

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2514

costs anticipated. The only income comes from renting the equipment, but if not rented there is nothing coming in to pay salaries or the maintenance costs. Because of the high rental rates, administrators will go to a private source if the rentals are cheaper. By reducing the number of days the state-owned equipment is rented and by being able to cover the fixed costs from the beginning, the state would be able to use the equipment owned at a lower rate per day and do a better job of protecting the resources.

Mr. Warwick questioned how circumstances would change, as the only change would be in accounting. He asked Mr. Roberts why the above efficiencies could not be accomplished without abolishing the fund, as the only difference would be more money appropriated for the equipment. Mr. Roberts said if sufficient money is appropriated, it would be acceptable. However, historically this has not been the case. Two years ago Working Capital Fund charges were carried in line 300, now they are carried in line 900 to make it less accessible to siphon off funds. Mr. Roberts said the cost of keeping a crew on a boat costs approximately \$150,000 to own and operate a vessel whether you move it away from the dock or not. The difference between the fixed costs and whether it is operated is only food for additional crew and fuel, about 10% additional. It is better to increase efficiency by running them more at just a 10% increase.

Mr. Warwick asked the mechanics of administering the fund under the new method and Mr. Roberts said now they receive money at the end of the year and it is too late to go back and adjust operations. A boat is capable of operating a maximum number of days per year, and a certain amount of time is necessary at port for resupply and maintenance.

Between 200 and 250 days a year is a fair estimate of the maximum operating time. If not used on a fishery project, then can be used for enforcement. The funds are now in the various divisions. Presuming there is enough money there, it is always after the fact that adjustments must be made because plans cannot be made before the money is available.

Mr. Hogan noted \$191,800 is requested from the general fund, and asked if this was needed to fund the difference between inter-agency receipts and what it would take to fund the entire program. He noted that conceivably even funding at this level could leave the department short, since agencies may cut back on their expenditures. Mr. Roberts said they would have to adjust accordingly. Mr. Hogan said why not simply appropriate for the operations under a vessel and aircraft section, and Mr. Robert said that is the idea and he would prefer it this way. The equipment will be paid for and available for use and it will require no further transfer of funds.

Mr. Hohman asked if needs could not be satisfied under the existing structure if more money was allocated. Mr. Roberts said the dollars are appropriated in one place and the costs in another. He stated he holds a program where the costs do not change and there is no control over the method of paying.

Mr. Hogan asked if the \$190,000 from the general fund would cover depreciation or operating costs and Mr. Roberts said operating costs. Rates have been set for depreciation reserve as the total revenue projection came in, and some money has been put in depreciation reserve. Mr. Roberts added he would prefer that SB 157 be passed and that a vessel and aircraft program be added as an appropriation in the

budget at the funding shown. Conflicting schedules now result and a loss in rentals occurs, and the more days the equipment is used the more economical the program becomes.

Mr. Fink asked if one of the results will be the departments will all request the equipment instead of chartering any, and Mr. Roberts answered yes. Instead of going to a private contractor the departments will use what is already available.

Mr. Warwick asked who will determine the use of the equipment and Mr. Roberts said it will be a priority decision in the department. They will decide who has priority, but he also added that even when a vessel is used for research, it is a protection symbol - similar to a patrol car on the highway.

In answer to a question from Mr. Hogan, Mr. Roberts said the Department of Fish & Game will go through other departments' budgets and pull from their allocations all funds for the Working Capital Fund. This will be transferred to Fish & Game as a direct allocation.

Mr. Hohman asked about the financial report which the legislature is to receive on the Working Capital Fund and Mr. Roberts said it is included in the budget request.

Mr. Roberts was excused from the meeting at 2:40 p.m.

HB 74

Mr. Hohman moved and asked unanimous consent to bring HOUSE BILL NO. 74 (An Act appropriating \$42,000 to Department of Fish and Game) before the committee. No objection, so ordered. A memo from Jay Hogan to Mr. Haugen was distributed to the committee members. \$42,000 is requested for modification to the M/V Resolution and the department stated this was inadvertently not funded in the last session. The committee questioned the supplemental as the department

knew the Sea Otter Harvest was to be unfunded. Mr. Roberts was asked to return and explain this request and he returned to the meeting at 2:50 p.m. He explained that last session the legislature appropriated money to purchase a vessel and asked what division of Fish & Game could use the vessel. A number of programs were suggested and one of the programs was the Sea Otter Harvest. In notes to the legislature, Mr. Roberts said the department questioned whether the program would be approved, and the legislature appropriated money for the purchase of a vessel but the Sea Otter Harvest program was deleted. This resulted in a shortfall of revenue of \$42,000.

Mr. Wright joined the meeting at 2:55 p.m.

Mr. Roberts continued by saying there was no way of governing these costs. However, if the Working Capital Fund is abolished, the department can cover the costs by a line item transfer.

Mr. Roberts was excused from the meeting at 2:57 p.m.

Mr. Hohman moved and asked unanimous consent that HB 74 be passed from committee with a do pass recommendation; however, the total appropriation would be changed to \$15,000 to cover HB 62 appropriations. No objection, so ordered.

SB 157 Mr. Fink moved and asked unanimous consent to pass SB 157 from committee with a do pass recommendation. No objection, so ordered.

Recess: The meeting recessed at 3:05 p.m.

HOUSE FINANCE COMMITTEE

April 10, 1971

10 a.m.

Present: All members.

Mr. Hohman made the following bill assignments:

HOUSE BILL NO. 220 (relating to joint state-federal Natural Resources & Land Use Plan Comm.) -- Fink

HOUSE BILL NO. 224 (creating comprehensive community services program) -- Degnan

SENATE BILL NO. 168 (changing and reporting period of oil & gas properties production tax) -- Fink

HOUSE BILL NO. 402 (municipal bond bank authority) -- Hohman

HOUSE BILL NO. 403 (appropriating \$15 million to bond bank authority) -- Hohman

HOUSE BILL NO. 296 (extempting from city and borough taxation the real property of certain residents having limited incomes) -- Ditman

Meeting recessed to go into budget session at 10:15 a.m.

AFTER RECESS
9:45 a.m.

Present: All members.

Mr. Hohman called the meeting to order.

Mr. Fink moved and asked unanimous consent to introduce a bill
(An act providing for career and higher education scholarship loans
and providing for an effective date). No objection, so ordered.
The bill will be introduced by the Finance Committee to the House.

Recess: The meeting recessed at 9:55 a.m.

AFTER RECESS
3:00 p.m.

Present: All members present. Mr. Degnan moved and asked unanimous
HB 68 consent that the committee consider HOUSE BILL NO. 68 (an act
appropriating to the Department of Highways). No objections.

Mr. Degnan explained that this bill is a supplemental for
several items -- \$972,000 for the Anchorage Complex, \$12,000
for the Petersburg Maintenance Station, \$134,000 for the
Fairbanks Complex, and \$50,000 for the South Fork Lodge.

Mr. Degnan also noted there is \$114,000 for costs resulting
from the flood at Hyder, Alaska. Mr. Degnan said that

Commissioner Campbell had indicated in a memo that they no
longer needed the \$12,000 for Petersburg. Of the \$972,000
requested for the Anchorage Complex, Commissioner Campbell's
memo indicated that \$643,000 is for the new shop building.

The balance covers paving and security fencing which according
to the memo would not be absolutely necessary at this time,

Mr. Degnan added. Mr. Degnan recommended that the committee
allow \$660,000 for the Anchorage Complex, that they eliminate
\$12,000 for Petersburg, and that \$50,000 be included for the
South Fork Lodge. Mr. Degnan had no recommendation for the
Fairbanks Complex but felt the funding for the Hyder flood
should be approved.

Mr. Hohman moved to amend the bill to include \$249,700 for
ASHA rental cost (breakdown for this is in the HB 62 file),
\$660,000 for Anchorage Complex which would delete paving and

and security fencing, \$134,000 for the Fairbanks Complex, \$50,000 for the South Fork Lodge and \$114,000 for the Hyder flood. Mr. Fink objected. Mr. Wright could not see how they could provide for paving at Fairbanks and not provide this at Anchorage. The motion failed 3 to 4.

Mr. Fink moved a committee substitute be prepared to include \$249,700 for ASHA rental cost, \$972,000 for Anchorage Complex, \$134,000 for Fairbanks Complex, \$50,000 for the South Fork Lodge and \$114,000 for the Hyder flood and that Committee Substitute for House Bill No. 68 be adopted in lieu of House Bill No. 68 and that Committee Substitute for House Bill No. 68 do pass. The motion carried 6 to 1 (there were 6 "do pass" and 1 "no recommendation").

Recess: The committee recessed at 3:50 p.m.

HOUSE FINANCE COMMITTEE
April 13, 1971
8:35 a.m.

Present: All members. George W. Easley, Commissioner, Department of Public Works; Bruce Campbell, Commissioner; Thomas A. Johnson, Administrative Director, Department of Highways.

Mr. Hohman called the meeting to order and requested information on the following bills: HB 236, HB 245, and a federal aid program of \$20 million for the Department of Highways.

HB 236 Mr. Campbell spoke on HOUSE BILL NO. 236 (Relating to local service roads and trails) and said the allocation districts are in accord with the highway maintenance districts. He showed a map outlining the districts, and the committee requested copies be sent of this map. Mr. Campbell stated the allocation district definition was made so the department would not be locked in if the maintenance districts are changed. The bill is set up on an allocation formula based on area and population, half and half. Mr. Warwick asked which commissioner was mentioned in the bill and Mr. Campbell said it was the commissioner of the Highway Department. A report on how allocation districts were worked out was distributed by Mr. Campbell (attached) and he said they had worked out what they believe to be a rational formula. Mr. Warwick asked if these allocations were based on the last census and Mr. Campbell said yes. In answer to further questions from Mr. Warwick, Mr. Campbell said they tried several formulas and wanted to give everyone a "fair shake". He has spent much time on the bill and feels it answers a need in highways throughout the state. The Highway Department can not be as responsive to local needs as local government can, and this bill allows local governments flexibility. There is no provision for local participation; however, they may add their own

funds if they wish. This is state money and presently \$6 million is available from a bond issue, of which \$5 million is allocated. Mr. Warwick asked the impact on the Highway Department and how much money it will cost. Mr. Campbell said each project will bear its own costs. The initial plan is to write regulations as provided for in the bill, and the intent will be to give local government as much authority as possible in order to get them in the road business. After regulations are written, a project agreement will be drawn listing the length of the project and features. If local government is not equipped, a consultant will be hired and the Highway Department will check his plans and do the final inspection. The first 90 days may require some time, but after that the work from the Highway Department will be minimal. The maintenance will be taken over by the department after the roads are completed, which doesn't necessarily mean they will do the work but pay for a contract for local government to do the maintenance. Initially it can be handled by state maintenance forces until the program gets going, at which time local government may be asked to take over maintenance. Mr. Warwick asked the difference between the original bill and the committee substitute and Mr. Campbell answered there were mainly legal technicalities. On line 18, page 8, of the committee substitute, the section was changed quite a bit to avoid conflicts with the borough act. Several attorneys have worked on the wording, and Mr. Campbell assumes it is adequate. On page 7, line 9, three years was changed to five years because the feeling was the local government could pyramid funds for several years for a project and three years was too short a time. The remaining changes are minor. Mr. Warwick questioned the 90% payment feature and Mr. Campbell said he would see no objection to amending this. Mr. Fink asked how many miles of road the \$6 million would cover and Mr. Campbell

said it would depend on the type of road. A two lane road may require \$50,000 per mile, but costs could run high depending on the type of road. The big feature of the bill is they can build lower standards of roads with the money than if it was federal money. Minimum maintenance costs would run \$1500 per mile. Mr. Fink noted this would cover small lengths of roads, but Mr. Campbell said they are necessary. Between Public Works and Highways, equipment could be provided, but at a later date maintenance may have to be expanded. A lower standard of road will be maintained in outlying areas. Mr. Warwick questioned if funds will be lapsed if not used and Mr. Johnson said the money could be reallocated to any other subdivision that requested it. In some areas in an unorganized borough, the money would be allocated to the home rule city. Mr. Hohman asked how many miles of road \$6 million would cover and Mr. Campbell said a maximum of 50 to 60 miles. Mr. Hohman then asked how many miles of trail staking are contemplated and Mr. Campbell said the cost runs from \$15 to \$35 per mile, so there could be many miles of trail staking at a low cost. Mr. Haugen believed there should be a percentage of local government participation and Mr. Campbell said one bill did ask for local funds. They are not barred from participating under this bill.

\$20 million federal funds Mr. Hohman asked about the \$20 million in federal funds and Mr. Campbell said these are additional funds which must be treated and spent as regular federal aid highway funds. The money will be used for critical areas, and Mr. Campbell said they are working on a program for remote areas of Alaska where there have been no roads. \$10 million may be used initially in this area and \$9 million used for the ferry system. The second \$20 million will be used on a basis of need throughout the state and there are no specific plans. The first \$20 million must be approved by the legislature, but not the second \$20 million.

Mr. Hohman asked if the \$20 million will cover the needs of HB 245 and Mr. Easley said requirements are becoming more and more complex for ferry terminal facilities. Now that Alaska Steam is out of the transportation business, and freight is going in by barge, it is very difficult to get freight to western and central Alaska. The only ports now are in Anchorage, Seward, Valdez, and, to a limited extent, Homer. Whether the funds will come from the Department of Highways, the Waters & Harbors budget, or the Corps. of Engineers is immaterial, the needs must be faced. Mr. Hohman asked what areas were in need of improvements and Mr. Easley said the western chain.

Mr. Hohman asked if the Department of Highways has a priority list for the \$10 million and Mr. Campbell said there is a tentative one now under study. The projects must follow federal regulations and until the necessary paperwork is processed, the success of the program will not be determined. Mr. Easley added airports and village roads have been coordinated on the priority list presented to the Highway Department, but until preliminary engineering is done it is difficult to come up with figures. Mr. Campbell said most will be secondary highways, which require listing the number of miles for the local post route, school route, and connecting transportation system (boat landings, airports). Mr. Haugen questioned where the \$20 million came from and Mr. Campbell said the U. S. Congress allocated the funds since they believed the regular allocation of \$51 million was insufficient. \$20 million additional was granted for a two year period, or a total of \$40 million. This will not be a continuing program. Mr. Campbell added that Alaska receives \$51 million per year from the federal government which does not lapse but accumulates. Only \$38 million was obligated to be spent this year, an obligation ceiling

put on the funds to control inflation. Mr. Hohman asked if there was a date by which the \$20 million must be obligated and Mr. Campbell said no, it is ours and the department could sit on it for years. However, the federal government obligates the funds the day construction begins whereas the Highway Department is committed once they start preliminary engineering and right-of-way work. In answer to a question from Mr. Haugen, Mr. Campbell said funds may be used for the ferry system provided it is on inland waters.

HB 245

Mr. Easley gave further testimony on HOUSE BILL NO. 245 (An act appropriating \$7 million to the Department of Public Works for improvements to state ferry system). He said four ships are under assignment at the present time, which doesn't mean they must let the contracts. The Wickersham replacement will be ready the spring of 1973, the small vessels ready by fall of 1972, and one stretched-out ferry will be ready in spring of 1972. The Malaspina will go in for remodeling this fall, and another ferry will go in the winter of 1972. If the boats are ready, ferry terminals will be needed, and it is absolutely necessary to know if funds will be available before the program is started. Mr. Haugen asked if stretching out the boats was a good idea and Mr. Easley answered there are 20 dozen operational problems right now; however, the additional capacity will be of tremendous value. In answer to further questions from Mr. Haugen, Mr. Easley said the Wrangell Narrows will present some problem, since vessels will be 57 ft. longer. However, there will be total mechanization of the engine room, which will be automated and controlled from the bridge. In a meeting last week with the Engineers' Union, the union stated they recognize the need for automation, but until it

becomes standard practice, berthing facilities will be required for a crew. No major ocean liner is mechanized at this time, but in three years Mr. Easley believes it will be pretty common. At the time the ships come out, the union contract will be up for renewal and a better arrangement may be worked out.

HB 219

Mr. Hohman distributed a letter from the Department of Administration on HOUSE BILL NO. 219 (Appropriation of Federal Receipts, Airport Construction Projects) and asked for comments. Mr. Easley said in the last bond issue it was noted that any federal funds granted would automatically be appropriated. Apparently that was not considered when the letter was issued, and there are state funds obligated but no federal funds. The proper way would be to allocate total funds and be reimbursed by the federal government. Mr. Hohman asked Mr. Easley's opinion of the airport construction fund and Mr. Easley said a list of the various projects receiving allocations has been sent to the governor. He would provide a copy for the finance committee. Generally speaking, about half is allocated for areas with no airports and the other half is for major improvements to existing airports.

HB 247

Mr. Fink asked for comments on HOUSE BILL NO. 247 (Creating the Department of Transportation), which affects both departments. Mr. Campbell said he thinks the general concept of the bill is good; however, it is premature at this time. President Nixon has just come out with a rather drastic reorganization of the federal government, cutting out the Department of Transportation. Highways is now split under the new cabinet. Any new department created in Alaska should work in conjunction with the national scene. The difficulties in the bill itself result from the bill going too far in defining how the department will be organized. Mr. Campbell said you can't

legislate organization. As a practical matter, if everything is taken from the Public Works Department it will be left with just Buildings and Communications. The bill will create a super-commissioner, who would control in excess of \$120 million per year. Mr. Campbell said if they created this department, he would not want the job of commissioner. It would be horrible to administer, and Mr. Campbell noted when this type of organization was tried in 1962 it fell apart. Mr. Easley commented on the bill and said he has been a strong advocate of the Department of Transportation, but there are imperfections in this bill. Various departments include regulatory commissions, which, in effect, would put the commissioner in the spot of being the judge, jury and prosecutor. If the bill did become law and the new department was effective July 1, the construction season for this summer would be ruined. Mr. Easley said amendments, not extensive, would make the bill workable. The organization structure is all wrong and the duties of the department should be further defined. The duties of the commissioner are impossible for one man and reorganization is needed to be realistic. Mr. Easley concluded that basically the idea is fine, but not for this year.

Mr. Hohman noted the bill could save \$700,000 a year in administration and Mr. Campbell said two years ago unification of the Juneau government anticipated a savings in administrative costs. The payroll now exceeds by 50-75% the previous payrolls and by creating a monster you don't cut costs. Creating a Department of Transportation should be based on the merits, not on cost-cutting. Mr. Fink said if this matter is to be pursued, the two commissioners present should prepare recommendations. Mr. Hohman said no one expects the bill to pass this year and recommendations have not been requested.

Mr. Hohman asked Mr. Campbell if the ASHA problem at Bethel Heights was resolved and the answer was he was not sure. Mr. Campbell stated talking to these people was like "talking to the wind."

Recess: The meeting recessed at 9:55 a.m.

	H.B. No. 6 (Colletta)	H.B. No. 92 (Kerttula)	H.B. No. 236 (Governor)
Trails Included	No	Yes	Yes
Allocation Formula	Area & Population	Area & Population, & Vehicle Registration	Area & Population
Allocation to:	Highway Districts	Highway Districts	Highway Districts, Boroughs, H.R. cities within Boroughs; unorgan- ized Borough areas
Local Government participation, Construction	5%, 0% for Initial Project	Allowed, but unspecified.	Allowed, but unspecified.
R/W Obtained by:	Local Gov't	Dept. of Hwy.	Local Gov't
Design & Construction	Local Gov't.	Local Gov't.	Local Gov't; Dept. of Hwys.
Maintenance	Local Gov't., except if on State Hwy. System	Local Gov't., but Hwy. Dept. oversees operations.	Dept. of Hwys.

*trans. doj has
some material
with state fund*

*standards
maintenance - amount
- files seen 10/1/50*

Notes on H.B. No. 236, Introduced 3/1/71

Main features of the Bill: provides means of allocating monies for local service roads and trails to highway districts, organized boroughs, and home rule cities within organized boroughs. Funds are allocated for use outside organized boroughs on a similar basis, but needs and priorities would be determined and the program would be administered by the Department of Highways. Based on preliminary estimates of population and area, the attached table shows how a total sum of five million dollars would be allocated.

Total existing road and street mileage in the State: 7,100

Miles on Federal-Aid System: 3,500

Miles of local service roads, as defined in this Bill: 1,020

Preliminary estimate of local service road needs, in dollars:

\$85,000,000

Estimated number of miles, dog sled and snow machine: 5,000+

Trail Marking

Permanent: Tripods made of native timber, 10' - 12' in length,
tied at top with galvanized wire spaced at intervals
of 500' or less.

\$35/mile

Temporary: Small native timber or lath, 100' intervals.

\$15/mile

LOCAL SERVICE ROAD PROGRAM
Department of Highways
State of Alaska

House Bill No 236
Preliminary Estimate (Example)*
Distribution of Local Service Road Funds
By Formula of Bill Based on \$5,000,000
Available for Statewide Program

<u>District</u>	<u>Central</u>	<u>Interior</u>	<u>Southeastern</u>	<u>Western</u>	<u>South Central</u>
	\$1,425,000 (28.5%)*	***\$1,250,000 (25.0%)	\$ 550,000 (11.0%)	\$1,550,000 (31.0%)	\$ 225,000 (4.5%)
<u>Borough</u>	<u>Greater Anchorage</u>	<u>Fairbanks No. Star</u>	<u>Unified Juneau</u>	<u>Bristol Bay</u>	<u>Mat.-Susitna</u>
	\$ 474,874 (9.5%)	\$ 446,235 (8.9%)	\$ 103,950 (2.1%)	\$ 24,800 (0.5%)	\$ 6,075** (0.1%)
	<u>Mat.-Susitna</u>	<u>Mat.-Susitna**</u>	<u>Ketchikan Gateway</u>		
	\$ 335,297 (6.7%)	\$ 11,250 (0.3%)	\$ 46,905 (1.0%)		
	<u>Kenai</u>		<u>Greater Sitka</u>		
	\$ 284,721 (5.7%)		\$ 41,015 (0.8%)		
	<u>Kodiak</u>		<u>Greater Haines</u>		
	\$ 96,658 (1.9%)		\$ 25,850 (0.5%)		
	<u>Unorganized</u>	<u>Unorganized</u>	<u>Unorganized</u>	<u>Unorganized</u>	<u>Unorganized</u>
	\$ 4,255 (0.1%)	\$ 706,250 (14.1%)	\$ 239,904 (4.8%)	\$1,525,200 (30.5%)	\$ 168,791 (3.4%)
<u>Home Rule City</u>	<u>Anchorage</u>	<u>Fairbanks</u>	<u>Ketchikan</u>	(None)	<u>Cordova****</u>
	\$ 116,501 (2.3%)	\$ 86,265 (1.7%)	\$ 25,145 (0.5%)		\$ 26,490 (0.5%)
	<u>Palmer</u>	**Assigned to Central for administration	<u>Sitka</u>		<u>Valdez****</u>
	\$ 32,353 (0.6%)		\$ 15,635 (0.3%)		\$ 23,644 (0.5%)
	<u>Kenai</u>		<u>Petersburg****</u>		
	\$ 38,485 (0.8%)		\$ 25,944 (0.5%)		
	<u>Seward</u>		<u>Wrangell****</u>		
	\$ 17,369 (0.4%)		\$ 25,652 (0.5%)		
	<u>Kodiak</u>				
	\$ 24,467 (0.5%)				

*Based on un-
checked prelim.
census figure &
total areas

***Indicates per-
centage of total
available alloca-
tion.

****Indicates Home
Rule City not in an
organized borough.

February 1971
Revised 3/10/71

LOCAL SERVICE ROAD PROGRAM
Department of Highways
State of Alaska

House Bill No. 236
Preliminary Estimate (Example)*
Distribution of Local Service Road Funds
By Formula of Bill Based on \$5,000,000
Available for Statewide Program

<u>District</u>	<u>Central</u>	<u>Interior</u>	<u>Southeastern</u>	<u>Western</u>	<u>South Central</u>
	\$1,425,000 (28.5%***)	\$1,250,000 (25.0%)	\$ 550,000 (11.0%)	\$1,550,000 (31.0%)	\$ 225,000 (4.5%)
<u>Borough</u>	<u>Greater Anchorage</u>	<u>Fairbanks No. Star</u>	<u>Unified Juneau</u>	<u>Bristol Bay</u>	<u>Mat.-Susitna</u>
	\$ 474,874 (9.5%)	\$ 446,235 (8.9%)	\$ 103,950 (2.1%)	\$ 24,800 (0.5%)	\$ 6,075** (0.1%)
	<u>Mat.-Susitna</u>	<u>Mat.-Susitna**</u>	<u>Ketchikan Gateway</u>		
	\$ 335,297 (6.7%)	\$ 11,250 (0.3%)	\$ 46,905 (1.0%)		
	<u>Kenai</u>		<u>Greater Sitka</u>		
	\$ 284,721 (5.7%)		\$ 41,015 (0.8%)		
	<u>Kodiak</u>		<u>Greater Haines</u>		
	\$ 96,658 (1.9%)		\$ 25,850 (0.5%)		
	<u>Unorganized</u>	<u>Unorganized</u>	<u>Unorganized</u>	<u>Unorganized</u>	<u>Unorganized</u>
	\$ 4,255 (0.1%)	\$ 706,250 (14.1%)	\$ 291,500 (5.8%)	\$1,525,200 (30.5%)	\$ 218,425 (4.4%)
<u>Home Rule City</u>	<u>Anchorage</u>	<u>Fairbanks</u>	<u>Ketchikan</u>	(None)	(None)
	\$ 116,501 (2.3%)	\$ 86,265 (1.7%)	\$ 25,145 (0.5%)		
	<u>Palmer</u>	<u>**Assigned to</u>	<u>Sitka</u>		
	\$ 32,353 (0.6%)	Central for	\$ 15,635 (0.3%)		
	<u>Kenai</u>	administration			
	\$ 38,485 (0.8%)				
	<u>Seward</u>				
	\$ 17,369 (0.4%)				
	<u>Kodiak</u>				
	\$ 24,467 (0.5%)				

*Based on un-checked prelim. census figure & total areas

***Indicates percentage of total available allocation.

-321-

4/13/71

February 1971

Districts of the State

	<u>Area</u>	<u>Area/Land</u>	<u>Pop.</u>	<u>Pop/Land</u>	<u>Dens.</u>
CENTRAL	31,450	0.05	153,067	.52	0.28
INTERIOR	132,300	0.31	56,479	.19	0.25
SOUTHWESTERN	47,000	0.08	42,365	.14	0.11
WESTERN	232,700	0.49	39,337	.13	0.31
SOUTH CENTRAL	<u>41,200</u>	0.07	<u>4,355</u>	.02	0.045
	586,100		302,173		

MEMORANDUM

State of Alaska

To: The Honorable George Hohman, Chairman
House Finance Committee
Alaska State Legislature

DATE: March 26, 1971

FROM: Joseph R. Henri, Commissioner
Department of Administration

SUBJECT: Appropriation of Federal
Receipts, Airport Construction
Projects

House Bill 219, if enacted, will appropriate monies from various bond construction funds pursuant to general obligation bond issues approved in the November 1970 General Election. Among these funds is \$10,000,000 for trunk and secondary airport construction. These general obligation bond funds for airport construction will also be matched with Federal aid to airport funds of approximately \$7,683,000. However, these Federal matching funds have not been included for appropriation in any appropriation bill currently before the Legislature.

It has also come to our attention that the Anchorage International Airport Maintenance Complex project, for which funding is requested in House Bill No. 70, was inadvertently included for funding in House Bill No. 58, the General Appropriation Bill, in the amount of \$300,000 Federal funds and \$200,000 International Airport Revenue funds.

It is respectfully requested that Section 9 of House Bill No. 58 be amended to reflect appropriation of \$7,683,000 in Federal funds to the Department of Public Works for trunk and secondary airport projects, and to reflect deletion of the Anchorage International Maintenance Complex project. This would reduce the appropriation for International Airport projects from \$4,012,000 to \$2,512,000, and increase the sub-total for all airport projects from \$4,329,500 to \$11,512,500. The total appropriation to the Department of Public Works under Section 9 would be increased from \$8,676,000 to \$16,859,000. Funding from Federal program receipts to the Department of Public Works would be increased from \$1,122,500 to \$6,505,500.

Your assistance in incorporating these changes into your final version of the General Appropriation's Bill will be sincerely appreciated. Please contact the Division of Budget and Management in this Department if you have any questions concerning this matter.

cc: George W. Easley, Commissioner
Department of Public Works

AFTER RECESS

3:45 p.m.

Present: All members.

Bill
Assign-
ments

Mr. Hohman made the following bill assignments:

HOUSE BILL NO. 219 (appropriating full proceeds of go bonds
authorized by the voters) -- Hohman

HOUSE BILL NO. 281 (SPONSOR SUBSTITUTE) (Income tax) -- Warwick

HOUSE BILL NO. 4 (school tax - repealing) -- Warwick

HOUSE BILL NO. 385 (appropriating Department of Economic
Development) -- Warwick

HOUSE BILL NO. 343 (annual corporation tax) -- Degnan

Meeting recessed at 3:50 p.m.

HOUSE FINANCE COMMITTEE

April 14, 1971

9:30 a.m.

Present: All members. Representative Mike Miller.

HB 182 Mr. Hohman called the meeting to order and stated Mike Miller was present to testify on HOUSE BILL NO. 182 (Relating to art works for public buildings). Mr. Miller said the bill provides for a percentage of building costs for a new building to be set aside for visual art; 1% on construction costs between \$50,000 and \$500,000 and 1/2 of 1% on construction costs of more than \$500,000. Hawaii is doing this on a straight 1% basis, and the GSA is doing it for federal construction. He noted it will have a financial impact as money will be spent for visual art, but it will not necessarily be an increase. If \$1 million was projected for new construction, the architect would know that 1/2 of 1% should be dedicated to visual art, either inside or outside the building. This art work could include murals, statues, totem poles, etc. Only two statues are currently in Alaska, one outside the Pioneers' Home in Sitka and one on King Island. This will also provide a vehicle for native arts. Utility buildings would not be included, but, for instance, a community college would be. In Hawaii it has worked out beautifully, and not only adds to the appearance of a building but is a tourist attraction.

Recess: The meeting recessed at 9:40 a.m.

AFTER RECESS
11:20 a.m.

Present: All members except Mr. Haugen.

HB 182 Mr. Hohman moved and asked unanimous consent that House Bill No. 182 (an act relating to art works for public buildings) be passed from committee with a "do pass" recommendation.

Mr. Fink objected.

Mr. Haugen entered the meeting.

Mr. Warwick asked how much more per square foot this would cost.

Mr. Warwick said he was opposed to sending this down.

Mr. Haugen asked if a motion had been made to bring up this bill. Mr. Hohman withdrew his motion.

Mr. Hohman moved and asked unanimous consent that the committee consider House Bill No. 182. Mr. Fink objected. The motion failed 3 to 4.

HB 269 Mrs. Diana Wade and Paul Swift appeared before the committee to give testimony on House Bill No. 269 (an act appropriating to the Dept. of Natural Resources the sum of \$50,000 for capital improvements to the Southeast Alaska State Fair).

Mrs. Wade distributed information on this (see page 326(a)).

Mr. Swift read from minutes of the Fair Committee (see bill file).

Mrs. Wade explained that the building they are planning for the Fair will be a community building that will also be rented out to different organizations during the time it is not used for the Fair. She said there is also a severe classroom shortage and they are contemplating renting this to the school to be used for extra classrooms.

ALASKA FAIR 1971

The Alaska Fair 1971 was organized by the State of Alaska. The State Fair is one of the largest fairs in the United States.

The objectives of the Alaska Fair 1971 were to have a fair and enjoyable time for all, to provide a place for the people of Alaska to show their products and services, and to provide a place for the people of Alaska to learn about the state and its resources.

In 1971 approximately 700 exhibits were shown. Over 1,000,000 people visited the Fair. The Alaska Fair is expected to attract over 1,000,000 visitors this year.

Following is a list of Departments and Attractions expected in the 1971 Fair.

- | | |
|---------------------------|--------------|
| Baked Goods & Confections | Native Arts |
| Canned & Preserved Foods | Nature Study |
| Fine Arts | Needlework |
| Flowers | Photography |
| Hobbies & Crafts | Vegetables |
| Knitting | Wild Produce |
| Livestock | Youth |
| Quilting | Flower Arts |

There will be a Pet Show, Pigeon Show, Horse Show, Livestock Show and demonstrations sponsored by the various departments, commercial and other special exhibits, amusements and entertainment features, and an Auction of certain exhibited items will close the Fair.

The dates of the Fair for 1971 are August 26, 27, and 28. Catalogs will be available in June. For additional information contact Box 243, Fairbanks, Alaska 99707, or the Cooperative Extension Service, Box 100, Juneau, Alaska 99801.

104935

Mr. Hohman asked if they had the plans for this building.

Mr. Wade said they have not decided on the final building -- they are considering several plans. One plan is 40' X 60' and they also have one for 200' X 100'. Mr. Swift said the size of the building depends on the cost of the property and the funds available.

Mr. Hohman asked if there would be local funds for this.

Mr. Swift said he did not think there would be for the building -- they are hard put to match state funds for operation of the fair.

Mr. Hohman asked how much state money the fair has received.

They did not receive any funds for construction, Mr. Swift said.

Mrs. Wade said they have received \$400 for operating cost and they have applied for an additional \$600.

Mr. Hohman asked if they knew what other fairs had received.

Mrs. Wade said from the information they have received there was \$50,000 for the fairs at Tanana and Palmer last year. She said that two years ago Palmer had received another \$50,000.

From the information they obtained from Budget and Management, Mrs. Wade said that around \$270,000 has been given to these two fairs since 1959. The Southeast Alaska State Fair has received only \$400 and they have applied for approximately \$600.

Mr. Warwick asked how long this fair has been in existence.

Mrs. Wade said it has been under this particular name for one year but they have had fairs for 25 years but not on an official basis.

In answer to Mr. Haugen, Mrs. Wade said this fair is not connected to the Strawberry Festival.

Mr. Wright questioned the amount of \$50,000. Mrs. Wade said she thought that the Resources Committee had an amendment on this. Mr. Hohman read the amendment which was to strike "the sum of" and substitute "up to".

Mrs. Wade pointed out that they have complied with all the regulations and statutes -- they are incorporated.

Mrs. Wade and Mr. Swift left the meeting and the meeting recessed at 11:40 a.m. for an Anchorage and Fairbanks caucus.

AFTER RECESS
1:30 p.m.

Present: All members.

Bill House Bill No. 88 (an act to facilitate completion
Assignment: and maintenance of federal flood
control projects within the state)
-- reassigned to Mr. Warwick

CSHB 65 Mr. Wright moved and asked unanimous consent that the committee consider House Bill No. 65 (an act appropriating to the Dept. of Education, District School Support). No objection. A Committee Substitute had been prepared which showed \$893,300 being appropriated from the general fund. Mr. Wright explained that the Deputy Commissioner of Education had stated that they intended to fully fund the debt service. He said that he had talked to legislators who had acted on this last year and as he understood it it was not their intent to fully fund it. Mr. Wright moved and asked unanimous consent that Committee Substitute for House Bill No. 65 be adopted in lieu of House Bill No. 65 and that Committee Substitute for House Bill No. 65 do pass.
No objection.

HB 88 Mr. Warwick moved and asked unanimous consent that the committee consider House Bill No. 88 (an Act to facilitate completion and maintenance of federal flood control projects within the state).
No objection.

Mr. Warwick read from the bill .. "To the extent that funds are made available by the legislature, the state shall assume nonfederal costs of planning, land acquisition, construction and maintenance of flood control projects authorized inside the state by the United States before or after the effective date of this Act..."

Mr. Wright asked about the estimated cost. Mr. Warwick said this would be about \$2,000,000 out of a \$50,000,000 project. He said it is not known when this will be as it would be after a flood.

Mr. Fink asked who normally would pay this. Mr. Warwick answered the area that would benefit from the project, which in the case of Fairbanks would be the North Star Borough. Mr. Warwick said there are 3 or 4 different packages being considered.

Mr. Hohman asked how much property this will protect. Mr. Warwick answered everything north of Harding Lake. Mr. Hohman asked if there is a dollar value on this and Mr. Warwick said he did not know. Mr. Warwick explained the project. He said the problem is control of the Chena River, and keeping the Tanana from running over its banks at Fairbanks. He said this affects any flood control project within the state.

Mr. Fink moved to insert "25 per cent of" on line 13 of the bill (this would read.. "... the state shall assume 25 per cent of nonfederal costs of planning..."). Mr. Warwick objected. Mr. Fink felt that local government should pay some of this. Joe La Rocca entered the meeting.

Mr. Fink restated his motion. Mr. Hohman objected saying that he felt this would force the state into contributing 25 per cent when they might be able to get the local government to contribute 100 per cent. The motion failed 2 to 5.

Mr. Warwick moved and asked unanimous consent that House Bill No. 88 be passed out of committee with a do pass recommendation. Mr. Fink objected. The motion carried 4 to 3. However, Mr. Wright changed his vote to do pass making it 5 to 2.

CSHB 119 Mr. Wright moved that State Affairs Committee Substitute for House Bill No. 119 be brought up for discussion. (An Act authorizing state aid for land acquisition, planning, construction and modification of new or existing civic, convention and community recreation centers). Mr. Wright felt because of the delay on the pipeline permit they should put emphasis on tourism and this bill would promote tourism. Mr. Wright suggested amending this by adding "disbursement by formula of \$25 per resident as of the 1960 census". Mr. Degnan objected. Mr. Fink suggested it might be better to rewrite the bill. Mr. Fink said he would like to see more than a 50 per cent match -- possibly a 75 per cent match. Mr. Fink also suggested that they add "money may be used to pay off any debt to the state which accrues for building a civic, covention or community center." He felt this is something every community could use.

Mr. Hohman said there had been considerable testimony on this and the committee substitute had resulted from this. Mr. Hohman said if they alter the bill they are going to stall its passage. He suggested the State Affairs committee substitute be adopted. Mr. Fink felt they could say this about any bill.

Mr. Fink suggested adding \$2 per head for planning.

Mr. Hohman moved to table the amendments. Mr. Fink and Mr. Wright objected. Mr. Fink suggested a 75 per cent match in communities over 1,000 and a 90 per cent match for communities under 1,000. Mr. Ditman did not think they could do this.

Mr. Fink suggested a committee substitute be prepared for \$30.00 a head which could not exceed 75 per cent match in communities over 1,000 or could not exceed 90 per cent match for communities under 1,000 and that the state could advance up to \$2 per head for planning and the money under this program may be used to pay off any existing debt to the state that was created for a civic, convention or community center and a \$200,000 appropriation.

Mr. Hohman said the question was to table the motion.

Recess: The committee recessed at 2:15 p.m. and was called back to order at 2:30 p.m.

The motion carried 4 to 3 on tabling the amendments.

Recess: The committee recessed at 2:35 p.m. and was called back to order at 3:15 p.m.

Mr. Hohman moved and asked unanimous consent that State Affairs Committee Substitute for House Bill No. 119 be passed out with a do pass recommendation. Mr. Fink objected. However, State Affairs Committee Substitute for House Bill No. 119 passed out of committee with 5 do pass and 2 do pass if amended recommendations.

SB 168 am It was moved and unanimous consent was asked that SENATE BILL NO. 168 am (changing the payment and reporting period of the oil and gas properties production tax) be considered by the committee. No objection, so ordered.

Mr. Fink said this bill would allow the state to receive this tax on a monthly rate rather than a quarterly which would be advantageous because the state would be earning the interest on it rather than the oil companies. However, he did not want to see SB 168 am pass this session because next year Mr. Fink wants it to include a new oil and gas severance tax. He would like to see it returned to subcommittee for that reason.

Mr. Fink emphasized he was in favor of this bill, he just wanted it for use as a vehicle to get the increase in severance tax out of the Senate next year. Mr. Hohman agreed and stated the bill was returned to subcommittee.

HB 199

Mr. Haugen moved and asked unanimous consent for the committee to consider HOUSE BILL NO. 199 (appropriating \$113,600 to the Department of Public Safety for identification cards to non-drivers). Mr. Hohman objected on the basis that there were matters of higher priority. Mr. Warwick said he had no objection to discussing it but he did object to the bill. Motion to consider HB 199 failed 3-4.

HB 287

Mr. Haugen moved and asked unanimous consent for the committee to consider HOUSE BILL NO. 287 (appropriating \$286,000 to Fish and Game for a 50-foot vessel for Cook Inlet). No objection so ordered. Mr. Haugen read from the fiscal note, stating this would cover all of the costs for a 50-foot steel limit seiner

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class boat with capabilities of year-round operation including dragging, purse seining, crab fishing and other research programs. This would also include the cost of equipping and salaries for one year. Mr. Warwick asked if this was needed in addition to the M/V Resolution. Mr. Haugen explained that Mr. Tillion felt they needed this in Cook Inlet for research and management in Fish and Game because the M/V Resolution was out in the Aleutians and surrounding areas. In reply to Mr. Warwick's question on similarity to the M/V Resolution, Mr. Haugen said it was like the Montague which is used in the Prince William Sound area.

Mr. Warwick wanted to know how many people they would have on the new vessel and Mr. Haugen said three. Mr. Warwick asked how many months the ship would be in operation and Mr. Haugen said probably about 10 months, with two months for drydock and overhaul. Mr. Hohman moved and asked unanimous consent to return HOUSE BILL NO. 287 to subcommittee. Motion carried 4-3.

HB 220 Mr. Fink moved and asked unanimous consent for the committee to consider HOUSE BILL NO. 220 (relating to the Joint State-Federal Natural Resources and Land Use Planning Commission). No objection so ordered. Mr. Fink referred to the fiscal note from Mr. Wallington which stated that "...No special financial arrangements will be necessary for the operation of said Commission since salaries and per diem would be provided in each departmental budget." Mr. Fink wasn't sure this was correct, but he believed the bill should be changed. With reference to the U. S. Land Use Planning Commission, Mr. Fink

said this group had been meeting for years and the Commission is primarily represented by people from areas that would be affected by land use planning. He would like to have a bigger commission than the one proposed in HOUSE BILL NO. 220 and suggested naming the Director of the Division of Lands, the chief forester of the state, the Director of Parks, the mineral leasing officer, a member of the Attorney General's staff, the habitat officer for Fish and Game, a representative from Economic Development and three members at large. Mr. Fink felt it was extremely important that this commission in Alaska be able to work well with the federal commission. He pointed out that Congress is trying to tie up Alaska land and the other 15 western states have already formed these commissions for the same purpose of working with the federal commission. Since these people must work closely with those representatives of the western states and the federal group, Mr. Fink emphasized that it should be a meaningful group of people that work with environmental problems every day. It should not be, to Mr. Fink's way of thinking, people who want a political job, it should be nine members as he had listed above. He felt that those positions would be the correct ones while the three members at large might not be. The history of this particular bill in the last three years is that the people involved in the federal commission have been trying to get the administration to support this type of commission, and for that reason Mr. Fink stressed the importance of it being a prestigious group so that the results will outweigh the east coast people. Mr. Fink admitted that the last

administration did not get around to introducing a bill. Mr. Fink thought that theoretically people who work with development and the environment every day know something about these problems. Mr. Hohman questioned Mr. Fink's reasoning in suggesting the Governor would not appoint people that are involved in these problems. Mr. Fink replied that he could only appoint four under this bill as it is presently drafted. Mr. Hohman thought, since it was the Governor's bill, he would have had it drafted for nine if that was what he wanted. Mr. Fink said the Land Use Commission with political "hacks" would not be effective. The state has to convince Congress that they are working towards solving the land problems and he reiterated they have to have people who are concerned about the environment but not so concerned they want to block everything. Mr. Fink wasn't convinced the Governor would disagree with what he was suggesting; however, he wasn't sure he would agree either. Mr. Fink pointed out that the positions he was suggesting were all exempt in the state personnel system so the Governor could replace them but they are also people who have been very much involved with land use planning -- it is their full time job.

Mr. Warwick stated he would like to hear the administration's opinion on doing what Mr. Fink had just said. Mr. Hohman directed that Mr. Charles Herbert, Commissioner, Natural Resources, and Mr. Warren Wiley, Administrative Officer in the Governor's office be summoned to testify.

While awaiting the arrival of Messrs. Herbert and Wiley, the committee moved on to other bills.

Mr. Warwick moved and asked unanimous consent that the committee consider HOUSE BILL NO. 236 (relating to local service roads and trails). No objection so ordered. Mr. Warwick moved and asked unanimous consent that the committee adopt the State Affairs CSHB 236 in lieu of CSHB 236. No objection so ordered. Mr. Warwick then presented the following amendment to CSHB 236:

Page 7, line 17: delete the words "up to 90 percent of" and change "costs" to "cost".

Mr. Warwick explained to the committee that this amendment would allow the commissioner to pay the total cost of completed cost of construction incurred by the contractor on a certain date. This would give the commissioner the leeway to pay the full cost whereas now he can only pay part of it. The 90 percent provision is a common clause in the construction industry, but Mr. Warwick felt in this instance it was not necessary. He described how the progress payments for the completed part of the road are now 90 percent of one-half, but he felt if they were half-way done they should receive half of their money. He reminded the committee that the commissioner has the power not to pay the contractor if he is not performing to the Department's specifications, but the 90 percent clause puts an added burden on the local government if they so choose to build their own roads. The 10 percent is the profit supposedly but not always. One of the difficulties caused by this 90 percent clause is that the contractor has to pay interest on that 10 percent. He did not think it was the intent of the bill to place that burden on the construction industry.

Mr. Warwick moved and asked unanimous consent to adopt the above amendment to CSHB 236. No objection so ordered.

Mr. Fink moved and asked unanimous consent that the committee consider amending the bill throughout, wherever it refers to "one-half" it should be deleted and changed to read, "one-third in the ratio which the population of each allocation district bears to the total population" and "one-third in the ratio which the area of each organized borough;" and in addition insert: "one-third motor vehicle registration." Mr. Fink said this amendment would change the apportionment in this bill in the five districts and then break it down in those districts based on one-third area, one-third population and one-third vehicle registration. As the bill is drafted, it would be one-half population and one-half area and Mr. Fink's amendment would change this to the one-third clause. He reminded the committee that Mr. Kerttula's bill (HB 92) had the one-third clause.

Mr. Hohman objected to the motion for adoption of the amendment. Mr. Fink said he did not have the sample figures on what it would do but he would get the percentages so they were available on the floor at the time of debate on the bill.

In defending his amendment, Mr. Fink said they were talking about local service roads and he felt these three things were all proper criteria. He added that since Mr. Kerttula had suggested it, he thought it might be acceptable to the committee. It would cut down somewhat on area and population importance by adding the third ingredient. Mr. Ditman, in his laconic manner,

said it might also cut down somewhat on roads. Mr. Hohman called for the question, and Mr. Fink's amendment failed 3-4.

Mr. Warwick then moved and asked unanimous consent that State Affairs CS FOR HOUSE BILL NO. 236 as amended by Finance Committee be reported out of committee with "do pass" recommendation. Mr. Fink objected, and CSHB 236 am was reported out with Messrs. Hohman, Warwick, Ditman and Degnan signing "do pass;" Messrs. Fink and Wright signing "do pass if amended;" and Mr. Haugen signing "no recommendation."

HB 220

Mr. Herbert arrived at the meeting to testify on HOUSE BILL NO. 220. Mr. Hohman briefed Mr. Herbert on the earlier discussion by the committee and asked for his reaction and that of the administration to Mr. Fink's suggestion to change the membership to nine. Mr. Fink explained to Mr. Herbert the reason he suggested these people is because they are the most knowledgeable and they would carry the most prestige. He reiterated the need for very strong people on the commission. Mr. Hohman said the committee was faced with two questions: whether it should be spelled out or whether they should leave the members to the discretion of the Governor.

Mr. Herbert acknowledged that this discussion of such a commission had been going on for sometime and he thought Mr. Fink's suggestion was very similar to one made by Mr. Robert Hartig of the Attorney General's staff in Anchorage. Mr. Herbert personally opposed the adoption of the amendment even though he could see the good points of it. He liked the idea of a small commission because he thought it would work better

and that the commission should be entirely responsible to the Governor. Whatever decision they make, they will have to back it up and the Governor has to back it up. The question, as Mr. Herbert saw it, was whether they were the members suggested by Mr. Fink. He personally felt it was better to name the commissioners and let them decide. Also, several of Mr. Fink's suggestions, namely: the habitat officer, the state forester and mineral leasing officer were classified positions and they could not be relieved of their jobs if the Governor did not approve of their work. As far as the habitat officer, Mr. Herbert elaborated, there are other phases in Fish and Game which should be represented. He definitely agreed that the mineral leasing officer should be there but the Commissioner could send him. Mr. Herbert has argued this point with Mr. Hartig and he has no real opposition to Mr. Fink's proposed amendment but he does feel the more direct line of responsibility is preferable.

Mr. Fink responded by saying that all of these people that he had named would be directly responsible to the Governor. The Director of Division of Lands could be whomever the Governor appoints to that job. Mr. Herbert pointed out that Mr. Fink would put more people than he himself had suggested from his own department. Mr. Fink replied that the people who are on the working level are, after all, more keyed in because they are directly involved. If these people are named, they could have a commission that has some "beef" to it.

Mr. Herbert said he had no strong feelings on Mr. Fink's amend-

ment and in any event the commissioner that has these various people under him will be responsible.

Mr. Herbert again pointed out that several of the positions Mr. Fink had mentioned were classified and he thought they should not be so they could be fired if they don't do their job. Mr. Fink agreed, whereupon Mr. Herbert suggested in place of the classified positions, they should have the Director of Division of Geology; Director of Division of Oil and Gas; and Director of the Division of Parks. He also thought the Fish and Game Commissioner should be on it in lieu of the habitat officer; in that way the Fish and Game Commissioner could suggest people in his department to serve at his pleasure.

Mr. Warren Wiley from the Office of the Governor arrived.

Mr. Fink suggested the following on the commission: 1) Director, Division of Lands; 2) Director, Division of Oil and Gas; 3) Director, Division of Parks; 4) Director, Division of Geology; 5) member of the Attorney General's staff; 6) member from the staff of Economic Development; 7) Commissioner of Fish and Game; and three members at large.

There being no further questions, Mr. Herbert left the meeting.

Mr. Hohman discussed the amendment briefly with Mr. Wiley and explained they were trying to decide whether to expand the commission from four to nine members, and whether or not they should be specific about who sits on the commission.

Mr. Wiley said he had just been discussing this with Mr. Havelock, the Attorney General, and they see this new commission as a replacement for the federal Field Committee for Alaska. It

would hopefully furnish and give the state perhaps a little more control in the land use planning. Mr. Wiley viewed it more as a liaison of four people who could work with the federal people. HUD presently has a PCK program with \$800,000 funded for the Yukon/Kuskokwim for land use planning in this area. One is also contemplated for the North Slope and Mr. Wiley thought that with four people on the commission they would have more of an interpersonal relationship with the people on the federal level. Mr. Fink said his idea was to make it similar to the federal one -- the people on the state commission should be technicians and know what they are talking about. They should not be a high level group and they must do a good job with impressing Congress that they are a group of technicians and not politicians. He emphasized that the Governor could change these people at any time since they are in the exempt category. He thought with his suggestion, the relationship with the federal government would be better.

Mr. Wiley assured the committee that the Governor has every intention of putting knowledgeable people on the commission and mentioned the Attorney General as a specific one. Mr. Wiley could not think of anyone more prestigious than the Attorney General.

Mr. Fink agreed; however, he said the easterners trust fellow environmentalists much more than they would the Attorney General. There being no further questions, Mr. Wiley left the meeting. On Mr. Fink's motion to amend, motion failed 3-4.

Mr. Hohman moved and asked unanimous consent that HOUSE BILL

CORRECTION

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

class boat with capabilities of year-round operation including dragging, purse seining, crab fishing and other research programs. This would also include the cost of equipping and salaries for one year. Mr. Warwick asked if this was needed in addition to the M/V Resolution. Mr. Haugen explained that Mr. Tillion felt they needed this in Cook Inlet for research and management in Fish and Game because the M/V Resolution was out in the Aleutians and surrounding areas. In reply to Mr. Warwick's question on similarity to the M/V Resolution, Mr. Haugen said it was like the Montague which is used in the Prince William Sound area.

Mr. Warwick wanted to know how many people they would have on the new vessel and Mr. Haugen said three. Mr. Warwick asked how many months the ship would be in operation and Mr. Haugen said probably about 10 months, with two months for drydock and overhaul. Mr. Hohman moved and asked unanimous consent to return HOUSE BILL NO. 287 to subcommittee. Motion carried 4-3.

HB 220 Mr. Fink moved and asked unanimous consent for the committee to consider HOUSE BILL NO. 220 (relating to the Joint State-Federal Natural Resources and Land Use Planning Commission). No objection so ordered. Mr. Fink referred to the fiscal note from Mr. Wallington which stated that "...No special financial arrangements will be necessary for the operation of said Commission since salaries and per diem would be provided in each departmental budget." Mr. Fink wasn't sure this was correct, but he believed the bill should be changed. With reference to the U. S. Land Use Planning Commission, Mr. Fink

said this group had been meeting for years and the Commission is primarily represented by people from areas that would be affected by land use planning. He would like to have a bigger commission than the one proposed in HOUSE BILL NO. 220 and suggested naming the Director of the Division of Lands, the chief forester of the state, the Director of Parks, the mineral leasing officer, a member of the Attorney General's staff, the habitat officer for Fish and Game, a representative from Economic Development and three members at large. Mr. Fink felt it was extremely important that this commission in Alaska be able to work well with the federal commission. He pointed out that Congress is trying to tie up Alaska land and the other 15 western states have already formed these commissions for the same purpose of working with the federal commission. Since these people must work closely with those representatives of the western states and the federal group, Mr. Fink emphasized that it should be a meaningful group of people that work with environmental problems every day. It should not be, to Mr. Fink's way of thinking, people who want a political job, it should be nine members as he had listed above. He felt that those positions would be the correct ones while the three members at large might not be. The history of this particular bill in the last three years is that the people involved in the federal commission have been trying to get the administration to support this type of commission, and for that reason Mr. Fink stressed the importance of it being a prestigious group so that the results will outweigh the east coast people. Mr. Fink admitted that the last

administration did not get around to introducing a bill. Mr. Fink thought that theoretically people who work with development and the environment every day know something about these problems. Mr. Hohman questioned Mr. Fink's reasoning in suggesting the Governor would not appoint people that are involved in these problems. Mr. Fink replied that he could only appoint four under this bill as it is presently drafted. Mr. Hohman thought, since it was the Governor's bill, he would have had it drafted for nine if that was what he wanted. Mr. Fink said the Land Use Commission with political "hacks" would not be effective. The state has to convince Congress that they are working towards solving the land problems and he reiterated they have to have people who are concerned about the environment but not so concerned they want to block everything. Mr. Fink wasn't convinced the Governor would disagree with what he was suggesting; however, he wasn't sure he would agree either. Mr. Fink pointed out that the positions he was suggesting were all exempt in the state personnel system so the Governor could replace them but they are also people who have been very much involved with land use planning -- it is their full time job.

Mr. Warwick stated he would like to hear the administration's opinion on doing what Mr. Fink had just said. Mr. Hohman directed that Mr. Charles Herbert, Commissioner, Natural Resources, and Mr. Warren Wiley, Administrative Officer in the Governor's office be summoned to testify.

While awaiting the arrival of Messrs. Herbert and Wiley, the committee moved on to other bills.

Mr. Warwick moved and asked unanimous consent that the committee consider HOUSE BILL NO. 236 (relating to local service roads and trails). No objection so ordered. Mr. Warwick moved and asked unanimous consent that the committee adopt the State Affairs CSHB 236 in lieu of CSHB 236. No objection so ordered. Mr. Warwick then presented the following amendment to CSHB 236:

Page 7, line 17: delete the words "up to 90 percent of" and change "costs" to "cost".

Mr. Warwick explained to the committee that this amendment would allow the commissioner to pay the total cost of completed cost of construction incurred by the contractor on a certain date. This would give the commissioner the leeway to pay the full cost whereas now he can only pay part of it. The 90 percent provision is a common clause in the construction industry, but Mr. Warwick felt in this instance it was not necessary. He described how the progress payments for the completed part of the road are now 90 percent of one-half, but he felt if they were half-way done they should receive half of their money. He reminded the committee that the commissioner has the power not to pay the contractor if he is not performing to the Department's specifications, but the 90 percent clause puts an added burden on the local government if they so choose to build their own roads. The 10 percent is the profit supposedly but not always. One of the difficulties caused by this 90 percent clause is that the contractor has to pay interest on that 10 percent. He did not think it was the intent of the bill to place that burden on the construction industry.

Mr. Warwick moved and asked unanimous consent to adopt the above amendment to CSHB 236. No objection so ordered.

Mr. Fink moved and asked unanimous consent that the committee consider amending the bill throughout, wherever it refers to "one-half" it should be deleted and changed to read, "one-third in the ratio which the population of each allocation district bears to the total population" and "one-third in the ratio which the area of each organized borough;" and in addition insert: "one-third motor vehicle registration." Mr. Fink said this amendment would change the apportionment in this bill in the five districts and then break it down in those districts based on one-third area, one-third population and one-third vehicle registration. As the bill is drafted, it would be one-half population and one-half area and Mr. Fink's amendment would change this to the one-third clause. He reminded the committee that Mr. Kerttula's bill (HB 92) had the one-third clause.

Mr. Hohman objected to the motion for adoption of the amendment. Mr. Fink said he did not have the sample figures on what it would do but he would get the percentages so they were available on the floor at the time of debate on the bill.

In defending his amendment, Mr. Fink said they were talking about local service roads and he felt these three things were all proper criteria. He added that since Mr. Kerttula had suggested it, he thought it might be acceptable to the committee. It would cut down somewhat on area and population importance by adding the third ingredient. Mr. Ditman, in his laconic manner,

said it might also cut down somewhat on roads. Mr. Hohman called for the question, and Mr. Fink's amendment failed 3-4.

Mr. Warwick then moved and asked unanimous consent that State Affairs CS FOR HOUSE BILL NO. 236 as amended by Finance Committee be reported out of committee with "do pass" recommendation. Mr. Fink objected, and CSHB 236 am was reported out with Messrs. Hohman, Warwick, Ditman and Degnan signing "do pass;" Messrs. Fink and Wright signing "do pass if amended;" and Mr. Haugen signing "no recommendation."

HB 220

Mr. Herbert arrived at the meeting to testify on HOUSE BILL NO. 220. Mr. Hohman briefed Mr. Herbert on the earlier discussion by the committee and asked for his reaction and that of the administration to Mr. Fink's suggestion to change the membership to nine. Mr. Fink explained to Mr. Herbert the reason he suggested these people is because they are the most knowledgeable and they would carry the most prestige. He reiterated the need for very strong people on the commission. Mr. Hohman said the committee was faced with two questions: whether it should be spelled out or whether they should leave the members to the discretion of the Governor.

Mr. Herbert acknowledged that this discussion of such a commission had been going on for sometime and he thought Mr. Fink's suggestion was very similar to one made by Mr. Robert Hartig of the Attorney General's staff in Anchorage. Mr. Herbert personally opposed the adoption of the amendment even though he could see the good points of it. He liked the idea of a small commission because he thought it would work better

and that the commission should be entirely responsible to the Governor. Whatever decision they make, they will have to back it up and the Governor has to back it up. The question, as Mr. Herbert saw it, was whether they were the members suggested by Mr. Fink. He personally felt it was better to name the commissioners and let them decide. Also, several of Mr. Fink's suggestions, namely: the habitat officer, the state forester and mineral leasing officer were classified positions and they could not be relieved of their jobs if the Governor did not approve of their work. As far as the habitat officer, Mr. Herbert elaborated, there are other phases in Fish and Game which should be represented. He definitely agreed that the mineral leasing officer should be there but the Commissioner could send him. Mr. Herbert has argued this point with Mr. Hartig and he has no real opposition to Mr. Fink's proposed amendment but he does feel the more direct line of responsibility is preferable.

Mr. Fink responded by saying that all of these people that he had named would be directly responsible to the Governor. The Director of Division of Lands could be whomever the Governor appoints to that job. Mr. Herbert pointed out that Mr. Fink would put more people than he himself had suggested from his own department. Mr. Fink replied that the people who are on the working level are, after all, more keyed in because they are directly involved. If these people are named, they could have a commission that has some "beef" to it.

Mr. Herbert said he had no strong feelings on Mr. Fink's amend-

ment and in any event the commissioner that has these various people under him will be responsible.

Mr. Herbert again pointed out that several of the positions Mr. Fink had mentioned were classified and he thought they should not be so they could be fired if they don't do their job. Mr. Fink agreed, whereupon Mr. Herbert suggested in place of the classified positions, they should have the Director of Division of Geology; Director of Division of Oil and Gas; and Director of the Division of Parks. He also thought the Fish and Game Commissioner should be on it in lieu of the habitat officer; in that way the Fish and Game Commissioner could suggest people in his department to serve at his pleasure.

Mr. Warren Wiley from the Office of the Governor arrived.

Mr. Fink suggested the following on the commission: 1) Director, Division of Lands; 2) Director, Division of Oil and Gas; 3) Director, Division of Parks; 4) Director, Division of Geology; 5) member of the Attorney General's staff; 6) member from the staff of Economic Development; 7) Commissioner of Fish and Game; and three members at large.

There being no further questions, Mr. Herbert left the meeting.

Mr. Hohman discussed the amendment briefly with Mr. Wiley and explained they were trying to decide whether to expand the commission from four to nine members, and whether or not they should be specific about who sits on the commission.

Mr. Wiley said he had just been discussing this with Mr. Havelock, the Attorney General, and they see this new commission as a replacement for the federal Field Committee for Alaska. It

would hopefully furnish and give the state perhaps a little more control in the land use planning. Mr. Wiley viewed it more as a liaison of four people who could work with the federal people. HUD presently has a PCK program with \$800,000 funded for the Yukon/Kuskokwim for land use planning in this area. One is also contemplated for the North Slope and Mr. Wiley thought that with four people on the commission they would have more of an interpersonal relationship with the people on the federal level. Mr. Fink said his idea was to make it similar to the federal one -- the people on the state commission should be technicians and know what they are talking about. They should not be a high level group and they must do a good job with impressing Congress that they are a group of technicians and not politicians. He emphasized that the Governor could change these people at any time since they are in the exempt category. He thought with his suggestion, the relationship with the federal government would be better.

Mr. Wiley assured the committee that the Governor has every intention of putting knowledgeable people on the commission and mentioned the Attorney General as a specific one. Mr. Wiley could not think of anyone more prestigious than the Attorney General.

Mr. Fink agreed; however, he said the easterners trust fellow environmentalists much more than they would the Attorney General. There being no further questions, Mr. Wiley left the meeting. On Mr. Fink's motion to amend, motion failed 3-4.

Mr. Hohman moved and asked unanimous consent that HOUSE BILL

NO. 220 be reported out of committee with individual recommendations. All signed "do pass" except Mr. Fink who signed "do pass if amended" and Messrs. Haugen and Wright who signed "no recommendation."

HB 167

Mr. Degnan moved and asked unanimous consent for the committee to consider HOUSE BILL NO. 167 (providing financing and development of housing for persons of lower income and to create an Alaska Housing Finance Agency). No objection so ordered.

Mr. Fink inquired about Mr. Tom Dahl's suggested amendment (see pages 253-255 of bill minutes) and Mr. Hohman directed that he be called to see if he was going to submit anything.

Mr. Bill Berrier, Borough Attorney arrived shortly thereafter to testify on HOUSE BILL 167. He said the problem as he sees it is the large gap between federal and private financing. No money is available for site development and this bill fills a great deal of this gap. He discussed various sections within the bill and referred to page 7 where "...the commissioner of revenue is authorized to purchase fund notes with surplus funds in the state treasury..." Under this language, according to Mr. Berrier, this is an authorization so the commissioner would have the authority to invest in these fund notes as he sees fit. He said funds for site development are almost impossible to get. The bankers will go three or four houses but this just isn't practical and this is generally one or two-year money. Another area that was noted by Mr. Berrier was the need for short term money that is not available for trailers. These notes run five to seven years and most bankers are very dubious. Theoretically

the money is available but in practice it is not.

Mr. Berrier mentioned two other devices to help financing, one is the direct appropriation method by the legislature and the other is the selling of bonds.

He commended the section on rent supplementals; however, the use of this device would depend entirely on a direct appropriation. The problem with it lies in that it brings no return. The bill did have the authorization for those things that are needed and the type of money they could get "off the ground" and move. It goes without saying, Mr. Berrier said, that Juneau has a "nasty" housing situation and this bill would not solve all of the problems but it would certainly help.

Mr. Wright wanted to know how he correlated this bill with site development when the title of HB 167 uses the term "lower income" people. Mr. Hohman felt it addressed itself to the site acquisition and Mr. Berrier said that site acquisition is one of the problems that causes the borough not to be able to get "off the ground" on helping lower income groups. They have to get the site and get it "off the ground" before FHA will come into it. Mr. Berrier stressed that it is related very directly. Mr. Wright asked for a definition of "lower income" and he was referred to page 19 of the bill, which contains definitions. Mr. Wright felt "lower income" should be defined by salary but Mr. Berrier disagreed completely. He cited the example of someone with an \$800 income which is not considered low income under federal standards, but in Alaska with seven or eight children that could be almost poverty level in certain situations.

Mr. Berrier said housing costs vary so much from one area to another in Alaska that it is hard to relate the whole state in order to get a meaningful pattern.

Mr. Wright referred to page 2 and wondered why they didn't get some new people on this instead of using ASHA members. Mr. Berrier reminded the committee that State Affairs had offered a section amending this because they were dissatisfied with that, too.

Mr. Hohman read a long series of amendments proposed by the State Affairs Committee including the one mentioned by Mr. Berrier.

Mr. Fink referred to the State Affairs amendment on rent and said the way State Affairs proposed amendment was worded the rent would come out of the development fund. The bill is presently written to make loans but the amendment would make the money available for rent, too. Mr. Fink said if it is used for rent, they could not get anything back to retire the debt. Mr. Berrier concurred and said that the fund notes would be much like ASHA bonding and the state would have no control but with the direct appropriation they would have full control over it.

Mr. Warwick asked how long it would take to set this up.

Mr. Berrier said it could be done almost immediately upon authorization. The commissioner could determine how many fund notes he could purchase for a year and notify the corporation that it was available. Then the board would have to decide in what category it would have funds available. Mr. Degnan

asked the cost, using Juneau as an example. Mr. Berrier said they would have to have a staff to make the loans and he did not see a need for a large staff because they would not be making individual loans nor would they be servicing the loans. They would make development loans to qualified corporations. Mr. Fink disagreed somewhat, saying there would be a lot of paper work involved.

In answer to a question by Mr. Haugen, Mr. Berrier assured him this bill was statewide.

Mr. Berrier was thanked for his testimony and departed.

Mr. Hohman moved that HOUSE BILL NO. 267 be returned to subcommittee. No objection.

Meeting adjourned at 5:30 p.m.

HOUSE FINANCE COMMITTEE

April 15, 1971

9:35 a.m.

Present: All members.

HCS SB
119

Mr. Hohman called the meeting to order and moved and asked unanimous consent that HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 119 (An Act relating to historic preservation) be brought up for discussion. No objection, so ordered. Mr. Hohman noted the finance committee had pulled this bill from the calendar in order to get a fiscal note on it, and copies of the fiscal note were distributed to the committee. Mr. Hohman said SB 119 placed an archeologist in the State Museum and the cost from the fiscal note is listed as \$34,500 for salary and supporting staff. \$10,000 will be received from the federal government during the first year of operation. Mr. Hohman moved and asked unanimous consent that HCS SB 119 be passed from committee with a do-pass recommendation. Objection by Mr. Fink. Mr. Warwick asked if committee action could be postponed until next year. Mr. Hohman moved and asked unanimous consent that HCS SB 119 be indefinitely postponed. Objection. The vote was 5 to 2 against the motion. Mr. Warwick suggested postponing committee action on the bill for one day and Mr. Hohman stated the bill will be returned to sub-committee.

Recess: The meeting recessed at 9:45 a.m.

AFTER RECESS
3:50 p.m.

Present: All members.

HCS SB
119

Mr. Hohman called the meeting to order and moved and asked unanimous consent that HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 119 (An Act relating to historic preservation) be brought up for discussion. No objection, so ordered. Mr. Warwick asked the difference between the House Committee Substitute and the original bill and Mr. Hohman read the committee report from the Resources Committee (see bill file). Mr. Warwick stated he took a dim view of the archeologist and wished to amend the bill to state the archeologist shall serve at the pleasure of the Governor. Mr. Fink noted that Sec. 41.35.070 on page 4 granted too much authority to the archeologist, who could stop proposed construction projects if he deemed an area contained historic, prehistoric or archeological value. Mr. Fink suggested substantially revising this section by deleting (b), (c), (d), (e) and (f), and substituting a new (b). It was suggested that (a) could be deleted also. The committee noted this bill could possibly create a delay on construction of the pipeline. On page 5, line 12, it was suggested to change the time allowed for the archeologist to concur with proceeding with the construction from 90 days to 30 days. Mr. Fink moved and asked unanimous consent to return the bill to sub-committee. Mr. Haugen moved and asked unanimous consent to return the bill to sub-committee until next year. Objection. Mr. Fink stated a similar bill concerning archeology was passed last year, which this bill would repeal, and he could remember nothing wrong with the bill passed last year.

After discussion, the following amendments were proposed:

1. Page 7, line 9: Following the period insert: The members of the committee shall serve at the pleasure of the Governor.
2. Page 10, line 7: Delete period and insert following: who shall serve at the pleasure of the Governor.
3. Page 5, line 12: Delete 90 and insert 30.
4. Page 4 and 5, Sec. 41.35.070: Delete sub-sections (b), (c), (d), (e), and (f). Insert (b) The state archeologist may recommend to the Governor the suspension of a state construction project to protect historical, prehistoric or archeological values.

Mr. Hohman noted this did not cover local government or private property projects, which may destroy archeological sites. However, Mr. Hohman proposed voting on the above amendments.

Mr. Warwick moved and asked unanimous consent that amendment #1 be accepted. No objection, so ordered. ~~said~~

Mr. Warwick moved and asked unanimous consent that amendment #2 be accepted. Mr. Wright objected, and asked if this amendment only covers sub-section (a) and leaves (b) intact. Mr. Warwick said the amendment only applied to section (a) and Mr. Wright withdrew his objection. Amendment #2 was accepted by the finance committee.

Discussion followed and it was decided to call Representative Marty Farrell before the committee for testimony.

Recess: The meeting recessed at 4:20 p.m.

AFTER RECESS
4:30 p.m.

Present: All members. Representative Marty Farrell.

HCS SB
119

Mr. Hohman called the meeting to order. He advised Mr. Farrell of the objections the committee had to HCS SB 119; the feeling that the archeologist would be granted too much power. The amendments were read to Mr. Farrell, and he noted that the amendment which stated the committee would serve at the pleasure of the Governor was redundant since he believed all committees serve at the pleasure of the Governor. The amendment to change the time limit from 90 days to 30 days might be restrictive, as it may take the archeologist longer to complete the work; however, Mr. Farrell did not object to the change. He noted that any project of great size would be in the planning stage for such a long time, that the archeologist probably would have sufficient time to complete his research of the construction site. Mr. Farrell said the sub-sections (b), (c), (d), (e), and (f) under Sec. 41.35.070 were inserted at the recommendation of Ted Smith, Division of Parks, who testified before the Resources Committee on this bill. Mr. Ditman asked if Sec. 41.35.200 (Unlawful Acts) would affect mining projects, and Mr. Hohman said he believed it was already illegal under the law for relics and bones to be destroyed by mining. Mr. Farrell said it would be difficult to answer at this time, and he would like further time to study this question. In answer to further questions from the committee, Mr. Farrell stated Sec. 41.35.030, on page 2, line 26, would not restrict private property, but that the bill deals mainly with public lands or private lands the Governor believes to be of historic value. If land has not been declared to be of historic value, it wouldn't affect private land. He added the language may be clarified

in this section. Mr. Fink asked if a mining lease on state property would be a state resource and Mr. Farrell replied that once the land is classified to be of historic value, it becomes the renter's obligation to comply with state regulations. Mr. Hohman read from the statutes, which lists what is already illegal, and Mr. Ditman noted it may be illegal but there is no archeologist around to stop projects. Mr. Farrell said this is a gray area, but if the title is in private hands, nothing would apply unless the property was declared to be of historical value. Mr. Haugen asked if the archeologist would have the power to take the ground and Mr. Farrell said the state may so designate but the full fee title would be in the name of the private owner. The land could not be desecrated; however, if the property owner did desecrate the land or try to sell it, the state may intervene. Mr. Fink questioned land which the state owns and discovers after sale to a private owner that the land is of historical value. Mr. Farrell said he would need to research this question, since it is debatable whether property purchased from the state and then discovered to be a historic site must be returned to the state. Mr. Ditman asked if any miners had testified before the Resources Committee and Mr. Farrell said no, and read from their meeting minutes the people who had testified. Mr. Farrell asked what was the problem with the power of the archeologist and Mr. Hohman said he could delay state, local government, and private construction projects. Mr. Farrell noted this could be changed by deleting the words "and concurrence" on Sec. 41.35.080, page 5, line 22, which would then allow the commissioner authority to issue permits with only advice from the archeologist. He added, however, that if the state is serious about preservation, someone with knowledge should be able to approve or disapprove of

projects. He noted the question is how can artifacts be preserved and construction allowed to proceed as quickly as possible. Mr. Haugen questioned the construction of the pipeline if something is discovered along the route of historical value. Mr. Farrell said the archeologist could remove the artifacts and construction could continue. In answer to further questions from Mr. Haugen, Mr. Farrell noted that theoretically the project could be stopped. Mr. Warwick said the problem of eminent domain bothers him and Mr. Farrell said the only time eminent domain could be used by the state would be if a site was declared as historical. The state could remove the artifacts or step in if the private owner wished to sell the land, and they could buy the land instead of letting it go to a third party. The state should have the opportunity to exercise eminent domain and purchase property at fair market value or restrict the property owner if the property is in danger of being seriously damaged. Mr. Haugen questioned whether the present restrictions on the books are not adequate, and Mr. Farrell said he would have to check this out. Sec. 2. AS 38.12 and 38.25 are repealed, as noted on page 10, line 3, and Mr. Fink said this bill is much more restrictive than current law.

Mr. Ditman questioned the cost and Mr. Hohman said the total cost is \$34,500, of which \$10,000 will be received from the federal government for F.Y. 72; \$38,600 for F.Y. 73, and \$40,400 for F.Y. 74, with the federal government participating to the extent of \$10,000 per year. Mr. Fink noted there is no way the projects could be done at this low cost. Mr. Farrell read one paragraph from the testimony given by Ted Smith, Division of Parks, which said that Alaska must set up a board in order to receive federal funds and the state would receive

closer to \$40,000 from the federal government. The regulations do state that a board must be set up and anything discovered by the state as having historical value must be reduced to the smallest possible size plot of ground.

Mr. Farrell added he would prefer the finance committee reporting the bill out with changes than holding it in committee. The value of the bill is such that if some areas are not acceptable, the finance committee could strike them out. He would try to work out the language on any revisions the finance committee might suggest if they would return it to the resources committee. The committee restated their concern that projects would be delayed unnecessarily and repeated the amendments earlier mentioned.

Discussion continued, with Mr. Warwick questioning the need for a bill as all-encompassing as SB 119 and said they are "really creating a monster here." Mr. Wright hated to see an archeologist hired as a state employee and put under the merit system, as he felt he would have too much power. Mr. Hohman asked if Mr. Farrell understood the concern of the committee and if he would rework the bill and Mr. Farrell said he did. Mr. Fink said only two amendments had actually been voted on by the finance committee, but the other two amendments will be drafted for the resources committee to work on.

Mr. Hohman moved and asked unanimous consent that HCS SB 119 be voted out of the finance committee, with the stipulation that it go to the resources committee and be returned to the finance committee after revisions. No objection, so ordered, and the bill was voted out of committee with five members voting as stated above and two members voting "no recommendation."

Recess: The meeting recessed at 5:30 p.m.

AFTER RECESS

5:45 p.m.

Present: All members.

HB 219 Mr. Hohman called the meeting to order and moved and asked unanimous consent that HOUSE BILL NO. 219 (An Act appropriating the full proceeds of general obligation bonds authorized by the voters) be brought before the committee for discussion. Mr. Hohman read a letter explaining the bill (see bill file). Mr. Hohman moved and asked unanimous consent to pass the bill from committee and Messrs. Fink and Haugen objected. They would like to know where the money is to be spent and Mr. Hohman said some will go to Public Works, some to Education, ASHA, Natural Resources, etc. Mr. Fink noted that someone has a list of the entire spending of the \$35 million and he would like to see it. Mr. Haugen agreed he would like to see a complete list. Mr. Hohman moved and asked unanimous consent to pass the bill from committee and a vote was taken with three members voting "do pass" and four members voting "do not pass."

Adjourn: The meeting adjourned at 6:00 p.m.

HOUSE FINANCE COMMITTEE MEETING

April 16, 1971

8:50 a.m.

Present: All members.

HB 219 Mr. Hohman moved and asked unanimous consent that House Bill No. 219 (an act appropriating the full proceeds of general obligation bonds authorized by the voters) be brought up for discussion. No objection. Mr. Hohman moved and asked unanimous consent that HB 219 be passed from committee with individual recommendations. Mr. Fink and Mr. Haugen objected. Mr. Fink asked if the committee had a breakdown on this bill. Mr. Hohman said this is all in the bill file under previous bond bills from last year. He said this is available to every committee member. Mr. Haugen said he felt this changes. Mr. Fink felt the legislature would have appropriated this last year if it had been firm. Mr. Hohman felt this was an oversight. Mr. Fink felt it was intentional. Mr. Hohman asked if Mr. Fink was arguing that they did not intend monies to be used for this. Mr. Fink said they had \$10,000,000 and used language for \$5,000,000 and he did not think it was an oversight on the other \$5,000,000. Mr. Haugen did not think requesting the information was an unreasonable request. Mr. Hohman felt this information was available. Mr. Fink felt this information should have been zeroxed and made available to the committee members. Mr. Haugen said he had called the Commissioner of Public Works for information. The Commissioner was out of town and Mr. Haugen said the Department said they would provide information to the

best of their ability. Mr. Fink said if the administration is asking for this money they should be able to furnish a zerox of the information. Mr. Fink felt it was unreasonable to appropriate \$35,000,000 without a breakout of what it is for. Mr. Hohman felt if he were interested he should have consulted the files. Mr. Fink felt they should go to the Department and not to last year's files. Mr. Haugen said there was \$400,000 in the budget for the Kake Airport and the Commissioner of Public Works had informed him they would not be able to do the project. Mr. Haugen said these things change from day to day. Mr. Warwick called for the question. The motion carried 4 to 3. (However, the bill was signed 4 "do pass" and 2 "no recommendation") See pages 357-361 for backup.

HB 391 Mr. Hohman moved and asked unanimous consent that House Bill No. 391 (an act appropriating to the Department of Administration). Mr. Haugen objected.

Mr. Hohman read the following from the bill "The sum of \$100,000 is appropriated from the general fund to the Dept. of Administration for the purpose of conducting a space requirements study for all state offices, including the needs of the Alaska Court System and related facilities.... If the Department of Administration receives any federal money, or money from any other source, private or public, for the purpose of the space needs study, a sum equal to the amount received shall be reimbursed to the general fund."

Mr. Warwick left the meeting. Mr. Hohman read the fiscal note on this (see bill file). Mr. Haugen asked where they would get the money for this and Mr. Hohman said it would come from the

general fund. Mr. Hohman said the thought is that part of this may be made with federal funds (LEAA funds). Mr. Haugen asked if the staff researched this. He said this is all general fund and he could see no federal funds. Mr. Hohman said the possibility of receiving federal funds is being investigated and the money would be returned to the general funds.

Mr. Haugen said this is not an administration bill and Mr. Hohman said the bill has the administration's approval. He said the two principal areas to receive benefit from this are Anchorage and Juneau.

Mr. Hohman moved that House Bill No. 391 be returned to subcommittee.

Recess: The committee recessed at 9:15 to go into a discussion on the budget.

MEMORANDUM

State of Alaska

TO: The Honorable George Hohman, Chairman
House Finance Committee
Alaska State Legislature

DATE : April 16, 1971

FROM: M.R. Charney, Director
Division of Budget & Management
Department of Administration

SUBJECT: House Bill 219

Pursuant to your recent request, the following information is transmitted concerning original project proposals under Capital Improvement bond issues for which appropriations are requested in HB 219.

Section 1. \$12,690,000 from the "1970 School Construction Fund". Chapter 170, SLA 1970 authorized a bond issue totaling \$20,300,000 for the following projects:

Regional and Area Schools at:

Dillingham	\$	720,000
Bristol Bay		720,000
McGrath		540,000
Bethel		749,000
Anchorage		2,025,000
Fairbanks		1,500,000
Tok		495,000
Forth Yukon		630,000
St. Mary's or Bethel		2,625,000
Aleutian area		1,000,000
Contingency		<u>96,000</u>
Total Regional and Area Schools		\$11,100,000

State Schools:

Annette	2 Classrooms, storage area	\$	150,000
Bethel	Gymnasium, music and related facilities		1,400,000
Bethel	10-classroom Elementary school		1,500,000
Galena	Elementary school and quarters		1,000,000
Healy	Resource center		100,000
Levelock	Teacher housing		30,000
Sand Point	2 Elementary rooms, 2 quarters		300,000

Relocatables

Bradfield Canal	1 classroom and quarters	\$	50,000
Cape Pole	1-1/2 classroom and quarters		80,000
Coffman Cove	1-1/2 classroom and quarters		80,000

Relocatables (cont.)

El Capitan	1 classroom and quarters	\$ 50,000
Exchange Cove	1 classroom and quarters	50,000
Gildersleve	1 classroom and quarters	50,000
Port Alice	1 classroom and quarters	50,000
St. John's Harbor	1 classroom and quarters	50,000
Whale Pass	1 classroom and quarters	50,000
Deep Bay	1 classroom and quarters	50,000
Thorne Island	1 classroom and quarters	50,000
Glennallen	Administrative area and storage	\$ 113,500
Igiugig	1 classroom and quarters (R)	80,000
New Stuyahok	2 classrooms and quarters	120,000
Nikolai	1 quarters	30,000
Northway	Resource center, 2 classrooms	250,000
Thorne Bay	Administration and storage	40,000
Gakona	2 classrooms and 1 quarters	225,000
Akutan	1 classroom and kitchen	80,000
Anderson	4 quarters (R)	80,000
Aniak	1 quarters	30,000
Artic Village	1 classroom	60,000
Bettles	1 kitchen and storage (R)	50,000
Newhalen-Nondalton	Secondary school	1,210,000
Angoon	Secondary school	500,000
Nelson Island	Secondary school	<u>1,241,500</u>
Total State Schools		\$ 9,200,000

Section 2. \$1,500,000 from the "1970 Alaska Senate Housing Program Construction Fund". Chapter 1970, SLA 1970 authorized a bond issue totaling \$3,000,000 to acquire, construct, equip and make other Capital Improvements to Alaska Remote Housing facilities.

Section 3. \$1,722,500 from the "1970 State Recreational Facilities Construction Fund". Chapter 181, SLA 1970 authorized a bond issue totaling \$2,300,000 for the following projects:

Red Shirt Lake Access Road	\$ 212,500
Valdez Glacier Wayside Expansion	50,000
Chena River Recreation Area Master Plan	50,000
McHugh Creek Wayside Expansion	10,000
Ft. Abercrombie Master Plan	50,000
Chugach Mountains Master Plan	50,000
Hatcher Pass Master Plan	50,000
Lake Louise Master Plan	30,000
City of Eagle Preservation Plan	25,000
Renovate Potlach House, Ketchikan	50,000
Captain Cook Campground (1972)	125,000

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Nancy Lake Recreation Area, Visitor Center, Office, Warehouse (1972)	\$ 250,000
Willowcreek Wayside Expansion (1972)	25,000
Deadman Lake Development (1972)	75,000
Nancy Lake Land Acquisition (1972)	125,000
Wayside, Mt. McKinley Viewpoint on Fairbanks Highway (1972)	50,000
Nancy Lake Loop Road, Design & Clearing (1972)	250,000
Chilkoot Trail Master Plan (1972)	20,000
Anchor River Campground Expansion (1972)	25,000
Moon Lake Campground Expansion (1972)	25,000
Fort Abererombie State Park (1972)	450,000
Dry Creek Campground (1972)	75,000
Wood River - Tikchik Master Plan (1972)	50,000
Stormy Lake and Swanson River Road Access (1972)	125,000
Contingency	<u>52,500</u>
 TOTAL	 \$ 2,300,000

Section 4. \$1,500,000 from the "1970 State Health and Welfare Correctional Facilities Construction Fund". Chapter 183, SLA 1970 authorized a bond issue totaling \$8,600,000 for the following projects:

McLaughlin Youth Center, Phase I	\$ 502,500
Phase II	417,700
Phase III	963,400
Regional Correctional Institution in Anchorage and Fairbanks	5,216,000 1,510,500

Section 5. \$2,100,000 from the "1970 State Health and Medical Facilities Construction Fund". Chapter 190, SLA 1970 authorized a bond issue totaling \$5,600,000 for the following projects:

Rehabilitation Building - A.P.I.	\$ 180,000
Occupational Therapy Addition - A.P.I.	306,000
Maintenance Building - Harborview Memorial Hospital	100,000
Health Centers at Nome, Tok Junction, Sitka, Craig, Bethel	1,240,800
Child Care Center, Location T.B.D.	422,000
Projects to Match Hill-Burton Funds	
Mentally Retarded Facility (1971)	75,000
Mentally Retarded Facility (1972)	75,000
Mental Health Center (1971)	75,000
Mental Health Center (1972)	75,000
General Hospitals (1971)	1,500,000
General Hospitals (1972)	<u>1,500,000</u>
 TOTAL	 \$ 5,600,000

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Section 6. \$5,500,000 from the "1970 Highway Maintenance Facilities Construction Fund". Chapter 221, SLA 1970 authorized a bond issue totaling \$5,500,000 for the following projects:

Livingood Shop	\$ 314,000
Fairbanks District Shop	884,000
Juneau District Complex	2,170,650
Manley Shop	125,200
O'Brien Shop	152,250
Eagle Shop	152,560
Cascade Shop	258,000
Silvertip Shop	341,800
Broad Pass Shop	406,000
Seward Shop	269,480
Palmer Warm Storage	117,850
Ruby Shop	147,310
Unallocated	<u>160,900</u>
TOTAL	\$ 5,500,000

Section 7. \$10,000,000 from the "1970 Airport Construction Fund. Chapter 222, SLA 1970 authorized a bond issue totaling \$10,000,000 for the following projects:

(State Funds Only)	
Dillingham Runway	\$ 1,200,000
Hooper Bay	225,000
Birchwood - Pave Runway & Apron	80,000
Craig-Klawock - Design & Land Acq.	60,000
Aniak - Design only	40,000
Wales - Design	10,000
Pt. Hope - Design	20,000
Harding Lake - Design & Land Acq.	40,000
Kwigillingnok - Design & Land Acq.	25,000
Girdwood	38,000
Marshall	60,000
Andreafski	400,000
Wrangell - Lighting & Maint. Bldg. & Apron Expansion	180,000
Shageluk - Reconstruction including road	120,000
Bettles - Apron construction	60,000
Nunapitchuk - Kasigluk - Design & Land	25,000
Sitka - Design	150,000
Cold Bay Quarters	160,000
Nightmute	180,000
Craig-Klawock	550,000
Kwigillingnok	240,000
Kongiganak	200,000

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Napahiak	\$ 100,000
Napashiak	100,000
Harding Lake	150,000
Wales - construction	275,000
Pt. Hope	150,000
Seldovia - Land Acq. & Ext.	400,000
Sheldon's Point	100,000
Nulato - Reconst. & Road	120,000
Clarks Point	20,000
Noatak - stabilize ground	80,000
Newtok - Design	15,000
Nunap Itchuk - Kasigluk - construction	200,000
Teller	40,000
Aniak	600,000
Sand Point	60,000
Kotzebue - Land Acq. & Obs. Removal	110,000
Petersburg - lighting	40,000
Huslia - stabilize	80,000
Diomedea - Investigate possible design	40,000
Sitka - Ext. Rwy.	1,220,000
Quarters and Maintenance Buildings	250,000
Floats, etc., in Southeastern	147,000
Planning and Contingencies	<u>1,620,000</u>
GRAND TOTAL	\$10,000,000

*Bush Airport Program

AFTER RECESS
5:15 p.m.

- 391 Mr. Hohman moved and asked unanimous consent that the committee consider HOUSE BILL NO. 39 (appropriating \$100,000 to the Department of Administration for purpose of space study for Alaska Court System). No objection so ordered. Mr. Hohman moved and asked unanimous consent that HOUSE BILL NO. 391 be reported out with individual recommendations. HB 391 was reported out with all members signing "no recommendation" except Mr. Haugen who signed "do not pass."
- HB 73 Mr. Ditman moved and asked unanimous consent that the committee consider HOUSE BILL NO. 73 (appropriating \$3,976,669.77 for fire suppression costs). No objection so ordered.
- Mr. Ditman said that the Resources Committee went to a great deal of work and research on this and even sent a man from the administration to Anchorage and also to Denver besides holding hearings on it. He said they were able to reduce the total to \$3,650,177.88. Mr. Warwick asked why the state pays it and Mr. Ditman said because they have signed a contract with the BLM. The original contract was signed June 20, 1960 by Roscoe Bell and Phil Holdsworth of the Department of Natural Resources and a Mr. Honeywell from BLM. Mr. Fink asked if anyone had ever asked that the contract be abrogated. Mr. Ditman said yes. Mr. Haugen said the Legislative Audit had recommended to Tom Kelly, former commissioner of Natural Resources, to rewrite the contract but as far as he knew it was never done. Mr. Ditman said the present contract is for the calendar years 1969 and 1970. Mr. Hohman asked if this supplemental covered two years and Mr. Ditman replied that it was just for 1969. Mr. Fink wondered if Resources Committee had investigated the possibility of abrogating the contract. Mr. Ditman moved that the bill be returned to subcommittee

until he talked to Mr. Herbert. Mr. Joe LaRocca, newspaper reporter who was present, told the committee they could abrogate the contract at any time and as he understood it BLM would be happy to get out of it. Mr. Ditman said the minute they had their presuppression costs, they admitted they had an agreement going.

Mr. Fink thought that according to what Mr. LaRocca had told them they could end it at any time. Mr. Ditman said then the state would have to go into fire fighting business. Mr. Ditman wondered why they fought all of the fires and Mr. LaRocca said they don't, they have a set of priorities and let some areas burn but when towns or villages are endangered, they must, of course, go in there. Mr. Warwick commented that 1969 was the worst year the state had ever had. Mr. Haugen thought they should get the bill out but Mr. Ditman wanted to talk to Mr. Herbert first so the bill was returned to subcommittee.

Mr. Hohman said the meeting would recess until 7:00 p.m.

HOUSE FINANCE COMMITTEE
April 17, 1971
10:40 p.m.

Present: All members with the exception of Mr. Wright.

Mr. Hohman called the meeting to order and assigned the following bills:

- HB 38 HOUSE BILL NO. 38 - An Act providing for state loan forgiveness with respect to the Alaska 67 centennial site -- Warwick
- HB 122 HOUSE BILL NO. 122 - An Act providing for an Alaska longevity bonus -- Ditman.
- HB 161 HOUSE BILL NO. 161 - An Act providing for the establishment of regional service areas in the unorganized borough -- Hohman.
- HB 264 HOUSE BILL NO. 264 - An Act limiting the number of students in public school classes -- Wright.
- HB 346 HOUSE BILL NO. 346 - An Act relating to Alaska National Guard reenlistment bonuses -- Degnan.
- HB 352 HOUSE BILL NO. 352 - An Act relating to pay and allowances of members of the Alaska National Guard -- Degnan.
- HB 356 HOUSE BILL NO. 356 - An Act appropriating to the Department of Education -- Warwick.
- HB 362 HOUSE BILL NO. 362 - An Act appropriating to the Office of the Governor -- Degnan.
- HB 370 HOUSE BILL NO. 370 - An Act appropriating to the University of Alaska -- Ditman.
- HB 395 HOUSE BILL NO. 395 - An Act creating the Alaska Commission on Executive, Legislative and Judicial Salaries -- Ditman.
- HB 399 HOUSE BILL NO. 399 - An Act establishing the Alaska Historical Commission - Warwick.

- HB 413 HOUSE BILL NO. 413 - An Act relating to the International Airports Revenue Bonds -- Hohman.
- HB 416 HOUSE BILL NO. 416 - An Act appropriating to the Department of Military Affairs -- Fink.
- SB 94 SENATE BILL NO. 94 - An Act relating to the involvement of young people in government -- Warwick.
- SB 107 SENATE BILL NO. 107 - An Act creating a long-range fisheries rehabilitation, enhancement and development program for the state -- Haugen.
- SB 149 SENATE BILL NO. 149 - An Act relating to license and tag fees -- Degan.
- SB 171 SENATE BILL NO. 171 - An Act providing for peremptory disqualification of district judges -- Haugen.

Adjourn: The meeting adjourned at 10:55 p.m.

HOUSE FINANCE COMMITTEE
April 19, 1971
9:15 a.m.

Present: All members.

CS HB 58 Mr. Hohman called the meeting to order and moved and asked unanimous consent to pass COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 58 (An Act appropriating for the operating and capital expenses of all departments, offices and agencies of state government) from committee with individual recommendations. Mr. Fink asked if amendments were in order, but then decided to amend the bill on the floor. The vote was taken, with four members recommending "do pass," two members voting "no recommendation," and one member voting "do not pass."

Recess: The meeting recessed at 9:25 a.m.

AFTER RECESS
9:30 a.m.

Present: All members. Robert L. Thomas, Deputy Commissioner, Department of Education.

CSHB 65 Mr. Hohman called the meeting to order. Mr. Thomas was present to testify before the committee on HOUSE BILL NO. 65 (An Act appropriating to the Department of Education, District School Support). HB 65 as introduced contained an appropriation from the general fund for pupil transportation and for debt retirement under the provisions of AS 43.18.100. Because of surpluses in other areas of the public school foundation appropriation, it was explained by Mr. Thomas that no additional funds were required to fund the operating shortage in pupil transportation. The reasons for this are:

1. Refined estimates of recent origin indicate that only \$811,000 remains uncovered in the pupil transportation account.
2. The overage in the foundation program account is sufficient to fund the before-mentioned \$811,000 deficit.

What the department does need is an expression of legislative intent authorizing them to transfer the overage from the foundation program account to cover the deficit in the pupil transportation account.

Adjourn: The meeting adjourned at 9:45 a.m.

HOUSE FINANCE COMMITTEE

April 20, 1971

9:20 a.m.

Present: All members with the exception of Mr. Ditman.

HB 106 Mr. Hohman called the meeting to order and asked Mr. Wright for his opinion on HOUSE BILL NO. 106 (An Act relating to compensation of state employees). Mr. Wright said he had worked up a formula, giving a larger percentage increase to the lower ranges. His formula would abolish range 5, and range 6 would be the lowest range - starting at \$548 per month. This would be a 10% increase for range 6, with percentage increases decreasing in the higher ranges and no increase scheduled for range 23 and up. The total increase, including 17% employee benefits, comes to \$4,900,000. Mr. Fink said they have tried to maintain a certain percentage between ranges and this bill narrows the gap. Mr. Wright said he would rather do it this way than increase the high ranges. District 17 has a very high salary schedule, and Mr. Fink questioned what was the highest position in District 17. Mr. Hohman believed District Welfare Workers would be the highest. Mr. Haugen questioned the range of a state trooper, and Mr. Hohman said troopers are in range 14, corporals in range 15. Normally budgeted at step C., salary range 15 in district 17 would amount of \$1,521/month. Discussion continued on the various ranges and steps and the difference in salaries in the districts. Mr. Fink could not see any justification for a pay increase; however, if one must go through he would prefer a bill more in line with the Governor's proposed bill. Mr. Haugen suggested removing the first three pay

ranges and starting at range 7 or 8. Mr. Wright suggested revamping the pay raise situation next year, but a salary bill should be moved out of committee this year. Mr. Fink repeated that percentage differentials must be maintained between the ranges to assure that the supervisor of a department earns more than the employees or the Division of Personnel would be in next year complaining about the situation. Mr. Haugen said just move the Governor's bill out of committee, but Mr. Wright said he still could not see raising high ranges more than lower ranges. Mr. Wright said the employees at the bottom ranges qualify for food stamps, and Mr. Fink said a man in the higher ranges, if he was smart, could qualify for food stamps also under the present law. Mr. Hohman moved to return HB 106 to sub-committee and reflected his dissatisfaction with the amount of investigation done by the sub-committee. Mr. Fink said thank you, he was pleased to have the bill returned to sub-committee.

HB 159

Mr. Warwick moved and asked unanimous consent to bring HOUSE BILL NO. 159 (An Act extending employment security coverage to employees of the state) before the committee for discussion. No objection, so ordered. Mr. Warwick moved and asked unanimous consent to adopt an amendment on page 4, line 5:

Delete July 1, 1971 and insert in lieu thereof: January 1, 1972. There was a question as to whether January 16 would be more in line with the pay schedule of the state, but January 1 was acceptable to the Department of Labor. No objection, so ordered, and the amendment to HB 159 was accepted by the finance committee. Mr. Warwick moved and asked unanimous consent to pass HB 159, with the amendment, from

the finance committee. No objection, so ordered, and HB 159 was unanimously recommended "do pass" with the amendment.

Recess: The meeting recessed at 9:55 a.m.

AFTER RECESS

1:40 p.m.

Present: All members.

Chairman Hohman called the meeting to order. He moved and asked unanimous consent that the committee consider an amendment HB 159 to House Bill No. 159 (an Act extending employment security coverage to employees of the state). This bill had been reported out in the 4/20/71 9:00 a.m. meeting. Mr. Warwick proposed an amendment that would change all the dates by six months:

Page 3, line 1: Delete April 1, 1970 and insert in lieu thereof: October 1, 1970

line 29: delete June 30, 1971 and insert in lieu thereof: December 31, 1971

Page 4, line 1: Delete July 1, 1971, and insert in lieu thereof: January 1, 1972

line 4: Delete June 30, 1971 and insert in lieu thereof: December 31, 1971

line 5: Delete July 1, 1971 and insert thereof: January 1, 1972

Mr. Hohman moved and asked unanimous consent this amendment be passed. No objection.

CSHB 58 Mr. Hohman moved and asked unanimous consent that the committee consider amendments to be introduced as finance committee amendments on the floor at the time the House considers Committee Substitute for House Bill No. 58 (budget).

Mr. Hohman explained the first amendment is on page 6, line 24. This is following the words "Community Colleges" delete \$550,000

4/20/71

and insert in lieu thereof: \$1,000,000 (Adjust all funding and figures accordingly). Mr. Hohman moved and asked unanimous consent amendment #1 be adopted. No objection, so ordered.

HB 106 Mr. Hohman moved and asked unanimous consent that House Bill No. 106 (relating to compensation for State employees) be brought up for discussion. No objection. Mr. Hohman moved and asked unanimous consent that the committee adopt the amendment by the State Affairs Committee and that House Bill No. 106 as amended by State Affairs be passed from committee with a do pass recommendation. Mr. Fink objected. The motion carried 5 to 2.

CSHB 58 Mr. Hohman moved and asked unanimous consent that amendment #2 for Committee Substitute for House Bill No. 58 be adopted. The amendment included the salary increase for \$6,793,100 and also funding for House Bill No. 159 which is \$350,000 for six months. Mr. Fink asked for a division of the amendment. The committee decided to show this as two separate amendments. Mr. Hohman moved and asked unanimous consent that amendment #2 for Committee Substitute for House Bill No. 58 be adopted. (The amendment showed only the salary increase for \$6,793,100.) Mr. Fink objected. The motion carried 5 to 2.

Mr. Hohman moved and asked unanimous consent that amendment #3 be adopted. (The amendment was to cover costs of state employees coverage under Employment Security Benefits, for \$350,000.) No objection.

Adjournment: The meeting adjourned at 2:00 p.m.