

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2548

STATE  
of ALASKA

# MEMORANDUM

TO: [ Representative Richard Eliason  
House Labor and Management

THRU: Richard W. Freer *WFB*  
Deputy Commissioner

DATE : February 26, 1973

FROM: Robert S. Gates *RS*  
Benefits Administrator  
Dept. of Administration

SUBJECT: Study to Provide Cost In-  
formation for House Bill 238

Problem: Accumulate military service date on active <sup>4000</sup> male State employees who are PERS members.

This data will be used to provide the actuary with a sample of military service information sufficiently large to project the cost of granting military service credit to eligible PERS members.

- Solution:
1. Request a preprinted, gummed label to be generated for all active male employees currently working for the State of Alaska.
  2. Design a questionnaire to be mailed to each male employee requesting the following information:
    - A. SS number
    - B. Name
    - C. Listing of periods of active military service.
    - D. Type of discharge
  3. Copy of questionnaire will be mailed to each employee (approximately 4,000) with a self-addressed, return envelope enclosed. Instructions will be included, asking for an immediate response to the questionnaire.
  4. A response of at least 2000-2500 must be obtained to rely on data in view of the necessity to project cost impact to other eligible groups (retired persons, political subdivision employees, terminated employees with vested rights in the retirement system.
  5. When questionnaire is returned, the data must be keypunched and imputed into the computer system (computer programs must be written to tabulate this information.)
  6. Unverified military service history for each individual must be merged with other personal data presently contained in the PERS system.

7. The actuary will provide us with a request to generate the necessary data to analyze the sample service data obtained. (computer programs will be written to provide this information.)
8. Data will be sent to actuary on magnetic type.
9. The actuary will provide an estimate of the total cost of benefits granted under HB 238

Time for Cost Analysis:

1. It will take a minimum of 30 days to get responses from employees and compile data to be sent to the actuary.
2. It will require approximately 15 days to get an analysis and cost figure from the actuary.

Estimated Cost: \$8,000.00

HOUSE FINANCE COMMITTEE

March 1, 1973

2:15 P.M.

Present: All present with the exception of Representatives Haugen and Ose.

GENERAL Chairman Hillstrand called the meeting to order to discuss  
GOVERNMENT the budget for the program category of General Government.

Rep. Saylor, sub-committee chairman, stated the Authorized FY 73 figures had been used as a base, and 3.5% allowed in excess of this base for the House Finance Committee recommendation for FY 74. Some positions have been disallowed, but Rep. Saylor retained all positions relating to Fairbanks and Valdez in an effort to aid the economy of these two places.

Using the short-form budget, Rep. Saylor listed each figure recommended for each BRU.

AFTER RECESS

GENERAL  
GOVERNMENT A quorum was present.

During a discussion on the budget on General Government the House Finance Committee instructed the Budget and Audit Committee staff to perform an interim study on Data Processing. The study should make recommendations as to how the state could avoid duplication in processing billings and how Data Processing could be streamlined and more efficient.

Members from the Ketchikan Chamber of Commerce appeared before the committee and lobbied for a Bartlett-class ferry to serve Southeast Alaska, primarily the Prince of Wales Island and other points around Ketchikan.

Representatives from the Ketchikan Chamber of Commerce also asked that the revenue sharing be funded at 100%.

AFTER RECESS

Present: A quorum was present. The committee had been meeting on the Transportation budget.

GENERAL GOVERNMENT Chairman Hillstrand said the committee would consider the General Government budget and turned the meeting over to Mr. Saylor.

Mr. Saylor gave a brief summary of the subcommittee recommendations for General Government. He said they had allowed no new positions and no new programs. They have taken the authorized 73 and added 3 1/2%. Mr. Saylor said they took the Governor's recommendation for travel.

Mr. Saylor then went through each BRU and explained the subcommittee recommendation.

The subcommittee recommendation for Legislative Affairs Agency was \$2,077.4 (a reduction of 280.5) from the Governor's recommendation. Mr. Saylor explained he had deleted the three new positions and the contingency fund. After a brief discussion, Mr. Warwick moved that the committee accept the agency's request of \$2,357.9. Mr. Saylor did not agree but the motion carried.

Mr. Saylor explained that the subcommittee recommendation for Legislative Audit is \$365.8 (this deleted one new position - \$23.9). Mr. Barber moved that this position (Auditor III) be approved and the committee accept the agency's request of \$389.7. Mr. Saylor objected; however, the motion carried.

On the BRU Collection of Delinquent Taxes, the committee recommended \$538.9 which allowed for the Seattle Office.

Mr. Saylor continued through the BRU's. There was a discussion on the Minority Program under Personnel. The subcommittee recommendation was to delete the Minority Program. There was a motion to leave this program in and the motion carried.

HB 314 The committee then considered HOUSE BILL NO. 314 (an act relating to medical assistance for needy persons; and providing for an effective date. After a brief discussion, Mr. Freeman moved and asked unanimous consent that HB 314 pass from committee. There was no objection and HB 314 passed from committee with a unanimous "do pass" recommendation.

The committee briefly discussed Senate Bill No. 114 (relating to state aid for retirement of school construction debt; and providing for an effective date) and House Bill 77 (same title). However, no action was taken.

Adjourn: The meeting adjourned at 12:00 midnight.

Comm

DEV

HOUSE FINANCE COMMITTEE

March 8, 1973

8:38 a.m.

Present: A quorum was present. Mr. Ron Usher, City Manager of Juneau; and Mr. Robert Sharp, City Manager of Anchorage, were also present.

Chairman Hillstrand called the meeting to order and requested that Mr. Warwick conduct the meeting regarding the Department of Community and Regional Affairs. Mr. Warwick is the subcommittee chairman on this budget.

DEPT. OF  
COMMUNITY  
&  
REGIONAL  
AFFAIRS

Mr. Usher explained that he was appearing as the President of the Alaska City Managers' Association. Mr. Usher read a resolution (see attached) expressing the Association's concern with the Department.

Mr. Usher explained that this Department had been created last year to provide maximum assistance to the governmental local levels. He said they have experienced very little assistance in the way of program support or direct assistance to local existing communities. He stated that there is a severe need for training of Alaskans yet the Department has apparently no plan or program for accomplishing these purposes.

Mr. Usher said they felt there has been a dilution of the powers of the Department and used the Lost River Project as an example. He stated that the Commissioner of the Department of Community and Regional Affairs is a member of the Lost River Council and he felt this created a very difficult situation. He said that this project further dilutes the efforts of the Department by providing service to a municipality where there are no people.

Mr. Usher said that the Alaska Municipal League has urged for the past two years a state-wide effort to look into governmental structures. He said that this needs to be done yet nothing has been done. The Department seems to recognize its need but has not been able to begin any work, he added. Mr. Usher added that they are not convinced that the Department has the capacity to do the job. He said they would like to see the Department have a bigger budget but they did not think they have the capability to follow through on it at this point in time.

Mr. Usher said the Alaska City Managers' Association feels that there is a need for this Department but they are extremely disturbed by the manner in which the present program is going.

Mr. Usher stated that the City Managers' Association is also urging that the Municipal Services Revenue Sharing Program for 1972-73 be fully funded (a copy of this resolution is attached).

Discussion followed. Mr. Usher stated that the Department is heavily involved in such matters as educational systems in the rural areas. He said the Department provides a certain amount of service to portions of the state where there is no local government. Mr. Usher said this may be worthwhile but they felt it should be a secondary effort as the main thrust of the Department should be to organized boroughs.

Recess: After a brief discussion the meeting recessed at 9:18 a.m.

RESOLUTION NO. 73-1  
of  
THE ALASKA CITY MANAGERS' ASSOCIATION

WHEREAS, the Alaska Department of Community and Regional Affairs has failed to advocate the interests of local government by proposing and supporting legislation which is needed and by opposing that which is detrimental to local government throughout the State, and

WHEREAS, the Department of Community and Regional Affairs has no plan or program for the future provision of service to the local governments of the State, and

WHEREAS, the Department of Community and Regional Affairs lacks dynamic and effective leadership,

NOW, THEREFORE, BE IT RESOLVED by the Alaska City Managers' Association that the Alaska State administration is urged to take all steps necessary to re-orient the Department of Community and Regional Affairs toward the accomplishment of its intended purposes, with adequate funding therefor;

BE IT FURTHER RESOLVED that the Legislature of the State of Alaska is respectfully requested to make such modifications in existing law as are needed to clarify the Department of Community and Regional Affairs' mission and role and to provide adequate funding for this purpose.

ADOPTED this 6th day of March, 1973.

/s/ Ronald L. Usher  
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President

/s/ Roland D. Lynn  
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Secretary

ALASKA CITY MANAGERS' ASSOCIATION  
POSITION PAPER ON  
ALASKA'S DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

On March 6, 1975, the Alaska City Managers' Association approved this position paper for submittal to the State administration and appropriate legislative committees:

1. From the time of the Convention which framed Alaska's Constitution there has been a recognized need for an agency in state government to advise and assist local governments. Yet, neither the Community and Regional Affairs Department nor its predecessor, the Local Affairs Agency, has been able to reach a level of service to local government which measures up to the expectations of local officials. Statewide budget problems, unanticipated crises, and diversion of emphasis onto highly volatile issues may be cited as reasons why the overall goal has not been achieved; but, nevertheless, it must fairly be concluded that the department has not measured up to the expectations which many of those who sought its creation envisioned.

2. Considerable improvement could be made at nominal cost, if the priorities of the department were adjusted to place emphasis on particular needs of local communities, such as:

a. Assistance to small communities in establishing a basic administrative structure and maintaining it.

b. Assistance to local governing bodies in the recruitment of qualified administrative personnel.

c. Intensive training programs designed to build a cadre of Alaskans capable of assuming leadership roles in local communities.

3. There is a marked need for improvement in the level of capability of the new department's staff and in its effort to seek out and take full advantage of opportunities which are available to improve service to local governments. While some staff members had extensive experience with local government at the point of hire, others definitely need extended training in the actual operation of local government. Because of other priorities, opportunities for coordination with a national professional organization on the highly-desirable "circuit-rider City Manager" concept has been set aside by the new department. The responsibility for participation in federally-sponsored internships has been passed through the department to the local level, rather than being recognized by the department as an opportunity to take the initiative in meeting an urgent future need of Alaska's communities.

4. The department's main mission of serving local governments continues to be diverted by other duties and controversial involvements. The Alaska City Managers' Association recommends amendment of the Development City Act so that the Commissioner of Community and Regional Affairs will not be required to serve on the Last Layer City Council. This not only represents a dilution of service to existing

cities and boroughs, but also presents an undesirable situation insofar as separation of policy and administration is concerned. Regarding continuing borough-city controversies, the platform plank of the Alaska Municipal League calling for a statewide review and study of local government forms and structure is cited. This major planning effort should be taken on at once so that an understandable framework for local government may be created in Alaska, and the operational responsibilities of the Department of Community and Regional Affairs understandably defined within that concept.

The Alaska City Managers' Association stands ready to work with the State administration and all concerned agencies in meeting these priority needs.

RESOLUTION NO. 73-2  
of  
THE ALASKA CITY MANAGERS' ASSOCIATION

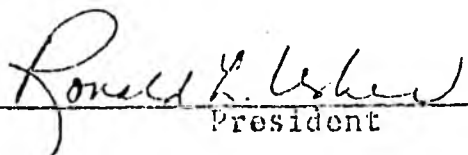
WHEREAS, the Alaska State Aid to Local Government Municipal Services Revenue Sharing Program for 1972-73 has been funded at 92.24% of total entitlement, and

WHEREAS, the Alaska State administration has not proposed a supplemental appropriation for full funding for said revenue sharing program, despite the fact that numerous supplemental appropriations have been proposed for funding of other programs,

NOW, THEREFORE, BE IT RESOLVED that the Alaska City Managers' Association deplors the fact that the Alaska State administration has not proposed a supplemental appropriation for full funding of the State Aid to Local Government Municipal Services Revenue Sharing Program, and

BE IT FURTHER RESOLVED that the State administration and Legislature are respectfully requested to take all necessary actions to fully fund said revenue sharing program for Fiscal Year 1972-73.

ADOPTED this 6th day of March, 1973.

  
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President

  
\_\_\_\_\_  
Secretary

FISH

GAME

HOUSE FINANCE COMMITTEE

February 10, 1973

9:15 A.M.

Present: Representatives Hillstrand, Haugen, Freeman, Specking, Laktonen, and Gardiner. James W. Brooks, Commissioner; Joseph R. Blum, Deputy Commissioner, Sport Fish & Game; Carl L. Rosier, Director, Commercial Fish; Frank Jones, Director, Game; Rupe Andrews, Director, Sport Fish; Bob Roys, Director, FRED; Vern Roberts, Director, Division of Administration; Dept. of Fish & Game.

DEPT. OF FISH & GAME Rep. Haugen conducted the meeting to obtain information for the budget from representatives of the Department of Fish & Game.

Mr. Brooks spoke about the state fisheries program, and noted supplemental production will be an ever-increasing function of the department and state in coming years. The legislature has launched a program of supplemental production fairly early and the department has qualified people, but it still must be considered an experimental program at this time. The problem is the state has not allocated money for research and the department has tried to manage on a trial and error basis. Mr. Brooks outlined the research necessary for fish, crab, shrimp, scallops and black cod.

The budget, in the past, did not truly reflect the amount of money spent on pure research, continued Mr. Brooks. Some programs, in order to qualify for federal funding, were listed as research when actually they were not. Rep. Haugen requested information on the research being done on anadromous and sport fish from the department, and also asked if there had been any study done on kelp resources. Mr. Brooks said he would provide the information to the committee.

Mr. Brooks continued by saying the department is faced with the decision of where to invest the money to benefit Alaska. Non-resident boats and non-resident fishermen are benefiting from programs initiated by the state, and it is a question of how many research programs should be supported in order to benefit non-residents. King crab is a highly profitable resource, but the state does not get enough tax money back from the harvest to pay for one trip of the Resolution.

Examples were given by Mr. Brooks of areas the state should explore, and he listed Bristol Bay, Southeastern, Prince William Sound, and Cook Inlet. By proper management and supplemental production, it may be possible to increase the numbers of fish beyond what was present in the past. However, the impact of people has reduced stocks tremendously, continued Mr. Brooks, and much damage was done before statehood. The trend now is toward restrictions, due to the increasing number of fishermen and gear.

The Japanese harvested 1/3 of all salmon that would have matured in 1972, or about 1/2 million fish. Mr. Brooks added that even if the Japanese catch up to 1/2 of all the fish produced by the state, it benefits the state to produce more fish.

The trend has been toward more stable, increasing production, continued Mr. Brooks. The management program is successful, and the department is progressing in the right direction. It is difficult to manage an orderly fishery, and there can be no control over where the fish go when they escape from the hatcheries, but essentially the department has made progress.

One problem with research, according to Mr. Brooks, was that the fishermen see no immediate results. Fishermen, the public, and many legislators see the immediate day-to-day needs, and feel practical management has top priority. Look below the surface and it will be appreciated that without research, the fisheries will gradually decline and fail. Mr. Brooks added it is difficult to justify as there are no tangible results to show.

Karluk was mentioned, and Mr. Brooks stated that although it was the most studied, researched area in the world, the salmon have not returned. Mr. Brooks explained the cycles of fish and how stocks can be depleted. In prior days, the fish were better adapted to conditions and would produce more young. Now, no matter how many fish you allow to escape, it is a poorer quality fish. Supplemental production units, gravel incubators, or some other improvement on nature must be provided by Fish & Game.

Closing an area for an entire season was questioned, to which Mr. Brooks replied the department's approach should be to inject fairly massive numbers of what they believe are the most productive strains into the system.

The possibility of closing streams for sport fishing was mentioned. Mr. Brooks stated the Board of Fish & Game is responsive to the will of the people, and vast numbers of people would be opposed to such a policy. It would be beneficial to commercial fishermen; however, sport fishermen would be against closing the streams. Mr. Brooks added that other factors enter into the damage to the fish, such as building roads, changing stream flows, and other programs due to the impact of people on nature. However, where recreational fishing is harmful to the stock, Mr. Brooks believed the Board would close down a stream.

Rep. Hillstrand stated it was his opinion that sport fishing has destroyed runs in the streams, and he would formulate a report to submit to the sub-committee for possible regulations.

Recess: The committee recessed at 10:55 A.M.

AFTER RECESS  
11:15 A.M.

Rep. Haugen called the meeting to order. He summarized the statements made by Mr. Brooks, and said Mr. Brooks had pointed out the problems in the salmon industry. Rep. Haugen said the intent of the committee was to decide where to spend money wisely, and opened the meeting for questions from the committee.

Rep. Specking asked why quotas could not be reduced in the King Crab industry. Mr. Brooks replied large boats are necessary to compete with the foreign element, heavy gear and large tank capacity are needed, and this investment requires a return on the money. This does return to the question, however, of whether the citizens of Alaska should subsidize out-of-state and foreign fishing. The amount of money spent in research benefits very few Alaskans, added Mr. Brooks.

Rep. Freeman noted the request in the FY 74 budget was \$459,000 less than the figure listed as actually spent on research in FY 73, and asked why research had decreased by 27%. Mr. Brooks replied he took the job late in the year and did not have as much influence over the budget as he would like. It was pretty well firmed up before he had a chance to look at the budget. Another factor was that he directed the department to take the money out of the research column and put it into management, if that was where it really belonged. Routine collection of harvest data and other activities were charged against research, but are not actually research, added Mr. Brooks. This would not affect federal funds, and the department has been assured that this area would not be affected.

Mr. Roberts noted that last year, at the suggestion of Budget & Management, Fish & Game funded about half of the Protection Division's total budget. This year Protection will be funded from the General Fund, but the Department of Fish & Game has lost about \$1 million in funds, which they could have used in future years. The funds received now from the sale of hunting and sports licenses are used as the money comes in, whereas formerly there was a balance in the fund.

Rep. Haugen asked if there were any specific research projects to which the department would like the legislature to allocate additional funds. Mr. Brooks replied there could be adjustments which would be highly beneficial. Most of their proposals for expansion were not approved by the administration, since the administration placed priorities between all state agencies. With the delay in the pipeline, the state has obligations to its citizens, and Mr. Brooks stated proper management of fish and game resources is only one of them. However, minor adjustments could be made.

Another \$500,000 could be used in Hatcheries, continued Mr. Brooks, to augment the production of salmon. One of the big bottlenecks encountered in this program is fish disease. This is a very specialized field, and at present the department has no measure to recognize and control disease. It might be beneficial to the department if the budget would include an allocation for a pathologist, continued Mr. Brooks. The committee discussed fish diseases, and the money lost as a result.

Rep. Specking asked if there were lab facilities for a pathologist, to which Mr. Roys replied facilities would be made available to the department at Bartlett Memorial Hospital in Juneau and at a hospital in Anchorage. No major investment would be required for a laboratory.

Recess: The meeting recessed at 12:10 P.M.

AFTER RECESS

2:05 p. m.

Present: Representatives Haugen, Freeman, Specking and Laktonen Members from the Department of Fish and Game as shown in the morning meeting and Joe LaRocca, news reporter, were also present.

FISH & GAME Vice-Chairman Haugen called the meeting back to order and said the committee would continue their discussions of the Fish and Game Budget.

FRED Mr. Roys, Director of the Division of Fisheries Rehabilitation, Enhancement and Development, explained the objectives of the Division.

Mr. Haugen noted that the whitefish program has been in the budget for four years. He said the main purpose of the program was to establish the value of the resource on a commercial basis. Mr. Roys said the "potential is there." This program has cost \$42,000 a year and this year they are requesting \$45,000. He said the Canadians have a whitefish program which is very successful; however, their whitefish do not have the yellowish color that appears in Alaskan fish. He said they have to develop a technique to work this out.

Mr. Specking asked about the clam project. Mr. Roys said the primary objective was razor clams but they are expanding this. The second objective is to get butter clams certified. Mr. Roys spoke on the problems of adoption of the regulations that meet the Shellfish National Act. He said the federal act says they have to have a "fancy laboratory test" and in order to do this daily or weekly they have to run them back to the laboratory. The Dept. of Fish and Game does not feel this is justified and will be discussing this problem at a meeting in February.

This year's budget request is \$44,000 for the clam project.

A discussion followed on the gravel incubation project. In answer to Mr. Haugen, Mr. Roys said there were 400,000 eggs planted at Auke Bay last year and 75% were productive. He said they would not know the mortality rate until next summer.

Mr. Andrews explained the Mendenhall rearing program. He said they are trying to take advantage of an area where there are existing ponds -- they hope to create a recreational fisheries.

Mr. Hogan asked how the Department measures the output of these programs -- how do they tell if they are achieving what they want to achieve. Commissioner Brooks said they cannot equate this to the dollar. He then elaborated on some of the Department's programs. Mr. Hogan explained the committee's predicament in view of the recent news on the pipeline. He said from the Department's budget it is difficult to tell where the output is the greatest. Mr. Roberts said that it may be 20 years before they start getting a return on their programs -- it is almost impossible to qualify returns on these programs. Mr. Brooks said if the state should be faced with a serious money shortage he realized it was the responsibility of the legislature to decide on priorities. Mr. Brooks said he felt the benefits of spending "even more money on fisheries will become pretty apparent." He said this resource will support a large portion of the economy. In answer to Mr. Freeman, Mr. Brooks said they are locked into a certain overhead. He said they had been asked at a hearing what would happen if they had a 50% budget cut and he had replied this would result in an 80% loss of field work because they are stuck with overhead expenses.

A discussion followed on Kitoi Lake. Mr. Roys said that they are in the process of changing direction of the hatchery system and plan to use this as a base -- their plans are on the rehabilitation of sockeye.

In answer to Mr. Specking, Mr. Roys said an investment to replace the pink salmon run in terms of incubators at Prince William Sound would be approximately \$35 million (this would be to totally replace it). He said that they have no plans for a chum test in the state; however, it is their thinking that Prince Williams Sound would be a good place for a test of chum salmon. Mr. Specking asked about a time frame for Prince Williams Sound. He asked if they have the basic research to move into this if the dollars were available. Mr. Roys said that their biologists disagree on this. -- one biologist would say 2 years and one might say 5 years and yet another biologist said they could "go" right now.

Mr. Roys explained the gravel incubator process at Auke Bay.

Mr. Haugen asked if the Department had reached a point in certain programs where they felt they should terminate them and put their money to better use in another place. Mr. Roys said there are programs

they have been given by the legislature; however, he could see value in all of the programs.

The committee scheduled a meeting for 7:00 p.m., February 13, 1973, for a discussion on Hatcheries.

Adjourn: The meeting adjourned at 3:25 p.m.

HHS

AFTER RECESS

9:30 a.m.

Present: All members. From the Department of Administration, Mr. Dick Freer and Mr. Myrt Charney were also present.

DEPT. OF HEALTH AND SOCIAL SERVICES The meeting was called to order and copies of the attached sheet noting revised programs for the Department of Health and Social Services were distributed.

Discussion followed. Mr. Warwick noted that although medicaid was to save the state \$3 million a portion of this savings had been used. Mr. Charney said the last amount shown on the handout is what they anticipate lapsing. Mr. Warwick said they had a federal funds decrease and transferred in more general fund monies. Mr. Charney said this had been fully explained to the Budget and Audit Committee although the administration did not feel it needed official approval. The RP was fully explained and the Budget and Audit Committee gave their "blessing," Mr. Charney stated.

Mr. Barber pointed out that Revised Program 73-124 will be before the next Budget and Audit Committee. This was for additional funding for the Division of Family and Childrens Services, Public Health and Administrative Services.

The committee then discussed program budgeting. Mr. Charney spoke on the merits of program budgeting. He explained to the committee that each of his analysts become an expert in his field, i.e., education, health etc.

The committee then discussed what was being done on Pioneers' Homes. Mr. Freer explained that this responsibility lies with the Department of Administration and there is a study being performed to determine plans for the Pioneers' Homes. In answer to Mr. Barber, Mr. Freer said this study has been going on for 3 or 4 months and is being conducted by an out-of-state firm. Discussion followed.

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

Revised Program 73-14 authorized the Department of Health and Social Services to receive and expend \$6,523,000 in federal receipts pursuant to the establishment of a new Medical Assistance Division. A total of \$3,002,700 was identified as potential savings to the State through this action, and was reserved pending the necessity for subsequent reallocation and/or lapse at the end of the fiscal period.

The following reallocations to other programs within the Department from the \$3,002,700 reserve have been effected to date:

RP 73-84	\$ 554,000	Additional funding for Alcoholism, Crippled Children, and Homemaker programs to replace Title IV and XVI federal funds no longer available
RP 73-121	350,000	Additional funding to Division of Corrections for unfunded costs related to proposed State operation of Anchorage City Jail
RP 73-124	751,900	Additional funding for Division of Family and Childrens Services, Public Health, and Administrative Services to offset requirements for supplemental appropriations
Total -	\$ 1,655,900	
Balance -	\$ 1,346,800	

500.

HOUSE FINANCE COMMITTEE

January 26, 1973

8:40 A. M.

PRESENT: All members. Other legislators present included Senator Clyde Lewis, Senator Ron Rettig, Representative Tom Fink, Representative Mildred Banfield, and Representative Richard McVeigh. Also present were Commissioner of Public Works George Easley, Deputy Commissioner Bob Dwyre, and Division of Buildings Director John Benson.

JUNEAU  
COURT  
AND  
OFFICE  
BLDG.

Chairman Hillstrand stated that the purpose of the meeting was to review the bids on the Juneau Court and Office Building that were opened yesterday with the idea of relating them to previous bid openings on the facility and the concerns of the Legislature as expressed in April, 1972. (See House Journal Supplement No. 7, dated April 17, 1972, attached). He asked Commissioner Easley to explain to the committee and other legislators present what had transpired.

Commissioner Easley explained that the Department of Public Works had opened the bids on January 12, and the low bid was \$1 million over the estimate. As a result, it was necessary to go to a redesign of the facility, and the question was how to proceed. After consultation, it was determined that the redesign could be accomplished in the shortest period of time by inviting the four contactors who had bid the job to rebid it, and that it was in the best interests of the state to proceed on this course immediately.

Under these circumstances, normally the department would have three alternatives:

1. Negotiate with the low bidder;
2. Call for rebids from the original bidders; or
3. Redesign and readvertise.

Commissioner Easley stated that the department discussed the items that could be deleted with the Associated General Contractors, and it was decided to take option 2 above and call for a rebid from the 4 original bidders based on deletions made to the original specifications for the building. This decision was made in part due to the fact that, Commissioner Easley stated, it would be "stretching a point" to negotiate with the low bidder when you had to come down \$1 million from his bid.

JUNEAU  
COURT  
AND  
OFFICE  
BLDG.

The staff of the Division of Buildings met with the 4 bidders (see attached bid tabulation sheet for names and addresses), conferred with the Alaska Court System officials and deleted all items which were not absolutely essential from the bid specifications; the four contractors rebid on the basis of the deletions made.

Commissioner Easley explained that the basic bid (opened yesterday) was for the construction of the building; the department had deleted from the specs the interior finishing of the 5th, 6th and 7th floors and then put the finishing of these floors in the bid as alternates. The bids received, however, will allow the contract to be let for the basic bid and the three alternates; this means that the 5th, 6th and 7th floors will be finished. Commissioner Easley stated that the building will be completed within the funds allocated by the Legislature and according to the criteria established by the Legislature.

Chairman Hillstrand asked Commissioner Easley to explain to the committee the differences in the building specification of one year ago, one week ago and the final bid made yesterday.

Commissioner Easley stated that the original plan called for a low-profile building that included parking. The building would have had considerably less square footage, although the Court System's space would have been the same. Last year the Legislature decided they wanted the department to use the same amount of money for the building, but they wanted one-half of the space to be allotted to the Court System and one-half to general office space.

The building was redesigned, and last week a ten story building was bid. When it was determined that there were not sufficient funds (according to the bids received) for this building, the department "took it down two floors" and made the interior finishing an alternate on three floors. The building, as now designed, will provide 87,600 square feet (one-half allotted to the State Police and one-half to the Alaska Court System). Commissioner Easley stated that the department sees no conflict in the design of this building with the directive to his department concerning its construction. Commissioner Easley stated that the total cost would be \$5,666,245 and the cost per square foot would be \$64.50.

JUNEAU  
COURT  
AND  
OFFICE  
BLDG.

Mr. Hillstrand wondered why he kept referring to the 5th, 6th and 7th floors and would the rest of the floors be completed. Mr. Easley said this would be as complete a project as envisioned with no additional funds having to be requested of any kind. The building will be complete with the exception of moveable furniture.

Mr. Barber noted that in the letter from the Legislature of April 10, 1972, the amount of \$4,985,000 was the total cost allowed, but the bid was for \$5,666,245. Was this amount within the normal range or limit that the legislature allocated? Mr. Easley explained that \$519,400 is the 10% allowed for construction cost escalation due to delay in construction from last year. So that would put them right in close on the money.

Mr. Saylor asked how the cost of \$64.50 per square foot related to the cost per square foot on the new State Office Building. Mr. Easley explained that court buildings by their very nature were more expensive than office buildings. The court building needs different lighting and acoustics for example. He also stated that the per square foot cost for office buildings is \$10.00 less than for court buildings.

Mr. Saylor asked if the cost included carpeting, and if so, was it usual to amortize carpeting over the 20-year life of the building. Mr. Easley said yes, but of course the carpet would not last for 20 years.

Mr. Saylor asked if at any time consideration was given to adding three or four stories to the new State Office Building to be used for the court system. Mr. Easley explained that it was discussed at great length but the State Office Building foundation would have to be redesigned.

Mr. Benson said that it could have been accomplished and could have been less expensive, but there was no way of knowing how much rock blasting or foundation work would have to be done without redesigning.

Mr. Saylor asked if the court system or the state troopers were the only departments planning to utilize the new building. Mr. Easley said that the court system would use half and the state troopers would use half, but the state troopers were now being housed in a temporary building in the Support area that was constructed with the idea that it would be used for five years and then removed. They are sharing the building with Records and Archives. They are using 20,000 feet and are not crowded now and they will have 42,000 feet in the new building. Administration would have to work out use by other departments.

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Mr. Haugen asked Mr. Easley just what we would have now in relation to what we had on the original bid. Mr. Easley explained that there was one less floor. Money was saved on the exterior portion of the building. The windloading stress was reduced. The plaza area finishing had been deleted; there would be no walkway. Everything that was not absolutely essential to the building had been taken out.

Mr. Hillstrand asked if the cost included landscaping. Mr. Easley explained that no landscaping was included, just grading.

Mr. Haugen asked what if additional funds will be needed to finish the job. Mr. Easley replied that no additional money would be needed. There was \$200,000 in the contingency fund for anything that might come up. If that is insufficient to seed the plaza area, DPW will use their maintenance people to seed the grounds.

Mr. Warwick stated the difference in the bids amounted to \$1 1/2 million. He asked what the square footage of the original bid was. Mr. Easley replied one story (102 thousand square feet).

Mr. Warwick asked if the alternates from the bids of 1/12 were deleted in the bid of January 25. Mr. Easley explained that carpeting was included, but most other alternates were deleted (see bid tab of 1/12).

Mr. Warwick said that there were 87,000 square feet; last year they had talked about efficiency factors. The efficiency factor of the design of last year was 55%; what is the efficiency factor on the new design? Mr. Easley said that there would be an efficiency factor of about 70%, somewhat less than the normal 85%.

Mr. Warwick asked Mr. Easley to explain about the windloading that had been referred to earlier. Mr. Easley explained that the building had been originally designed to take windstress of a 250-mile gale. It was now designed to take a normal windstress, which cuts it down to 100-mile per hour winds.

Mr. Barber asked if there was any possibility of running into blue clay on the site. Mr. Easley stated there was and explained that there have been extensive borings and there is plenty of clay there. The Department made the determination after investigation to construct the building on bedrock. The contractors were aware of this as there was extensive information available to them.

Mr. Barber asked if the conduit system for the TV and audio systems would be installed even though they would not be operative. Mr. Easley replied that they would be.

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In answer to questions by Senator Lewis, Mr. Easley explained that he had over 20 pages of specifications involving many things, for example, they were substituting a more practical railing for the stainless steel railing that had been originally included; and they were eliminating a retaining wall that was not absolutely necessary. Senator Lewis said either we are getting a shy building or we were thinking rich in the beginning if we can eliminate \$1,250,000 from the original plan. Mr. Easley answered that they were going to have a very substantial building but there would be no frills. Senator Lewis felt the Division of Buildings should have the responsibility of reviewing plans so that the state doesn't buy monuments for architectural firms. Mr. Easley explained that basically that is just what they did do. The division has only two architects for reviewing; they rely on the architectural firms who do the design to keep down the cost. He felt the estimator for this architectural firm had "let them down".

Senator Lewis wondered if they were not going beyond legislative intent if the legislature only asked for 87,000 square feet. Mr. Easley explained that the letter of intent stated we were to provide at least 87,000 square feet; but the architect advised them he could give them another floor at the same price. The Department decided to get as much space as possible for the same money to allow for future needs.

Representative Saylor referred to a breakdown on associated costs to the construction; he asked, "What is the total cost of the building?" Commissioner Easley replied that it was \$8,280,000.

Representative Fink and Senator Lewis left the meeting at 9:20 a.m.

Mr. Warwick said that the state has had a lot of problems, at least with the University and schools, with overruns. The problem is generally with the architects who run up the cost of the buildings. They operate on a percentage contract and they try to keep the cost up to get a higher percentage. Is there a way to provide incentive to keep the cost down? Mr. Easley replied that he had been with the Department two years and there hadn't been an overrun in a building that they had built in that time.

Mr. Warwick asked about the school in Healy. Mr. Easley answered that the school at Healy was built prior to his coming here. They did put an addition on it.

Mr. Warwick mentioned the University stating that they have had trouble with all of their buildings. Mr. Easley explained

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that they use contract management. There is a basic difference. The Department of Public Works has had the same people build their buildings for years and years and they get pretty practiced at it. They use the method of hiring an architect, giving them a dollar amount, the square footage required, and they use a basic cost factor. The architect submits the plans for it. Their fee is set before they begin.

Senator Lewis entered the meeting at 9:30 a.m.

Representative Warwick asked what recourse did the Department have against an architect whose plans did not stay within the funds allocated for a project. Commissioner Easley said they are required under terms of the contract to bring the building within the money.

Mr. Warwick mentioned ASHA underruns. Mr. Easley said that money goes back into a holding fund and if they need it later it can go into an overrun, but in his department if money is saved it goes into the general fund and can't be used for an overrun. Money must then be appropriated from the legislature.

Senator Rettig asked what the total site area square footage was. Mr. Easley said the total site included everything from the alley line from Seward to Main -- approximately 14,000 square feet.

Mr. Hillstrand asked Mr. Easley if he could recall how the decision was made to build the court building. Mr. Easley said that it was by House Concurrent Resolution No. 45 introduced by the Governor during the last legislature. It was passed by the legislature and the DPW received directives to go ahead with it.

Mr. Hillstrand asked for the exact square footage of useable space in the court building. Mr. Easley said basically it is 70% of the 87,000 square feet.

Mr. Hillstrand asked if other departments could also use this space. Mr. Easley replied that the general office space could be used by any agency.

Mr. Hillstrand referred to the spectator seating that had been deleted from the court rooms. Would they have to go to moveable seats? Mr. Easley felt that the Department of Administration would provide the benches.

Mr. Hillstrand requested that Mr. Easley make available a complete list of the deletions from the old bid in comparison

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Mr. Easley had this list with him which he gave to the Chairman who gave it to Representative Warwick for his review and duplication for the other members.

Mr. Hillstrand asked if the total complete cost would be \$8,280,000? Mr. Easley replied yes.

RECESS: The committee recessed at 9:50 a.m.

AFTER RECESS  
2:45 P.M.

PRESENT: All members. Senators Terry Miller and Cliff Groh, Representatives Mildred Banfield and Mike Miller. George Easley, Commissioner, Department of Public Works; John Benson, Division of Buildings.

Chairman Hillstrand called the meeting to order.

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Mr. Easley asked to correct an error stated in the morning meeting when he advised the committee that carpeting was included in the bids for the new Court Building. It is now his understanding that carpeting has been deleted in its entirety.

The meeting was opened for questions, and Representative Banfield asked about deletions in Addendum No. 3. Answering specific questions, Mr. Easley said sidewalks will not be muddy, as paving is still included. The catch basins in the plaza area are deleted, as the entire plaza has been removed and there will be no entrances on Main Street through the plaza. The design is such that the plaza may be reinstated in the future, if requested. Wood paneling has been deleted in the judge's chambers, as has court room rails, etc. Mr. Easley said some 90 pages of deletions were submitted to the Finance Committee, and it would be easier to provide a copy of this report for Rep. Banfield than list each one in the meeting. Rep. Banfield asked if the majority of the deletions were in the Court System or the State Troopers' portion of the building, to which Mr. Easley said they were about equal. A copy of the deletion report will be furnished to Rep. Banfield, and Mr. Easley added that some changes just involved a cheaper way of providing the same fixtures.

Rep. Barber referred to previous discussions of the actual breakdown of the figures submitted, and there was constant reference made to the fact that there are building costs of over \$8 million. He asked for a breakdown of the \$5.6 million construction figure. Mr. Easley said this includes excavation, foundation, actual building itself, including all electrical, mechanical and basic construction. It includes the finish of the complete building, but does not include any of the acquisition or demolition costs, nor cost of capitalization of the bonds. If these other figures are added in, the total cost will be \$8.2 million.

Rep. Barber asked how many court rooms will be provided, to which Mr. Easley replied there will be four; two Superior Court, one District Court and one Supreme Court.

A cost estimate report was distributed to the committee (see attached). Rep. Barber said this report was seemingly a

duplication of what was in the Journal Supplement; however, Mr. Easley said the right-hand column was added to reflect cost per square foot.

Answering further questions from the committee, Mr. Easley said four floors will be used by the Department of Public Safety, and the use of the term office space and space for State Troopers is the same. Minor modifications are required for the State Troopers' high frequency radio transmitter, requiring an antenna.

Rep. Hillstrand stated the building costs \$5,666,245, for a difference of about \$2 million between this figure and \$8.2 million. He asked Mr. Easley if this was common practice. Mr. Easley said one of the principal items involved here is site acquisition costs of \$466,800 and site preparation costs of \$382,000, or nearly \$1 million just for acquiring and removing the existing structure. The \$60,000 cost for the bond sale and capitalized interest cost of \$920,000 add nearly another million dollars. Design fees for a design not used are not normally included, and the 10% cost escalation is another cost not normally found, or \$639,400 for the false start of the project. Mr. Easley continued by saying in any project financed through ASHA, the balance of the costs are normal. As far as the Department of Public Works goes, their problem is actual construction costs, which Mr. Easley stated he felt were reasonable figures.

Rep. Hillstrand questioned the 10% cost escalation, and Mr. Easley replied the report was prepared last year but at this time he believes 10% is still a good estimate. Rep. Hillstrand asked if the other figures on last year's report were still accurate, and Mr. Easley replied there is some variance but on the whole they will balance out to the same total figure. He added there are still two or three unknowns, but he did not anticipate any major shifts.

Since Rep. Banfield asked for a chance to look at the deletion report, Rep. Hillstrand asked if Mr. Easley was in any hurry to award the bids. Mr. Easley said the Department of Public Works must make the award within thirty days of the bid opening date and the contractor has a tight completion date; he would prefer to award the contract as soon as possible. Rep. Banfield said she did not want the awarding of the contract held up because of her and to proceed while she looked over the report.

Returning to the cost estimates, Mr. Easley stated \$50,000 was established for planning as a beginning point for the building. \$355,000 is a standard fee for the architectural work involved, and court consultants were considered essential, for a cost of \$50,000. It is a common practice to use a consultant when building a hospital or an airport, and one was considered necessary in this case.

Rep. Hillstrand questioned the non-recoverable design fees. Mr. Easley said the design which was ready last year included parking and was to be used exclusively by the Court System. The legislature asked the department to eliminate parking and provide office space for Public Safety. The architect had to be paid and a new design started. In answer to further questions, Mr. Easley said \$200,000 is a normal amount allocated for contingencies.

Rep. Hillstrand asked what would happen if the legislature decided to stop the building, due to the fact that the bonds have already been sold. Mr. Easley said last year, through discussions with Commissioners Henri and Wohlforth, it was determined this was legally impossible to do. The interest on the bonds is around 6%. Rep. Hillstrand noted the money could be invested according to the rest of the state funds and the state would break even.

Rep. Warwick voiced the fear that the legislature was leaving itself open for a supplemental because of the reductions in furnishing the new building. Mr. Easley said the court buildings in Ketchikan and Anchorage have no more than this building. No audio systems or air conditioning have been installed in any building in Alaska. Senator Miller stated with the deletions this building is essentially the same as Ketchikan and Anchorage, and questioned why all the extras were planned in the first place. Mr. Easley said it was a matter of error, and the department did not completely check the plans as submitted by the architect. Rep. Hillstrand said the commissioner did not have to take the full brunt of his self-imposed criticism, as the Judicial System sponsored the original building. Senator Miller agreed, but said this building had quite a history -- starting at \$13 million and working down.

Senator Groh asked if \$920,000 in capitalized interest was not high, and Mr. Easley replied it was estimated on the heavy side. If the building is completed in twelve months after the award it won't be as high, as this is interim financing.

Rep. Ose asked for a detailed breakdown of the \$5,666,000 figure. Mr. Easley said to provide the contractor's estimate would require roughly twenty days; however, he could ask the architect for his estimate. This could be ready by Monday or Tuesday, at the latest.

Rep. Hillstrand asked how many days it would require to award the contract, to which Mr. Easley replied the department is ready now to award on this job. The low bidder is obvious, Wick Construction Co.

Mr. Hogan explained one unanswered item, which was the relocation

cost submitted last year. This pertained to relocating the employees of Health & Social Services if the building they currently occupy was demolished, no longer planned this year.

The witnesses left the meeting at 3:20 P.M. Representatives Ose and Saylor left the meeting at this time also.

The committee discussed why the 10% cost escalation figure was still included, and Representative Hillstrand said this was not going to be spent. Rep. Warwick said this is a variable figure, but if the department can build for the amount listed, that is all the legislature is mandated to do.

Rep. Ferguson asked who authorized the bonds to be sold, and Rep. Warwick replied the legislature did. Rep. Haugen noted the Court System requested a building for \$13.5 million, and Commissioner Easley said he would not build anything over \$10 million. Bonds were sold for \$8 million, but the Court System still wanted a larger, more expensive building. It was planned to remove the Coast Guard building, move the Department of Health & Social Services, and move the laboratory out to the hospital. The committee discussed what had happened, and Jay Hogan added when the legislature heard about the building last spring they stopped the project.

Rep. Hillstrand asked the staff to prepare a letter to the Governor reflecting the thinking of the committee, explaining the areas where the committee believes there is "fat".

Mr. Hogan noted the Division of Building is in a good bargaining position with most state agencies, but not with the Court System as it is a separate branch of government. In both buildings, this year's and last year's, the Court System fought for a gradual enrichment of the project. Mr. Easley said he would abide by the committee's request to hold off letting the contract until next Tuesday; however, he added this was not his decision but the Governor's, continued Mr. Hogan. Mr. Hogan suggested the Chairman speak with the Governor and find out his course of action. Rep. Hillstrand said he would so do, with the committee's approval, and ask him to withhold making the award until the committee received the current cost estimates.

Adjourned: The meeting adjourned at 3:45 P.M.



JUNEAU ALASKA

Alaska State Legislature  
House

January 25, 1973

The Honorable George Easley  
Commissioner  
Department of Public Works  
Pouch "Z"  
Juneau, Alaska 99801

Dear Commissioner Easley:

Last session, the House Finance Committee expended a great deal of time and effort on the design, funding and construction of the Juneau Court and Office Building. As a result of their efforts, certain agreements were reached regarding this building: namely, the cost, square footage, and utilization was established as published in House Journal Supplement No. 7 (attached).

The subject has come to our attention again with the approach of the bid opening under terms of Addendum No. 3. We understand that this bid opening is to occur today. I am requesting that you and appropriate members of your staff meet with the House Finance Committee at some time following the bid opening (please have sufficient copies of these bid figures available for the Committee), but before the construction contract is let. Please contact our staff to arrange for a mutually convenient time.

FINANCE COMMITTEE

  
Earl D. Hillstrand  
Chairman

cc: The Honorable William A. Egan  
Governor  
The Honorable Terry Miller  
President, Alaska State Senate  
The Honorable Tom Fink  
Speaker, Alaska House of Representatives  
The Honorable Clifford Groh  
Chairman, Senate Finance Committee

Enclosure

JOURNAL  
SUPPLEMENT

HOUSE - SUPPLEMENT NO. 7

April 17, 1972

April 11, 1972

Speaker of the House Gene Guess  
Juneau, Alaska

Dear Mr. Speaker:

Having conferred at length with officers of the departments of Public Works, Administration, Revenue and the Governor's Office, the finance committee has reached certain conclusions regarding HOUSE CONCURRENT RESOLUTION NO. 45. The Department of Public Works has prepared a new cost estimate for a high rise structure on the north half of the block formerly dedicated in its entirety to the use of a Juneau Court building. In addition to requiring less land, the new proposal would delete the provision for 44,500 square feet of parking, add 21,600 square feet of additional office space, provide office space for state services other than the courts and prevent the "temporary relocation" of Health and Social Services personnel currently housed in the Coast Guard Building and the Old Territorial Building.

The new preliminary cost estimate for the Juneau Court Building is enclosed with this letter. The committee realizes that the figures are preliminary and are subject to change; however, the committee considers the total project cost of \$8,280,000 as a fixed project limit. The committee also considers the provision of not less than 87,800 square feet of space as a fixed project requirement. Not more than one-half the gross square footage of the building is to be devoted to court related facilities; the remaining square footage will be used to house other state agencies. One further provision, the Department of Public Works in its design will strive to achieve significantly better than a 60 per cent net-gross square footage factor for building space devoted to court related functions.

Without objection, the Finance committee is holding HCR 45 with the understanding that the above presented design modifications will in fact be incorporated into the final design of the Juneau Court Building.

Sincerely,

/s/ George H. Hohman, Jr.

George Hohman  
Chairman  
House Finance Committee

Encl.

**COST ESTIMATES**  
**HIGH RISE STRUCTURE**  
**NORTH HALF BLOCK**  
**JUNEAU COURT BUILDING**  
**APRIL 10, 1972**

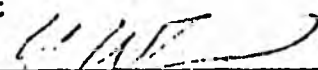
1.	PLANNING		\$ 50,000
2.	DESIGN		355,000
3.	COURT CONSULTANTS		50,000
4.	SITE ACQUISITION		
	APPRAISALS:	\$ 5,000	
	PARCEL: Hwy. right-of-way	35,800	
	PARCEL: Methodist Church	225,000	
	PARCEL: Burford Bldg.	201,000	
	TOTAL:		466,800
5.	SITE PREPARATION		
	SOIL TESTS:	112,000	
	DEMOLITION:	75,000	
	SITE WORK :	195,000	
	TOTAL:		382,000
6.	BUILDING CONSTRUCTION		
	FOUNDATIONS:	400,000	
	PARKING 44,500 sq. ft.		
	@ \$14.90	Deleted	
	COURT BUILDING 66,200		
	sq. ft. @ \$50.00	3,310,000	
	OTHER SPACE 21,600		
	sq. ft. @ \$50.00	1,080,000	
	FURNITURE	198,600	
	TOTAL		4,988,600
7.	DEPT. OF PUBLIC WORKS ADMINISTRATION AND INSPECTION		168,000
8.	ASHA ADMINISTRATION		
	COST OF BOND SALE:	60,000	
	CAPITALIZED INTEREST:	920,000	
	TOTAL:		980,000
9.	CONTINGENCIES		200,200
10.	NET COST		7,640,600
11.	NON-RECOVERABLE DESIGN FEES		120,000
12.	TEN PERCENT COST ESCALATION FOR DELAY IN CONSTRUCTION		519,400*
13.	GRAND TOTAL		<u>\$8,280,000</u>

**COST OF BUILDING PER SQUARE FOOT:**

Site Work	\$ 195,000
Foundation	400,000
Court Building	4,390,000
Total	<u>\$4,985,000</u>

**COST PER SQUARE FOOT**       $\$4,985,000 \div 87,800 \text{ Sq. Ft.} = \$56.78$

\*This cost may be substantially less if bidding is possible in November 1972.

Project DJA-2-0085 Court & Office Building	Opened at Juneau, Alaska By Tracy D. Kaldor, Admin. Director	Certified True and Correct  George W. Easley, Commissioner
Location Juneau, Alaska	Date January 12, 1973 - 2:00 P.M.	
	Compiled by D. Benecke	

PAGE 1 OF 2  
COMPILATION OF BIDS

## BID ITEMS

Item No.	Item	Amount	Amount	Amount	Amount	Amount
	Construct Building	9,860,000	7,369,000	7,244,000	7,294,000	
	Alternates					
1	Delete Window Wash Equip. DEDUCT	38,000	33,000	34,000	33,000	
2	Delete TV & Audio Systems DEDUCT	75,000	68,000	61,000	51,000	
3	Delete Slit Blinds DEDUCT	28,500	26,000	24,600	21,000	
4	Delete Spectator Seating DEDUCT	17,500	21,000	15,800	21,000	
5	Delete Carpeting DEDUCT	135,500	126,300	127,000	128,000	
6	Delete One Floor DEDUCT	394,000	274,000	299,000	275,000	
	NOTE: Bids in order as tabulated.					

Burgess Construction  
P.O. Box 1410  
Fairbanks, Alaska  
99701Peter Kiewit Sons'  
Company  
1300 Aloha Street  
Seattle, Wn.  
98109Rudy Simone Cons.  
Company, Inc.  
1880-136th N.E.  
Bellevue, Wn.  
98005Wick Construction  
Company  
720 North 35th  
Seattle, Wn.  
98103



CCC/HOK Architects & Planners  
835 Ninth Avenue  
Anchorage, Alaska 99501

7208

ADDENDUM NO. 1

JUNEAU COURT AND OFFICE BUILDING  
JUNEAU, ALASKA

The following changes, additions and/or corrections to the Contract Documents for the JUNEAU COURT AND OFFICE BUILDING, JUNEAU, ALASKA, PROJECT NO. DBA-2-0085, FOR THE STATE OF ALASKA, DEPARTMENT OF PUBLIC WORKS, DIVISION OF BUILDINGS, FOR THE ALASKA STATE HOUSING AUTHORITY, dated November 15, 1972 are hereby made a part of said Documents and, in case of conflict between this Addendum and previously issued Documents, this Addendum shall take precedence.

CONTRACT CONDITIONS & BIDDING DOCUMENTS

Page and  
Reference No.

Description

Bid Schedule

Delete Bid Schedule and substitute revised Bid Schedule attached to this Addendum which is noted "Revised Addendum No. 1".

Page 3 of 3

Supplementary General Provisions

Add: SGP 10 BONDING:

A Payment Bond equal to One Hundred Percent (100%) of the total Contract price will be required. A Performance Bond equal to One Hundred Percent (100%) of the total Contract price will be required.

WRITTEN CONTRACT DOCUMENTS

DIVISION 1 GENERAL REQUIREMENTS

0110-1  
0110 B.

0110 Alternates

General: Alternates previously listed have been renumbered and additional Alternates have been added. New Alternates shall be as follows and as reflected on the revised Bid Schedule issued with this Addendum:

ALTERNATE NO. 1: Delete Window Washing Equipment  
(New Alternate)

This Alternate includes the deletion of window washing equipment as specified in Section 1156, including suspended platform, rolling dollies, and track rollers. THIS ALTERNATE DOES NOT INCLUDE the deletion of electrical, water services, track, concrete pad, or guide rails.

DIVISION 1  
GENERAL REQUIREMENTS  
(0110)

0110 ALTERNATES

A. GENERAL:

1. This Section outlines the scope of Alternate Prices required on the Bid Schedule.
2. All Alternate Prices required are DEDUCTIVE.
3. CONTRACTOR MUST SUBMIT ALTERNATE BID FOR EACH ALTERNATE REQUIRED ON THE BID SCHEDULE.
4. See statement on Bid Schedule regarding relationship of Alternates to Award of Contract.

B. ALTERNATES:

ALTERNATE NO. 1: Delete Security Television Systems and Courtroom Audio Systems.

This Alternate includes the deletion of work specified in Section 1655 "Closed Circuit Television "; Section 1656 "Public Safety Surveillance Television"; Section 1657 "Security Television/Intercom" and Section 1658 "Courtroom Recording/Playback". Delete all equipment, devices and wiring. ALTERNATE DOES NOT INCLUDE DELETION OF raceways, outlet boxes at point of final connection to equipment, courtroom audio control panels, and cellular floor system or floor penetrations.

ALTERNATE NO. 2: Delete Horizontal Slat Blinds:

This Alternate deletes all horizontal slat blinds as specified in Section 1220. Detailed conditions to receive blinds shall remain to provide for future installation of blinds under separate contract.

ALTERNATE NO. 3: Delete Carpeting:

This Alternate includes the deletion of all floor and vertical surface carpeting including cushion and installation as specified in Section 0968. Contractor shall prepare all back up surfaces to receive carpet as indicated on the Contract Drawings. This shall include, but not be limited to all wall furring, stripping, acoustical insulation, perforated hardboard, floor underlayment, etc., to leave all surfaces scheduled to receive carpet prepared in all ways for installation of carpet as indicated under a separate contract. At locations where Electrical Contract Drawings provide electrical or communication outlets and/or terminal boxes which are to be mounted on the surface of the carpet, the Electrical Subcontractor shall install all floor penetrations, conduit, wiring, etc., stubbed above the floor surface

DIVISION 1  
GENERAL REQUIREMENTS  
(0110) Cont'd.

ready for final installation of surface-mounted outlets or boxes. Electrical Subcontractor shall furnish all outlets and/or boxes required in original containers to the Owner for final installation by the Owner.

ALTERNATE NO. 4: Delete One Floor

This Alternate includes the reduction in height of the building by one floor. Under this Alternate the functions shown for the 5th Floor would be deleted from the building. These functions are expressed by the partitions, finishes and utility services. Revisions are further defined as follows:

1. Elevator hoistway doors, indicators, etc., will be reduced to reflect the service of one less floor.
2. Electrical work:
  - a. Delete all lighting, power, television, fire alarm, clocks and communication systems shown on 5th Floor, Sheets 14/10 and 15/10.
  - b. Relocate Panel 45L, Fuse Switch, Panel 45P, Transformer, and associated feeders to 4th Floor Electrical Closet.
  - c. Change Panel 45L to 18 circuit; change Panel 45P to 30 circuit; change Panel 45P transformer to 20 KVA; resize feeders accordingly.
  - d. Fan F-1 is changed to 100 HP - change starter to size 4, 250/3 circuit breaker. Fan F-2 is changed to 25 HP - change starter to size 2, 70/3 circuit breaker. Change PMCL fused switch size to 350 Amp.
3. Mechanical Work:
  - a. Deletion of all heating, ventilation, plumbing and sprinkler equipment, piping, ductwork and appurtenances shown on 5th Floor Plans, Sheets 9/9 and 9/8.
  - b. Resize plumbing, core toilet rooms 4th Floor, to accommodate remote waste piping shown from 6th Floor similar to as shown for 5th Floor.
  - c. Reduce size of sewer main in basement to 5'-0" outside building from 8" to 6".
  - d. Mechanical Floor Ventilation Equipment:
    - (1) Change CFM and horsepower of fan F-1 and F-2 to as follows: F-1, 68,676 CFM, 100 HP  
F-2, 61,800 CFM, 25 HP
    - (2) All plenum, return air, exhaust air and louver opening dimensions to remain as shown.
    - (3) All silencer, humidifier and filter dimensions to remain as shown.
    - (4) Cooling coil area will change with reduced CFM - see comment on reduced chiller load, item g.

CCC/HOK Architects & Planners  
835 Ninth Avenue  
Anchorage, Alaska 99501

7208

ADDENDUM NO. 3

JUNEAU COURT AND OFFICE BUILDING  
JUNEAU, ALASKA

The following changes, additions and/or corrections to the Contract Documents for the JUNEAU COURT AND OFFICE BUILDING, JUNEAU, ALASKA, PROJECT NO. DBA-2-0085, FOR THE STATE OF ALASKA, DEPARTMENT OF PUBLIC WORKS, DIVISION OF BUILDINGS, FOR THE ALASKA STATE HOUSING AUTHORITY, dated November 15, 1972 and ADDENDUM NO. 1 dated December 27, 1972, and ADDENDUM NO. 2 dated January 2, 1973 are hereby made a part of said Documents and, in case of conflict between this Addendum and previously issued Documents, this Addendum shall take precedence.

CONTRACT CONDITIONS & BIDDING DOCUMENTS

Page and  
Reference No.

Description

Invitation for Bids

Delete "Invitation for Bids" dated November 15, 1972 and replace with "Invitation for Bids" Dated January 18, 1973.

Bid Form

Delete "Bid Form" dated November 15, 1972 and replace with "Bid Form" dated January 18, 1973.

Bid Schedule

Delete all previous Bid Schedules and replace with "Bid Schedule Revised Addendum NO. 3" dated January 18, 1973.

Laborers' & Mechanics' Minimum Rates of Pay

Delete "Rates of Pay" dated July 1, 1972 and supplement and replace with "Laborers' & Mechanics' Minimum Rates of Pay" dated January 1, 1973.

WRITTEN CONTRACT DOCUMENTS

DIVISION 1      GENERAL REQUIREMENTS

0110-1  
0110 A.2

0110 Alternates  
Change the word "DEDUCTIVE" to "ADDITIVE."

0110-1  
0110 B.

Status of Previous Alternates

All work previously described as "DEDUCTIVE ALTERNATES" in ADDENDUM NO. 1 shall be considered as not in Contract.

New Alternates shall be as follows and as reflected on Revised Bid Schedule issued with this Addendum:

ALTERNATE NO. 1: Add Interior Finishes at Fifth Floor.

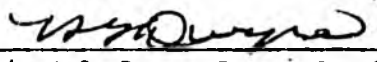
This Alternate is for the completion of interior finish of fifth floor (INDICATED ON CONTRACT DRAWINGS AS SIXTH FLOOR). For the purposes of this Alternate and to differentiate between work in basic bid and this Additive Alternate, the basic bid shall include all work at and within the Core including all plastering and doors. Base bid shall further include all hangar wires, straps and rods for ceiling system, electrical work and mechanical work; sprayed fireproofing and window wall system complete, including heating piping, fin radiation, and heating enclosures complete in all respects. In the basic bid the ventilation ducts shall be extended through the core wall and capped. In the basic bid provide block out of sufficient size from electrical closet to accommodate all conduits required. All aspects of ducting and access to cellular floor from electrical closet, exclusive of wiring, shall be complete in the base bid. Additive Alternate includes the completion of all systems for the finish function as indicated on Contract Drawings.

ALTERNATE NO. 2: Add Interior Finishes at Sixth Floor.

This Alternate is for the completion of interior finish of the sixth floor (INDICATED ON CONTRACT DRAWINGS AS SEVENTH FLOOR). Scope of work is as defined in Alternate No. 1, above.

ALTERNATE NO. 3: Add Interior Finishes at Seventh Floor.

This Alternate is for the completion of interior finish of the seventh floor (INDICATED ON THE CONTRACT DRAWINGS AS EIGHTH FLOOR). Scope of work is as defined in Alternate No. 1, above.

Project		Opened at Juneau, Alaska		Certified True and Correct			
27-P-0065 Court & Office Building		By Tracy D. Kaldor, Admin. Director		 Robert G. Dwyre, Deputy Commissioner			
Location		Date January 25, 1973 - 2:00 P.M.					
Juneau, Alaska		Compiled by D. Benecke					
COMPILATION OF BIDS		Rudy Simone Cons. Company, Inc. 1880-136th N.E. Bellevue, Wash. 98005	Wick Cons. Co. 720-North 35th Seattle, Wash. 98103	Peter Kiewit Sons' Company 1300 Aloha Street Seattle, Wash. 98109	Burgess Cons. Co. P.O. Box 1410 Fairbanks, Alaska 99701		
BID ITEMS		Amount	Amount	Amount	Amount	Amount	Amount
Item No.	Description						
Basic Bid	Construct Building	5,494,000	5,388,000	5,393,000	6,235,000		
	Alternates						
1	Interior Finish 5th Floor. ADD	104,000	98,056	102,000	133,000		
2	Interior Finish 6th Floor. ADD	92,000	88,611	93,000	131,500		
-21-	Interior Finish 7th Floor. ADD	90,000	90,578	92,000	131,000		
	Unit Prices						
1	Hand Excavation, CY	30.00	25.00	25.00	30.00		
2	Machine Excavation, CY	8.50	12.00	5.00	10.00		
3	Classified Fill, CY	6.00	15.00	8.00	9.50		
4	Ordinary Fill, CY	3.50	8.00	4.00	4.50		

NOTE: Bids in order as tabulated.

**COST ESTIMATES  
HIGH RISE STRUCTURE  
NORTH HALF BLOCK  
JUNEAU COURT BUILDING  
APRIL 10, 1972**

	<u>COST</u>	<u>COST PER SQ. FOOT</u>
1. PLANNING	\$ 50,000	\$ .57
2. DESIGN	\$ 355,00	\$ 4.04
3. COURT CONSULTANTS	\$ 50,000	\$ .57
4. SITE ACQUISITION		
APPRAISALS:	\$ 5,000	
PARCEL: Highway Right-of-way	\$ 35,800	
PARCEL: Methodist Church	\$225,000	
PARCEL: Burford Building	\$201,000	
TOTAL:	\$ 466,800	\$ 5.32
5. SITE PREPARATION		
SOILS TESTS	\$112,000	
DEMOLITION	\$ 75,000	
SITE WORK	\$195,000	
TOTAL:	\$ 382,000	\$ 4.35
6. BUILDING CONSTRUCTION		
FOUNDATIONS	\$400,000	
PARKING 44,500 sq. ft. @ \$14.90 Deleted		
COURT BUILDING 66,200 sq. ft. @ \$50.00	\$3,310,000	
OTHER SPACE 21,600 sq. ft. @ \$50.00	\$1,080,000	
FURNITURE	\$198,600	
TOTAL:	\$ 4,988,600	\$56.82
7. DEPT. OF PUBLIC WORKS ADMINISTRATION & INSPECTION	\$ 168,000	\$ 1.91
8. ASHA ADMINISTRATION		
COST OF BOND SALE	\$ 60,000	
CAPITALIZED INTEREST	\$920,000	
TOTAL:	\$ 980,000	\$11.16
9. CONTINGENCIES	\$ 200,200	\$ 2.28
10. NET COST	\$ 7,640,600	\$87.02
11. NON-RECOVERABLE DESIGN FEES	\$ 120,000	\$ 1.37
12. TEN PERCENT COST ESCALATION FOR DELAY IN CONST.	\$ 519,400	\$ 5.92
13. GRAND TOTAL	\$ 8,280,000	\$94.31

**COST OF BUILDING PER SQUARE FOOT:**

SITE WORK	\$ 195,000
FOUNDATION	\$ 400,000
COURT BUILDING	\$ 4,390,000
TOTAL	\$ 4,985,000

COST PER SQUARE FOOT: \$ 4,985,000 ÷ 87,800 Sq. Ft. = \$56.78

\*This cost may be substantially less if bidding is possible in November, 1972.

AFTER RECESS  
3:10 p.m.

Present: All members.

JUNEAU Chairman Hillstrand said the committee would continue  
COURT their discussion of the Juneau Court Building.

AND  
OFFICE Mr. Hogan explained the cost estimates of the high-rise  
structure which had been provided by the Commissioner of  
the Department of Public Works.

The Chairman said that he thought the Committee wanted  
to make sure that no supplementals follow.

Mr. Barber questioned the \$400,000 required under site  
acquisition to retire the bonded indebtedness of the  
Community Building (Old Territorial Building). The  
committee briefly discussed this and the staff was  
instructed to look into this.

Recess: The committee recessed at 3:30 p.m.

AFTER RECESS  
4:25 p.m.

The committee continued their discussion of the Juneau  
Court Building.

Mr. Warwick suggested the committee draft a letter to the  
Administration stating that it is the intent of the  
Committee that the Department of Public Works shall build  
the Court House within the amount of the funds allocated --  
\$8,280,000. He said the letter should state that the  
legislature expects the building to be in a finished state  
and that the legislature will not be receptive to future  
supplementals covering unfunded costs. (See the following page.)

Mr. Hogan suggested that the items deleted to bring the  
building within the cost limit could be incorporated  
within the letter.

Mr. Ferguson said he would agree to the letter but felt  
the committee should consider putting in their own  
supplemental to finish up the Court building the way  
they felt it should be done. The committee then discussed  
the possibility of a resolution which would carry the  
committee's feelings.

Recess: The committee then discussed legislation relating to  
ASHA (see bill minutes).



JUNEAU ALASKA

# Alaska State Legislature

## House

January 30, 1973

Commissioner George Easley  
Department of Public Works  
Pouch Z  
Juneau, Alaska

Dear Commissioner Easley:

The House Finance Committee recommends that the construction of Juneau Court Building proceed with adherence to the following criteria which when incorporated in the legislative journal shall be the will and intent of the Legislature:

(1) A complete and useable building is to be provided within the amount of bonds now sold, \$8,280,000. Such amount is to completely cover all costs of planning, design, consulting, site acquisition, site preparation, building construction, administration, inspection, ASHA administration and contingencies.

(2) It is recognized that the estimated amount of \$400,000 required under site acquisition to retire the bonded indebtedness of the Community Building (Old Territorial Building) also provides land beyond the required area for the Juneau Court Building. (See Exhibit B dated January 25, 1973, attached to letter of January 29, 1973 from the Commissioner of Public Works to the House Finance Committee Chairman.) It is intended that these costs shall not be "re-used" in any future use of the land previously occupied by the Community Building.

(3) Finally, it is understood that there is to be no supplemental appropriation allowed to cover any deficiency or cost overrun, but that any adjustments required to stay within limits of bonds sold will be made so as to provide a complete and ready-to-use structure for not more than \$8,280,000 for all costs related to the structure as described under item #1 above.

Sincerely,

*Earl D. Hillstrand*  
Earl Hillstrand  
Chairman  
House Finance Committee

AFTER RECESS

11:00 a.m.

Present: All members.

JUNEAU The committee had been discussing HB 137 (see bill  
COURT minutes). The Chairman suggested that the committee  
HOUSE consider the events that had occurred regarding the  
Juneau Court House.

The Committee briefly discussed what had happened in a Senate Finance Committee meeting with Commissioner Easley. Mr. Ferguson suggested having the Commissioner appear before the House Finance Committee so they could hear the same testimony.

Mr. Freeman said it was his feeling that they are placing the Commissioner in a "box" and there is no way to get out. He said they are requesting that the Commissioner produce a building with 87,000 square feet at a cost of no more than \$8,280,000. Mr. Freeman said it may be impossible for the Commissioner to do both of these things.

Mr. Haugen pointed out that the Commissioner has 30 days to award a contract. He said the Commissioner could throw out the bid and then rebid it if necessary.

The Chairman instructed the staff to find the "fat" directly and indirectly available to Public Works to finish the building. Mr. Barber requested that the Committee also be furnished figures of the loss that will be occasioned by a re-bid of the building. The Chairman suggested that the committee await the results of the staff report before bringing the Commissioner in for testimony.

Mr. Saylor said he did not feel that the committee should do anything at this time. Mr. Ferguson disagreed. He said he would like to see the staff work begin. The Committee agreed that the report should be developed in-house and not through Public Works.

Recess: The Committee then discussed cut-off dates for budget revisions. (See general budget minutes).

DNR

AFTER RECESS  
2:00 p. m.

Present: All members except Representative Saylor. Janet Behr, Tanana Fair Association, and Al Martin, Matanuska Fair Association, were also present.

Chairman Hillstrand called the meeting to order and turned the meeting over to Representative Warwick for a presentation on state fairs.

DEPT.  
OF  
NATURAL  
RESOURCES

Representative Warwick introduced Ms. Behr and Mr. Martin. He informed the committee that state fairs is located in two places in the budget -- the Dept. of Natural Resources and Capital Improvements.

State  
Fairs

Ms. Behr expressed her appreciation to the committee for an opportunity to speak on fairs. She said there are three kinds of threads that identify with fairs -- (1) communication with people; (2) economic (this goes back to medieval ages where craftsmen displayed their goods); and (3) agricultural and educational. She elaborated on the importance of fairs.

Ms. Behr said that in terms of developing a basic plant no fair can do this by their "own boot straps."

Ms. Behr said that the Association of Alaskan Fairs has recommended that the budget this year include an appropriation for matching operation funds up to the authorized level.

Representative Saylor entered the meeting.

Mr. Martin said that fairs have been with the state since the 1920's and they play a vital part in community activities.

In answer to Mr. Warwick, Mr. Martin said the attendance of the Matanuska Fair was 97,000 and Ms. Behr said the attendance for the Tanana Fair was 45,000.

Ms. Behr said her budget was around \$65,000 which included state aid of \$10,000. Mr. Martin said his budget was \$130,000 exclusive of any state funds. They received \$10,000 under an operational grant.

Mr. Saylor noted that last year there had been \$55,000 on operational grants and this year the Governor recommended \$45,000 with the decrease to be on a proportionate basis.

Mr. Warwick said the FY 73 request is:

Fairbanks	\$10,000
Palmer	\$10,000
Anch. Fur Rendezvous	\$10,000
Haines	\$ 3,000
Kodiak	\$ 3,000
Anch. 4H	\$ 3,000
Ninilchik & Homer	\$ 3,000
4 other anticipated state fairs	\$ 3,000
other small fairs	\$ 1,000

The Chairman asked if the fairs made money. Mr. Martin said yes. He said he had a net operating budget of \$40,000. Ms. Behr said she had a net profit of around \$8,000. Mr. Martin said their profit was invested back into the fair grounds.

Ms. Behr said she works on a yearly part time basis and her salary is \$7,200 a year. She has a secretary in the summer time and they put on a grounds crew before fair time. Mr. Martin said his job is year round and his salary is \$12,000 a year. They have just added a year around building maintenance man. They have a part time secretary during the summer only but hope to make it a full time job during the summer and part time during the winter.

Mr. Hillstrand asked if Fairbanks is getting capital improvement funding. Mr. Warwick said they are getting a nominal appropriation of \$25,000.

Ms. Behr said all the fairs had been asked to present a five year capital improvements plan to the Division of Agriculture. She explained that their fair needs the basic kinds of things such as sewers, toilets, and display buildings. She said most of the fairs are using temporary shelters.

Mr. Hillstrand asked the projected capital costs for improving the fairs. Ms. Behr said the Tanana project is \$960,000 for a five year period. Mr. Martin said the five year plan was submitted by a prior manager but he believed the cost was \$2.5 million spread over a five year period for the Matanuska fair.

Mr. Hillstrand asked how much they expect from the state. Mr. Martin said they do not intend to ask for more than \$75,000 this year. He said they will pull in their plans as funds become available.

There was a discussion on the \$10,000 decrease in state grants. Ms. Behr pointed out that some of the fairs may not need all of the money (referring to the fairs that were beginning this year) or they may not be able to raise the matching money.

Mr. Hillstrand asked about the dues for the Association of Fairs. Ms. Behr and Mr. Martin both said their fees are \$200 a year.

Recess: Mr. Saylor's questioned the tax exemption by the fairs and this was briefly discussed.

The Chairman thanked Ms. Behr and Mr. Martin for their presentation and the meeting recessed at 2:45 p.m.

CIP

AFTER RECESS  
8:40 a.m.

Present: All members. From the Department of Administration, Mr. Dick Freer and Mr. Myrt Charney were also present.

CAPITAL  
IMPROVE-  
MENT  
PROGRAM  
UNENCUM-  
BERED  
FUNDS

Chairman Hillstrand called the meeting to order. He told the committee the meeting was to discuss capital improvement programs and unencumbered funds in these programs. He turned the meeting over to Mr. Haugen to chair the presentation.

Mr. Charney distributed a written presentation (see attached) and told the committee that the bond appropriation report is not ready yet.

Mr. Freer told the committee that the report does not show whether the project has been completed or not. He said he recognized at least one project on the list that has not been started.

Mr. Charney told the committee that at the end of every fiscal year the agencies must certify the capital appropriations to be continued for another fiscal year. If they are not certified, the funds lapse. He gave the example of \$120 million for the North Slope Road which lapsed. Mr. Warwick questioned how the administration could lapse this \$120 million. He felt it should be done legislatively. Mr. Freer said this has been an administrative decision in the past. Mr. Warwick asked what other projects have never been undertaken. Mr. Charney said he could think of only one besides the North Slope Road and this was a case of double funding.

Mr. Haugen noted that \$400,000 for the Kake airport was not shown on the sheet. Mr. Freer said they could only assume that it is still there. If it was a capital appropriation, it would not lapse unless it was done administratively.

The committee then discussed the fact that the information furnished did not contain all the necessary material. Mr. Charney pointed out that in the budget workbooks there are status reports on every capital appropriation. Mr. Warwick noted it was difficult to pull this out. Mr. Hillstrand stated that another letter would be written explaining the detail the committee wanted on capital improvement programs.

Recess: The committee went into a discussion on the Department of Health and Social Services.

Capital Outlay  
 General Fund Appropriations  
 Remaining Balance - Feb. 22, 1973

<u>DEPARTMENT</u>	<u>AMOUNT</u>
Office of the Governor	
Museum	
City of Ketchikan	146,000
Saxman Park	9,284
Klawock	1,628
Artifacts Acquisition	2,442
Barrow Museum	500,000
 Administration	
Kodiak Land	24,100
U.R. - No. Star Borough	270,000
Water Project-Bethel	3,659
Sitka Pioneers' Home Renovation	750,000
 Education	
Haines Facilities	450,000
Beltz School Grounds	90,000
Rural & District Construction	273,600
ETV Station-Anch., Kenai, & Matanuska-Susitna	556,000
Fairbanks Translators	8,500
Imuruk Basin Study	5,000
Library Construction	189,800
 Health & Social Services	
Juneau Jail & Adult Comp.	477
Vocational Rehabilitation-Valdez	4,373
North Star Borough Urban Renewal Project	333,000
Hill-Burton Hospital Construction (All Federal Funds)	1,200,000
 Military Affairs	
Federal Funded Pro. Construction (Federal Funds)	13,659
Kenai Armory	55,195
Kulis ANG Sewer (Federal Money)	115,000
Bethel Hangar (Federal Money)	13,659
 Fish & Game	
Frazier Lake Ladder	31,095
Eyak Lake Dam	17,263
Fisheries Rehabilitation Project	
Akalura Lake Str.	11,500
Fish Transplant Scow	13,404
Bear Lake Camp.	10,000
Mendenhall Rearing Ponds	80,000
Bushkin River Rearing Pond	84,558
Deadman Lake Outlet Structure	39,918
Field Station-Cook Inlet	20,000
Chignik River Weir	146,866
Russian River Fish Ladder	40,000
Gravel Incubation-Kitoi	4,758

Fish & Game (cont'd)

Lower Jean Lake Rehabilitation	19,998
Rotenone-Lower Jean Lake	15,000
Packers Lake Rehabilitation	60,000
Rotenone-Packers Lake	60,000
Lower Southeastern Fish Ladders	138,257
Control Creek Fish Ladder	25,000
Paul's Lake Fish Ladder	25,000
Pavloff Harbor Fish Ladder	40,000
Kasilof River Weir	15,000

Environmental Conservation

Water and Sewer Project Loans & Grants	480,000
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Commerce

Scale House-Fairbanks	29,000
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Natural Resources

Grants to State Fairs	13,250
Parks Capital Improvement	61,619

Law

Capital 4th Floor Remodeling	37,190
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Highways

Keystone Canyon Tunnel Repairs	100,000
Bridge Deck Repairs-Anchorage	664,500
Klatt Road	275,000
Gravina Island Bridge Feasibility Study	100,000
Off-System Roads	87,372
Knik Arm Crossing Study	47,200
Anchorage Complex	82,677
Equipment Replacement	2,508,734

State-operated Schools

SOS Construction Account	19,000
Building Improvements-SOS	103,148

Court System

Anchorage Court Building Land	749
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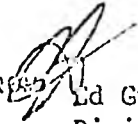
MEMORANDUM

State of Alaska

TO:

George W. Easley, Commissioner  
Department of Public Works

DATE : February 16, 1973

FROM:  Ed Granger, Director  
Division of Aviation

SUBJECT: Capital Improvement Program  
Unencumbered Funds

As requested, following is a list of those projects for which unencumbered balances exist at the present time.

1970 Airport G.O. Bond Fund (13.72)

<u>Project</u>	<u>Est. Amount</u>
Deadhorse	\$ 180,000
Huslia	60,000
Harding Lake	150,000
Kotzebue	85,000
Point Hope	100,000
Seldovia	325,000
Sheldon's Point	85,000
Shageluk	100,000
Wales	250,000
Nightmute	120,000
Diomede	38,000
TOTAL	<u>\$1,583,000</u>

1971 International Airport Revenue Bond Fund (13.73)

<u>Project</u>	<u>Est. Amount</u>
Lake Hood Access I	\$ 315,000
TOTAL	<u>\$ 315,000</u>

1973 General Fund (13.74)

<u>Project</u>	<u>Est. Amount</u>
Crooked Creek	\$ 90,000
Holy Cross	40,000
Portage Creek	50,000
Russian Mission	90,000
Twin Hills	50,000
TOTAL	<u>\$ 320,000</u>

1972 G.O. Bond Authorization in its entirety with the following exceptions:

1. Trunk Contract Finalization	\$ 999,000
2. Secondary Contract Finalization	270,000
3. Kwigillingok*	435,000
4. Newtok**	350,000
5. Clarks Point	250,000
6. Contingencies	<u>200,000</u>
TOTAL	\$2,504,000

\* Currently advertised for bids

\*\* Bids opened. Award pending

Tracy D. Maldor, Administrative Director  
Department of Public Works

February 21, 1973

John E. Benson, Director  
Division of Buildings  
Department of Public Works

Capital Improvement Program  
131-1-02

In answer to your request, the following are Capital Funds not  
obligated by the Division of Buildings:

Barrow Combined Facilities (Chapter 250 SLA 1970 - Modified by H.B. 210, February 1971)	\$ 320,414
Capitol Building (Chapter 250 SLA 1970)	95,226
Museum Ventilation (Chapter 250 SLA 1970)	20,233
Fire Det. - Bethel - Nome (Chapter 204 SLA 1972)	29,400

JEM/EG/bjm

Division of Marine Transportation  
Capital Improvement Projects  
Unencumbered Balances February 1, 1973

<u>PROJECT</u>	<u>STATE FUNDS</u>
Haines Terminal Building	\$275,000
S.E. Dolphin Replacement	<u>99,640</u>
TOTAL	\$374,640

DIVISION OF WATER & HARBORS

Project Balances as of February 15, 1973

PROJECT	AUTHORIZATION	CONTRACT AMT.	BALANCE	REMARKS
None	2,500	2,500	0	
Tenakee-Angoon	191,500	229,988	- 38,488	Over-expenditure*
Hoonah-Gustavus	236,500	223,730	12,770	
Kodiak-Old Harbor	397,500	408,815	- 11,315	" "
Dillingham	115,000	113,800	1,200	
Kasaan	28,500	15,613	12,887	
Wrangell	108,000		✓108,000	
Hollis-Craig	76,000	110,933	- 34,933	Over-expenditure*
Elfin Cove-Pelican	85,000		85,000	Advertised for bid
Haines	114,000	97,020	16,980	
Kotzebue	20,000	10,000	10,000	
Nenana	20,000		20,000	Advertised for bid
Fairbanks	37,500		37,500	" " "
Repairs	29,000	9,000	20,000	
Nirilchik	15,000	20,000	- 5,000	Over-expenditure*
Seward	15,000	10,000	5,000	
Bethel	185,000	250,000	- 65,000	Over-expenditure*
Metlakatla	65,000		65,000	Advertised for bid
Petersburg	85,000	52,900	32,200	
Coquille	70,000		70,000	To be advertised 2/73
Kenai	65,000	65,000	0	
Ketchikan	20,000	20,000	0	
Whittier	120,000	120,000	0	
Yake	90,000	82,590	7,410	
Kuskowim	35,000		✓35,000	
Chena	35,000		✓35,000	
Kasilof	65,000		✓65,000	
Juneau-Auke Bay	108,000	20,000	88,000	Balance advertised for bid
Admin. & Engr.	330,000	330,000	0	
1972 Flood Control & Boat Harbor Bond Funds	20,000,000		✓20,000,000	

20,572,221 Total Balance

✓20,243,000 Total unobligated funds as of 2/15/73

\*Over-expenditures will be funded with balance remaining on under-expended projects.

AFTER RECESS

7:10 p.m.

Present: A quorum was present. Commissioner Henri, Mr. Charney, and Mr. Mullin from the Department of Administration were also present.

CAPITAL Chairman Hillstrand called the meeting to order and  
OUTLAYS said the committee would discuss Capital Outlays, General Fund Appropriation.

Mr. Henri reviewed how capital improvements had been handled. He said it had been transferred from the Division of Planning and Research (Governor's Office) to the Division of Budget and Management. Budget and Management has had a Capital Improvements Planner on board for two months. Mr. Henri explained that this Planner will go over all of these projects and that they hope in the future not to have "so many loose ends." He added that some of these accounts should be closed out because the work is through.

Commissioner Henri had presented a report on Capital Outlay and the committee discussed this presentation.

Mr. Warwick referred to the Barrow Museum. He said if they plan to build the museum they should take away the match and reduce the amount. Mr. Charney explained that there was a footnote in the Free Conference Committee report last year which earmarked this for Barrow and required a match. Mr. Charney said that Mr. Kennedy, Director of the Alaska State Museum, had indicated that "outside" funds appear impossible.

Mr. Haugen questioned the report and asked if they could show the monies that are carried forward. Mr. Charney said the capital projects are authorized for an unlimited time. Mr. Henri said if it is apparent there is no way to "prosecute the project then we lapse." Mr. Hillstrand said he felt the legislature could lapse any unencumbered balance it wished to.

Mr. Haugen referred to the Mendenhall Rearing Ponds. He said the Department of Fish and Game had indicated this project had started while the report shows they have expended -0-. Mr. Charney pointed out that they did not get the appropriation bill last year until July 7 and it was too late in the year to get a project started. Mr. Henri added that the Department of Fish

and Game had submitted an application for federal funds.

The committee then discussed the Knik Arm Crossing Study (Highways). Mr. Specking questioned whether this could be used for the ferry system. Mr. Saylor said this is a study performed on the access and would have no value for the ferry.

Mr. Henri said it is his policy not to lapse these projects unless he gets some direction and the projects are hopeless.

The committee discussed Public Works, Division of Waters and Harbors projects. Mr. Charney stated that last year the legislature came through with a high appropriation and the administration put a "little delay" on some of these projects in order to help the cash flow out of the general fund. Mr. Charney said the budget now before the committee only appropriates out of the watercraft fuel tax.

Mr. Specking asked about the Seward project. He stated that \$20,000 was appropriated (the report showed \$15,000). Mr. Charney was unable to answer this but agreed to furnish the information tomorrow.

Mr. Hillstrand asked for a report indicating where the balances for these projects will be used; i.e. where will the Hoonah-Gustavus balances be used. Mr. Charney pointed out this must be for a waters and harbors project and can only be for the projects listed.

Discussion followed on the projects listed in the report.

Mr. Warwick asked about the Harding Lake airport project. He said that he had heard this is in excess of \$500,000 and that the people at the Lake do not want the airport.

Mr. Haugen asked what had happened to the \$400,000 appropriated for construction of the airport at Kake. Mr. Henri said he did not know but would get this information.

Mr. Warwick asked about the 1970 GO Bonds. He asked if ASHA is going to expend the monies. Mr. Henri pointed out that the Speaker has introduced legislation to lapse this. He said he had heard testimony on this and there was a question whether this could be lapsed into the general fund. Mr. Charney said that \$1.5

of the \$2.7 million has not been sold. Mr. Hillstrand asked if they could take the bond receipts and put this in the general fund. Mr. Charney said that this could go into the bond redemption fund. In future years as the bonds are paid off it would require less general fund monies.

The committee then discussed the 1970 School Construction Bonds. In answer to committee questions, Mr. Henri agreed to furnish information on "why weren't the rest of the \$16 million bonds used?" and "what happened with regional dormitories surplus?" Mr. Ferguson reported that a subcommittee from Budget and Audit will be working on this GO bond problem.

The committee then discussed the bond projects for parks and recreational facilities listed on the page 3 of the report. Mr. Hillstrand questioned the amount spent on engineering and planning and did not feel this was proportionate. He asked for a report on this.

Mr. Henri then spoke on accounts receivable. He presented a draft copy of the Credit Policy for the state. He said the Department of Administration does a once a year review of receivables. The accounting manual delegates the handling of receivables to the 16 departments. Mr. Henri said that the big receivables are federal funding and at this time these are not properly accounted. He said they are introducing a new receivables method but it will be six to eight months before this is complete.

Mr. Hillstrand said he was interested in obligations where the state is owed large amounts of money.

Mr. Mullin explained that on June 30 of each year the agencies are asked to present a list of their accounts receivables. They take the receivables at the end of the prior fiscal year and show what has happened to them.

Mr. Hillstrand said the committee was interested in large receivables such as Alaska Airlines. Mr. Henri said this had been a problem but the Division of Aviation got a secured note from the firm. He said that the treatment received from Mental Health has had a liberal use over the years. Discussion followed.

Mr. Hillstrand thanked the people from the Department of Administration for their presentation and they left the meeting.

The committee then went into a discussion on bills (see bill minutes).

AFTER RECESS  
10:40 a.m.

Present: A quorum was present. Chairman Hillstrand called the meeting to order and said the committee would consider the capital projects portion of the budget. He turned the chair over to Mr. Warwick.

CAPITAL  
PROJECTS

Education Mr. Freeman explained the Totem Restoration program. He reviewed the history of this and said that they had not been able to put this together. He felt that it would be a shame to let this project die and asked that it be appropriated for one more year. If they can't put this project together, the money will lapse. After a brief discussion on how this would be handled,

LEGISLA-  
TIVE  
INTENT

Mr. Freeman moved and asked unanimous consent that a statement of legislative intent be added to the budget report indicating that the appropriation contained in Section 9, Chapter 131, SLA 1971, of \$146.0 to the City of Ketchikan for totem pole restoration projects be continued through the 1974 fiscal year.

Mr. Warwick then proceeded through the capital projects. He suggested eliminating all the Governor's requests and that a motion be made on each item that the committee wishes to reinstate. The committee agreed.

Mr. Warwick moved and asked unanimous consent that \$190.2 be included for Education: Library Construction Grants. No objection, so ordered.

Mr. Freeman moved and asked unanimous consent that \$10.0 be included for Education: Library Acquisition Fund for Rare Items. Mr. Hillstrand objected. Mr. Hillstrand withdrew his objection and the motion carried unanimously.

The committee then considered a request of \$25.0 for Governor's Office: Acquisition of Museum Artifacts. Mr. Warwick referred to the audit report presented to the Budget and Audit Committee. He felt they should insist on an inventory of these items before this amount is granted. This was briefly discussed. Mr. Freeman moved and asked unanimous consent that the sum of \$25.0 be granted for this project. Mr. Warwick moved and asked unanimous consent that legislative intent be included to read no portion of this appropriation may be expended until the State Museum has complied with the directions of the Legislative Budget and Audit Committee regarding a completion of an inventory of collections and improvement of collection security as prescribed in the audit dated January 17, 1973. The Museum shall prepare a report detailing steps taken to comply

LEGISLA-  
TIVE  
INTENT

with this audit and submit this information to the legislature during the first week of the Second Session of the Eight State Legislature.

Mr. Warwick moved and asked unanimous consent that \$500.0 be included for the University of Alaska: Books for Anchorage Consortium Library. No objection.

Mr. Saylor moved and asked unanimous consent that \$500.0 for S.O.S.: Various Building Improvements be granted. No objection.

Mr. Specking moved and asked unanimous consent that \$294.0 for S.O.S.: Library Books be granted. No objection.

Social Services      There was no motion to include Administration: Sitka Mausoleum.

The committee then discussed Education: Alaska Skill Center - Women's Dormitory. Mr. Specking moved and asked unanimous consent to eliminate Women's Dormitory and put in Shop Building for \$300.0. Mr. Freeman objected. He said he wanted to know the cost of leases for the women's dormitory. The committee left this section open.

HEALTH              Mr. Warwick moved and asked unanimous consent for \$1,152.0 (FED) for Health and Social Services: Hill-Burton Match. No objection, so ordered.

NATURAL RESOURCES & ENV. CONS.      Mr. Barber moved the addition of \$15.0 for Kasilof fish weir. Mr. Haugen objected. He felt that the subcommittee on fisheries should come back with recommendations. No vote was taken on this motion.

Recess:              There was a call of the House at 11:13 a.m.

AFTER RECESS  
10:00 a.m.

Present: A quorum was present. Chairman Hillstrand turned the chair over to Mr. Haugen for a continuation of the Capital Projects budget.

CAPITAL  
PROJECTS  
NATURAL  
RESOURCE  
MGMT.  
& ENV.  
CONS.

Mr. Haugen said that the committee would consider the Natural Resource Management and Environmental Conservation. The committee proceeded through the projects listed for Fish and Game. They tentatively set figures and requested that representatives from the Department of Fish and Game be called to testify on these projects.

Commissioner Brooks, Mr. Roys and Mr. Ziemer from the Department of Fish and Game entered the meeting.

Mr. Haugen said the committee was concerned with how many of the capital projects the Department could get started.

Mr. Brooks said the engineering and contracting is under way on quite a number of the capital projects and there are only two or three projects that they won't be able to get started. Mr. Roys added that 60% to 70% of the projects on the books are awaiting impact statements or environmental analysis.

The committee considered Fish and Game: Weirs and Stream Rehabilitation for an amount of \$54.0. Mr. Roys referred to the fish weir on the outlet of Lower Russian Lake and said they should be able to get this under way during the next fiscal year. He said on the seawall on Abercrombie Lake the planning and design has been done.

Mr. Brooks asked Mr. Ziemer (an engineer from the Dept.) about the Salmon Sonar Counter Redesign. Mr. Ziemer said there is no reason they could not proceed and have this completed in fiscal year 74.

Mr. Roys referred to the construction of a unit at Kachemak Bay. He said final designs have been completed. On the second phase of re-establishing sockeye in Akalura Lake the final environmental statement should be going to Washington, D.C. within the month and they anticipate approval. Mr. Roys said that they anticipate the construction of a permanent fishway on Anan Creek to be done by the Spring of 1974. They also anticipate the treatment of Borodino and Osprey Lakes with rotenone to be well underway in the Spring of 1974.

Mr. Roys spoke on the \$25.0 request for the purchase of a tractor. He said this will be used at Kitoi Bay. He said they plan to make it a major salmon rearing project.

Mr. Haugen then discussed how the capital projects had been handled. He suggested they should appropriate an amount for research, design and engineering one year before the project is to be started. After the feasibility report, then the department could come back in with the rest of the request.

Mr. Barber said that he had requested \$15.0 for the Kasilof River Weir. Mr. Ziemer said he did not know if \$30.0 would be additional funds for a permanent weir. He guessed the amount needed would be closer to \$50.0. Mr. Barber asked if it is necessary in the management of the fisheries to have such a weir. Mr. Brooks said he did not think so. He added that if the \$15.0 were not spent on the weir they would like to spend it on improving their sonar instruction in the same river system.

There was a long discussion on the Habitat Division. Mr. Brooks said he understood the committee was considering striking this area from the budget and he gave a long presentation on why it should be included. He spoke of the important work they do regarding seismic work.

Mr. Brooks also spoke on the need for the Chief Research Scientist in FRED. The committee had eliminated this position because it was vacant. Mr. Brooks said he had written a letter which would be sent to the committee in this regard.

Commissioner Brooks, Mr. Roys and Mr. Ziemer left the meeting.

The committee agreed not to fund the \$15.0 for Kasilof River. The committee accepted the following projects:  
Fish and Game: Weirs and Stream Rehabilitation - \$54.0;  
Fish and Game: Salmon Sonar Counter Redesign - \$28.0;  
Fish and Game: Construction, Improvements, and Equipment - \$1,073.4;  
Fish and Game: Vessels Repairs - \$75.0; and  
Natural Resources: Outdoor Recreation Facilities - \$1,600.0.

Recess: The committee recessed at 11:50 a.m.

AFTER RECESS

2:30 P.M.

Representative Haugen called the meeting to order and noted for the record that a quorum was present.

CAPITAL  
PROJECTS

The committee referred to capital projects requested in the Budget Document Supplement and the following action was taken:

Public Protection, Commerce, Scale House - Glenn Highway \$33.0. Rep. Barber moved and asked unanimous consent to approve the project. No objection, so ordered.

Public Protection, Military Affairs, Radio Equipment for Civil Air Patrol \$20.00: Rep. Barber moved and asked unanimous consent to approve the project. No objection, so ordered.

Justice, Alaska Court System, Equipping Anchorage Court \$600.0: Rep. Warwick moved and asked unanimous consent to change the funding to \$291.0. No objection, so ordered.

Development, Public Works, Waters and Harbors Projects, \$1,083.0: Rep. Specking moved and asked unanimous consent to approve the projects. Rep. Freeman objected, as he did not think the amount was sufficient. Rep. Freeman said he had received information that Budget & Management had ignored the requests for waters and harbors projects from Public Works, and he thought the committee should hear testimony from the Department of Public Works. Rep. Haugen said they would be called to testify before the committee, and no action would be taken on this subject at this time.

Natural Resources, State Fairs, \$124.0: Rep. Saylor moved and asked unanimous consent to include Palmer for \$25.0, reduce Ninilchik to \$25.0, increase Jaycee Rodeo to \$25.0, and add the Anchorage Fur Rendezvous for \$25.0, for a total allocation of \$150.0. No objection, so ordered.

Under Transportation, the following projects were approved for Public Works: Inflatable Life Rafts \$27.0; Outfitting New Ships \$200.0; Replace Breasting Dolphins \$100.0; Bookkeeping Machine \$12.5.

Transportation, Highways, Fairbanks-Whitehorse Study \$150.0: Rep. Warwick moved and asked unanimous consent to delete \$150.0 for the Fairbanks-Whitehorse Study and insert \$50.0 for the Yukon ferry study, HB 217. Rep. Saylor objected, and asked to include \$50.0 for the Knik Arm ferry study, HB 293. The committee agreed to the changes for a total allocation of \$100.0 (See minutes of 3/16/73 for further changes in this allocation.)

Transportation, Highways, Federal Highway Funds, \$56,000.0:  
Rep. Barber moved and asked unanimous consent to approve this project. No objection, so ordered.

Transportation, Highways, Maintenance Facilities \$170.0:  
Rep. Specking moved to include \$8,500 for dust control at Hope, \$30,000 for a safety walkway on a bridge at Cooper Landing, and \$35,000 for a bridge at Seward. The committee accepted the requests and included \$30,000 for the safety walkway at Cooper Landing and \$35,000 for a bridge at Seward in the capital projects for a total of \$235,000. \$8,500 for dust control at Hope was put in the operating budget.

General Government, Public Works, Buildings, Various Projects \$234.9: Rep. Ferguson made a motion to include \$80,000 for an office building at Kotzebue and \$160,000 for an office building at Barrow. The committee discussed deleting the projects which were recommended and inserting the two mentioned by Rep. Ferguson. Rep. Haugen suggested hearing testimony from the Department of Public Works on this subject and the committee agreed. No further action would be taken until such testimony was heard at a later meeting.

The committee approved the following projects under General Government: Public Works, Communications, \$294.6 and Highways, Equipment Purchases \$3,956.4.

Recess: The meeting recessed at 3:35 P.M.

HOUSE FINANCE COMMITTEE

March 16, 1973

8:57 a.m.

Present: A quorum was present. Commissioner George Easley; Mr. Don Statter, Director of Waters and Harbors; and other personnel from the Department of Public Works were also present.

CAPITAL  
PROJECTS

Vice-Chairman Haugen called the meeting to order and said that the committee would like to discuss capital projects and in particular the waters and harbors area.

Mr. Freeman questioned the method of determining priority for waters and harbors projects. Mr. Easley distributed a report on projects (see attached). He said the Dept. had been asked to submit the projects in order of priority. He stated it was very difficult to list them in this fashion because there were some of almost equal priority. The budget as originally submitted was \$3,106.0. Based on the 6¢ fuel tax the amount was \$1,626.0. The Governor's Recommended was \$1,081.0.

Mr. Statter stated that he did not have a handle any more on the projected revenue. He felt that the Department of Revenue tended to be rather conservative but he could not dispute their figures. Mr. Statter said he felt that the method of auditing the fuel tax receipts left something to be desired -- there are no controls over what the oil companies are doing.

Mr. Freeman asked what the budget has been for the past few years. Mr. Easley said in 1970 it was nearly \$3 million, in 1971 it was \$1 million and in 1972 it was \$2.7 million.

Mr. Saylor then asked about Whittier Lake. Mr. Easley said they have put in the maximum amount of boat harbor at Whittier. Mr. Statter if they were able to get land adjacent to the present site they could triple the size of the existing boat harbor. However, if they went to Shot Gun Cove this would cost over \$5 million and possibly as high as \$10 million.

In answer to Mr. Hillstrand, Mr. Easley said that normally the Corps of Engineers only participates in larger projects and then this is only to the breakwater. If the Corps of Engineers is to participate, it usually takes a five year period to initiate their funding. He continued that if the project is \$1 million or less they can do it without

an actual appropriation from Congress, but anything over \$1 million has to go through the complete reporting cycle and go through Congress. Mr. Hillstrand continued on the Whittier boat harbor. He asked if they had conducted an analysis as to return to the state in motor fuel tax. Mr. Statter said that they feel there are considerable statewide benefits generated out of any boat project. In answer to Mr. Hillstrand, Mr. Statter explained that they are not actually sponsoring a project at Shot Gun Cove. All they have indicated is that it is the only logical site in that area to develop. He added that a state waters and harbors project could not possibly sustain this project and their first choice would be to expand the present harbor. Mr. Hillstrand asked if in an expansion in the Cove area they could get federal funds. Mr. Statter said they would make this effort. He said they would not endorse the idea of going after state funds until they had exhausted federal funding. Mr. Statter pointed out that because of the nature of the project, federal funds would be difficult to come by.

Mr. Warwick asked about capital projects that had been appropriated in the past. He said there appears there is a substantial amount of money outstanding. Mr. Easley stated that in most cases the appropriation was not sufficient to get the job done.

Mr. Warwick asked about the Barrow Combined Facility. Mr. Easley said \$450,000 had been appropriated. He said the City of Barrow stated they were going to provide the office building. At that time the legislature approved a transfer of \$69,000 to Kotzebue to finish up their building leaving an unencumbered balance of \$381,000. Since the plans made by the City of Barrow fell through, they are now asking the State to provide this. Mr. Easley said he had informed the City that the \$381,000 is what is available. In answer to Mr. Warwick, Mr. Easley said the City will have to come up with the balance for their portion of the building. Discussion followed. Mr. Ferguson questioned the inflation figure on the \$450,000. Mr. Easley said the \$450,000 was appropriated in 1970 and inflation would add about 25% to this. Mr. Ferguson said the City of Barrow is still short on the actual money needed. Mr. Easley said he had discussed this with the Mayor of Barrow and an administrative assistant and they haven't indicated at this point that they need additional funds. Mr. Ferguson said it was his understanding the City wants the request to go back to \$450,000. Mr. Easley

explained the arrangement. He stated that the residents of Barrow will do the construction.

Mr. Saylor asked if the Alaska Office Building could go another year without a paint job. Mr. Easley said he did not feel the building would be damaged by not painting it for another year; however, it is somewhat unsightly.

Mr. Saylor pointed out there was \$100.0 for breasting dolphins in the capital budget and also \$100.0 in the operating budget. Mr. Easley said there will be no overlap. He explained the poor conditions that exist in Southeast and said he had a great fear the winds would actually take some of these docks away. There was some misunderstanding on which docks had been repaired and Mr. Easley said he would send this information to the committee.

Mr. Warwick questioned the cost of museum air conditioning. Mr. Easley explained that the museum has indicated they are suffering quite a bit of deterioration of artifacts because they do not have this system. Mr. Easley said they have performed engineering that shows the amount requested is what is needed and if the legislature determines they want the air conditioning this is the amount necessary.

The committee then discussed airport projects. Mr. Easley said the last session of the legislature appropriated \$100.0 of state funds for Crippled Creek and they have this design in progress. He added that the Native Land Claims has compounded this. At Holy Cross there was \$50.0 appropriated and they are ready to advertise for bid to finish this up. Mr. Easley said at Russian Mission the legislature appropriated \$100.0 which is not sufficient to do the job. This same thing applies at Twin Hills. He said a bush airport of about 2,500 feet in length cost about \$250.0 to \$400.0.

Mr. Haugen asked about the strip at Larsen Bay. Mr. Easley said they do have a project at Larsen Bay now. Mr. Easley said he would provide the committee with the cost necessary to complete the project.

A discussion followed on population figures. Mr. Easley said for trunk and secondary airports they had made a cut-off point of 100 in population with the exceptions of those specifically appropriated by the legislature.

A discussion then followed on landing mats.

Mr. Barber referred to a letter regarding a float to be moved from Cordova to an area at Knight Island and

Prince William Sound. Mr. Statter said the Cordova project is out for bid right now. He said the project came up after their budget was prepared. He said they have a unique situation in Prince William Sound. There are three or four harbors but no fueling facilities in between. Mr. Statter said the request that Mr. Barber made reference to has merit. He said they would have to make further review of this project. Mr. Specking added that there is a public need involved. Mr. Easley said anytime they engage in a project that will directly benefit a particular individual they need to be very cautious. He said in this particular case they would like to take a long look at it. After a brief discussion,

Recess:

the meeting recessed at 9:50 a.m.

WATER & HARBORS

FY 74 PROGRAM

AS RECOMMENDED IN GOVERNOR  
BUDGET DOCUMENT.

<u>PROJECT</u>	<u>AS SUBMITTED</u>	<u>BASED ON .06¢ FUEL TAX</u>	<u>BASED ON EXISTING .04¢ FUEL TAX</u>
Nome	2.5	2.5	2.5
Sitka	680.0	350.0	375.0
Seward	300.0	200.0	300.0
Homer- Jackolof	235.0	170.0 (Homer)	
Kotzebue	220.0		
Metlakatla- Hyder	95.0	45.0 (Hyder)	
Dillingham	20.0	20.0	
Petersburg	260.0	140.0	
Ketchikan	115.0	50.0	
Knudson Cove	330.0		
Craig-Klawock Hydaburg	330.0	220.0 (Klawock-Hydaburg)	
Big Lake	10.0	10.0	
Skagway	60.0		
Anchorage	45.0	15.0	
Repairs	50.0	50.0	50.0
Adm. & Engr.	353.5	353.5	<del>353.5</del>
TOTAL	3,106.0	1,626.0	1,081.0

AFTER RECESS  
11:35 a.m.

Present: A quorum was present. Vice Chairman Haugen called the meeting to order and said the committee would continue discussion on Capital Projects.

PUBLIC WORKS  
Waters & Harbors Mr. Warwick moved and asked unanimous consent that \$20.0 be added to Waters and Harbors Projects to repair pile driving equipment in Dillingham for their harbor. No objection, so ordered. Mr. Warwick moved that \$15.0 be added to Waters and Harbors Projects for the small boat launching project at Quartz Lake. No objection, so ordered. Mr. Barber moved and asked unanimous consent to add \$45,000 to Waters and Harbors Projects for the Small Boat Harbor at Anchorage. No objection, so ordered.

EDUCATION  
Skill Center Mr. Specking moved and asked unanimous consent for the approval of \$300.0 for the Alaska Skill Center - Shop Building. No objection, so ordered.

Mr. Saylor moved and asked unanimous consent for \$50.0 for the Yukon ferry study (HB 217) and \$150.0 for the Knik Arm ferry study (HB 293). He also requested this be shown under Public Works rather than Highways (as listed in the budget document). No objection, so ordered. He also stated that the Knik Arms study is to be presented in January of 1974.

PUBLIC WORKS  
Buildings Mr. Saylor moved and asked unanimous consent to include \$160.0 for the Barrow Office Building. No objection, so ordered. The committee then approved the items listed under Public Works: Buildings, Various Projects totalling \$234.9.

FISH & GAME Mr. Specking moved and asked unanimous consent to add \$20.0 for the Humpie Creek Chum Egg Salmon Incubator to provide preliminary engineering. No objection, so ordered. This was added under Fish and Game: Construction, Improvements and Equipment. The committee also agreed that since Mr. Freeman was not present he would be given an opportunity to speak on this particular area before the final figure was totalled.

S.O.S. Under S.O.S. Various Building Improvements, Mr. Warwick moved and asked unanimous consent for an addition of \$9.0 for Tok School sewer repair. No objection, so ordered.

Mr. Warwick moved and asked unanimous consent for the

funding of HOUSE BILL NO. 325 (the study on moving the capital). There was no objection. (NOTE: THIS SHOULD BE PLACED IN THE OPERATING BUDGET.)

Recess: The meeting recessed at 11:53 a.m.

AFTER RECESS

The committee had been discussing the Education budget.

CAPITAL PROJECTS Mr. Freeman moved and asked unanimous consent to include \$100.0 for construction of the George Inlet Salmon Incubation project. No objection, so ordered. This item will be shown under Fish and Game: Construction, Improvements and Equipment.

LEGISLATIVE

INTENT Mr. Warwick moved and asked unanimous consent that Legislative Intent be included in the budget of the Dept. of Administration, Retirement and Benefits, to state that funds are included to provide for a study to determine what it costs actuarially for HOUSE BILL 238 (an Act to include honorable war time service in computing retirement benefits for state employees). There was no objection. Mr. Warwick stated that Mr. Gates had indicated the cost on this would be an estimated \$8.0. Mr. Warwick said that this amount can be found in House Recommendation.

Mr. Ferguson moved and asked unanimous consent to include Legislative Intent in the Administration of Justice budget that the appropriation provides for a study on magistrates salary. The Court System is requested to increase the salaries of the magistrates if there is a need. No objection, so ordered.

CAPITAL PROJECTS The committee reverted back to capital projects.

EDUCATION Under Education, Mr. Wright indicated there is a need for \$35.0 for black topping at Ketchikan Community College; \$70.0 for the road at Mat-Su Community College; \$55.0 for a multi-purpose room at Klawak City School; and \$350.0 for the first phase of the Pelican School.

Mr. Haugen moved and asked unanimous consent that these items be added. Mr. Hillstrand objected. Mr. Hillstrand asked how the committee felt about loaning money to construct schools with the idea that the state will be paid back with funds from the cigarette tax.

Mr. Specking moved to divide the question and the motion carried.

Mr. Freeman moved and asked unanimous consent for \$35.0 for Ketchikan Community College. Mr. Saylor objected. The motion carried 5 to 4. Mr. Haugen moved and asked unanimous consent for \$70.0 for Mat-Su Community College. Mr. Saylor objected. The motion carried 5 to 4. Mr. Haugen moved and asked unanimous consent for \$350.0 for Pelican. Mr. Specking and Mr. Warwick objected and the motion failed 4 to 5.

Adjourn: The meeting adjourned at 7:20 p.m.

HOUSE FINANCE COMMITTEE

March 27, 1973

2:09 p. m.

Present: A quorum was present. From the Department of Education, Commissioner Lind, Mr. James Harper, and Mr. William Thomson were also present.

CAPITAL PROJECTS Vice-Chairman Haugen called the meeting to order and said the committee would discuss the \$16 million school bond issue authorized this year and the amount of capital money still retained from the prior year's appropriation.

SCHOOL CON- STRUC- TION FUNDS Commissioner Lind distributed several forms (see Education file). He explained that the first chart is on Chapter 195/SLA 1972 which is the 1972 State-Operated Schools Construction Fund. The second chart gives more detail on the size of communities served and the student population.

Mr. Thomson explained that Bethel Elementary School, Noorvik High School, and Alakanuk High School are in the bid stage. The bid award is to be made between April 17th and April 25th. He said that St. Mary's High School is in the final design and will be bid approximately April 15th. St. Lawrence Island High School and Sand Point High School are in the planning stage. Mr. Thomson said they hoped to get started with Nelson Island High School, Prince of Wales Island High School and Togiak High School this spring. Mr. Thomson added that the rest of the projects are to be planned prior to October 1, 1973 (includes Kewthluk High School, Kipnik High School, Nunapitchuk High School, Education Program Planning and the Development of Master Building Specification).

Mr. Haugen asked how many architects are involved. Mr. Thomson stated that only the first four projects (Bethel, Noorvik, Alakanuk and St. Mary's) have architects. The projects in the planning stage have no architects assigned yet. Mr. Haugen asked about the architectural fees. Mr. Thomson said the rate is about 6% to 7%. Mr. Thomson said the first four projects (Bethel, Noorvik, Alakanuk and St. Mary's) are tied in with the Chapter 170/SLA 1970 projects and there are three architects assigned to eight projects. In answer to Mr. Haugen, Mr. Thomson said it will take about \$6 million of prior years' funds to get these projects under construction. Mr. Haugen said then this would leave a balance of about \$10 million. In answer to Mr. Haugen, Commissioner Lind stated that all of the projects under prior years' appropriation have been sent through the Governor and he has

approved each of these projects utilizing the 1970 monies. Mr. Haugen asked about the balance of prior years' monies. Mr. Thomson said they plan to use all of the money from Chapter 170.

Commissioner Lind added that the funds have been obligated. He said they are trying to move as rapidly as possible to get as many schools built this summer as possible. He said they had to "focus in" on three or four projects and couldn't get all the planning done on some of the other projects. However, they hope to have the planning done by October 1.

Mr. Haugen asked about the money in the S.O.S. budget for equipment. Mr. Thomson said on each of these schools they have budgeted \$100.0 for equipment to be purchased out of the bond money. Mr. Haugen referred to the \$250.0 requested by S.O.S. for Noorvik. Commissioner Lind said he felt this was a misunderstanding -- a matter of coordinating between state agencies.

Mr. Warwick asked about the Tok Area Addition. Mr. Thomson said this is for shop, home economics and business education additions.

Mr. Warwick asked about the Bethel Regional High School. He suggested that if they start building other high schools this will take the load off Bethel. Commissioner Lind said "to some extent but not really the way the community of Bethel is growing." Mr. Warwick asked how many classrooms there are at Bethel. Mr. Harper said 26. Mr. Warwick asked how many classrooms there are in the other high schools. Mr. Thomson said they are treated as "semi open" -- they are general classrooms built around a complete high school curriculum.

Mr. Warwick asked if they feel the bids will come in within the amounts allocated. Mr. Thomson answered that they have estimated \$80 a square foot. In answer to Mr. Warwick, Mr. Harper said the cost of the Bethel Regional High School ran about \$67 a square foot. Mr. Warwick asked what would happen if the bids come in over the allocations. Mr. Thomson noted that some of the projects have alternates. Commissioner Lind added that they would attempt to complete those projects that are of highest priority.

Discussion then followed on the domiciliary program. Mr. Thomson said that a study by the Training Corp of America in 1966 on the regional schools projected for 1976 a \$4.5 cost per student. Commissioner Lind said with the academic cost this would amount to about \$7.0 per student per year.

Mr. Warwick asked what schools the communities now have. Commissioner Lind said at Nelson Island there are BIA schools (grades 1 through 8) but no high schools. St. Lawrence Island has no state facilities. There are two BIA elementary schools on Prince of Wales Island. Commissioner Lind explained the facilities existing at the locations shown on the first chart.

Mr. Saylor asked if St. Mary's is an independent school district. Commissioner Lind answered yes. Mr. Saylor questioned this. Commissioner Lind pointed out that a number of precedents have already been established where the state built schools for independent schools districts. He used Yakutat, Unalaska, Nome and Nenana as examples.

Mr. Haugen asked about the school at Unalakleet. Commissioner Lind said this is under discussion right now. He said there has been some concern from Representative Degnan that this was excluded. Commissioner Lind said this was not on the first list submitted by the Department but apparently it had been suggested during Free Conference last year. He added that this was a problem he would have "to work out."

In answer to Mr. Warwick, Commissioner Lind said the enrollment at Bethel is such that they need another elementary school. In the middle school (grades 5, 6 and 7) they have over 1,000 students in the City of Bethel.

Commissioner Lind said they have asked BIA to reprogram the \$10 million that was originally designated for dormitories. He said their first priorities would be Hooper Bay and Chevak. He said the largest community that does not have a high school is Barrow. He said they have encouraged the North Slope Borough to build a high school. However, the Barrow School Board elected to have BIA continue their program. Commissioner Lind said it is the State's position that Hooper Bay, Chevak and Umiat Island come before Barrow.

Mr. Warwick asked about the chances for getting BIA money on non-dormitory schools. Commissioner Lind stated that they think they have BIA fully convinced to reprogram this. He stated this did not require legislation but could be handled by committee action.

Mr. Warwick asked what percentage of students in the bush who are high school age are not attending school. Commissioner Lind said they do not have good records on this. Mr. Harper added that they had come up with about 500 students that they cannot account for.

Mr. Warwick asked what use will be made of the existing dormitories. Commissioner Lind said these will be used for educational purposes. He told the committee that there was no way to fund these dormitories within the appropriation when they are not filled. He used Kodiak as an example saying their enrollment is down about half.

Mr. Saylor asked how they determined the cost value associated with the schools. Mr. Thomson said that the schools in Chapter 195 are estimates.

Mr. Saylor asked if the environmental agencies have stopped the schools from using cess pools. Mr. Thomson said yes. In answer to Mr. Freeman, Mr. Thomson stated that the villages do not tie into their sewer systems. However, they are trying to work with Environmental Conservation to provide safe water facilities. Mr. Thomson added that Environmental Conservation has \$3 million under the Safe Water Act and the Department of Education is trying to coordinate with this agency. Discussion followed.

Mr. Specking asked about the possibility of using a winter road between Kwethluk and Bethel. He pointed out this was about 20 miles and the students could go to school in Bethel. Mr. Thomson said they do have a 180 days school program. Commissioner Lind said it would not be possible to keep this road open for this length of time. He also pointed out that in Kwethluk and other similar communities there is a need for some type of recreational facility. He stated that each of these plans calls for a gym. He added even if this did not open as a high school the facility could be put to maximum use with the elementary kids coming along.

Commissioner Lind said there is more and more push towards the state picking up the responsibility of schools. The State has a law suit now pending which has been filed by a number of communities. These communities feel that the State has not fulfilled its responsibility in providing education. The native people are questioning why they should allow their youngsters to go out of the community to school while the state is providing high schools for the caucasian communities.

Mr. Specking asked about the facility at Sand Point. Mr. Thomson said this would be an addition to the existing building. Mr. Specking asked about the cost