

376

SCRA

SB

259

-

SB

373

you don't have an investor.

Senator Sumner: If private enterprise is in competition with the municipal utility then the municipality can charge lower prices and the private enterprise is forced out of business.

Holman: It is difficult to get a rate increase through the APUC and also takes a long time. If the bonds are not marketable, then he cannot approve them.

Frank Killeen: As chairman of the public utilities board in Fairbanks, we do not wish to be put under the authority of the APUC.

The only problem we've had with serving the people is giving all of them the service they want.

Max Mikell: Most has already been stated. Basically if we ever did have to operate under the APUC, I don't think it would allow us to act in the timely fashion as far as bonding and funding. We are behind now just having to go through the City Council for these things. If we had to go through the City Council and then the APUC we would have to stop operating.

I would suggest that the APUC is a necessary body in arbitration but not in regulation. I don't feel that we need to be regulated and it's the honest way to treat the voters.

Zerbetz: The fiscal impact of this bill would be 0.

There are several aspects of regulation:

- 1) Rate structure/determined by the classes of people.
- 2) quality of service provided
- 3) handling and processing of consumer complaints.

The rationale for regulations in the first place was that the Commission would act as a substitution for the marketplace, where there isn't any establishment of rates. Poor service which otherwise, in a competitive market, is taken care of by the APUC.

It is our observation that there is a separation between privately owned and municipally owned utilities, and that is the ownership and control of the utility.

Our staff can better protect the public due to the education of the APUC members.

APUC have developed a certain amount of expertise due to the fact that they conduct their own hearings and see the consumer "eyeball to eyeball".

Low rates are not always the answer. If utilities are not charging enough to keep a business running well, you're not going to give the public a good service.

Senator Sumner: Alaska's one of the few places that regulates the municipalities, right?

Zerbetz: Yes. The type of ownership of utilities vary from state to state. Most utilities are privately owned so it is hard to compare utilities between states as some are municipally owned and some are private.

Larry Markley: Chugach Electric Company has about 45,000 customers. We oppose SB 259 and support the APUC. We would support CSSB 259. For the best interests of everyone we feel it is the most equitable treatment. APUC is skilled and we want someone with "higher authority" applying the regulations.

It is our understanding that the APUC was established with the intent that it should be on a statewide service. It would be a uniform application of regulatory function, and we feel that that function is best carried out by one qualified, independent agency. Let the APUC have more money to hire more people and attempt to reduce the regulatory lag that we're hearing so much about.

We are funded by governmental loans, guaranteed loans and insured loans and the rate of these loans is 7-7 1/2 %.

We are expanding very rapidly and expect to go to the bonding market too.

Don Berry: We are opposed to SB 259. We think the APUC is an unnecessary infringement on local government powers.

Norman Banfield: The first law was written because it was becoming evident that the municipalities were insensitive to the peoples needs. The Anchorage utility was taking large amounts of money out of the utility and putting it into the general fund. On the whole, it wasn't a case of the municipal utility's structure, it was the Chugach Electric Company, because they had to compete. It was my position that no damage would result from regulating the municipal utility but insisted that the regulations delineate the service areas.

Financing a utility is difficult. The municipality has to go to the voters, and time is a great factor. Now, they have to get public approval for a rate increase. If the APUC is involved, it will just take too long. The City Council can do it in a timely manner.

Lee Sharp: There's no sense to why a utility owner would ever go to the APUC rather than their own representative. They should have local control of the utilities. This is a good incentive to keep the rates down, and we don't see any rationale in regulating non-competitive utilities.

Attendance list (please print)

<u>Name</u>	<u>Title/Dept.</u>	<u>Testify?</u>
GORDON ZEF BETZ	APUC,	—
Rick Danwitz	Munic. of Anch	yes
S. D. BELIGRATIS	JOHN NUVEEN + Co. CH'GO.	YES
Sonard & Meyer	Marshall & Meyer Seattle	YES
Donald L. Holman	→ Preston, Thompson, Peller, Holman + Fletcher - Seattle	yes
LEE SHARP	City Atty, JNO	YES
Larry Morley	Chicago Elec Assoc	YES
DON BERRY	AK Munic Lg	YES
FRANK KILLEEN	Chairman, PUB, FBNX	?
ROBERT BURG		NO
MAX L. MIKEH	Member PUB, FBNX	YES

SB

271

271

Director
JOHN GARVIN - Children Services

- 1) mandates cost setting
- 2) - reimburses for depreciation
- 3) - various reference of levels of care
- 4) establishes eff date

LaVonne Kidoll 6-6420
 All Youth Village

Crub = 276-4515

at Children's Services

Finance Comm -

11-20-70

188.71

(G)

(190)

0466.45
 21 33 75

N

TO: House of Representatives HCSS Committee

From: Dr. JOHN CARVIN,

Re: Fiscal Note on ~~#B 432~~ SB 271

Date: April 21, 1977

Based on DHSS Cost of Care figures for
the first six months of FY 1976-77 (7/1/76-12/31/76)

Total Child Care days of service provided	45,427
Average # children in care per day for 184 days	247

Total Reimbursable Expenses (6 months)	2,020,240
Average daily rate per child	44.47

Total Child Care Salaries (6 months)	1,218,806
Average cost for salaries per child care day	26.83

Assuming salary increases of 37.5% required
to bring salary level up to state entry level of 1100-800.

Average cost for salaries per child care day would be 36.89

Total projected child care salaries $36.89 \times 247 \times 6$	3,325,818
minus projected salaries w/out cost setting	<u>2,418,857</u>
net increase projected	906,961

Assuming depreciation based on 20 years @ 3.00 percent 270,465

Total annual increase with cost setting
and depreciation included 1,177,426

S B

3 1 2

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

Senate Bill No. 312

Croft
Prime Sponsor

Resolution No. _____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

11 communities in Alaska have united in the interest of getting a bond issue before the voters in '78; representatives of the participating communities are raising funds to hire coordinator and to promote the proposition, etc.

2. Are there any other viable ways of accomplishing this same goal?

The amount requested of the State is only part of the needed amount; the rest will be raised locally (in the communities) from corporations, etc.

3. Persons or groups you know of who are supporting the legislation.

Representatives/persons interested in development of cultural arts and centers in: Anchorage, Cordova, Dillingham, Juneau, Haines, Angoon, Ketchikan, Naknek, Petersburg, Sitka, and Skagway.

4. Persons or groups you know of who are opposing the legislation.

NONE

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

NO

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

SOONEST - won't be pertinent if delayed a year -

SB

316

municipal letter
for SB 316

INSERT AS NEXT TO LAST PARAGRAPH

The underlined language in the proposed legislation would be added to the existing statutes on service area taxation.

(Remember to date letter)
Thank you!



Official Business

Alaska State Legislature

Senate Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 21, 1978

Enclosed please find a copy of Senate Bill # 316 which, if enacted, may have an effect on your municipality. Your comments or recommendations would be appreciated, as we intend to give this proposed legislation our consideration in the near future.

The underlined language in the proposed legislation would be added to the existing statutes on service area taxation.

Please write to the Senate Community and Regional Affairs Committee, Pouch V, Juneau, Alaska 99811: or call 465-3712.

Very truly yours,

A handwritten signature in cursive script that reads "Joe Orsini".

Senator Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: As stated

TO: Senator Orsini
FROM: Paul Conger

DATE: April 25, 1977
RE: SB 316

I checked with Billy Berrier to see if I could made some sense out of this bill. He provided the following fact situation to clarify the intent of the bill.

Apparently, there is an individual in Anchorage who is leasing some state land at one of the airports and using it for a tie-down for his plane. Since this is a state airport, the state provides fire and police protection for the area. At the same time, this area is located in the Spenard Service Area where the municipality, supposedly, is providing the same service. Therefore, this guy feels that being taxed by the municipality (special service area), as well as the state, (in conjunction with the leasing of the land) is being subjected to a duplicate tax and is unjust.

This bill is designed to eliminate the tax imposed by the municipality because the individual is already being taxed by the state for the fire and police service.

I checked with Palmer to see what the Department's position is regarding this matter and he said he didn't completely understand the bill, but felt they would probably oppose it.

PC/js

S

B

3

18

COMMENTS OF THE ALASKA PUBLIC UTILITIES COMMISSION REGARDING SENATE BILL 318

The proposed amendments to AS 42.05.381(a) is the result of a series of recommendations by the consultant employed by the Legislative Affairs Agency to review the existing statute of the Alaska Public Utilities Commission. It should be noted that the consultants did not have either formal or informal contact with any of the Commissioners or the Commission staff.

The policy of the Commission regarding costs of advertising which has been allowed for rate-making purposes is that which is found in the new language proposed by this legislation. If the Legislature desires to formalize by statute the policy of the APUC, we would suggest that on line 21(D) the word "shareholders and" be inserted after "informing"; therefore, (D) would read: "informing shareholders and members of a cooperative of meetings of the utility and encouraging attendance; or".

The proposed statutory addition delineating the instances when a surcharge may be included in a utility's rates is also the policy of the Commission and is reflected in procedures established by the Commission. The most recent allowance of a surcharge is described in the order granting a certificate of public convenience and necessity to Wakefield Seafoods, Inc. (a copy of which is attached).

In summary, the additional language contained in this legislation reiterates Commission policy. If the legislature believes it to be in the public interest to include this policy through statutory language, the Commission has no objections to the proposed legislation.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 318

Title An Act relating to public utility rates

Requested by _____ Date 4/14/77

II. FISCAL DETAIL

Agency Affected Commerce & Economic Development

Program Category Affected Protection

Budget Request Unit(s) Affected Alaska Public Utilities Commission

EXPENDITURES (Thousands of Dollars) NONE

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

TOTAL

FUNDING (Thousands of Dollars) NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact.

IV. DATE _____

PREPARED BY Robert A. Lewis

AGENCY Alaska Public Utilities Commission

PHONE 272-1437

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Gordon J. Zerbetz, Chairman
Marvin R. Weatherly
Carolyn S. Guess
Susan M. Knowles
Stuart C. Hall

In the Matter of the Application of WAKEFIELD SEAFOODS, INC., for a Certificate of Public Convenience and Necessity to Operate an Electric Utility at Sand Point, Alaska U-76-5 ORDER NO. 1

In the Matter of the Inclusion of a Fuel Cost Rate Adjustment Clause in the Electric Utility Tariff of WAKEFIELD SEAFOODS, INC. U-77-24 ORDER NO. 1

ORDER GRANTING CERTIFICATE AND CONDITIONALLY APPROVING FUEL COST RATE ADJUSTMENT CLAUSE

On June 24, 1975, WAKEFIELD SEAFOODS, INC. (WSI), applied for a temporary certificate of public convenience and necessity to continue furnishing electric utility service at Sand Point, Alaska. On July 15, 1975, a temporary certificate was granted conditionally and WSI was ordered to file an application for permanent certification not later than December 31, 1975.

An application for permanent certification was received by the Alaska Public Utilities Commission on December 31, 1975. Following staff review and subsequent WSI submittals the application was noticed to the public on December 21, 1976. No statements in favor of, or in opposition to, the application were received by the Commission.

U-76-5(1) (4/19/77)
U-77-24(1) (4/19/77)
Page 1 of 6

ALASKA PUBLIC UTILITIES COMMISSION
1103 WACHAY BUILDING
318 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 272-1487

1 The proposed tariff contains three rate schedules.
2 In Schedule A, which applies to farm and home customers, the
3 first 200 kilowatt hours per month cost the consumer 15¢ per
4 KWH and the balance (over 200) cost 13¢/KWH with a \$7.50/month
5 minimum charge where 5 KVA or less transformer capacity is
6 required. In Rate Schedule B, applicable generally to
7 commercial customers, the first 100 KWH per month will cost
8 the consumer 13¢ per KWH, the next 100 KWH will cost 11¢ per
9 KWH, and all over 200 KWH/month will cost 7¢ per KWH, with
10 a \$3.00 per KW per month demand charge for demand in excess
11 of 10 KW and a \$7.50/month minimum charge where 5 KVA or
12 less transformer capacity is required. Both the residential
13 and the commercial rate schedules have fuel cost rate adjust-
14 ment clauses whereby increases in the cost of fuel are
15 flowed through to the consumers on the basis of KWH used.
16 Additionally, the tariff contains a yard lighting schedule.
17 Special fees and charges are a \$10.00 connect charge, a
18 \$25.00 fee for unauthorized breaking of meter seal, a \$5.00
19 handling fee for dishonored checks, and a meter deposit in
20 the amount of the customer's estimated two-month usage.

21 On July 1, 1976, the Commission received notice
22 that Amfac Foods, Incorporated, 6600 Southwest Hampton
23 Street, P. O. Box 23564, Portland, Oregon 97223 had acquired
24 100% ownership of WSI. This ownership change did not alter
25 the previous filing, however.

26 The Commission is aware that the cost of fuel to
27 the utility is continually changing and while the Commission
28 is not averse to a fuel cost rate adjustment provision it
29

1 believes this is a matter that must be monitored on a con-
2 tinual basis. The fuel cost rate adjustment surcharge will
3 be accepted subject to conditions in the ordering paragraphs
4 to follow. A separate docket will be opened for purposes of
5 monitoring the results of this provision so long as it re-
6 mains a part of WSI's tariff.

7 THE COMMISSION FURTHER FINDS AND CONCLUDES:

8 1. WSI is a public utility as defined by AS
9 42.05.701 and is subject to the Commission's regulatory
10 jurisdiction.

11 2. It will not be contrary to the public interest
12 to grant WSI a permanent certificate of public convenience
13 and necessity.

14 ORDER

15 THE COMMISSION ORDERS:

16 1. The conditional temporary grant of operating
17 authority to Wakefield Seafoods, Inc., on July 15, 1975, in
18 Docket U-75-49 is hereby withdrawn and Wakefield Seafoods,
19 Inc., is granted without time limitation or other special
20 conditions a certificate of public convenience and necessity
21 to furnish electric utility services at Sand Point, Alaska.

22 2. The tariff which Wakefield Seafoods, Inc.,
23 filed with the Commission on December 31, 1975, is approved.

24 3. The fuel cost rate adjustment clause filed by
25 Wakefield Seafoods, Inc., is approved subject to the condi-
26 tions in paragraphs 4 through 11 below.

27 4. Wakefield Seafoods, Inc., shall notify the
28 Commission in writing as expeditiously as possible whenever
29

1 a fuel cost rate adjustment is to be placed in effect in
2 accordance with the clause approved herein. Notification to
3 the Commission shall include:

- 4 (a) The amount and effective date of each
5 rate adjustment and the period of ser-
6 vice to which the adjustment is ap-
7 plicable; provided, however, that a
8 fuel cost rate adjustment shall not
9 be put into effect during a billing
10 period if the fuel cost changes which
11 gave rise to the adjustment pertain
12 only to fuel purchases consumated after
13 the 15th day of that billing period.
- 14 (b) Copies of actual bills received by the
15 utility for fuel purchased at the latest
16 cost and for the two most recent purchases
17 preceeding that fuel cost change.
- 18 (c) A notarized statement by a principal
19 officer of the utility setting forth the
20 fuel inventories of the utility at the
21 times of the purchases designated in (b)
22 above; and the quantities of fuel con-
23 sumed and the kilowatt hours sold during
24 each of the 12 months ;receeding the month
25 in which the adjustment was placed in ef-
26 fect.
- 27 (d) A signed tariff sheet showing the computation
28 of, and the effective date of, the surcharge.
- 29
30

118-MALWAY BUILDING
318 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 372-1487

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

(e) Any other data and information which may assist the Commission to verify the reasonableness and propriety of the rate adjustments..

5. Wakefield Seafoods, Inc., may place an adjustment into effect in conformance with the effective date of a tariff sheet as submitted but the revenues collected thereunder are subject to refund as provided in (7) below.

6. Wakefield Seafoods, Inc., shall expeditiously furnish any supplementary information which the Commission may request in connection with the tariff revision and subsequent fuel cost rate adjustments under that revision, and the burden of proof of the propriety of the fuel cost rate adjustments shall remain on Wakefield Seafoods, Inc.

7. Wakefield Seafoods, Inc., shall maintain accurate records of its fuel costs, and of the billing adjustments based on those fuel costs, and shall, if so directed by the Commission after investigation and hearing, promptly make to its customers such refunds or credits of the revenues resulting from fuel cost rate adjustment as the Commission may direct by written order. If so directed by the Commission pending investigation and hearing, Wakefield Seafoods, Inc., shall place in escrow, in a financial institution approved by the Commission, the additional revenues received by Wakefield Seafoods, Inc., under any fuel cost rate adjustment which it has instituted.

8. The fuel cost rate adjustment shall be shown as a surcharge on each customer's bill for electric service

ALASKA PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
328 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 272-1487

ALASKA PUBLIC UTILITIES COMMISSION
3100 MACKAY BUILDING
338 DEHALI STREET
ANCHORAGE, ALASKA 99501
PHONE 272-1487

1 and may take into account only the amount by which the cost
2 of fuel purchased after the effective date of this order
3 exceeds the base cost of fuel which was used to compute
4 revenue requirements in this proceeding or any other base
5 cost which the Commission subsequently approves.

6 9. If, under the provisions of the fuel cost rate
7 adjustment clause approved herein, Wakefield Seafoods, Inc.,
8 begins assessing surcharges to its customers to reflect
9 increases in its cost of fuel used to generate electrical
10 energy, it shall likewise make timely and appropriate re-
11 ductions in the surcharges to reflect decreases in its cost
12 of fuel.

13 10. Except as otherwise provided by the Commis-
14 sion in writing, within 45 days after the end of each
15 quarter of the calendar year following the quarter in which
16 any fuel cost rate adjustment is made, Wakefield Seafoods,
17 Inc., shall furnish to the Commission, on forms furnished by
18 the Commission, an interim report of the earnings of the
19 utility for the quarter period then ended.


20 11. At the request of the Commission, Wakefield
21 Seafoods, Inc., shall promptly prepare and file with the
22 Commission an up-to-date revenue requirements study for the
23 purpose of verifying that it is not earning an unreasonably
24 high rate of return on its original cost rate base of util-
25 ity plant used or useful in furnishing services for the con-
26 venience and necessity of the public.

27 DATED AND EFFECTIVE at Anchorage, Alaska, this 19th day of
28 April, 1977.

29 BY DIRECTION OF THE COMMISSION
30 (Commissioner Susan M. Knowles not participating)

31 (S E A L)

32 U-76-5(1)
U-77-24(1)
Page 6



S B

319

ALASKA UTILITIES ASSOCIATION

2300 Spenard Road • Anchorage, Alaska • Phone 277-6591

ROBERT B. SMITH
President

NORMAN C. BANFIELD
First Vice President

WILLIAM CORBUS
Second Vice President

THOMAS M. PEETZ
Secretary-Treasurer

May 9, 1977

The Honorable Joe Orsini
Community & Regional Affairs
Alaska State Senate
Pouch V
Juneau, AK 99801

Re: SB No. 319, An act relating
to the debt of public utilities

Dear Senator Orsini:

Upon reviewing the provisions of this bill, I find that although the bill may be well intended--to assure that the utility is not incurring debt at unreasonable rates of interest, or that the debt is reasonably required by the utility, it is unrealistic.

As small utilities can testify (some large ones, too), utility financing in Alaska is very difficult. The utilities, for the most part, are small entities, relatively new, and most have expansion requirements almost unheard of "outside". The Alaska lending institutions are unsophisticated in making utility loans. They expect a utility which oftentimes acquires assets with 20 to 50 year lives to be able to pay the loan in 5 to 7 years. Again, most of our utilities are too small to be of interest to the sophisticated money markets "outside".

The Alaska utilities have to (as in any business) obtain the best terms and conditions for their borrowing. To add a third element--approval by the APUC after a public hearing, further delays the obtaining of financing, quite possibly to the point where such proposed financing "dries up" and is no longer available.

The APUC reviews the fiscal operation of a utility as part of its determination if a proposed rate increase is in the public interest. As part of this review, the APUC would disallow excessive interest being paid on loans, or interest and debt service on loans not necessary for the present and prospective obligations to provide service. I believe this present method is an effective means of protecting the public.

May 9, 1977

Now, however, if you are seriously trying to assist the general public by doing whatever is possible to lower utility rates, why not use a portion of the "Permanent Fund" to create a revolving loan fund for Alaska utilities?

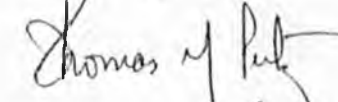
If you offered funds available at a reasonable rate of interest (say 8%) for necessary projects, then I could see the state having an interest in the borrowings of utilities, and possibly requiring APUC consent to borrow elsewhere.

SB 319 offers the public nothing except a delay in the installation of necessary additions or improvements, and the increased cost of government to impose this additional intervention.

If you desire further information, please contact me.

Very truly yours,

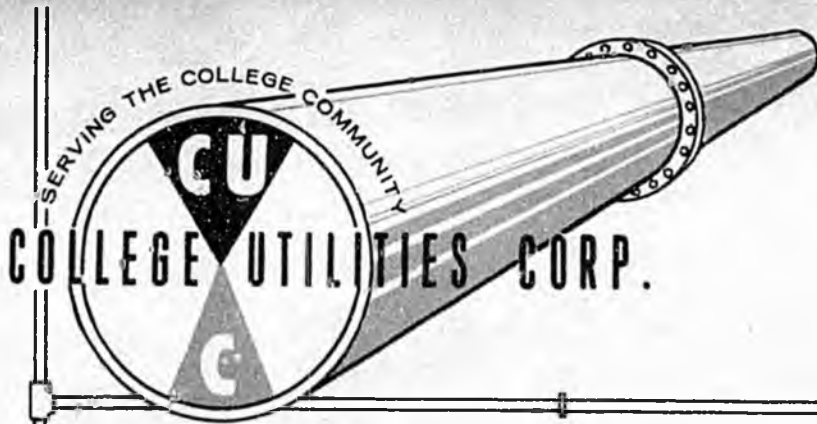
ALASKA UTILITIES ASSOCIATION



Thomas M. Peetz
Secretary-Treasurer

cc: To all members of the
Alaska Utilities Association
w/copy of SB 319

mb



PHONE
(907) 479-2760

600 UNIVERSITY AVE.
P.O. BOX 80909
COLLEGE, ALASKA 99708

May 17, 1977

The Honorable Joe Orsini
Community & Regional Affairs
Alaska State Senate
Pouch V
Juneau, Alaska 99801

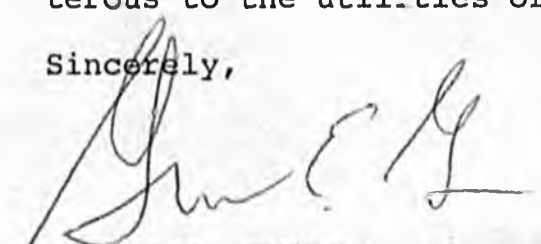
Re: SB #319, An act relating
to the debt of public utilities

Dear Senator Orsini:

The Alaska Public Utilities Commission currently has almost life and death control over all utilities in the State of Alaska. We have proceedings in a rate matter that have been going on for approximately 1½ years. The final resolution and outcome is still in dispute and doubt.

If the Alaska Public Utilities Commission is given control over loans, debts, and financial obligations of utilities to include the possibilities of public hearings, and involvement by the many departments of the Alaska Public Utilities Commission it is doubtful whether any utility shall ever again be able to borrow money in the State of Alaska. We believe that the adoption of this bill would be disastrous to the utilities of this state.

Sincerely,


GEORGE E. GORDON
President

COLLEGE UTILITIES CORPORATION
GEG/cjs

SB

320

COMMENTS OF THE ALASKA PUBLIC UTILITIES COMMISSION REGARDING SENATE BILL 320

The fiscal note contains monies for three additional staff for the Alaska Public Utilities Commission (APUC). (An attorney at the same range as the existing staff attorney, a Utility Financial Analyst III and a Secretary I.) The additional support staff for this proposed legislation would

(1) draft regulations implementing the provision for reasonable compensation for attorney's fees, expert witnesses and other costs of participating in proceedings before the APUC;

(2) analyze the applications from those individuals who contend that their interests would not be adequately represented in an APUC proceeding and determine those who are unable to effectively participate in a proceeding. Because of the costs involved and the payment of those costs from public funds, it is incumbent upon staff to examine these applications more rigorously than that currently given for petitions to intervene in proceedings;

(3) participate in preliminary proceedings to determine the eligibility of an applicant in the event a staff decision was appealed to the Commission.

(4) participate in proceedings before a court which could result from Commission determinations under this legislation.

In addition, the commission estimates based on 1976 actual hearing days (153), assuming eight hours of hearing time per day, that the attorney for a third party funded at \$80 per hour would require an appropriation of \$97,920 on an annualized basis. The Commission has made the assumption that expert witness fees including other costs of participation in a proceeding would be for on half of the 1976 hearing days (76) at a rate of \$350 a day for consultant fees. This total is \$266,000. In addition, we have included \$5,000 for travel by the proposed support staff of the APUC to implement this legislation.

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB 320
 Title An Act relating to the Alaska Public Utilities Commission
 Requested by _____ Date 4/14/77

II. FISCAL DETAIL
 Agency Affected Commerce & Economic Development
 Program Category Affected Protection
 Budget Request Unit(s) Affected Alaska Public Utilities Commission

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		100.8	100.8	100.8	100.8	100.8
200 TRAVEL		5.0	5.0	5.0	5.0	5.0
300 CONTRACTUAL		369.1	369.1	369.1	369.1	369.1
400 COMMODITIES		.9	.9	.9	.9	.9
500 EQUIPMENT		3.3				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		479.1	475.8	475.8	475.8	475.8

FUNDING (Thousands of Dollars)

GENERAL FUND		479.1	475.8	475.8	475.8	475.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE April 29, 1977 PREPARED BY *Carole S. Buss*
 AGENCY Alaska Public Utilities Commission
 PHONE 272-1487
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

ALASKA PUBLIC UTILITIES COMMISSION

Senate Bill 320 - Backup Information

The fiscal note contains monies for three additional staff for the Alaska Public Utilities Commission (APUC). (An Attorney at the same range of the existing staff attorney, a Utility Financial Analyst III and a Secretary I.) The additional support staff for this proposed legislation would

(1) draft regulations implementing the provision for reasonable compensation for attorney's fees, expert witnesses and other costs of participating in proceedings before the APUC;

(2) analyze the applications from those individuals who contend that their interests would not be adequately represented in an APUC proceeding and determine those who are unable to effectively participate in a proceeding. Because of the costs involved and the payment of those costs from public funds, it is incumbent upon staff to examine these applications more rigorously than that currently given for petitions to intervene in proceedings;

(3) participate in preliminary proceedings to determine the eligibility of an applicant in the event a staff decision was appealed to the Commission.

(4) participate in proceedings before a court which could result from Commission determinations under this legislation.

In addition, the Commission estimates based on 1976 actual hearing days (153), assuming eight hours of hearing time per day, that the attorney for a third party funded at \$80 per hour would require an appropriation of \$97,920 on an annualized basis. The Commission has made the assumption that expert witness fees including other costs of participation in a proceeding would be for one half of the 1976 hearing days (76) at a rate of \$350 a day for consultant fees. This total is \$266,000. In addition, we have included \$5,000 for travel by the proposed support staff of the APUC to implement this legislation.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 320

Title An Act relating to the Alaska Public Utilities Commission

Requested by _____ Date 4/14/77

II. FISCAL DETAIL

Agency Affected Commerce & Economic Development

Program Category Affected Protection

Budget Request Unit(s) Affected Alaska Public Utilities Commission

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		100.8	100.8	100.8	100.8	100.8
200 TRAVEL		5.0	5.0	5.0	5.0	5.0
300 CONTRACTUAL		369.1	369.1	369.1	369.1	369.1
400 COMMODITIES		.9	.9	.9	.9	.9
500 EQUIPMENT		3.3				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		479.1	475.8	475.8	475.8	475.8

FUNDING (Thousands of Dollars)

GENERAL FUND		479.1	475.8	475.8	475.8	475.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

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

see attachment

IV. DATE April 29, 1977

PREPARED BY *Barbara J. Gues*

AGENCY Alaska Public Utilities Commission

PHONE 272-1487

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

100 PERSONAL SERVICES

<u>Attorney IV - R24--Step E</u>			
Salary	\$ 42,876		
Benefits @ 25.5%	<u>10,933</u>		\$ 53,809
<u>Utility Financial Analyst III - R18</u>			
Salary	23,796		
Benefits @ 25.5%	<u>6,068</u>		29,864
<u>Secretary I - R 10</u>			
Salary	13,644		
Benefits @ 25.5%	<u>3,479</u>		<u>17,123</u>
			\$100,796

200 TRAVEL

<u>Attorney and/or Utility Financial Analyst</u>			
Out-of-town hearings, transportation @ \$150 per trip			
x 15 trips		2,250	
Out-of-town hearings, per diem @ \$125 per trip x 15 trips		1,875	
Program Travel in-State and/or out-of-State, transportation		500	
Program Travel in-State and/or out-of-state, per diem		<u>375</u>	
			5,000

300 CONTRACTUAL

<u>Telephone</u>			
Installation, 3 telephones		75	
Monthly charge \$20 x 12 mos. x 3 employees		720	
Long distance calls, Attorney and U.F.A., est. \$80/mo.		960	
<u>Office Space</u>			
Attorney - 252 sq. ft. @ 55¢/sq. ft. = \$138.60 x 12 mos.		1,663	
U.F.A. III and Secretary I - 126 sq. ft. each = 252 sq. ft. @ 55¢/sq. ft. = \$138.60 x 12 mos.		<u>1,663</u>	
			5,081

400 COMMODITIES

Stationery, office supplies, books @ \$300 x 3 employees			900
--	--	--	-----

500 EQUIPMENT

<u>Attorney (already has office desk and chair)</u>			
File Cabinet, 4-dr., legal with lock	\$220		
Table	120		
Bookcase	140		
2 Side Chairs @ \$30	<u>60</u>		540
<u>U.F.A. III</u>			
Desk, Executive	275		
Chair, Executive	150		
Bookcase	140		
File Cabinet, 4-dr., legal, with lock	220		
Calculator	600		
2 Side Chairs @ \$30	<u>60</u>		1,445
<u>Secretary I</u>			
Typewriter	850		
Desk, Secretarial	360		
Chair, Typist	<u>120</u>		<u>1,330</u>
			3,315

GRAND TOTAL \$115,092

S B

3 6 9

(add as paragraph 3 to standard municipal letter)

I ~~would~~ would like to ~~draw~~ draw your attention to the language in the proposed legislation. Currently ~~AS 29.53.020 (i)~~ AS 29.53.020 (i) contains only the language that would become paragraph (2) in SB 369. ~~The language~~ Paragraph (1) is new language.

Joe-

Presently AS 29.53.020(i) contains only what would be paragraph (2) under K.'s bill. Para. (1) entirely new . Would you like a municipal letter to go out?

Ben

OK -
note in letter that
subsection (1) is new ~~law~~ addition
to existing law



Official Business

Alaska State Legislature

Senate
Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 10, 1978

Enclosed please find a copy of Senate Bill 369 which, if enacted, may have an effect on your municipality. Your comments or recommendations would be appreciated, as we intend to give this proposed legislation our consideration in the near future.

I would like to draw your attention to the language in the proposed legislation. Currently AS 29.53.020 (i) contains only the language that would become paragraph (2) in SB 369. Paragraph (1) is new language.

Please write to the Senate Community and Regional Affairs Committee, Pouch V, Juneau, Alaska 99811: or call 465-3712.

Sincerely,

A handwritten signature in cursive script that reads "Joe Orsini".

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: As stated

April 4, 1978

The Honorable Al Ose
House of Representatives
Alaska State Legislature
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Representative Ose:

IN RE: Senior Citizens Property Tax Exemption, AS 29.53.020

<u>FY 78</u>	<u>Assessed Value</u>	<u>Exemption</u>
Current Operation:	103,992,129	\$1,512,800
Legislative Proposal:	138,309,532	2,057,379
Difference:	34,317,403	\$ 554,600
<u>FY 79</u>		
Current Operation:	117,344,450	\$1,919,025
Legislative Proposal:	154,894,674	2,515,220
Difference:	37,550,224	\$ 596,195

The preliminary data outlined above is in response to the request for the probable impact of redefining "permanent place of abode" to exempt the senior citizen homeowner "total tract".

This information has been obtained largely by telephone from only those municipalities most likely to be heavily impacted by such a redefinition. No attempt was made to project the impact, should a more liberal program influence additional applications, it should be noted that this could be an important factor.

The estimates should not in any way be considered as other than assumptions for projection basis. A computer analysis of the FY 78 program is

The Honorable Al Ose

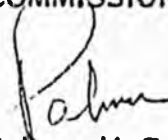
April 4, 1978

Page two

being prepared by the Division of Data Processing. It is predicted that a detailed report will be available from Department of Administration Data Processing Division within a few days.

Sincerely,

LEE MCANERNEY
COMMISSIONER



By: Palmer McCarter
Director, LGAD

BILL ANALYSIS

ASSIGNMENT DATE _____

UNASSIGNED _____

DEPARTMENT Community & Regional Affairs	SPONSOR (PRINCIPAL) House Finance Committee	BILL NO. HB 899			
DEPARTMENT POSITION Opposed					
DIVISION DIRECTOR Palmer McCarter	DATE 4/26/78	COMMISSIONER Lee McAnerney			
		DATE 25-4-78			
GOVERNOR'S OFFICE USE					
<input type="checkbox"/> POSITION NOTED <input type="checkbox"/> POSITION APPROVED <input type="checkbox"/> POSITION DISAPPROVED					
BY: _____ DATE: _____					
SUMMARY					
(1) RELATED BILLS (SIMILAR OR CONFLICTING)					
<table style="width:100%; border: none;"> <tr> <td style="width:50%; border: none;">(2) a. ORGANIZATIONAL SUPPORT FOR BILL</td> <td style="width:5%; border: none; text-align: center;"> </td> <td style="width:45%; border: none;">(2) b. ORGANIZATIONAL OPPOSITION TO BILL</td> </tr> </table>			(2) a. ORGANIZATIONAL SUPPORT FOR BILL		(2) b. ORGANIZATIONAL OPPOSITION TO BILL
(2) a. ORGANIZATIONAL SUPPORT FOR BILL		(2) b. ORGANIZATIONAL OPPOSITION TO BILL			
(3) PROGRAM EFFECTS OF BILL					
<p>Allows a blanket exemption of the land unit, regardless of area, on which the dwelling of the 65 years or older owner/occupant is situated.</p>					
(4) FISCAL IMPACT: <input type="checkbox"/> NONE <input checked="" type="checkbox"/> FISCAL ANALYSIS ATTACHED					
(5) AMENDMENTS PROPOSED:					

(6) COMMENTS:

* Current administrative procedures allow sufficient land area for convenient use of the residential structure as a dwelling unit plus the residence as qualifying for exemption.

That part of the real property owned and occupied as the permanent place of abode is so defined. Sufficient land is limited to one acre if urban and five acres if rural.

The allowance of a blanket exemption would increase the amount reimbursed to municipalities by approximately 33 1/3%.

S B

372

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

January 24, 1978

Present: Chairman Orsini, Senators Willis, Ferguson and Hackney; Bruce Aronson, C/RA; Marilyn Miller, Alaska Municipal League; Roger Allington, Alaska Coastal Policy Development and Planning; Glen Akins, DPDP; Annette Smith, HC&RA; Steve Mizera, Republican Caucus; Jack Chenowith, Legislative Affairs; Steve J. Kettlekamp, Exxon; Keith Arnold, Alaska Oil & Gas Association; Oren Pomeroy, C/RA; and Tim Bradner of BP-Sohio.

Absent: Senator Bill Sumner

SENATE BILL 388

The meeting was called to order at 3:15 by Chairman Orsini who announced the formation of a subcommittee to deal with village land reconveyances occurring under paragraph 14 (c) of the Alaska Native Claims Settlement Act. Senator Ferguson was appointed Chairman. Senators Hackney and Orsini were appointed members. Senator Ferguson agreed that the subcommittee would be able to make a report to the committee within a month.

The committee first took-up CSSB 388. The two Co-chairman of the Alaska Coastal Policy Council, Frances Ulmer and Roger Allington, had been invited to present their views of the effects of CSSB 388 on the functioning of the council.

Council Co-chairman Allington referred his letter of January 23, 1978, to Senator Orsini, in which he supported SB 388's provision for the selection by the Governor of alternative members to fill unexpected vacancies in the council.

Co-chairman Ulmer concurred with Allington's assessment and noted that the question of the appointment of alternate members had been heatedly debated in the council without achieving a clear concensus.

She also cautioned against too great an attempt to restrict the number of alternates available for the governor's selection, but she believed that CSSB 388 would clarify the question of the alternate's qualifications. She suggested that assistant, as well as deputy commissioners be designated as acceptable substitutes for State commissioners in the council.

Marilyn Miller, representing the Alaska Municipal League, testified on CSSB 388. She stated that the League would prefer to see public members on the council appoint their own alternates in order to maintain a continuity of view point.

This completed public testimony on CSSB 388. Senator Ferguson moved that CSSB 388 as drafted be passed out of committee with individual recommendations. The committee vote was 2 Do Pass, 1 Do Not Pass Without Amendment and No Recommendations.

DISCUSSION OF ALASKA COASTAL MANAGEMENT PROGRAM

Chairman Orsini recalled Alaska Coastal Policy Co-chairman Frances Ulmer and Roger Allington to discuss the work of the council regarding the submission of its standard and guidelines to the Legislature. He pointed out the importance of the Legislature receiving these regulations in sufficient time this session to give them adequate consideration. He stated the intention of the committee to work with the unofficial draft regulations during the public hearing process in order to become as familiar as possible with the proposed regulations before their submission to the Legislature in April.

Council Co-chairman Ulmer told the committee that the council had recently completed a new draft of its regulations, copies of which had been made available to legislators. A sixty day hearing process would be underway shortly with public meetings throughout the state. The council believed that the regulations would be ready for submission to the Legislature in early April, following a final council meeting on the regulations in Juneau, March 24 and 25.

Ulmer stressed the need for legislative action on the Coastal Management Program this session in order to allow the state program to receive federal approval by December of 1978. She indicated that there had been some question within the council whether the regulations constituted a part of the program and also required legislative approval, the consensus of the council was that the regulations also required legislative action to accept them.

Glen Akins, Director of the Office of Coastal Management, outlined for the committee the situation in Washington State and Oregon where federal approval for these states' coastal management programs was given before all the local programs were completed. He noted, however, that court challenges against this practice are underway.

He also pointed out that the role of the federal government in funding state coastal programs is significant. So far approximately \$3 million in federal funds have been used in Alaska to finance state and local efforts. Approximately \$250,000 in state funds have been allocated to this purpose. Without federal approval next year, Akins believed that this financial obligation would have to be borne completely by the State.

In response to Chairman Orsini's question on the concept of federal consistency, Akins replied that Federal agencies have observed state coastal policy when public groups, local governments and the state government united behind one position. Ultimately, however, the Secretary of Commerce would be the arbiter in any dispute between a state and federal agency over federal consistency provisions.

SENATE BILL 372

The committee voted unanimously to pass SB 372 out of committee following the explanation of Senator Willis that the bill was intended to rectify a drafting error regarding a reference citation of Senate Bill 37 to the Alaska Statutes. There was no public testimony.

SB 372
Municipality
of
Anchorage



POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M SULLIVAN,
MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

August 26, 1977

Senator Edward C. Willis
Box 402
Eagle River, Alaska 99577

Re: Senate Bill No. 37/Chapter 48 SLA 77.

Dear Senator Willis:

During the First Session of the Tenth Legislature, you co-sponsored Senate Bill No. 37 entitled "An Act Relating to the Sale, Repurchase and Disposition of the Proceeds of the Sale of Tax Foreclosed Real Property". This bill was subsequently enacted by the Legislature as Chapter 48 SLA 77. As you remember, your bill amended various portions of AS 29.53 dealing with foreclosure procedures by local government. Specifically, the bill was intended to prevent the loss of valuable interests in real property through inadequate notice or the inadvertent actions of local government. I believe you are familiar, for example, with the situation involving property originally owned by Mr. Russell Oberg in the Chugiak/Eagle River area.

In studying provisions of Title 29 concerning tax foreclosure, I have recently discovered that several of the sections in AS 29.53 are omitted from the list of sections applicable to home-rule municipalities under AS 29.13.100. As you can see from the attached copy, the provisions of AS 29.53 that are applicable to home-rule municipalities in Alaska end with Section 350. It is therefore apparent that the portions of your bill (SB 37) amending Sections 370-380 of AS 29.53 could be construed to be inapplicable to the Municipality of Anchorage as a home-rule local government. However, I want to assure you that it has been the Municipality's policy to follow the provisions of AS 29.53 in the foreclosure, sale or dedication of real property.

Senator Edward C. Willis
August 26, 1977
Page 2

I was very happy for the opportunity to provide you with input in Juneau concerning the Municipality's interests in SB 37 and appreciated your concern in developing a bill that adequately protects both the interests of local governments and affected property owners in tax foreclosure proceedings. I therefore felt that you should be advised of my findings concerning the problems with applying this measure, as presently written, to home-rule municipalities. You may wish to consider submitting a brief amendment to AS 29.13.100 that would apply all of the sections of AS 29.53 included in SB 37 to home-rule municipalities. Since there will not be another round of tax foreclosure proceedings until next year, present questions concerning the applicability of SB 37 to the Municipality of Anchorage should not cause any problems in the near future. If I can be of any further assistance in this matter, please feel free to call me at 264-4349.

Sincerely yours,



Theodore D. Berns
Assistant Municipal Attorney

Enclosures

cc: Pete Argetsinger, Deputy Municipal Attorney

TDB/ckb

S B

3 7 3



City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

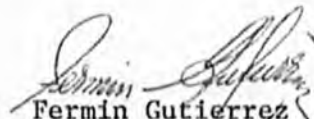
January 17, 1978

Senator Joe Orsini
Chairman, Community and
Regional Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

In reply to your letters of January 13, 1978, and the copy of
SB 373, SB 374, SB 375 and SB 388 which accompanied same. Be
advised that the City and Borough of Sitka supports the aforesaid
Senate Bills.

Very truly yours,


Fermin Gutierrez
Administrator

cc: Senator Pete Meland

SUPERINTENDENT
Bruce H. Hill

225-9658
225-9659



640 Park Avenue
Post Office Box 8340
Ketchikan, Alaska 99901

F. SB 373

CHAIRMAN
Richard Madden

TREASURER
Kathy Pesterfield

CLERK
Allen Strahle

MEMBER
Lucille Hedrich
Estelle Thompson

January 19, 1978

Senator Joseph Orsini
Alaska State Senate
Pouch V
Juneau, Alaska, 99811

Dear Senator Orsini:

This letter is to comment upon SB 373. At its regular meeting on January 19, 1978, the Southeast Island School District Board went on record against the bill.

The public is informed of the results of negotiations in the Southeast Island School District, and has the opportunity to express its opinions to Board members directly as well as through the electoral process.

Also, it was felt that the bill would needlessly prolong the negotiations process in school districts such as ours.

Sincerely yours,

Richard Madden, Chairman
Southeast Island School District

RM:js

cc: Governor Jay Hammond
Senator Robert Ziegler
Representative Terry Gardiner
Representative Oral Freeman

Petersburg Public Schools

D. W. Schultz, Superintendent

P. O. BOX 289
PETERSBURG, ALASKA 99833

F: SB
373

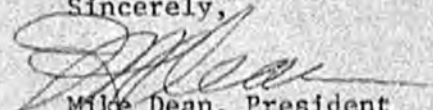
January 20, 1978

Senator Joe Orsini
Chairman
Community and Regional
Affairs Committee

Dear Senator Orsini:

I feel that Senate Bill No. 373 is excellent in that it would give the public a say in how their funds are negotiated away. I also feel that this bill would get the people more involved in their schools. Thank you.

Sincerely,



Mike Dean, President
Petersburg School Board

Phone: (907) 424-3237
or 424-3238

CITY OF CORDOVA

Box 1210
CORDOVA, ALASKA 99574

"The Friendly City"
January 30, 1978

F. 1) SB 373 ✓
2) " 374
Reply to:
3) " 388
4) " 375

The Honorable Joe Orsini, Chairman
Senate Community and Regional
Affairs Committee
Fouch "V"
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for permitting us the opportunity to comment
on several bills before your committee.

Our comments are as follows:

Senate Bill 373 - No Comment

Senate Bill 374 - We would have no objection to this bill
provided we can continue to apply for and
receive leases to tidelands under the present
methods, however, if this would infringe
upon that right, we raise strong objections
to any interference with our right to obtain
tide or submerged lands.

Senate Bill 388 - We support this bill.

Senate Bill 375 - We support this concept for loans to
municipalities as defined for construction
or renovation of capital facilities.

Thanks again for the opportunity to comment.

Very truly yours,


Perry D. Lovett
City Manager

cc: Senator Kerttula
Representative Lovseth

PDL/lb

Skagway City School District

POST OFFICE BOX 497 SKAGWAY, ALASKA 99840

F. 58393

Feb. 1, 1978

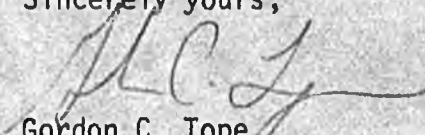
Senator Joe Orsini, Chairman
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Accepting Senate Bill 373 on face value, it appears to be a sound proposal. The Skagway City School Board would be delighted to make all aspects of negotiations public. In fact, this topic is discussed each year in our preliminary meetings.

Although after a careful examination of this proposal, one can see that it would be a cumbersome and time consuming process. Negotiations are unwieldy at best, and with this additional time factor built in, it would create an impossible situation.

Sincerely yours,


Gordon C. Tope
Superintendent

GCT/jmh



Skagway City School District

Municipality of Anchorage



POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR
February 2, 1978

Senator Joe Orsini
Chairman
Community & Regional Affairs Committee
Alaska State Legislature
Juneau, Alaska 99811

Dear Joe:

The Municipality of Anchorage has opted out of the State Labor Relations Act, so SB 373 will not affect us at this time.

I did have the bill reviewed by our Labor Director and he does find some fault with the Legislation. Feel free to contact him if you wish. His name is Fred Jones and he can be reached at 264-4424.

Best personal regards,

George M. Sullivan
Mayor

GMS:10

cc: Fred Jones
Ted Berns



F: SB 373



ANCHORAGE
SCHOOL DISTRICT

4600 DeBor F rd - Anchorage, Alaska

99504

AREA CODE 907-333-9551

February 3, 1978

The Honorable Joe Orsini
Senator, Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Orsini:

Thank you for your letter of February 1, 1978. We have given some consideration to SB 373 and would offer the following comments and suggestions.

Section A. Public Notice. This section's intent is commendable. The realities of public sector bargaining provide a situation which could place governmental units at a distinct disadvantage if only the governmental proposal were made public. To remedy this possibility, I would suggest that both sides be required simultaneously to release their proposals at the first meeting between the bargaining teams.

Section B. I agree with the intent of this section. To expedite negotiations, I would suggest limiting the amount of time which elapses between the release of the documents and the beginning of bargaining sessions. Two weeks might be appropriate.

Section C. This section poses a possible syntax ambiguity in possible interpretations of the word "proposal" in sections B, C, and D. This section requires public review of only the public employer's proposal. I believe the public meeting should be held to review both parties' proposals. Then action could be taken by both parties prior to convening negotiations.

Section D. It should be made clear that the disclosure provisions of this section would apply equally to proposals of both parties.

Senator Orsini
February 8, 1978
Page TWO

We would offer the following ideas for further consideration.

Section A. Initial proposals of both public employer and employee organizations must be made a part of the public record at a public meeting of the parties.

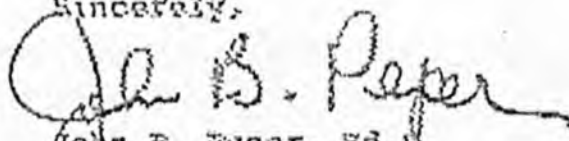
Section B. Negotiations between the employer and the employee group may not resume until a public hearing on both proposals has been held under the sponsorship of the public employer or by a mutually acceptable third party.

NOTE: It might not be necessary for the public body to adopt its initial posture since, by inference, they would have already done so in making an offer. The public hearing would allow them to modify their positions prior to resuming negotiations.

Section C. Comprehensive reports to the public on the progress and scope of negotiations, including full disclosure of signed articles between negotiating teams, should be made at least weekly. This would allow necessary give and take to occur between negotiating teams without excluding public comment.

Public knowledge of, and participation in, the activities of employee groups and public employers is a worthwhile goal and one which merits our support.

Sincerely,


John B. Peger, Ed.D.
Superintendent

pa

cc: Caroline Wohlforth
William Overstreet
Joe D. Montgomery



Official Business

Alaska State Legislature

Senate
Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 21, 1978

John Pugh, President
5017 Seton Circle
Anchorage, Alaska 99504

Dear Mr. Pugh:

I have enclosed for your review a copy of Senate Bill no. 501 ("An Act relating to municipal labor relations"), which concerns procedures for binding arbitration in matters involving local public employees, both municipal and school district.

I would very much appreciate your comments and assessment of this proposed legislation so that the Senate Community and Regional Affairs Committee will be able to benefit from your views when it takes up the measure later during the session.

I would like to point out that SB 501 is designed to allow local government or the appropriate administrative body the option adopting either or neither of these means of settling local public collective bargaining disputes. It is not my intent for the legislation in any way to mandate these forms of arbitration to the local governing body, but to permit it to select the most flexible course of action possible and locally desirable.

In this respect, I would also appreciate any suggestions you may have on ways in which SB 501 might be refined or made more responsive to local requirements.

Sincerely,

A handwritten signature in cursive script that reads "Joe Orsini".

Joe Orsini
Chairman
Community and Regional
Affairs Committee

JO/tb

Enclosure: SB 501

STATE OF ALASKA
THE LEGISLATURE


LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

SB-373

M E M O R A N D U M

March 17, 1978

SUBJECT: SB 373; collective bargaining
TO: Senator Joseph L. Orsini
FROM: Richard A. Bradley, Legislative Counsel 

After the hearing on SB 373 recently, you asked me to comment on one question.

The testimony offered on SB 373 suggested that some municipalities and school districts had provisions in their collective bargaining agreements stipulating that negotiations under the agreement would be undertaken in private.

Your question to me was whether in the context of such a provision, the municipality or school district retained the authority to adopt an ordinance which would mandate collective bargaining in the public's view.

In my opinion, a municipality or school district retains the right to determine the public policy of the community it speaks for. Therefore, a municipality or a school district may adopt an ordinance or resolution articulating such a policy.

In areas such as the protection of civil rights, restraints inconsistent with that goal may be expected to yield and the fact that the restraints are located in contracts has not been found significant. Southern Illinois Builders Assn. v. Ogilvie, 327 F. Supp. 1154 (S.D. Ill. 1971) and Contractors Assn. of Eastern Pa. v. Sec. of Labor, 442 F. 2d 159 (3rd Cir.) cert. den., 404 U.S. 854 (1971), aff'g. 311 F. Supp. 1002 (E.D. Pa. 1970). See also Federal Housing Authority v. Darlington 358 U.S. 84, 91 (1958); Fleming v. Rhodes, 331 U.S. 100, 107 (1947).

Senator Joseph L. Orsini
March 17, 1978
Page 2

In my opinion, the strong public policy in favor of the public's right to know what government is doing militates toward a similar conclusion. In any consideration of such a move, a municipality or school district presently operating under such a contractual provision could move to an open policy in stages by either declining to negotiate such a provision in renewals of agreements or providing by ordinance for open negotiations in all future agreements.

RAB:hjd

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 23, 1978

SUBJECT: CS for SB 373
TO: Senator Joseph L. Orsini
FROM: Richard A. Bradley ^B
Legislative Counsel

The committee substitute requested is enclosed.

I believe it is straightforward and responsive to your request.

Note one feature of collective bargaining at the present time in Alaska:

- (1) AS 23.40 applies to the executive branch of the state government, the University of Alaska, and municipalities except as to "teachers or noncertificated employees of school districts." AS 23.40.250(5).
- (2) AS 14.20.550 et seq. applies to certificated employees of school districts, including REAAs.
- (3) No law governs the collective bargaining by noncertificated employees of school districts or REAAs.

Accordingly, the bill addresses only those parts of the collective bargaining process presently authorized by statute.

RAB:jpd

Enclosure



Official Business

Alaska State Legislature

Senate Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 27, 1978

John B. Peper, Ed.D.
Superintendent
Anchorage School District
4600 DeBarr Road
Anchorage, Alaska 99504

Dear Dr. Peper:

Thank you for your letter of March 21 commenting on House Bills 681, 853 and 489. I know that you and your staff are fully occupied with immediate school district matters, so I do appreciate your taking the time to write on pending legislation.

Your earlier comments on the first draft of SB 373 were particularly useful to the Committee and they served as the basis for a proposed committee substitute. I have enclosed a copy of the redraft for your information and also for any further assessment you may wish to make.

I also hope that the Anchorage School District might be able to participate on March 30 in the video-broadcast hearings this Committee will hold on SB 501 (relating to the resolution by the public of public collective bargaining impasses) and, as time permits, on CSSB 373 as well.

You have my sympathy and full understanding regarding the deluge of regulations and new legislation affecting education. Hopefully, the flood can be brought under control or at least kept to measures truly benefiting municipalities and school districts.

Sincerely,

A handwritten signature in cursive script that reads "Joe Orsini".

JOE ORSINI
Chairman, Senate
Community and Regional
Affairs Committee

JO:gd

Enclosure: CSSB 373

Alaska State Council of Carpenters

Fi 58 373

AFFILIATED WITH

United Brotherhood of Carpenters and Joiners of America

LOCALS

466 SITKA
1243 FAIRBANKS
1281 ANCHORAGE
1501 KETCHIKAN



LOCALS

2162 KODIAK
2247 JUNEAU
2520 ANCHORAGE

"Build It With Wood"



March 29, 1978

Senator Joe Orsini, Chairman
Senate Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: Senate Bill No. 373 - Public Notice of Negotiations.

Dear Senator Orsini and members of the committee:

I would like to make comments on Senate Bill No. 373 that proposes to take negotiations for public employees out of their normal business like closed sessions and place the negotiations into a public arena. Throughout history we have witnessed the removal of certain functions from their normal environments and placed in public arenas. One that comes to mind was the removal of the trial of Christians from the Roman Empire courts and placed in town squares and coliseums. That blood bath was slowed to a trickle when the trial of these people was removed from the public arena and returned to the court rooms.

Justice for the blacks of the south was at one time determined by public gatherings of whitehood "saints" using emotions not reason and law. The only hope of justice for the southern black is in the courts with appeals processes that extend north. I have used what some may call ridiculous examples of taking a function out of its proper arena but they nevertheless graphically portray the thought that not all processes should be made public.

Black's Law Dictionary defines negotiate as "that which passes between parties or their agents in the course of or incident to the making of a contract..."

Senator Joe Orsini
March 29, 1978
page 2

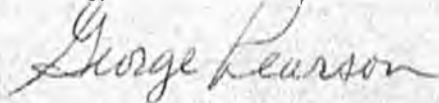
and defines negotiation as "the act of settling or arranging the terms and conditions of a bargain, sale, or other business transaction."

I doubt that free enterprise, international relations or courtship and marriage proposals could survive in an arena of public disclosure of all proposals made. Labor negotiations is a closed businesslike process of proposals and counter proposals, give and take and compromise. The finished product seldom resembles the original proposals but what emerges is a workable document reflecting the ideas and needs of both sides.

To suggest that private enterprise conduct all negotiations as per the concept of Senate Bill 373 would be met with contempt and scorn from both management and labor. I cannot believe that the best interest of municipalities and municipal employees will be met by removing their negotiations from a businesslike private arena to a public arena where emotions and irrationality often run wild. This piece of legislation appears to be a cure that will end up killing the patient. I suggest that you look again at the ailment to see if a cure is needed and if it does then look at the alternate cures. The cure should not have bad side effects that are worse than the original ailment.

Sincerely,

CARPENTERS LOCAL UNION 1281



George Pearson
President

GP:ch

F: SB-501
CSSB-373

745 West 13th
Anchorage, Ak.
99501
March 30, 1978

Alaska State Senate
Community and Regional Affairs Committee
Joseph L. Orsini, Chairman
Pouch V
Juneau, Ak. 99811

Dear Senators, *Senator Orsini*

The following is the testimony I verbally gave today via the Teleconference Hearing on SB 501 and CSSB 373:

Mr. Chairman and Senators, I'm Sue Linford speaking as a private Alaskan citizen of 24 years and former member and President of the Anchorage School Board. Currently, I am Chairman of the Anchorage Chamber of Commerce Education Committee and Representative from Alaska PTA to the Ruralcap Board of Directors. (*)

As a preface to my remarks, the concept presented in both 501 and 373 is an ideal and as an ideal it is presented as the perfect solution to impasse resolution in collective bargaining. Unfortunately, when dealing with fallible imperfect humans and human behavior, perfection is impossible. I oppose both pieces of legislation for one overall reason - they limit local control. Both pieces further narrow local governments' authority and ability to discover their own imperfect solutions to the perfect problem i.e. impasse resolution. The State would be better advised to spend the taxpayers' money on on-going training of employee groups and elected officials around the state in various techniques which will help insure fair collective bargaining, that is to better learn the rules of the game as it currently exists.

Regarding specifics of the bills - In speaking to both bills, my particular point of view is their effect on school personnel. I don't have to tell you that there is a vast difference between public and private sector negotiations; I also do not have to convince you, or you wouldn't be serving, of the greatness of the democratic institution of representative government. Put these two points together and you have the voters' elected representatives with the fiduciary responsibility for the public funds under their direct control. Further, this representative responsibility can not be fragmented or our checks and balance system will no longer work. I'm referring specifically to SB 501 Sec. 1, g, (1) - First of all, the panel suggested duplicates already existing elected bodies which have the OVERALL governing responsibility within their particular jurisdiction and areas of expertise. To add another layer, further insulates government from the direct voice of the people. If we were to deal with all local government problems in this manner, we would have taxpayer dollars spent for elections of ALL kinds and for ALL manners of panels. The result being - no ONE person or body where the BUCK actually stops. Also the politics of electing the panel suggested is lethal!

It is open to special interest manipulation not to mention the built-in invitation once elected for influence-buying and corruption. In other words, the bill suggests developing a democratic Frankenstein which is NOT responsible to or for the overall day-to-day governing of its public but rather a very narrow, specialized area called arbitration.

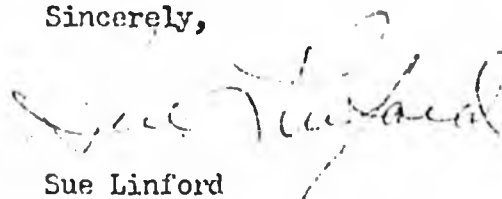
In Sec. 1, g, (2) - At a time when public sector bargaining is just barely being understood, this bill suggests submission of issues in dispute to an election of the voters, thereby changing entirely the rules of collective bargaining!

In conclusion, I'm reminded of a poker game in which heavy betting has taken place on specific hands; finally, when all bets are placed and a winner is about to be determined, a passerby comes to the table, picks up the hands, shifts some of the cards around, throws down one hand, points to a person and declares both the hand and the person the winner - then he turns and disappears into the sunset. . .

Regarding CSSB 373 - This substitute is much better than the original bill eliminating much of the poor wording and loop holes and seems fairly innocuous, however, I'm still opposed for the reason previously mentioned - limits local control. Additionally, I do question the wording in paragraph (b) - How do you envision the public "expressing itself?" and in paragraph (c) - What is meant by "the labor relations agency?"

Thank you.

Sincerely,



Sue Linford

(*) All of these organizations have taken a position opposing binding arbitration even Ruralcap, indirectly, through its co-sponsorship with the State of the Citizens Participation Conference at which the delegates from the rural areas of the State took the position against it.

RESPONSE TO SENATE BILL 373:

	<u>Support</u>	<u>Oppose</u>	<u>No Position</u>
Petersburg School Board	X		
Southeast Island School Dist.		X	
City & Borough of Sitka	X		
Skagway School District		X	
Municipality of Anchorage			X
Anchorage School District	X		
City of Cordova			X



Official Business

Alaska State Legislature

Senate
Office of the Secretary

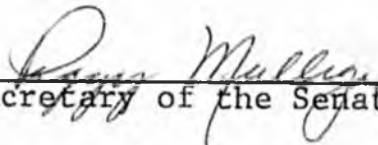
Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM TO: Community and Regional Affairs Committee
Subject: Governor's appointments

The President referred the following appointees to your committee for hearings, report and recommendation in accordance with AS 39.05.080:

MUNICIPAL BOND BANK BOARD

Lance Anderson, Kotzebue, term expiring July 15, 1981


Secretary of the Senate

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MINUTES

March 7, 1978

Present: Chairman Orsini, Senators Willis, Hackney, Ferguson and Sumner; Cherie Shelley, APEA; Marilyn Miller, Alaska Municipal League; Guy Stringham, District Council of Laborers; Bob Van Houte, NEA-Alaska; Bruce Aronson, Department of Community and Regional Affairs; Sharon K. Young, Alaska Association of School Boards; John Coffee, Alaska Association of School Boards; Bob Greene, Alaska Association of School Boards; Bob Cooksey, NEA-Alaska; Caroline Wohlforth, Anchorage School Board, John V. Voor; Pat L. Hunt, Administration.

SENATE BILL 373

Chairman Orsini said that it was his intent in introducing SB 373 to provide the means whereby the public would be informed of the initial negotiating position of both sides at the onset of collective bargaining in the public sector. He said he also wished to have any new positions developed or proposed during the course of negotiations also brought to the public, but that it was not his intention in the legislation to open the negotiating process itself to public scrutiny. He then opened the hearing to public testimony.

Cherie Shelley of the Alaska Public Employees Associations (APEA) said that her organization opposed the bill as drafted although she found the language of the proposed committee substitute better than the original bill. She was concerned that the publication of the two sides' initial positions would lock the negotiating teams into inflexible positions from which the negotiators would feel they could not retreat. Such a situation would inhibit the course of true negotiations and easily result in rapidly deadlocked talks. In response to a Committee member's question, she said she was not aware of instances in other states where such procedures were practiced.

Patrick Hunt, Director of Labor Relations, said that he supported the concept of the bill, particularly in the proposed committee substitute version. He questioned, however, the need for paragraph (c) and instead suggested that periodic status reports might be required to keep the public abreast of the negotiation's progress. He pointed out there was a great deal of give and take during the talks with numerous informal and tentative suggestions made. It would be difficult to determine under paragraph (c) whether those suggestions would be classified as "new subjects". He believed that the flexibility and informality of the present talks assisted materially in reaching innovative agreements.

Guy Stringham, Vice President of the Alaska District Council of Laborers, expressed his organization's concern that the publication of the two sides' initial bargaining position would lock them into those positions through the negotiations. He believed that negotiators would fear that any compromise reached during negotiations would be regarded as a form of betrayal by the more extreme elements of the two sides' respective constituencies and stressed that the publication

of the initial positions cuts away the middle ground from the negotiation process. Since the public at large is not conversant with the negotiation process, its members would tend to react emotionally and that would damage the prospects of a satisfactory settlement.

In response to a Committee member's question, Mr. Stringham said that the Laborers Union represented 11,000 members in Alaska of whom 3,000 were public employees.

Caroline Wohlforth, representing the Anchorage School Board, said she found SB 373 an extremely positive piece of legislation and especially like the provisions of paragraph (d) of the proposed Committee Substitute. She said that she continued to support the concept of some confidentiality in the negotiation process, but the public, through its tax support of local government, was too important for it not to have greater involvement. In regard to paragraph (c), she said she believed either the provisions of the paragraph or the periodic report suggested by Mr. Hunt would be satisfactory. She did note, however, that the ground rules of negotiations she was familiar with did not allow new subjects to be raised following the presentation of the initial bargaining position. She noted that school boards frequently did not participate directly in the contract negotiations but used negotiators to whom the board gave explicit and on-going instructions.

Robert Greene, representing the Alaska Association of School Boards, said that school boards in Alaska have historically been reluctant to enter the public arena regarding contract negotiations. Recently, however, that point of view has begun to change and boards are considering new approaches. He noted that one district (Kodiak) had negotiated in public recently without difficulty, although most unions preferred confidential negotiations. He believed that paragraph (c) of the proposed committee substitute was unnecessary since, as pointed out by Caroline Wohlforth, new subjects were not accepted during negotiations once the initial bargaining position had been presented. He said that as the boards gained more experience with more open negotiations that the process envisioned in SB 373 would speed up contract talks and would assist in reaching settlements.

Robert Van Houte, representing NEA-Alaska, said that the teachers organization would have no general problem with the public presentation of initial proposals, although he would prefer "made available to the public" rather than "presentation". Regarding paragraph (b) of the proposed committee substitute, he believed a specific time should be inserted instead of "reasonable time". Regarding paragraph (c), he said that status reports would be acceptable in the unlikely event that new directions were undertaken during the course of negotiations. Regarding paragraph (d), he said that procedures already existed to cover these needs and that he feared the "full -page ad syndrome" might otherwise occur.

Marilyn Miller, representing the Alaska Municipal League, said that the League had not adopted a position on this issue and asked whether municipalities could not presently establish similar collective bargaining procedures by ordinance if they so wished. If such was the case, then would legislation at the state level be necessary? Mr. Green commented that previous agreement which many municipalities have made with labor organizations have precluded them from exercising this option.

In the concluding discussion with Committee members, Mr. Hunt pointed out the teachers were exempted from the provisions of AS 23.40 and expressed the hope that the proposed legislation would not be modified as a result of their expressed views. He also asked that consideration be given to authorizing the State Labor Relations Agency to carry out the provisions of paragraph (d) of the proposed committee substitute. Mr. Greene noted that there was pending legislation which would bring teachers under AS 23.40.

This concluded public testimony on SB 373, and Chairman Orsini adjourned the meeting at 4:30.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE MEETING

March 23, 1978

Present: Senators Orsini, Willis, Hackney and Sumner, Kenneth Kareen, Department of Administration; Sandra Withers, Department of Administration; Lee Sharp, City and Borough of Juneau; Doug Griffin, Department of Community and Regional Affairs; Dave Klemmer, Department of Revenue; Jim Rolle, Alaska Municipal League.

Absent: Senator Ferguson

SENATE BILL 430

The meeting was called to order by Chairman Orsini. The Committee had before it a proposed committee substitute based on the draft submitted by the Alaska Municipal Bond Bank Authority with one amendment recommended by the City and Borough of Juneau to clarify the legal obligations of municipalities.

Dave Klemmer, Department of Revenue, testified that Commissioner of Revenue Sterling Gallagher had recommended a \$75 million ceiling be placed on the sale of revenue bonds. He pointed out that the State of Alaska was initiating a new concept with the revenue bonds authority and that the \$75 million ceiling would provide a 1:3 ratio marketing ratio for the combined general obligation bonds (\$150 million) and revenue bonds (\$75 million).

Jim Rolle, Alaska Municipal League, opposed the placing of a ceiling on revenue bond sales since the needs of municipalities in this area could quickly exceed \$75 million.

Chairman Orsini asked Mr. Klemmer to put his Department's views in writing for the Committee.

SENATE BILL 373

Sandra Withers and Kenneth Kareen, Department of Administration, asked about the implementation of the bill. In particular, Ms. Withers asked what penalties were involved for failure to adhere to the bill provisions and Mr. Kareen questioned the inclusion of the Labor Relations Agency in adopting regulations under Sec. 14.20.565(c) since school teachers were not presently affected by the statutes. However, he stated that the Department of Administration supports the committee substitute for SB 373.

Chairman Orsini noted that the provision for issue progress reports, found in the original draft of the bill, had been deleted in the proposed committee substitute because earlier testimony had indicated that it was not likely to be productive. Senator Hackney asked that the comments of APEA and NEA-Alaska be obtained when this bill was brought up in committee again. Chairman Orsini announced that the C&RA committee meeting on March 30th would be a video-conference hearing on Senate Bills 501 and 373, held in the Governor's Conference Room. The meeting was adjourned at 3:55.

TESTIMONY FROM VIDEO-CONFERENCE
C&RA COMMITTEE MEETING ON SB 501 & 373

March 30, 1978

Present: Senators Orsini, Hackney, Ferguson and Sumner

Absent: Senator Willis

Chairman Orsini called the meeting to order and explained that the meeting was on a video-conferencing network tied into Nome, Bethel, Fairbanks, Anchorage and Ketchikan.

Senate Bill 501, relating to municipal labor relations and Senate Bill 373, relating to public information regarding collective bargaining by public employees were the bills before the committee.

Gary Akerman - Fairbanks - Public, Labor Union Member - Stated that negotiations were a matter between the employer and employee. Felt that these are the two people involved and they can best negotiate something out between themselves. Stated that he felt the same way about SB 373.

Walt Bonnet - Anchorage Chamber of Commerce - Public - Stated that he was opposed to any act which brings about binding arbitration in the form of impasse resolution and labor disputes with any public employees - consistent with this is opposition to the concept of submission of dispute directly to the voters. Stated that public employees salaries, benefits and terms of employment are a most significant aspect of municipal government. The function of management of public employees is historically and ideally vested in the elected offices of the Mayor, Assembly and School Board. Third party panel will never create substantial public awareness and what is worse will never resolve the question of whether one of the parties was being irresponsible in the role of negotiating. It reduces public awareness of negotiation proposals and settlements and reduces public scrutiny in the roles played by the principals charged with the negotiation functions. This dissolving of direct accountability to the elected official or representative of a bargaining unit is the single most negative facet of the binding arbitration.

Caroline Wohlforth - Anchorage - President of Anchorage School Board - Stated that SB 501 strikes at the core of elected officials. The policies and relations between employers and employees are most effectively dealt with by their own elected officials who have that responsibility to the public. She also stated that if government was run by referendum there would be no need for government. She stated that on the same basis they questioned the use of binding arbitration as a means of settling a dispute which arise in negotiations. She went on that under our system, management and labor have certain perogatives during negotiations, binding arbitration would deny both parties of this perogative and result in governmental policy making outside of government.

Sharon Walker - Ketchikan - Ketchikan Gateway Board of Education - It is the opinion of the Ketchikan Gateway Board of Education that

binding arbitration in any form in municipal labor relations deletes the authority and the responsibility of the duly elected local official. If a local municipality attempts to exempt itself by the election of an arbitration panel then that panel itself becomes another level of government and the election of those members become paramount on any issue of labor relations. If an election is held on the issue of impasse then the management unit of local government must spend local tax dollars in an effort to inform the voters as to the background and reasonings behind their offer. She stated that it was the Board's opinion that either method is unsatisfactory and cannot support either of the bills.

John Carlson - Fairbanks - Mayor, North Star Borough - Comments basically on SB 373. Opposed to any effort from the State Legislature to further direct local government in collective bargaining procedure. He stated that the procedures and policies implemented in collective bargaining can best be addressed at the local level. Strongly opposed to binding arbitration from an outside arbitrator. Felt that it was in the best interest of the local municipality to determine their own labor relations policy. He brought out in testimony on the 3 member arbitration panel that there should be some indication of how to replace a person that has been elected to the board.

Millett Keller - Anchorage - V.P, Anchorage School Board - Stated that he has strong feelings about the philosophical implications on our entire form of government that binding arbitration in the public sector brings to the front. He stated that collective bargaining has served the Alaska public employees quite well. Binding arbitration is where he has to draw the line. He stated that with binding arbitration we are taking the most powerful force we give our government: the ability to tax and giving it to someone who doesn't account to the voters. He stated that the voters want and demand that their elected officials face up to all the tough issues and represent the public by making these decisions. He stated that the Anchorage School Board does not support SB 501. He stated that he was in favor of revealing to the public what collective bargaining offers are, in favor of SB 373.

Bob Collins - Ketchikan - APEA of Ketchikan - Supports SB 373 and opposes SB 501. Stated that SB 501 is fatally flawed in several respects. Arbitration panel elected by the voters is a poor idea. Elected arbitrators in smaller communities would be inexperienced in collective bargaining and labor law and procedure, municipal finance, personnel management and other matters pertaining to collective bargaining. Stated that elected arbitration panel would achieve improperly arbitrated decisions on collective bargaining disputes; these in turn would lead to extensive litigation. Submitted disputes to the voters is also a poor idea. Voters are largely uninformed about collective bargaining issues. That being the case if the issue is submitted to them it becomes a media battle.

Rosemary Porter - Bethel - Public - She stated that on SB 501 the amendment may be necessary because it does give municipalities options and anything that gives municipalities options has got to be a good thing. She stated concern on the 3 member elected arbitration panel because it tends to put arbitration in a political form.

Robert Johnson - Anchorage - Teamsters, Local 959, opposed to SB 501, consider it both irresponsible and dangerous to free collective bargaining. He stated that it has the potential of destroying collective bargaining even though it pretends to follow the ultimate in democratic process. He also stated that it is for better or worse the duty of an elected official within local cities to carry out both the legislative and executive functions. He stated that collective bargaining was one of those executive functions. The delegation of this function is called forth within this bill. He went on to say that the people in the local union did not see any need for this legislation.

Bob Garza - Ketchikan - Ketchikan Central Labor Council & IBEW, Local 1547 - He stated that these two organizations were opposed to SB 501. He said that there are enough problems with the public employees relations now without adding further confusion and additional costly elections to elect people who are perhaps unqualified in labor disputes.

John Alexander - Anchorage - IBEW, Local 1547 - Oppose both pieces of legislation. He stated that it further complicates collective bargaining. Does not see any need for this legislation. Also stated opposition to personalities when it came to voting on a 3 member arbitration panel. He said that this would probably prolong the bargaining process. Stated that he had gone through impasse in past and has been able to work out their differences on their own with any outside arbitrator.

George Pearson - Anchorage - President of Alaska State Council of Carpenters - Is opposed to SB 501. He said the reason state confusion and poor labor relations exist because of continual adoption of new labor relations legislation or employee regulations. Continually adding options and revising these is not helpful stability within the state.

Diane Carpenter - Bethel - Public - Is opposed to SB 501. She stated that one concern was with the public being the deciding factor. She thought that it was very difficult for the general public to be well informed on the complex issues that are involved in negotiations to be able to make a good determination on those issues. She also stated concern about the 3 member arbitration panel. She felt that it would be the place of the two parties involved to select who should be on the panel. On SB 3737 she stated that initial proposals should be kept confidential and should be negotiated in private. If there was an impasse she felt that the public has a right to know what the issues are that are at impasse and at this point each parties should be willing to make their positions known to the public so that they can through the political process influence the final outcome.

Allen Winterstein - Chairman, Lower Kuskokwim Pace Committee - opposed to SB 501. He stated that this bill puts items of impasse between the public employees and employers before the voters to determine. He stated that this would be detrimental for several reasons. People generally vote no on that which they do not understand and on items that cost money. This bill would destroy the current negotiations procedure.

Ben Clayton - Anchorage - Fire Fighters, Local 1264 - He testified

on SB 373 and said that his remarks also apply to SB 501. He felt that if collective bargaining impasse was brought to the public for a decision, there would be emotionalism involved and it would also lose the compromising technique. If the public voted they would have to vote one way or the other - no compromise.

Sue Lindford - Anchorage - Public - Opposed to both bills basically for one reason -- they limit local control. Both pieces further narrow local government authority and ability to discover their own imperfect solution to the perfect problem - impasse resolution. She went on to say that the State would be better advised to spend the tax payers money on on-going training of employee groups and elected officials around the state and various techniques which will help to insure a fair collective bargaining.

Mason West - Anchorage - President of the Alaska Community Colleges Federation of Teachers - Stated they fully oppose SB 501. He stated that it improperly addresses the need of labor or management in the process of collective bargaining. He believed that both parties should be the deciding parties. He stated that with an elected panel of arbitrators you would be subjected to corruption, inability and influence which would make it to political.

Senator Hackney adjourned the meeting after completion of State-wide testimony on SB 501 and 373.

SENATE COMMUNITY & REGIONAL AFFAIRS
COMMITTEE MEETING

April 18, 1978

Present: Senators Orsini, Willis, Hackney and Sumner; Cherie Shelly, APEA; Jon Scribner, Department of Environmental Conservation; Lowell Swartz, Department of Health, Education and Social Services; Richard Peter; Robert L. Cole, Department of HESS; Robert L. Stewart; Greg Mackyowsky, Code Revision Commission; Bob Van Houte, NEA-Alaska; Richard Holden, Department of Transportation and Public Facilities; Janice Gates, Department of HESS.

Absent: Senator Ferguson

Senate Bill 373, relating to public information regarding collective bargaining by public employees; Senate Bill 533, relating to planning of public facilities for municipalities; Senate Bill 183, relating to alcoholic beverages and House Bill 795, appropriations for Fairbanks Town and Village Assoc., for Development, Inc., were the bills before the Committee.

SENATE BILL 373

Chairman Orsini stated that there was a committee substitute for this bill which covered most of the testimony that was heard on the bill. Senator Hackney moved that the Committee pass out SB 373 with individual recommendations.

HOUSE BILL 795

Senator Hackney moved that the Committee pass out HB 795 with individual recommendations.

SENATE BILL 533

Jack Chenoweth, Legislative Affairs Agency, explained the committee substitute draft to the Committee members. Section 1 is from the original bill. Section 2 derived from draft provided by Richard Holden, DOT, requiring that there be a state-wide comprehensive facility procurement plan done by the Commissioner. He also explained that he had defined "public facility", which was of some concern to the Committee last meeting. Section 3 expands upon the public responsibility of the Department of Community and Regional Affairs in this process.

Chairman Orsini stated that he would like to pin down the concepts and make the initial changes in the bill Thursday.

Janice Gates, Department of HESS, called attention to the Committee that on Page 2, Sec. (d) dealing with health care facilities that "in communities without such facilities", was confusing and unnecessary. The Committee discussed the rest of the items on that page and it was brought out that there was other language that was not particularly necessary. The language would be revised for Committee consideration on Thursday.

Richard Holden, DOT, stated that a repealer, which states that highways and ferries are not a "public facility" was left out of the work draft.

Senator Sumner expressed concern regarding the health care and social services facilities in private finance facilities. He stated that there were serious questions regarding the "certificate of need" and whether that is not some sort of self-regulating opportunity. He also stated that he wanted to make sure that if "certificate of need" and planning were not tied together in this bill that they are not tied together in practice as well.

Jon Scribner, Department of Environmental Conservation, with regard to the water and sewer system section of the bill, stated that DEC has a program in which it works with local communities and the communities themselves set the priorities on their water and sewer systems. In that regard, he stated, the Department was unsure of how this kind of program fits in with this particular bill. He went on to explain that the Department has an Advisory Committee, which the Legislature set up last year that sets money priorities for villages in this program. Mr. Holden stated that there was a solution to this problem, because most of the agencies have some sort of peculiarity with e.g. source of federal funds. He stated that in one of the earlier committee meetings Senator Sumner suggested that a clause go in the bill that Administrative regulation draft to implement this legislation be developed by each program agency for that particular programming and approved by them before promulgating it.

Chairman Orsini stated that he would like to have a new draft drawn up incorporating some of the concerns expressed and again stated that the final adjustments would be made Thursday.

SENATE BILL 183

The Committee had a draft committee substitute drawn up and Jack Chenoweth, Legislative Affairs Agency, pointed out some of the differences in the proposed draft and the original bill. He stated that he generally went throughout the bill and cleaned up where the references were. He explained that he added language, at the Committee's request, giving municipalities greater authority with respect to the renewal or new applications for a liquor license. Chairman Orsini suggested that there should be some requirement to prevent the ABC Board from taking action on applications in that 30-day period. Mr. Chenoweth stated that the only way a municipality can disapprove an application would be with a local ordinance. He stressed the validity of that ordinance as it could be subject to a law suit.

Mr. Chenoweth stated that he tried to shorten and simplify the language of the referendum ballot language that is actually put before the public to determine liquor sales within a community or municipality.

He explained section 04.15.438 which would give a municipality the option of staying wet but with the sale of non-distilled alcoholic beverages only, such as beer and wine.

In reference to penalties, Mr. Chenoweth stated that on Page 16, line 2 "may" was changed to "shall". This was done so that on a third violation there would be no question, the license would be revoked and the operation would be closed. Mr. Robert Cole, Department of HESS, pointed out that in changing "may" to "shall" that it should also be done on Page 15, line 28 referring that the board, council or assembly "shall" revoke a license upon the direction of the majority of its members upon the first and second violations.

Senator Hackney added that "consecutive" terms for violations should be put into the language.

The Committee also instructed Mr. Chenoweth to prepare a separate bill, to be introduced by the Committee, containing Section 9 and the Section on Limitation of Sales from the CS of SB 183. The resulting new legislation would deal only with municipal authority, in the CSSB 183.

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE LIST

Name	Representing	Intent to testify?	
		YES	NO

Cherie Shelley

APEA

Yes

Pat Lyons

Admin

✓

Marilyn Miller

AML

No

Guy Stringham

Dist. Council
Laboree

✓

Bob Van Houtte

NEA AK

Bruce Aronson

C&KA

✓

Sharon K. Young

AASB

✓

John C. Miller

AA SA
Incar Schools

✓

Randy C. Greene

AASB

✓

John E. Wood

✓

SENATE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE LIST

Name

Representing

Intent to testify?

YES / NO

Bob Cooksey NEA-Alaska

X

Caroline LeDahlforth Anchorage School Board

X

Fi 373

ALL ALASKA WEEKLY
11-18-77

uninformed we were on the information we had accepted as all attempt to present to you, many facets to the issue that briefing. Senators at present our groups regarding ratification supports them; a second with one reservation or amendments approval with a number of group is unalterably opposed. the first group and Sen. Ted

briefing, it was also very inter-major presidential news confer-ly role of a national reporter. when one is playing with the lived at 9 a.m. for the 10:30 we were arriving early to find ts had been taken and we had auditorium where we had little ed for a question.

g to us while visiting in Rich-be able to cover a major po-ate.

ived at our original home at surprised to find that the area st ever flood, the second flood ear. The first one in the spring ear flood and don't know what This county, Smyth, is among a Tennessee and North Carolina avaged by floods brought on by

g back to us the days in August was hit by its big deluge. The eople with such things as buying . There are centers where people omeless are being provided tem-d clothing. And today a number ere in Chilhowie, opened where ment agencies such as the Small will be on hand to assist the ir feet.

for years in Fairbanks we tend to or no other reason this trip Out-and worthwhile in broadening our

* * *
cripling disease of the central nervous thousands of Americans. The National reports that approximately two million severe economic burden because of the re and also because many MS patients

...andler places, that are warmer... one, welcome them with open arms. Like Alabama, Kentucky, Illinois, New York, Utah, etc., etc., etc.
-The Anchorage Times Oct. 29, 1977

Perspective

Governor's Arbitration Proposal Has Merit

By Joe La Rocca

Gov. Jay Hammond's recent suggestion that Alaska's voters assume the role of final arbiter when negotiations between state administrators and organized state employees break down—though flawed—has some merit, notwithstanding the knee-jerk and typically uniformed reactions of editorialists for two of the state's principal daily newspapers.

Both the Juneau Empire and the Anchorage Times betrayed their ignorance of the fundamental mechanics of the state's collective bargaining process when they asserted recently that the governor's suggestion, if implemented, would constitute an "abdication" of executive responsibility.

State law already provides for binding arbitration when collective bargaining negotiations between the administration and affected government employee bargaining units reach an impasse. In that case a stalemate exists precisely because the executive branch has exercised its responsibility to refuse to make any further concessions which it believes are not in the public interest.

At that point both the employee bargaining unit and the administration have expressly exhausted their negotiating potential, thus setting the stage, under law, for the final step in the collective bargaining process—binding arbitration.

Existing law establishes step-by-step procedures for selecting an independent third party—usually a professional practitioner from outside the state—to serve as arbiter.

Typically, such an arbiter steps into the picture cold-turkey, a feature of the arbitration process which is calculated to endow it with the presumed virtue of objectivity, irrespective of peripheral but crucial considerations, such as the financial condition of the state treasury and pre-existing levels of employee benefits and salaries vis-a-vis those of non-government workers.

-The governor's proposal would simply displace the

-Continued on page 10

do and accomplish many tasks better than the state might.

However, the state laws against discrimination permit every citizen to file complaints of discrimination with this agency. We do not have discretion over accepting complaints. For this reason, we will continue to receive complaints of discrimination from citizens in Fairbanks concerning any matter which is jurisdictional under the Human Rights law. We still believe that an effective commission can implement necessary human rights goals in Fairbanks, and the effect of a local commission may be to diminish the number of complaints which are filed with us.

It is also possible to enter into cooperative agreements with local commissions, if their authority includes the power to receive and investigate complaints. Under such an agreement, we can refrain from investigating to see if the local group can resolve the matter consistent with state law. However, since the present ordinance provides for a study and community relations-oriented type of commission, such an agreement is not likely at present. Therefore, our responsibility under state law will continue to obligate us to address those problems which come to our attention in the form of complaints.

I hope this information satisfactorily answers your question.

Sincerely,
Neil Thomas
Executive Director

Loan Man Here

A representative from the state Division of Business Loans will be in Fairbanks Tuesday, Nov. 22. Persons seeking information on the program or wishing to apply for a loan are invited to stop by the Governor's Conference Room in the State Office Building.

Perspective . . .

—Continued from page 4

disinterested arbiter with the state's voters, who have a profound interest in—and certainly a better grasp of—the economic environment in which they live than a dispassionate and uninvolved outsider. Hammond's suggestion would democratize a process whose title aptly characterizes it as arbitrary.

The problem with the governor's proposal to convert the electorate into a collective arbiter is not, as the Empire and Times have suggested, that he seeks to abdicate his executive responsibility; but that like too many of his notions, it's half-baked, thereby needlessly exposing it to valid objections which could have been foreseen and avoided, without undermining its basic integrity.

The governor first floated this limp trial balloon two weeks ago in an address to the annual meeting of the Alaska Municipal League here, then reviewed it last week in a speech to the annual meeting of the Alaska Association of School Boards, both of them relatively sympathetic audiences. Its vulnerability was compounded by the governor's unfortunate tendency to shoot from the lip and glibly respond to questions whose answers he clearly does not know.

One perceptive school board member, for example, asked whether the capability of the state's well-organized public employes to overwhelm the voters with massive media campaigns could be minimized by establishing limits on campaign expenditures.

Without blinking, the governor said he could see no reason why expenditures could not be limited in order to equalize the struggle for votes between well-heeled employe groups and less affluent school boards, particularly in rural areas.

Hammond's uniformed response to that key question ignored the fact that the U.S. Supreme Court last year outlawed arbitrary ceilings on election campaign expenditures, a far-reaching ruling which forced this and other states, as well as the federal government, to scrap their laws imposing limitations on campaign expenditures because they placed unconstitutional restraints on free speech.

Thus burdened by the bumbling advocacy of its principal champion, the idea of bringing certain disputes over public employes' contracts before the voters—though basically a good one—is not likely to get the consideration it deserves.

If you know anyone who has multiple sclerosis, get in touch with your local National Multiple Sclerosis Chapter. The society wants to help.

NOTICE OF ADOPTION

Tax Fraud Case Clear The Courts

The United States Attorney's Office has announced that Jerry F. Young of Anchorage was fined \$4,000 and sentenced to six months in prison for failing to pay over to the Internal Revenue Service certain withheld employment taxes on employee's salaries.

The Hon. U.S. District Judge James M. Fitzgerald suspended the six months' prison term and placed Young on probation for a period of one year.

Jerry Young is a partner in Young Brothers Company and president of Young Brothers Construction. These two companies have been active in various sewer and excavation projects around Fairbanks and Anchorage during the last three years.

Jerry Young pled guilty to two counts of failing to pay over to the IRS withheld employment taxes in the amount of \$6,295. Under federal law, Young must now pay any employment taxes withheld and not previously paid over to the IRS plus civil penalties and interest.

The investigation resulting in this conviction was conducted by Special Agents of the Internal Revenue Service Intelligence Division.

In a related case, Dale M. Robertson, also known as Willard Storms, age 45, Douglas, Alaska, was sentenced Nov. 10 to three years imprisonment on each of three separate counts of aiding and abetting and making false claims for

tax refund claims in District Court. Von der Heydt. imposed are to ly.

According to Attorney Nelson investigation was by Special Agent Internal Revenue Intelligence Division, w Service Center tax returns which prepared based fictitious informing Social Security and Forms W-2 Tax Statements).

In a joint investigation with the U.S. Post Office, a controlled delivery was made the tax refund accepting delivery ury check, Robertson by IRS on June 28, 1977. Robertson was on a three count of aiding and abetting preparation of the tax returns after jury trial in September.

**ALCA
Appo**

Kathleen Kell resident of Alaska been appointed specialist with Company in A cording to Morr vice president of A



SB
F. 373

EDITORIAL PAGE

The Anchorage Times

ROBERT B. ATWOOD
Editor and Publisher

WILLIAM J. TOBIN
Associate Editor
And General Manager

CLINTON T. ANDREWS JR.
Managing Editor

Page 8

Tuesday, February 7, 1978

The Voters' Choice

LAST FALL Gov. Jay Hammond proposed a startling change in Alaska's method of settling disputes over wages and benefits for public employees. Instead of binding arbitration, the governor said the voters should be given the choice between the state's and the union's last contract offer.

The proposal — offered in a November speech to the Alaska Municipal League — received a chorus of criticism. Opponents, including this newspaper, said such a system would amount to pawning off on the voters politically unsavory duties which should be handled by the executive branch.

But perhaps it is time to take a second look at the governor's idea.

UNDOUBTEDLY IT would be cumbersome to place on the ballot the complex provisions of a union contract for public employees. Offers from both sides would have to be boiled down to their essentials and translated from bureaucratese into English.

However, given the usual circumstance — agreement by state and union negotiators on all but a few major issues — this could be done. And an independent economic assessment could point out to voters what the two ballot choices mean in tax dollars.

On election day the people of Alaska, who pay the salaries and benefits provided in the contract at issue, would make their choice, and the government and the union would be bound to honor it.

UNDER THE PRESENT system, negotiators from both sides meet in private to hammer out a contract. When they reach a stalemate, the alternatives are limited: arbitration or a strike.

Last year's experience with ferry system employees was a case in point. The state wouldn't budge from its final offer, and neither would the Inlandboatmen's Union. The union went on

strike, and the ferry system — vital to transportation in roadless Southeast Alaska — ground to a halt.

The Hammond administration could have stopped the strike by seeking a court injunction. But the union would have countered with a request for binding arbitration, which the court probably would have granted as part of any order forcing strikers back to work. The governor, reluctant to place state salary decisions in the hands someone not responsible to the people, figured the strike was preferable.

The strike lasted 20 days, and the settlement reached July 25 will cost Alaska taxpayers \$1.5 million in increased wages and benefits over the two-year contract period.

Had an election system been in effect, the strike could have been avoided and the people would have been content that the final decision was theirs, not that of a few negotiators meeting behind closed doors.

SUCH A SYSTEM also would ease one uncomfortable situation Alaska now has in union negotiations: The people who negotiate for the state are themselves state employees. While the officials who do the negotiating are not members of the bargaining unit, their salaries often go up later to reflect increases granted to union employees.

Under a contract election system, the same people would negotiate for the state, but voters would have the final say. Perhaps that knowledge would strengthen state resistance to costly demands by the unions, and perhaps it would ease the unions' penchant for bringing a hearty appetite to the public table.

Maybe after consideration the idea would be rejected as unworkable.

But until the governor's proposal is dusted off and offered for legislative consideration, it can't be rejected out of hand.



POLITICS TODAY



Brown-Car Battle Is Lill

By Jack W. Gorman
And Jules Witcover

WASHINGTON — One of California's most astute political professionals was speculating the other day about the possibility of Gov. Gerry Brown challenging Jimmy Carter for the Democratic presidential nomination in 1980. "What I'm worried about," he said, "is that by that time, Jerry won't be able to avoid running."

What he meant, in the political shorthand as it is fleshed out, is that the matchmakers already are so hard at work on a Carter-Brown fight that it may well be inevitable.

The matchmakers include the staffs and supporters of the two, other politicians with an interest in such a fight and, of course, the press, which has a weakness for discovering confrontations behind every tree. Nor are the disclaimers of the two principals taken at face value. Instead, they are universally viewed as only predictable denials for form's sake.

siding with corporate farm suggested had ordered enforcement as retaliation Brown and the West, president fared so poor election.

The fact is, however, the real difference between Brown and the issue administration proposed the limit of 160 acres per — 320 acres for a farmer and another 160 for each there — Brown favor limit per family unit, size. Where the Carter would require farmers 50 miles of their property for federal water, B make it 50 miles from strict boundaries.

THERE ARE, in such differences, but not in essence to using federal water largely to help small farmers.