope I got to most of them - we were trying to, but it was late in the evening before we got it drafted. But if you, anyway, let's look at it tomorrow and if you have any questions, let me know in advance and I'll have the Senators here.

STURGULEWSKI: Mr. Chairman?

BENNETT: Senator Sturgulewski.

STURGULEWSKI: You have no objection, though, to my request that this be technically checked by Legislative Finance if it has not been done?

DANKWORTH: No, I'll be glad to do that.

STURGULEWSKI: Fine, thank you.

BENNETT: Senator Stimson.

STIMSON: Do you know what the total amount of money is that we're reappropriating?

DANKWORTH: I believe the total on this bill is right on the front of it. It should be, uh, \$150 million. It's \$152,776,300. Uh, I think it's just in the neighborhood of about \$80 million of that is hydro. Just reappropriating hydro.

BENNETT: Any further questions? O.k., we'll lay this on the desk until tomorrow.

END OF DISCUSSION

VERBATIM TRANSCRIPT  
ON HB 643  
SENATE FINANCE COMMITTEE  
May 15, 1982  
3:25 p.m.

Testimony found on  
Tape SFC 82, # 30  
Side 1  
Tape SFC 82, # 30  
Side 2  
Tape SFC 82, # 31  
Side 1

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SECRETARY'S NOTE: Due to the interest in testimony on the various hydroelectric projects, the minutes for this meeting (attached) were quite detailed. However, if you prefer a verbatim transcript, please let me know.

SF0515821525

SENATE FINANCE COMMITTEE

May 15, 1982

3:25 p.m.

(Tape SFC 82, # 30, Side 1, 618-end)(Tape SFC 82, # 30, Side 2, 000-end)  
(Tape SFC 82, # 31, Side 1, 000-449)

CALL TO ORDER

Co-chairman Bennett called the meeting to order at 3:25 p.m.

PRESENT

All members of the committee were present. Also in attendance were Judy Johnston, Administrative Assistant to Co-chairman Bennett; Ron Lehr, Director of Budget and Management and member of the Alaska Power Authority; Kurt Dzinich, Senate Advisory Council (hydropower specialist); Senator Gilman; Mike Scott, Administrative Assistant to Senator Ferguson; Jay Hogan, Director of Legislative Finance Division; Elmer Lindstrom, Legislative Finance Fiscal Analyst; and members of the press Patty Ginzburg, John Greeley and Bob Roark.

HD 643

Co-chairman Bennett stated the committee would continue with consideration of SCS CS HD 643 (Finance) (AN ACT REPEALING, AMENDING, MAKING, AND EXTENDING LAPSE DATES ON APPROPRIATIONS; AND PROVIDING FOR AN EFFECTIVE DATE), and requested Co-chairman Dankworth to open the meeting on the legislation.

Co-chairman Dankworth stated he would like to continue with the hydro portion of the bill. He said that he would ask a member of the Alaska Power Authority as well as a member of the Senate Advisory Committee to speak to the committee after he made some comments. He said he had raised the question of the advisability of continuing with some of the hydro projects until some kind of a spending plan was in place. At the present time, he said again, the Susitna project (under the Acres plan) would not be a viable project unless there \$2.5 billion was put into it. He stated again the need of the legislature to commit itself to a spending plan with low-cost, long-term financing. He added that if some of the projects had to stand alone, the kilowatt hours would not be reduced enough to make them viable projects. He asked Ron Lehr, a member of the Alaska Power Authority, to come forward to testify on the various projects.

Mr. Lehr agreed with Co-chairman Dankworth's statements about most of the hydro projects not being able to support 100% revenue bonds. He said the real difficulty was that they didn't have a fully mature system with billions of dollars invested so that when a new project came on it would only be a marginal increment and could be funded from existing rates. For example, in

Southeast, none of the projects are inter-tied so everything has to stand on its own. Whereas, in the Railbelt where the projects are inter-tied, some of the projects are large enough that they somewhat dwarf some of the ones coming on so that they end up having to bear almost the full cost when they come on board. Hydro is extremely expensive, so there is a large up-front cost that is difficult to bear in the beginning. So a plan for low-interest loans, or some way of deferring costs till the future, was necessary. He said he thought it was fair to say that almost none of the projects could be revenue bonded 100%.

Co-chairman Dankworth again stated the need for a plan before more money was put into hydro. He said prior to Mr. Lehr joining the Alaska Power Authority, some of the estimates were very far off, and he didn't think the Authority had provided enough guidelines. He said that some of the projects standing alone, did not appear to be very good projects. He said it had been his idea to put another \$25 million in Tyea to try to make the prices come down, and combine Solomon Gulch, Tyea, Terror Lake and Swan Lake. Then the Resource Fund could have begun to buy off the anticipation notes on Terror Lake, to have a leveling effect, and by putting a new infusion of cash into Tyea, the projects would all begin to look more feasible. He said if the anticipation notes were not bought for Terror Lake, and only \$25 million was put into Tyea, the cost of energy at Tyea and Bradley would be so high that it couldn't be sold. He said that was why he wanted the Power Authority to give the Legislature some guidelines. He said he wanted everyone to know what was being done when they put another \$20 million into Bradley Lake. It would be a commitment that it would be built - the total cost would be \$650 - \$750 million. He wondered how it would be paid for if only \$20 million was put in - where would the Legislature get the balance. He asked Mr. Lehr if he would get together with the Alaska Power Authority to discuss whether or not to proceed with some of the hydro projects.

Mr. Lehr stated there would be a Power Authority meeting over the next two weeks, and the issue would come up since Terror Lake was the next project on the agenda. Solomon Gulch was already built, Swan Lake was close to completion, Tyea was well under way. Right now, he thought there was about \$120 million of bonding that would go out. He said that would effect the rates of all the existing projects because either under the present SB 25 or under the modified version of HB 9, debt service was "pooled". He said under HB 9 there would be a more dramatic effect on something like Swan Lake and Tyea because they would be pro-rating the debt service according to the state investment, so the more expensive projects per kilowatt would be hurt relatively more, while the more cost-effective projects like Solomon Gulch would be hurt relatively less. In any case, he said bringing on \$120 million in revenue bonds would increase the rates of all projects.

Co-chairman Dankworth asked Mr. Lehr if he was familiar with the Acres study that said there had to be \$2.5 billion invested into

Susitna before it was feasible. Mr. Lehr responded yes. Co-chairman Dankworth stated the Alaska Power Authority had that study done, and they said to continue on with the engineering and design. In doing that, Co-chairman Dankworth asked if the Alaska Power Authority had a plan for where the \$2.5 billion would come from. Mr. Lehr responded "no, not yet".

Co-chairman Dankworth then asked if Mr. Kurt Dzinich of the Senate Advisory Council (hydropower specialist), to come forward to testify on the subject before the committee. Co-chairman Dankworth asked Mr. Dzinich to present his opinion of the matter. Mr. Dzinich stated he didn't have any disagreement with Dr. Lehr's or Co-chairman Dankworth's comments that the financing of the projects would be the crucial factor in whether or not they can be built at a price that would result in energy costs the consumer would be willing to pay. He said if they were talking about 14% revenue bonds, then they probably wouldn't be building many projects. He stated there was definitely a need for long-range financing.

Senator Eliason asked if a list had been established as to the feasibility of the various projects. Mr. Dzinich responded that APA had sent a list to the Resources Committee as to which were the best projects. He said Terror Lake was the next one - the bids were about 30% below the engineer's estimate, and they would remain valid for about 30 more days. Then the next project that could be considered for construction was Bradley Lake. Discussion continued on how kilowatt rates would change according to the amounts of money put into the projects.

BEGIN SIDE TWO, SFC 82, # 30, Side 2, 000-end

Mr. Dzinich stated that if the debt service was something less than 10 cents per kilowatt hour, a project could probably be considered a good one. Co-chairman Dankworth commented that this was further reason for putting cash into the hydro projects. Referring to a cost comparison chart (attached to the end of these minutes), he pointed out to the committee how costs would fluctuate according to the amounts of money put into the various projects. Mr. Dzinich agreed with Co-chairman Dankworth's comments regarding the costs. Further discussion ensued. Senator Sturgulewski again stated her concern that it was difficult to know how much money to put into the various hydro projects, especially when the members had to weigh the cost against the other re-allocations requested in the bill. She was hoping there could be more concrete assurance that if re-allocations were made for the hydro projects, more requests for re-allocation would not be made the next year. She noted that the move was being made very rapidly into hydro, so she didn't feel totally convinced that the "structure" had not kept up with the allocation of dollars. In conclusion, she asked the committee, Mr. Dzinich and the Alaska Power Authority "do we have good projects in HB 643, or in SB 609?" Co-chairman Dankworth reiterated that it was difficult to answer that question because if there wasn't enough low-cost money, then most of the projects

would look bad. Conversely, if there was money made available, then the projects would all look reasonably good. Senator Sturgulewski wished to point out that she wasn't necessarily against the projects - she was just concerned that the projects were valid. Mr. Dzinich stated that some of the engineering and studies being done were not finished, but for example, Terror Lake was a good project and it was ready to go now. On the other hand, he said the state would have to spend some more money just to see if some of the projects would be worthwhile.

Senator Sturgulewski asked about the Susitna project and the funds in SB 608. She wondered if the funds were adequate to allow for the Legislature to have enough information when it meets again so that a decision could be made to move into the construction phase. Mr. Dzinich responded he didn't think the next Legislature would be in a position to make a decision on constructing Susitna. He thought it would be two to four years before that decision could be made. The importance of putting in \$25.6 million was to continue the field and engineering studies. When the license is received and if the financing and load conditions are correct, then they could proceed. If money isn't spent on engineering then they wouldn't be able to proceed with Susitna, even if revenue bonds were down to 5% or if the state eventually has a lot of money to put into it. So, by putting \$25.6 million into the FY 83 budget, the state would be buying flexibility, and alternatives could be addressed. Mr. Lehr stated he thought there was enough money to continue with the FERC license as well as looking at some of the alternatives. On the issue of project feasibility, he said that those projects with, say a 50 year time span, would be cheaper than the next best alternative. The problems are with cash flow over the short-term.

Senator Sturgulewski stated that she thought there was a major policy question in regard to hydro - should the committee combine the projects with the rest of the re-allocations, or should it separate them out. She stated her preference for the latter. Referring to an amendment proposed to the bill by Senator Gilman, she asked for clarification. Co-chairman Dankworth stated the amendment was the same as the language in SB 608. Senator Gilman came forward and said the amendment proposed to SCS CS HB 643 (Finance) was exactly the same as it was in SB 608. His idea was that if HB 643 was to be the vehicle for hydro funding, then he wanted this language in HB 643.

Senator Ferguson moved the following amendments to whichever bill was passed from the Senate Finance Committee: 1) delete \$2,225,000 from Nome-Council Road Reconstruction and provide it for the Nome-Taylor Road; 2) take the fire truck or ambulance out of Dillingham and give them one fire truck, with the other fire truck to King Salmon; 3) put \$600,000 back in the General Fund for a grant to the City of Kotzebue for utility system construction.

Co-chairman Bennett stated for the purpose of having a working document, the committee would entertain a motion to adopt SCS CS HB 643 dated 5/14/82 by Senator Sturgulewski. Senator Ferguson moved and asked unanimous consent. Senator Sturgulewski objected for purposes of explanation. She referred to the memo in the file from Jay Hogan, Director of Legislative Finance, to herself, which explained that her version contained strictly technical amendments as a result of her request at an earlier meeting that the Legislative Finance Division technically check the 5/10/82 version. She said she originally wanted to submit these as amendments to the 5/10/82 version, but due to the procedure Legislative Drafting uses, that wasn't possible, so she had another version drawn up. She said that her version left the bill out of balance, explained in a memo in the file from Donna Pegues. Co-chairman Dankworth stated the technical matters had been "cleaned up" in Senator Sturgulewski's version, though it was still about \$2.5 million out of balance. There being no further discussion or objection to Senator Ferguson's motion, it was so ordered, and the 5/14/82 version of SCS CS HB 643 (by Senator Sturgulewski) was adopted by the committee for consideration.

Senator Ferguson replaced his motion that the above amendments be adopted. Senator Stimson objected, and stated it was unclear in his mind whether the committee's intention was to include Operating Budget items in this bill. Co-chairman Bennett stated this piece of legislation was just like any other, and it was subject to amendment until it was passed from committee. Senator Stimson stated his concern was that the Operating Budget was approached with some specific direction, and it appeared that the intent of that Operating Budget would be violated by allowing operating items to be brought into this bill this way. He appealed for more consistency in the way the Operating Budget was being handled. Co-chairman Bennett reminded Senator Stimson that this bill was not the Operating Budget. Senator Stimson countered that he thought this bill would have a substantial impact on the Operating Budget, and he added he didn't think it was a very realistic approach. He said there were roughly \$3.5 million of Operating Budget items in this bill, and he was sure those would surface in the Operating Budget next year; he did not think this was appropriate action. He thought the committee lacked a philosophy about how to handle the Operating and Capital Budgets. Co-chairman Bennett suggested Senator Stimson make a motion. Senator Stimson stated he would make a motion after the motion before the committee by Senator Ferguson was considered. Senator Ferguson removed his motion for the above amendments.

Senator Stimson moved and asked unanimous consent that all portions be taken out of SCS CS HB 643 (Finance) (dated 5/14/82) that should properly belong in the Operating Budget. Co-chairman Dankworth objected, and asked Senator Stimson if the draft Senator Stimson had provided to the committee at the beginning of the meeting (new version by Senator Stimson dated 5/14/82) was the same as the motion Senator Stimson had just made. Senator Stimson responded "no", and stated his new version would lapse

all the funus into the General Fund and would not appropriate anything. Discussion ensued on what was Capital and what was Operating. Upon a show of hands, those in favor of Senator Stimson's motion were Senators Stimson, Sturgulewski and Eliason. Those against the motion were Senators Ferguson, Sackett, Dankworth and Bennett. The motion failed.

BEGIN NEW TAPE, SFC 82, # 31, Side 1, 000-449

Senator Ferguson again replaced his motion to adopt the above amendments (marked # 2 in the file). There being no objection, they were so ordered.

Senator Ferguson stated he had another amendment to propose, but wanted his Administrative Assistant Mike Scott to speak to the committee on it first. Mr. Scott stated the amendment regarded the Kaktovik Runway (marked # 1 in the file) was in the 5/10/82 version, but was not in Senator Sturgulewski's 5/14/82 version which was now officially being considered by the committee. He said last year \$2.5 million was appropriated for the Kaktovik runway. Since that time the North Slope Borough has run into land use problems and has told Senator Ferguson that they will not be able to construct the runway. So this amendment would re-insert Kaktovik in the latest version of SCS CS HR 643 (Finance). Discussion ensued. Senator Sturgulewski said that Mr. Hogan had indicated there was a contract between the Administration and the North Slope Borough, and she thought the issue was technical rather than legal. However, there needed to be a document releasing any contracting arrangements. Mr. Scott stated that after discussing the matter with the Department of Administration, there was simply a requirement of a contract amendment.

Senator Ferguson moved the amendment regarding Kaktovik again, contingent upon the successful completion of an amendment to the original contract between the State of Alaska and the North Slope Borough.

Mr. Hogan stated that Senator Kelly had submitted an amendment that would make an appropriation contingent upon the South Fork area forming a fire service district. That amendment would be found in Section 130 in the version before the committee at this time. Co-chairman Dankworth asked Senator Sturgulewski if this amendment would force Anchorage to form a fire district; she responded that was apparently the intent. Co-chairman Dankworth stated he would not support that amendment. Senator Sturgulewski stated that since the hydro portion of the bill would be held until the following Monday, perhaps it would be appropriate for Senator Kelly to appear before the committee on his amendment at that time. Co-chairman Bennett agreed, and asked Mr. Hogan to pass that information along to Senator Kelly.

Co-chairman Dankworth brought up the subject of breaking the hydro portions out of the bill and putting them on another bill instead. He stated he had not decided how to do that - whether

to put it on another Senate or House bill, or put it in the budget. Senator Sturgulewski requested again that the issue be held, and that hydro be kept separate from the rest of the bill before the committee.

Senator Eliason asked Mr. Hogan how much money had been converted from hydro into grants and capital improvements projects. Mr. Lindstrom, Legislative Finance Fiscal Analyst covering hydro, came forward and stated that it was difficult to say exactly how much from Department of Commerce and the Alaska Power Authority, was spread into other areas. He guessed it was about \$25 million, approximately the amount of the Susitna project, that had been lost in this bill related to power and energy. That was a rough estimate.

Senator Eliason asked Mr. Hogan what was the usual procedure in drafting a re-allocation bill. He wondered how he could identify where the money was really coming from and where it would go. Mr. Hogan responded that the method used last year was to put the adds and deletes within the same section of the bill. So each section would have three or four sub-sections, so that the bill would all balance out. Senator Eliason asked if there was time to prepare a document that would reflect the concerns members have about the bill. If it was true that the whole hydro program was in jeopardy, he couldn't see taking \$25 million out of it, for example. Mr. Hogan responded that SB 608 did that very thing for the power projects. He said it would be more difficult to do that for HB 643, but he thought his staff working with those who put the bill together could come up with such a document.

Senator Sturgulewski asked if SCS CS HB 643 (Finance) would be out of balance if all hydro projects were taken out of it and put into SB 608. Mr. Lindstrom responded that it would still be out of balance by about the cost of the Susitna project. Senator Sackett said he thought the answer was yes, only if they were talking about energy. If they were talking just about hydro, the bill would not be out of balance. Co-chairman Dankworth stated he thought SB 608 would balance, but HB 643 would be about \$25 million short, if they tried to do the Tyee project in SB 608. Mr. Lindstrom added that because the Susitna project was anticipated to be funded through the Capital Budget, it was not put in HB 643 though it was put in SB 608. Aside from Susitna, everything else that was in SB 608, was also in HB 643. Therefore, if all the items in HB 643 that were found in SB 608, HB 643 would be out of balance by approximately the cost of the Susitna appropriation. Co-chairman Dankworth stated that Susitna was changed to Tyee, intending the \$25 million to go back into the Capital Budget (the one the Governor said he wouldn't veto again).

Senator Sturgulewski requested that Legislative Finance do another work draft that would reflect the changes made during today's meeting, as well as taking out the energy related projects and reflect them in SB 608. Further, she asked for a statement as to whether they were "in-balance" or "out-of-

balance" in HB 643. Mr. Lindstrom wished to clarify that Senator Sturgulewski would only want taken out of HB 643 those items that were also found in SB 608, because as Senator Sackett had pointed out, there were other energy appropriations not in SB 608. Senator Sturgulewski agreed.

Senator Ferguson replaced his earlier motion on the Kaktovik runway amendment, with the contingency clause. Senator Sturgulewski stated she thought they really wanted to say that the contract would lapse - that the funds would not be used for anything else. There being no objection to his motion, it was so ordered.

Co-chairman Bennett stated SCS CS HB 643 (Finance) would be taken up for consideration again on the following Monday.

ADJOURNMENT

The meeting adjourned at 5:00 p.m.

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(Tape SFC 82, # 30, Side 1, 618-end)  
(Tape SFC 82, # 30, Side 2, 000-end)  
(Tape SFC 82, # 31, Side 1, 000-449)

Assumptions:

- Bradley Lake, 752 million
- Note sales are consecutive since they are first year sales figures, and by the time Terror Lake comes on they will have increased.

Table 5

<u>Project</u>	<u>Cost</u>	<u>Original Debt Service</u>	<u>Project Share</u>	<u>Prorated Debt Service</u>	<u>1st Year Sales</u>	<u>Cents per KWH</u>
Swan	100	4.3	8.5	13.4	41	32.7
Tyee	100	4.3	8.5	13.4	31	43.2
Solomon Gulch	45	-	3.9	6.1	41	14.9
Terror	175	20.6	14.9	23.5	116	20.3
Bradley	<u>752</u>	<u>128.6</u>	<u>64.2</u>	<u>101.4</u>	<u>360</u>	<u>28.2</u>
TOTAL	1,172	157.8	100%	157.8	-	-

Assumptions

- Same as Case 5 except SJR61 financing is used for intern and final construction of Bradley Lake (654 construction cost) 30 year loan

Table 6

<u>Project</u>	<u>Cost</u>	<u>Original Debt Service</u>	<u>Project Share</u>	<u>Prorated Debt Service</u>	<u>1st Year Sales</u>	<u>Cents per KWH</u>
Swan	100	1.6	9.3	4.1	41	10.0
Tyee	100	1.6	9.3	4.1	31	13.2
Solomon Gulch	45	-	4.2	1.8	41	4.4
Terror	175	7.8	16.3	7.1	116	6.1
Bradley	<u>654</u>	<u>32.7</u>	<u>60.9</u>	<u>26.6</u>	<u>360</u>	<u>7.4</u>
TOTAL	1,74	43.7	100	43.7	-	-

*with Return bond at 5% - present AB 9*

*if Bond  
Premium at 14%*

III. Case 3 (Addition of Terror Lake)

Assumptions:

- same as Case 2, except Terror Lake is added as follows -
- Terror Lake: Cost \$175 million; debt \$120 million
- Note the sales figures for Swan and Tye are conservative, since they are first year sales figures, and by the time Terror Lake comes on they will have increased.

Table 3

<u>Project</u>	<u>Cost</u>	<u>Original Debt Service</u>	<u>Project Share</u>	<u>Prorated Debt Service</u>	<u>1<sup>st</sup> Year Sales</u>	<u>Cents per KWH</u>
Swan	100	4.3	24%	7.0	31	22.6
Tye	100	4.3	24%	7.0	31	22.6
Solomon Gulch	45	-	10%	2.9	41	7.1
Terror	175	20.6	41%	12.3	116	10.6
TOTAL	420	29.2	100%	29.2	--	--

IV. Case 4 (With passage of SJR61)

Assumptions:

- Same assumptions as Case 3, except it is assumed that all debt is refinanced with a 30 year, 5% loan from the Resource fund.

*5% long range  
with H 13 9  
as written*

Table 4

<u>Project</u>	<u>Cost</u>	<u>Original (loan) Debt Service</u>	<u>Project Share</u>	<u>Adjusted (loan) Debt Service</u>	<u>1<sup>st</sup> Year Sales</u>	<u>Cents per KWH</u>
Swan	100	1.6	24%	2.6	31	8.4
Tye	100	1.6	24%	2.6	31	8.4
Solomon Gulch	45	-	10%	1.2	41	2.9
Terror	175	7.8	42%	4.6	116	4.0
TOTAL	420	11.0	100%	11.0	--	--

I. Case 1 (Status Quo)

Assumptions:

- Swan Lake: Cost \$100 million; debt \$25 million
- Tye Lake: Cost \$100 million; debt \$50 million
- Solomon Gulch: Cost \$45 million; no debt
- assume that debt will be financed as revenue bonds with 120% coverage for 30 years at 14%
- first year sales figures are in millions of KWH, figures are from APA.
- dollar figures in all tables are millions, except cents per KWH

Table 1

<u>Project</u>	<u>Cost</u>	<u>Original Debt Service</u>	<u>Project Share</u>	<u>Prorated Debt Service</u>	<u>1<sup>st</sup> Year Sales</u>	<u>Cents per KWH</u>
Swan	100	4.3	41%	5.25	31	16.9
Tye	100	8.5	41%	5.25	31	16.9
Solomon Gulch	45	-	18%	2.3	41	5.6
TOTAL	245	12.8	100%	12.8	--	--

II. Case 2 (Additional \$25 million)

Assumptions:

- Same as Case 1, except an additional \$25 million is appropriated to Lake Tye, to cut its debt in half.

Table 2

<u>Project</u>	<u>Cost</u>	<u>Original Debt Service</u>	<u>Project Share</u>	<u>Prorated Debt Service</u>	<u>1<sup>st</sup> Year Sales</u>	<u>Cents per KWH</u>
Swan	100	4.3	41%	3.53	31	11.4
Tye	100	4.3	41%	3.53	31	11.4
Solomon Gulch	45	-	18%	1.55	41	3.8
TOTAL	245	8.6	100%	8.6	--	--

VERBATIM TRANSCRIPT  
ON HB 643

Testimony found  
on Tape SFC 82,  
# 32, Side 1

SENATE FINANCE COMMITTEE  
May 17, 1982  
9:10 a.m.

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BENNETT: Senator Sackett?

SACKETT: Uh, just . . . I won't ask unanimous consent, but just to get it before us - I'd move for adoption of the latest version, 5/17/82, of the Finance Committee Substitute, with two amendments which were passed out. The first one is one that we previously had last week uh, from Senator Gilman. The only change there would be in the section uh, numbers uh, Section 236 for the top one and Section 241 for the bottom one having to do with Bradley Lake, and I think we're all familiar with that. The second amendment is uh, was a technical error after this work draft copy was made and it would . . . .

DANKWORTH: Senator Sackett?

SACKETT: Yes.

DANKWORTH: Before you leave the Gilman amendment - you had one Section 236 and also Section 241 on the bottom. I don't know whether you mentioned that or not.

SACKETT: No, I mentioned it. It's two sections uh, two different places.

DANKWORTH: Would replace those sections. Right.

SACKETT: And the second amendment is the one on page 5, line 27 - after words "the sum of" delete \$450,000 with the transfers over to those specific items. One is a grant to the City of Bethel for water and sewer vehicle maintenance facility, and \$7,000 to the City of Togiak for a combined facility planning.

STURGULEWSKI: Mr. Chairman?

SACKETT: Uh, those two are just technical amendments; it doesn't add anything to it. Now, the work draft copy that you have before you took into consideration all of the Sturgulewski amendments that were made. In addition to that there were a couple of amendments that were made by Senator Ferguson and uh, I went back through my items and deleted uh, that other . . . the only other amendment is a deletion of \$125,000 dollars to the Department of Transportation for Holy Cross, and a deletion of \$57,000 dollars from Ruby for the uh, health clinic.

STURGULEWSKI: Mr. Chairman?

BENNETT: Senator Sturgulewski.

STURGULEWSKI: Just for information Senator Sackett. There had been one . . . we handled the Kaktovik runway I assume - the wording of Senator Ferguson's?

SACKETT: Yes ma'am.

STURGULEWSKI: And the uh, the one that I hadn't marked, and I wondered if we'd taken action. It had dealt with the Section 28, and I don't know which bill that was - dealing with the forest management? The \$35,000 dollar figure? Has that been taken care of? And I don't know whose amendment . . . just . . . .

SACKETT: What was it taking care of Senator?

STURGULEWSKI: Well, Section 28, Chapter . . . uh, calls for forest management, sum of \$35,000 appropriated from General Fund to the Department of Natural Resources for the monitoring of contractual compliance and clean-up operations of the Tyonek timber sale. I don't know who that was from. I'm only talking about ones that have been laid on the table.

DANKWORTH: I'm trying to find that . . . .

SACKETT: Mr. Chairman, could we stand at ease just a second?

AT EASE

BENNETT: Call the meeting back in. Senator Sturgulewski.

STURGULEWSKI: Mr. Chairman, there has been some discussion on the possibility of pulling out the power projects, and I did lay a memorandum on. But I'm going ask just at this time just one specific question, that

talked about additions, reductions and deletions. On the very back page you'll see footnotes. And there are three of them. Items one and two have been taken care of. Item three I think is somewhat substantive. Uh, if you look in . . . on this memorandum, Section 254 - it's close to the end - there was uh, a deletion of uh, and this again is in the old, or in my version, the business loans. They've taken . . . \$2,500,000 was taken out of Alternative Energy, energy conservation loans. That particular thing is also being deleted in Section 14 of Senate Bill 322, which is currently in uh, conference committee status. So, you've taken your \$2,500,000 twice as far as I can tell.

SACKETT: In situations like that, it would be the last bill. There's no . . . .

STURGULEWSKI: No, I'm pointing that out because it is in conference committee now. Mr. Chairman?

BENNETT: Yes.

STURGULEWSKI: Just a technical question, again. Does the bill balance now?

BENNETT: I believe it does.

DANKWORTH: It comes awfully close, and uh, it won't balance after it hits the Governor's Office.

SACKETT: Are there any further questions?

BENNETT: Senator Sturgulewski?

STURGULEWSKI: Mr. Chairman, uh, Senator Kelly had an amendment we have not acted on. Is . . . do I see him here? I don't know if he's interested in, uh, pursuing that. I think that's the only amendment I have.

BENNETT: Senator Kelly? Do you want to propose your amendment please?

STURGULEWSKI: I would not know the new number in the new bill, but we could find that.

DANKWORTH: What number is he on now, that fire . . . (inaudible) . . . ?

KELLY: Mr. Chairman?

BENNETT: Senator Kelly.

KELLY: Mr. Chairman, in Section 130 of the new version, uh, I would request the committee to insert the language "this appropriation is contingent upon the South Fork area forming a fire service district." Mr. Chairman, the South Fork of the Eagle River neighborhood is on the Anchorage side of Eagle River. The Anchorage Fire Department is on the other side of Eagle River, and you've got to cross the river, go across the bridge, over Highland Drive, and drive forever to get there. Most of the people in that area, uh, want a volunteer fire department there, established like the Chugiak volunteer fire department further on out. Uh, legally it can be done by going through the

Anchorage Assembly, establishing this fire service district. It was the general concensus of the district delegation that we would be prepared to help them begin a volunteer fire department out there with capital funds if they in fact would be willing to pay the operational costs through taxing themselves as a fire service district. And so, all we're saying here is to allow the opportunity to go to the Assembly and then put it on the ballot - that they will in fact receive this money for their fire station and trucks if they do in fact tax themselves for operational purposes.

DANKWORTH: Senator, uh, do you know hcw it reads right now? It says to Anchorage for the South Fork Volunteer Fire Department. How did you want it to read Tim?

KELLY: I wanted . . . that's fine, and then add the sentence "this appropriation is contingent upon the South Fork area forming a fire service district. That would allow them to tax themselves to pay for the operational expenses of the fire department.

DANKWORTH: Is . . . is contingent upon what?

KELLY: The South Fork area forming a fire service district.

DANKWORTH: Why don't you move it?

SACKETT: Mr. Chairman, I move and ask unanimous consent for adoption of the amendment.

BENNETT: All in favor? Carried. Thank you Senator Kelly.

SACKETT: Mr. Chairman, I renew my motion for adoption and put it out with individual recommendations.

BENNETT: We have, uh, a motion . . . .

ELIASON: Mr. Chairman?

BENNETT: Senator Eliason?

ELIASON: One question. Senator Sackett, you said this incorporates all of the original 643?

SACKETT: No, I said it incorporated everything that was in Arliss's version.

STURGULEWSKI: The technical . . . .

SACKETT: All the amendments, ya. Plus the . . . a couple of amendments that were made on that same day.

ELIASON: There are no deletions then are there?

STURGULEWSKI: Mr. Chairman?

SACKETT: Only the deletions she had.

BENNETT: Senator Sturgulewski.

STURGULEWSKI: I learned to count a long time ago, but just a couple of comments before the vote is made. Uh, I did place on the table the uh, power projects, and it does show that there were uh, reductions or deletions of \$118,285,500, with additions of \$93,072,500. And I think . . . that issue I've felt is important enough to be in a separate bill or attached to the Capital Budget. I've some concerns that I'd like to express of moving so many dollars around. Uh, I guess I have a concern and the fact I'm not at all sure that we spent enough time to determine whether we're really meeting the needs of all the State, or if we're funding viable projects at a reasonable level. And . . . you know, there's a lot of projects and a lot of change in those ones that just a year ago we put in. The other question, and I realize again, that uh, where the vote is. But I think there's a lot of questions over, including Operating expenditures of some \$21,200,000, and I do have a memorandum on that that I have not put out, but would be happy to if there's any interest. In a reallocation bill. I'm not talking about the legislator's prerogative to reallocate for his own area. But the question of . . . that I think is important is what kind of an impact we're putting on the Operating Budget in the future years and the lack of the departments and the Budget and Management having an opportunity to look at their total budget in light of the new Operational dollars. And, uh, as I say, I can count, but I did want to raise those two issues for the record.

BENNETT: Uh, I'll make one last motion before we make a move here. On page 32, line 27, where it says "Barnett, Illinois, Phillips", inadvertently they've got it listed here as pulling "Illinois" out.

"Illinois" should be included. It's three streets with just appropriation . . . (inaudible) . . . .

DANKWORTH: Leave it in?

BENNETT: Ya, just leave "Illinois" in.

DANKWORTH: O.K.

BENNETT: All in favor? Carried. Senator Sackett?

SACKETT: Renew my motion.

BENNETT: Motion is before the committee to move the adopted copy of Committee Substitute for House Bill number 643 (finance) out with individual recommendations. All in favor? Bill is moved out with individual recommendations.

STURGULEWSKI: Please note my objection.

BENNETT: (gavel)

END OF DISCUSSION

VERBATIM TRANSCRIPT  
HB 643

Testimony found  
on Tape SFC 82,  
# 30, Side 1

SENATE FINANCE COMMITTEE  
May 15, 1982  
9:15 a.m.

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BENNETT: O.K., at this time we'll take up CS for HB 643. We . . . have a floor session in about 30 minutes.

DANKWORTH: The uh . . . Mr. Chairman?

BENNETT: Senator Dankworth.

DANKWORTH: I suppose since this bill was originally assigned to me that uh, uh, that I probably have some obligation to keep it moving here and . . . (inaudible) . . . We had the rough draft laying on the table. I have two drafts here that other members have done some work on, which look good. But uh, I thought that there would be one issue that I'd would like to at least address according to this bill while . . . and not tie up Commissioner Williams if he wants to comment on it. And I see Ron Lehr is here of the Alaska Power Authority. But uh, it's the kind of a problem that the committee has to somewhere look at. Now, maybe there's solutions and maybe we can just let this uh, uh, these appropriations go through on hydro power as they are. And I'm only going to address the hydro sections since uh, since I have had some uh, probably did the majority of work on that. But - as everybody knows, yesterday uh, HJR 61 was defeated. And I don't

see any way of bringing that back, which would have if the people voted on it. It was kind of a long range part of the hydro plan uh, in the sense that it would have put into place some low . . . a source of low interest money over a long range period. The . . . I guess it brings into focus, rather unanimously they said, that they do not want to . . . not a chance of me ever getting 27 votes, or this legislature ever getting 27 votes on one side, or 14. They rather unanimously said, and maybe for reasons that I haven't . . . don't know about. But at least they pretty unanimously said that they . . . they don't like the idea of a Resource or Investment Fund. Or at least written in that manner. So they killed it altogether and didn't even bother to work on it. I don't want at all for this to sound like sour grapes because that was my bill. It, it really created a problem here because most of the financing for hydro depends upon a long range, low interest money. Now, we're throwing money at these projects with the assumption that they . . . that they . . . that we were going to put State money into them. Uh, the Acres Report on Susitna says it is not a feasible project unless we put \$2.5 billion dollars in cash into it. Uh, otherwise, don't build it. It cannot be bonded. Uh, we were just about to put \$25 million dollars into one that says that it cannot be done without some low cost money. So at least that brings that question up. Now I'm not saying that we have to make that decision this very day. Uh, we are going to put \$25 million dollars to continue a project though, that says that it must have low cost money, and I don't know where it's coming from. We don't have a spending plan for hydro when it comes into this kind of money. Now to the more immediate problems of Swan Lake, Tyee, Terror and Bradley - and of course Solomon Gulch is on line. With that . . . defeat of that, it puts Bradley and my . . . and Terror

Lake uh, in real jeopardy unless we can put . . . and infuse into that, some State money. Uh, I guess what was . . . what worries me is that most of us are going to have to go around next year and decide whether each legislator would like to contribute some of his capital money to the Terror Lake project. Or to the Tyee project, or whichever one is going. That's of course not an acceptable spending plan and you can't bond under those conditions. We needed a long range plan in place. If next year we came back and of course, you can always come back to future legislatures . . . (inaudible) . . . do something. If we come back next year and put into place, and try again. And let's say we're successful in setting up just a Resource Fund uh, and I haven't checked that as to how that would tie up to SJR 4 if it became law - whether we could . . . whether it would be unconstitutional to do that then or not. I think it would say that all monies over a certain amount must go to a vote of the people . . . and I . . . and I just haven't really researched that. If that's in place whether we would even have that . . . (inaudible . . . open. But then you would have to pass the law and wait till the next general election, and by then these projects will have moved down the line and we would have poured millions of Alaska dollars into projects that very likely you couldn't sell when you get them done. If in . . . the figures that I ran through with the Bond Council the other day - if Tyee . . . very likely if we don't pick up any of the financing for Terror Lake . . . certainly . . . or Bradley, the Tyee cost of a kilowatt hour will . . . could be as high as 40 cents. Maybe even higher than that. Uh, so we will have a great project setting out there in the woods that nobody would buy a kilowatt from because you can produce it at 15 cents at diesel . . . uh, between 15 and 20. Now with that proper low cost money, if we had in that program, which was part of it, I think

all of it would have . . . we could have . . . we could have . . . (inaudible) . . . our renewable resource and made sense out of it over a long period of time. But no one could tell me, and maybe some members of this committee would think about it, well we . . . we do need to find somebody that can lay out for us a spending plan beyond just throwing money at these projects now with no source of long range income. And we can't make that gamble in the hopes that . . . maybe, that bonding will go down. It's at 14 cents now, and I think on anticipation notes - 13 or 14. You could say, well maybe in three years it'll be down to 5%, which would be about 5 to 7% is about the most that these things could carry. Well now, we cannot spend hundreds of millions of dollars of our resource funds on the hopes that the bonds will go to 7 cents in three years. And if they don't you've got a big giant setting out there that nobody will buy the product. So, I wanted the members aware that . . . as I said before, that I thought that probably was the most important thing that this legislature could address this year in relations to these infra-structures and energy and harnessing our resources. I . . . I . . . I uh, again I say, I don't bring that up to sour grapes because we lost the bill. We've lost bills before. But we need to find some mechanism to try to get the House uh, hopefully, to set down and maybe before this session's over, look at some way to address this problem. I don't think . . . the Bond Council tells me, and I've talked to all of them, and they tell me we have really got a problem on our hands as far as building hydro in this state without this source. And I've asked uh, and maybe there's other solutions uh, I, I know uh, uh, our Commissioner of Revenue is here, and Ron Lehr of the Power Authority. I had considered calling an emergency meeting of the Alaska Power Authority, uh, to see if they would

come down and at least give us some ideas of what should go ahead and what we should be careful doing. Uh, it would seem to me that . . . and again, this might seem like we're talking about Anchorage projects, but we're not. We're talking about one of the larger ones. I would hate to stop even the engineering and design on like Susitna. Uh, Terror . . . Tyee's already under construction. You've got \$50 million dollars invested in that, and if we bond the rest, uh, we're going to end up with 40 cents power, and the people in Petersburg and Wrangell aren't going to buy that power. We had . . . it belongs to the State and I don't think we can sell it. Uh, I see Mr. Dzinich is also here from our . . . the hydro man from the Senate, and he may later be able to, maybe not before our session today, but you may want to hear from him. But I thought I'd bring this problem up because that . . . there's lots of money for hydro in this bill that's being reallocated and we're proceeding on as if we're going to build it and somewhere we're going to have to stop and address that problem.

STURGULEWSKI: Mr. Chairman?

BENNETT: Um hmm.

STURGULEWSKI: I think uh, Senator Dankworth's comments are well taken. I think there's . . . as I see it, there's two issues. And I guess they are both before us. One issue is the long range ability to finance hydro. Everybody is in favor of hydro, they want to see it move. The question is, some projects, if they're . . . and this has been a continuing debate I guess before the legislature for many, many years.

Ernie Haugen started way back with the idea of very low cost uh, uh, loans, and monies weren't there, and all of a sudden the monies were. So I . . . I . . . I say that that's one very important issue and, and it needs resolution hopefully by this legislature. But uh, looking at the resounding defeat of that uh, uh, particular approach to it, I don't know how much hope there is. I think the second issue though, that needs to be separated is how we utilize the dollars. Last year we had a massive appropriation to hydro. We're back this year with a number of changes. And, some concerns I have - if we reallocate, are we reallocating to the kinds of projects that we should . . . and should . . . are we putting the dollars in those ones that we know are going to be sound and go ahead? For instance, we have in one of the amendments I'll be bringing up a concern raised by Senator Gilman over the uh, how the monies are being projected here for the Bradley project. But, more importantly, are we putting dollars into projects uh, that we know have very little economic value. And I like the approach you used Senator when you've moved . . . you really show your hydro in Senate Bill 608. Now the technical approach to that as to whether we get through the House I think is something. But that becomes an issue as to just how we should handle it. But I think it would be very helpful if we could have some testimony on 608 from the Power Authority or from Mr. Dzinich or from whomever that can say these are good projects and this is where we should be reallocating our dollars. So I think that's the part that concerns me. If we take action, and I think we have to this year, is it the right kind of action so we keep the good projects going. Uh, we make a determination that if the marginal projects are there, whether or not we should be allocating dollars at this time. So that's the way I would like to look at it.

DANKWORTH: Mr. Chairman?

BENNETT: Senator Dankworth.

DANKWORTH: Thank you Senator. Uh, two things that I might comment on on the Bradley Lake, uh, Gilman's approach to the Bradley Lake. It's identical to what's in the bill.

STURGULEWSKI: Mr. . . .

DANKWORTH: . . . you'd like to reword it, and I think his wording is cleaner.

STURGULEWSKI: Mr. Chairman, your . . . your uh . . . Senator Dankworth, what you have proposed in CS - and I apologize for not mentioning it - SB 608, in fact does incorporate Senator Gilman's uh, approach. And that's excellent. In the 643 before us, I share his concern about the way that it's . . . and that a technical thing.

DANKWORTH: Well the one that . . . yes, and in 643 it does the same thing too. But I think his amendment does it much cleaner Arliss. I . . . I think it's a much nicer way of doing it. I was going to support that. Uh, and how to handle, uh, the bill is . . . in relations to . . . if we pull it out as 608 and it being a Senate bill. There's one thing the committee might want to consider, and that's that we take the Senate bill since it has a zero fiscal note. We could attach it to the budget when it moves out because it's . . . and put it on a House bill instead of 608. It isn't an appropriation bill and

it doesn't cost anything. And in most of these things it's been discussed. That is an avenue as we hear that this thing is coming to a halt in the next two or three days. So I just throw that out for the committee's consideration - as one avenue that could be used to move the hydro in 608. Senator.

BENNETT: Senator.

GILMAN: With your permission . . . . (the rest of his statement was inaudible as he was speaking from the back of the room)

DANKWORTH: Alright, I . . . .

BENNETT: I think we probably better reschedule until this afternoon.

DANKWORTH: I would sure love for the committee to hear . . . and give these gentlemen . . . . I haven't even talked to them about it. They need time to go and consider it too. But I . . . I really think the public ought to know what we're doing, and how serious it is that we don't have something in place. Thank you Mr. Chairman. I'll just . . . as far as the hydro portion, I'll just hold that till two o'clock.

BENNETT: Any further discussion or dialogue on 643?

STURGULEWSKI: Mr. Chairman, is it your wish that because of the session coming up we just defer this until two o'clock? Is that . . . ?

BENNETT: We might as well. We're just going to get into it and have to break it off. We'll come back at two o'clock this afternoon.

END OF DISCUSSION

VERBATIM TRANSCRIPT  
ON HB 643

Testimony found  
on Tape SFC 82,  
# 28, Side 1

SENATE FINANCE COMMITTEE  
May 12, 1982  
9:15 a.m.

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BENNETT: The next bill we'll take up is CS HB 643.

DANKWORTH: Mr. Chairman?

BENNETT: Senator Dankworth.

DANKWORTH: Uh, It wouldn't be my intention to move this bill out today.

STURGULEWSKI: Say again.

DANKWORTH: I said it would not be my intent to move this bill today. We put it on the table yesterday for comment, and I've asked anyone who had any comment or anybody would like to have any of the legislators appear and testify on any subject. I haven't had any requests so far from any particular person to have that done. So therefore, I haven't made the arrangements for anybody to come. But I think for the purpose of everybody having the chance to go back and make sure that whatever happened, any reallocations in their district, check it through with Finance and others and make sure the proper wording is there before we move the draft. I would move that we let this lay on the table one more day and let everybody have an opportunity to look at it because it . . . .

STURGULEWSKI: Mr. Chairman?

BENNETT: Senator Sturgulewski.

STURGULEWSKI: I'd like to bring a couple of things to the attention of the committee that concern me a great deal. I'd asked yesterday that there be (. . . inaudible . . .) by Legislative Finance. And I don't know if they've had an opportunity to do it. But, a couple of things have come to . . .

DANKWORTH: You know, may I interrupt just a moment. You know I heard a press release this morning that you had asked to have that looked at and it left the impression, and I'm sure it was an intentional one on the part of the press, that you wanted it looked at, that is to see if there were any improprieties.

STURGULEWSKI: No, to look at it to see if the word was . . . .

DANKWORTH: I understood it Senator Sturgulewski.

STURGULEWSKI: Alright.

DANKWORTH: Now, don't get me wrong, I understood your request very well, but they tried to imply I think in their release see. You (. . . inaudible . . .) concerned that it was in the form and properly (. . . inaudible . . .). Thank you.

STURGULEWSKI: Mr. Chairman? Senator Dankworth, that is of course, correct. However, what seems to be in a couple examples of what I had some concern about, seem to be true. And I don't know if I know quite the answer. What we really have here is a lapse and reappropriation bill. And, I think what we're doing by this bill, it seems, and I'd like to give just a few examples if I could, is creating a situation of the Legislature actually causing an overexpenditure of funds. And I think that raises some concern. If I could give you an example or two. And there are a number of them I have. One has to do with an original, uh, uh, appropriation on the Green Lake project. It was for \$45 million dollars.

SACKETT: Excuse me. What section are you talking about?

STURGULEWSKI: I haven't gotten this on the section. We'd have to go take a look. If I could just do this we, you know, again, there was not time . . . .

SACKETT: Mr. Chairman, it would be easier for us. We have a work draft copy before us that has sections.

STURGULEWSKI: Well, if we can find a budget item that was a repeal of \$45 million dollars.

SACKETT: Section 241?

STURGULEWSKI: O.K. Section 241. We're repealing that whole section, and yet there has been an appropriation from that of \$84,843.50.

Another one that I'll need some help on . . . .

DANKWORTH: But wait a . . . hold it, hold it.

STURGULEWSKI: Oh, alright.

DANKWORTH: I don't understand what you just said.

STURGULEWSKI: O.K., what I just said was, we are repealing \$45 million dollars from this, and reappropriating it.

DANKWORTH: No, it was \$52 million, and we made a \$15 million dollar loan to Green Lake which left \$47 million. \$20 million was transferred to Bradley Lake, and what's left, the balance of \$12 million which was reappropriated to Sitka projects. That's what happened to Green Lake money. They got a \$15 million loan.

STURGULEWSKI: No, I'm talking in specific details, and maybe I could ask, uh, the Finance staff . . . .

SACKETT: Mr. Chairman, excuse me, but I thought Dankworth, Senator Dankworth, answered in specifics as to what happened.

DANKWORTH: Ya, I don't have any objections to that Arliss.

STURGULEWSKI: Mr. Chairman? Could I ask Elmer to come up and explain that item?

BENNETT: Ya.

STURGULEWSKI: Do you have . . . ? (directed to Elmer Lindstrom, Legislative Finance Fiscal Analyst)

LINDSTROM: Thank you Mr. Chairman. In this particular instance there was a \$45 million appropriation for the Green Lake project. They have apparently expended \$84,844 dollars of that appropriation. By repealing this appropriation and using those funds elsewhere, I'm afraid that we're going to be in a situation where they'll have an overexpenditure of that relatively minor amount of money - \$84,000 - that they've spent. It's going - it has been spent - now we would be repealing that entire appropriation. In effect, I think it would be more appropriate to at least - to leave in the \$84,000 here so they can cover those expenditures they have made.

DANKWORTH: Well, the conditions of the loan . . . . There was a number of things that have to be written up with the Power Authority, and the \$15 million to absorb those costs. And they're going to walk out - absorb any cost. They've got some projects against another project ( . . . inaudible . . . ) their water systems, but that they were to take the \$15 million dollars and cash us out.

STURGULEWSKI: Mr. Chairman? Senator, I'm not questioning where the dollars went. All I'm questioning now is by our action, we appear to be creating a fact that we have expended dollars that were not there because of the action on this account. That's a technical kind of a question. And, I do have several of - that has nothing to do with

where it goes or the appropriateness of that.

SACKETT: Mr. Chairman?

BENNETT: Senator Sackett.

SACKETT: On that, did you say that of the \$15 million they would reduce it by the \$80,000?

DANKWORTH: Ya. Well, whatever the cost was. That was the agreement that I had with the ( . . . inaudible . . . ) firm. But that's not apparently what you're discussing.

SACKETT: No. Well her question, as I understand it now, is that out of all the transfers there's money yet that still has to be appropriated because we've evidently transferred, according to her, more money than is really there. But your response was, is that it actually does come out to zero because of the \$15 million you had an agreement to reduce it by \$80,000.

DANKWORTH: Ya. And, I have some reservation that . . . . The agreement was, and it was such a loose agreement, that we have to - you know I don't want to just say implicitly that that \$80,000 would be picked up by Sitka. But that was the impression. I see Senator Eliason has . . . .

ELIASON: Well, I seriously question the expenditure of those funds because as far as I know . . . There have been a number of meetings

with the Borough of Sitka relative to whether or not the Alaska Power Authority would purchase the project, but I can't imagine them coming close to spending \$84,000, because, you know, they haven't done anything. But of course that would come out in an audit, I . . . with respect to the Alaska Power Authority.

STURGULEWSKI: Mr. Chairman, we're talking about the State's accounting, their books. I'm not talking about, you know, the fact maybe somebody will pay that back. But at the time, it would at least . . . (inaudible) . . . an exception to any kind of any audit report. Mr. Chairman?

BENNETT: Yes.

STURGULEWSKI: There are several others along that line, but one, a very big one, deals in the area of repeal of some \$3.4 million regarding the Bethel Jail. And the way - the information I have from Legislative Finance now, is that there is an overexpenditure in the amount of \$967,000, and I could give you the details there. Those are the kinds of concerns I have with a bill of this magnitude, so that we don't end up with a whole lot of audit exceptions of some kind of serious nature. And I don't know whether Mr. Hogan is here, if he can comment on how long it would take to go through this from a technical point of view, and take care of some of these issues.

SACKETT: Well, I don't know if there's a problem there to begin with Mr. Chairman, because there were two appropriations. One, there was a bond issue that was passed for both Bethel and Nome - that was passed two years ago. Plus, there was a \$3 million appropriation in cash made

at the same time. Since then, Department of Health and Social Services has come back and said that you can't build two jails for the price that we've authorized for. They are going to provide now for one jail. That does provide for the money to come back to the General Fund. And if there are any expenditures, that can come out of the bonds, and, . . . there's still enough funds there for the construction of one jail.

STURGULEWSKI: Mr. Chairman?

BENNETT: Senator.

STURGULEWSKI: Again, the only question is, is to verify that what we are actually doing by this bill accomplishes what we expect to happen, which is a zero impact if we had not created the, the over-expenditures. Simply because we have not reported it properly. That's the only issue that I'm raising.

BENNETT: Senator Dankworth?

DANKWORTH: I think Senator Sturgulewski makes a good point. I don't have, you know, I . . . if there is something in here where maybe there is an overexpenditure, uh, we, what, you know, I, whoever put them in there, just like Senator Sackett explained, I don't think they're aware of it. I don't know how long it would take to run through and check those. I'm assuming that every Senator did that. Apparently Senator Sackett did because he seems to know what happened on it. But if there are some, if you know of any others, if you would . . . You know, this is still in a draft state and we ought to correct those. And, uh, uh . . . I don't know.

SACKETT: I agree with you. If they are legitimate, they should be corrected. I just don't like red herrings.

BENNETT: The uh, it's my understanding the bill isn't going to move this morning regardless. Why don't we ask Mr. Hogan to go through this and see where we're at tomorrow morning and we'll bring it up again.

DANKWORTH: That's a difficult job for him I realize. It's a very long and meticulous job, but, uh, I, I don't know how to get around, uh, uh, you know, but there may be some of those little things like that occur. I want to make something clear too, Mr. Chairman, that, uh, I hope they don't ask me to go do this as Finance Chairman. This has been done every year. Somebody has to put this bill together, and I don't want to assume that all these things are mine. So, I, I, it may be incumbant on some of the people who have projects in here. I'm just going to assume that, Senator Sackett's been around here longer than I have, I'm going to assume that after we go home, if there's something in there and there's not enough money there, and somebody took money that's not there, it just won't be used. I think that whoever didn't figure it out right is going to be - is going to have a problem. But, uh, I don't that the bill passing where there would be maybe an \$86,000 question, I think you'd just hold up the forms while that, till that was resolved.

BENNETT: Senator Stimson?

STIMSON: Thank you Mr. Chairman. Well, I know we're talking about

sections of this bill as if there's some personal responsibilities of the legislators involved - to have to check things out and so forth. But it becomes, it becomes our responsibility when we start seriously considering moving this bill out of Finance. I want to raise a couple of questions. I don't know what the answers are and, and, I'd like to suggest these . . . (inaudible) . . . areas that we have some answers to. Section 44, appropriates \$420,000 to Lake and Peninsula REAA's for budget overruns. We have a process that we've been using to go through Legislative Budget and Audit. I'm not sure whether that's uh, an item that's gone through that process. I'd like to have some understanding on what's really going on with that. Section 109 refers to an appropriation for the Department of Education for the Kuspuk REAA for the White Alice Vocational Program. I want to understand how those funds are different than the Foundation Funding allocation that should be covering that type of program. Uh, Mr. Chairman, Sections 156, 157, my understanding is that this is a Molly Hootch School on Diomedes Island that was yet to be constructed, and uh, I just have some questions about what that means if that school is not built in compliance with the court, uh, decision. On Section 243, Mr. Chairman . . .

DANKWORTH: What was the number?

STIMSON: Section 243. There's \$200,000 in there, uh, referred to as West Creek, and uh, I'm not clear on that. I've, my understanding is that that is a federal lobbying effort to see about putting a power line through the Chilkoot trail.

DANKWORTH: I didn't get the number right. Mine doesn't . . . what number did you use?

STIMSON: Section 243.

DANKWORTH: Well, mine says "appropriates \$27,000 . . . ."

STIMSON: If you look at subsection 3, it says "West Creek hydroelectric project, \$200,000". It . . .

SACKETT: That's Black Bear and then Grant Lake . . . .

STIMSON: That West Creek project I'd like some information on.

DANKWORTH: Well, I'll tell you, my sectional analysis . . . .

STIMSON: It's not in the sectional analysis.

DANKWORTH: Oh, I see, O.K., section 243. In one, in the analysis it's not correct then.

STIMSON: Well, the question I have is, what is West Creek hydroelectric project? My uh, my uh, understanding is that it's a federal lobbying effort on the uh, Chilkoot, Chilkoot Trail in order to allow for a transmission line through that. I'd just like some information on that. And uh, I assume as we identify other areas of concern we could bring it to your office's attention and, and address those areas tomorrow.

DANKWORTH: Sure, and if you, uh, if at all possible, rather than give them all to me, because I don't have the answers to each legislator's stuff. But I can designate who it is, and then get them answered.

STIMSON: O.K.

SACKETT: (short, inaudible statement)

DANKWORTH: Ya. I think that's healthy, that's what I laid it out here for. If anybody has questions on it, I would like to get them.

STURGULEWSKI: Mr. Chairman?

BENNETT: Senator Sturgulewski.

STURGULEWSKI: To follow up Senator Dankworth's uh, some of the comments, yesterday I raised the issue on the power projects and kinda the way it looks like we had appropriated previously about \$115,000,000 and we're reappropriating about \$77 or \$78 million.

DANKWORTH: Senator Sturgulewski.

STURGULEWSKI: Is that correct?

DANKWORTH: That's not . . . no.

STURGULEWSKI: That's not correct. O.K., I'll . . .

DANKWORTH: No. You had, you, we, you did, uh, we, we reduced it by \$115,460, then we put \$77 million back in in that, in that, just to the Power Authority alone.

STURGULEWSKI: O.K.

DANKWORTH: Now, the rest of it totals out at \$117 million if you count the \$25 million that will be added to, for Susitna, would be \$117,176,000, or \$91,576,000. Uh . . . .

STURGULEWSKI: Ya.

DANKWORTH: So there would have been a reduction of about uh, uh, it would have been \$115 million and \$77, we would be at about \$117 million, or about \$91 million actually, in the energy projects. I have a list of all those energy projects that I could give you if you'd like.

STURGULEWSKI: Mr. Chairman, I'd, I'd appreciate that because we've got the energy in the Capital, the Operating in 643, and I don't know if we're talking about bonds, but there are some things that - it's very hard to tell what's been funded and what hasn't. I think we dropped out any funding for the village reconnaissance studies and for village feasibility studies.

SACKETT: I hope so.

STURGULEWSKI: Were those completely of no value?

SACKETT: Not only . . . you should see those damn things. \$25,000 each - and all they do is change the top paper, piece of paper on each one of them.

STURGULEWSKI: Alright. Mr. Chairman, I think the point is, it would be interesting to see your list and to see what is, uh, funded.

DANKWORTH: I gave it to your staff yesterday.

STURGULEWSKI: Ya. Chakachamna for instance. If . . . that's one of the things that was noted in the, uh, report to the Power Authority, which we're adopting. And, you know, are there funds in that \$25 million to do those alternative things that we need for FERC if we want that project to go forward. So I'd be, appreciate, you know, having information on those.

DANKWORTH: Sure. Would you have . . . because I'm going to be awfully busy . . . would you have Margo or somebody to get with Pete and get - I did give you the list of energy projects - maybe they can check that out and . . . (inaudible) . . . your answer.

BENNETT: O.K., then, we'll be taking the bill up again tomorrow morning. We'll go on to something else for a moment.

END OF DISCUSSION

VERBATIM TRANSCRIPT  
ON HB 643

Testimony found  
on Tape SFC 82,  
# 28, Side 2

SENATE FINANCE COMMITTEE  
May 13, 1982  
9:13 a.m.

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BENNETT: The next bill to come before the committee is CS HB 643.

DANKWORTH: Mr. Chairman, I have some comments to make on 643, and we can see . . . and uh, then the committee can decide how they want to proceed. Uh. Mr. Chairman, I suppose every Finance committee, as I was told, uh, has to prepare usually a reallocation bill. I took a staff member and asked them to do that, and to start putting together a reallocation bill. To draft a rough draft copy for the committee to work on. They've done that, and uh, there was some who thought that while that bill was being drafted, that they should be able to come in and uh, and while there were changes being made, and even in the process of making a rough draft of a bill, be able to come in and take, and each aide would be able to come down and take information that's half done and uh, subject to change, and uh, harrass in a sense, my staff trying to put together a bill as requested by the different legislators. Uh, that became troublesome and of course, I told them not to release anything until we got the rough draft before the committee so that it could be done in public, so that there could be a discussion, so that people could come and testify as to what they did or didn't do in the bill. Any changes that needed to be made in the bill could be done in public out here on a rough draft. The overzealous press that we have sometimes is so anxious to get ahead of the other uh, press, that

they want the bill in a drafting stage before it's ready, and I'm not criticising the staff in making that statement because I understand they're all in the business of getting news, and that's news, and I don't make that statement as a criticism to the press. They're trying to find out what's going on. But at any rate, we told the press not to take to print - that we didn't want to release it to the press in the drafting stages until such time as the bill was in a rough draft form and then we could get out here and talk about it and have everybody come. Well, that's exactly what happened; I did that. And then, uh, as I placed this several days ago on this table and told you people that you could comment on it, testify, ask for witnesses, and let's go over it and let's rewrite it if we need to, to get the bill we want. Since that time, it seems as if one member, I have set and defended myself, uh, to the press, on television, as if every change that's being made out here - how do I respond to the criticisms of the draft by some members of this committee. My answer to that is, I'm not going to respond anymore to anybody's criticism. The bill is here. If you want to work on it, work on it. Change it if you will. But don't leave the impression that there was any wrong-doing on my part in drafting it. And if you don't like the procedure, if you got a better one, do it yourself. But I'm going to say this, this bill can lay here till hell freezes over - I'm through with it. Now, you people have criticisms, go to the press with them and run for office if you want to, only at my expense, or you're not going to do it. So, this bill can set here till hell freezes over.

BENNETT: Senator Sackett?

SACKETT: I just want to make one comment. My observations. I've served on the Finance Committee now for fourteen years, and every year that I can remember there's been a reallocation bill. Now, in previous years they've been smaller, and they were smaller when I first started mostly because we didn't have very much money then. In fact, our total budget when I started under Strandberg, was \$100 million. And it's grown like everything has grown before us. What, uh, Senator Dankworth has done in terms of getting everyone's ideas is something that's been done previously. Now, it may not be right in terms of how it's been done in the past, but it's being done according to how it's been done in the past too. And this is not the first time - I've seen worse draft copies come before this committee from individual members they slap down, and we have to look at them. And they've been large, up to 30 and 40 page work draft copies of committee substitutes that have come from specific individuals on this committee. And that's the system. They bring them in - the permanent fund - you name it - bring it in, and we look at it. And I don't see anything wrong with what Senator Dankworth has done with the reallocation bill. He brings it before us, and then we look at it and we change the draft because it is necessary to satisfy anything we might have in it. So I would say that, uh, if the system is incorrect, then we're all doing it wrong with our individual work draft copies that we bring before this committee. And if we're all doing it wrong, then we all need to change.

DANKWORTH: Senator . . . Mr. Chairman, I want to . . . I didn't, uh . . . I'm trying to keep from getting upset or angry over that, and I'm afraid I am. But I'm going to say one more thing now. I'm having a

bill drafted today which would take out the hydro portion of this bill and I'm going to put it in 608, and all the other junk in there can go down, if you want to call it that, can go anywhere it wants to go. I'll move 608 out with the original hydro stuff, and the rest of this money, and it means a great deal to a lot of people, if you want to do the work, you do it yourself, and then you move the bill. The bill will still be before us. But, but . . . and then you can go on television and impugn my integrity if you want to. Thank you.

STURGULEWSKI: Mr. Chairman?

BENNETT: Senator.

STURGULEWSKI: It was my staff member that requested a copy of the information on hydro. And, uh, the reason that was done - I've certainly been interested in hydro, and I want to see our hydro go, and I've been active, and I think you can see that move forward. We have hydro in the Capital Budget, in the Operating Budget, in this budget, and possibly in the bonds. My quest for information was simply to find out where things are. I think it's extremely critical that we have the adequate studies done in Chakachamna and some of the others so that we can make an informed and good decision and get the FERC license and so on on the whole Susitna project, and if uh, I'll take full responsibility if that caused a problem. The bill that we have, and the reason that I asked for the legislative staff to take a close look at this, was simply the magnitude of the bill - that was the purpose for it. It is in a different format that we've had before, where we have an add - or a delete and an add - and it adds up to the,

if you will, the deletions and adds are all together in one section. It's extremely hard to check, so I was looking at the idea of the technical accuracy of the bill. And it is a major one, one that you can plan to move very, very quickly. And I think that that's an entirely appropriate thing to go. I have some problem, and I'll be honest because it's all laying out - with the idea - we were told to keep down the Operating Budget. I think everybody's office had a tremendous number of people coming in and requesting special things, and attempted to do that. There are in fact, a good number of operational dollars where perhaps we made errors in the past, and I think that's something that needs to be discussed as to whether we make those additions in this form because they obviously commit us to operational issues in the future. But I think the important thing is that we have a technically accurate bill. And somehow, I guess I'd like just the assurance that those power projects are - and, and, maybe that's true, maybe all the funding is there and there's no problem and we're addressing all those issues of the FERC license. And mine has simply been to get that information - to know that we're moving ahead on those projects. And that simply was the basis of my staff's request.

BENNETT: Senator Stimson?

STIMSON: Thank you Mr. Chairman. I understand that in the past there have been reappropriation bills. I guess the concern that I have, and I have been critical, uh, and I know Senator Dankworth, it's far easier to be critical than it is to be constructive and put together a plan. And to that extent, I really sympathize with the statement that you made.

I don't take any great pleasure out of being critical and I know that you're convinced that I've been using it as a political platform. And I'm sorry that I am a candidate, which tends to erode my credibility. I think there are some reasons to be concerned though. This cannot be just compared to any other bill, when we've got 276 sections to a bill. And uh, it's been presented to us at a time when all of us anticipate that this session could be adjourning at any time. Then we can't help but have this sense of uh, of panic about the fact that we don't have time to understand the full implications to this bill. Now regardless of whether these are reappropriation items, I personally don't believe that any legislator should have a complete latitude to just make decisions about what is eliminated from past appropriations and what should be replaced without some kind of look at that process. Many sections of this bill, in my opinion, require a full blown public hearing and we don't have time for that. Uh, I don't know whether this bill could have been completed any earlier than it was, but I think that's a good part of the frustration that I experienced. We were given directions with our Operating Budgets to try to be as prudent as possible and uh, and I was trying very hard to make sure that no grants were included in the Operating Budget. That, of course, was taken out of my hands ultimately. But, what I find in this budget now, is \$3.5 million worth of grants in the Operating Budget for education alone. That's all going to come back to us next year in the form of Operating Budget requests, which I've had no say over, and theoretically anyway, I was supposed to be the one that was in control of the Education Operating Budget on the Senate side. We make reference to past precedent. I'm afraid that that just leaves me pretty

dismayed, because one of the commitments we made when we formed this coalition was that we were going to do things differently, and that we were going to be open. And that's the frustration that I have at this point - that the process - with the size of this bill, the process has required, I think, an extraordinary amount of openness. And on the contrary, what we've had is an extraordinary amount of closedness in the preparation of that bill. Even as one of the members of the Finance committee, I've not had access to what was being put in this bill to look at it in advance. I think there are many, many legal questions in the bill, and as my brief review it seems to me like there're some real questions of some special interests being served in this bill. And I'm sorry Senator Dankworth, that you've become the focal point for this, uh, because I don't uh, I don't in any way hold you personally responsible for what is in this bill. There's no uh, I know that you just allowed legislators to make decisions and uh, and uh, you know I feel badly that, that you feel as if this is entirely a personal attack on you because I sure don't feel like it is. And I do appreciate your comments that this bill is going to stay here at least until we've had a chance to review it because there are a number of sections that I think we've just got to go through very carefully uh, or I'm going to feel extremely irresponsible about the actions of this committee. Thank you Mr. Chairman.

BENNETT: Senator Dankworth.

DANKWORTH: Uh, then, that's great - do your work. Uh, I'm not going to move it. It can set here till hell freezes over. Uh, you do what you want to with it, but you're making a mistake. It's nice not to

contribute - just criticise. And uh, with that, you do what you want to.

BENNETT: Senator.

STURGULEWSKI: Mr. Chairman, again, back to the technical uh . . . I have. I raised those; I think they were legitimate. Mr. Hogan is here and he has had the various analysts - this is in a constructive, not a destructive approach. And there are in fact, substantive, technical errors and I would be glad to have the memorandums that are available when the individuals come up, and outline those. That is, in a positive way, so that when and if this bill does move it will be technically correct. I think that's appropriate. I've been chastised more than once - "Senator, you should have all the information on the fiscal notes." Well, when we're talking about one of \$152 million then I think we need those technical corrections. I am not, merely raise the issue. I have worked. It has not been to glorify it. I have responded to the press and their questions and uh, I would hope that I, pray to be able to do that. But it has not been in a sense to uh, to sink anybody. And if uh, the committee so desires, I would appreciate the opportunity of having those brought to the attention of the committee. It's certainly up to the chairmen.

DANKWORTH: Just . . . please offer them as amendments, and let's write the bill.

STURGULEWSKI: Uh, Mr. Chairman? I think that the number of changes

are sufficient enough it may be very difficult to do it by the amendment process. But if they could at least be laid out, I think that would be appropriate. There are some significant amounts of . . . well . . . actually would call for appropriating additional funds because certain funds have been lapsed and reappropriated when the funds were not there to lapse. Those expenditures have already been made.

BENNETT: Senator Stimson.

STIMSON: Thank you Mr. Chairman. Senator Dankworth, you asked what we've been doing. And I have had my staff working on the bill. Our intent too is to provide some constructive direction and try to identify problem areas to make sure that this bill is going to move forward - that we're not making policy decisions in this draft without uh, people even being aware of it, and that we are making decisions that are in the best interests of the public. It's contrary to your opinion - it's not my intent to just be critical. I have attempted to approach this in a constructive manner.

DANKWORTH: Well, the point is . . . I hope that . . . if you'll pardon me Mr. Chairman, I hope that you'll put them in a way . . . if you want to rewrite the bill, and that's what it's here for, we haven't even adopted the rough draft, rewrite it. Correct those things. But it's been here three days and there hasn't been any corrections, and I don't mind anybody changing the bill - do anything. It's not my bill, and I'm not going to carry it. But uh, so, if you have things that you want to write - I don't know whether you can put a severability clause in the bill that says that if uh, from the time we started if some of the

funds had been spent, that if the money is not there uh, you know, if somebody spent some money out of one of those funds that, that doesn't sever the rest of the bill. It would seem to me we can draft language like that. Uh, but, I'm not going to do it. If somebody else will help solve these problems. Because I don't care about a reallocation bill.

BENNETT: If I might just for clarity - it seems like we've gotten far, far afield. We all know that when you have legislation drafted, either by Billy Berrier's shop or your own staff, that these are working documents. These are working papers. These are documents that in fact are still being prepared. The total light bulb has not gone on. And for that reason they are not circulated amongst colleagues, they are not privileged to the press or anything else. Once they are introduced, then they are public documents. And that's the way it has always been as long as I've been in the legislature. Nobody goes through somebody's working documents in the bottom of their desk, or rifles around, trying to come up with some embarrassing document that isn't a complete document. Now that's exactly what we are trying to do here by insinuating that something may have been wrong. There's nothing wrong. It's the way it has traditionally been done, always has been done, it is a working document. Now the bill was introduced, it was laid upon the table and is for the purpose then of either accepting it, rejecting it, amending it, whatever is appropriate. And this bit of getting two or three pages ahead of yourself in the scenario and allowing the press to jerk you around as if something illegal, immoral or illicit's going on is bizarre. Because it's not. The fact of the matter is, there is a document before the committee. It's been here for three days and I

suggest that more than just your staff look at it. The senators are the ones that are going to vote on it. I assume that they are going to have to study it over. And as far as procedures - like anything else - if there are sufficient votes at this table to make alterations to that bill, and there are sufficient alterations, then there'll be a committee substitute. If there's not, there won't. Now we can go on in this sort of a scenario until we all get tired of it. But I think we're just wasting one lot of time. I would like to have everyone Saturday morning at 9:00 o'clock ready to address this bill, and do whatever you want to do with it. Vote it up, vote it down, but do whatever is responsible. And I'd ask that you have more than your aides look at it. There's \$150 million dollars in here and there's significant projects through for every citizen of our state in here. There's obviously monies in here that couldn't be spent no matter what the hell happened because the scenario has changed since the original appropriation. You have an obligation to realign these funds. Saturday morning we'll take this bill up again. And at that time I would like to have the senators ready to do work on it.

STURGULEWSKI: Mr. Chairman?

BENNETT: Yes.

STURGULEWSKI: I . . . for procedure. As I say, I have uh, the, Legislative Finance has prepared a number of memorandums. Those have not been circulated. Uh, Mr. Hogan has a number of changes that would need to be made - not yet in the form of a memorandum. You know, I don't know who is going to take responsibility for rewriting the bill.

These effect many of the individuals that have made requests, where, you know, dollars have been expended and we've going back to the original appropriation and taken the whole thing out which are . . . (inaudible) . . . an expenditure. I would just ask you for direction on those because they are very specific and they are technical and that was a request that I made. Some of those are ready now, some of the others Mr. Hogan is prepared to come before you and talk to right now.

BENNETT: Senator Sackett.

SACKETT: I would suggest to the committee that for Saturday we have - if anybody has amendments - they be in writing and copies made to everybody for the committee. Uh, you should realize too that the administration also has amendments in this bill. It's not only the legislature. So if they have any changes, they should be apprised of it too.

BENNETT: Senator Eliason.

ELIASON: Mr. Chairman. When you speak about changes, I suspect you mean changes throughout the bill whether it pertains to our particular projects or not. Is that correct?

SACKETT: You're right, ya.

ELIASON: I don't think we should be limited to what we had in our appropriation bill last year versus what's in the particular bill here because there's uh, some substantial changes made.

BENNETT: Senator Stimson.

STIMSON: Mr. Chairman, uh, I guess I'm interested in having you respond to several questions.

BENNETT: I'm not here at your leisure to respond to questions Senator.

STIMSON: You are our leader, Mr. Chairman.

BENNETT: And then . . . (gavel) . . . the meeting is adjourned. Now do you want to come in our office and we'll respond to some questions?

END OF MEETING



Official Business

# Alaska State Legislature

Senate

Committee on Finance

Pouch V  
State Capitol  
Juneau, Alaska 99811

June 3, 1982

The Senate Finance Committee has reviewed SCS CS HB 643 (Fin) (Repealing, amending, making and extending lapse dates on appropriations; eff. date) and recommends that the Senate rescind prior action adopting Secs. 72, 140, and 142, and that the Senate concur in the bill as passed by the House.

A handwritten signature in cursive script, appearing to read "Don Bennett".

Don Bennett, Co-chairman  
Senate Finance Committee

A handwritten signature in cursive script, appearing to read "Ed Dankworth".

Ed Dankworth, Co-chairman  
Senate Finance Committee

June 1, 1982

MESSAGE TO THE SENATE

MR. PRESIDENT

The House passed SCS CS HB 643 (Fin) (repealing, amending, making and extending lapse dates on appropriations; eff date) with the exception of Sec. 72, Sec. 140 and Sec. 142.

The House respectfully requests the Senate to recede from the following:

\* Sec. 72. The sum of \$49,500 is appropriated from the general fund to the Department of Commerce and Economic Development for payment as a contract for extension of electrical lines in the Matanuska-Susitna Area.

\* Sec. 140. The sum of \$400,000 is appropriated from the general fund for payment as a grant to the Municipality of Anchorage for the refund of disputed lease payments and the reduction of disputed purchase obligations on state land conveyed to the municipality and subsequently sold to a former lessee of the state land.

\* Sec. 142. Section 30, ch. 82, SLA 1981, page 172, line 12 is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
Latouche Harbor	<u>3,168,900</u> [3,000,000]	<u>3,168,900</u> [3,000,000]

and so, SCS CS HB 643 (Fin) is returned for consideration in receding from the above sections.

*Emilia Lloyd*  
Chief Clerk of the House



JUNEAU, ALASKA

Alaska State Legislature

HOUSE

*Teresa*

June 2, 1982

MESSAGE TO THE SENATE

MR. President:

The House passed SCS CSHB 643 (repealing, amending, making, and extending lapse date on appropriations, eff. date) with exception of Sec. 72, 140 and 142 and returning for consideration.

*Emilia Lloyd*  
\_\_\_\_\_  
Chief Clerk of the House

Original sponsor: Chuckwuk

Offered: 5/17/82  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 643 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act repealing, amending, making, and extending  
7 lapse dates on appropriations; and providing for an  
effective date."

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

10 \* Section 1. Section 30, ch. 82, SLA 1981, page 139, line 10 (Department  
11 of Fish and Game, fish and game resources) is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
14 Fish and Game Resources	<u>8,096,400</u> [8,221,400]	<u>8,096,400</u> [8,221,400]

15 \* Sec. 2. Section 30, ch. 82, SLA 1981, page 140, line 5 (Department of  
16 Fish and Game, fish and game resources) is amended to read:

	ALLOCATIONS
18 Fishery Studies - Statewide	<u>875,000</u> [1,000,000]

19 \* Sec. 3. Section 30, ch. 82, SLA 1981, page 157, line 12 (Bristol Bay  
20 Native Association-Development Plan) is repealed.

21 \* Sec. 4. The sum of \$250,000 is appropriated from the general fund to  
22 the Department of Community and Regional Affairs for payment for a contract  
23 for a Bristol Bay development study in the Bristol Bay region.

24 \* Sec. 5. \$60,000 of the appropriation made in sec. 69, ch. 173, SLA 1980  
25 repealed by sec. 16(a), ch. 16, SLA 1981 is reappropriated for payment as a  
26 grant to the City of Kasaan for construction of the dock.

27 \* Sec. 6. Section 286, ch. 50, SLA 1980, page 62, line 14 (Snider Park  
28 development - Wasilla) is repealed.

29 \* Sec. 7. The sum of \$150,000 is appropriated from the general fund for

1 \* Sec. 15. The sum of \$50,000 is appropriated from the general fund to  
2 the University of Alaska, Fairbanks, for tour guides, signs, and descriptive  
3 materials for the musk-ox farm and biological research area.

4 \* Sec. 16. Section 25, ch. 80, SLA 1979, page 73, line 34 (Togiak gener-  
5 ator) is repealed.

6 \* Sec. 17. Section 286, ch. 50, SLA 1980, page 88, line 18 is amended to  
7 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
10 Napakiak road	<u>24,000</u> [600,000]	<u>24,000</u> [600,000]

11 \* Sec. 18. Section 30, ch. 82, SLA 1981, page 169, line 11 is amended to  
12 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
15 Tuntutuliak Boardwalk/ 16 Airport Access Road	<u>12,000</u> [472,000]	<u>12,000</u> [472,000]

17 \* Sec. 19. Section 30, ch. 82, SLA 1981, page 170, line 11 is amended to  
18 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
21 Kongiganak Airport Road	<u>3,000</u> [150,000]	<u>3,000</u> [150,000]

22 \* Sec. 20. Section 30, ch. 82, SLA 1981, page 171, line 10 is amended to  
23 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
26 Koliganek Runway 27 Lighting	<u>10,000</u> [250,000]	<u>10,000</u> [250,000]

28 \* Sec. 21. Section 1, ch. 54, SLA 1980, as amended by sec. 49, ch. 120,  
29 SLA 1980 and sec. 52, ch. 90, SLA 1981, is amended to read:

# **CORRECTION**

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

Original sponsor: Chuckwuk

Offered: 5/17/82  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 643 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act repealing, amending, making, and extending  
7 lapse dates on appropriations; and providing for an  
8 effective date."

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

10 \* Section 1. Section 30, ch. 82, SLA 1981, page 139, line 10 (Department  
11 of Fish and Game, fish and game resources) is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
14 Fish and Game Resources	<u>8,096,400</u> [8,221,400]	<u>8,096,400</u> [8,221,400]

15 \* Sec. 2. Section 30, ch. 82, SLA 1981, page 140, line 5 (Department of  
16 Fish and Game, fish and game resources) is amended to read:

17 ALLOCATIONS

18 Fishery Studies - Statewide	<u>875,000</u> [1,000,000]
--------------------------------	----------------------------

19 \* Sec. 3. Section 30, ch. 82, SLA 1981, page 157, line 12 (Bristol Bay  
20 Native Association-Development Plan) is repealed.

21 \* Sec. 4. The sum of \$250,000 is appropriated from the general fund to  
22 the Department of Community and Regional Affairs for payment for a contract  
23 for a Bristol Bay development study in the Bristol Bay region.

24 \* Sec. 5. \$60,000 of the appropriation made in sec. 69, ch. 173, SLA 1980  
25 repealed by sec. 16(a), ch. 16, SLA 1981 is reappropriated for payment as a  
26 grant to the City of Kasaan for construction of the dock.

27 \* Sec. 6. Section 286, ch. 50, SLA 1980, page 62, line 14 (Snider Park  
28 development - Wasilla) is repealed.

29 \* Sec. 7. The sum of \$150,000 is appropriated from the general fund for

1 payment as a grant to the Matanuska-Susitna Borough for septic disposal  
2 construction.

3 \* Sec. 8. Section 1, ch. 104, SLA 1981 is amended to read:

4 Section 1. The sum of \$2,820,300 [\$6,200,300] is appropriated from  
5 the general fund for payment as a grant to the Matanuska-Susitna Borough  
6 for the reconstruction of the Iditarod Elementary School in Wasilla  
7 which was destroyed by fire on January 19, 1981, if the borough subro-  
8 gates its right to all proceeds from insurance on the school to the  
9 state.

10 \* Sec. 9. The sum of \$850,000 is appropriated from the general fund for  
11 payment as a grant to the Matanuska-Susitna Borough for an addition to  
12 Talkeetna High School.

13 \* Sec. 10. The sum of \$250,000 is appropriated from the general fund for  
14 payment as a grant to the Matanuska-Susitna Borough for purchase of school  
15 yard and parking maintenance and snow removal equipment.

16 \* Sec. 11. Section 286, ch. 50, SLA 1980, page 89, line 12 is amended to  
17 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
20 McGrath emergency landing		
21 strip	<u>3,400</u> [85,000]	<u>3,400</u> [85,000]

22 \* Sec. 12. The sum of \$81,600 is appropriated from the general fund for  
23 payment as a grant to the City of McGrath for an emergency landing strip on  
24 Cranberry Ridge.

25 \* Sec. 13. Section 30, ch. 82, SLA 1981, page 157, line 15 (minority  
26 business enterprise-management program) is repealed.

27 \* Sec. 14. The sum of \$150,000 is appropriated from the general fund to  
28 the City of Fairbanks for payment as a grant for the planning phase of a  
29 community center.

1 \* Sec. 15. The sum of \$50,000 is appropriated from the general fund to  
2 the University of Alaska, Fairbanks, for tour guides, signs, and descriptive  
3 materials for the musk-ox farm and biological research area.

4 \* Sec. 16. Section 25, ch. 80, SLA 1979, page 73, line 34 (Togiak gener-  
5 ator) is repealed.

6 \* Sec. 17. Section 286, ch. 50, SLA 1980, page 88, line 18 is amended to  
7 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
10 Napakiak road	<u>24,000</u> [600,000]	<u>24,000</u> [600,000]

11 \* Sec. 18. Section 30, ch. 82, SLA 1981, page 169, line 11 is amended to  
12 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
15 Tuntutuliak Boardwalk/ 16 Airport Access Road	<u>12,000</u> [472,000]	<u>12,000</u> [472,000]

17 \* Sec. 19. Section 30, ch. 82, SLA 1981, page 170, line 11 is amended to  
18 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
21 Kongiganak Airport Road	<u>3,000</u> [150,000]	<u>3,000</u> [150,000]

22 \* Sec. 20. Section 30, ch. 82, SLA 1981, page 171, line 10 is amended to  
23 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
26 Koliganek Runway 27 Lighting	<u>10,000</u> [250,000]	<u>10,000</u> [250,000]

28 \* Sec. 21. Section 1, ch. 54, SLA 1980, as amended by sec. 49, ch. 120,  
29 SLA 1980 and sec. 52, ch. 90, SLA 1981, is amended to read:

1 Section 1. The sum of \$21,627,000 [\$14,755,000 IS APPROPRIATED  
 2 FROM THE RENEWABLE RESOURCES DEVELOPMENT FUND, AND THE SUM OF  
 3 \$11,835,000] is appropriated from the general fund to the Alaska Power  
 4 Authority to be allocated as grants or loans as determined in each  
 5 instance by the director of budget and management in the Office of the  
 6 Governor for the following projects:

7	Project	Amount
8	(1) Dillingham -- Lake Elva	<u>\$550,000</u> [\$4,000,000]
9	(2) Lake Tye	\$15,000,000
10	(3) Haines -- Dyeabus	400,000
11	(4) Larsen Bay	200,000
12	(5) (Vetoed)	
13	(6) Angoon <u>power</u> [TIDAL] project	250,000
14	(7) (Vetoed)	
15	(8) Village electrical cooperative fuel	
16	conversion project	125,000
17	(9) Office of the Governor - Susitna	
18	plan of study revisions	1,365,000
19	(10) Elim village electrical cooperative	
20	project	50,000
21	(11) Togiak village electrical cooperative	
22	project	40,000
23	(12) Goodnews Bay village electrical cooperative	
24	project	45,000
25	(13) <u>Akutan</u>	<u>127,000</u>
26	(14) Savoonga	50,000
27	(15) White Mountain	50,000
28	(16) Projects in Ouzinkie, Chuathbaluk, Red Devil,	
29	Story River, Nikolai, Hughes, Russian Mission,	

1	Crooked Creek, Sleetmute, Takotna, Telida,	
2	Koyukuk, Sheldon Point, Ambler, Grayling, Crater	
3	Lake, Buckland, Tanana reconnaissance	
4	studies	200,000
5	(17) Kaltag	50,000
6	(18) (Vetoed)	
7	(19) Shungnak	50,000
8	(20) Kiana	50,000
9	(21) (Vetoed)	
10	(22) Tazimina	50,000
11	(23) Iliamna-Newhalen electric cooperative	300,000
12	(24) Nushagak electrical cooperative	150,000
13	(25) Unalakleet wind project	100,000
14	(26) Northwest regional educational attendance	
15	area -- Noatak school	225,000
16	(27) Northwest coal resources investigation	250,000
17	(28) Demonstration projects of rural waste heat	
18	recapture	500,000
19	(29) Kotzebue geothermal engineering feasibility	
20	and equipment	<u>60,000</u> [600,000]
21	(30) Unalaska geothermal engineering feasibility	
22	and equipment	100,000
23	(31) Old Harbor	990,000
24	(32) Skagway wind project	100,000
25	(33) Central	200,000

26 \* Sec. 22. Section 11, ch. 90, SLA 1981 is amended to read:

27 Sec. 11. The sum of \$15,000 [\$4,500,000] is appropriated from the

28 general fund to the Alaska Power Authority for design and engineering

29 for the Lake Elva hydroelectric project.

1 \* Sec. 23. The sum of \$428,000 is appropriated from the general fund for  
2 payment as a grant to the City of Bethel for a water and sewer vehicle main-  
3 tenance facility.

4 \* Sec. 24. The sum of \$7,000 is appropriated from the general fund for  
5 payment as a grant to the City of Togiak for combined facility planning.

6 \* Sec. 25. Section 46, ch. 90, SLA 1981 is amended to read:

7 Sec. 46. The sum of \$500,000 [\$3,450,000] is appropriated from the  
8 general fund to the Alaska Power Authority for the following feasibility  
9 studies relating to energy projects:

- |    |   |                          |
|----|---|--------------------------|
| 10 | (1) [KODIAK WASTE HEAT COGENERATION PROJECT         | \$2,500,000]             |
| 11 | (2) Kotzebue district heating and power feasibility |                          |
| 12 | and design  | 120,000                  |
| 13 | (3) Kotzebue coal utilization study                 | 100,000                  |
| 14 | (4) Ouzinkie waste heat project                     | <u>250,000</u> [700,000] |
| 15 | (5) Saint Mary's waste heat and district            |                          |
| 16 | heating study                                       | 30,000                   |

17 \* Sec. 26. Section 3, ch. 54, SLA 1980 is amended to read:

18 Sec. 3. The sum of \$1,500,000 [\$3,500,000] is appropriated from  
19 the general fund to the Alaska Power Authority power project revolving  
20 fund (AS 44.56.170) to be allocated as loans for the following projects:

- |    |                                     |            |
|----|-------------------------------------|------------|
| 21 | (1) Alaska Electric Light and Power | 1,500,000  |
| 22 | (2) [BETHEL                         | 2,000,000] |

23 \* Sec. 27. The sum of \$730,000 is appropriated from the general fund to  
24 the Department of Community and Regional Affairs for a contract in the Yukon-  
25 Kuskokwim region for upgrading the health care delivery system for the 54  
26 villages in the region.

27 \* Sec. 28. The sum of \$55,000 is appropriated from the general fund for  
28 payment as a grant to the City of Atmautluak for fire protection equipment.

29 \* Sec. 29. The sum of \$200,000 is appropriated from the general fund for

1 payment as a grant to the City of Newtok for erosion control assessment.

2 \* Sec. 30. The sum of \$75,000 is appropriated from the general fund for  
3 payment as a grant to the City of Napakiak for a dump truck.

4 \* Sec. 31. The sum of \$25,000 is appropriated from the general fund to  
5 the Department of Community and Regional Affairs for payment as a grant to  
6 Kalskag for a recreation area.

7 \* Sec. 32. The sum of \$78,000 is appropriated from the general fund for  
8 payment as a grant to the City of Bethel for a prematernal home.

9 \* Sec. 33. The sum of \$200,000 is appropriated from the general fund for  
10 payment as a grant to the City of Togiak for a fire station.

11 \* Sec. 34. The sum of \$125,000 is appropriated from the general fund for  
12 payment as a grant to the Bristol Bay Borough for a fire truck.

13 \* Sec. 35. The sum of \$130,000 is appropriated from the general fund for  
14 payment as a grant to the City of Manokotak for a tractor.

15 \* Sec. 36. The sum of \$20,000 is appropriated from the general fund for  
16 payment as a grant to the City of Manokotak for a tractor winch.

17 \* Sec. 37. The sum of \$10,000 is appropriated from the general fund to  
18 the Department of Community and Regional Affairs for the 1982 fishery income  
19 survey in the Bristol Bay region.

20 \* Sec. 38. The sum of \$5,000 is appropriated from the general fund for  
21 payment as a grant to the City of Dillingham for beaver roundup planning.

22 \* Sec. 39. The sum of \$1,200,000 is appropriated from the general fund to  
23 the Department of Transportation and Public Facilities for payment as a grant  
24 to Nunapitchuk for the final phase of the airport construction.

25 \* Sec. 40. The sum of \$1,553,300 is appropriated from the general fund to  
26 the Department of Community and Regional Affairs for a contract in the Yukon-  
27 Kuskokwim area for a regionwide needs assessment and land management programs  
28 in the 54 villages in the Yukon-Kuskokwim area.

29 \* Sec. 41. The sum of \$40,000 is appropriated from the general fund to

1 the Department of Commerce and Economic Development for a fisheries loan  
2 officer in Dillingham.

3 \* Sec. 42. The sum of \$280,800 is appropriated from the general fund for  
4 payment as a grant to the City of Newhalen for fire protection equipment.

5 \* Sec. 43. The sum of \$55,000 is appropriated from the general fund for  
6 payment as a grant to the City of Eek for fire protection equipment.

7 \* Sec. 44. The sum of \$2,500 is appropriated from the general fund for  
8 payment as a grant to the City of Togiak for a health clinic.

9 \* Sec. 45. The sum of \$260,000 is appropriated from the general fund for  
10 payment as a grant to the City of Ekwok for airport electrification.

11 \* Sec. 46. The sum of \$421,000 is appropriated from the general fund to  
12 the Department of Education for payment as a grant to the Lake and Peninsula  
13 Regional Educational Attendance Area for budget overruns.

14 \* Sec. 47. The sum of \$132,000 is appropriated from the general fund for  
15 payment as a grant to the City of Kwethluk for a health care facility.

16 \* Sec. 48. The sum of \$130,000 is appropriated from the general fund to  
17 the Department of Community and Regional Affairs for payment as a grant to  
18 Koliganek for village electrification.

19 \* Sec. 49. The sum of \$55,000 is appropriated from the general fund for  
20 payment as a grant to the City of Tuluksak for fire protection.

21 \* Sec. 50. The sum of \$70,000 is appropriated from the general fund for  
22 payment as a grant to the City of Dillingham for purchase of an ambulance.

23 \* Sec. 51. The sum of \$185,000 is appropriated from the general fund for  
24 payment as a grant to the City of Togiak for purchase of a grader and dump  
25 truck.

26 \* Sec. 52. The sum of \$500,000 is appropriated from the general fund for  
27 payment as a grant to the City of Dillingham for construction of the Wood  
28 River Road.

29 \* Sec. 53. The sum of \$3,500 is appropriated from the general fund to the

1 Department of Commerce and Economic Development for office space for the  
2 fisheries officer in Dillingham.

3 \* Sec. 54. The sum of \$32,000 is appropriated from the general fund to  
4 the Department of Community and Regional Affairs for payment as a grant for  
5 emergency patient travel in the Yukon-Kuskokwim area.

6 \* Sec. 55. The sum of \$158,600 is appropriated from the general fund to  
7 the Department of Community and Regional Affairs for a contract in the Bristol  
8 Bay region for a herring processing feasibility study in that region.

9 \* Sec. 56. The sum of \$350,000 is appropriated from the general fund for  
10 payment as a grant to the City of Aleknagik for a municipal building.

11 \* Sec. 57. The sum of \$200,000 is appropriated from the general fund for  
12 payment as a grant to the City of Port Heiden for road improvements.

13 \* Sec. 58. The sum of \$400,000 is appropriated from the general fund for  
14 payment as a grant to the City of Aleknagik for a maintenance building.

15 \* Sec. 59. The sum of \$2,250,000 is appropriated from the general fund  
16 for payment as a grant to the City of Dillingham for phase I of the dock and  
17 harbor project.

18 \* Sec. 60. The sum of \$210,000 is appropriated from the general fund to  
19 the Department of Community and Regional Affairs for payment as a grant to  
20 Koliganek for heavy equipment (dump truck and bulldozer).

21 \* Sec. 61. The sum of \$31,300 is appropriated from the general fund for  
22 payment as a grant to the City of Bethel for a center for young people.

23 \* Sec. 62. The sum of \$20,000 is appropriated from the general fund for  
24 payment as a grant to the City of Bethel for a professional assistance team  
25 for the chronically handicapped program.

26 \* Sec. 63. The sum of \$262,000 is appropriated from the general fund to  
27 the Department of Community and Regional Affairs for payment as a grant to  
28 Kalskag for fire protection equipment.

29 \* Sec. 64. The sum of \$350,000 is appropriated from the general fund for

1 payment as a grant to the City of Bethel for a juvenile receiving center.

2 \* Sec. 65. The sum of \$175,000 is appropriated from the general fund for  
3 payment as a grant to the City of Aniak for septic tanks and drain fields.

4 \* Sec. 66. The sum of \$380,000 is appropriated from the general fund to  
5 the Department of Community and Regional Affairs for payment as a grant to  
6 Pedro Bay for water and sewer.

7 \* Sec. 67. The sum of \$10,000 is appropriated from the general fund for  
8 payment as a grant to the City of Platinum for a village council office.

9 \* Sec. 68. The sum of \$256,200 is appropriated from the general fund to  
10 the Department of Community and Regional Affairs for a contract in the  
11 Bristol Bay region for a Bristol Bay fisheries quality control program.

12 \* Sec. 69. The sum of \$441,800 is appropriated from the general fund to  
13 the Department of Community and Regional Affairs for a contract in the  
14 Bristol Bay region for a ground and shellfish feasibility study.

15 \* Sec. 70. The sum of \$35,000 is appropriated from the general fund to  
16 the Department of Transportation and Public Facilities for payment as a grant  
17 to Kipnuk for a dry dock feasibility study.

18 \* Sec. 71. The sum of \$64,100 is appropriated from the general fund to  
19 the Department of Public Safety for Bristol Bay fish and wildlife protection  
20 officers and equipment.

21 \* Sec. 72. The sum of \$49,500 is appropriated from the general fund to  
22 the Department of Commerce and Economic Development for payment as a contract  
23 for extension of electrical lines in the Matanuska-Susitna Area.

24 \* Sec. 73. Section 286, ch. 50, SLA 1980, page 63, line 22 is amended to  
25 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
26		
27		
28	Corrections Capital Projects	
29	Cost Overruns	
	<u>7,265,700</u> [10,210,700]	<u>7,265,700</u> [10,210,700]

1 \* Sec. 74. Section 286, ch. 50, SLA 1980, page 64, line 4 is amended to  
2 read:

3 ALLOCATIONS

4 Bethel Jail 530,000 [3,475,000]

5 \* Sec. 75. The sum of \$400,000 is appropriated from the general fund  
6 for payment as a grant to the City of Kotzebue for utility system construc-  
7 tion.

8 \* Sec. 76. The sum of \$300,000 is appropriated from the general fund to  
9 the Alaska Public Broadcasting Commission for construction of a radio station  
10 and acquisition of radio broadcasting equipment in Galena.

11 \* Sec. 77. The sum of \$45,000 is appropriated from the general fund to  
12 the Alaska Public Broadcasting Commission for the operation of the local  
13 radio station in Galena.

14 \* Sec. 78. The sum of \$1,438,000 is appropriated from the general fund  
15 for payment as a grant to the City of Bethel for a bank stabilization dock  
16 facility project.

17 \* Sec. 79. The sum of \$30,000 is appropriated from the general fund to  
18 the Department of Community and Regional Affairs for the research, prepara-  
19 tion, and printing of Athabascan culture educational materials.

20 \* Sec. 80. The sum of \$30,000 is appropriated from the general fund to  
21 the University of Alaska, Dillingham, for the Center for Cross-Cultural  
22 Education and Development for teacher training.

23 \* Sec. 81. The sum of \$27,000 is appropriated from the general fund to  
24 the Department of Community and Regional Affairs for payment as a contract  
25 for a Bristol Bay cooperative management plan in the Bristol Bay area.

26 \* Sec. 82. The sum of \$133,400 is appropriated from the general fund for  
27 payment as a grant to the City of Togiak for a Yupik translator and inter-  
28 preter program.

29 \* Sec. 83. The sum of \$119,000 is appropriated from the general fund co

1 the Department of Community and Regional Affairs for payment as a contract  
2 for a SAFE program in Dillingham.

3 \* Sec. 84. Section 6, ch. 90, SLA 1981 is amended to read:

4 Sec. 6. The sum of \$36,300,000 [\$37,300,000] is appropriated from  
5 the general fund to the Alaska Power Authority for feasibility studies,  
6 preconstruction design, and engineering, to be allocated to the follow-  
7 ing proposed power projects:

8	(1) Black Bear Lake	\$ 1,400,000
9	(2) Chester Lake	1,000,000
10	(3) Chakachamna Lake	1,000,000
11	(4) Grant Lake	1,000,000
12	(5) Bethel regional study/Kisaralik	1,000,000
13	(6) Power Creek	700,000
14	(7) Snettisham (Crater Lakes)	4,500,000
15	(8) Susitna	18,100,000
16	(9) Tazimina Lake	2,000,000
17	(10) West Creek	1,000,000
18	(11) Rural community feasibility studies:	
19	Akhiok, Ambler, Angoon, Atka, Chignik, Chignik	
20	Lagoon, Chignik Lake, Chuathbaluk, Cold Bay,	
21	Elim, False Pass, Goodnews Bay, Grayling,	
22	Gustavus, Ivanoff Bay, Kaltag, Karluk, Kiana,	
23	King Cove, Larsen Bay, Nikolski, Old Harbor,	
24	Perryville, Scammon Bay, Shungnak, Tenakee	
25	Springs, Togiak, Unalaska	<u>4,600,000</u> [5,600,000]

26 \* Sec. 85. Section 30, ch. 82, SLA 1981, page 191, line 18 (Circle road  
27 improvement and construction) is repealed.

28 \* Sec. 86. Section 30, ch. 82, SLA 1981, page 173, line 14 is amended to  
29 read:

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	APPROPRIATION	GENERAL
	ITEMS	FUND
Tok Bicycle Trail	<u>194,000</u> [650,000]	<u>194,000</u> [650,000]

\* Sec. 87. Section 286, ch. 50, SLA 1980, page 70, line 16 (Mentasta erosion project) is repealed.

\* Sec. 88. Section 286, ch. 50, SLA 1980, page 79, line 20 is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
Emmonak	<u>910,000</u> [1,000,000]	<u>910,000</u> [1,000,000]

\* Sec. 89. Section 286, ch. 50, SLA 1980, page 80, line 24 is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
Beaver	<u>440,000</u> [523,000]	<u>440,000</u> [523,000]

\* Sec. 90. Section 25, ch. 80, SLA 1979, page 78, line 6 is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
Airport Improvements at Ruby	<u>133,600</u> [202,600]	<u>133,600</u> [202,600]

\* Sec. 91. Section 286, ch. 50, SLA 1980, page 97, line " is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
Galena - Road and Survey Work	<u>483,000</u> [600,000]	<u>483,000</u> [600,000]

\* Sec. 92. Section 286, ch. 50, SLA 1980, page 70, line 17 is amended to read:



1 and energy use planning for the villages of the Middle Yukon region.

2 \* Sec. 98. The sum of \$148,000 is appropriated from the general fund  
3 to the Department of Community and Regional Affairs for quality control educa-  
4 tion and other fisheries-related projects in the Lower Yukon and Kuskokwim  
5 regions.

6 \* Sec. 99. The sum of \$100,000 is appropriated from the general fund to  
7 the Department of Community and Regional Affairs for minority employment  
8 assistance programs in the Fairbanks area.

9 \* Sec. 100. The sum of \$356,000 is appropriated from the general fund to  
10 the Department of Health and Social Services for health clinic leasing and  
11 operations and health aide training in the Doyon region.

12 \* Sec. 101. The sum of \$250,000 is appropriated from the general fund to  
13 the Department of Education for Athabascan heritage curriculum development.

14 \* Sec. 102. The sum of \$74,000 is appropriated from the general fund to  
15 the Department of Education for the adult basic education program in the  
16 villages of Nulato, Koyukuk, Huslia, Galena, Kaltag, and Ruby.

17 \* Sec. 103. The sum of \$150,000 is appropriated from the general fund to  
18 the Department of Education for payment to the Yukon-Koyukuk Regional Educa-  
19 tional Attendance Area for a Koyukon language project.

20 \* Sec. 104. The sum of \$360,000 is appropriated from the general fund to  
21 the Department of Community and Regional Affairs for the construction and  
22 development of the Ruby vocational agriculture training school.

23 \* Sec. 105. The sum of \$15,000 is appropriated from the general fund to  
24 the Department of Transportation and Public Facilities for the transportation  
25 of snow removal equipment from St. Mary's to Red Devil.

26 \* Sec. 106. The sum of \$70,000 is appropriated from the general fund for  
27 payment as a grant to the Bristol Bay Borough for the purchase of an ambulance  
28 for King Salmon.

29 \* Sec. 107. The sum of \$80,000 is appropriated from the general fund for

1 payment as a grant to the City of McGrath for a regional socioeconomic impact  
2 study.

3 \* Sec. 108. The sum of \$19,000 is appropriated from the general fund for  
4 payment as a grant to the City of Galena for completion of the health clinic.

5 \* Sec. 109. The sum of \$125,000 is appropriated from the general fund for  
6 payment as a grant to the City of Galena for completion of a waste heat  
7 project.

8 \* Sec. 110. The sum of \$250,000 is appropriated from the general fund to  
9 the Department of Education for payment to the Kuspuk Regional Educational  
10 Attendance Area for the White Alice vocational program.

11 \* Sec. 111. The sum of \$25,000 is appropriated from the general fund to  
12 the Department of Community and Regional Affairs for purchase of agricultural  
13 equipment for villages of the Middle Yukon region.

14 \* Sec. 112. The sum of \$16,000 is appropriated from the general fund to  
15 the Department of Education for payment to the Yukon Flats Regional Educa-  
16 tional Attendance Area for a postsecondary educational needs assessment  
17 study.

18 \* Sec. 113. The sum of \$50,000 is appropriated from the general fund for  
19 payment as a grant to the City of St. Mary's for a water and sewer feasibil-  
20 ity and design study.

21 \* Sec. 114. The sum of \$43,000 is appropriated from the general fund for  
22 payment as a grant to the City of Ruby for a health clinic.

23 \* Sec. 115. The sum of \$75,000 is appropriated from the general fund for  
24 payment as a grant to the City of Allakaket for the acquisition of heavy  
25 equipment.

26 \* Sec. 116. The sum of \$30,000 is appropriated from the general fund to  
27 the Department of Community and Regional Affairs for payment as a grant to  
28 the village of Bettles for acquisition of a dump truck.

29 \* Sec. 117. The sum of \$10,000 is appropriated from the general fund to

1 the Department of Community and Regional Affairs for payment as a grant to  
2 the Village of Eagle for a generator.

3 \* Sec. 118. The sum of \$185,000 is appropriated from the general fund to  
4 the Department of Education for payment to the Yukon Flats Regional Educa-  
5 tional Attendance Area for life safety upgrade of facilities.

6 \* Sec. 119. The sum of \$75,000 is appropriated from the general fund for  
7 payment as a grant to the City of Fort Yukon for safe water pumphouse repair.

8 \* Sec. 120. Section 30, ch. 82, SLA 1981, page 138, line 18 is amended to  
9 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
12	Boy Scout Lake Acquisition	
13	and Development	
	<u>400,000</u> [626,200]	<u>400,000</u> [626,200]

14 \* Sec. 121. Section 30, ch. 82, SLA 1981, page 183, line 24 is amended to  
15 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
18	Roads and Projects	
	<u>9,037,700</u> [8,711,500]	<u>9,037,700</u> [8,711,500]

19 \* Sec. 122. Section 30, ch. 82, SLA 1981, page 185, line 18 is amended to  
20 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
23	<u>Traffic signals on West Northern</u>	
24	<u>Lights Blvd., at Wisconsin and</u>	
25	<u>Turnagain Street</u> [SPENARD ROAD AND	
26	26TH PARKING LOT]	
	185,000	185,000

27 \* Sec. 123. Section 30, ch. 82, SLA 1981, page 185, line 19 is amended to  
28 read:

	APPROPRIATION	GENERAL
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1 ITEMS FUND

2 Road Repair and Paving, Election

3 District 9 [McRAE ROAD TO

4 COLLECTOR STANDARDS] 759,000 759,000

5 \* Sec. 124. Section 26, ch. 90, SLA 1981 is amended to read:

6 Sec. 26. The sum of \$961,000 is appropriated from the general

7 fund to the Alaska Power Authority as a grant for [AN ELECTRICAL DISTRI-

8 BUTION SYSTEM AT] Nondalton electrification.

9 \* Sec. 125. Section 30, ch. 82, SLA 1981, page 165, line 11 is amended to

10 read:

11 APPROPRIATION GENERAL

12 ITEMS FUND

13 Stebbins Sewer System and

14 Road Construction Hauling

15 System 100,000 100,000

16 \* Sec. 126. Section 28, ch. 82, SLA 1981, page 73, line 9 is amended to

17 read:

18 APPROPRIATION GENERAL

19 ITEMS FUND

20 Courts, Administration

21 and Support 29,412,400 29,412,400

22 [31,412,400] [31,412,400]

23 \* Sec. 127. Section 28, ch. 82, SLA 1981, page 73, line 11 is amended to

24 read:

25 ALLOCATIONS

26 Trial Courts 22,706,000

27 [24,706,000]

28 \* Sec. 128. The sum of \$100,000 is appropriated from the general fund to

29 the Department of Public Safety for landscaping and completion of the Tok

1 Tourist Center.

2 \* Sec. 129. The sum of \$200,000 is appropriated from the general fund for  
3 payment as a grant to the City and Borough of Juneau for road and street  
4 improvements in Douglas.

5 \* Sec. 130. The sum of \$750,000 is appropriated from the general fund to  
6 the Department of Education for reconstruction of the Chignik Lake school.

7 \* Sec. 131. Section 286, ch. 50, SLA 1980, page 94, line 20, as amended  
8 by sec. 1(a), ch. 16, SLA 1981, is amended to read:

9	APPROPRIATION	GENERAL
10	ITEMS	FUND
11	Anchorage - Roads and	
12	Projects	<u>8,766,200</u> [7,900,000] <u>8,766,200</u> [7,900,000]

13 \* Sec. 132. Section 30, ch. 82, SLA 1981, page 170, line 4 is amended to  
14 read:

15	APPROPRIATION	GENERAL
16	ITEMS	FUND
17	Eagle River Pedestrian	
18	Overpass	<u>30,000</u> [600,000] <u>30,000</u> [600,000]

19 \* Sec. 133. The sum of \$344,800 is appropriated from the general fund for  
20 payment as a grant to the Municipality of Anchorage for the South Fork  
21 Volunteer Fire Department. This appropriation is contingent on the South  
22 Fork area forming a fire service district.

23 \* Sec. 134. The sum of \$79,600 is appropriated from the general fund for  
24 payment as a grant to the Municipality of Anchorage for the Chugiak Fire  
25 Department for medic units and communication equipment.

26 \* Sec. 135. The sum of \$145,600 is appropriated from the general fund for  
27 payment as a grant to the Municipality of Anchorage for the Eagle River Fire  
28 Department for equipment.

29 \* Sec. 136. Section 30, ch. 82, SLA 1981, page 171, line 12 is amended to

1 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
4 Red Devil Runway,		
5 Improve and Lengthen	<u>1,200,000</u> [1,250,000]	<u>1,200,000</u> [1,250,000]

6 \* Sec. 137. Section 286, ch. 50, SLA 1980, page 79, line 17 is amended to

7 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
10 Fortuna Ledge (Marshall)	<u>850,000</u> [1,000,000]	<u>850,000</u> [1,000,000]

11 \* Sec. 138. The sum of \$200,000 is appropriated from the general fund to  
12 the Department of Commerce and Economic Development, division of energy and  
13 power development, for design, construction, and testing of a three-kilowatt,  
14 free-piston Stirling engine generator for rural energy applications.

15 \* Sec. 139. Section 29, ch. 82, SLA 1981, page 108, line 19 is amended to

16 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
19 HB 31 Relating to Management		
20 of State Land	<u>14,600,000</u> [15,000,000]	<u>14,600,000</u> [15,000,000]

21 \* Sec. 140. The sum of \$400,000 is appropriated from the general fund for  
22 payment as a grant to the Municipality of Anchorage for the refund of dis-  
23 puted lease payments and the reduction of disputed purchase obligations on  
24 state land conveyed to the municipality and subsequently sold to a former  
25 lessee of the state land.

26 \* Sec. 141. Section 30, ch. 82, SLA 1981, page 171, line 15 is amended to

27 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND

1 Latouche Island Airstrip  
 2 Improvement 31,100 [200,000] 31,100 [200,000]

3 \* Sec. 142. Section 30, ch. 82, SLA 1981, page 172, line 12 is amended to  
 4 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
7 Latouche Harbor	<u>3,168,900</u> [3,000,000]	<u>3,168,900</u> [3,000,000]

8 \* Sec. 143. Section 286, ch. 50, SLA 1980, page 79, line 23 is amended to  
 9 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
12 Russian Mission	<u>388,000</u> [950,000]	<u>388,000</u> [950,000]

13 \* Sec. 144. Section 286, ch. 50, SLA 1980, page 79, line 19 is amended to  
 14 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
17 Sleetmute	<u>1,362,000</u> [800,000]	<u>1,362,000</u> [800,000]

18 \* Sec. 145. Section 286, ch. 50, SLA 1980, page 90, line 21 is amended to  
 19 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
22 Richardson Highway, Fairbanks		
23 South 9 Miles <u>and Access</u>	2,850,000	2,850,000

24 \* Sec. 146. Section 286, ch. 50, SLA 1980, page 54, lines 24 and 25 are  
 25 amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
28 Ketchikan-Ketchikan Gateway		
29 Opportunity Center for		



1		APPROPRIATION	GENERAL
2		ITEMS	FUND
3	Ugashik	<u>1,275,000</u> [1,100,000]	<u>1,275,000</u> [1,100,000]

4 \* Sec. 153. Section 30, ch. 82, SLA 1981, page 116, line 17 is amended to  
5 read:

6		APPROPRIATION	GENERAL
7		ITEMS	FUND
8	Kalskag <u>Schools</u> [HIGH SCHOOL]	1,080,000	1,080,000

9 \* Sec. 154. Section 286, ch. 50, SLA 1980, page 90, line 15 is amended to  
10 read:

11		APPROPRIATION	GENERAL
12		ITEMS	FUND
13	Richardson Highways, Delta		
14	to <u>Gulkana</u> [MCCALLUM		
15	CREEK]	3,800,000	3,800,000

16 \* Sec. 155. Section 30, ch. 82, SLA 1981, page 173, line 20 is amended to  
17 read:

18		APPROPRIATION	GENERAL
19		ITEMS	FUND
20	Lawlor-Miller Hill- <u>Yankovich-</u>		
21	<u>Dalton Trail-North Miller</u>		
22	<u>Hill</u> [YANKOVICE] Roads	580,000	580,000

23 \* Sec. 156. Section 286, ch. 50, SLA 1980, page 45, line 22 is amended  
24 to read:

25		APPROPRIATION	GENERAL
26		ITEMS	FUND
27	Tobeluk Consent Decree	<u>9,272,000</u> [11,204,000]	<u>9,272,000</u> [11,204,000]

28 \* Sec. 157. Section 286, ch. 50, SLA 1980, page 45, line 25 (Tobeluk  
29 consent decree - Diomedes) is repealed.

1 \* Sec. 158. Section 286, ch. 50, SLA 1980, page 80, line 10 is amended to  
2 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
5 Kobuk	<u>775,000</u> [900,000]	<u>775,000</u> [900,000]

6 \* Sec. 159. Section 286, ch. 50, SLA 1980, page 80, line 13 is amended to  
7 read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
10 Noorvik	<u>1,308,000</u> [1,400,000]	<u>1,308,000</u> [1,400,000]

11 \* Sec. 160. Section 28, ch. 90, SLA 1981 is amended to read:

12 Sec. 28. The sum of \$500 [\$5,000,000] is appropriated from the  
13 general fund to the Alaska Power Authority for costs of applications  
14 engineering, acquisition, and installation of two organic Rankine Cycle  
15 generators in northwest Alaska.

16 \* Sec. 161. Section 30, ch. 82, SLA 1981, page 178, line 26 is amended to  
17 read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
20 Western Region Highways	<u>1,283,000</u>	<u>110,000</u>	1,173,000
	[1,943,300]	[770,300]	

22 \* Sec. 162. Section 30, ch. 82, SLA 1981, page 179, line 4 is amended to  
23 read:

	ALLOCATIONS
25 Nome City Streets Phase I Contingency	<u>11,000</u> [671,300]

26 \* Sec. 163. Section 30, ch. 82, SLA 1981, page 118, line 16 (Nome high  
27 school) is repealed.

28 \* Sec. 164. Section 30, ch. 82, SLA 1981, page 136, line 11 (Nome health  
29 clinic construction) is repealed.